

THE WHITE HOUSE
WASHINGTON

Tuesday, June 14, 1966
2:00 p. m.

MR. PRESIDENT:

I back the recommendations here, but suggest:

1. If you decide to go ahead with one or more of the positive proposals, you have a personal word with Secretary Rusk.
2. You should be conscious that you would be making these proposals the day after the silly Soviet and Eastern European snub of the UN reception. I myself believe we should be above reacting to this pettiness; but I didn't want you to walk into it blind.

W. W. Rostow
W. W. Rostow

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

Tuesday, June 14, 1966

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 87-131

By ig, NARA, Date 1-31-89

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Action Initiatives in Tomorrow's Speech to the Austrians

At Tab A is a draft speech for tomorrow's ceremony at which a group of Austrian businessmen will present you with a token of appreciation (a sword) for our postwar aid to Austria. Apart from minor language changes, the draft is agreed between State and ourselves, except for one major issue -- whether you should announce the three action proposals I outlined for you over the weekend (Tab B).

At Tab C Secretary Rusk argues against taking any of these initiatives now. His principal worries are: (1) the occasion is inappropriate -- these steps have little to do with Austria, and (2) we have not consulted with the Allies or the Congress.

We feel that this is a good time for at least one announcement and perhaps for two. Speech language containing these proposals is at Tab D (and would fit perfectly into the speech draft at the place marked on page 10).

The specific arguments about the three initiatives line up as follows:

(1) East-West Institute:

The Case Against: The Secretary feels that this idea should first be discussed with the NATO Council so that it will be a clearly Atlantic-wide effort.

The Case For: As the Ball-Vance memorandum on constructive steps in Europe points out: "a more flexible Western policy will be vulnerable to attack and Eastern Europe suspicion if this policy and NATO are tied together." No Institute proposal even faintly connected with NATO will be acceptable to the Soviets or the East Europeans. That fact is so clear that even the Western press would charge insincerity and "grandstanding." Moreover, this kind of consultation would almost certainly lose us the domestic and even international political value of a Presidential bridge-building initiative. It would certainly lose the identification of an imaginative and constructive proposal with the President. (No one could charge us with not consulting; your emissary's assignment would be to consult.)

~~CONFIDENTIAL~~

(2) Export-Import Bank Credit Guarantees for Bulgaria, Poland, Hungary and Czechoslovakia:

The Case Against: The Secretary feels that this announcement should be preceded by careful checks with Wilbur Mills, et al. He is afraid that a surprise announcement would lead to a rider on the aid bill prohibiting such guarantees.

The Case For: As bridge-building, this is the most important administrative step we could take. In terms of bread and butter -- economics and politics -- it would have real meaning inside and outside the Bloc. It is also a useful, marginal stimulant to U.S. business and our export markets.

(3) OECD Working Committee Associations with the East:

The Case Against: Secretary Rusk feels that we should not do this before consulting key members of the Organization and the Secretary General. Walt feels additionally that we ought to check for conflicts with the ECE in Geneva.

The Case For: Prior consultation might well bog down in soul-searching discussions of whether the OECD should get into the East-West arena. The proposal, limited to exploration by our Ambassador, is relatively tentative and innocuous, but will enable the President to get on record for a further window to the East.

Recommendation:

The Secretary has a reasonable case. But it seems to us that there is great value to (1) putting some additional substance into your posture of encouraging change in the East-West situation, and (2) making some sensible forward-looking proposals before the General grabs the headlines in Moscow. Therefore, we would recommend:

(1) That you put off making the OECD announcement until we have had time to test the water further.

(2) That you go ahead with the proposal of the East-West Institute, making it clear that we welcome joint sponsorship by as many nations and groups, public and private, as are interested. In our judgment, this

~~CONFIDENTIAL~~

- 3 -

is not the kind of announcement which raises eyebrows in Europe if it is not preceded by consultation. Indeed, we would argue just the contrary -- Europe is looking to us for progressive innovation.

(3) That you go ahead with the Export-Import guarantee announcement after a telephone chat with Congressman Mills -- and perhaps some of the Leadership. The Secretary is certainly right that they should be consulted. Whether the traffic on the Hill will bear this proposal is something only you can judge after talking with Mills.

Of the three proposals, the Institute is clearly the most important in a press-image sense, and, in the long run, probably in substance as well. The Export-Import guarantees will have the most practical meaning in the short run. The OECD thing is less important.

W. W. Rostow

Francis M. Bator

Scratch all the action proposals _____

Include East-West Institute _____

Include Export-Import Guarantees _____

Include OECD _____

Speak to me _____

~~CONFIDENTIAL~~

MEMBERS OF DISTINGUISHED AUSTRIAN DELEGATION, etc:

This is a proud occasion for all Americans. It is also an occasion for humility and for hope.

As an American, I was proud as I listened to Mr. _____'s remarks this morning. It is a great thing for the United States to have had a part in the Austrian economic miracle.

It is a great thing for the Western community that Austrian politics have evolved in peaceful and constructive directions. It is a great thing for the world that the major powers were able to work out a fair and reasonable treaty which guarantees Austrian independence.

These are

These are milestones in the quest for peace.

But I also felt humble in the face of this history.

We in America are well aware who are the real heroes in this story. While we, through the Marshall Plan provided the necessary financial resources needed then, we know that the foundations of these accomplishments are the strength and the fortitude and the endurance of the Austrian people.

We watched with admiration as this gallant people, true to its ancient and honorable tradition, transformed the ruins of war into a modern and prosperous nation. We helped where we could. But the spirit and energy which rebuilt cities and factories and roads and schools were theirs. This is the only way nations are built. It is a long and hard way, but today's Austria is ample proof that it is worth the effort.

Most of all

Most of all, the postwar history of Austria is a source of hope. For the Austria of 1945 presented a danger and a challenge to hopes for peace in Europe. For years Austria hung in the balance in the cold war. For years there was doubt that settlement was possible. It seemed that neither side could afford to trust the other to permit a guarantee of independence and neutrality.

Negotiations at first produced only failure and deadlock. Frustrations were heightened by many near-breakthroughs.

But, finally after eight years of negotiations, after nearly 400 meetings with Soviet representatives, the forces of reason prevailed. On May 15, 1955 the treaty was signed.

The first lesson we learned is that these things don't always come quickly. But we also learned that if we maintain

our

our commitments; if we sustain our efforts; if we are certain of our principles, but willing to negotiate as reasonable men, just solutions can eventually be found.

Now, eleven years later, we see the benefits of this settlement. Despite limited natural resources and a long history of economic hardship, Austria has now almost eliminated poverty. It has created a social security system unparalleled anywhere in the world. It has raised per capita income from \$417 in 1948 to \$1262 in 1965. It has been a force for good in international organizations and the less-developed world. And it has exercised a moderating influence on East-West relations.

In short Austria is a proof that progress even in this complicated world is possible through strength, perseverance, and understanding.

It is a proof that the great unfinished business left over from the Second World War can ultimately be completed provided the West remains strong and united.

It is a proof that even the most intractable problems between the East and West can be resolved to the mutual benefit of both and at the expense of no nation or peoples.

And finally it is a proof of the vitality of freedom and of the ultimate triumph of free men.

The wounds of recent European history are deep; they will not heal overnight.

But if we of the West show enough patience and perseverance Europe can, in time, become stronger and more healthy than ever before. For change is the one certitude in a changing world and the logic of history, of economics--and indeed of survival--should, in time, move us all toward an increasing

appreciation of common interests and interdependence.

For closed societies cannot long remain hermetically sealed when the winds of change are blowing as vigorously as they are today. And as societies become increasingly more open, there will necessarily be a wider recognition of the need to settle our differences and to increase our understanding of one another's problems, and to put aside the ancient ideas that ideologies and national advantage can be imposed by force.

Our own posture toward the East is clear. As I told a group of our Polish friends last month, "we will encourage every constructive enrichment of the human, cultural and commercial ties between Eastern Europe and the West." We have worked along these lines for some time. Many things have been accomplished since my speech two years ago in the George Marshall Memorial Library at Lexington, Virginia, when I announced that we would build bridges to the East. I listed a few involving Poland last month. But there are many others-- several within the past few months. For example:

-- Educational and cultural exchanges with Czechoslovakia have almost doubled in the past year.

Exchanges with Rumania are up one-third.

-- Our universities, working together, signed new and expanded exchange agreements with Bulgaria, Czechoslovakia and Hungary.

- An American airline has opened the first
direct American service to Eastern Europe
in almost two decades.
- Rumania has allowed several hundred dual nationals
and relatives of U. S. citizens to join their
loved ones in our country.
- Last May, for the first time, the United States
participated in the annual Budapest Industrial
Fair. Our exhibit of American technical progress
was the hit of the show.
- Our trade with Czechoslovakia rose from \$24 million
in 1964 to \$44 million in 1965.
- Peaceful trade with the Soviet Union is up to
\$87 million in 1965 as against \$54 million the
year before.

- American exports to Rumania rose from \$1 million in 1963 to \$6-1/2 million last year.
- The Commodity Credit Corporation will now accept East European bank guarantees for credits up to three years on exports of our farm products.
- The Yugoslavs have been making a root-and-branch economic reform--helped by the sale of American surplus farm products, export-import guarantees and loan repayment extensions. Now their factories are competing with each other in the market place--and increasingly with producers from abroad.
- Early last month I called for a treaty to keep the moon free for exploration and use by all, and to prohibit the use of celestial bodies for weapons,

for weapons tests and for military maneuvers.

At the end of the month, the Soviet Union

proposed a treaty along much the same lines.

We are encouraged--and hope that negotiations

looking toward agreement can be started without

delay.

No one of these steps by itself will heal the wounds of the last

two decades. The road ahead is long and difficult. But it is,

like all journeys, a collection of individual steps which

must be taken one by one.

Possible
Insert
if action
proposals
to be
included.

There still remains much to be done. We of the West must maintain our unity of purpose, while at the same time searching constantly for areas of common understanding with the East. We must continue strong so as to make clear to all that aggression cannot pay, and when aggression does come we must employ our strength to check it as we are doing today in South Viet-Nam.

For we meet today at the dawn of a new era. The polarization that has plagued Europe over the past two decades is slowly giving way to new possibilities for understanding and cooperation. And as those possibilities emerge we shall be alert and ready to put them to constructive purpose.

This is the real meaning of this happy occasion. We ~~Americans are proud of our record.~~ We are prouder ~~still~~

of the way our help has been used in Austria and elsewhere in Europe. But--working together--we look forward to even greater days and greater achievements. That is the hope and reality of our postwar policy and the thought I would like to leave with you today.

Thank you again for coming and please come see us again soon.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

55-c

Saturday, June 11, 1966

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 87-131

By ing, NARA, Date 1-31-89

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Initiatives for your Wednesday Speech to the Austrian Delegation

The Ball-Vance memorandum on constructive steps in Europe (copy of my summary at Tab A) contains three items which are ready for Presidential announcement. They would provide an effective center piece for your remarks on European and East-West policy to the Austrian Delegation in the Rose Garden on Wednesday. (I checked this with George Ball. His first reaction was favorable; he will, of course, want to check with Secretary Rusk, who will have a good feel for the post-Brussels atmosphere in Europe.)

If you approve -- subject to an O. K. from the Secretary -- we will build the proposals (summarized below) into the speech draft.

1. An East-West Institute of Management and Administration

All advanced economies -- capitalist and socialist -- share the need for managerial knowledge. All have problems of managing factories and cities, subway systems and air traffic, technical schools, hospitals and television. Modern techniques of administration and management -- whether of the GM or the McNamara-Hitch variety -- are directly relevant and of great interest on both sides of the Curtain. Thus it makes substantive as well as political sense to propose establishing an institute which would bring together professionals and students of management to study, do research, and teach each other.

The Institute would run everything from short conferences to full-length courses; the curriculum would cover management procedures and techniques of all sorts -- budgeting, systems analysis, operations research, time and motion study, and even some aggregative economics of the CEA variety. It would throw together economists, plant managers, engineers, city planners and even social psychologists. Its orientation should be technical and strictly non-political. The faculty would consist in part of established academics on loan or sabbatical. It should have a permanent site (perhaps in Austria), and be governed by a joint board with members from East and West.

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A curb stone estimate of a minimum annual budget would be somewhere between \$4 and \$5 million. Investment money would of course be needed for a site, a building, working capital, etc. The money should come from both East and West and from private as well as public sources.

Politically, I think this proposal would be a significant plus, certainly in Europe, and I would think also at home. The risks seem minimal. The odds on a Soviet response are medium to long, but the Yugoslavs are a pretty good bet and the Poles and Rumanians almost as good. A lot will depend on our tactics. But even if there is no response, you will have taken an imaginative initiative toward the East in a non-political area, offering something attractive to the younger generation of technocrats and managers in the Bloc -- a powerful group.

On balance, I think something will come of it. But even if nothing does, the political onus of rejection would be on the East. And your initiative will provide evidence that the U.S. is not frozen in a cold war posture.

In Wednesday's speech, I would suggest that you announce the appointment of a special representative to explore how to proceed with all the interested parties -- public and private, here and abroad. This approach worked well with Gene Black. Possible candidates:

Mac Bundy, Kingman Brewster (President of Yale), Douglas Dillon, J. A. Stratton (ex-President of MIT, now Chairman of Ford Foundation)*. I strongly recommend Mac -- not just out of affection -- as the most strategically located, the best equipped to play the politics with, and the most likely to pull it off.

Your interests in mind,

Include in speech draft _____

No _____

Speak to me _____

* Clark Kerr would be another possibility.

2. Ex-Im Bank Credit Guarantees for Eastern Europe

Here you would announce your intention to determine that credit guarantees on commercial exports to Poland, Hungary, Bulgaria and Czechoslovakia are in the national interest. This would cover the

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rest of the water front -- Yugoslavia and Rumania are already eligible. John Gronouski is only marginally over-enthusiastic when he says that this is the "most important single economic step you could take on your own to put substance in your 'building bridges' philosophy." It might also make us a little balance-of-payments money.

You should know that we have a recommendation from State -- stimulated by your conversation with Gronouski -- that you announce your intention to examine each export application and determine its eligibility for Ex-Im guarantee on a case by case basis. This more cautious approach would sit better with the economic warriors. In my view, the bolder approach is not only better foreign politics, but better even in terms of domestic posture. I think you should not be exposed to the political costs of making a ruling on exports to Communist countries once a month. But this is something only you can judge.

Include in speech draft _____

No _____

Speak to me _____

3. OECD Connections with the East

The proposal here is that you announce that you will instruct our Ambassador to the OECD (Philip Trezise) to explore with the other members of the OECD Council the possibilities of associating East European countries with some of the Organization's working committees -- Trade, Fisheries, Development Assistance, etc. This won't yield substantive benefits soon, but will be a signal of our willingness to work the East Europeans into Western economic arrangements as rapidly as they are willing to get serious about it. (I have quietly checked this with Phil Trezise -- he would be happy to be so instructed. There may be mild grumbling by the OECD professionals that we should not corrupt their institution with East-West politics. But I don't think the Secretary is likely to be any more impressed by that argument than I am.)

Include in speech draft _____

No _____

Speak to me _____

~~SECRET~~

~~SECRET~~

* * *

I think these three proposals would provide a punch for next week's Austrian statement. They would help counter de Gaulle's attempt to look like the only Western statesman with progressive views on East-West relations. (I am inclined to think we should ignore the fact that some of our dispeptic friends will say that any move we make on this front is really due to the stimulus of de Gaulle. Your long record on bridge-building is a powerful answer.)



Francis M. Bator

Attachment.

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THE SECRETARY OF STATE
WASHINGTON

June 13, 1966

MEMORANDUM FOR THE PRESIDENT

I am enclosing a suggested redraft of your speech to the delegation of private Austrian businessmen whom you will see on Wednesday.

I have eliminated the three action items for two reasons. First, none of them relates specifically to Austria--all are directed at the Iron Curtain countries; second, and more important, there is not time to lay a proper groundwork of consultation.

I think it essential, for example, that the proposal with regard to the East-West Institute should first be discussed with the NATO Council so that, to the greatest extent possible, it can be an all Atlantic effort. The second proposal with regard to the OECD should not, in my judgment, be surfaced before we have consulted with at least the key members of the OECD and the Secretary General. The third proposal for granting export guarantees to four Eastern European countries should be preceded by consultation with Wilbur Mills and other key Congressional leaders.

I am particularly sensitive to the need for consulting our European friends since at Brussels we made a great point of the fact that De Gaulle was talking to the East without touching base with his NATO partners.

I have redrafted the speech, therefore, so as to make it less programmatic. However, it does make the useful point that the world has reaped great dividends by our action of checking aggression in Europe and that the United States will continue to stop aggression around the world as we are now doing in Viet-Nam.

Dean Rusk
Dean Rusk

Enclosure.

This morning I want to suggest three further steps which we believe would be mutually profitable.

First, I intend to propose to the Soviet Union and the governments of Eastern and Western Europe establishment of an East-West Institute of Management and Administration. The great fact of the modern day is that all of us who have reaped the fruits of economic growth have also suffered the thorns. ~~East~~ Each country faces the problems of burgeoning cities, exploding needs for transportation, communication, medical services and the like. Modern businesses in both East and West share the need to apply today's advanced techniques to the problems of managing huge and far-flung enterprises -- factories and department stores, farms and subway systems -- all of the other machinery of prosperity. ~~Each~~ Each of us has much to teach and more to learn.

We need a center to exchange information and ideas, a center where managers and economists, engineers and city planners can talk, do research, and teach each other. Perhaps Austria would be an appropriate site. This and other details must be worked out. I have asked the distinguished

president of the Ford Foundation, Mr. McGeorge Bundy, to be my special representative to carry this proposal forward. He will begin immediately to contact the appropriate authorities -- public and private -- who might contribute in this kind of enterprise.

Second, I intend to ask the United States ambassador to the OECD to explore ~~with~~ with his colleagues the possibility of setting up working arrangements between various committees of that organization and the Soviet Union and the countries of Eastern Europe. We must work for a world of free interchange in goods, services, ideas, and visitors. This is a step in that direction.

Third, I intend to issue a determination that it is in the interests of the United States for the Export-Import Bank to issue guarantees of sound credit sales to Czechoslovakia, Bulgaria, Hungary and Poland. As I have said many times before, peaceful trade between East and West is good business, good politics, and most important, good for the cause of ~~Peace~~. This action will mean that the export credit guarantees available to Eastern and Western Europe will be identical. In today's world, credit is critical to trade. We intend to provide Eastern Europe with access to American business services on the same terms as our other valued customers.

1964

These are not revolutionary steps, but hopeful ones. They are further evidence that the United States is prepared to give a fair and honest trial to any proposal for expanded relations with the East.

Tuesday, June 14, 1966, 12:15 p.m.

Mr. President:

I believe I have now gotten to the bottom of the Saudi stag party.

My sources are both the State Department and Kermit Roosevelt who happened to drop in this morning fresh from a talk with Faisal. The two stories check out.

1. The State Department originally recommended a mixed affair.
2. Ambassador and Mrs. Al-Sowayel recommended to the Saudi Government a mixed affair, including Mrs. Al-Sowayel.
3. King Faisal was willing to have women at the party but no Saudi women. He asked Kim Roosevelt about this. Kim said you'll lose a little either way but it is not important; if it is stag they will say you are curious Muslims; if there are American women but no Saudi women they will say you are curious Saudis. But it won't be important either way.
4. Faisal's Government wired back that it could be either way but under no circumstances should Mrs. Al-Sowayel or any other Saudi women turn up. Mrs. Johnson and Bess Abell decided, under those circumstances, where they would not have a co-hostess, that a stag affair would be better.
5. Mrs. Al-Sowayel is sore and talking.

It all represents a struggle between liberal and conservative wings in the Saudi Government. The liberals are winning to the point of having the conservatives accept western women; but the conservatives are not yet prepared to have Saudi women at this kind of affair. And the conservatives still rule despite the talkative lady.

W. W. Rostow

cc: Moyers
Kermit
Wiggins

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-131
By ing, NARA, Date 1-31-89

supps

~~CONFIDENTIAL~~

Tuesday, June 14, 1966
10:15 a. m.

Mr. President:

State has exhausted all other means
of pressure on Pearson to stop the
Canadian-Soviet bilateral air agreement.

Secretary Rusk believes your direct
intervention with Pearson is our only
chance. He suggests that you send Prime
Minister Pearson the letter at Tab. B.

I support this recommendation.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rlh

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-131
By ig, NARA, Date 1-31-89

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

June 14, 1966

*to state
after 6/14 57a*

Dear Mr. Prime Minister:

I am disturbed to learn that you are planning to go forward with a civil aviation agreement with the USSR that would, among other things, grant beyond-Montreal rights to Havana for Aeroflot.

This could greatly hamper the efforts of the Hemisphere to secure the effective insulation of Cuba, which so far has been our main defense against serious subversive efforts throughout Latin America.

I know you are familiar with the proceedings at the Tri-Continental Conference in Havana last January. At that Conference, the Communist powers disclosed their plans for directing a concentrated effort to subvert freedom throughout Latin America. It has seemed to me, therefore, that we should increase, rather than reduce, our efforts to check the flow of agents, not only between Moscow and Havana, but also through Moscow and Havana to the rest of Latin America.

The Organization of American States took a firm decision to check this traffic at the Ninth Meeting of Foreign Ministers in July, 1954. But the licensing of Moscow-Montreal-Havana flights would cut directly athwart that policy. It would greatly weaken the efforts to dissuade other flag lines from instituting service to Havana. It would be read throughout the Hemisphere not as another step toward an East-West detente but rather as a desire on the part of Canada to better her relations with Castro in disregard of the interests of the other hemispheric states.

I put this to you in forceful language because I think that the step you are proposing is a dangerous one and would be so regarded by the other American Republics. Certainly domestic opinion in my country would find it very hard to understand.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-333

By cb, NARA Date 9-24-99

~~CONFIDENTIAL~~

-2-

I hope, therefore, that before you take this critical step we can have an opportunity to review it fully together.

Sincerely,

15/ LBJ

The Right Honorable
Lester B. Pearson, P.C., O.B.E., M.P.
Prime Minister of Canada
Ottawa

LBJ:WGB:mm
June 14, 1966

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~57-6DEPARTMENT OF STATE
WASHINGTON

June 13, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Canadian-Soviet Bilateral Air Agreement

Recommendation:

I suggest that you send a letter (TAB A) to Prime Minister Pearson of Canada to express your hope that the Canadian Government will refrain from agreeing to granting the Soviet airline (Aeroflot) onward aviation rights from Montreal to Havana.

APPROVE _____ DISAPPROVE _____

Background

We have been informed that the bilateral aviation agreement which is about to be concluded between Canada and the USSR would establish a Moscow-Montreal service by Air Canada and Aeroflot and contain a provision granting beyond-Moscow rights to the Canadian airline in exchange for beyond-Montreal rights for Aeroflot. While there is no objection to the establishment of the Moscow-Montreal service, the onward rights to be granted to Aeroflot would facilitate the Soviet airline's operation of service between Moscow and Havana by permitting these flights, which now must be non-stop, to make a technical fueling stop at Montreal.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 87-129By mg NARA, Date 3-1-89

~~CONFIDENTIAL~~

- 2 -

This development would, for reasons stated in the attached letter, constitute a significant breach in our Cuban isolation program and, for this reason, our Embassy in Ottawa was instructed to raise this issue with the appropriate Canadian officials and to point out the serious, high level concern in Washington. These efforts have not been successful in dissuading the Canadians from granting beyond-Montreal rights to Aeroflot, and the Canadian Cabinet has approved the agreement. The initialing of the agreement can be expected almost immediately.

Because of the foregoing considerations, it now appears that only an approach at the highest level would have any chance of success in convincing the Canadian Government to delete the onward rights provision from the agreement with the USSR. Although the chances are less than 50-50 that Pearson will override his cabinet, I see no harm in putting him in a defensive posture on this matter.

Dean Rusk

Dean Rusk

~~CONFIDENTIAL~~

PROPOSED LETTER TO PRIME MINISTER PEARSON

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 87-131

By lag, NARA, Date 1-31-89

Dear Mr. Prime Minister:

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This could greatly hamper the efforts of the Hemisphere to secure the effective insulation of Cuba, which so far has been our main defense against serious subversive efforts throughout Latin America.

I know you are familiar with the proceedings at the Tri-Continental Conference in Havanna last January. At that Conference, the Communist powers disclosed their plans for directing a concentrated effort to subvert freedom throughout Latin America. It has seemed to me, therefore, that we should increase, rather than reduce, our efforts to check the flow of

agents, not only between Moscow and Havana, but also through Moscow and Havana to the rest of Latin America.

The Organization of American States took a firm decision to check this traffic at the Foreign Ministers' Meeting at the OAS in July, 1964. But the licensing of Moscow-Montreal-Havana flights would cut directly athwart that policy. It would greatly weaken the efforts to dissuade other flag lines from instituting service to Havana. It would be read throughout the Hemisphere not as another step toward an East-West detente but rather as a desire on the part of Canada to better her relations with Castro in disregard of the interests of the other hemispheric states.

I put this to you in forceful language because I think that the step you are proposing is a dangerous one

and would be so regarded by the other American Republics.

Certainly domestic opinion in my country would find it very hard to understand.

I hope, therefore, that before you take this critical step we can have an opportunity to review it fully together.

via Califano
CONFIDENTIAL

Tuesday, June 14, 1966
9:10 a.m.

to P 58
cc: Rogers
Kutner

MR. PRESIDENT:

At your instruction I had a session on wage guidelines.

The session took place in Joe Califano's office. Willard Wirtz, Jack Connor, Gardner Ackley, Francis Bator and Joe were there. After I explained my foreign policy interests in inflation I let them talk; put questions; and probed.

What emerged in my mind was this.

1. The battle we are now engaged in to hold both prices and the wage guidelines is not a battle merely for the next six months until we have a political base for a tax increase. It is the kind of battle that will have to be fought on a systematic basis for the long pull, if we are to hold this economy up close to full employment without inflation. I don't think this is clear to Connor and Wirtz -- or only half-accepted, if it is clear.

2. Measures to hold down the level of effective demand (by taxes, interest rates, consumer credit control, etc.) have an important part to play in this business, but they will not be sufficient.

3. The battle will have to be fought in each major sector of the economy on four fronts:

- on the side of wage policy;
- the training and diversion of manpower to bottleneck areas;
- price policy;
- the diversion of stockpiles and other measures to increase supplies at critical points.

This is what we have been doing on a fire-fighting ad hoc basis, as if it were abnormal.

I think we shall have to accept this as a normal part of trying to keep full employment without inflation. And we need a general staff operation, focussed on each battle front, sector by sector, as a regular part of our business. Commerce and Labor must become part of a strongly led team. We shall have to work hard to generate public (business, labor, consumer) understanding of what we are doing; why; and what the stakes are for each group and the nation as a whole.

DETERMINED TO BE AN ADMINISTRATIVE
MARKING, CANCELLED PER E.O. 12358,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 16, 1983.

BY DGK ON 8-29-85

6/14/66

4. As for the wage guidelines themselves, the original idea was that wage increases approximate the average increase in productivity, not that 3.2% be applied across the board. For example, rapid growth, high productivity industries which must draw labor should be above; sluggish inefficient industries should be below; etc.

5. I think we now face a time when the guidelines must be elaborated in the light of experience and brought to bear with some discrimination according to sectors. This means they must be better understood by representatives of labor, industry, and the public. This is, perhaps, the central task of your Citizens' Advisory Group.

6. We always knew that the construction and service industries would be tough to keep in line. I have no cheap answer here; but you may want a special task force to take a hard look at what can be done to avoid excessive wage increases in construction and excessive price creep in services.

7. We also need the Advisory Group to look hard at what are "fair" increases in profits relative to wages. There is now an emotional response to large profit increases which could blow us through the guidelines ceiling. We need some cool analysis.

8. Therefore:

-- I see no way forward except to refine the guidelines and make them stick; the alternative is inflation or a return to boom and bust.

-- Guidelines are part of a complex, continuing battle which will have to be fought by a combination of overall (fiscal and monetary) measures plus policies in particular sectors.

-- This requires, in turn, a common acceptance by Treasury, Labor, Commerce, and CEA that this is the job; and strong, regular leadership certainly from the President but also, if you can find him, from a senior Cabinet member. It may also require staff work on the sectors of a kind not now regularly done.

W. W. Rostow

Mr. Secretary General, Your Excellencies, distinguished friends, 59 6/14/66

ladies and gentlemen:

Mrs. Johnson and I welcome you to our home. We are proud that the United States plays host to you officially in New York. But it warms our hearts to play host to you personally here.

contingency
remarks
for UN
reception

to
Marvin
Watson

not
used
at UN
recept

It is an extraordinary experience to have under this roof the representatives to the United Nations from more than a hundred nations. It is moving to think that, in spite of all the rich variety of institutions and points of view that our respective histories have given us, we are united in this global Institution.

It is an honor to have the distinguished Secretary General and his principal assistants.

You are a special group of people. You are the sinews of the best organization men have yet devised for applying our collective energies to the great causes that bind us in common purpose.

The more we plumb the power of the atom, the more we need the power that comes from fusing the energy and imagination of men themselves. As we step back from the horrors of nuclear war and reach out to stand on the moon, we know more surely than ever that no man is an island.

No nation can be an island any more.

The atom alone is an awesome thing. The atom divided is a fearsome thing. But atoms combined release power beyond men's understanding. The same can be true with men.

Before we can work together, we must think together. We need to know what beliefs we share. I think they are more than the beliefs that divide us. I want to take advantage of having you here in my home to tell you a little of what I believe.

First, I believe that the high hopes of the United States' own revolution have become the high hopes of the world's revolution. The basic purposes of the United Nations Charter have been the basic purposes of the United States for 190 years.

This is not a matter of words. Generation after generation we have done our best to see that the ideals of our revolution were made real in the lives of men and women. As you know, that commitment is alive today on many fronts: from racial equality to the war against poverty.

I am personally committed to see that that revolution is carried forward -- both here and around the world.

The United States does not seek to impose its way on anyone. We each move toward these common goals in our own way. Our goal -- our interest, our privilege -- is to help other peoples fulfill their own ambitions, in the light of their traditions and culture. We seek no more.

Second, I believe that men must aim to settle their disputes without violence, abroad as well as at home.

Mutual respect and cooperation are the best means to solve most of the world's problems. But there are some problems that they will not yet solve because there are still some who do not understand the language of mutual respect and honest negotiation. Their numbers are, I deeply believe, diminishing as we all learn the rules for survival on this small interdependent planet. But when aggression is attempted, it must not succeed.

I know that physical strength is not enough. We must have a framework of law to preserve peace and freedom against arbitrary power. This truth is not new; it has been known for ages. It was voiced by the first occupant of this house: John Adams, our second President and one of the movers of the American Revolution. He said: "neither morals, nor riches, nor discipline of armies, nor all these together will do without a constitution."

We hope that one day the United Nations will have the strength to enforce peace. But we also look to the day when it will provide a framework of law within which we can settle our differences around the table by the law of men and not in battle by the law of the jungle.

Third, I believe that every man should have the opportunity to meet his basic needs and to build a better life for himself and for his family.

For this reason I have launched programs here in the United States to build a Great Society. But I do not believe that we can prosper alone. We are therefore continuing a vast program of economic aid and are expanding our efforts in the fields of international health and education. This we are doing on our own. But even the vast sums which we have spent are not enough.

We must tap the collective resources of all nations and join in cooperative attacks on the problems of mankind. The United Nations and its specialized agencies are already making headway. The United States fully supports the study now being made to improve their effectiveness. We will make every effort to make sure those organizations have at their disposal the latest techniques of management and planning, so that every dollar can be put to the best use on behalf of the human beings ^{it is} ~~they are~~ meant to serve.

But we must look beyond that. Nations must look to their neighbors and find new ways to cooperate in solving common problems. The regional associations of the United Nations are already effectively at work on four continents. They are contributing to that regional architecture which is gradually creating ^{islands} ~~areas~~ of order and prosperity in one area after another on the world scene.

Fourth, I believe that no man should know the hopelessness of injustice.

Here in the United States we are working every day to make equality before the law and equality of opportunity the realities our citizens deserve. We hold the same objective for all the continents of the earth.

As I told the African Ambassadors to the United States here in the White House three weeks ago, "The domination of one race by another leads to waste and injustice. Just as we are determined to remove the remnants of inequality from our own midst, we are also with you -- heart and soul -- as you try to do the same." I say the same to you. For you through the United Nations are working to the same end.

But we must pursue this goal in the framework of law. Justice requires that we not exchange the tyranny of the minority for the tyranny of the majority.

These are my bellers.

But I also want you to know that I am aware of the difficult problems the United Nations faces.

We have yet to find a good way to make essential peacekeeping forces part of the United Nations' growing strength.

We have yet to find a balance between financial contributions and voting responsibility.

We can do much to increase the effectiveness of the specialized agencies. In short, we do not yet fully agree on how to reach our common goals.

Solving these problems may be painful. But it will be painful precisely because we are not going to ignore them. You have been sent here by your governments to solve these problems. I am committed to their solution. You have the energy and determination to deal with them. I have sent Ambassador Goldberg to work with you because I know he will spare no effort.

While problems remain, great strides have been taken in the past twenty-one years. As the United Nations has grown, so have its achievements. The problems still ahead of us will test the capacity of the United Nations. But they will also stimulate it. Reaching for solutions, we will find strength.

So in welcoming you, I have wanted to share with you these thoughts that lie deep in my own experience. In doing so, I have wanted not only to express my admiration and friendship for you, but to reaffirm in your presence my personal commitment and my nation's commitment to the United Nations and its Charter -- a commitment which we pray may be shared by all. May the United Nations become the permanent dwelling house -- a structure of peace -- for all the sovereign nations which make up the community of mankind.

###

60
Per file

Tuesday, June 14, 1966

MEMORANDUM FOR THE PRESIDENT

The United Nations Association holds its first annual dinner Thursday to kick off the UN Day program. Edgar Kaiser is taking hold of his new job as chairman with real enthusiasm.

Ambassador Goldberg will be the main speaker and would like to read a message from you. Since several hundred outstanding citizens will attend, I think this is a good idea.

We are looking for opportunities to underscore your commitment to the UN. Your reception tonight will help, and the attached message has enough substance to make it more than a pro forma gesture.

I recommend you approve the attached text.

W. W. Rostow

Approve ✓

Disapprove _____

cy Moya
Kintan

MESSAGE FROM THE PRESIDENT TO THE UNA-USA DINNER ON JUNE 16th

The dinner meeting you are holding tonight in New York marks a milestone in United States citizen support of the United Nations. It is an expression of your belief that our dangerous times require a more secure international order of law and justice; and that the United Nations is the principal international instrument through which, however gradually, that order is being created.

The accomplishments of the UN in keeping and restoring the peace -- in the Middle East, Africa, Asia or elsewhere -- are already impressive. But its capacity for peace should be even further strengthened - indeed, there is no task more important than this. The international community, working through the United Nations, should be able to deal with all forms of aggression including indirect aggression and subversion. It should possess better capabilities for peaceful settlement in a crisis, and better means for resolving disputes before they reach the stage of crisis. I pledge this Administration to strive unremittingly to strengthen the UN in these vital functions.

Such steps

Such steps are essential, but not sufficient, to a peaceful world. The structure of peace is many-sided. It also requires, as the UN Charter rightly affirms, the creation of stability and well-being; higher standards of living; better health and education; social progress and the wider enjoyment of human rights.

Toward the attainment of these goals, particularly in the economic sphere, the United Nations already plays a central part - notably through the efficient administration of technical assistance and pre-investment programs. But vast problems still lie ahead: unequal rates of economic growth; shortages of skilled manpower; imbalance between food supply and expanding population; and the complex economic relations between developed and developing economies. For mobilizing the world-wide resources of capital and skills to meet such needs, there exists today no better instrument than the United Nations and its related agencies. Even in areas afflicted with political tension and instability, as in Southeast Asia today, the UN is able to bring nations together to collaborate in the works of peace.

Finally,

Finally, the essentials of peace include respect for universal human rights and for the dignity and worth of the human person. The Universal Declaration of Human Rights has served as an influential standard for many nations. Through its Human Rights Commission the UN continues to promote human dignity and to press for the eradication of racial and religious prejudice and discrimination. It has stimulated much of the steady advance in human rights, not only as a part of the historic end of colonialism in Africa and elsewhere, but also in older and more established societies. Its work will remain important in the major efforts for human rights that lie ahead.

The leadership which the world expects of the United States in all these activities would be impossible without constant communication between government and citizens. You who are joining in this UNA-USA dinner must play a vital part in assuring that such communication continues -- because on it depends the informed support whom the people have always expressed for an effective United Nations. Such support was never more necessary than it is now, in the vital tasks that
lie

lie immediately ahead. You may be sure that your Government will seek continually to deserve that support by its unceasing efforts to perfect the institutions of a more just and peaceful world.

Tuesday, June 14, 1966

Pres file 61

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Latin American Press Reaction to the Dominican Election

You will be interested in the attached summary prepared by USIA of Latin American news media treatment of the elections in the Dominican Republic.

It could hardly be more favorable.

W. W. Rostow

Leak to press _____

Leak for Congressional Record _____

No gloating: clam up _____

Attachment

cc: Bill Moyers
Bob Kintner

Tuesday, June 14, 1966

Mr. President:

For your approval is a suggested reply to Secretary-General U Thant responding to his congratulations on the flight of the Surveyor I spacecraft.

I recommend you approve.

W. W. Rostow

Approve ☒

Disapprove ☐

THE WHITE HOUSE

WASHINGTON

Tuesday, June 14, 1966

~~SECRET~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 91-212

By ing, NARA, Date 9-30-94

MEMORANDUM FOR THE PRESIDENT

at 11:30 a. m. on Wednesday, June 15

The purpose of our meeting on the Israeli and UAR desalting projects is to surface for you the wide range of opinion and controversy over them. I hope the discussion will give us a clearer sense of how to sort these out and move ahead.

Basically, the argument is between the desalters and the disarmers, with varied views between:

--The AEC and Interior want to push ahead with nuclear desalting. They admit money is a problem because a big nuclear desalting plant, while technologically feasible, is still not economic with normal commercial financing.

--AID and Budget Bureau want to save us from building a white elephant which we would have to subsidize.

--State hopes we can use these projects to bargain for IAEA safeguards on all Israeli and Egyptian reactors. They feel that subsidizing a plant might not be too big a price to pay.

--The disarmament experts fear putting any new reactors in tense areas because they would increase ability to produce weapons. Some of them have little faith in safeguards or feel there may be better ways to buy nuclear controls.

To make the most of this meeting, you might want to state your view of the problem and then follow up with the tough questions.

Suggested talking points:

The problem. We want to push ahead with nuclear desalting as rapidly as makes sense. We also want to keep Israel off the nuclear track. Can we do both?

The questions.

1. If nuclear desalting still can't pay its own way without subsidy, what about other sources of water? We've talked so much about desalting, have we overlooked other angles in Israel?

~~SECRET~~

~~SECRET~~

- 2 -

2. ~~Is there a chance that new technology combined with Israel's increased need for water will make desalted water economical in the 1970's?~~

3. ~~If there is no other way, how much is the Israeli project worth to us?~~

4. ~~Since we are worried about nuclear proliferation, how about non-nuclear desalting? Have we closed our eyes to this angle?~~

5. ~~Should we go ahead with desalting if Israel won't accept safeguards on all its reactors?~~

6. ~~How good are IAEA safeguards? Are they worth giving away a nuclear desalting plant for? How can we make them better?~~

7. ~~Should we link the Israeli and Egyptian projects?~~

Attached is a summary of Secretary Rusk's recommendations and of the paper prepared by Dr. Hornig's, Charles Schultze's and my own staff. At the close you might say the discussion was helpful in exploring the issues that will be faced by our coordinator on the U. S. - Israel project; and that the next step is for Rostow, in consultation with those represented around the table, to formulate terms of reference for the coordinator for submission to you.

W. W. Rostow
Walt

~~SECRET~~ ATTACHMENT

~~SECRET~~

~~SECRET~~

63a
June 6, 1966

SUMMARY OF DESALTING PAPERS

You have already seen two papers on the Israeli and UAR desalting projects. One was Secretary Rusk's. The other was a Schultze-Hornig-Rostow paper to put this in the broadest possible perspective. The following summarizes.

Secretary Rusk recommends you name a high-level coordinator to explore conditions under which we might cooperate on nuclear desalting plants in Israel and the UAR. The coordinator would look into using these projects to negotiate IAEA controls on all existing and future nuclear installations in both countries. Secretary Rusk also recommends we undertake economic feasibility studies of both plants.

Your advisers want to highlight four questions that still need sorting out as we move ahead:

1. Can these projects be economic? Economic analysis confirms that the Israeli project will not produce water at currently competitive costs unless financed by grant or at heavily concessional rates. Before getting into that, we want to be sure we are not overlooking other ways to do the job, and your advisers endorse Secretary Rusk's recommendation that you appoint a coordinator to do this. We know little about the UAR project.

2. Will these projects undercut our efforts to stem proliferation of nuclear weapons in the Middle East? We doubt that Israel will accept IAEA safeguards on Dimona in exchange for the desalting plant, but your advisers agree with Secretary Rusk that it is worth exploring. Even if Eshkol did, some of our disarmament experts now feel it would be better not to introduce any new plutonium into the area because it might escape control. If we were satisfied with safeguards, how much should we "pay" for them?

3. Should we link the Israeli and UAR projects? Although it is risky to do anything like this with Israel without balancing on the Arab side, we are not politically in a position to do any capital project for Nasser now, much less a nuclear one. We might even get the kind of nuclear self-restraint we want without giving away a plant. So your advisers differ with Secretary Rusk and believe we should hold off any approach to the UAR until we know where we stand with Israel.

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-131
By inf, NARA, Date 1-31-89

~~SECRET~~

- 2 -

4. Can Adequate USG financing be made available for the Israeli project? For the \$200 million project, the only likely source of funds under current policies is a possible \$50 million from Ex-Im.

~~SECRET~~

64
Pm file

June 14, 1966

MEMORANDUM FOR THE PRESIDENT

Via Mr. McPherson

SUBJECT: International Council for the Exploration of the Sea

The Secretary of State recommends that you sign a message transmitting to the Senate for advice and consent to accession the Convention for the International Council for the Exploration of the Sea.

The Council is the oldest (established in 1902) and most respected international organization dealing with marine science and particularly with fisheries. The U. S. joined the Council in 1912, but allowed its membership to elapse during World War I. Since then U. S. scientists have worked informally with the Council.

The Convention proposed herewith is being adopted by all of the members of the Council to replace its earlier Statutes and to enlarge the scope and activities of the Council.

The National Academy of Sciences Committee on Oceanography, representing the non-governmental segment of our oceanic community, strongly urges that the U. S. rejoin. The Office of Science and Technology endorses membership in the Council on the basis that membership in an international organization such as this would be desirable and useful to the U. S. in relation to political, legal, economic, and strategic considerations of the oceans and their resources, which is in line with the recommendations contained in the PSAC Panel's report on the effective use of the ocean recently submitted to you.

U. S. affiliation with the Council at this time would be consistent and in support of the other steps being taken by your Administration to intensify its concern with exploring and exploiting the oceans such as the PSAC Panel report mentioned above, your action on S. 944 (the Magnuson bill on marine resources and engineering development) and other bills now pending in Congress that may reach you this session.

Accordingly, I recommend that you sign the transmittal letter.

W. W. Rostow

Atts in hold file

June 14, 1966

MEMORANDUM FOR THE PRESIDENT

I think it would be useful for you to see
Ambassador Sullivan as recommended
in the attached memorandum.

W. W. Rostow

Att.

*President will not see -
Sullivan will see Mr Rostow instead*

*6/15/66
S/S notified
Wm Jordan office notified*

1001
65a

THE SECRETARY OF STATE

WASHINGTON

June 13, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Request for Appointment for
Ambassador Sullivan

Recommendation:

I recommend that you receive Ambassador William H. Sullivan, who will return from Laos June 27 for consultation and home leave.

Approve _____ Disapprove _____

Background:

I believe it would be desirable for you to discuss with Ambassador Sullivan the current political and military situation in Laos and its relation to developments in Viet-Nam.

Ambassador Sullivan plans to be in Washington from June 27 to July 1. He will return to Washington for five days before returning to Laos in August. He can, of course, come to Washington to see you anytime during his stay in the United States.

Dean Rusk
Dean Rusk

Pres file

Tuesday, June 14, 1966

Mr. Watson

Marv --

Would you be good enough to tell the President that his decision on the India loans is needed this morning. George Woods' consortium gathers at noon.

W. W. Rostow

OK

~~1. [unclear]~~
2. Pres file

Monday, June 13, 1966 -- 7:45 p. m.

Mr. President:

The ceremonies now planned for the Faisal visit June 21 are exactly like those for President Park's visit and the minimum required for Chiefs of State.

Several innovations which were to have been tried during the Faisal arrival will be held in reserve for possible use during a future Chief of State visit.

W. W. Rostow

b7a

Monday, June 13, 1966
9:45 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Arrangements for Faisal Visit

We have explored this further with the Near East specialists in State. The proposals of Protocol to attract a larger crowd along the parade route and to increase the dignity of the ceremony at the White House are now acceptable to the Arab specialists.

As now planned, we believe they meet your interests and are not likely to complicate our relations with the more popular Near Eastern regimes. They involve arrival at the ellipse rather than on the White House grounds, and a somewhat extended parade route.

State's Protocol parade master, Sam King, will be in touch with your Colonel Cross on necessary steps.

W. W. Rostow

Arrangements OK _____

See me _____

cc: Moyers
Kintner



DEPARTMENT OF STATE
WASHINGTON

675
May 26, 1966

MEMORANDUM FOR MR. ROSTOW
The White House

SUBJECT: Arrival Ceremonies for Visiting Chiefs
of State and Heads of Government

In reply to your request for suggestions of ways to improve arrival ceremonies, first I shall review the normal procedures now followed:

Chiefs of State - Presidents and reigning monarchs

The visitor, accompanied by the Chief of Protocol, or his representative, arrives at the Ellipse by helicopter, transfers to an automobile and enters the White House grounds by the Southwest Gate. Selected Government employees are invited to observe the ceremonies on the South Lawn. (For Prime Minister Gandhi, there were over 800 Government employees, and prior to that there were about 300.) The President greets the visitor on the driveway at the Diplomatic Entrance. After a pause for photographs, the President takes the visitor on to the platform, facing the Honor Guard. Military Honors are rendered - national anthems and a cannon salute. The visitor, accompanied by the President, inspects the Honor Guard and returns to the platform. After a final salute by the Honor Guard, the President and the visitor move to a lectern on the left side of the platform, facing the Press Corps. The President welcomes the visitor and the visitor responds. Then the President takes the visitor into the Diplomatic Reception Room, where they receive members of the visitor's party and the welcoming committee. During this time the cars of the motorcade are moved into position, with the lead car opposite the Diplomatic Entrance. The President takes the visitor to the lead car and members of the visitor's party and others riding in the motorcade follow. The motorcade leaves the White House by way of the Southeast Gate, proceeding east on Hamilton Place to 15th Street, south on 15th Street to Constitution Avenue, east on Constitution

Avenue

XEROX FROM QUICK COPY

Avenue to 9th Street, north on 9th Street to Pennsylvania Avenue, where the motorcade will join the military escort, northwest on Pennsylvania Avenue to 14th Street, north on 14th Street to New York Avenue, southwest on New York Avenue to Pennsylvania Avenue, west on Pennsylvania Avenue to Blair House, where the parade will terminate.

The President escorts the visitor to the porch of Blair House, where the President of the Board of Commissioners of the District of Columbia presents the Key to the City. Then, the President takes his leave and returns to the White House.

Prior to the visit of President Park of Korea in May, 1965, the parade route was much shorter. The motorcade left the White House by way of the Southwest Gate, went east on Hamilton Place, turning north at 14th Street, then onto New York Avenue and Pennsylvania Avenue, terminating at Blair House.

Heads of Government - Prime Minister and Chancellor

The same procedure is followed for the arrival on the South Lawn of the White House. There is no parade. After the President and the visitor receive members of the visitor's party and the welcoming committee in the Diplomatic Reception Room, the President takes the visitor to his office, where they hold the first meeting. After the meeting, the Chief of Protocol escorts the visitor to Blair House.

Suggestions

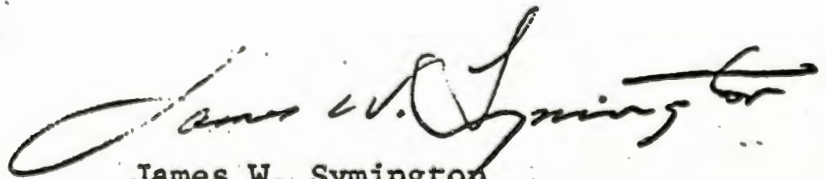
It is suggested that after the President has greeted the visitor, when he first arrives at the Diplomatic Entrance, the President and the visitor receive the members of the visitor's party and the welcoming committee, prior to the military ceremony. Then the normal honors and exchange of remarks would take place. Following the exchange of remarks, the President could take the visitor to the balcony over the Diplomatic Entrance, where he would be in view of the Press and the spectators. Then, the Honor Guard, lead by the band, would pass in review, marching on the driveway. The State

and Territorial

and Territorial flags in mass formation, could follow the Honor Guard. The Third Infantry Fife and Drum Corps, dressed in Colonial uniform, would then march in review at slow step, playing Colonial-type music. The troops would leave the White House grounds by way of the Southwest Gate. As soon as the Fife and Drum Corps had passed in review, the motorcade would immediately move up to the Diplomatic Entrance. Then, the President and all others riding in the motorcade would enter their cars and the motorcade would leave by way of the Southeast Gate and proceed on the parade route.

In order to assure a large crowd along the parade route, it is suggested that the Cabinet Officers and Heads of Independent Agencies be urged to release a maximum number of employees to attend the parade. Attached is a map of the parade route, showing the parade route, the government buildings and the number of employees working in each of these buildings. Normally, there are a number of bands stationed along the parade route that play prior to the parade and remain in position until the motorcade has passed. It is suggested that these bands, rather than remaining stationary, march on the street within a block or over a portion of the route near their position, about 15 minutes prior to the parade. In addition, consideration might be given to the Army and Marine Corps Drill Teams giving a demonstration over a portion of the route.

If agreeable with the Secret Service, an effort might be made to arrange to have confetti released from the windows of buildings in a block along the parade route;



James W. Symington
Chief of Protocol

Attachment

1. District of Columbia
Parade Route

Limited Official Use

Monday, June, 13, 1966 - 7:45pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Appointment for Ellsworth Bunker

Bunker plans to be in town this week and part of next. He would like an appointment with you, and I assume that you would like to have a chance to review the electoral outcome and how our forward planning meshes with Balaguer's.

With your approval, I will work out a suitable appointment with Marv Watson.

W. W. Rostow

Approve ☒

Disapprove ☐

Speak to me ☐

*Boulder will work
out a time for
Bunker with Jim Jones*

cc - Marvin Watson Limited Official Use

Pres file

Monday, June 13, 1966 -- 7:30 p. m.

Mr. President:

Herewith as requested by Bill Moyers points to be made tomorrow morning to Fairlie of the London Observer on intellectuals.

1. The use of intellectuals in government began in a serious way in the New Deal, where you were able personally to observe and participate in seeing them woven into government operations.

2. The Second World War and our postwar involvement in the world carried forward this trend. It carried through the 1950's, despite the McCarthy period.

3. Right now we are at a phase of maximum use of the intellectual capacity of our society, because we are doing revolutionary things at home and facing enormous creative problems abroad.

4. Every aspect of the Great Society program -- from the original task forces at the end of 1964 down to the current operations of John Gardner -- involve not only intellectuals in government but mobilizing the best brains of the country in support of government policies -- whether it is Medicare, reconstruction of cities, race relations, or purification of the water supply.

5. In foreign policy we are working on new initiatives in every continent:

-- in European policy, notably East-West relations;

-- in preparing for the Hemispheric summit to give new impetus to the Alliance for Progress;

-- carrying forward your recent new initiative in African regional development;

-- following through on the Mekong, the Asian Development Bank, and other constructive developments in the wake of your Baltimore speech;

-- even Viet Nam involves the bringing of the best ideas from outside into the government; for example, John Roche and others are working with the Vietnamese on constitutional problems; the best social scientists of RAND are analyzing prisoners and defectors from the Viet Cong; Bob Nathan and other first-rate economists are working on inflation and development problems in Viet Nam.

6. We shall shortly be announcing a systematic relationship between foreign policy efforts in the government and those outside concerned and competent in foreign policy fields.

7. In addition, of course, modern military technology and space have brought and held an enormous number of first-class intellectuals in the government (Hitch, Enthoven, indeed, McNamara himself); and work in these two fields has engaged part or all the time of a great many first-rate men outside.

8. In short, the nature of this society's domestic aspirations, the technological revolution, and the revolution in our position on the world scene set up enormous demands for innovation. Innovation demands ideas and men of ideas. Our society has responded.

9. The connections between the Federal government and the intellectual have never been wider or deeper than they are now, despite the margin of university people who are in dissent about Viet Nam. And you intend to keep it that way.

W. W. Rostow

WWRostow:rla

Pres file

**Monday, June 13, 1966
7:30 p. m.**

Mr. President:

**Herewith a dedit of the message to
Wilson for your approval or revision. It
has been worked up by Sec. Rusk and me
in the light of your instructions.**

W. W. Rostow

WWRostow:rla

70a

DECLASSIFIED
Authority NLS 87-126 (per 23e)
By Dub, NARA, Date 10-11-91

~~TOP SECRET~~

June 13, 1966

DRAFT -- PERSONAL TO THE PRIME MINISTER FROM THE PRESIDENT

Dean Rusk has told me of his private talk with you about the problem of POL in Haiphong and Hanoi. Specific orders have not yet been issued but I see no way of avoiding such action, given the expansion of the illegal corridor through Laos, the continuing buildup of North Vietnamese forces in South Viet Nam, the growing abuse of Cambodian neutrality, and the absence of any indication in Hanoi of a serious interest in peace.

We expect costly fighting during the Monsoon season, the first engagements of which have undoubtedly come to your attention. I must do what I can to reduce our casualties at the hands of those who are moving in from the north.

I deeply hope that you will find a way to maintain solidarity with us on Viet Nam despite what you have said in the House of Commons about Haiphong and Hanoi. We are not talking about an air assault on civilian centers but a specific attack on POL installations with a direct relevance to the fighting in the south. I hope that you can give further thought to your own interests and commitments in Southeast Asia under the SEATO Treaty. Dean tells me that, in his talk with you and your colleagues, several references were made to the "revival of SEATO." South Viet Nam and five signatories of SEATO are not talking about a revival but are committing troops to repel an armed attack from the north. Nor do I believe that your role as co-chairman means that Britain should stand

~~TOP SECRET~~

~~TOP SECRET~~

-2-

aside; the other co-chairman is furnishing large quantities of sophisticated arms and other assistance to North Viet Nam and is, therefore, an active partner in the effort to take over South Viet Nam by force.

I know that you have some problems about Viet Nam, as do I. But I believe that it is sound for us to base our policy on the simple principles of the Geneva Accords and the SEATO Treaty, and on the assumption that North Viet Nam will not be permitted to seize South Viet Nam. Since we are determined about the latter point, much of the present criticism will come right at the end of the day.

I gather Dean spoke to you of the possible combination of points which would put a different cast upon disassociation by you from a decision to strike the POL. Quite frankly, I earnestly hope that you will not find it necessary to speak in terms of disassociation. But it would be important to us if you could include the following elements:

1. You were informed of the possibility that such an action would, in our minds, become necessary.
2. You expressed your own views to us in accordance with statements which you have already made in the House of Commons.
3. The particular step taken by U. S. forces was directed specifically to POL storage and not against civilian centers or installations.
4. Since Britain does not have troops engaged in the fighting, it is not easy or appropriate for Britain to determine the particular military

~~TOP SECRET~~

~~TOP SECRET~~

-3-

action which may be necessary under different circumstances.

5. It is a great pity that Hanoi and Peiping have been so unresponsive to unprecedented efforts by the U. S. and others to bring this problem from the battlefield to the conference table.

6. Britain is satisfied that U. S. forces have no designs against civilian populations and are taking every possible precaution to avoid civilian casualties.

7. Britain as a member of SEATO fully understands and supports the determination of its fellow SEATO members to insure the safety and the self-determination of South Viet Nam.

I would hope that you could in this context affirm your support for the effort in Viet Nam and your understanding that it is Hanoi which is blocking the path to peace.

The timing of a visit to Washington is somewhat complicated. You and I agree that there should be a good deal of blue sky between your visit and possible action in Viet Nam. That alone would suggest that the month of June is out, as we now look at the calendar of events. When we get into July, I shall expect to be away for almost a full week surrounding July 4th, during which I shall be going to California for our Governors Conference. You have Pompidou's visit on July 6-8 and your possible visit to Moscow on July 9-10. I have just suggested to President Senghor that he come here July 11-13.

~~TOP SECRET~~

~~TOP SECRET~~

-4-

It appears, therefore, anything before mid-July is blocked by our respective calendars.

If you feel a talk at that time is essential, we can say now that we expect it to be held in mid-July, leaving the precise dates open for further determination. In response to questions as to why you are coming, perhaps we both should simply say that we have felt occasional talks to be worth while and that a number of matters of mutual interest could be usefully discussed, and that mid-July appears to be a mutually convenient time.

I was much interested in what Dean told me of your talks about Rhodesia and the maritime strike. You have my best wishes in bringing both of these troublesome matters to an early conclusion.

END

~~TOP SECRET~~

Thru Mr Watson

ST 1/2
informed
w/

71
orig. sent
to Bator
6/14/66

Monday, June 13, 1966 at 5 PM

Mr. President:

If you approve, Secretary Rusk will instruct George McGhee
to propose July 20-25 as a possible time for an Erhard visit,
and let the Chancellor pick the specific day or days.

FMB

Francis M. Bator

OK
✓

Approve _____

Disapprove _____

Speak to me _____

I have too many
coming in July -
How about August?
↙

Monday, June 13, 1966

4:40 pm

To Pres

MR. PRESIDENT:

Joe Sisco just called me with the following intelligence:

*RJA
6/14*

1. Morozov, the USSR delegate, has approached Goldberg and said that in view of the fact that we were not inviting to the UN reception tomorrow the Albanians, Cubans, etc., he could not come. Moreover, he said he would advise certain other delegations (presumably Eastern European) that he was not coming to Washington.
2. Goldberg weighed in hard that our failure to invite Albania, etc., was exactly like Soviet policy in failing to invite the Chinese Nationalists to their UN receptions. Morozov is reported to have been a bit queasy about his position.
3. Goldberg is now working on the Poles, Czechs, etc. It appears that the Soviets have not approached the Rumanians on this point, presumably because they are judged too independent to follow Moscow's lead.
4. Therefore, I believe we should make the occasion as social as possible -- as much like a reception for the Washington diplomatic corps as can be done. A speech does not appear to be in order. This is Goldberg's and State's recommendation, as well as mine.

W. W. Rostow

*Pres file***CONFIDENTIAL**

Monday, June 13, 1966 -- 4:15 p. m.

MEMORANDUM FOR THE PRESIDENT**SUBJECT: 12:30 p. m. Lunch Tomorrow**

1. Buzz Wheeler is on an exercise in Europe.
2. Secretary Rusk has a long standing engagement to speak at lunch in Denver to the Rotary International. He will get back towards the end of the UN reception.
3. Under these circumstances: Do you still want a lunch?
Yes _____ No _____
4. If yes, can Ball substitute for Secretary Rusk?
Yes _____ No _____
5. If yes, do you wish any other member of the JCS to substitute for General Taylor?
Yes _____ No _____

W. W. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By DCU NARS, Date 8-29-85

WWRostow:rla

CONFIDENTIAL

74

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

Monday, June 13, 1966
3:55 PM

Mr. President:

In a revealing talk with Ambassador
Bohlen, DeGaulle says that France
does not want to keep her forces in
Germany.

W. *Walt* *Walt*ostow

~~SECRET ATTACHMENT~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 87-131

By 48, NARA, Date 1-31-89

~~SECRET~~

Monday, June 13, 1966

TEXT OF CABLE ~~FROM AMBASSADOR BOHLEN~~ (Paris, 8672)

DeGaulle received me on Saturday and we talked for approximately one-half an hour on the following subjects: (1) Soviet Union, Europe and Germany, (2) Vietnam, very briefly, and (3) French forces in Germany.

DeGaulle seemed very relaxed and in excellent health and humor.

Soviet Union, Europe and Germany

I asked General DeGaulle if he could give me his estimate of the current Soviet problem and its future evolution, particularly in regard to Europe and to Germany.

DeGaulle said it was his feeling that the Soviet Union at the present state of its development was not bellicose, certainly did not wish any armed clash, and would avoid any action which might provoke a crisis with the West. He hastened to qualify his general remarks by saying that this could change and it was for this reason that ~~France was remaining in the Alliance while leaving the organization.~~ He said he thought that the Soviet leaders were generally seeking a detente, obviously for their own purposes, but that he personally felt it was to the advantage of the West to support this position. He realized the Western attitude towards France was to Russia's advantage, but he also felt that it was to a certain extent to French advantage.

In regard to Europe, he thought that the Soviet Union at the present time was interested in having a general detente with the West, but in reply to my question, ~~admitted that what the Soviets were after immediately was some recognition of the two Germanies, which, he continued, was actually in effect at the present time, although he hastened to add that he would not take any official action which would appear to confirm it.~~ He also said in regard to unification that this was a very long process and ~~the only thing that he might conceivably obtain in Russia was some indication of reunification as a very long range aim.~~

I replied that I thought we could all agree on the desirability of a detente with Russia but that, as he knew, this had been a constantly recurring theme in post-war relations. However, we recognized the danger of trying to create a detente when there were serious elements of instability caused by the Soviets on the European scene, namely the division of Germany and Berlin

~~SECRET~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 87-129

By 48 NARA, Date 3-1-89

This led to a discussion of Germany and its reunification, which I found of some interest.

De Gaulle said that as matters now stood, West Germany, although powerful economically, from a military and political point of view, constituted no danger to anybody, that the reunification of Germany, for which the French stood in principle, if it came about suddenly would result first of all in the consolidation of Soviet hold over the countries of Eastern Europe (which he said would be a very bad thing) because those countries would seek protection from a more powerful Germany. In addition, he said it would cause a considerable amount of apprehension in Western Europe.

I pointed out that on the other hand, a continued division of Germany would produce so strong a frustration in Germany as to raise all sorts of different dangers.

De Gaulle shrugged his shoulders and said, "It is always necessary to choose between two evils in politics."

I told him that I thought his schedule was a very heavy one in Russia but that I thought he would receive a wonderful reception since the Soviet Government was a past master in arranging such receptions. De Gaulle smiled and ~~said the Soviet Government could create anything it wants among its people.~~

Vietnam

De Gaulle asked of any new thoughts on the subject of Vietnam and said he continued to think that ~~only a clear indication of willingness of U.S. forces to leave the country could conceivably bring about the possibility of a~~ negotiation.

I replied that I thought that ~~this depended on what was meant by leaving the country. We had repeatedly said, and meant it, that we had no intention of leaving any troops in Vietnam after a settlement was made, but obviously they could not expect the U.S. to withdraw the troops before such a settlement, and in any event we had never been able to obtain the slightest indication of any interest in negotiating from the other side.~~

De Gaulle did not reply, and I did not pursue the subject further.

French Forces in Germany

~~I then mentioned to De Gaulle the French decision, which Couve de Murville had told the Secretary in Brussels, concerning the removal of the French air squadrons.~~

DeGaulle confirmed this and said that the reason was of course that since they were not to be integrated, they could not stay on in Germany, which was not the case with the ground forces.

I asked him then if he did not think that this decision radically altered the whole problem of French ground forces since whatever troops remained there, assuming they did, would require some degree of air protection, presumably from the other Allies.

DeGaulle denied this and said distances were so small that French air squadrons based in France could equally protect troops in Germany. He said in truth (en verite) France did not really wish to keep her forces in Germany. It was for this reason she had phrased the last communication to the Germans which said they would only remain if there were a positive German desire for political or symbolic reasons for them to remain. DeGaulle said militarily the troops would be in approximately the same position if across the border in France.

In order to have complete clarity on this subject, I asked the General if he meant that France would have no desire to leave the troops in Germany but preferred to have them in France.

DeGaulle said that perhaps "desire" was the wrong word, but that France would not have any interest in the sense of state interest, and that objectively it would be better if the French troops were back in France. However, he emphasized that if the Germans really wanted the troops, for whatever reason, France would be willing to see if this could be arranged.

Comment

It will be noted that there was nothing essentially new in DeGaulle's remarks to me, with the possible exception of the French attitude towards the French troops in Germany. What he said here was confirmation of what we had heard from another source, but it is perhaps the first time that he has stated it specifically to a foreigner.

General DeGaulle's remarks on Germany indicated his fear of a reunified Germany and his description of the concentration, i. e., huddling, of Eastern European states under Moscow's wing and apprehension in Western Europe were of interest and perhaps not too far from the truth. It is, however, apparent that he apparently expects, and indeed desires, Germany to stay divided for a long period of time, and that even when reunification comes about, it will be more of a facade than a reality since at one point in the conversation, he said there never can be another Reich.

75

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-126
By CB, NARA, Date 5-5-95

SECRET - SENSITIVE

Monday, June 13, 1966, 1:30 p.m.

Mr. President:

I had Mr. Harriman in today for a talk about POL. He understands the problem posed by the expansion in the Laos Corridor. He volunteered comments on the Harris Poll and the pressure building in the country to apply more pressure on the North. He concluded with two points:

1. He would, of course, support any decision you made about bombing POL;
2. His only anxiety is that if we hit a Soviet ship we would make things more difficult for them in pressing Hanoi to negotiate.

In addition he said he is extremely anxious to be sent on a mission to Moscow about July 1st. He would like to carry something with him indicating our "good will." One suggestion is that, as a preliminary to a more dramatic use of U.S. and Soviet satellite photography, we offer to exchange our photographs.

On this, Bill and I are working on a rather dramatic peace package about which we will be talking to you shortly.

On Wednesday I go to work on Ambassador Goldberg.

W. W. Rostow

by Meyer

SECRET
SENSITIVE

Monday, June 13, 1966, 11:30 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U.S. Delegate to the Buenos Aires Meeting of Ministers of Education

Your suggestion of Phil Lee as a substitute for Secretary Gardner is a good one, but I find that both he and Education Commissioner Howe are heavily engaged in preparations for hearings and cannot get away.

State is looking for another suitable candidate from among its own ranks or elsewhere.

We should not hold up the reply to President Illia any longer. I have redrafted the letter expressing regret that Secretary Gardner cannot go but indicating that a strong U.S. delegation will be coming.

I have added a sentence referring to wide-ranging talks Secretary Rusk and I had with Illia. We know he valued them greatly.

W. W. Rostow

June 13, 1966

Dear Mr. President:

I have your letter concerning the forthcoming Latin American Conference of Ministers of Education and Ministers Responsible for Economic Planning. I am happy to have this opportunity to write you about this and other matters of mutual interest.

The field of education has been an area of prime interest to me since the years when I taught school in rural Texas. I know from personal experience what education means for the fulfillment of the individual and the working of a healthy democratic society. From your long experience as a doctor, you will have made the same observations.

I have recommended to our Congress that new initiatives be developed in the field of international education as a major component of our collaboration with the countries of this hemisphere, and also of other regions, toward the ideals of freedom, social justice, and peace. The intent of the proposed International Education Act of 1966 now before the Congress is to strengthen our capacity for this enduring purpose.

I am also fully in accord with the importance you attach to the Conference of Ministers of Education and Ministers Responsible for Economic Planning in Latin America. I regret that the pressure of work will not permit Secretary Gardner to head the United States delegation to the conference, but a strong United States delegation will be coming.

I want to take this opportunity to comment on your proposal for a meeting of Presidents. I welcome this initiative. You will have seen the statement I made regarding it in my address in Mexico City last April. Ambassador Martin will have conveyed to you in recent days some of our preliminary thinking on preparations for such a meeting.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 87-130
By WJ, NARA, Date 2-1-89

Several of our sister governments have endorsed your view and mine that to be truly meaningful such a meeting should produce substantial results. We are hard at work here, searching inside and outside the government for lines of action which would accelerate the economic and social development of Latin America and its economic integration. I would welcome hearing from you directly your thoughts on these matters.

I know that you are facing some tough economic problems. I too have my share of them as we in the United States deal with various strains put on our economy by our commitment to the struggle against aggression in Vietnam and our determination to continue assisting the developing nations. Recently some of your economic advisers were in Washington for talks on trade and other economic matters of mutual interest. I understand that this initial round was helpful and that it will be followed by further conversations in Buenos Aires. I hope that you will feel free to write me about these and other issues on which you think an exchange of views would serve to strengthen ties between our two countries. Secretary Rusk and Walt Rostow have told me of their good talks with you about the longer future of relations within the hemisphere and the relations of our hemisphere to other parts of the world community.

I look forward to meeting and talking with you when the summit conference is held.

Sincerely,

131
LBJ

His Excellency
Dr. Arturo Illia
President of the Argentine Nation
Buenos Aires

LBJ:WGB:WWR:mmm

Monday
June 13, 1966

1. Supp.
2. Pres. file

MEMORANDUM FOR THE PRESIDENT

Secretary Udall asks your approval of the attached draft letter naming him U. S. coordinator of a U. S. -German follow-up on his natural resources mission to Germany.

A copy of the report of the mission is attached.

The Secretary of State has approved this letter.

I recommend you sign.

W. W. Restow

Attachment

77a
June 1, 1966

Dear Stewart:

The Report of your Natural Resources Mission to Germany is before me. "Conservation" is a sound basis for international cooperation for the same reason that it is a sound basis for our Nation's resources policy -- because it is ethically sound, and rooted in our love of the land, our respect for the rights of others, and our devotion to the rule of law.

Your action proposals are well conceived and most timely. It is my understanding that your German counterparts have seen the report and are anxious to initiate the action program outlined in it.

I want you to act as coordinator of this exchange, subject to the foreign policy guidance of the Secretary of State. I am directing that your Cabinet colleagues, whose Departments are involved, provide the finest kind of cooperation in order to ensure the success of this program.

I've noted that first steps have already been taken, with the invitation to a German coal research team to visit our facilities this summer. Complementary natural resources research programs are bound to be fruitful.

Special stress should be placed on the control of automobile exhaust pollution. Our two countries have a common stake in this problem, if an industry basic to the economy of each is to remain healthy.

You and your team have made a fine contribution to the cause of international amity and to the cause of conservation. I am particularly pleased that the key members of the House and Senate who participated in the mission have endorsed the development of an effective natural resource exchange.

Keep up the good work.

Sincerely,

/s/
LBJ

Honorable Stewart L. Udall
The Secretary of the Interior

~~CONFIDENTIAL~~

Monday, June 13, 1966
9:50 a. m.

MEMORANDUM FOR THE PRESIDENT

Two distinguished Negro leaders have written (Tabs A and B)
to congratulate you on your May 26 OAU anniversary speech:

1) Reverend James H. Robinson, Director of Operation Crossroads Africa, a volunteer summer work program for American youth in Africa (Secretary McNamara's daughter is a former participant); and 2) Frederick D. Patterson, President of the Phelps-Stokes Fund which has financed scholarships and educational projects for American Negroes and Africans.

We have drafted short, but friendly, replies (Tabs C and D) for your signature.

For signature.

W. W. Rostow

DEPARTMENT OF STATE ADMINISTRATIVE
MATTERS, CONTINUED FROM D. 12353.
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAY 10, 1966.
264 8-24-85

June 13, 1966

Dear Dr. Robinson:

Thank you for your kind comments on my recent remarks on the occasion of the third anniversary of the Organization of African Unity. It was an event of special importance to me as it offered an opportunity for me to meet not only the African Ambassadors, but Americans like you who are making a real contribution to African development.

Sincerely,

/s/
LBJ

The Reverend James H. Robinson
Director
Operation Crossroads Africa, Inc.
150 Fifth Avenue
New York, New York 10011

LBJ:UH:em

cc: W.W. Rostow

June 13, 1966

Dear Mr. Patterson:

Thank you for your kind comments on my recent remarks on the occasion of the third anniversary of the Organization of African Unity. It was an event of special importance to me as it offered an opportunity for me to meet not only the African Ambassadors, but Americans like you who are making a real contribution to African development.

Sincerely,

/s/

LBJ

Mr. Frederick D. Patterson
Phelps-Stokes Fund
297 Park Avenue South
New York, New York 10010

LBJ:UH:em

cc: W. W. Rostow

to P 79
4/13/66

Monday, June 13, 1966
9:30 a.m.

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Letter to Senator Pastore

The State Department has recommended that you send the attached letter to Senator Pastore expressing your appreciation for his leadership in the passage of the Senate Resolution on the Spread of Nuclear Weapons (S. Res. 179), a copy of which is attached (Tab A) for your information.

The Resolution was agreed to by the Senate 84-0, with all Senators absent declaring themselves in favor (except Senator Eastland who did not announce how he would have voted). The Resolution had been unanimously reported out by the Senate members of the Joint Committee on Atomic Energy, and the Senate Foreign Relations Committee reported it out without objection. The essentially unanimous Senate support for this Resolution considerably strengthens your hand in dealing with the non-proliferation problem. A letter to Senator Pastore offers a convenient opportunity to indicate your personal agreement with the Senate Resolution.

I recommend that you sign the attached letter (Tab B) to Senator Pastore.

/s/

Walt W. Rostow

Atts.

SMKeeny:jb:6-3-66
bcc: SMK file and chron
WWR (2)

June 13, 1966

Dear John:

During the course of the hearings you conducted before the Joint Committee on Atomic Energy on S. Res. 179, Secretaries Rusk and McNamara, Mr. Foster and Dr. Seaborg all expressed the support of this Administration for what has become known as the "Pastore Nonproliferation Resolution." Although they spoke for me, I would now like to give you my own personal expression of agreement and gratitude.

In my message to the Eighteen-Nation Disarmament Committee at Geneva last January, I noted that your resolution and similar resolutions in the House supporting measures to prevent the spread of nuclear weapons "are an indication of the importance that the people of the United States attribute to such measures."

Now your resolution has been approved by the Senate without one dissenting vote. This overwhelming expression of sentiment is more than an indication of the support of the American people for our unremitting efforts to stop further proliferation of nuclear weapons. It is clear and unequivocal evidence of the depth of our commitment. As such, it is there for the whole world to see. I know it will reinforce Mr. Foster's position at Geneva, where on my instructions he will shortly renew our urgent pursuit of a treaty to prevent the spread of nuclear weapons.

It is a source of great strength to me to know that, in dealing with this vitally urgent problem, I have the support of the United States Senate.

Sincerely,

/s/

LBJ

The Honorable John O. Pastore
United States Senate
Washington, D. C. 20510

LBJ: WWR:SMK:jb:6-3-66

Limited Official Use

Monday, June, 13, 1966

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Appointment for Ellsworth Bunker

Bunker plans to be in town this week and part of next. He would like an appointment with you, and I assume that you would like to have a chance to review the electoral outcome and how our forward planning meshes with Balaguer's.

With your approval, I will work out a suitable appointment with Marv Watson.

W. W. Rostow

Approve ☒

Disapprove ☐

Speak to me ☐ .

*Boulder wire work
out to Tim w/J.G. Jones*

cc - Marvin Watson

Limited Official Use

81

THE WHITE HOUSE

WASHINGTON

~~SECRET~~ - SENSITIVE

Monday, June 13, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Guatemalan Inaugural Ceremony

In our conversation last Friday evening, we discussed the inauguration ceremonies for Guatemalan President-elect Mendez Montenegro.

More precise answers to some of your specific questions are:

1. Program

The schedule of events is at Tab A.

2. Flying Time

The large jets can get to Guatemala City from Andrews in 4 hours and 15 minutes and return in 4 hours and 10 minutes.

3. Security Situation

From this end it looks satisfactory, but it would be advisable to get a further reading from Ambassador Mein. We can send the message at Tab B through [REDACTED] channels if you wish to pursue this aspect. Alternatively someone could go from here to make the check.

25X1A

W-4 B
W. G. Bowdler

OK
Walt

Approve sending message _____

Prefer sending some to check _____

Prefer not to pursue _____

Speak to me _____

Attachments _____

~~SECRET~~ - SENSITIVE

SANITIZED
Authorig NLJ-019-008-002/3
By pc NASA, Date 11-30-09

81a

GUATEMALAN INAUGURATION CEREMONIES

Protocol for Inaugural Events - June 28 - July 2

June 28: Delegates arrive in Guatemala City.

June 29:

11:00 a. m. - Presentation of copies of letters of credence to Foreign Minister Herrarte by the Chiefs of the Special Missions accompanied by members of their missions. Dark business suit.

4:00 p. m. - Presentation of letters of credence to Chief of State Peralta by the Chiefs of Special Missions accompanied by members of their missions. Dark suit.

7:00 p. m. - Reception by Foreign Minister Herrarte in honor of the Special Missions. Black tie.

June 30:

7:00 p. m. - Reception by the Chief of State and Minister of Defense Peralta on the occasion of Army Day. Black tie.

July 1:

10:00 a. m. - Inaugural ceremonies. Dark suit.

6:00 p. m. - Chiefs and Members of the Special Missions are introduced to the President and the Vice President. Dark suit.

July 2:

11:00 a. m. - Special Missions place a wreath at the Heroes Monument. Dark suit.

8:00 p. m. - Banquet is given by President Mendez in honor of the Chiefs of the Special Missions. White tie.

10:00 p. m. - Reception is given by the new Foreign Minister in honor of the Special Missions (following President Mendez' Banquet). White tie.

~~SECRET - SENSITIVE~~

81-b

MESSAGE FOR AMBASSADOR MEIN

For use in determining the level of our delegation to the inauguration ceremonies, we desire your assessment of the security situation and capability of Guatemalan forces to deal effectively with anti-US disturbances which communist and other extreme leftist elements might try to launch. Please reply using the same channel.

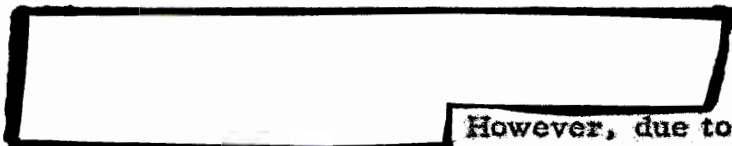
DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-130
By inf, NARA, Date 2-1-89

~~SECRET - SENSITIVE~~

Pres file~~SECRET~~

June 11, 1966
Saturday, 7:30 p.m.

Mr. President:



6.2(a)
3.3(b)(5+6)

However, due to a boner in the Pentagon they did not request this dispersal approval early enough and now they are stuck with a tactical evaluation exercise next Wednesday. They should have Presidential approval before then.

Your prompt action would be greatly appreciated.

W. W. Rostow

~~SECRET - FORMERLY RESTRICTED DATA~~

SANITIZED
E.O. 13292, Sec 3.5
NLJ 06-3 (#2a)
By *isl* NARA, Date 3-12-08

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

82a

~~SECRET~~

~~FORMERLY RESTRICTED DATA~~

June 10, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: [REDACTED]

6.2(a)
3.3(b)
(5)(6)

[REDACTED]

approved dispersal of weapons to the first squadron last March.

You

[REDACTED]

[REDACTED]

If you approve, I will sign the attached memorandum to the Deputy Secretary of Defense.

W. Rostow
W. Rostow

Approved _____

Disapproved _____

See me _____

~~SECRET FORMERLY RESTRICTED DATA~~

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 06-3 (#2-8)
By *isl*, NARA, Date 3-12-08

82b

THE WHITE HOUSE
WASHINGTON

June 13, 1966

~~SECRET~~
~~FORMERLY RESTRICTED DATA~~

MEMORANDUM FOR THE DEPUTY SECRETARY,
DEPARTMENT OF DEFENSE

SUBJECT: [REDACTED]

6.2
(a)

[REDACTED]

6.2
(a)

3.3 (b)
(5+6)

It was noted that the Department of State and Atomic Energy Commission have concurred in this requested dispersal action.

The requested authority has been approved with the understanding that all weapons to be dispersed under this authority are programmed for permissive link installation in accordance with NSAM 160 and the yields of these weapons are within the limits of NSAM 143.

[REDACTED]

6.2 (a)

3.3
(b)(5+6)

W. W. Rostow

W. W. Rostow

~~SECRET FORMERLY RESTRICTED DATA~~

SANITIZED
E.O. 13292, Sec 3.5
NLJ 06-3 (#2)
By *isl*, NARA, Date *3-12-08*



~~SECRET~~
THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

1797

82-c

8 JUN 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Dispersal of Nuclear Weapons [REDACTED]

6.2(a)
3.3(b)(5)

I refer to your memorandum for the Deputy Secretary, Department of Defense of March 19, 1966, which conveyed Presidential authority [REDACTED]

[REDACTED] A second [REDACTED] strike squadron will soon be operationally ready and authority to disperse additional nuclear weapons to support it is now required.

[REDACTED] Air Force [REDACTED] Strike Squadron, located at [REDACTED] is scheduled to assume an operational capability with 18 F-104G aircraft in June 1966. U.S. unilateral communications to [REDACTED] are already operational. Other necessary custodial and security arrangements at [REDACTED] to support the F-104G capability are also in being.

[REDACTED] NSAM 334 also authorizes, for planning purposes only, the eventual dispersal of 40 modern nuclear weapons for the support of two [REDACTED] F-104G squadrons. This authority contemplates the withdrawal of nuclear weapons support from an F-84F squadron as an F-104G squadron becomes operational.

[REDACTED]

~~SECRET~~

~~FORMERLY RESTRICTED DATA~~
Handle as Restricted Data in Foreign Dissemination
Section 144b, Atomic Energy Act, 1954

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 06-4498.331
By isl, NARA, Date 2-19-08

EXCLUDED FROM AUTOMATIC
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~~SECRET~~

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specific type of weapons to be furnished at any one time will depend upon target requirements, weapon availability, and logistics aspects. Therefore, operational flexibility within the above listed types of nuclear weapons is considered necessary.

The referenced memorandum reduced the dispersal authorization for two [redacted] strike squadrons from 50 weapons to 45 weapons. Therefore, approval of this request will reduce the weapons dispersed for two [redacted] Air Force strike squadrons from a total of 45 weapons to 40 weapons.

6.2(a)
3.3(b)(5)

[redacted] The yields of these weapons are within the limitations contained in NSAM 143 and the weapons are included in the PAL installation program in accordance with NSAM 160. Approval of this request will not require any increase in the area totals of nuclear weapons proposed for dispersal [redacted] in FY 66 over those reflected in NSAM 334.

The Department of State and the Atomic Energy Commission have concurred in this requested dispersal action.

C. Vance

~~SECRET~~

FORMERLY RESTRICTED DATA

Handle as Restricted Data in Foreign Dissemination
Section 144k, Atomic Energy Act, 1954

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

Saturday, June 11, 1966, 7:30 p.m.

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Rid from
6/14

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Secretary Freeman's Report on His Mexican Trip

Secretary Freeman asked me to transmit to you the attached report on his trip to Mexico.

He does not mention in his report that he discussed the possibility of an international cotton commodity agreement. The Mexicans, who have in the past shown interest in an agreement of this type, were not sanguine that the opposition of other producers to a commodity arrangement could be overcome. The subject of an international cotton agreement will be considered further next week at a meeting of the International Cotton Advisory Committee. We assume that the Mexicans will continue to seek support for such an agreement. We will support them, but, for tactical reasons, not take the initiative.

Ambassador Freeman has cabled the Embassy's assessment of the visit:

"The Embassy considers the visit as having been extremely useful. It, of course, demonstrated President Johnson's concern that United States agricultural policy be understood by the Mexicans. It afforded top Mexican officials the opportunity to explain at length the Mexican views directly to Secretary Freeman, and afforded him a similar opportunity to explain the United States position, including the legislation under which the program will be carried out. While views were energetically pressed, the discussions were cordial throughout. Prominent publicity given Secretary Freeman's categorical assurances that the United States would not dump cotton and that it would not sell below 22 cents a pound during the 1966-1967 season, as well as other points made by him in the press release and the press conference, was most helpful from a public relations viewpoint."

Secretary Freeman's trip fulfilled your commitment to President Diaz-Ordaz. His discussions give the Mexicans and us a better understanding of each other's position. What the Secretary agreed to with respect to dumping and holding the price for cotton for the marketing year 1966-1967, plus our continued support of the Mexican initiative for a commodity agreement, puts us in the position of being helpful to the Mexicans.

W. A. Rostow

Attachment

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By , NARA, Date 5-26-98

Cy: Meyer
Kane



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON

June 8, 1966

MEMORANDUM

To: The President
The White House

From: Orville L. Freeman
Secretary of Agriculture

Subject: Follow-up Mexican Trip

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-132
By ing, NARA, Date 4-30-87

1. The follow-up of the President's successful trip to Mexico was consummated June 6 and 7. Protractive, touchy and difficult sessions were held concerning cotton. On balance I believe it turned out well.
2. I conferred for 45 minutes with President Diaz Ordaz. He was cordial. I brought your greetings and joined with Ambassador Freeman in presenting the albums of pictures of the President's Mexican trip. He asked that I express to you his appreciation and warm regards.

I was somewhat surprised that the Mexican President addressed himself so strongly to the subject of cotton pricing. I was pleased that he did. It came out that he had been misled about a number of things. I think I was tactfully able to broaden his understanding, particularly on the importance of maintaining our competitive position vis-a-vis rayon. He was quite surprised and startled when I told him that since 1949 cotton had lost 15 million bales annually to rayon and that failure to price competitively was a significant factor.

3. **Accompanied** by Ambassador Freeman and my own staff, including Ed Fried from the State Department, I spent 3 hours with the Mexican **Cabinet**, headed by Secretary of State Carrillo Flores. I made **every** effort to be considerate and obliging and to comply with **all** their legitimate requests. I had anticipated that they would concentrate on the question of U.S. pricing policy under the cotton provisions of the Food and Agriculture Act of 1965 but had not expected that they would be as persistent and demanding as proved to be the case.

2--The President

I listened very patiently to their extremely long and sometimes tedious presentations and then sought for a middle ground or some kind of review or study or committee which would show progress but would not make it necessary for me to refuse their specific requests. They wouldn't be dissuaded from their target which was to get categorical commitments of our forward pricing policies on cotton not only for the marketing year 1966-67 but beyond. This I couldn't give them for both legal and policy reasons.

Here is where it ended up:

- A. I told them categorically that the United States would not dump cotton. This made headlines in every newspaper.
- B. I told them that the United States would not sell below 22 cents a pound for the marketing year 1966-67.
- C. After avoiding a direct answer for as long as possible I finally had to make it categorically clear to them that I would not make a commitment on cotton pricing beyond the 1966-67 marketing year. (I am directed under the law to set the cotton support price at 90 percent of the estimated world price.)

Former Secretary of Agriculture Rodriguez Adame carried the discussion and made a categorical demand on me to set a forward price beyond one year at least three times despite the fact that he was fully aware of the provisions of the law having spent the last year lobbying in Washington.

- D. They also demanded that I announce then and there whether we would add carrying charges to the current sales price of cotton, i.e., 22 cents, and if so, when, and how much per month. Here again I was forced to a categorical refusal. I was able to tell them, and did so, that in all likelihood carrying charges would be added and we would make that decision as soon as it was possible to do so.
- E. It was requested that we agree and so announce that formal discussions would be held with Mexico before announcing price supports or changes in sales policy. Again I had to refuse, but I assured them we would continue to be available for informal discussions of our policies.

3--The President

F. I issued a press release and they did the same which contained the usual platitudes about a continuing close working relationship. It made the following specific points:

- (1) The U.S. has not and will not under any circumstances dump cotton on the world market.
 - (2) The U.S. will not sell cotton during the 1966-67 marketing year at less than 22 cents a pound.
 - (3) The U.S. will continue to cooperate with Mexico and other interested countries in existing international organizations dealing with cotton production and consumption.
 - (4) That the U.S. and Mexico will continue the friendly and candid discussions of cotton problems and prospects.
4. The Mexican press response was excellent as of my departure featuring in black headlines "U.S. won't dump cotton." The Mexican Secretary of Agriculture stated publicly at my press conference the appreciation of the Mexican Government to President Johnson and stated further that the Mexican farmer no longer need be so apprehensive about his future cotton prices.
5. The Mexicans were stubborn, obtuse and narrow-minded on the whole price question. We are convinced that competition with rayon is critical and that price is an important factor. We have lost the equivalent of 15 million bales of cotton a year to rayon since 1949. Nonetheless they did not want to announce, although they agreed privately, a study by technicians to review the competitive price situation.
6. On balance the conferences were friendly, direct and detailed. The colloquy was sometimes spirited. I was concerned at the conclusion that they might be offended. However, there was no indication of any offense on either side at the dinner held later that evening by Ambassador Freeman or on Tuesday when I visited the National Agricultural Institute at Chapingo with the Mexican Secretary of Agriculture.

For the time being I think the Mexicans understand the "price" issue!

Some Observations

1. I am somewhat suspicious of the Mexican attitude. Cotton price is of course important but there are other important considerations. Their single-minded concentration on price, oblivious to everything

4--The President

else, from the President himself on down hardly makes sense. Either there are some economic interests, possibly large cotton dealers, who have inordinate influence on the Government, or this is a transcendent emotional issue.

2. Mexico's overall agriculture has made outstanding progress. They are food self-sufficient, which is a real accomplishment. They have an excellent research program and, as you know, Mexican maize and wheat seeds are being used extensively and successfully in Pakistan and India. I urged them to join with us in the Food for Freedom program around the world exporting their know-how. Their response was, "We are happy to help, but after all we are a poor country!"
3. Ejido problem -- This is a shocking problem and one the Government largely ignores. There are five million Ejidotarios with an estimated net income of less than \$200 a year per capita. This is a product of the revolution and the philosophy that every man is entitled to land. Instead of giving the land to an individual owner, it has been granted to a so-called Ejido which is a kind of cooperative community where it is held in joint ownership. Tracts are assigned to individuals but it cannot be mortgaged or sold. As a practical matter the whole operation is now politically dominated through the control of the Compesino League which is in turn affiliated with the political party PRI which dominates Mexico. The result is very little progress. The Government continues to look the other way for this is a kind of "political Holy Cow". In a country which has advanced as much as Mexico with its excellent overall agricultural growth rate and its fine record of economic progress, it is disgraceful that this condition should continue. It is ironic that these Ejidos continue to be glorified as the outstanding product of the Mexican revolution. Actually they virtually enslave these people. The Government which glorifies the revolution and with it the Ejidos continues to look the other way.

I received varying reports as to how politically explosive this situation is, but it certainly is a condition which ought to be rectified. We should use our influence wherever feasible to try to correct it.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

Saturday, June 11, 1966, 6:15 p.m.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 87-131

By ing, NARA, Date 1-31-89

MEMORANDUM FOR THE PRESIDENT

Mrs. Gandhi has taken the first big step in the economic program Mehta worked out with George Woods. She has devalued the rupee. This has triggered strong opposition within her own party, from the Left, and from Indian business men.

She needs the prompt response of aid donors to permit import liberalization and to underscore the positive part of her program. That is why George Woods is pressing the consortium hard for prompt action.

The politics of our bargain are in pretty good shape.

-- She is angling through diplomatic channels for another meeting with the Paks. Gene Locke is working the other end of the line. While this will probably not produce anything dramatic, it should keep the Tashkent process going.

-- The effort to get a grip on military spending is less advanced. **But** George Woods is working actively on this, as you know; and State is pressing the Indians to take our concern seriously.

We are pleased with Mrs. Gandhi's boldness; a bit worried about the tightrope she's on; and feel we should go ahead now with our part of the economic deal.

Woods has promised to let her know by 15 June -- next Wednesday -- how much the consortium will contribute toward the World Bank target of \$900 million in non-project aid. She has committed herself to announce further steps on import liberalization by about 20 June. She cannot do this without the Woods package. The consortium meets on Tuesday.

Dave Bell accepts the World Bank's \$900 million target and would like your approval:

To put in a U.S. planning figure up to \$335 million at the consortium negotiating session Tuesday. This is in addition to the \$100 million you approved for the Vice President to take with him in February. Our planning figure would include: (a) an immediate new program loan of \$150 million available from FY 66 funds and (b) up to another \$185 million to be made contingent on Congressional approval.

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Bell would start bargaining with a low U.S. figure of \$280 million (plus the earlier \$100 million) to press other donors to give more and would go up to the full \$335 million only if necessary to get the maximum out of the others. AID can handle the higher figure with what it has already asked of Congress.

Woods is pressing the Germans to increase the \$62 million they plan to put into the consortium; and to increase within that figure the present amount (about \$45 million) of their program lending. We shall be on to the Indians to press home George's point.

Bell recommends the package and has consulted the Congress.

State concurs.

Bureau of the Budget concurs in an attached memorandum.

Secretary Fowler is in dissent as his attached memorandum to you indicates.

He makes three points:

-- He believes 42 percent rather than 48 percent is the "Appropriate share" for the United States;

-- He regrets that the debt rescheduling for India will be delayed by the World Bank until the fall;

-- He generally opposes continued non-project lending to India unless we can establish a more favorable bilateral trade balance with India.

I have looked carefully into these points.

With respect to shares, the 42 percent is an historically accepted figure covering both project and non-project lending. It is not the relevant figure for this package, which is wholly non-project. In fiscal 1965 -- the last year for a full consortium package -- the non-project share of the United States was as high as 55 percent. It is, thus, true that in the sensitive area of non-project lending we are making progress in getting others to do more.

Moreover, our share looks bigger than it is. **We are being allowed by the World Bank to count the \$100 million non-project loan to India** which we granted via the Vice President, as part of this year's consortium package, although it represents funds which under normal circumstances we would have lent India last year. **The other members of the consortium did not break off their assistance to India as we did during the war period.** They are not getting credit this year for the contributions they made last year.

Therefore, on this point I conclude that **our share in this non-project package is "appropriate."**

With respect to debt rescheduling, all of us would like to see that take place as soon as possible. **It requires, however, complicated prior negotiation.** George Woods believes he cannot get it organized until the fall. He has, however; accepted and will try to press on the others, a principle greatly to our advantage; namely the principle that we will take the debt rescheduling "off the top." This means that those who, in the past (mainly Europeans), lent on hardest terms will bear the greater burden in the rescheduling; we will deduct this from the \$900 million; and we shall divide up the balance according to the agreed percentages. It is just that this principle be accepted; but it is also to our advantage. **And it is worth our while to let George Woods fight this battle for us between now and the autumn, which is his recommendation.**

With respect to the commercial balance, it is true that we buy more from India than they buy from us. However, this does not bear directly on the present loan package. **All of it is tied.** We are working hard -- and should work harder -- to increase our exports to India. We are making some progress. **But we cannot count on having even bilateral trade balances with every country.** Moreover, of the other major trading partners of India: the pound is in worse trouble than the dollar; the Germans are no longer building reserves; and we have good balance of payments arrangements with Japan. The Indians trade little with the French.

I conclude, therefore, that while we wish to go further in increasing our exports to India as to other countries, there is no balance of payments pain in this loan package; and there is not even much pain in India's favorable trade balance with us.

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Therefore, I concur in the recommendation of AID, State, and the Bureau of the Budget.

The \$900 million is the minimum necessary to carry Mrs. Gandhi over import liberalization and her political crisis.

Economically, our balance of payments will not be damaged.

And we are getting about as much equity from the consortium as one is likely to get in an imperfect world.

I recommend you approve the AID package as presented.

W. W. Rostow

Approve AID package ☒

Disapprove ☐

See me ☐

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

OFFICE OF
THE ADMINISTRATOR

June 10, 1966

MEMORANDUM TO THE PRESIDENT**SUBJECT:** Aid to India

Prime Minister Gandhi has started to undertake the economic policy reform discussed with the World Bank. Devaluation of the rupee, announced early this week, was the most politically difficult element of the reform package. Mrs. Gandhi is standing firm in the face of a storm of criticism within India, not only from opposition elements claiming the Government sold out to the West, but from strong elements in the Congress Party itself, who fear the decision will hurt the party in the February '67 elections.

India had intended to put the whole economic program out as a single package, but because of the severity of conflict over the devaluation decision among the top political leadership, and because of the grave danger of a leak, Mrs. Gandhi was forced to speed up her timetable. The Government of India has publicly promised to announce further steps on import liberalization "within a fortnight", and is now in a difficult position with continued uncertainty about the nature and extent of foreign exchange support for the reforms.

The Indians have urgently requested George Woods to report on his efforts to mobilize the \$900 million of non-project aid he agreed that they required to undertake further reform measures, particularly liberalization of imports, in order to get the economy moving and thus convince the Indian public that the new steps are really in India's interest. George Woods has promised to report to the Indians early next week on the results of his efforts.

The question George Woods has put to us with the request that we respond as soon as possible is: how much of the \$900 million will the U. S. provide. The following considerations should govern our decision:

GROUP 4
Downgraded at 3 year
intervals; declassified
after 12 years.

~~CONFIDENTIAL~~

DECLASSIFIED

Authority Group 4
By Delt, NARA, Date 4-13-87

CONFIDENTIAL

- 2 -

1. We would like to hold the U. S. contribution to about 42% of the total which has been the previous U. S. share of the combination of project and non-project (commodity) aid through the Consortium. This will not be easy because, although we have pledged about 42% of total aid, in the past the U. S. has provided about 55% of the non-project aid provided by the Consortium. Some of the other Consortium members have been reluctant to provide their proper share of non-project aid, although this kind of assistance is particularly well suited to India's needs. As it is especially valuable in support of the liberalization program now envisaged, we are particularly anxious that others increase the proportion of aid they make available on this basis.

2. Part of the requirement of \$900 million can be met by rescheduling debt payments due to Consortium members this year. Ideally, we would like to see the total amount of principal due (about \$170 million) deducted from the requirement of \$900 million and the balance divided among Consortium members. This approach seems logical because it puts the highest current bill to those who in the past have had the poorest terms. In view of the time urgency, it is doubtful that we can persuade the other Consortium members to conform to this principle in this round, but we, with World Bank assistance, intend to press for its adoption with respect to long-term aid and debt planning.

3. The World Bank agrees that the \$100 million loan which we made available recently should count towards the \$900 million total. However, it is possible that some of the other countries may object because they either have provided or plan to provide the full amount pledged last year while we do not plan to complete last year's conditioned pledge.

Balancing all of these considerations, we propose that you authorize us to report to the Bank that, subject to Congressional appropriation, our contribution to the \$900 million will consist of \$380 million, including the \$100 million already provided, this total representing about 42% of the \$900 million non-project aid requirement. Of the balance of \$280 million to be made available, we would provide \$150 million immediately out of funds which are available this fiscal year, and the balance of \$130 million out of new funds after Congress has acted.

It is probable, however, that \$280 million from the United States plus contributions from other countries - assuming maximum

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- 3 -

U. S. effort to induce others to increase their contributions - **will fall short** of the requirement of \$900 million. Therefore, **we request your** approval to increase the amount of the additional **U. S. contribution** from \$280 million up to as much as \$335 million.

The additional funds could be provided by AID, still within the total lending authority that we have requested from the Congress. Alternatively, a portion of the additional amount might be provided through Export-Import Bank facilities.

If we have to go as high as \$435 million (\$335 million beyond the \$100 million already contributed) to reach the total of \$900 million, the U. S. proportion of total non-project lending would still be substantially less than the 55% level that it has been in previous years. The absolute amount of non-project aid by others would have to increase by over 60% even if we went to our proposed maximum figure. We would interpret such increased contributions by others as reasonable burden-sharing on their part.

In communicating our decision to the World Bank, and through it to the Indian Government, we would indicate that we are prepared to negotiate a \$150 million non-project loan immediately. This could be made public promptly. We propose to ask the Government of India to refer to further prospects for U. S. support to the package in, and only in, the following terms: The U.S. has expressed its willingness to do its share in meeting India's non-project aid requirements for the year, as assessed by the World Bank, and to this end has indicated its intention to consider a further non-project loan this fall, after Congress has acted on the aid bill.

Recommendation:

That you authorize us to inform India and the World Bank:

- a. That we accept the requirement of \$900 million as calculated by the World Bank;
- b. That we are prepared to negotiate an immediate non-project loan in the amount of \$150 million;
- c. That we are prepared to make further non-project loans to India after Congressional action in order to meet our share in financing India's non-project aid requirements for the year, and that we now contemplate that an additional loan in the amount of \$130 million would, subject to Congressional action, complete our contribution.

~~CONFIDENTIAL~~

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That you further authorize us to increase the contingent portion of our contribution to be provided after Congressional action, by an amount up to \$55 million which could be financed by AID, or by a combination of AID and Export-Import Bank resources.

Approve: _____ Disapprove: _____

David E. Bell
David E. Bell

CONFIDENTIAL

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

JUN 11 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Aid to India

Recommendation

I recommend that you approve Dave Bell's request in the attached memorandum that he be authorized to offer up to \$335 million as the U.S. share of non-project aid to India in her current fiscal year and to make a first installment of \$150 million available now. Of course, any further installments would be subject to Congressional action.

Approved _____

Disapproved _____

Discussion

Mrs. Gandhi is moving ahead with the economic reforms she discussed with you. She devalued the rupee early this week. She has now announced plans to liberalize imports "within a fortnight."

The scope of the liberalization depends upon the support she can expect from the World Bank Consortium. George Woods has promised to report to her on Tuesday the results of his efforts to mobilize foreign assistance.

The World Bank has calculated, and the U.S. agrees, that \$900 million in non-project aid is the minimum needed to permit the kinds of reforms we have been pushing for. Our share of that, based upon the 42% of the total which we have pledged through the World Bank Consortium, comes to \$380 million. This amount

- is within the AID budget level of \$385 million for India approved by you in January.
- is an improvement on past experience. While we have in the past supplied 42% of total Consortium aid to India, we had to put up 55% of the program-type loan which this package covers.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-127
By ing, NARA, Date 6-16-88

But the Bank has agreed to count the \$100 million loan you authorized in February toward the total. This reduces the need for new money to \$800 million. Our share of this is \$335 million, which saves us \$45 million. I believe this is the amount we should be prepared to spend.

There is a chance that we can do even better than this. We might be able to persuade Canada, the U.K., Japan and the other donors to let us subtract all of the \$100 million from our share of the \$900 million, which would reduce our contribution to \$280 million. This is unlikely, however, because

- many of the other donors have serious problems with giving non-project aid.
- all of them are meeting their 1966 Consortium pledges, while we are not, which puts us in a weak bargaining position.

Thus, I agree with Dave Bell that we should start our negotiations with an offer of \$280 million in new money, but that we be prepared to go up to \$335 million if that proves to be necessary. This gives us plenty of room within the Budget and it is a reasonable price to pay for the politically courageous and economically sound steps which Mrs. Gandhi is taking. I also agree with Dave that we should provide the first \$150 million now, out of funds available this fiscal year, in order to reduce some of the very great political heat which she has taken on by announcing the reforms in an election year.

The balance of payments impact of this support will be reduced to the minimum by fully tying all loans to the purchase of U.S. goods. We understand Secretary Fowler is sending a separate memorandum on this.

Charles E. Schultz

Charles E. Schultz
Director

~~CONFIDENTIAL~~



THE SECRETARY OF THE TREASURY
WASHINGTON

CONFIDENTIAL

JUN 11 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Aid to India

Since I became aware late last evening of the particular terms of aid being proposed to you, I have had some opportunity this morning to consider this as expressed in Dave Bell's memorandum to you.

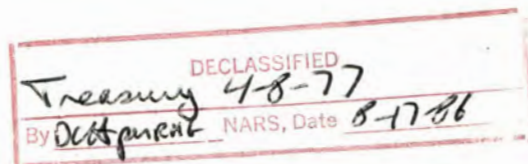
I would like to make these observations on the request that you authorize commitments up to \$435 million. The appropriate figure is \$343 million with the \$100 million contribution made earlier bringing the net to \$243 million.

1. It seems highly undesirable for you to authorize us to increase the contingent portion of our contribution by an amount up to \$55 million to compensate for shortfalls in contributions from other members of the consortium. Forty-two percent is the appropriate share; that is what the United States should contribute. The practice, indulged in by the United States in the past, of picking up any residual needs that develop because of the unwillingness of other countries to make their appropriate share is hard to justify under normal considerations. It is even more difficult to defend in a situation where the United States has a major deficit in our balance of payments and other members of the consortium have surpluses derivative in part of our carrying major burdens throughout the world.

For all practical purposes this authorization will mean that you are authorizing us to pay 48.3 percent rather than 42 percent which is our agreed share.

2. Our contribution should result from a calculation that separates out principal payments on debt due members of the consortium and subtracts them from the total. These payments are \$172 million and would reduce the total to

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- 2 -

\$728 million. Prorating this figure in accordance with the 1965-1966 shares would require a U.S. contribution of \$343 million.

If we do not follow this approach and other countries do follow it, as they are likely to, the United States will be providing a percentage of the real economic assistance made available to India substantially in excess of its fair share.

I understand that the World Bank agrees this is an appropriate method of calculating shares but does not feel it is possible to settle the debt question until the fall when the next round comes up. That being so, I see no reason for the United States to assume unilaterally an additional burden in the current round.

Apart from these two specific points, there is one general observation I should like to make looking to the longer-term future. It will not be practicable, from the standpoint of our balance of payments, to continue large amounts of non-project aid to India directly or through IDA unless there is a substantial change in the pattern of commercial trade that gives assurance that is not currently present that this type of aid to India is not placing a very heavy burden on the U.S. balance of payments.

With the removal of restrictions on India's imports now contemplated, it should become the joint concern of India and the United States to increase substantially U.S. cash commercial exports to India. Trade missions, government efforts of various sorts, and a determined bilateral effort from both private and public sectors of both countries are indicated.

The commercial trade balance is heavily in India's favor. Our best estimates of the figures for 1964 show \$123.7 million of U.S. commercial exports to India and

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\$304 million of commercial imports from India. Even though there has been a slight increase over recent years in the share of the Indian import market falling to the United States, the disparity between that share and our share of aid contributions is striking and bound to be the subject of increasing attention. In 1965 for example, the U.S. share of the commercial import market in India was estimated at 16 percent. At the same time the U.S. contribution to the consortium was 42 percent, and PL 480 sales of approximately \$400 million in U.S. fiscal 1965 greatly increased the U.S. share as a contributor to the Indian economy.

Those responsible for continued U.S. aid to India, directly and indirectly, must do a great deal more to change this picture. I say this not solely out of my concern for the U.S. balance of payments but as the U.S. Governor for the World Bank who sees difficulty ahead in assuring an adequate replenishment for IDA in the next Congress. One of the points of attack is certain to be that a disproportionate share of IDA funds goes to India, thereby entailing a disproportionate burden on the U.S. balance of payments because of the small U.S. share in India's commercial import market.

Henry H. Fowler
Henry H. Fowler

CONFIDENTIAL

June 11, 1966
Saturday, 6:00 p.m.

*Let's from
Pm 6/14*

Mr. President:

Here is a memo Henry Owen
sent to Secretary Rusk in response
to your New Ideas and New Men
theme.

It's worth reading.

I still think the best solution is
to make Henry the planner; make some
new lively outsider like John Roche
the counselor.

W. W. Rostow

~~SECRET~~ Attachment

*Cop Moyer
Hinton*

J5a

DEPARTMENT OF STATE
Acting Counselor and Chairman
Policy Planning Council
Washington

~~SECRET~~

June 10, 1966

MEMORANDUM

SUBJECT: Policy Planning: **New Ideas and New Men**

1. The most tangible results of the Policy Planning Council's work in the past have been its proposals for new US programs: e.g., the Development Loan Fund, the \$500 million "Act of Bogota", the US-Soviet "hot line", the changed US position re an Asian Development Bank, etc. None of these ideas would have gotten to first base, however, unless major crises had come along to shake things up and open the way to major change.

2. So a good way to define the Policy Planning Council's program may be to ask ourselves: What are the key foreign policy areas in which impending change or crisis may offer opportunities for major movement, and what new ideas might enable us to take advantage of these opportunities? We propose to concentrate on three such areas, in the period immediately ahead:

(a) The widening food/population gap. The dimensions of this prospective gap are increasingly evident. It may well be that new forms of joint action - by both exporting and importing countries - will be needed to deal with it over the coming decade. We are working on new ideas which could be launched after the summer DAC Ministerial meeting on food.

(b) Development aid. Several studies have indicated that a quantum jump in development aid may well be needed in the next ten years. This suggests a new look at some tough questions: How to get more aid from other industrial countries? How to create a US domestic base for increased aid? How to expand the developing countries' absorptive capacity?

(c)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 90-66
By ing NARA. Date 4-9-90

~~SECRET~~

(c) Europe. There may be opportunities for two kinds of movement in Atlantic affairs in the next decade: (i) toward new forms of East-West contact in Central Europe; (ii) toward new dimensions in Atlantic partnership. We need to look for new actions to exploit these opportunities - both in the present transitional period and over the longer term.

3. In each of these three areas, we will ask ourselves these two questions:

(a) What new forms of collective action can be mounted? (None of these problems can be dealt with effectively unless burdens hitherto borne by the US are shared more widely with other countries.)

(b) What new or strengthened institutions might promote this action? Such institutions as OECD, NATO, EEC, and the Alliance for Progress have played an important part in promoting and dramatizing joint effort. The reason was well stated by Jean Monnet: "Man constantly begins his experience anew. Only institutions become wiser...."

4. In examining each of the areas indicated in para 2, we will invite people from the foundations and the academic world who might have new ideas to meet with us.

(a) We plan to set up a panel on food/population, which would include not only the people who come readily to mind (Emile Despres from Stanford, Hollis Chenery from Harvard, Carl Kaysen from the Institute of Advanced Studies, Max Millikan from MIT) but also others who have been less to the fore in government consultation: Richard Porter from Michigan, Dudley Kirk from the Population Council, Al Harberger from the University of Chicago, Ravel from Harvard.

(b) We also plan to set up a panel on Central Europe and Atlantic partnership which would include not only traditional sources of wisdom but also such new men as

~~SECRET~~

- 3 -

Robert Pfaltzgraff from Pennsylvania, Stephen Kertesz of Notre Dame, Charles Jelavich from Indiana, and Professor Roberts from Dartmouth. In addition we would propose to bring over some Europeans for this one (the Ford Foundation has agreed to finance their trips): Theo Sommer from Germany and Altiero Spinelli from Italy - both thoughtful writers on East-West issues, and Kenneth Younger from the UK and Max Kohnstamm from the Netherlands, both excellent on Atlantic partnership.

5. We would propose that the State Department make these panels' existence public once they have been set up.

6. All this would be separate from the Policy Planning Council's regular Board of Consultants, which runs to more prestigious and less academic types: Acheson, McCloy, etc. We would propose to use this Board of Consultants to review the 1970's global study that Bob Bowie is preparing, when it is in final form. We can then consider whether, and if so how, the long-term goals set forth in this report could be made public.

7. The other thing we'd like to do is recruit more outside talent for the Policy Planning Council. As in the case of Brzezinski, we can probably only get this talent for 1-2 years, depending on the University involved; even so, it seems well worth while. Over time, we hope thus to establish a pattern which would make it wholly natural for top-ranking foreign policy types in the academic community to plan on a tour in the Council as part of their career development.

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

Saturday, June 11, 1966

~~9:00 am~~ 8:00 pm

86
Ret'd from
Pres
6/13

Mr. President:

Last Thursday you asked Linc Gordon for
a report on the Portuguese language abilities
of previous US Ambassadors to Brazil.

Attached is his report.

W. A. Rostow

86 a

ASSISTANT SECRETARY OF STATE
WASHINGTON

June 10, 1966

MEMORANDUM FOR THE PRESIDENT

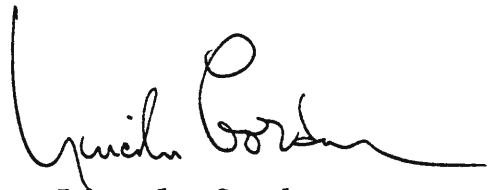
Subject: Portuguese Language Ability of
U. S. Ambassadors to Brazil

With reference to our conversation at your luncheon for President Schick, I am enclosing a list of United States Ambassadors to Brazil since 1912, with a brief description of their facility at Portuguese both at the time of their appointment and subsequently.

As you will note, only Adolph Berle had a substantial speaking knowledge of the language when he arrived in Rio, although several Ambassadors, including myself, developed a good working capability during our tour of duty.

The fact is that, since Portuguese is not a recognized international language, people learn it only when they have a specific reason for so doing. It is so similar, however, to Spanish, French and Italian, that anyone who has one of these languages can rapidly acquire Portuguese. The Brazilians recognize that Portuguese is not widely known, and are therefore very tolerant of errors during the early portion of an Ambassador's career.

Ambassador Tuthill has excellent command of French and will, I am sure, learn Portuguese rapidly. Since he was by far the best qualified candidate available, I believe it would have been most unwise to rule him out simply on linguistic grounds.



Lincoln Gordon

Enclosure:

List

UNITED STATES AMBASSADORS
TO BRAZIL

<u>Period of Duty</u>	<u>Ambassador</u>	<u>Portuguese Language Ability</u>
1961 - 66	Lincoln Gordon	Reading only at app't - developed good speaking ability quickly while on job
1959 - 61	John M. Cabot	None at app't - developed good working knowledge
1956 - 59	Ellis O. Briggs	None at app't - developed good working knowledge
1955 - 56	James C. Dunn	None at app't - developed marginal capability during tour
1953 - 55	James S. Kemper	None before, during or after tour
1948 - 53	Herschel V. Johnson	None at app't - developed good working knowledge
1946 - 48	William D. Pawley	None before, during or after tour
1945 - 46	Adolph A. Berle	Good working knowledge at app't - rapidly became fluent
1937 - 45	Jefferson Caffery	Minimum Portuguese but fluent Spanish and French at app't - learned Portuguese very quickly
1933 - 37	Hugh S. Gibson	None at app't - developed moderate capability on the job
1912 - 33	Edwin V. Morgan	None at app't - little even after 21 years

June 11, 1966
Saturday, 2:30 p.m.

*Ret'd for
Pres.*

Mr. President:

This elaborates points in the larger East-West package we sent up yesterday.

Your decision is urgent: for drafting the Rose Garden statement for June 15; and rounding up Mac Bundy for item 1 (see page 2).

9 Our drafting will assure that there is no conflict between the OECD proposal and the work of the U.N.'s Economic Commission for Europe in Geneva.

W. W. Rostow

~~SECRET Attachment~~

THE WHITE HOUSE

WASHINGTON

Saturday, June 11, 1966

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Initiatives for your Wednesday Speech to the Austrian Delegation

The Ball-Vance memorandum on constructive steps in Europe (copy of my summary at Tab A) contains three items which are ready for Presidential announcement. They would provide an effective center piece for your remarks on European and East-West policy to the Austrian Delegation in the Rose Garden on Wednesday. (I checked this with George Ball. His first reaction was favorable; he will, of course, want to check with Secretary Rusk, who will have a good feel for the post-Brussels atmosphere in Europe.)

If you approve -- subject to an O.K. from the Secretary -- we will build the proposals (summarized below) into the speech draft.

1. An East-West Institute of Management and Administration

All advanced economies -- capitalist and socialist -- share the need for managerial knowledge. All have problems of managing factories and cities, subway systems and air traffic, technical schools, hospitals and television. Modern techniques of administration and management -- whether of the GM or the McNamara-Hitch variety -- are directly relevant and of great interest on both sides of the Curtain. Thus it makes substantive as well as political sense to propose establishing an institute which would bring together professionals and students of management to study, do research, and teach each other.

The Institute would run everything from short conferences to full-length courses; the curriculum would cover management procedures and techniques of all sorts -- budgeting, systems analysis, operations research, time and motion study, and even some aggregative economics of the CEA variety. It would throw together economists, plant managers, engineers, city planners and even social psychologists. Its orientation should be technical and strictly non-political. The faculty would consist in part of established academics on loan or sabbatical. It should have a permanent site (perhaps in Austria), and be governed by a joint board with members from East and West.

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-131
By ig, NARA, Date 1-31-89

~~SECRET~~

A curb stone estimate of a minimum annual budget would be somewhere between \$4 and \$5 million. Investment money would of course be needed for a site, a building, working capital, etc. The money should come from both East and West and from private as well as public sources.

Politically, I think this proposal would be a significant plus, certainly in Europe, and I would think also at home. The risks seem minimal. The odds on a Soviet response are medium to long, but the Yugoslavs are a pretty good bet and the Poles and Rumanians almost as good. A lot will depend on our tactics. But even if there is no response, you will have taken an imaginative initiative toward the East in a non-political area, offering something attractive to the younger generation of technocrats and managers in the Bloc -- a powerful group.

On balance, I think something will come of it. But even if nothing does, the political onus of rejection would be on the East. And your initiative will provide evidence that the U.S. is not frozen in a cold war posture.

In Wednesday's speech, I would suggest that you announce the appointment of a special representative to explore how to proceed with all the interested parties -- public and private, here and abroad. This approach worked well with Gene Black. Possible candidates: Mac Bundy, Kingman Brewster (President of Yale), Douglas Dillon, J. A. Stratton (ex-President of MIT, now Chairman of Ford Foundation).^{*} I strongly recommend Mac -- not just out of affection -- as the most strategically located, the best equipped to play the politics with, and the most likely to pull it off.

your
interests
in mind,

Include in speech draft ✓

No

Speak to me

* Clark Kerr
would be another
possibility.

2. Ex-Im Bank Credit Guarantees for Eastern Europe

Here you would announce your intention to determine that credit guarantees on commercial exports to Poland, Hungary, Bulgaria and Czechoslovakia are in the national interest. This would cover the

~~SECRET~~

~~SECRET~~

rest of the water front -- Yugoslavia and Rumania are already eligible. John Gronouski is only marginally over-enthusiastic when he says that this is the "most important single economic step you could take on your own to put substance in your 'building bridges' philosophy." It might also make us a little balance-of-payments money.

You should know that we have a recommendation from State -- stimulated by your conversation with Gronouski -- that you announce your intention to examine each export application and determine its eligibility for Ex-Im guarantee on a case by case basis. This more cautious approach would sit better with the economic warriors. In my view, the bolder approach is not only better foreign politics, but better even in terms of domestic posture. I think you should not be exposed to the political costs of making a ruling on exports to Communist countries once a month. But this is something only you can judge.

Include in speech draft ✓

No

Speak to me

3. OECD Connections with the East

The proposal here is that you announce that you will instruct our Ambassador to the OECD (Philip Trezise) to explore with the other members of the OECD Council the possibilities of associating East European countries with some of the Organization's working committees -- Trade, Fisheries, Development Assistance, etc. This won't yield substantive benefits soon, but will be a signal of our willingness to work the East Europeans into Western economic arrangements as rapidly as they are willing to get serious about it. (I have quietly checked this with Phil Trezise -- he would be happy to be so instructed. There may be mild grumbling by the OECD professionals that we should not corrupt their institution with East-West politics. But I don't think the Secretary is likely to be any more impressed by that argument than I am.)

Include in speech draft ✓

No

Speak to me

~~SECRET~~

~~SECRET~~

* * *

I think these three proposals would provide a punch for next week's Austrian statement. They would help counter de Gaulle's attempt to look like the only Western statesman with progressive views on East-West relations. (I am inclined to think we should ignore the fact that some of our dispeptic friends will say that any move we make on this front is really due to the stimulus of de Gaulle. Your long record on bridge-building is a powerful answer.)

FMB

Francis M. Bator

Attachment.

~~SECRET~~

June 11, 1966
1:20 P.M.

88

MEMORANDUM FOR THE PRESIDENT

For your approval is a message to be used at the international (P. E. N.) writers conference opening this Monday in New York.

The United States is host to the conference which brings together writers from everywhere--except the Soviet Union which did not allow its delegates to come.

This draft, cleared by the appropriate State Department officers, would be read by Roger Stevens.

I join in recommending that you approve.

W. W. Rostow

Approved ☒
Disapproved ☐
See Me ☐

~~DRAFT~~ MESSAGE FROM THE PRESIDENT TO
P. E. N. INTERNATIONAL CONFERENCE

It is a great pleasure for me, on behalf of the people and the Government of the United States, to extend to the members of P. E. N. International a warm welcome to our country. We are honored by your choice of the United States as the place of assembly for your 34th Congress.

Your worldwide association and its members have had a distinguished history, during which time you have contributed unceasingly to the preservation of freedom of expression and the interchange of every writer's art.

The theme of your current Congress--The Writer as Independent Spirit--is a most appropriate one, for I believe it defines the concern of writers everywhere. The world has always known times when "the unhampered transmission of thought," as your Charter puts it, has been threatened. It has known eras when the free exchange of ideas has been impossible.

Yet the most powerful and noble movements of contemporary history are those on the side of removing the restrictions that weigh down the writer's creative spirit and that impede his communication with his fellows in all lands.

Your meeting here in the United States is a symbol of this great movement of the human spirit, and we Americans are proud to be your hosts.

Saturday 11
 Thursday, June 9, 1966 12:30 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter of Resignation of Ambassador Covey Oliver

Ambassador Covey Oliver has sent you the letter of resignation at Tab A.

A suggested letter of acceptance is at Tab B.

Ambassador Oliver will be in Washington in late June. Through Linc Gordon, he has expressed the desire to see you.

W. W. Rostow

Attachments

Approve appointment ____

Prefer no appointment ____

Speak to me ____.

cc - Jim Jones

1. Letter signed & sent 5/5
 as revised
 2. No action on appointment
 BKS
 by Bowden 6/13

89a

Bogotá, Colombia.
June 8, 1966

Dear Mr. President:

In a personal letter to you on November 23, 1965, I explained in advance of events the professional reasons that would make it desirable for me to be relieved as Ambassador to Colombia in time to begin the academic year 1966 at the University of Pennsylvania Law School in early September, 1966. Subsequently you most graciously acceded to my request, subject to the working out of the time of my departure with Assistant Secretary Gordon. We have now done this.

Therefore, with regret but also with the assurance of your understanding of my present personal situation, I submit my resignation as Ambassador to Colombia to take effect shortly after the inauguration of the new President of Colombia on August 7, 1966, or at your earlier pleasure.

It has been for my wife and me a great honor to serve the United States and you in this country. Thanks to a splendid Country Team, the excellent guidance and effective support of the Department of State and all other units of the Executive Branch, and the good will of Colombians in all walks of life, Mrs. Oliver and I feel that our mission has been successful.

We

The President,
The White House.

-2-

We shall always be proud to have had your confidence and your friendship. If in the future we can help further in any way, anywhere, we shall be, "A sus órdenes."

Respectfully yours,


Covey T. Oliver

June 13, 1966

Dear Covey:

I accept your resignation to Colombia with the deepest regret.

Your two years in Bogota have been ones of solid achievement. You have worked hard and successfully in strengthening our ties with the Colombian Government and people. In the past year you have witnessed the important economic measures taken by the Valencia Administration to press forward with Colombia's Alliance for Progress commitments. You have also observed the Colombian people further strengthen their democratic traditions by the recent elections which will bring Dr. Carlos Lleras Restrepo to office. You leave your post in the knowledge that your stewardship has served both countries well.

As you return to academic life, I would not want you to think that my need for your assistance will cease. Your long experience in inter-American affairs is of special value to us. The Administration wants the counsel and imaginative ideas of the academic community and the private foundations. I have directed the federal agencies to make maximum use of this national asset. I know I can count on your cooperation.

Sincerely,

151

LBS

The Honorable
Covey T. Oliver
American Ambassador
United States Embassy
Bogota, Colombia

LBJ/WGB:mmm
June 9, 1966

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THE WHITE HOUSE
WASHINGTON

June
July 11, 1966

Mr. President:

This is a few words over 1000.

As you will note, I indicate we shall let them read Lodge's cable of today in the room. I'll have copies.

You can decide if that, in fact, is what you wish.

I shall also have copies of the option paper.

Walt Rostow

*I am getting a copy to Sec. Rusk
for last minute comments.* W

Gentlemen: I have asked you to come this morning to learn where we stand on the problem of NATO and in the war in Viet Nam. In different ways each goes to the heart of national security.

We are engaged in hopeful and constructive ventures in Latin America, Africa, the Middle East, and Asia. But, unless NATO and Viet Nam are handled properly, this nation's security is endangered and the security of all the Free World.

Briefly, the NATO crisis centers on how we should maintain an effective integrated Atlantic defense in the face of General de Gaulle's position.

Here are the questions that have to be answered in the light of General de Gaulle's decision.

1. Where do we move our military headquarters?

That question was settled at Brussels and the answer is: to the Benelux countries.

2. Should we move -- and where should we move -- the headquarters of the North Atlantic Council?

There was some difference of view at Brussels, which Secretary Rusk will describe. That issue was postponed.

3. Should the French forces in Germany stay; and, if so, on what terms?

Here we probably face a tough negotiation, as Secretary Rusk will explain.

4. What should we do about the U.S. bases, military warehouses, and oil pipelines in France?

We shall be moving out our units and stores, starting soon in an

operation over the next year which Secretary McNamara can describe. We shall be negotiating with the French about the pipeline, but setting up contingency arrangements.

Secretary Rusk will give you his assessment of the Brussels conference.

My assessment is that he did a magnificent job in holding the family of fourteen together. Despite some difference of view, I am confident that an effective NATO will stand. That, I believe, is the meaning of the Brussels conference.

* * *

I wish to say a few words about how I view the situation in Viet Nam: I shall be giving you to read here a summary report received this morning by Ambassador Lodge.

Our strategy is to present Hanoi with a situation in five areas where it will finally decide that it is wiser to negotiate to end the war -- or simply end it -- rather than continue.

First, attrition in the South. Since January 1, 1966, we have lost 2,099 Americans in combat in South Viet Nam; the South Vietnamese have lost over 4,000; our other allies have lost 247. The Viet Cong have lost 21,000. This ratio of more than 3 Viet Cong and North Vietnamese dead to every one on our side is well sustained day after day, week after week. We have good solid evidence from the interrogation of prisoners and defectors that the Viet Cong are hurting, and hurting quite badly. The trend is favorable. But it is not yet sufficiently favorable for major Viet Cong or North Vietnamese units to break up or defect as units.

Second, bombing the North. We have evidence, as Ambassador Lodge said in a recent cable, that "the Hanoi regime is feeling real pain because of our bombing." This is what we get also from foreigners who have visited Hanoi recently. The bombing is imposing a penalty on Hanoi; but not yet a sufficient penalty to make them quit.

Third, the political situation. We may be coming through a difficult crisis, although we are not yet in the clear. The government has been presented with recommendations for running the election in September by a representative group of citizens. We do not expect the political process in South Viet Nam to be smooth in the months ahead. We must be prepared for more turbulence as this young nation tries to find its way to orderly constitutional politics, as Korea did some years back. On balance, we believe the election for the Constituent Assembly will take place. That is what the overwhelming majority of the South Vietnamese want. It is what we support.

Fourth, the Honolulu program. The biggest economic danger in South Viet Nam is the high rate of inflation. Our military and civilian authorities in Saigon and in Washington have worked out with the International Monetary Fund a program which will, I believe, damp down inflation. I was heartened two days ago when Ambassador Lodge reported: "The sharp rise in retail prices over the previous two weeks halted last week, as did the Saigon Free Market rates for U.S. currency and gold."

We are going to get the Saigon port operating more efficiently; we are going to get supplies of rice and other essentials into the country on an adequate scale; and we are going to press forward with the programs of rural construction, education, and health to which we committed ourselves in support of the South Vietnamese in Honolulu.

Finally, the home front here in the U.S. On any objective assessment the men in Hanoi must be increasingly discouraged by the military, political, and economic trends in South Viet Nam. I suspect that their last hope is whether we in the United States are capable of seeing this thing through.

They hope we will cave in, as the French caved in 1954.

As for the diplomatic front, I wish to report to you that there have been many contacts by third parties with Hanoi in recent weeks. All of them suggest there is not yet a willingness to negotiate seriously an end to the war. In the days ahead there will be another important contact, which I ask you to keep within the walls of this room. This question will be put to Hanoi: Are you prepared to stop infiltration and have that stoppage monitored, if we stop bombing in the North?

I do not expect a heartening reply at this time. But every day, in one form or another, we are taking their temperature.

Secretaries Rusk and McNamara will answer your questions in detail, but I will tell you exactly how I feel.

We must see this through.

We must see it through with the minimum application of force necessary: but that minimum we must be prepared to apply.

We now have, I believe, a program of military, political and economic action by the Vietnamese and ourselves, which will see us through.

I cannot tell you when they will decide they have had enough. I can tell you I am convinced that our side is gaining, and their side is weakening. The situation is improving. The critical need is for all of us who care deeply for the security of our country and for the cause of freedom everywhere, to stick together and see this through.

June 11, 1966

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MR. PRESIDENT:

You wanted this for this morning. It is full of good usable stuff.

W. W. Rostow

STATEMENTS BY PRESIDENT KENNEDY ON VIETNAM

1. Address to the United Nations, September 26, 1961.

The first threat on which I wish to report is widely misunderstood: the smoldering coals of war in Southeast Asia. South Vietnam is already under attack....

No one can call these "wars of liberation". For these are free countries living under governments....

The very simple question confronting the world community is whether measures can be devised to protect the small and weak from such tactics. For if they are successful in Laos and South Vietnam, the gates will be opened wide.

The United States seeks for itself no base, no territory, no special position in this area of any kind.

2. Letter from President Kennedy to President Diem, December 14, 1961.

[In 1954] the United States, although not a party to the [Geneva] Accords, declared that it "would view any renewal of the aggression in violation of the agreements with grave concern and as seriously threatening international peace and security." We continue to maintain that view.

In accordance with that declaration, and in response to your request, we are prepared to help the Republic of Vietnam to protect its people and to preserve its independence....

The United States, like the Republic of Vietnam, remains devoted to the cause of peace and our primary purpose is to help your people maintain their independence. If the Communist authorities in North Vietnam will stop their campaign to destroy the Republic of Vietnam, the measures we are taking to assist your defense efforts will no longer be necessary. We shall seek to persuade the Communists to give up their attempts of force and subversion.

3. President Kennedy's CBS Interview, September 2, 1963.

... In the final analysis it is the [Vietnamese] people and the government itself who have to win or lose this struggle. All we can do is help, and we are making it very clear. But I don't agree with those who say we should withdraw. That would be a great mistake. I know people don't like Americans to be engaged in this kind of effort. . . but this is a very important struggle even though it is far away.

We took all this -- made this effort to defend Europe. Now Europe is quite secure. We also have to participate -- we may not like it -- in the defense of Asia.

4. President Kennedy's NBC Interview, September 9, 1963.

If you reduce your aid [to Vietnam] it is possible you could have some effect upon the government structure there. On the other hand, you might have a situation which could bring about a collapse. Strongly in our mind is what happened in the case of China at the end of World War II, where China was lost -- a weak government became increasingly unable to control events. We don't want that.

Mr. Brinkley. Mr. President, have you had any reason to doubt this so-called "Domino theory," that if South Vietnam falls, the rest of Southeast will go behind it?

The President. No, I believe it. I believe it. I think that the struggle is close enough. China is so large, looms so high just beyond the frontiers, that if South Vietnam went, it would not only give them an improved geographic position for a guerrilla assault on Malaya but would also give the impression that the wave of the future in Southeast Asia was China and the Communists. So I believe it.

Mr. Brinkley. With so much of our prestige, money, so on, committed in South Vietnam, why can't we exercise a little more influence there, Mr. President?

The President. We have some influence. We have some influence and we are attempting to carry it out.... The fact of the matter is that with the assistance of the United States and SEATO, Southeast Asia and indeed all of Asia has been maintained independent against a powerful force, the Chinese Communists. What I am concerned about is that Americans will get impatient and say, because they don't like events in Southeast Asia or they don't like the Government in Saigon, that we should withdraw. That only makes it easy for the Communists. I think we should stay. We should use our influence in as effective a way as we can, but we should not withdraw.

5. White House Statement, October 2, 1963.

The following statement of United States policy was approved by the President.

1. The security of South Vietnam is a major interest of the United States as other free nations. We will adhere to our policy of working with the people and Government of South Vietnam to deny this country to communism and

to suppress the externally stimulated and supported insurgency of the Viet Cong as promptly as possible. Effective performance in this undertaking is the central objective of our policy in South Vietnam.

2. Major U.S. assistance in support of this military effort is needed only until the insurgency has been suppressed or until the national security forces of the Government of South Vietnam are capable of suppressing it....

3. The political situation in South Vietnam remains deeply serious. The United States has made clear its continuing opposition to any repressive actions in South Vietnam....

4. It remains the policy of the United States, in South Vietnam as in other parts of the world, to support the efforts of the people of that country to defeat aggression and to build a peaceful and free society.

June 11, 1966

Mr. President:

I had to give an off-the-record speech in New York and thus missed your evening reading with this.

I wrote it longer -- with Lodge's quotations in -- but could get it down to 700 words if you prefer to leave them out and some of the explanation.

Editing would only take ten minutes, once you decide what you want in; what you want out; and how you want it changed.

W. W. Rostow

Gentlemen: I have asked you to come this morning to learn where we stand on the problem of NATO and in the war in Viet Nam. In different ways each goes to the heart of national security.

We are engaged in hopeful and constructive ventures in Latin America, Africa, the Middle East, and Asia. But, unless NATO and Viet Nam are handled properly, this nation's security is endangered and the security of all the Free World.

You will hear shortly from Secretary Rusk who returned yesterday afternoon from a voyage that took him to Scandinavia, Bonn and London, as well as to the NATO meeting in Brussels.

Briefly, the NATO crisis centers on how we should maintain an effective integrated Atlantic defense in the face of General de Gaulle's position. General de Gaulle wishes to remain within the Alliance but to divorce France from the commitments and activities that go with integration. We do not know how far he wishes that divorce to go; but Secretary Rusk gained certain insights in Brussels.

Here are the questions that have to be answered in the light of General de Gaulle's decision.

1. Where do we move our military headquarters?

That question was settled at Brussels and the answer is: to the Benelux countries.

2. Should we move -- and where should we move -- the headquarters of the North Atlantic Council?

There was some difference of view at Brussels, which Secretary Rusk will describe. That issue was postponed.

3. Should the French forces in Germany stay; and, if so, on what terms?

The Germans wish them to stay; but only on a basis which would guarantee that in time of crisis or war they would be part of an integrated NATO operation. It is not clear whether the French wish them to stay; but, if they do, they apparently wish them to be there on basis that would leave France in a position to maintain freedom of action in time of NATO crisis. This is most difficult for Germany and for NATO as a whole. Here we probably face a tough negotiation.

4. What should we do about the U. S. bases, military warehouses, and oil pipeline in France?

We shall be moving out our units and stores, starting soon in an operation over the next year which Secretary McNamara can describe. We shall be negotiating with the French about the pipeline. Even if we find a way to use it under normal circumstances, we shall be making arrangements for emergency supplies of fuel in case France should stand aside or deny us the use of the pipeline at a time of crisis or hostilities.

Secretary Rusk will give you his assessment of the Brussels

Conference. My

assessment is that he did a magnificent job in holding

ences of view, the

fourteen demonstrated on the critical issues that they will stand together in favor of an effective, integrated defense. Awkward negotiations lie ahead; but I am confident that an effective NATO will stand. That, I believe, is the meaning of the Brussels conference.

We must not only maintain NATO. We must also move forward constructively.

I shall be considering next week proposals developed by Secretary Rusk, Secretary McNamara, and their Departments. They propose constructive forward steps in two areas: partnership across the Atlantic, and initiatives that would encourage the Eastern European countries to draw closer to Western Europe and the West in general.

* * *

With respect to Viet Nam, I wish to say a few words about how I view the situation.

Our strategy is to present Hanoi with a situation in five areas where it will finally decide that it is wiser to negotiate to end the war -- or simply end it -- rather than continue.

First, attrition in the South. Since January 1, 1966, we have lost 2,099 Americans in combat in South Viet Nam; the South Vietnamese have lost over 4,000; our other allies have lost 247. The Viet Cong have lost 21,000. This ratio of more than 3 Viet Cong and North Vietnamese dead to every one on our side is well sustained day after day, week after week. We have good solid evidence from the interrogation of

of prisoners and defectors that the Viet Cong are hurting, and hurting quite badly. In May, 1,237 defected to the government's side. The Viet Cong prisoners and defectors now overwhelmingly believe the government, in the end, will win. There is evidence that this view is spreading into the countryside. In a cable I received from Ambassador Lodge yesterday, he reports from Binh Thuan province: "the people of Binh Thuan sense that the Nationalist side is going to win and thus are shifting their allegiance and support to province and district officials. These officials feel that this imno sense signifies a political conversion, ideological shift or endorsement of the present Government. It is merely a pragmatic recognition that the Viet Cong is taking a beating and that it is better to get with the winning side." All the provinces are not in as good shape as Binh Thuan; but the trend is favorable. It is not yet sufficiently favorable for major Viet Cong or North Vietnamese units to break up or defect as units.

Second, bombing the North. We have evidence, as Ambassador Lodge said in his cable of yesterday, that "the Hanoi regime is feeling real pain because of our bombing/" This is what we get also from foreigners who visit Hanoi. Since we have been bombing transport and military targets rather than highly sensitive targets in the Hanoi-Haiphong area, the form in which they are feeling this pressure is a general drain on manpower to repair the roads and bridges and increasing difficulty in moving supplies about the country. We have slowed, but we have not stopped,

the infiltration of men and materiel by truck through Laos into South Viet Nam. The bombing is imposing a penalty on Hanoi; but not yet a sufficient penalty to make them quit.

Third, the political situation. We may be coming through a difficult crisis. For a time the I Corps area, including Hue and Danang, went out of control of the central government. The Buddhist Institute, which has been demanding that we overthrow the present government, appears to be splitting as between extremists and moderates. Their problem is that they have been geared to demonstrations and certain kinds of violence, and they do not have a clear idea about how to engage in the constitutional politics which are gradually emerging in South Viet Nam. Moreover, with the constitutional process under way, they apparently do not command widespread support in South Viet Nam. Meanwhile, the government has been presented with recommendations for running the election in September by a representative group of citizens. We do not expect the political process in South Viet Nam to be smooth in the months ahead. We must be prepared for more turbulence as this young nation tries to find its way to orderly constitutional politics, as Korea did some years back. On balance, we believe the election for the Constituent Assembly will take place. That is what the overwhelming majority of the South Vietnamese want. It is what we support.

From the point of view of Hanoi, they failed in this difficult and troubled period since early April, to exploit successfully the unrest and political turbulence in South Viet Nam. Whatever their differences among themselves and their inexperience in government, we are firmly convinced that the overwhelming majority of the South Vietnamese are strongly anti-Communist.

Fourth, the Honolulu program. The biggest economic danger in South Viet Nam is the high rate of inflation. Our military and civilian authorities in Saigon and in Washington have worked out with the International Monetary Fund a program which will, I believe, damp down inflation. I was heartened yesterday when Ambassador Lodge reported: "The sharp rise in retail prices over the previous two weeks halted last week, as did the Saigon Free Market rates for U. S. currency and gold. The price of rice was stable and those of wheat, flour and sugar were down, as were those of most imported commodities.

"The economic situation in Danang has improved somewhat. The airlift of meat and wheat flour into the city brought down their prices as much as 25 percent. The port of Danang is now operating satisfactorily."

We are going to get the Saigon port operating more efficiently; we are going to get supplies of rice and other essentials into the country on an adequate scale; and we are going to press forward with the programs of rural construction, education, and health to which we committed ourselves in support of the South Vietnamese in Honolulu.

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In certain areas, despite the recent political unrest, the rural program is taking hold. General Thang, the Minister of Revolutionary Development, whom I met at Honolulu, is an effective, dedicated and practical administrator. His job is tough and it will go slowly. But I am confident we will see results as the months pass. Let me give you a specific item in this field from Ambassador Lodge's cable: "By the end of May of this year we had completed 43 percent of our program of distributing fourteen million elementary school textbooks throughout Viet Nam. This program, which we began in mid-1965, will be concluded in the second half of 1967. The books are distributed to the schools and lent to the students for the school year. We hope to get three years' use out of each book.

"The significance of this program and its impact on the system of primary education is worth special note: for the first time, Vietnamese children have textbooks which they can take home and read and show their parents. Content and illustrations have been carefully worked out with leading Vietnamese educators and cover such subjects as Vietnam's history and geography, along with other standard subjects as arithmetic and personal hygiene and sanitation."

Finally, the home front here in the U. S. On any objective assessment the men in Hanoi must be increasingly discouraged by the military, political, and economic trends in South Viet Nam. I suspect that their

last hope is whether we in the United States are capable of seeing this thing through. Bernard Fall, the French expert on Viet Nam, interviewed the North Vietnamese leaders and published his results in the Saturday Evening Post of November 24, 1962. The Premier, Pham Van Dong said: "Americans do not like long, inconclusive wars -- and this is going to be a long, inconclusive war. Thus we are sure to win in the end."

They expect us to save in, as the French caved in 1954.

I am conscious, of course, that the public opinion polls indicate a decline in support for my policy in Viet Nam. Some of this was undoubtedly due to the impression made on our people by the television and newspaper reports of the recent political unrest. Some of it is due to a desire by our people to press the war harder on the military front. A smaller group believes we should press harder on the diplomatic front.

As for the diplomatic front, I wish to report to you that there have been many contacts by third parties with Hanoi in recent weeks. All of them suggest there is not yet a willingness to negotiate seriously an end to the war. In the days ahead there will be another important contact, which I ask you to keep within the walls of this room. This question will be put to Hanoi: What are you prepared to do if we stop bombing in the North?

I do not expect a heartening reply at this time. But every day, in one form ^{or another} we are taking their temperature.

Secretary McNamara will answer your questions in detail, but I will tell you exactly how I feel.

We must see this through.

We must see it through with the minimum application of force necessary: but that minimum we must be prepared to apply.

We now have, I believe, a program of military, political and economic action by the Vietnamese and ourselves, which will see us through.

I cannot tell you when they will decide they have had enough. I can tell you I am convinced that our side is gaining, and their side is weakening. The situation is improving. The critical need is for all of us who care deeply for the security of our country and for the cause of freedom everywhere, to stick together and see this through.