

THE WHITE HOUSE

WASHINGTON

June 25, 1966 -

Mr. President:

Senator Kuchel cannot go to the Balaguer inaugural. All the others have accepted.

As a replacement for Senator Kuchel, I suggest Senator Aiken or Senator Carlson, both of whom are on the Latin American Subcommittee.

W.W. Rostow

Prefer Aiken _____

Prefer Carlson _____

go for Carlson

If one can't accept,
approach the other _____

Speak to me _____

MEMORANDUM

snip

THE WHITE HOUSE
WASHINGTON

June 25, 1966 - 5:10 p. m.

CONFIDENTIAL

Mr. President:

We have been considering how to get the Latin Americans to take the initiative in celebrating the anniversary of the Alliance for Progress this year. It is the fifth anniversary.

We have come up with the idea described in the attached draft telegram.

If this meets with your general approval, we will go ahead and keep you posted on the Uruguayan reaction.

Walt Rostow

Approve _____

Disapprove _____

Speak to me _____

Clear thru Gordon

P. S. This proposal would be in addition to your making an anniversary speech and would provide a useful backdrop for it.

Walt. R.

CONFIDENTIAL

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 87-172
By mg NARA, Date 11-16-89

~~CONFIDENTIAL~~

DRAFT TELEGRAM

EMBASSY MONTEVIDEO

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-174
By ij NARA, Date 3-1-89

INFO ALL OTHER ARA DIPLOMATIC POSTS EXCEPT KINGSTON, PORT OF SPAIN AND GEORGETOWN

August 17 marks fifth anniversary of signing of Charter of Punta del Este.

Heretofore we have been ones to hold special ceremonies on Alliance for Progress anniversaries.

This year we want Latin Americans to do honors.

We had thought that Buenos Aires Charter revision conference would provide good forum to mark anniversary. But this meeting will probably not start until August 29.

Alternative would be to have GOU hold special anniversary ceremony at Punta del Este, preferably in hall where Charter signed. GOU would ask Charter signatory countries to send special emissary or name resident Ambassador in Montevideo. President Uruguayan National Council Heber would send personal letters to Presidents of signatory countries asking them to send special messages on Alliance for Progress for their representative to present at anniversary ceremony.

If informal soundings with President Heber show he receptive to idea, we might follow up with Presidential letter along these lines:

QUOTE On August 17 the hemisphere will celebrate the fifth anniversary of the signing of the Charter of Punta del Este.

In thinking how we might mark this date, it occurred to me that the Government of Uruguay might wish to hold a special ceremony under your distinguished chairmanship at Punta del Este. The Presidents of the signatory countries of the Charter might be invited to send a special emissary to participate in the ceremony and a personal message on the Alliance for Progress to be presented at the meeting. These messages could subsequently be published and given wide distribution throughout the hemisphere.

Beside providing a dramatic way for celebrating the first half decade of the Alliance for Progress, it would serve to focus public attention on the Alliance and the meeting of Presidents which will probably be held toward the end of the year.

If you share my enthusiasm for this idea, I would welcome your taking the initiative in the convocation of the ceremony. You may be sure of my full support. UNQUOTE

Submit soonest your assessment GOU receptivity to this idea. You may take informal soundings with President Heber without in any way indicating Presidential interest at this stage. If you find GOU receptive, give us your recommendations on best approach to ensure Uruguayan acceptance. Include comments on proposed Presidential message to Heber.

Information addressees invited submit their views on proposal.

Pres file

Saturday, June 25, 1966
4:50 p. m.

Mr. President:

Here is the useful result of the
Bowdler-Boggs collaboration.

W. W. Rostow

WWRostow: rln



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, SECOND SESSION

Vol. 112

WASHINGTON, THURSDAY, JUNE 23, 1966

No. 103

House of Representatives

The House met at 12 o'clock noon. The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:
O Lord my God, in Thee do I put my trust.—Psalm 7: 1.

Almighty Father, the creator of the world, the sustainer of life and the strength of those who put their trust in Thee—lay Thy hand in blessing upon us as we wait upon Thee in prayer. Take Thou our minds and think through them, take Thou our hearts and love through them, take Thou our hands and use them to lift the fallen, to strengthen the weak, to encourage the discouraged and may we, hand in hand, in Congress and everywhere work together with Thee for justice between races, for good will among men and for peace in our world; through Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1582. An act to remove a restriction on certain real property heretofore conveyed to the State of California.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 13881. An act to authorize the Secretary of Agriculture to regulate the transportation, sale, and handling of dogs and cats intended to be used for purposes of research or experimentation, and for other purposes; and

H.R. 14050. An act to extend and amend the Library Services and Construction Act.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2602. An act to remove a cloud on the title to certain real property in the State of Oregon owned by John Johnson.

EULOGIES TO THE LATE HERBERT C. BONNER AND ALBERT THOMAS

Mr. BURLESON. Mr. Speaker, I have requested this time to call attention to all Members that the Joint Committee on Printing is ready to go to press with the eulogies expressed in Congress on the occasions of the passing of two great House Members. One book contains the tributes to Herbert C. Bonner, of North Carolina, who died on November 7, 1965; and the other is to Albert Thomas, of Texas, who passed away on February 15 of this year. In the event that any Member desires to incorporate his personal sentiments in either or both of these testimonial books, I am today advising the membership that the closing date will be July 15, 1966, for acceptance of all insertions. I hope sincerely that this statement serves as ample notice to all Members.

COMMITTEE ON APPROPRIATIONS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, June 24, to file a privileged report on the defense appropriations bill for the fiscal year 1967.

Mr. BOW. Mr. Speaker, on that I reserve all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE DOMINICAN REPUBLIC

(Mr. BOGGS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BOGGS. Mr. Speaker, last Saturday President Johnson announced that Vice President HUMPHREY would head the delegation to the inauguration of President-elect Joaquin Balaguer.

Behind the announcement lies 14 months of critical action by the United States, the OAS and the Provisional Government of Garcia Godoy to keep the democratic options open for the Dominican people.

A year ago the Dominican people had only one option: civil strife in which a minority, using the tactics we came so well to know in Cuba, tried to seize power. Three weeks ago the Dominican people had an opportunity to choose their new leaders. They rejected the turbulence of the past and elected the man who represents stability with freedom, reform through democratic process, progress by hard work and self-discipline.

I ask, Mr. Speaker, could there be a more eloquent answer to the foresight and wisdom of the decisions taken in the White House and in the Pan American Union in April and May of 1965 which led to the landing of forces and the establishment of the Inter-American Peace Force?

This is what that action accomplished: It saved the lives of countless numbers of people.

It prevented destruction which might have run into hundreds of millions of dollars.

It blocked another thrust of communism in this hemisphere.

It permitted the Dominican people to decide freely and fairly who their leaders were to be.

I recall that at the time the prophets of gloom and doom predicted that President Johnson's action would mean the end of the inter-American system—that the American intervention would tear apart the fabric of regional cooperation through the Organization of American States.

I wonder, Mr. Speaker, what these critics are saying now.

The OAS has not fallen apart. Quite the contrary, it is improving and strengthening its machinery through appropriate amendments in its 20-year-old charter. This task was initiated at the Special Inter-American Conference in Rio last December and is scheduled to be completed in a foreign ministers meeting in August.

Our relations with Latin America have not frozen up. They are as warm and friendly as ever. I hardly need mention the reception received by President and Mrs. Johnson on their recent visit to Mexico City.

The Alliance for Progress has not foundered. Again last year it achieved the goal of 2.5 percent increase in per capita gross national product. The proposal of President Illia of Argentina for an OAS summit meeting to give increased momentum to the Alliance has been well received and preparations are underway.

The reaction in Latin America to the outcome of the Dominican crisis has not been hostile. The opposite is true. Press comment has been overwhelmingly favorable. The honesty and freedom of the elections have been commended. The outcome has been interpreted as a vote for peace and order and a rejection of extremism by the Dominican people. Some editorial writers and columnists regard the vote as a vindication of U.S. action last year and of the important role played by the Organization of American States.

In sum, Mr. Speaker, the outcome of the Dominican crisis has been in the first instance a victory for the Dominican people. It has been a success as an OAS peacekeeping operation, bringing credit on the regional system. And it represents a vindication of what President Johnson reluctantly knew that he had to do until the collective machinery of the OAS could act to assume responsibility.

TRIBUTE TO ADM. WILLIAM F. RABORN

(Mr. ARENDS asked and was given permission to proceed for 1 minute.)

Mr. ARENDS. Mr. Speaker, this past weekend President Johnson announced that he had accepted, with regret, the resignation of Adm. William F. Raborn as Director of Central Intelligence. He also announced his nomination of Mr. Richard Helms, presently serving as Deputy Director, to succeed Admiral Raborn.

As Director of Central Intelligence, Admiral Raborn has continued the high caliber of dedicated public service for which he was known as a career officer in the U.S. Navy. While he served with distinction in many capacities, he is best known for the work he did on the development of the Polaris missile system as Director of Special Projects. He subsequently became Deputy Chief of Naval Operations—Development—and was retired from the Navy on September 1, 1963.

When another distinguished American, John A. McCone, retired as Director of Central Intelligence, the President appealed to Admiral Raborn to return from his retirement from public office to fill this position which is so vital to our national security. Despite the fact that he had become settled in private life, Admiral Raborn responded to this call.

As a member of the House Armed Services CIA Subcommittee, having legislative oversight over the CIA, it was my privilege to resume a close relationship with Admiral Raborn. In the highest traditions of service, and in keeping with the practice of his predecessors in this position, Admiral Raborn maintained a close and continuing contact with this subcommittee, keeping it completely informed on all matters in which the Agency was involved.

Mr. Speaker, few people either in or out of Government service are aware of the extreme importance of this position and the rigorous responsibilities placed upon the Director of Central Intelligence. I believe it was President Kennedy who welcomed John McCone to this position by saying "welcome to the bull's-eye"—indeed this position is on the bull's-eye. For no matter how well the job is done, no credit is received and if things go wrong, the CIA is an easy target for the comment "it was a failure of intelligence."

I appreciate the contribution which men like Allen W. Dulles, John A. McCone, and "Red" Raborn have made in this job and so do other members of the House and Senate Armed Services and Appropriations Subcommittees who deal with CIA activities. I just want to say here in this chamber that Admiral Raborn, who this year received the Forrestal Award from the National Security Industrial Association, well deserves the gratitude of every American.

I want to wish him well as he returns to private life and want to extend to Mr. Richard Helms, his very able successor, every good wish for the future as he assumes these duties.

(Mr. MAHON asked and was given permission to address the House for 1 minute.)

Mr. MAHON. Mr. Speaker, I will not take the full minute, but I do rise to concur fully and completely in the very excellent statement which the gentleman from Illinois has made in regard to Admiral Raborn and others who have served the Nation in this important capacity in previous years. I wish to specifically approve all the complimentary references which the gentleman from Illinois [Mr. ARENDS] has made to Admiral Raborn, my able, dedicated and respected friend of long standing.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. Mr. Speaker, may I associate myself with the splendid remarks of the gentleman from Illinois. I believe every Member of Congress ought to know the record of Admiral Raborn. Nobody could have or has done a job equal to or surpassing the job Admiral Raborn has performed in the Central Intelligence. He left there on his own will. The Nation owes him a debt it can never repay.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman from Texas yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Speaker, I likewise want to associate myself with the views expressed here today by the gentleman from Illinois, the gentleman from Texas and the gentleman from South Carolina.

It has been my privilege and pleasure to know and work with Admiral Raborn for a number of years on critical problems affecting our national security. Our Polaris submarine capability with its ballistic missile weapon system can be largely attributed to the extraordinary management genius of Admiral Raborn

over the years at a time when this Nation faced a serious crisis.

I believe from my personal observations and knowledge that Admiral Raborn did a vital job in a very difficult circumstance by heading up the Central Intelligence Agency. All of us, I am sure, will wish him well in the years ahead.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Ohio.

Mr. BOW. Mr. Speaker, I should like to join the gentleman from Illinois, the gentleman from Texas, and my other colleagues in paying my respects and regards to Admiral Raborn, who has done magnificent service for his country for many, many years, beginning as a young naval officer and then later in the development of the atomic submarine and the other work he has done.

In recent years I have had occasion to meet with him on other matters. He is a great American, a man whom we will miss. I am sorry he will no longer be available, but I am sure he will be available to us in special circumstances.

I join the other gentlemen in paying respects to him.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the majority leader.

Mr. ALBERT. I thank the gentleman for yielding.

Mr. Speaker, I cannot let this opportunity pass without joining the distinguished group of gentlemen who are paying tribute to "Red" Raborn.

Admiral Raborn went to the Military Academy from Marlow, Okla. That by itself is a great endorsement.

He has distinguished himself as one of the really great leaders of our Military Establishment of modern times. His work on the Polaris missile was monumental. His personal sacrifice in returning to duty to head up the CIA at a critical time is illustrative of his devotion to country. His service has been far beyond the call of duty. I join my colleagues in saluting this great American.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

MEDAL OF HONOR PRESENTATION TO 1ST LT. CHARLES Q. WILLIAMS

(Mr. RIVERS of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RIVERS of South Carolina. Mr. Speaker, I witnessed this morning one of the greatest ceremonies I ever had the privilege to attend—the presentation of the Medal of Honor to 1st Lt. Charles Q. Williams, a dedicated hero of the war in Vietnam.

We are proud of this Charleston native, our country is proud and grateful for his endeavors in behalf of America. His splendid record stands out as a beacon of light and hope in a world threatened by the forces of aggression.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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~~CONFIDENTIAL~~

June 25, 1966 - 4:30 p. m.

Mr. President:

Linc Gordon recommends that the Secret Service provide a security detail for Governor Connally when he attends the Mendez Montenegro inaugural because of recent kidnappings by Communist elements in Guatemala.

While we have no specific information of Communist plans directed against the US delegation, Linc's suggestion is a useful precaution.

I recommend that you authorize a small Secret Service detail.

W. Rostow

Approve _____
Disapprove _____
Speak to me _____

*ask Christian to call
Gov. & tell him he
can take any of his own
security detail if he chooses.
LBT*

*Have taken care of
G. C.*

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-172
By sig NARA, Date 8-11-89

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ASSISTANT SECRETARY OF STATE
WASHINGTON

June 25, 1966

~~CONFIDENTIAL~~

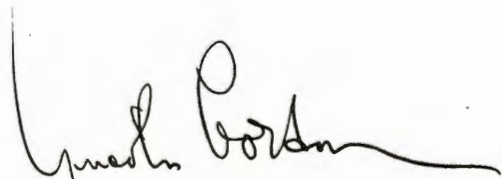
MEMORANDUM FOR THE PRESIDENT

Subject: Security of Chief United States Delegate
to the Guatemalan Inauguration

The security situation in Guatemala City has deteriorated somewhat in recent weeks. The Communists operating through the so called Revolutionary Armed Forces (FAR), have recently kidnapped three high level officials of the Guatemalan Government one of whom has escaped. We also have reports that members of wealthy families have been kidnapped for the purpose of getting ransom money to finance FAR operations. These kidnappings have created a certain amount of tension in Guatemala.

I believe it would be prudent, therefore, to take some special precaution with respect to the personal security of Governor John B. Connally, the Head of the United States Delegation to the Inauguration.

I recommend that the Secret Service provide a security detail to accompany the Governor.



Lincoln Gordon

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 87-174

By ijg NARA, Date 3-1-89

~~CONFIDENTIAL~~

Saturday, June 25, 1966
4:15 p. m.

Mr. President:

This lively account confirms your instinct about Sihanouk.

I checked with George Ball to make sure they staff out and act on some of the Cambodia recommendations we sent over.

Mr. President, you can smell it all over: Hanoi's operation, backed by the Chicoms, is no longer being regarded as the wave of the future out there. U.S. power is beginning to be felt.

We're not in; but we're moving.

W. W. Rostow

Saigon 5762

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-173
By if NARA. Date 4-5-90

~~SECRET~~

Telegram from Lodge, Saigon 5762, June 25, 1966

1. D'Orlandi, Italian Ambassador, called to tell me of his trip to Cambodia, to which he is accredited, and where he went to make his official farewell call.
2. Evidently D'Orlandi carried out my request that he not give Sihanouk an impression that everything was falling apart in Viet-Nam. When he told Sihanouk that Ky was in a solid position here, Sihanouk said that Ky was the only Vietnamese who "has not smeared me in his speeches." He evidently felt less antagonistic to Ky than he has to any other Vietnamese.
3. He said he wanted to resume normal diplomatic intercourse with Viet-Nam and D'Orlandi felt there was a better atmosphere on this subject than he, D'Orlandi, had ever noticed.
4. Apparently, when Lord Walston was in Cambodia recently, he revived the idea of Cambodian-Vietnamese teams to inspect the border. This had been a Diem proposal, which Sihanouk had turned down in 1962. Sihanouk said he was still against it because he did not want to get entangled in internal affairs with Viet-Nam. According to Sihanouk, "All Vietnamese are "B--S." Sihanouk wants to stay neutral. He is happy to have a powerful, and much larger International Control Commission in Cambodia, provided he does not have to pay anything, since "I haven't a penny." Instead of charging him with helping the Viet Cong, there should be a larger International Control Commission, which, Sihanouk said, would be specifically authorized by him to establish fixed posts in cities, harbors, and along the frontier and take their jeeps wherever they wanted. He said they could go wherever they wanted to and in any number, and there would be no limit on the extent which they would be allowed to inspect.
5. When D'Orlandi asked whether the Italian Military Attache would go, Sihanouk said he would be delighted and would instruct his Chief of Staff accordingly, adding that the Military Attaches have all visited the so-called Sihanouk trail and have found nothing.
6. What, he asked, can he do with 30,000 men when 900,000 Americans and Vietnamese are unable to cope with the situation?
7. D'Orlandi said that he was sure that Sihanouk means what he says and that he detected absolutely "no nonsense" about being tied up with the Chinese Communists.

DECLASSIFIED
 E.O. 12958, Sec. 3.6
 NLJ 98-336
 By CB, NARA Date 9-24-99

~~SECRET~~

Saigon 5762

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8. Turning to Thailand, Sihanouk said that he realized that the Thais might not accept, but he wanted to ask the Thais to join him so that "both of us" would sign a communique stating that both would respect the present border. Sihanouk said he didn't care about the Khmer Serei. All he wanted was to ask the Thais to sign the statement with him and both sides to respect the borderline. D'Orlandi commented that quite a lot could be achieved under this.

9. Sihanouk admitted that this was no time for negotiations with North Viet-Nam. D'Orlandi, reflecting our conversation before he left, asked Sihanouk whether he had told Peking and Hanoi that if they had accepted President Johnson's offer of April 7, 1965, negotiations would have started with only 30,000 American advisers in Viet-Nam? Now there were 265,000 fighting men, and if you wait eight or nine months more there will be almost a half-million fighting men. "Do your friends," D'Orlandi asked, "realize the implications of this?"

10. Sihanouk said this was a good point, but he didn't know what could be done about it. What could Italy do?

11. D'Orlandi said Italy was aware of its limitations, and Sihanouk told him not to be so modest.

12. D'Orlandi then said that "Our great ally is in favor of negotiations, and yours isn't. It is up to you to do something."

13. D'Orlandi then said it was his impression that Sihanouk does not rely on China to save him if he is attacked. In fact, he relies on no one. He is very bitter and pessimistic about his own prospects and that of his country, saying, "They can murder us anytime. The United States is the biggest logistic and military power in the world. I just have a few old jeeps, and no gasoline to put into them." D'Orlandi then described his conversation with the Australian Embassy in Cambodia. They were absolutely flat in their assertions that there had never been a trace of Viet Cong in Cambodia. They believe Sihanouk is acting in good faith and really neutral. The Australians said that the Chinese Communist Ambassador was really embarrassed Saturday morning when Sihanouk made his offer to the Thais.

14. Sihanouk says that "In the whole of Southeast Asia, there are no more anti-Communist measures than I have taken in Cambodia." D'Orlandi backed this up, and said the police measures regarding the Communists are very strict.

~~SECRET~~

Saigon 5762

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15. D'Orlandi called on the Secretary-General of the Foreign Office, who is "terrified" of the U. S. might in Viet-Nam, and said "It will be worse for Hanoi next year, and yet they won't discuss." The Secretary-General of the Foreign Office expects to meet Sainteny on the 27th.

16. Sihanouk stressed the need for understanding with the West; he is proud of being on good terms with Australia and Japan; he has invited three U. S. Senators to come to Cambodia (he did not give D'Orlandi their names).

17. D'Orlandi's theory is that the Viet Cong order rice through Chinese traders in Phnom Penh, then it is transported by truck close to the border where there is no one. Then the Viet Cong cross the border and fetch it. There is no direct contact. The Chinese don't deliver. They just leave it. If the ICC were in Cambodia, with fixed posts, they would know. D'Orlandi believes there are no men coming through Cambodia, but supplies -- "Truck loads of eatables."

~~SECRET~~

Saturday, June 25, 1966
12:50 p. m.

Mr. President:

Attached is a proposed response to the President of Somalia, along with a copy of his letter to you.

The reply tries to (1) thank him for a very good letter; (2) stress our push for regional cooperation, without tying us to the specific projects he talks about (there is little substance to them yet); and (3) echo his sensible words about self-help.

W. W. Rostow

45a

THE WHITE HOUSE
WASHINGTON

Dear Mr. President:

I am deeply grateful for your kind letter, delivered to me yesterday by your distinguished Ambassador, His Excellency Ahmed Mohamed Adan. Your generous comments on my remarks on the Third Anniversary of the Organization of African Unity are a source of great satisfaction to me.

As I tried to make clear in those remarks, our goal in Africa is to help the African peoples in their own efforts to build strong democratic institutions and to further their economic and social development. We are constantly seeking ways to make our assistance more effective. But, as your letter points out, the basic will and energy necessary for progress must come from the people of your great continent themselves. We are proud to be associated with them in this cause.

I was particularly pleased to receive your thoughts on regional cooperation. In our view, cooperation between states on projects of mutual benefit is a principal key to African prosperity. We will encourage joint development of river valleys, educational centers, communications networks and the like wherever it is the most efficient means of utilizing shared resources. I hope that you and your colleagues will continue to develop imaginative proposals of this kind. You may be sure that such efforts have the sympathy and support of the United States.

I am greatly indebted to you, Mr. President, for your eloquent letter and your helpful suggestions. Please accept my thanks and best wishes.

Sincerely,

His Excellency
Aden Abdulla Osman,
President of the Somali Republic,
Mogadiscio.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-172
By lip NARA, Date 11-16-89

June 25, 1966 -- 12:50 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Faisal -- completely relaxed

Ambassador Eilts just called Howard Wriggins and communicated the following:

1. Faisal expressed to him in the plane to New York his deep appreciation for the President's warm reception which very much impressed him.
2. Faisal sincerely hopes that his answer to what he felt were provocative press questions has not caused the President embarrassment.
3. Faisal has received over 700 telegrams from other New Yorkers expressing their chagrin at how a minority was able to dissuade Mayor Lindsay from offering hospitality.
4. Eilts is of the opinion that the furor in New York has been helpful to Faisal, who said to Eilts the morning after, "Thanks to Mayor Lindsay I had a very good night's sleep."

W. W. R.

Saturday, June 25, 1966
9:30 a. m.

Mr. President:

Herewith Dave Bell's report on the
state of the Foreign Aid Bills reported
out of the Foreign Relations Committee.

W. W. Rostow

WWRostow:rlh

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LIMITED OFFICIAL USE

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

JUN 23 1966

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Aid Bills Reported Out by the Foreign Relations Committee

The House Foreign Affairs Committee has reported out a single foreign assistance bill which presents no problems of any major consequence for FY 67. (The FY 68 authorization levels for technical assistance, administrative expenses, contributions to international organizations and American schools and hospitals abroad are too low.) The Senate Foreign Relations Committee, on the other hand, has reported out separate economic and military assistance bills which contain many objectionable features.

Principal Issues

A summary of all the changes proposed by the Senate Foreign Relations Committee is attached to this memorandum. The six most difficult issues and our position on them are discussed below.

Limitation on the number of countries that can receive Development Loans (10), Technical Assistance (40), Supporting Assistance (10), and Military Assistance (40). These limitations fall into three categories:

- In the case of Supporting Assistance, aid can be given to more than 10 countries if the President determines it is in the national interest and reports his determination to the Congress.
- In the case of Development Loans and Technical Assistance, aid can be given to additional countries if the President determines it is in the national interest and both committees pass resolutions permitting him to do so (an unconstitutional procedure, in our judgment).
- In the case of Military Assistance, the 40 country limitation is absolute except that military training assistance carried out in the United States is excluded from the limitation.

LIMITED OFFICIAL USE

We oppose numerical limitations such as these on principle. Furthermore, once they are included in the Act it is all too easy to make them more restrictive each year. However, if they cannot be eliminated altogether, the latter three should be modified to conform to the Supporting Assistance provision.

Allowing 15% of available Development Loan funds (approximately \$125 million) to be used only by transfer to the World Bank or its affiliates.

- Section 205 of the Act now permits 15% of available development loan funds to be transferred to the World Bank or one of its affiliates. The Senate Foreign Relations Committee would require that 15% of Development Loan funds be used only in that way.

- Since the present permissive provision has been blocked each year by an appropriations bill rider - a rider we tried vainly to eliminate last year - this amendment is tantamount to a cut in Development Loan funds.

Our objective should be twofold: to keep Section 205 permissive and, later on, to seek to avoid an appropriations bill rider.

Imposition of a \$55 million combined ceiling on military assistance grants (except training) and on sales of defense articles in Latin America.

- The Act now limits grants of defense articles to \$55 million and contains no limitation on grants of defense services or sales of defense articles.

- Since the FY 67 program contemplates approximately \$63 million of grants and \$72 million of sales included within the new ceiling, this amendment is equivalent to a 60 per cent cut in our proposed military assistance to Latin America.

We should do all we can to leave the present ceiling unchanged.

Increase in minimum Development Loan interest rates from 2-1/2% to 3% after the 10 year grace period.

- Inasmuch as the Food for Freedom act provides that the minimum interest rate on loans made under that act shall be the same as the rates prescribed by the Foreign Assistance Act this provision also affects Food for Freedom dollar credit sales.

The case against higher interest rates is very strong: they would slow down the achievement of economic self-support by the developing countries, and set a bad example for other advanced countries whose aid terms we have been trying to get lowered. There is some possibility that Senator Fulbright will not press too hard for the adoption of this amendment in Conference.

Authorization Cuts

The following table lists our budget requests and the authorization actions taken on them by the Senate and House committees in the five fund categories which were cut by the Senate:

	FY 1967 Budget Request	Authorized by	
		(1) SFRC	(2) HFAC
Administration Expenses	57.4	54.2	57.4
Development Loans	665.4	620.0	1,000.0
Supporting Assistance	747.2	700.0	750.0
Technical Cooperation	231.3	210.0	231.3
Military Assistance Program	917.0	892.0	917.0

- We understand that in the course of his discussion on June 14 with Ambassador Bunker about increased needs for the Dominican Republic, Senator Fulbright stated that he would not oppose a move in the Conference to restore the full cut in Supporting Assistance.

- The likelihood is that the cuts in Development Loans, Technical Cooperation and the Military Assistance program can be compromised in the Conference at figures which will not cause serious damage.

- In addition to cutting administrative expenses by \$3.2 million the Senate Foreign Relations Committee refused to authorize the use of Supporting Assistance funds for the increased administrative costs of our expanded program in Vietnam -- reversing an action they had taken earlier this year. Taken together these actions amount to a cut of approximately \$8 million, more than 11 per cent of our administrative budget. In the face of such a cut, we could not administer and audit our Vietnam program or carry out the new initiatives in health, education and agriculture without eliminating many hundreds of aid employees working on other programs.

One-year authorization for our programs including Development Loans and the Alliance.

- Whereas the House authorized Development Loans and the Alliance for Progress for five years and all other programs for two years, the Senate Foreign Relations Committee authorized all programs for one year only.

Discussion

Doc Morgan expects more floor trouble on the multi-year authorization than on anything else. However, he believes he can get the bill through the House in substantially the same form as his Committee has reported it out.

We would accordingly expect the House conferees to be with us on all the issues discussed above. However, since it is unlikely that they could induce the Senate conferees to give way on all six of these issues, it is important to take care of some of them on the Senate floor if we can do so.

We have not yet fully explored the possibilities of what can be done on the floor. We have, however, heard that:

- Senator Clark is considering various possibilities for floor action including that of offering the House bill on the Senate floor as a substitute for the two Senate Foreign Relations Committee bills.

- Senators Clark and Lausche have expressed a desire to introduce an amendment which would give the President the same discretion in making Development Loans and Technical Assistance grants to additional countries as he would have with respect to Supporting Assistance.

- Senator Saltonstall and a number of other Republican Senators are said to be thinking of introducing an amendment to put the program on a multi-year basis.

- Senator Javits is said to be thinking of doing the same thing.

We need now to work out a floor strategy, and will proceed to discuss the possibilities with Messrs. Califano and Manatos, preparatory to discussions with the leadership, unless you wish us to proceed in a different way.

David E. Bell
David E. Bell

DRAFTED: June 16, 1966

INITIALED: June 17, 1966

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR AND DEPUTY ADMINISTRATOR

THROUGH: EXEC

SUBJECT: Summary of the Foreign Assistance Act of 1966 Reported by the Senate Foreign Relations Committee

This memorandum summarizes the changes in the Foreign Assistance Act of 1961, as amended (the "Act"), contained in the Foreign Assistance Act of 1966, as reported by the Senate Foreign Relations Committee (the "bill"). The memorandum also compares the bill with the Foreign Assistance Act of 1966 as proposed by the Executive Branch (the "Administration bill"). A table comparing the authorization provided in the bill for each assistance category with the Administration's authorization request and appropriation request is attached at Tab A.

STATEMENT OF POLICY

1. Disclaimer of Aid as Defense Commitment. The bill adds to the statement of policy a new sentence stating that the Act or the furnishing of assistance under the Act "shall not be construed as creating a new commitment or as affecting any existing commitment to use armed forces of the United States for the defense of any foreign country." (Sec. 102 of the Act; Sec. 101 of the bill)

2. Retention of Concept of "Surplus" Agricultural Commodities. The Committee rejected section 101 of the Administration bill which would strike the word "surplus" from the phrase "surplus agricultural commodities" in section 102 of the Act to reflect the elimination of the "surplus" concept from the new food aid program (Sec. 102 of the Act).

DEVELOPMENT LOANS

1. Added Criteria for Development Loans. The bill adds to the criteria to be taken into account in making development loans --

a. The recipient's progress toward respect for the rule of law, freedom of expression and of the press, and recognition of the importance of individual freedom, initiative, and private enterprise;

b. The recipient's steps to improve its climate for domestic and foreign private investment through (1) encouragement of maximum private ownership of industry, (2) nondiscriminatory treatment between national and nonnational and between public and private enterprises and products, and (3) adequate protection of industrial property rights;

c. Whether or not the activity will contribute to self-sustaining growth. (Sec. 201(b) of the Act; Sec. 102(a)(1) of the bill)

2. Limitation on Number of Countries. The bill limits to ten the countries in which development loans may be made in any fiscal year, except through international lending organizations pursuant to section 205 of the Act, unless (1) the President reports to the authorizing committees that loans in any additional country are in the national interest, giving his reasons, and (2) each committee approves by resolution. (NOTE: The provision for committee approval raises serious Constitutional questions. The President has vetoed bills with similar provisions. In his signing statement to the 1964 Food for Peace Act he indicated that the provision giving veto power to either of the Agriculture Committees over proposals to grant foreign currencies or to use loan repayments was unconstitutional and implied that he would consider it merely as a reporting provision.) (Sec. 201(b) of the Act; Sec. 102(a)(2) of the bill)

3. Increased Interest Rate. The bill raises the post grace period minimum interest rate on development loans (including Alliance loans) from 2-1/2 percent to 3 percent. (Sec. 201(d) of the Act; Sec. 102(b) of the bill)

4. Rejection of Multi-Year Authorization - Reduction in Amount. The bill authorizes the appropriation of \$620 million (\$45,388,000 below the appropriation request) for development loans for FY 1967. The Committee rejected section 102(a) of the Administration bill, which would authorize \$1,250 million each year for five fiscal years. The bill also deleted the provision in the Act that unappropriated portions of amounts authorized may be appropriated in subsequent fiscal years. (Sec. 202(a) of the Act; Sec. 102(c)(1) of the bill)

5. Encouragement of Private Enterprise. The bill extends through FY 1967 the requirement that not less than 50 percent of development loan funds be available for loans to encourage economic development through private enterprise. (Sec. 202(a) of the Act; Sec. 102(c)(2) of the bill)

6. Earmarking of Development Loan Funds for IDA, IBRD and IFC.

The bill earmarks 15 percent of development loan funds to be available solely for transfer to the IDA, the IBRD, or the IFC, within the existing broad section 205 waiver authority, thus making mandatory the existing permissive 15 percent transfer authority. (NOTE: The Foreign Assistance Appropriation Act prohibits transfers under section 205 of the Act. If that prohibition is re-enacted in the FY 1967 Appropriation Act it would result (assuming no legislative history to the contrary) in inability to use 15 percent of the funds made available (NOA plus carryover) for development loans.) (Sec. 205 of the Act; Sec. 102(d) of the bill)

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

1. Added Criteria for Technical Cooperation and Development Grants. The bill adds to the criteria to be taken into account in making technical cooperation and development grants --

a. The recipient's progress toward respect for the rule of law, freedom of expression and of the press, and recognition of the importance of individual freedom, initiative, and private enterprise;

b. Whether or not the activity will contribute to self-sustaining growth. (Sec. 211(a) of the Act; Sec. 103(a)(1) of the bill)

2. Limitation on Number of Countries. The bill limits to 40 the countries to which technical cooperation and development grants may be furnished in any fiscal year and applies to such grants the same provision for additional countries as applies to development loans. (Sec. 211(a) of the Act; Sec. 103(a)(2) of the bill)

3. American Educational and Research Institutions. As requested by the Executive Branch in section 103(a) of the Administration bill, the bill clarifies A.I.D.'s authority to use technical assistance funds for aid to American educational and research institutions to strengthen their capacity to support longer-range A.I.D. programs. (Sec. 211(d) of the Act; Sec. 103(a)(3) of the bill)

4. Rejection of Multi-Year Authorization - Reduction in Amount. The bill authorizes the appropriation of \$210 million (\$21,310,000 below the appropriation request) for technical cooperation and development grants for FY 1967. The Committee rejected section 103(b) of the

Administration bill, which would authorize such amounts as may be necessary each year for five fiscal years. (Sec. 212 of the Act; Sec. 103(b) of the bill)

5. American Schools and Hospitals - Rejection of Multi-Year Authorization. The bill authorizes the appropriation of \$10,989,000 (the amount of the appropriation request) for American schools and hospitals for FY 1967. The Committee rejected section 103(c) of the Administration bill, which would authorize such amounts as may be necessary each year for five fiscal years. (Sec. 214(c) of the Act; Sec. 103(c)(1) of the bill)

6. American Schools and Hospitals - Hadassah Foreign Currency Authorization. The bill authorizes the appropriation of \$1 million in excess local currency for FY 1967 for the purposes of section 214(b) of the Act. (NOTE: This provision is designed to provide for a grant to the Hadassah Medical Center.) (Sec. 214(d) of the Act; Sec. 103(c)(2) of the bill)

INVESTMENT GUARANTIES

1. Rejection of Increase in Specific-Risk Guaranty Ceiling. The Committee rejected section 104(a)(1) of the Administration bill, which would increase the specific-risk guaranty ceiling from \$5 billion to \$10 billion. (Sec. 221(b)(1) of the Act)

2. Rejection of Increase in Extended-Risk Guaranty Ceiling. The Committee rejected section 104(a)(2) of the Administration bill, which would increase the extended-risk guaranty ceiling from \$300 million to \$425 million while maintaining the requirement that \$125 million be reserved for housing guaranties. (Sec. 221(b)(2) of the Act)

3. Extended-Risk Guaranty Termination. The bill extends the termination date for extended-risk guaranty authority from June 30, 1967, to June 30, 1968. The Committee rejected section 104(a)(3) of the Administration bill, which would extend the termination date to June 30, 1973. (Sec. 221(b)(2) of the Act; Sec. 104(a)(1) of the bill)

4. Redefinition of Guaranty Limits. The bill amends section 221(c) of the Act by substituting "actual dollar investment" for "dollar value of the investment" as the limit upon the amount of an investment eligible for guaranty. The meaning and intent of this amendment are unclear. It may be construed to deny coverage to investment of foreign

currency. This could prevent coverage of reinvested foreign currency earnings as well as use of hard foreign currencies for purchase of equipment, etc. The bill also limits coverage of profits to "operating profits". This may be construed to deny coverage to non-operating profits such as appreciation in value of capital assets. (Sec. 221(c) of the Act; Sec. 104(a)(2) of the bill)

5. Earmarking of Latin American Housing Guaranty Authority. The bill provides that \$50 million of the issuing authority provided for in the FAA of 1965 shall be available solely for the purposes of section 224(b)(1) -- pilot or demonstration housing projects in Latin America. The FAA of 1965 raised the issuing authority for Latin American housing guaranties by \$150 million. (Sec. 224(c) of the Act; Sec. 104(b)(1) of the bill)

6. Termination Date of Latin American Housing Guaranty Authority. The bill extends the termination date for Latin American housing guaranty authority from June 30, 1967 to June 30, 1968. The Committee rejected section 104(b) of the Administration bill, which would extend the termination date to June 30, 1971. (Sec. 224(c) of the Act; Sec. 104(b)(2) of the bill)

SURVEYS OF INVESTMENT OPPORTUNITIES

Rejection of Multi-year Authorization. The Committee rejected section 105 of the Administration bill which would authorize the appropriation of such amounts as may be necessary each year for five fiscal years. No appropriation has been requested for FY 1967. (Sec. 232 of the Act)

ALLIANCE FOR PROGRESS

1. Added Criteria for Alliance for Progress Assistance. The bill adds to the criteria to be taken into account in furnishing assistance under the Alliance --

a. The recipient's progress toward respect for the rule of law, freedom of expression and of the press, and recognition of the importance of individual freedom, initiative, and private enterprise.

b. The recipient's steps to improve its climate for domestic and foreign private investment through (1) encouragement of maximum private ownership of industry, (2) nondiscriminatory treatment between national and nonnational and between public and private enterprises and products, and (3) adequate protection of industrial property rights;

c. Whether or not ~~the activity~~ will contribute to self-sustaining growth;

d. The extent to which ~~the activity~~ will contribute to the economic or ~~political integration~~ of Latin America. (Sec. 251(b) of the Act; Sec. 106(a)(1)(1) of the bill)

2. American Educational and Research Institutions. As requested by the Executive Branch, ~~the bill~~ provides that Alliance grant funds may be used to aid ~~American educational~~ and research institutions for the purposes of ~~the new section 211(d)~~ of the Act. (Sec. 251(b) of the Act; Sec. 106(a)(1)(ii) of the bill)

3. Loan Policy Subject to CIAP Approved Plans. The bill requires that Alliance loans be ~~made only to~~ support national economic plans approved by the Inter-American ~~Committee~~ for the Alliance for Progress (CIAP). (Sec. 251 of the Act; Sec. 106(a)(2) of the bill)

4. Transfer to International Lending Organizations. The bill authorizes the transfer of up to 15 percent of Alliance funds to the IDB, the IDA, the IDRD, or the IFC, ~~without regard to the requirements~~ of the Act or any other act. This broad ~~waiver authority is the same~~ as that contained in section 205 of the Act ~~with respect to development loans~~. (Sec. 251 of the Act; Sec. 106(a)(2) of the bill)

5. Rejection of Multi-year Authorization. The bill authorizes the appropriation of \$543 million for the Alliance for one fiscal year, with \$87 million available for grants (the amounts of the appropriation requests). The Committee ~~rejected section 106(b)(1)~~ of the Administration bill which would authorize appropriation of \$850 million per year for five fiscal years, of which \$100 million per year could be used for grants. (Sec. 252 of the Act; Sec. 106(b)(1) of the bill)

6. Presentations to the Congress. ~~Consistent~~ with the Committee rejection of a multi-year authorization for the Alliance, the bill deletes the requirement of presentation of Alliance programs to the authorizing committees for fiscal years when no Alliance authorization is sought. (Sec. 252 of the Act; Sec. 106(b)(2) of the bill)

7. Encouragement of Private Enterprise. The bill extends through FY 1967 the requirement that not less than 50 percent of Alliance loan funds be available to encourage economic development through private enterprise. (Sec. 252 of the Act; Sec. 106(b)(3) of the bill)

SOUTHEAST ASIA MULTILATERAL AND REGIONAL PROGRAMS

1. Adoption of General and Special Provisions. With the exception of the separate authorization, the bill adopts the provisions of the Southeast Asia title in the form requested by the Executive Branch — including the broad waiver authority for funds made available to the IBRD or ADB. (Sec. 271 and 272 of the Act; Sec. 107 of the bill)

2. Rejection of Multi-year Authorization. The bill provides for the use in FY 1967 for the purposes of the new title, \$50 million of funds made available elsewhere under the Act. The Committee rejected the requested authorization of such amounts as may be necessary each year for five fiscal years. (No appropriation was requested for FY 1967.) Inasmuch as the Committee deleted the provision in the Administration bill that funds authorized under Title VIII be "in addition to other funds available for such purposes," the authorization provision of the bill can be construed to prohibit the United States from making available more than \$50 million to promote social and economic development and stability in Southeast Asia through multilateral institutions and programs and projects serving regional development purposes. (Sec. 273 of the Act; Sec. 107 of the bill)

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1. Indus Basin Development. As requested by the Executive Branch in Section 108(a) of the Administration bill, the bill authorizes the use of IO funds for dollar repayable loans in connection with the Indus Basin Development Fund administered by the World Bank. (Sec. 301(a) of the Act; Sec. 108(a) of the bill)

2. United Nations Development Program. As requested by the Executive Branch in Section 108(b) of the Administration bill, the bill substitutes "United Nations Development Program" for "United Nations Expanded Program of Technical Assistance and the United Nations Special Fund" to reflect a recent consolidation and name change. (Sec. 301(b) of the Act; Sec. 108(b) of the bill)

3. Rejection of Multi-year Authorization. The bill authorizes the appropriation of \$140,433,000 (the amount of the appropriation request) for international organizations and programs for FY 1967. The Committee rejected section 108(c) of the Administration bill which would authorize such amounts as may be necessary each year for five fiscal years. (Sec. 302 of the Act; Sec. 108(c) of the bill)

4. Separate Authorization for Indus Basin Development.

In rejecting section 108(c) of the Administration bill, the Committee also rejected a separate authorization of \$51,220,000 for dollar repayable loans for Indus Basin Development. This is consistent with the Committee's rejection of a multi-year authorization, since the funds requested for Indus loans are for use beginning in FY 1968. (Sec. 302 of the Act; Sec. 108(c) of the bill)

SUPPORTING ASSISTANCE

1. Limitation on Number of Countries. The bill limits to ten the number of countries which may receive supporting assistance in any fiscal year, unless the President determines that the furnishing of supporting assistance to any additional country is in the national interest and reports such determination, with the reasons therefor, to the Senate Foreign Relations Committee and the Speaker of the House. (Sec. 401 of the Act; Sec. 109(a) of the bill)

2. Rejection of Multi-year Authorization - Reduction in Amount. The bill authorizes the appropriation of \$700 million (\$47.2 million below the appropriation request) for supporting assistance for FY 1967. The Committee rejected section 109 of the Administration bill which would authorize the appropriation of \$250 million each year for five fiscal years for non-Vietnam supporting assistance, and a separate appropriation for Vietnam supporting assistance of such amount as may be necessary each year for five fiscal years. (Sec. 402 of the Act; Sec. 109(b)(2) of the bill)

3. Rejection of Transfer Authority. The Committee rejected the provision in section 109 of the Administration bill which would authorize transfer of supporting assistance funds for administrative expenses incurred in connection with programs in Vietnam. (Sec. 109(b) of the bill)

CONTINGENCY FUND

1. Rejection of Multi-year Authorization. The bill authorizes the appropriation of \$70 million (the amount of the appropriation request) for the contingency fund for FY 1967. The Committee rejected section 110(a) of the Administration bill which would authorize appropriation of \$150 million each year for five fiscal years. (Sec. 451(a) of the Act; Sec. 110(a) of the bill)

2. Obsolete North Vietnam Shipping Clause. The bill strikes out a prohibition against aid to countries permitting ships or aircraft under their registry to transport goods to or from North Vietnam. The prohibition is obsolete in that it relates only to contingency funds included in the FY 1966 supplemental appropriation act. (Sec. 451 (a) of the Act; Sec. 110(b) of the bill)

3. Obsolete Southeast Asia Authorization. As requested in the Administration bill, the bill strikes out an obsolete provision authorizing a separate contingency fund for Southeast Asia in FY 1966. (Sec. 451 (a) of the Act; Sec. 110(b) of the bill)

ASSISTANCE TO NON-INDUSTRIALIZED COUNTRIES

1. Title Change. The bill changes the heading of Chapter 6 from "Assistance to Countries Having Agrarian Economies" to "Assistance to Non-Industrialized Countries." (Sec. 461 of the Act; Sec. 111(a) of the bill)

2. Assistance for Population Control. The bill adds a new section authorizing the use of economic assistance funds to furnish "technical and other assistance for the control of population growth." (Sec. 462 of the Act; Sec. 111(b) of the bill)

JOINT COMMISSIONS ON RURAL RECONSTRUCTION

General Authority. The bill adds a new chapter to Part I authorizing the President to conclude agreements with Asian and African countries for the establishment of joint commissions on rural reconstruction. Each commission, composed of two U.S. citizens and three citizens of the participating country, would be authorized to formulate and carry out programs for reconstruction in rural areas, including appropriate research and training activities. Up to 10 percent of TC-DG funds could be used to carry out the new chapter. The furnishing of assistance under this chapter is not to be construed as an express or implied assumption by the U.S. of any responsibility for making further contributions. (Sec. 471 of the Act; Sec. 112 of the bill)

GENERAL PROVISIONS

1. Procurement of "Surplus" Agricultural Commodities. The bill makes a technical change in the restriction on offshore procurement of grant agricultural commodities by applying the restriction to "any agricultural commodity or product thereof available for disposition under the Agricultural Trade and Development Act of 1954, as amended," rather than to "any surplus agricultural commodity." The change is intended to make the provision applicable under the Food for Freedom Act as well as under existing law. (Sec. 604(c) of the Act; Sec. 201(a)(1) of the bill)

2. Restriction on Offshore Procurement of Agricultural Commodities. The bill adds a new subsection prohibiting procurement of any agricultural commodity or product thereof outside the United States when the domestic price is less than parity. (Sec. 604(e) of the Act; Sec. 201(a)(2) of the bill)

3. Advance Acquisition of Property. As requested by the Executive Branch in section 201(a) of the Administration bill, the bill provides that personnel costs directly attributable to the excess property program may be charged to the excess property revolving fund. (Sec. 608(a) of the Act; Sec. 201(b) of the bill)

4. Use of Excess Foreign Currencies for Family Planning. The bill adds a new subsection (incorporating the Tydings bill) making available excess foreign currencies for voluntary family planning programs in countries requesting such assistance. No program is to be assisted unless the recipient country takes reasonable precautions in administering the program to insure that persons receiving assistance desire it. The bill provides that up to 5 percent of the aggregate of all excess foreign currencies may be used for this purpose in any one year, without appropriation. Voluntary family planning program is defined to include inter alia the manufacture of medical supplies, and the dissemination of family planning information, medical assistance and supplies to individuals who desire such assistance. (Sec. 612(c) of the Act; Sec. 201(c) of the bill)

5. Reports on Unvouchered Funds. The bill adds to section 614(c) of the Act a requirement that the President report "promptly and fully" to the Speaker of the House and the Chairman and ranking minority member of the Senate Foreign Relations Committee concerning each use of funds under that section. It is not specified that the report be in writing. (Sec. 614(c) of the Act; Sec. 201(d) of the bill)

6. Limitation on Aid to Productive Enterprises and Military Programs over \$100 Million. The bill revives the previously expired prohibition against assistance for the construction of any productive enterprise for which the aggregate value of U.S. assistance will exceed \$100 million. In addition, the bill prohibits military assistance

(excluding sales, barter, and leases) to any country for carrying out any program with respect to which the aggregate value of U.S. assistance will exceed \$100 million. As under the expired provision, the prohibition may not be waived. However, the prohibition applies only to assistance furnished "without the express approval of Congress." While it is not specified how the "express approval of Congress" is to be given, the provision presumably would be satisfied constitutionally by (1) legislation (either through an amendment to the Foreign Assistance Act or through other legislation), or (2) legislative history, such as specific language in Committee reports, on an act of Congress (e.g. the aid bill) signed by the President. From the Executive Branch point of view, a concurrent resolution would raise constitutional problems. (Sec. 620 (k) of the Act; Sec. 201 (e) of the bill)

7. Prohibition on Assistance to Countries not Agreeing to Institute a Guaranty Program. The Committee rejected section 201 (b) of the Administration bill which would make permissive the existing mandatory termination of assistance to any country which has not agreed by December 31, 1966, to institute a specific-risk guaranty program. The Committee also rejected an alternative of extending the mandatory out-off date to December 31, 1967. (Sec. 620(l) of the Act)

ADMINISTRATIVE PROVISIONS

1. Technical amendments. The bill includes technical amendments proposed in the administration bill designed to conform the bill with the proposed Military Assistance and Sales Act. (Sec. 622(b) and (c) of the Act; Sec. 202(a) and (b) of the bill)

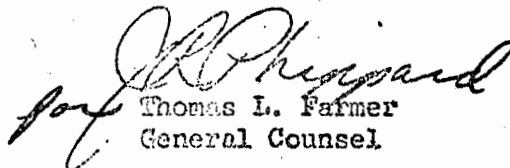
2. Presentations to Congress After FY 1967. Consistent with its rejection of a multi-year authorization, the Committee rejected section 202(c) of the Administration bill, which would require presentation of foreign assistance programs to Congress, upon request, for fiscal years FY 1968-71. (Sec. 624(d) of the Act)

3. Exclusion of Alliance loans from Prohibition on Contracts for over Five Years. As requested by the Executive Branch in section 202(d) of the Administration bill, the bill effects a technical amendment to exclude Alliance loans specifically from the provision that agreements which entail commitments for the expenditure of funds may not extend for more than five years. (Sec. 625(h) of the Act; Sec. 202(c) of the bill)

4. Rejection of Multi-year Authorization for Administrative Expenses - Reduction in Amount. The bill authorizes the appropriation of \$54,240,000 for administrative expenses for FY 1967 (the amount of the FY 1966 appropriation and \$3,147,000 less than the FY 1967 appropriation request). The Committee rejected section 202(e) of the Administration bill which would authorize such amounts as may be necessary each year for five fiscal years. The FY 1967 appropriation request was formulated in reliance upon the proposed authority to transfer funds from supporting assistance for additional administrative expenses for Vietnam programs. Since the proposed transfer authority was rejected by the Committee, no provision is made in the bill for these additional administrative expenses. (Sec. 637(a) of the Act; Sec. 202(d)(1) of the bill)

5. Repeal of Permanent Authorization for State Department Expenses - Reduction in Amount. The bill repeals the existing permanent authorization of such amounts as may be necessary for aid-related State Department administrative expenses and substitutes an authorization of \$3.1 million for FY 1967 (the amount of the FY 1966 appropriation and \$155,000 less than the FY 1967 appropriation request). (Sec. 637(b) of the Act; Sec. 202(d)(2) of the bill)

6. Definition of "Surplus Agricultural Commodity." Consistent with its refusal to strike the word "surplus" from the reference to "surplus agricultural commodities" in the statement of policy, but inconsistent with its redefinition of agricultural commodities for which offshore procurement is restricted (section 201(a)(1) of the bill), the Committee rejected section 202(f) of the Administration bill, which would delete the definition of "surplus agricultural commodity." (Sec. 644(1) of the Act)


Thomas L. Farmer
General Counsel

Attachment

GC:AWMudgeII/CPaolillo/JRPhippard

ECONOMIC ASSISTANCE AUTHORIZATIONS
SENATE FOREIGN RELATIONS COMMITTEE

	<u>Authorization Request</u>	<u>Committee Authorization</u>	<u>Appropriation Request</u>	<u>Reduction from Appropriation Request</u>
Development loans	\$1,250,000,000	\$ 620,000,000	\$ 665,388,000	\$ 45,388,000
Technical cooperation, development grants	1/	210,000,000	231,310,000	21,310,000
American schools, hospitals abroad	1/	10,989,000 2/	10,989,000	---
Survey of investment opportunities	1/	None	None	---
Alliance for Progress loans	750,000,000	455,300,000	455,300,000	---
Alliance for Progress grants	100,000,000	87,700,000	87,700,000	---
Southeast Asia multilateral and regional	1/	None 3/	None	---
International organizations, grants	1/	140,433,000	140,433,000	---
Indus Basin loans	4/	None	None	---
Supporting assistance, general	200,000,000	700,000,000	197,200,000	47,200,000
Supporting assistance, Vietnam	1/		550,000,000	
Contingency fund	150,000,000	70,000,000	70,000,000	---
Administrative expenses, AID	1/	51,220,000	57,387,000	3,167,000
Administrative expenses, State	1/	2,100,000	3,255,000	1,155,000
		<u>\$2,351,762,000</u>	<u>\$2,468,962,000</u>	<u>\$ 117,200,000</u>

- 1/ Such amounts as may be necessary.
- 2/ Plus one million dollars equivalent in excess foreign currencies.
- 3/ \$50,000,000 "of funds available under this Act".
- 4/ \$51,220,000 requested for FY 1968.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

June 25, 1966 -

Mr. President:

Senator Kuchel cannot go to the Balaguer inaugural. All the others have accepted.

As a replacement for Senator Kuchel, I suggest Senator Aiken or Senator Carlson, both of whom are on the Latin American Subcommittee.

W.W. Rostow

Prefer Aiken _____

Prefer Carlson _____

If one can't accept,
approach the other _____

Speak to me _____

~~SECRET~~

Saturday, June 25, 1966

MEMORANDUM FOR THE PRESIDENT

Following our meeting with you on desalting in the Middle East, we have carefully studied our commitment and drawn up tentative terms of reference for the U. S. coordinator.

On the commitment, I conclude (the full record is attached):

1. We are publicly and privately committed to help Israel with technical assistance to study and plan a desalting program.
2. We are committed to help "as much as possible" with construction costs if studies prove the project feasible. The engineering study concluded that the project is technologically feasible but that its long-term economic costs and benefits still need to be determined.
3. We are not committed to a nuclear desalting plant, and the option of an oil-fueled plant remains open. However, we have talked enthusiastically about using nuclear energy and now have a study saying it is technically feasible. But we still have room to maneuver if a nuclear plant turns out to be politically or economically undesirable.
4. We are committed to appoint a high-level U. S. representative to discuss with an Israeli counterpart financing and other practical aspects of how to move ahead on the project.

Therefore, I recommend you approve the following steps:

(1) Appoint our representative as soon as we can arrange it, even though we are not yet ready to talk to the Israelis. Our own position is still not firm on important policy issues, including how we might help finance the project if we decided to go ahead. The coordinator can help pin down our position and should share in formulating his final instructions. Any first-rate man would wish to help shape the enterprise from an early stage.

I recommend Douglas Dillon as the man best equipped to handle the difficult economic aspects of this project while still having the necessary diplomatic experience. The Israelis have mentioned Bob Anderson as combining the same qualifications. Averell Harriman and Mac Bundy are also on Secretary Rusk's list.

Approve now _____ Wait until _____ Disapprove _____

DECLASSIFIED

E.O. 12958, Sec. 3.6 Approve _____ as coordinator

NLJ 98-337

By CG, NARA Date 9-24-99

~~SECRET~~

(2) Tell the Israelis privately now whom you have appointed, but ask them to agree to hold off joint announcement until later in the summer in order to give him time to do his homework.

For both domestic and foreign political reasons, we want to space our Israeli gestures. We announced the aircraft sale 20 May. We now have this year's AID loan almost ready for announcement but do not want to put it out while Faisal is here. We have \$6 million left over from an old loan that you have delayed transferring to a new one. That could move any time. We have President Shazar coming the first week in August. We want to fit announcement of the coordinator into this schedule in order to reap maximum domestic advantage and minimum Arab reaction.

Approve _____

Announce sooner; give me
an appropriate date _____

(3) Give the coordinator the attached terms of reference. Briefly, these instruct him to:

-- Take about two months to review all available economic data (perhaps with the help of a good economist or other specialist) to find out whether further study is needed. A clear picture of Israel's water position in the 1970's is needed to determine how much concessional or grant financing or continuing subsidy would be involved if we went ahead. Don Hornig argues rightly that we should not pile one study on another, and the Israelis will not stand still for that either. But my understanding is that we still do not have an economic picture of Israel in the 1970's which gives us a clear picture of what water prices will be acceptable then.

-- Recommend what further study may be needed after he has completed these preliminary reviews. If he feels we need no more study, he should recommend a USG position. If he thinks we should go ahead with the project, he should recommend a way to finance it. He should also recommend the timing and content of his first approach to the Israelis.

Approve terms of reference _____

See me _____

(4) Tell the coordinator to look especially closely at the problem of requiring the Israelis to accept IAEA safeguards on this, Dimona and all future reactors.

Our current position is to make this our price for going ahead with a nuclear plant. We know the Israelis will not accept this condition readily.

if at all. But we would stick with our position rather than prompting the bureaucracy to begin thinking about fallback positions already. However, our coordinator will have to know this problem inside out to argue our case with the Israelis. Moreover, we must be realistic about Israeli resistance on this point and will have to know whether there are other good ways to achieve our objective.

Approve _____

I do not want to press
Israel too hard on safeguards _____

(5) Attach the coordinator to the White House.

The Israelis want to feel that he is your man and, from our point of view, that is not a bad idea. Only here will he find enough freedom from bureaucratic lobbying to sort this out. However, this might bring you more directly under fire, and it might be possible for a man of Dillon's or Harriman's stature to retain his independence if located in State.

Attach him to White House _____

Put him in State _____

Don Hornig's staff and Charlie Schultze's have participated in working out this approach.

W. W. Rostow

TERMS OF REFERENCE FOR
US COORDINATOR ON ISRAELI AND UAR DESALTING PLANTS

I. The coordinator, while carrying out his duties in connection with the Israeli desalting project, will act as the representative of the President. The President will determine when the Israelis may be informed of his appointment and when his appointment may be publicly announced.

II. The coordinator should, within two months of his appointment, conduct the following preliminary reviews of the Israeli desalting project:

A. Economic. He should review available economic studies to:

1. Establish whether adequate economic data exist to project likely water values in the 1970's and to determine what market price of water may be acceptable and the consequences of reallocating water from agriculture to higher value uses. Such information is essential in determining how much concessional or grant financing or continuing subsidy would be required if this project were undertaken.
2. Establish whether adequate economic data exist to clarify the comparative economics of nuclear and fossil fuels with varying mixes of water and electricity production. Such information is essential in determining the extra costs we might accept as a premium either for "buying" nuclear safeguards or for avoiding building a large nuclear plant.

B. Financial. He should familiarize himself with the differing positions of all elements within the US Government involved in this project to:

1. Determine available and potential sources of US financing and their respective implications for other foreign assistance activities.
2. Study the prospects for and implications of competing offers to Israel from non-US suppliers and the advantages and disadvantages to our future market and political position of their participation.

C. Political. He should review the impact of a nuclear desalting plant in Israel on the political situation in the Middle East. By reviewing internal positions in Israel on desalting, nuclear weapons and security as we know them, he should develop specific conclusions on:

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-337

~~SECRET/SENSITIVE~~

By Cb, NARA Date 9-24-99

1. The extent of Israeli commitment to a nuclear as opposed to a fossil-fueled desalting plant. Among other factors, he should study the importance Israel attaches to being independent of Middle East oil and the availability of oil from other sources.
2. The problem of exacting Israeli acceptance of IAEA safeguards on all nuclear facilities as a condition for a nuclear desalting plant. The Executive Branch objective is to obtain safeguards on all existing and future nuclear facilities. Because of predictable Israeli objections, the coordinator must review this problem with particular care.

D. The coordinator may employ one or two independent economists or other specialists and call upon appropriate USG offices to help him complete these reviews and to determine what information and analysis is still needed.

III. The coordinator should also:

- A. Acquaint himself with available information on the technical, economic and political features of the UAR request for a dual-purpose electric power/desalting plant.
- B. Consider the political interrelationship of the Israeli and UAR projects.
- C. Take no action in that direction without approval of the Secretary of State and the President.

IV. Having completed these preliminary reviews, the coordinator will, within two months of his appointment, recommend to the President after consultation with the departments and agencies involved:

- A. The organization of any further study, if necessary, and the extent of Israeli participation.
- B. If no further study is needed, a US Government position on this project.
- C. If he favors a project, a proposed method of financing.

- D. The timing and content of his first approach to the Israeli representative.
- V. On the basis of the President's decisions on the coordinator's recommendations, specific negotiating instructions for the coordinator will be prepared and cleared with interested agencies.

June 25, 1966

Dear President Toure:

Your letter of April 11 was received with great interest and satisfaction.

I welcome frank exchanges between us. As you suggest, they are the basis for finding the causes of difficulty and for arriving at solutions.

Our Charge in Conakry will carry forward his work in this constructive spirit.

Your assurances concerning the safety of the United States nationals in Guinea were particularly welcome.

We in the United States appreciate the determination of the people of Guinea to safeguard their independence and to better their social and economic standards. The United States fully supports these objectives. I know that this unity of basic interests will continue to provide a framework for constructive cooperation between our two countries in the great tasks which lie ahead.

As you know, I am greatly interested in the economic and social progress of Africa. In that connection, I was pleased to receive your report on the progress of the technical studies at Boké, and of the meeting of the Board of Directors of the Mixed Guinean Bauxite Company.

Accept, Mr. President, my cordial best wishes.

Sincerely,
LBJ

His Excellency
Ahmed Sekou Toure
President of the Republic of Guinea
Conakry

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-172
By mg NARA, Date 11-16-89

LBJ:EKH:WWR:rla

50a

Friday, June 24, 1966
7:00 p. m.

Mr. President:

Herewith a proposed reply to the April 11 letter from President Toure of Guinea.

State recommended against an early reply because of unrest in Guinea. The matter only came to my desk on June 22. A reply is now regarded as appropriate because: things have settled down considerably; and a letter from you will help our new Chargé get himself well installed in Conakry.

President Toure's letter had little of substance. This reply attempts, however, to nail down Toure's assurance about the safety of U. S. nationals in Guinea and to reaffirm the thrust of your recent African speech.

W. W. Rostow

WWRostow:rln

June 25, 1966

Dear Mr. Premier:

It was a great pleasure to hear from you, and to learn of the wonderful new Children's Medical Center which you have built at St. John's. It is a fine thing that a former American military base has been put to such good use. I was also pleased to read in your letter that Dr. Janeway of the Children's Hospital in Boston has been of so much help to you.

I am sure you will understand how sorry I am to have to decline your generous invitation to be with you at the opening. My commitments during the next two months make this impractical, much as I would like to visit with you and to see what you have done.

We Americans shall never forget the courage of the people of Newfoundland and the skill and determination of her sailors during the battle of the North Atlantic. We also deeply appreciate the hospitality extended to American servicemen for a quarter of a century by the Government and people of Newfoundland.

I wish you and your colleagues every success with the Medical Center. You have America's friendship and best wishes as you carry forward your work.

Sincerely,

/s/

LBJ

The Honorable Joseph R. Smallwood
Premier of Newfoundland

LBJ:FMB:mst
June 23, 1966

Mr. Bator

Thursday, June 23, 1966, 2:20 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Newfoundland Invitation to Dedicate New
Children's Hospital

At Tab A is a nice letter from Premier Smallwood of Newfoundland, inviting you to take a one-day trip to St. John's to dedicate a new Children's Medical Center, which they want to name after you. The invitation is for any day convenient for you between mid-July and mid-September. It would involve an 8-10 hour trip.

Smallwood has always been very friendly to the U.S. and especially to U.S. servicemen -- and apparently the new hospital is quite marvelous. However, there is no policy reason to make the trip, unless you and Mrs. Johnson would enjoy it.

If you decided to go, State would probably strongly recommend a brief stop in Ottawa on the way back.

If you want to decline, a pleasant draft reply is at Tab B.

Francis M. Bator

Attachments

FMB:mst

Pre File

June 24, 1966 - 8:10 pm

MEMORANDUM FOR THE PRESIDENT

I thought you would like to see the warm thank you note Secretary General U Thant sent you for the UN reception last week:

"Dear Mr. President:

"On my return to New York I wanted to write to express my personal gratitude and that of my colleagues in the Secretariat, to you and Mrs. Johnson for the very warm and cordial reception that you gave us on Tuesday night. It was a most friendly occasion, and we are all deeply appreciative of your kind thought in inviting us to the White House and giving us such a splendid reception at such short notice.

"With warmest personal regards,

"Yours sincerely,

"U Thant"

From everything I hear your guests were very happy about the affair and the warmth of the reception overcame any initial reservation about the relatively short notice.

W. W. Rostow

Friday, June 24, 1966
8:00 p. m.

Mr. President:

I don't know whether Singapore Prime Minister ~~Lee~~^{Lee}'s statement on Vietnam has reached you in full. It is the first time that one of the Asian countries not directly in jeopardy because of aggression against Viet Nam has publicly acknowledged the direct interest of all of Asia in our success. It is also a clear statement of the validity of the domino theory. As you know, it has gotten a good play in the press and made quite an impression.

W. W. Rostow

WWRostow:rln

LEE KUAN YEW'S SPEECH

Singapore Prime Minister Lee Kuan Yew recently outlined the city-state's position in Asian affairs at the University of Singapore Democratic (?) Socialist Club in an address entitled: "Big and Small Fishes in Asian Waters."

A question and answer period following the speech wound up with this question from a student: "Sir, you said that eventually only the big Asian fish will swim in Asian seas. I would like to know, are you pre-supposing that America is going to withdraw from Vietnam; and, if so, in what manner and how soon?" Following are excerpts of Prime Minister's answer: "I am sorry if I gave the impression that that would be the likely course of events. Because that is surely the course of events which would be highly uncomfortable for all the medium and small fishes in Asian waters...."

"What should emerge would be a new power structure in which the legitimate interests of the big powers are conceded, and the legitimate interests of the middle and small powers are respected -- respected because it is in the interests of the big powers in Asia and because it is more so in the interests of the bigger powers in the world. For that reason I do not believe that there would be any premature or precipitate withdrawal from Vietnam. But at the same time I think it would be unrealistic for us to believe that the Americans can keep on pouring in troops and men and resources indefinitely.... So, ultimately what you want is a formula which will give the Vietnamese their right of self-determination. The South Vietnamese should decide for themselves. And if they decide -- after a period of grace which should be given so as to make quite sure that there was an exercise of free will -- that they want to join North Vietnam, well so be it. But it is only worth while if there is a credible formula and a credible undertaking that the same process will not be repeated on the periphery after South Vietnam.

"If you look at the map of the world, you will find that there is one reason why these chaps all belong to one camp. It is because they all share a common land frontier -- Russia, Eastern Europe; Russia, China; China, North Korea; China, North Vietnam; North Vietnam, South Vietnam. If South Vietnam disappears, can you imagine the problems of Prince Souvanna Phouma? He already has enough problems.

"And what about so many of our other friends in Southeast Asia? And the point which I made, I hope not without some effect, was -- 'Do you believe that Pakistan is a lackey of the Americans?' They are friends of China. There are the Burmese -- they are the best neutralists in Asia.

How is it that none of them have really said that 'this is a crime against humanity committed by the Americans?' Of course! Hundreds of Vietnamese are dying every day -- for what? For Vietnam? No! To decide that Vietnam shall not be repeated. That is why they haven't raised their voice in protest with the same indignation and rage.

"But whilst we buy time, if we just sit down and believe people are going to buy time forever after for us, then we deserve to perish."

(Speech dated June 15, 1966)

THE WHITE HOUSE

WASHINGTON

Friday, June 24, 1966 at 6:30 P.M.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Ships Under Soviet Charter in the Great Lakes

At Tab A, George Ball recommends two bridge-building actions: (1) permission for Western flag ships under Soviet charter to enter the Great Lakes; (2) Ex-Im guarantees of commercial credit for four East European countries. As you know, Secretary Rusk wants to take a Congressional reading before going ahead with the Ex-Im guarantees. However, the shipping issue is ready for decision.

The Issue: The Soviets have asked us to permit non-Soviet Bloc ships under Soviet charter to enter Great Lake ports, on a scheduled basis. State recommends that we not agree to a scheduled service, but agree to consider individual applications.

The Soviet application has merit:

- Soviet ports are open to U.S. shipping on a non-discriminatory basis;
- We have been allowing Soviet charter ships into Atlantic ports all along; there is no real reason for treating Great Lake ports differently;
- The ships would be manned by non-Bloc crews, and subject to security inspection by the Coast Guard, etc., as in the case of Bloc flag vessels calling at other U.S. ports. Our strict-minded Interagency Port Security Committee is ready to go ahead;
- The Great Lakes can use the business.

Opposition: Senators Douglas and Hickenlooper are the most important opponents. Douglas remembers the blown-up locks of World War I. (If we go ahead, I will suggest to State that they explain to him that we are talking about Western flag ships with Western crews.) Hickenlooper is against because of Vietnam, as are Representatives Arends, Adair, Brad Morse, Selden and Laird (probably).

Gleason and the longshoremen will not like it either. (I understand Gleason controls some but not all of the longshoremen in the region.)

Support: According to State, Senators Mansfield, Dirksen, Kuchel, as well as such East-West traders as Senator Magnuson are favorable. In the House, supporters include the Speaker, Representatives Albert, Boggs, Ford, and William Springer (Interstate and Foreign Commerce). According to Carl Marcy, Fulbright "perceives no objections". (All together, State contacted 25 Members, and staff members of six more, and got support or an O.K. from 23 of the 31.)

On balance, I would vote for the State proposal that we tell Moscow we cannot give them a blanket yes, but will consider individual applications. This would be a forward step, yet would give ~~us~~ some protection against the Cold Warriors.


Francis M. Bator



Approve State Recommendation

Disapprove

Speak to me

1685 54a

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By JW, NARA, Date 5-27-98

DEPARTMENT OF STATE
WASHINGTON

June 2, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Certain Economic Actions to Give
Effect to Our East-West Trade Policy.

Recommendations

1. That you authorize the Department to inform the Soviet Union, through the United States shipping agent, with respect to their application for a regularly scheduled shipping service to the Great Lakes, that we would be prepared to give favorable consideration, subject to unforeseen circumstances, to individual applications for entrance of non-Soviet bloc ships under Soviet charter to Great Lakes ports.

Approve _____

Disapprove _____

2. That you authorize the Export-Import Bank to make known that it is prepared to receive applications for guarantees of extension of credits on normal commercial terms in connection with the sale of United States peaceful goods to Czechoslovakia, Bulgaria, Hungary and Poland, and to recommend to you, in appropriate cases, that you make a specific determination in each such case that it is in the national interest for the Export-Import Bank to guarantee the sale in question.

Approve _____

Disapprove _____

~~CONFIDENTIAL~~

Handwritten marks on the right margin: a vertical line, an arrow pointing left, an asterisk, and another arrow pointing left.

~~CONFIDENTIAL~~

-2-

Discussion

1. Soviet Shipping Service to the Great Lakes: In furtherance of our policy to normalize East-West commercial relations, it is desirable that we respond affirmatively to the Soviet request for shipping to Great Lakes ports. It is all the more desirable because Soviet ports are open to United States shipping on a non-discriminatory basis, although in fact United States shipping to the Soviet Union is minimal at the present time. Affirmative action would be helpful in other respects as well, in particular, in encouraging a greater use of the Seaway and the Lake ports and in overcoming a certain discrimination borne by the Great Lakes ports as compared with United States Atlantic ports.

The Soviets are prepared to charter non-bloc flag vessels manned by non-Soviet crews for the Great Lakes service. These vessels could be made subject to security inspection by the Coast Guard, Customs and other agencies as is required in the case of Bloc flag vessels calling at United States ports. The Interagency Port Security Committee is prepared to give favorable consideration to the Soviet request.

To gauge Congressional reaction, we have talked with 25 members of the Congress and six key staff members. The reaction of 23 of the 31 was substantial support for, or willing acceptance of, the establishment of a regularly scheduled Soviet charter service to Great Lakes ports. Among the 23 are the leadership of both Houses and both parties.

I am recommending approval on the basis of individual applications rather than for a regularly scheduled service (1) to make it easier to deny applications should political or other circumstances warrant, and (2) to make the Soviet presence less visible. With service on an individual application basis, the Soviets could not advertise for cargo on a regular basis, as they would be able to do were they operating a regularly scheduled service.

It is, of course, possible that the Soviet Union might not accept this proposal.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

2. Export-Import Bank Guarantees on Sales to East European Countries

On February 4, 1964, in accordance with Title III of the Foreign Aid and Related Agencies Appropriation Act of 1964, you determined that it was in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of United States agricultural products to the USSR, Bulgaria, Czechoslovakia, Hungary, Poland and Romania. On June 15, 1964, in accordance with the same Act, you made a similar determination for non-agricultural goods sold to Romania.

I believe that political and economic circumstances in Eastern Europe now make it advisable in terms of the national interest to extend the availability of Export-Import Bank guarantees to Czechoslovakia, Poland, Hungary and Bulgaria. By so doing we would place American businessmen in a competitive position to sell to these countries such goods as we choose to license for export to them. We would thus avoid the situation which has arisen recently in two of these countries where American technology has been licensed and sold but the contract for the related hard goods and construction has been lost to Western European suppliers who were able to offer credit terms. To the extent that American firms can now obtain these sales, our balance of payments will directly benefit.

The extension of Export-Import Bank credit guarantees will preserve the momentum of our policy of building bridges to the nations of Eastern Europe. Our chiefs of mission in each of the four countries involved have strongly recommended action to authorize Export-Import Bank guarantees in connection with the sale of peaceful goods to these countries.

However, because of possible adverse Congressional reaction at this time to a blanket authorization for Export-Import Bank guarantees on sales to these countries, I am recommending that determination be made on a case by case basis. I believe the adverse Congressional reaction would be minimized thereby. In dealing with the countries of Eastern Europe we could still point to each authorized transaction as concrete evidence of our willingness to finance sales when these countries really wish to purchase from us.

~~CONFIDENTIAL~~

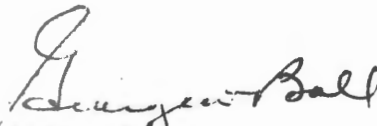
~~CONFIDENTIAL~~

-4-

If you approve this recommendation, the Export-Import Bank would be asked to announce that it was prepared to receive applications for guarantees of extension of credits in connection with sales to the four countries and to recommend to you, in appropriate cases, that you make the necessary determinations.

Very few sales transactions to Eastern Europe requiring Export-Import Bank guarantees are likely to be completed in the months ahead. We know that Douglas Aircraft has under active consideration a \$30 million sale of aircraft to Czechoslovakia, and we believe a sale of fertilizer to Bulgaria is being contemplated. At a later time, it may be advisable to move from a case by case determination to a blanket authorization as in the case of Romania.

I believe that the case by case approach presents no problem of a legal or precedent nature with regard to other Presidential determinations of a broader character.


Acting Secretary

~~CONFIDENTIAL~~

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Friday, June 24, 1966

55
sent at 12:40 pm

MEMORANDUM FOR THE PRESIDENT

We have talked to Mrs. Abell about your thought that a dinner for Australian Prime Minister Holt would be better than the luncheon now planned.

The evening of the Prime Minister's arrival, June 28, has been kept free to give him time to recuperate from the long and exhausting trip from Australia.

The two other evenings he will be in Washington, June 29 and 30, are now taken up by dinners at the Australian Embassy scheduled by the Ambassador.

The Prime Minister and the Australian Ambassador could obviously make arrangements to free up one of these evenings.

The invitations for the luncheon have not yet gone out.

Your schedule is free for the evening of June 29.*

The only drawback we can see to having a dinner would be the short time between now and the 29th or 30th and the possible effect which giving the Prime Minister a dinner would have on the desires of other Prime Ministers who will be visiting Washington informally.

W. W. Holt
W. W. Holt

_____ Schedule dinner for 8 P.M. June 29

_____ Stick with present schedule and luncheon

* Marv Watson informs me that you have tentatively agreed to meet the Youth Governors of the YMCA at 5:30 and at 6 o'clock to meet the other Congressmen who have been to Vietnam.

~~SECRET~~

SANITIZED
E.O. 12958, Sec. 3.6
NLJ 98-338
By cb, NARA Date 6-8-00

Friday, June 24, 1966
11:50 a. m.

56

MR. PRESIDENT:

This Special National Intelligence Estimate which came out yesterday will be raised with you by George Ball at the 12:30 meeting scheduled with Ambassador John Crimmins.

It is a rather alarmist estimate about the possibilities of the extreme left creating incidents which might "endanger or embarrass" Vice President Humphrey during his visit to the Dominican Republic.

You will wish to hear directly from the CIA and George Ball, as well as from Crimmins and Ambassador Bunker, who will be there for the discussion.

My first reaction to this piece of paper, which arrived in my office only 10 minutes ago, is this. Quite aside from the question of the safety of the Vice President, we have to take up as a matter of urgency with the Dominican authorities and, if necessary, the Inter-American Peace Force, a thoroughly professional operation to head off these possibilities. It would be intolerable if we waited passively with our fingers in our ears.



EO 12958
3.4(b)(1)-25Yrs
(S)

In addition, there are a certain number of unreconciled hoodlums.

It doesn't seem to me impossible that if the Dominicans and we put our minds to it, we could neutralize these chaps.

In any case, the common interest in a peaceful inauguration in the Dominican Republic is so great that we ought to appoint today a task force to go to work and deal with this thing.

W. W. Rostow

~~SECRET~~ attachment

EO 12958 3.4(b)(1)-25Yrs
(C)



23 June 1966

Friday, June 24, 1966 -- 10:40 a. m.

Mr. President:

Amb. Dobrynin has asked me to have lunch with him on July 7 or 8.

At the State Dept. I used to accept lunches with him 3 or 4 times a year. On the whole, I suspect it is a useful connection for me to maintain. I don't believe it will cause any problems for Secretary Rusk. I will, as I have done in the past, check with Tommy Thompson on the kinds of questions he thinks might be useful for me to raise with him or press on the Soviet Ambassador.

W. W. Rostow

Go ahead _____

Lay off _____

See me ✓

WWRostow:rln /

Pres file

Friday, June 24, 1966
10:35 a. m.

Mr. President:

You will wish to read this account of the de Gaulle-Breznev interchange.

It is clear that each of these men is trying to use the other; but basically there is little give in Moscow on the gut issue; namely, German unification.

W. W. Rostow

58a

SECRET - NODIS

Friday, June 24, 1966

TEXT OF CABLE FROM AMBASSADOR BOHLEN (Paris, 9045)

The following is a full summary of the French Embassy report from Moscow on the first meeting in the Kremlin on the morning of June 21, which dealt with Europe, primarily Germany.

DeGaulle asked if what was done at Yalta and Postdam 22 years ago was definitive or whether changes seemed possible.

Breznev replied and said the essential problem is security. ~~The creation of two Germanies was a basic change and must be taken into account.~~ Bonn is pursuing a revanchist policy and its last "peace note" threatens revision of frontiers. Is Germany returning to Nazism? Meetings of war veterans, Nazis and irredentists are more disquieting since U. S. favors this evolution. If we add to this nuclear aspirations of Bonn we can only fear approach of third and more catastrophic World War. France and the U. S. S. R. must combine (conjuger) their efforts so that Germany will become a peaceful state. ~~With regard to reunifications, the U. S. S. R. believes that it offers no prospects in the foreseeable future.~~

DeGaulle said that for France the principle question is also one of security in Europe. He agreed that for practical purposes, German frontiers were fixed definitively just after the war. ~~As for reunification, it is not probable that it will come about in the immediate future. It is, however, necessary to understand that there will be no peaceful evolution unless Germany enjoys hope of reunification.~~ But there is another element to take into account: two great powers that are rivals in Europe and the world. German question was introduced into this rivalry and it is important to escape from the German problem and this contesting, and ~~to settle it through good faith among Europeans, including Germans themselves.~~

In reply to a question by Brezhnev, DeGaulle said the U. S. -Soviet rivalry resulted from the single fact that U. S. and U. S. S. R. were very powerful. Germans hoped that one day, as a result of this, possibility will develop for Germany to become what it once was. ~~The German problem must be put back into the European framework. France hopes the U. S. S. R. will facilitate this at the human level through relations between East and West Germany. France for its part is doing everything possible to permit this question to evolve in European direction. That is why it withdrew from an "automatic military organization."~~

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E.O. 12958, Sec. 3.6

NLJ 98-336

SECRET - NODIS

By CG, NARA Date 9-24-99

Brezhnev replied that he appreciated the French initiative in leaving NATO. He also agreed the German problem should be settled in Europe. But to end U.S. - Soviet rivalry required that goodwill be reciprocal. The U.S. is solidly implanted in Germany and in Europe and does not wish to leave. As for Germany, it is making no effort in this direction. It is essential to be able to neutralize those forces that are working for America. This would then open up the road toward rapprochement of two German states which could take place through European Conference on Security, to be held among all states of Europe and without the U.S. U.S. - Soviet rivalry has not only negative aspects, but makes hollow U.S. hegemony in Europe and it has brought about the failure of the MLF project. He asked whether recognition of East Germany by all European states would not be a positive factor.

DeGaulle said that the European Conference must lead to an entente to which the U.S.S.R. must lend itself as would France. Were we to propose such a conference immediately, it would not take place, since it is necessary that all be prepared to attend, including Germans. Moreover, U.S. - Soviet rivalry is not repugnant to France for without it France would run the risk of American hegemony or Soviet hegemony. Finally, France would not recognize East Germany as a state. It is an artificial institution whose recognition would destroy peaceful prospects in Germany. That is not to say that in the future we should be ready to reconstitute a Reich. We even hope to end up with sort of a German Confederation. We must recognize the situation in which the U.S. has acquired rights regarding Germany as a whole. The U.S. is not so interventionist as it is said. It is not certain the U.S. would not accommodate itself to European entente that would allow it to disengage.

Brezhnev said European Conference must be considered and carefully prepared. Kosygin asked whether closer European cooperation was possible, through systematic consultations formally agreed upon and accompanied by widespread publicity. Brezhnev then proposed a convocation of Economic Conference.

DeGaulle agreed to "concerted" and organized and broad (entendues) consultations. He thought that Germany should be included. Brezhnev also mentioned Italy, Sweden and Denmark.

Brezhnev asked if DeGaulle had any proposals regarding German nuclear arms. DeGaulle said Germany knows very well French opposition to its nuclear ambitions. No one wants Germany to have national nuclear weapons, neither the U.S. which offers committee discussions nor the U.K. There is thus no immediate danger.

Pres file

Friday, June 24, 1966
10:30 a. m.

Mr. President:

Herewith reactions to our messages,
of Ky, the Thai Prime Minister, Pearson,
and Marcos.

It is remarkable how philosophical
men can get about other people's dangers;
and a comfort to see the steadiness of
those close to the firing line.

W. W. Rostow

59a

~~SECRET~~ -- NODIS -- NINA

Saigon 5738, June 24, 1966

In the course of a visit on another subject, I told Prime Minister Ky of the decision concerning bombing POL facilities in the vicinity of Haiphong and Hanoi. He was obviously very happy to have this news.

LODGE

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 87-174
By inf NARA, Date 3-1-89

~~SECRET~~

~~SECRET~~

NODIS -- NINA

Bangkok 2887, June 24, 1966

1. Charge delivered Presidential message directly to Prime Minister this morning immediately in wake Prime Minister's meeting with Michael Stewart. Foreign Minister Thanat and Secretary General of Government House Lt. Gen. Sawaeng Senanarong also in attendance.
2. Prime Minister read letter carefully and asked that his personal appreciation be conveyed to President Johnson for his courtesy and thoughtfulness in keeping Prime Minister personally informed on matters of this importance. He expressed hope that action would indeed be effective in cutting short critical supplies which would benefit not only South Vietnam but all this area of Southeast Asia.
3. Prime Minister emphasized need to cut off as effectively as possible flow of material, personnel and supplies through Ho Chi Minh trail, acknowledging with grin reference in President's letter to possibility of NVN forces in Cambodia. He asked in particular how most supplies, especially POL, getting into North Vietnam in the first place, and inquired regarding nationality of ships bringing supplies into Haiphong and whether this included Japanese.
4. In conclusion, Prime Minister again expressed his thanks, Thanat adding it was most gratifying that large country like U. S. was so solicitous of interests of small country like Thailand.
5. Department may wish to pass this message to other recipients of Department Telegram.

WILSON

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-336

By CG, NARA Date 9-24-99

~~SECRET~~

Friday, June 24, 1966

TEXT OF CABLE FROM AMBASSADOR BUTTERWORTH (Ottawa, 1754)

In accordance with instructions, I saw Prime Minister Pearson at his residence at 8:30 this evening. He accepted the contents of the President's letter to him and I got him to agree to keep it to himself until Monday, June 27, which, from a Constitutional viewpoint, is stretching things in a Parliamentary Government where the Prime Minister is primus inter pares.

Pearson was, of course, concerned that the start of the POL bombing would be connected with negative results of Ronning mission and compared it with abortive pause in bombing and what Diefenbaker would say and do in the House of Commons. I offered him the fact that when I was in London last week, the British press was pointedly predicting forth-coming POL bombing before Ronning had returned and this and other valid indications of non-connection were available for use.

While referring to desirability of maintaining Canadian channel with Hanoi, and while indicating its worthwhileness even in the present circumstances of an attempted approach to talks prior to further bombing measures, Pearson volunteered that his Government would not send Ronning on a third mission without further (and presumably better) evidence that some preliminary meeting of minds could be achieved.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-336
By CG, NARA Date 9-24-99

~~SECRET -- NODIS -- NINA~~

From Manila 2827, June 24, 1966

I handed letter to President Marcos at 1800 hours, June 24.
He indicated his understanding and strong approval with comment
"It's about time."

BLAIR

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 87-174
By iq NARA, Date 3-1-89

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

60
DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ju, NARA, Date 5-27-98

~~CONFIDENTIAL~~

Friday, June 24, 1966 -- 8:45 a. m.

Mr. President:

Robert Bowie, whom we are considering for Counselor of the State Department, saw Secretary Rusk and Mr. Ball today. He also spent three quarters of an hour with me.

1. He is much interested in coming to Washington to try to help at this time.
2. He found Secretary Rusk obviously interested in having him but somewhat vague about exactly what he wanted Bowie to do.
3. I told him that what you most felt lacking at State was the development of new ideas and effective follow-through. I cited in particular the list of areas where you had made new initiatives but where we needed a senior officer in the State Department to make sure things actually happened.
 - Follow through on Baltimore speech and Asian regionalism.
 - Follow through on the Atlantic and East-West proposals generated out of the Acheson exercise.
 - Follow through in preparation for the Latin American summit.
 - Follow through on your African speech.
 - New peace proposals.
 - New thoughts about China policy.
 - The food-population problem.

He said that out of his work looking ahead to the 1970's he had concluded that this was one of the most exciting and potentially creative times in modern history. He found the State Department passive and sluggish. He would "love" to make a contribution in the directions I suggested if he felt that this would have the backing of the Secretary of State and the President.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

If he came to Washington, he would have various family and personal problems to deal with; but the central question on his mind was whether this is what the President and Secretary of State wish done through the office of Counselor. In any case, I think you ought to meet him.

If you want him, it may be important that he hear directly from you what you want to happen over at State and what you think he could do about it.

He will be back in town next Wednesday, June 29. I recommend that you see him. He would, of course, make himself available to you at any other time convenient to you.

Walt Rostow

Bring Bowie in on Wednesday, June 29 _____

The following time is more convenient _____

See me _____

~~CONFIDENTIAL~~

June 24, 1966

Dear Dr. Seaborg:

In accordance with Section 123a of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has submitted to me by a letter of June 21, 1966, a proposed "Amendment to Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of the Philippines Concerning Civil Uses of Atomic Energy," and has recommended that I approve the proposed amendment, determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution.

Pursuant to the provisions of Section 123b of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

- a. approve the proposed amendment and determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security of the United States of America; and
- b. authorize the execution of the proposed amendment on behalf of the Government of the United States of America by appropriate authorities of the Department of State and the Atomic Energy Commission.

Sincerely,

LBJ

The Honorable Glenn T. Seaborg
U. S. Atomic Energy Commission
Washington, D. C.

LBJ:CEJ:bb

Thursday, June 23, 1966 - 7:30 p.m.

63

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter from Secretary General Mora

Ch
Pres file

Dr. Mora has sent you the attached letter expressing appreciation for your remarks at last Saturday's press conference about the OAS role in the Dominican Republic.

You may want to release it. Dr. Mora has no objection.

From a domestic political standpoint, publication of the letter will be marginally beneficial to you. But elsewhere in the hemisphere, Dr. Mora will be criticized for saying that without U. S. help the OAS could not have done what it did. This is, of course, true, but a Secretary General of an international organization is ill-advised to say so publicly.

I would advise against release.

W. W. Rostow

Attachment

Penned note:

P. S. What we need is a spreading of the word: "Pres. Johnson was right about the D. R." There are better ways than this; and we're making progress.

/s/ W

Limited Official Use

June 21, 1966

63a

My dear Mr. President:

I have read with keen interest the transcript of your news conference of Saturday, June 18, noting in particular your kind reference to the role which the Organization of American States has played in the Dominican Republic during the past year and its contribution to the success of the elections recently held there.

Your commendation of our efforts is both a source of gratification to us and a stimulus to renewed endeavor, as we seek to aid the government and people of the country in the work of recovery.

I wish to take this occasion to say that our achievement thus far owes immeasurably to the firm backing which you at all times gave the Organization in its undertaking. Had it not been for the determination and vigor with which you seconded our action, it could never have met with the success in which we take such satisfaction.

With deep appreciation of your support and interest, I am

Sincerely yours,

José A. Mora
Secretary General

The President of the
United States of America
The White House
Washington, D.C.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Withdrawal of the IAPF

In response to your question about where we stand on withdrawal of the IAPF, this is the situation:

1. The OAS meets tomorrow afternoon to consider withdrawal action.
2. The Dominican Foreign Minister met today with representatives of the six OAS countries with forces in the DR and worked out the resolution (at Tab A) which will be co-sponsored by the six countries at tomorrow's OAS session. The Dominican Foreign Minister will immediately support it.
3. Ambassador Bunker expects a favorable vote on the resolution at tomorrow's session.
4. The withdrawal plan calls for removal of our artillery company prior to July 1 and the remaining forces on a staggered basis over the next 90 days.
5. Two ships have been dispatched to stand off Santo Domingo to execute withdrawal of the artillery company on June 29 or 30.
6. Bill Bowdler is working with State and DOD on the text of a statement announcing the withdrawal which will be submitted to you for approval and release according to your wishes.

W. W. Rostow

Attachment

64a

RESOLUTION

ON WITHDRAWAL OF INTER-AMERICAN PEACE FORCE

WHEREAS:

This Meeting in its resolution of May 6, 1965, which created the Inter-American Peace Force, established in paragraph 5 "that the withdrawal of the Inter-American Force from the Dominican Republic shall be determined by this Meeting of Consultation";

The resolution of June 2, 1965, which established the Ad hoc Committee, directed that Committee "to provide the Inter-American Force, through its Commander and on behalf of the Tenth Meeting of Consultation under whose authority it functions, the directives necessary for the effective accomplishment of that Force's sole purpose";

In conformity with the various resolutions adopted by the Tenth Meeting of Consultation with respect to the situation in the Dominican Republic and particularly the resolution of May 6, 1965 which created the Inter-American Force and, in accordance with paragraph 10 of the Act of Reconciliation of August 31, 1965, the Provisional President of the Dominican Republic sent a special envoy to the other Chiefs of State of the Member States in order to seek support for the withdrawal of the Inter-American Peace Force in the period between June 1, 1966, the date of the elections in the said country, and July 1 of the same year,

the date of the installation of the elected Constitutional Government;

The said mission, begun at the beginning of last May, was favorably received by the governments of the Member States, including those countries that maintain military units in the Inter-American Peace Force;

On May 27, 1966 the representatives of those governments which have contributed contingents to the IAPF sent a communication to the Chairman of the Tenth Meeting of Consultation stating the firm desire of their governments that the Force be withdrawn from Dominican territory in orderly fashion and as soon as conditions permit;

The request for withdrawal and the desirability of consulting with the President-elect were set forth in a cabled note of May 30, 1966 from the Provisional President of the Dominican Republic to the Chairman of the Tenth Meeting of Consultation; and

The Provisional President of the Dominican Republic considered it advisable to consult on this subject with the President who would be elected on June 1, 1966 and those consultations have had a satisfactory result;

The Minister of Foreign Affairs of the Dominican Republic, as representative of his country to this Tenth Meeting of Consultation, has formally presented the petition for withdrawal of the Inter-American

Peace Force from Dominican territory, requesting that the said Meeting decide upon such withdrawal before July 1, and provided that it should be initiated before that date and that a maximum period be fixed for its completion,

The Tenth Meeting of Consultation of Ministers of Foreign Affairs resolves:

1. To direct that the Inter-American Peace Force be withdrawn from the territory of the Dominican Republic.
2. That this withdrawal be begun before July 1, 1966 in an orderly manner and be completed within a maximum period of 90 days from the date of the commencement of such withdrawal.
3. That the Ad hoc Committee, in agreement with the Provisional Government and the President-elect of the Dominican Republic, provide the Inter-American Peace Force with the necessary directives concerning the timing and manner of effecting the withdrawal in conformity with paragraph 2 of this Resolution.
4. To inform the Security Council of the United Nations of the text of this Resolution pursuant to Article 54 of the United Nations Charter.

~~SECRET~~

Thursday, June 23, 1966 -- 6:50 p.m.

Mr. President:

Herewith, as foreshadowed by David Bruce, Prime Minister Wilson's reply to our message.

I think he will do the best he can within the limits of the unfortunate position to which he committed himself before Parliament.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-173
By [signature] NARA. Date 4-5-90

~~SECRET -- PERSONAL~~

66

~~CONFIDENTIAL~~

June 23, 1966
Thursday, 6:00 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter to Chiang Kai-shek

State suggests that Ambassador McConaughy's Taipei assignment will get off to a good start if he can give President Chiang Kai-shek a friendly but non-substantive letter from you when he presents his credentials next week.

In view of the rough seas that may lie ahead in our relations with GRC, such a letter makes good sense. I recommend that you sign the attached text.

W. W. Rostow

Att:
Letter

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-173
By sp NARA. Date 4-5-90

~~CONFIDENTIAL~~

Dear Mr. President:

I want you to know that in sending Walter McConaughy as Ambassador to the Republic of China, I have chosen one of our most experienced diplomats, who has had a long association with China. Ambassador McConaughy has my full confidence and highest regard, and I trust you will talk with him in the same spirit of friendship and candor as you would with me. I am confident that through him and through your able Ambassador, Chow Shu-kai, we shall be able to continue our close and fruitful exchange of views on world problems.

I have asked Ambassador McConaughy to bring you my best wishes for your very good health and for the well-being of the Chinese people.

Sincerely,

His Excellency
Chiang Kai-shek
President of the Republic of China

LBJ:JCT, Jr:saw

Thurs., June 23, 1966
6:00 p. m.

MR. PRESIDENT:

I put the problem to Bob McNamara, and he said:

- 1. The extra 4 days for the carrier on station does not trouble him.
- 2. If you feel any political anxiety, Rio is O. K.
- 3. He doesn't much like Capetown himself, and would recommend Rio on balance.

W. W. R.

Go via Rio

Go via Capetown

~~CONFIDENTIAL~~ attachment

Thursday, June 23, 1966
5:10 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Appointment for Somali Ambassador

State recommends that you agree to a ten-minute session with Ambassador Adan of Somalia tomorrow or Saturday (June 25 or 26).

Adan is just back from Mogadiscio with a long letter to you (copy at Tab A) from Somali President Osman. He is instructed to deliver it personally.

Osman's letter thanks you for the African speech and supports your remarks on racial equality, self-determination, economic development, and African regionalism. It makes some self-serving points in the process, but many fewer than we might have expected. Taken as a whole, it is a surprisingly constructive response to your speech.

If your schedule allows 10-15 minutes, it makes African policy sense to do this.

If it can be done tomorrow or Saturday, our Ambassador to Somalia -- Raymond Thurston -- can sit in, which would be useful to him in dealing with Osman.

But it could go over to next week without damage.

W. W. Rostow

Set up meeting Friday or Saturday

Set up meeting next week

Ask Secretary to represent me

See me

June 23, 1966 - 4:55 PM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Turkey Project Loans

Dave Bell is asking for authority to make three project loans, totalling \$55.4 million to finance purchases of equipment in the United States. This, plus a \$3.4 million for family planning, represents the total project part of the \$130 million you approved as our contribution to the IBRD consortium for Turkey last February. (The balance is in the form of program loans, one \$30-million slice has already been committed and the second half will probably be authorized in July or August).

The Turks are getting 10 percent less this year than last. We have one of the most able AID missions there pushing hard and successfully on self-help, and the Turks themselves are shooting to get off the AID list in 6-7 years. We have made a real success of the Turk consortium, and the Europeans are now picking up a greater share of the burden. Since these project loans are tied, their effect on the balance of payments will be minimal.

Our policy of damping down Turkish ambitions on Cyprus, while correct, has complicated relations with Turkey. Elections there have confirmed in power a government basically friendly to the U. S. . While it has had trouble moving its legislative program, it is pressing the economic reforms we have been pushing for several years. We are in the process of scaling down our military assistance, so continuing an effective economic relationship will be all the more important. Moreover, Turkey's economic development is of strategic importance to us. And these projects will promote their economic development.

BoB concurs in Dave's proposal. So does Treasury.

I recommend you approve this request.

Approved ✓

Disapproved _____

See me _____

HW/llw

W. W. R.

~~CONFIDENTIAL~~

DRAFTED: June 12, 1966

INITIALED:

ACTION MEMORANDUM FOR THE ADMINISTRATOR

THROUGH: EXSEC

FROM: William B. Macomber, Jr., AA/NESA

SUBJECT: Memorandum for the President on Three Project Loans

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-175
By lig, NARA, Date 8-5-88

Discussion: Attached for your signature is a Memorandum for the President requesting authorization to make three project loans to Turkey for:

The Turkish Coal Industry - \$28,100,000 to expand production of bituminous coal and lignite.

The Turkish Highway Department - \$15,000,000 to replace obsolete equipment in the highway maintenance pool.

Etibank, the Turkish State Electric Enterprise - \$12,300,000 for an 110 MW generating unit at the Anterli thermal power plant.

These three loans total \$55.4 million and combined with the loan of \$3.6 million to the Turkish Ministry of Health for the Family Planning Program, will substantially fulfill the U. S. pledge of \$60 million for project loans approved by the President and made in February, 1966 at the OECD Turkish Consortium Meeting.

These loans have been reviewed by the NESA Advisory Committee; the EIC poll has been completed; and we have discussed them informally with the Bureau of the Budget.

Recommendations: That you sign the attached Memorandum for the President requesting authority to make these loans.

Concurrences: RFitzmaurice: NESA/GTICC _____ Date: _____
JFunari: NESA/GTICC _____ Date: _____
TLustig: NESA/GDF _____ Date: _____

Attachments: Memorandum for the President

BLangmaid:rek:NESA/GTICC

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4

~~CONFIDENTIAL~~

NJ 87-175
By inf, NARA, Date 8-5-88

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Authorization of Three Project Loans to Turkey

Proposed Action

I am requesting your authorization to make three project loans to the Government of Turkey for:

The Turkish Coal Industry - \$28,100,000 in additional equipment for an expansion program which will help increase production of bituminous coal by 2.43 million tons and lignite (sub-bituminous coal) by 2.1 million tons.

The Turkish Highway Department - \$15,000,000 to replace obsolete and worn out equipment in the highway maintenance pool which will enable it to more effectively maintain the 32,600 miles of national and provincial roads under its jurisdiction.

Etibank, the Turkish State Electric Enterprise - \$12,300,000 for a third 110 MW generating unit at the Akbarli thermal power generating plant near Istanbul. This proposed unit would cover the anticipated 1962-70 power deficit and continue to provide base load thermal capacity in the 1970's.

Annex A contains a fuller description of the projects for your reference.

These three loans total \$55.4 million, and combined with the loan of \$3.6 million to the Turkish Ministry of Health for vehicles to assist the Family Planning Program, will substantially fulfill the U. S. pledge of \$60 million for project loans which was approved by you and made in February, 1966 at the OECD Turkish Consortium Meeting.

U. S. Interests: Turkey is a strategically located ally making a major contribution to U. S. security. It has been an effective supporter of the U. S. in NATO and the UN and is the site of numerous important military and intelligence facilities.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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One of our primary objectives in Turkey is to support Turkish efforts to achieve self-sustaining growth by 1973 while maintaining its posture as a strong dependable ally in Europe and the Middle East.

Underlying our 1966 assistance program to Turkey, of which these three loans are a principal part, is our desire to influence and support the development policies of the Justice Party government elected in the fall of 1965. Although Prime Minister Demirel has experienced difficulties in mobilizing the governmental machinery in support of essential economic programs, his government still offers the best opportunity for mounting an accelerated, private enterprise oriented, development effort.

Self-Help Actions: Turkey has set for itself the goal of being free from the need from external concessionary assistance by 1973, and has made considerable progress toward this target. In 1965, GNP increased 5.3% and domestic savings financed over 92% of the economy's investment requirements. For the first three months of 1966, exports rose 36% tax revenues approximately 30%.

The Government is now considering a revision of the foreign investment law and municipal tax reform and has requested additional assistance from the United States in two critical areas: tax collections and agricultural policy. We are also discussing with the Government of Turkey a number of other policy issues; foremost among them is liberalization and devaluation.

AID has been actively involved in the three sectors these loans will support. Progress in each is summarized below:

- A. Coal - With U. S. assistance over the past years, the Turkish Coal Industry (a State Economic Enterprise) has increased productivity in the mines dramatically, from 42 kilograms per man shift in 1948 to 740 kilograms per man shift in 1965. Over-employment has plagued the state-owned coal industry, but since 1960 employment has been reduced by 18% (6,421 men). New lignite mines using modern open-pit methods have been opened and the drilling, engineering and planning necessary to the preparation of this lignite and the bituminous expansion program have been completed.

~~CONFIDENTIAL~~

- B. Highways - With the advice of the U. S. Bureau of Public Roads, the Turkish Highway Department has become one of the best in the Middle East. Budget allocations to the Highway Department have steadily increased with the addition of more road mileage to the Highway Department's jurisdiction. The 1966 appropriation is \$131 million equivalent, about 6.7% of the consolidated budget.
- C. Electric Power-- Turkey has increased its electricity generating capacity five-fold in the last twenty years, but the demand for power continues to exceed capacity. Turkey is able to construct the civil works for generating plants but still needs assistance in design and construction of the generating units.

Self-Help Commitments:

Turkish Coal Industry Loan. The Coal Enterprise has been operating at a loss for many years, in part because of unrealistic low prices for bituminous coal which are fixed by decree by the Council of Ministers, and in part because of over employment which inflates production cost. The Minister of Energy and Natural Resources has agreed to recommend a raise in the prices of bituminous coal to cover projected deficits and to reduce employment by 5,000 men over the next four years. The loan agreement will not be executed until the Government of Turkey has increased the sales price of coal produced by the Turkish Coal Industry sufficiently to offset the projected annual deficits of the Turkish Coal Industry and has made other arrangements satisfactory to A.I.D. permitting subsequent price adjustments if and when required.

Highway Equipment Loan. Highway overloading in Turkey is serious, causing severe damage to highways and high maintenance costs. The Government of Turkey will develop a comprehensive plan for implementing its overloading laws and regulations and will agree to carry out the enforcement plan. During the negotiations we will make it clear that in the future, the Highway Department should receive annual budget appropriations to cover anticipated replacement requirements.

Amberli Thermal Power Plant. The loan agreement will contain a condition precedent to disbursement requiring the Government of Turkey to submit legislation to the Grand National Assembly, satisfactory to AID and the World Bank, establishing a National Electric Authority responsible for all activities inherent in provision of adequate supplies of electricity throughout Turkey. The draft of this legislation is being reviewed now by A.I.D. and the World Bank.

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Balance of Payments Considerations. The affect of these project loans on the U. S. balance of payments will be minimal. Loan funds will be used exclusively to finance the purchase of U. S. goods and services.

Recommendation:

These three proposed loans have been examined thoroughly by me. They have been recommended for approval by the Inter-agency Development Loan Committee. I therefore recommend your approval.

David K. Bell

Attachments: Tab A

Description of the Three Projects

Clearances:

WMacomber, AA/NESA _____
GRanis, AA/PC (draft) _____
MPehl, NESA/CDF (draft) _____
Darrill, AA/PC (draft) _____

AWhite, NESA/DP (draft) _____
BVeret, GC (draft) _____
GChurchill, NEA/GTI (draft) _____

Drafted: rck: NESA/GTICC
by BLangmaid

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Attachment A

Description of the Three Projects

Loan to the Turkish Coal Industry - \$28,100,000

The Turkish Coal Industry is a State Economic Enterprise responsible for mining all of Turkey's bituminous coal and most of Turkey's lignite (sub-bituminous coal). The project loan would finance costs of equipment and engineering services necessary to increase production of bituminous coal from the Zonguldak Mines from 7 million tons run-of-mine per year to 9.43 million tons run-of-mine per year and to increase production of lignite from the Tuncbilek and Seyitomer mines from 3.1 million tons run-of-mine per year to 5.2 million tons run-of-mine per year.

The United States has previously assisted the coal industry with loans totaling \$18.2 million from A.I.D. and the Export-Import Bank and with grants from Marshall Plan Funds and Defense Support funds.

The Turkish Coal Industry has made satisfactory use of these loans and grants and has accomplished its first expansion program under the First Five-Year Plan. Productivity at the Zonguldak Mines has increased dramatically due to introduction of modern equipment and reductions in the labor force.

Of the total project loan, \$6.7 million will be used at the lignite mines for power shovels, a dragline, twenty eight large trucks, eight bulldozers, compressors, additions to the coal washery and miscellaneous mining equipment. The balance of \$21.4 million will be used at Zonguldak for hoisting installations, washeries, compressors, coal conveying equipment, locomotives, operating supplies and other equipment needed to carry out the expansion of the mines under the Second Five-Year Plan.

The principal issue which arose during the consideration of this loan was the financial situation of the Turkish Coal Industry. Prices of coal in Turkey are fixed by the Council of Ministers, and were last set in 1958. The coal industry has run deficits, subsidized from the budget, in every recent year except 1963 and 1964, and with recently increased labor costs there is very little possibility that the Turkish Coal Industry can ever eliminate its annual deficits without increasing the price of coal. In talks with the Government of Turkey, A.I.D. has been assured that the Turkish Coal Industry will reduce its labor force by 5,000 men over the next four years and that the Council of

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 87-175

By sig, NARA, Date 8-5-88

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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Ministers will raise coal prices to cover projected deficits. Because of the politically sensitive nature of these assurances they will not be contained in the loan agreement, but the Turkish Government has been advised that the U.S. will not sign a loan agreement until the price of coal has been increased sufficiently to cover the deficits, and agreement in principle is reached on a formula for setting coal price which assures an adequate return on investment which will govern future price changes. Assurance of a 5000 man reduction in the labor force is contained in letters from the Turkish Coal Industry, which has already succeeded in substantially reducing over-employment (6,421 men or 18% of the work force in the last five years).

Loan to the Turkish Highway Department - \$15,000,000

Since the close of World War II the Turkish national highways network has increased in size almost five times. In 1947 there were 7,000 miles of nationally maintained highways; by 1962 the national system included 22,000 miles. In the past two years the Highway Department assumed responsibility for the maintenance of an additional 10,600 miles of provincial roads, making a 1966 total of some 32,600 miles. By 1969 the Department expects to take on the responsibility for about 5,700 additional miles of provincial roads.

U.S. assistance has played an important part in the effective expansion of the national highway system. Under a technical cooperation project a team of U.S. Bureau of Public Roads experts spent eleven years in Turkey (1947-1958) assisting the Highway Department become a modern, efficient organization. Most of the Bureau of Public Roads' efforts were devoted to maintenance of roads and equipment, including setting up excellent automated equipment maintenance records.

Between 1958 and 1965 the Highway Department bought relatively little equipment because of the shortage of foreign exchange. Its fleet of vehicles deteriorated without adequate replacements. On March 1, 1965, 84% of the Highway Department's equipment pool, with an acquisition cost of \$70,000,000, was fully depreciated, based on standard depreciation schedules used in the United States. New equipment financed under a 1964 A.I.D. loan of \$18,100,000 is now arriving. Even after all this new equipment is received more than 33% of the equipment pool will be fully depreciated. The proposed loan of \$15,000,000 will replace much of the wornout maintenance equipment and will come close to restoring the Highway Department to its 1960 capacity.

A major problem in maintaining Turkish highways is illegal overloading of trucks. The 1965 World Bank report on Turkish development

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and a 1965 A.I.D. financed survey of roads in South-West Turkey both cite over-loading as a serious problem, causing loss of investment in road construction and increased maintenance costs. The Highway Department is aware of the damage done by over-loading but it has not had the power to enforce the over-loading laws. A condition of the loan agreement will require the Government of Turkey to prepare a plan for enforcement of its over-loading laws and a covenant will require continuing review of its performance under the plan.

Loan for the Ambarli Thermal Power Plant - \$12,300,000

The United States has assisted Turkey with its development of electric power for many years. The Sariyar Dam and Hydro-Electric project completed in 1957 was financed through I.C.A. With the assistance of AID Loan number 277-H-035 two additional 40 MW units at the Sariyar station are now being installed. The same loan (total amount - \$31,300,000) is financing a two-unit oil burning 220 MW thermal electric station currently under construction at Ambarli, near Istanbul. The Development Loan Fund financed the improvement of distribution facilities for fifteen cities with DLF 98 for \$6,153,000 made in 1959. AID Loan 277-H-059 for \$6,400,000, authorized April 30, 1965, will be used to finance the foreign exchange costs of transmission lines and sub-stations in 32 load areas which will bring better electric service to more than 100 towns in Northwest Turkey. AID Loan 277-H-053 for \$20,400 was authorized in June 1964 to finance the construction of Gokcekaya Dam and hydro-electric power plant on the Sakarya River. AID Loan 277-H-060, authorized in April 1965 will be used for connecting Gokcekaya to Istanbul and to Ankara by a 380 KV transmission line. The United States portion of financing the Keban Dam, power station and transmission lines will be provided under AID Loan 277-H-063 for \$40,000,000, authorized June 29, 1965.

This loan would finance a third 110 MW unit at the fuel oil burning plant at Ambarli, near Istanbul. The need for the third unit is urgent because it is now clear that the Keban Project and the Gokcekaya Project will not be completed in time to meet the power demands in 1968, 1969 and 1970. The Ambarli third unit is the only feasible generating facility that can meet the demand and furthermore is required to provide base load thermal capacity in the 1970's.

With its assistance to generating facilities in Turkey, the U.S. has required studies of priorities of different projects, studies of economic factors affecting projects, and feasibility studies for specific projects. It is evident that a reorganization is needed of the Turkish electric generating and distributing system. This subject has been discussed with the Turkish Government in connection with

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~~CONFIDENTIAL~~

-4-

previous loans, including the large Keban Project. The World Bank has negotiated an agreement requiring the establishment of a single fully autonomous electricity authority and A.I.D. and the World Bank are now studying a draft bill which the Government will submit to the Grand National Assembly to set up the Turkish Electricity Authority. Disbursements under the proposed loan will be subject to the enactment of this bill before March 1, 1967, or the initiation of reforms in the electricity industry by executive actions if the bill is not enacted.

~~CONFIDENTIAL~~

BB FORM
NO. 38

ROUTE SLIP

(Fold Here)

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET

DATE 6/21/66

TO: Mr. Rowtow

FROM: RWRichardson *RWR* Ext. 21144

REMARKS: Submitted here for President's approval are the Ecuador and Turkey project loans. Please call my office as soon as the loans have been signed off. We are anxious for a quick reply.

Thursday, June 23, 1966
4:00 p. m.

Mr. President:

Here is Wilson's reaction to
the delivery of the message on the
operation -- as expected.

W. W. Rostow

London 6155
~~SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By DCH NARS, Date 9-4-85

~~SECRET~~

Thursday, June 23, 1966

TEXT OF CABLE FROM AMBASSADOR BRUCE (London, 6155)

I delivered the Presidential message personally to the Prime Minister at 6 p.m. tonight London time (2 p.m. EDT).

It was evident he had expected this news sooner or later. He said he thought this gave him the necessary "blue sky" he had referred to in a communication to the President on this subject. He added that he considered he had adequately informed the President of what he would say to the House of Commons when the event took place. He believed there were certain suggestions in a previous Presidential message which he could weave into his statement to the Commons.

However, although he will make it clear he continues to support generally American policy in Vietnam, and will lay the blame for failure to come to the conference table on the North Vietnamese Government, he will disassociate the British Government from approval of this particular action.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By *ju/rq*, NARA, Date 6-12-98

~~SECRET~~

Thurs., June 2nd 1966
3:55 p. m.

to 8 71

MR. PRESIDENT:

You ought to know the weather is
turning bad and it looks like --
not tonight.

W. W. Rostow

~~TOP SECRET~~
~~TOP SECRET~~

71a



THE NATIONAL MILITARY COMMAND CENTER
WASHINGTON, D. C. 20301

23 June 1966

THE JOINT STAFF

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Weather Outlook for OP 50A as of 1530 EDT,
23 June 1966

1. For the next 24 hours, weather in OP 50A area is forecast to be marginal to poor for the visual tactics required.
2. The probability of thunderstorms in the area could result in:
 - a. Instrument flying conditions at bombing altitudes under an otherwise 2,000 foot overcast with some lower clouds at 1,000 feet,
 - b. Flight-path and bomb-run route deviations.
 - c. Limitations on formation flying due to the restricted visibility and turbulence.
 - d. Above-average numbers of air aborts due to non-acquisition or non-identification of assigned targets.
3. The probability of a successful mission based on the above weather conditions is considered to be poor.

W. W. MARSHALL
Brigadier General, USAF
Deputy Director for
Operations (NMCC)

Copy to:
White House
Mr. Vance
Gen Brown
LGen Burchinal
VAdm Mustin
MGen McPherson
MGen Wisman
RGen Owens
Pac Div

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-339
By isa, NARA Date 5-12-89

~~TOP SECRET~~
~~TOP SECRET~~

XEROX FROM QUICK COPY

6 P
~~SECRET~~ 72

Thursday,
June 23, 1966 -- 11:50 a. m.

Mr. President:

Thieu's reaction to your decision
is worth reading.

W. W. Rostow

Saigon 5710

SECRET -- NODIS -- NINA

D CLASSIFIED
E.O. 12156, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By Delt NARS, Date 9-4-85

72a

Thursday, June 23, 1966

TEXT OF CABLE FROM AMBASSADOR LODGE (Saigon, 5710)

I gave Thieu the gist of your cable and used appropriate material from the explanatory notifications being given to troop-contributing countries.

Thieu listened with a most intense concentration and said that the President had chosen a "most favorable moment." It had been clear, he said, that if we could survive the last political crisis, it would be much harder for the Communists to attempt any more troublesome maneuvers in the future. It is now clear, he said, that "this year will be a decisive year for the Viet Cong." It is also clear that "they will make their maximum deployment this year." We here in South Vietnam, he added, hope that this is what will happen. For the President's decision to come after we have surmounted our political crisis and as the Viet Cong face such a bleak prospect is most welcome.

The Viet Cong, he said, cannot do anymore than they are now doing; it is their maximum effort. It was clear to them in February that they could not reasonably hope for military success and they needed some political gains. Before going to any peace talks, said Thieu, they hoped at least to have a government in Saigon which was weak and which, in the political field, would compensate for their own weakness in the military field. Now, if they accept conversations, they must hold them under conditions which are very unfavorable to them. If they cannot win militarily and if they cannot win politically, they will have no choice but to either stop the fighting or return to guerrilla war for ten or twenty years, and for them to do this will not be profitable for them. What can it accomplish? Nothing decisive.

In fact, he added, with our program of pacification, which contrasts so markedly with their terrorism, they will lose further public support without accomplishing anything militarily or politically.

What kind of conversations, therefore, he asked, can they have? If they stop the war in the South, they will surely have it in the North, because there will be so much dissatisfaction with them which an admission of defeat would crystallize and bring to a head. Those who are running the show up there will surely lose their positions.

When I asked whether that meant Ho Chi Minh would go down, he said, "Maybe not. Maybe he could maneuver at the top and let the ones immediately under him be sacrificed."

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-174
By lig NARA, Date 3-1-87

Under questioning by me, he said that there were really three courses open to them rather than two. The first was to have conversations, which meant that they would in effect have to admit defeat and which would bring down the responsible parties in Hanoi; the second was to continue the war by switching all their efforts to guerrilla fighting. Then he said, in response to my questioning, that there was a third possibility: they could look as though they were continuing the war but actually it would be a very low gear, and on a very small scale.

He believed they were now in a state of mind where it would be expedient to challenge them to accept the Geneva Accords of 1954. He did not believe they would do so.

Returning to the recent political crisis, he said it had been "a test for us," for Hanoi and for all the accomplices of Hanoi. It was unquestionably the most serious political crisis which South Vietnam had had in three years. Their opponents had tried everything. In particular, they had tried to stir American emotions by the self-immolations, the demonstrations, putting the altars in the streets, etc. but this had failed.

Maybe, he said, "some people thought the Government of Vietnam had been a little bit soft. But," he said, "if the Government of Vietnam had operated against Danang early the consequences might have been dangerous." The Government of Vietnam, he said, wanted to allow time for the people to understand so that when they finally did move, they had public support and people thought they were reasonable.

During the conversation, I was called to the telephone to be given news of the tidal wave approaching the city of Danang. Komer, who came with me, then said to Thieu that if this year was the year of decision, as Thieu had said and as Komer agreed, that it behooved both of our forces, Vietnamese and Americans, to make maximum effort. To this, Thieu agreed.

When the time came to leave, Thieu, apparently recalling what Komer had said, commented on the fact that Komer had four more days in Vietnam and said that would give him plenty of time to speak with Vietnamese and see for himself how strong their determination was. He had said earlier that it was true there was war weariness in Vietnam, but that did not mean that they were for peace at any price, or that they were indifferent to the kind of a peace which would be made. He obviously thought that there was a great deal of war weariness in North Vietnam too.

Comment:

A. This is the first time any high-ranking and responsible Vietnamese has talked to me about a decision coming as quickly as this year and about specifics

of the courses open to Hanoi. Thieu showed a new and unprecedented confidence.

B. He was very clear that he thought that the President had picked an extremely favorable time to bomb POL facilities, having in mind all the factors in Southeast Asia with which he, Thieu, could not have first-hand knowledge. End comment.

I gave him the pictures of the moon, with the President's covering letter, for which he was most grateful.

Thursday, June 23, 1966
11:40 a. m.

Mr. President

Herewith are General Goodpaster's notes on his talk yesterday with General Eisenhower.

These notes do not reflect a telephone conversation of this morning between General Eisenhower and General Goodpaster in which General Goodpaster notified the General of your decision of yesterday re air operations. General Eisenhower welcomed the information and thought it exactly the right thing to do.

W. W. Rostow



THE JOINT CHIEFS OF STAFF

WASHINGTON D. C. 20301

22 June 1966

MEMORANDUM FOR THE PRESIDENT

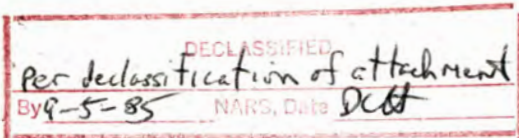
Attached is a Memorandum for Record of my meeting with General Eisenhower at Gettysburg this morning. He said he would like you to know how grateful he is for these briefings, which provide him a good perspective and over-all picture of the conflict in Vietnam.

After carefully reviewing in his own mind suggestions he has previously sent to you regarding the Vietnamese war, he said he had no additional ones to offer at this time. He did, however, express concern over indications he had received that a feeling may be spreading among our people that the war in Vietnam is going on inconclusively, and is going to continue to do so. (He said I might mention to you in particular that this point came out strongly in a recent conversation he had with Bob Anderson.)


A. J. GOODPASTER
Lt. General, U. S. A.

Attachment

~~SECRET~~



736



THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20301

22 June 1966

MEMORANDUM FOR RECORD

SUBJECT: Meeting with General Eisenhower, 22 June 1966

1. I met with General Eisenhower for an hour and a half at his office at Gettysburg today. The principal purpose was to give an up-to-date report regarding the war in Vietnam, following up on a telephone conversation I had with him last week.

2. I reviewed the land operations in South Vietnam in some detail, outlining the concept of operations General Westmoreland is following during the present monsoon period. Thus far, the Viet Cong and NVA have not been able to prepare and conduct a major (multi-battalion) attack on their own initiative. General Westmoreland has conducted several "spoiling" attacks, and has continued with a steady series of coordinated "search and destroy" operations, which have successfully brought a number of VC/NVA main force units to battle, and have inflicted severe losses upon them. I pointed out that of 25 operations of battalion size or larger now in progress, 2 are U. S. operations, 2 are ROK operations, 16 are ARVN operations and 5 are combined U. S. /ARVN/ROK operations. It is apparent that except in the northern part of the First Corps, ARVN units continue actively to prosecute the war. Thus far, the U. S. /ARVN/ROK forces retain the initiative.

3. Within North Vietnam, air operations continue on the same pattern that has been in effect for several months. There has been some extension of effort in the northeast quadrant, although the weight of effort in that area is still limited, and anti-air defenses are strong. I told General Eisenhower that the question of striking the POL targets outside of Haiphong and Hanoi is under active consideration at the moment. He confirmed the importance of striking these targets, and of blocking the inflow of war-supporting materiel into North Vietnam.

4. With respect to action against the infiltration routes, I reported the results of the recent capture of a steel-hulled trawler detected by the U. S. Coast Guard southeast of Saigon and enumerated the large inventory of weapons and ammunition (estimated at 250 tons) removed or identified so far. I also reported in some detail on the action against infiltration routes in Laos by air attack and by small reconnaissance teams which call in air attacks against targets discovered.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ju, NARA, Date 5-27-98

~~CONFIDENTIAL~~

5. General Eisenhower was much interested in reports of leaflet drops in North Vietnam which he had heard. I described the leaflet and related operations in North Vietnam, Laos and South Vietnam, and indicated that these are expanding in scope, and are having a significant effect, as shown by enemy reaction concerning these leaflets.

6. We also discussed the progress of rural development activities in South Vietnam, together with the progress that has been made in extending GVN control over personnel and territory (an increase of 6 percentage points in population and approximately the same in area during the 9 months from July 1965 until March 1966). General Eisenhower welcomed this information inasmuch as he had been concerned in certain recent discussions with men prominent in public life over indications that the war was showing little progress, and that our people are beginning to feel that it is dragging on without prospect of real results.

7. I told General Eisenhower that an emissary of the Canadian Government, Mr. Ronning, had recently made a trip to Hanoi to see if he could find any basis in discussion with the North Vietnamese leaders for possible ways to bring the war to an end, e. g., through negotiations. Apparently his journey had been without effective results in this regard. We have, however, seen some indications, many of them tenuous and indirect, that the North Vietnamese are beginning to feel the effects of the war, especially in the disruption of transportation, and the burdens that are being experienced in trying to support and supply the war effort in the south.

8. I also reported that Ky's operations against the Buddhists in Danang, Saigon and Hue seem to be having fairly good results. Much of the steam has gone out of the movement, and the efforts of the militant Buddhists to cause disorder seem to be dwindling in their effectiveness.


9. I next gave General Eisenhower a brief report on the "leadership upheaval," which now seems to be going on in Red China. He inquired as to whether the struggle seems to be one of personal ambition, or conflict over doctrine. I told him that although much of the argument is couched in terms of doctrine (i. e., a charge of "right revisionism" against the displaced mayor of Peking), in fact, both of the leading protagonists (including the mayor) are believed to be hard liners. In any case, the man who seems to be winning out for the moment -- the General Secretary of the party -- is a hard liner who has apparently succeeded in besting his rival through charges that the latter is a revisionist. I also told

~~SECRET~~

General Eisenhower that initial reports of General De Gaulle's visit in Russia indicate that some of his statements have been in a tenor critical of the U. S. , and have suggested that Russia is becoming more important to France than is the United States. He commented that various individuals have proposed to him that he should make an approach to General De Gaulle. He has given them a negative reply, on the grounds that, not being in an official capacity, he could have little or no impact on De Gaulle, and further, that the matter has gone beyond the point where such an action could retrieve it. He indicated that he has been approached by people supporting a resolution in behalf of Atlantic union. Inasmuch as the idea is simply to explore possibilities, and to endorse the broad objectives of unity and solidarity, he is inclined to favor the proposition.

10. Finally, I provided to General Eisenhower some rough estimates that had been prepared showing what the cost would be, per man per year, of a program of universal military training. He stated that he is very much concerned about the way the draft is working, and has been giving the matter a great deal of study with a view to possibly writing an article setting forth his ideas on a suitable system some time in the near future.

11. In reviewing his thoughts and suggestions regarding the war in Vietnam, he recalled his past suggestions for "hitting the enemy where it hurts" once the decision is made to resort to force, giving the widest possible authority to the commander in the field to conduct ground and air operations, destroying the POL system and stopping the inflow of war materiel into North Vietnam, and keeping heavy emphasis on non-military phases of action in South Vietnam in the field of rural reconstruction, health and the like. He is much concerned over the possibility that the feeling may become widespread among our people that the war is simply dragging on inconclusively.


A. J. GOODPASTER
Lt. General, U. S. A.

Thursday, June 23, 1966
11:30 a. m.

Mr. President:

This item off the AP ticker is really good news: the 1st Division is back in operation.

W. W. Rostow .

1004/1004

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Thursday, June 23, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Visit of Australian Prime Minister Holt To Washington
June 28, 5 p. m., to July 1, 10:30 A. M.

We have now gone into the visit of Australian Prime Minister Holt. The planning appears to be well advanced and in good shape. The schedule as it now stands is as follows:

June 28

5:00 P. M. Arrival at Dulles Airport to be met and escorted to Blair House by Acting Secretary of State Ball, U. S. Ambassador to Australia Clark, and Protocol Chief Symington.

5:50 P. M. Arrival at Blair House

Evening has been kept free for rest following the long journey from Canberra.

June 29

12:15 P. M. Military honors on White House lawn (tentative)

12:30 to
1:00 P. M. Private conversation in your office with the Prime Minister (tentative)

The Prime Minister feels this is the only really important part of his visit

1:00 P. M. Stag luncheon at the White House (Mrs. Abell has the guest list in hand. We have a suggested toast which we will be sending to you through Bob Kintner by the weekend.)

Mrs. McNamara is giving a luncheon for Mrs. Holt (Established custom is that the wife of a Prime Minister visiting Washington informally is entertained at lunch by the wife of the Secretary of State or the Vice President. Because both of these wives will not be in Washington on that day, Mrs. McNamara will be the hostess for the luncheon for Mrs. Holt.)

June 29 (continued)

- 4:00 P. M. Secretary McNamara talks to the Prime Minister
- 8:00 P. M. Dinner at the Australian Embassy given by the Ambassador

June 30

- 12 noon Prime Minister speaks at National Press Club luncheon
- Mrs. Holt has accepted an invitation to lunch with Mrs. Monroney
- 4:30 P. M. Acting Secretary Ball calls on the Prime Minister at Blair House
- 8:00 P. M. Dinner at the Australian Embassy hosted by the Ambassador

July 1

- 10:00 A. M. Departure from Blair House for Andrews Air Base
- 10:30 A. M. Departure from Andrews Air Base for New York

The Prime Minister's party will remain in New York for several days. His engagements there are being handled by the Australian Consul General. He will leave from New York for London to see Prime Minister Wilson.

Mrs. Abell tells me that she has talked to Mrs. Johnson about holding a tea in the White House on the afternoon of June 29 for Mrs. Holt. This would be a gracious gesture not called for by existing practices and not expected by the Australians.

I am informed by Marvin Watson that the speaking engagement you have is June 30 which does not conflict with any existing plans for the Holt visit. Your schedule is also free in case you wish to talk to the Prime Minister from 12:30 to 1:00 P. M.

We would like your guidance on two questions:

_____ Approve military honors 12:15 to 12:30 on the
White House lawn

_____ Skip military honors

_____ Schedule private talk 12:30 to 1:00 P.M.

_____ Limit talk to luncheon period

Walt. Rostow

Limited Official Use

Thursday, June 23, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Call by Ambassador-Designate John Crimmins

Ambassador Crimmins is calling at your request. He will be accompanied by Linc Gordon.

He has no specific matters to take up with you, but will be prepared to speak to any aspect of the Dominican situation you desire.

Ambassador Crimmins met with the Vice President this morning to review arrangements for the inauguration. One of the points discussed was whether the Vice President should call on Professor Bosch and Dr. Bonnelly, both of whom he knows personally. Ambassador Crimmins would like to have your views on this. He thinks it would be helpful: (1) to encourage Bosch to stick to his pledge to work as constructive opposition and (2) to show to far right elements our impartiality. Crimmins' judgment is that Balaguer would not take such visits amiss.

Senator Fulbright arranged for Ambassador Crimmins to have his hearings tomorrow morning. He will also be working for prompt Senate approval so that Crimmins can be sworn in and accredited before inauguration.

W. W. Rostow

Limited Official Use

Thursday, June 23, 1988

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Emergency Budget Support for Ecuador

Dave Bell, with the concurrence of Charlie Schultze and Joe Fowler, requests your authorization to negotiate a loan of up to \$10 million to Ecuador to help meet its budgetary needs for the balance of this year. Their memoranda are attached.

The background to this request is:

1. The two-month old interim civilian government of President Yeroval inherited a serious budget problem from the ousted military junta.
2. Despite its belt-tightening efforts, it still confronts a deficit estimated at \$15 million. Any further belt-tightening would be at the expense of its badly needed development and reform program. This should be avoided.
3. Last month you authorized negotiation of a loan of \$4 million. This authorization recognized that \$4-6 million more might be necessary. The Yeroval Government declined the \$4 million loan, considering the amount inadequate and the self-help conditions proportionately too stiff.
4. Since then the Government has taken several self-help measures on its own and worked out assistance arrangements with the IMF (\$13 million standby) and some New York banks (\$11 million to meet foreign exchange needs).
5. Our \$10 million loan would be tied to additional self-help measures and released in installments based on performances.

I consider this a good loan from an economic and political standpoint. President Yeroval has established a realistic schedule for returning the country to constitutional government by the end of the year. His needs our support for constitutional, as well as economic, recovery.

W. W. Rostow

Approve loan _____

Disapprove loan _____

Speak to me _____

DECLASSIFIED

E.O. 12356, Sec. 3.4

NHJ 87-172

By sig NARA, Date 11-16-89

Attachment

~~CONFIDENTIAL~~

LIMITED OFFICIAL USE

Thursday, June 23, 1966

Pres file 78

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Baltimore Sun Editorial on the Dominican Republic

You will be interested in the Baltimore Sun's editorial on what you said about Ellsworth Bunker last Saturday, and how things are going in the DR.

The admission is grudging, but the editorial points out that even your critics agree that there has been a good ending to the crisis.

We are taking steps to get the editorial in the Congressional Record.

W. W. Rostow

Attachment

cc: George Christian

LIMITED OFFICIAL USE

EDITORIAL



THE SUN

BALTIMORE, TUESDAY, JUNE 21, 1966

Ellsworth Bunker

In expressing satisfaction with the way things have gone in the Dominican Republic, President Johnson singled out Ellsworth Bunker for special praise. Ambassador Bunker deserves it. As a member of the Organization of American States' ad hoc committee in Santo Domingo for the hectic year between 1965's bloody revolution and 1966's peaceful vote, he worked tirelessly in support of the provisional president's efforts to restore stability to the country. It was a sensitive and physically demanding job. Mr. Bunker is 72 years old. He came to public service only fifteen years ago, after a long career in business. He displayed stamina and tact that belie his years and his relatively brief diplomatic career.

The President expressed pleasure at the way things have gone in the Dominican Republic. A bad beginning, but even critics of the President's early decision agree that there has been a good ending. This is not to say that the election of this month was the end of the Caribbean nation's problems. The President said the Dominican people can count on continued help from the United States and the Organization of American States. They will need help if their legitimate hopes for economic and social progress are to be realized.

~~CONFIDENTIAL~~

Thursday, June 23, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Interview with President-elect Balaguer

An FBI man talked to Balaguer in his vacation retreat yesterday. His interesting report is attached.

W. W. Rostow

Attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-172
By WJ NARA, Date 11-16-89

cc: Hayes Redmon
John Rielly - Vice President's office

~~CONFIDENTIAL~~

79a

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-229

~~CONFIDENTIAL~~

By JW, NARA, Date 7-29-93

FBI MESSAGE OF JUNE 23, 1966 ON THE DOMINICAN SITUATION

A confidential source abroad advised that he had visited Joaquin Balaguer, President-elect of the Dominican Republic (DR) at his preinaugural vacation headquarters in the mountain resort town of Jarabacoa, Dominican Republic, on June 22.

Balaguer appeared in excellent health and spirits and completely recovered from the fatigue which had been noticeable during the last few weeks of the past electoral campaign. Balaguer appeared to be extremely self-confident and optimistic regarding his prospects of pulling the DR out of its present moral, political and economic depression, although he indicated he was fully aware of the tremendous difficulties he will have to surmount.

He said that the initial period of his forthcoming tenure will be particularly difficult inasmuch as he is determined to impose a regime of strict austerity as the only possible way to overcome the present economic crisis. He said that some of the measures he will have to take will hurt a great many people, but he expects that the necessity for these measures will be generally understood after a while and that the people will be willing to make the necessary sacrifices.

Balaguer said that in this connection he will have to demand sacrifices from government employees in all departments, particularly the Dominican Armed Forces. He indicated that if anyone should be able to carry out the necessary budgetary as well as personnel restriction among the military establishments, he is possibly the one who can do so since he has the full support of all responsible elements within the armed forces.

As far as his political opposition is concerned, Balaguer said that although Juan Bosch, the leader of the Partido Revolucionario Dominicano (PRD-Dominican Revolutionary Party), in a recent meeting with Balaguer indicated that Bosch and his Party will engage in a constructive opposition to the incoming government, he, Balaguer, has strong doubts that Bosch will do as promised. He said that Bosch, being a politician, will undoubtedly attempt to capitalize on the difficulties the new government will have to face. Furthermore, Balaguer feels that if Bosch should be too lenient toward the new

~~CONFIDENTIAL~~

government, he will sooner or later run into considerable harassment on the part of more radical and dissident elements within his own ranks. Balaguer said that since the aforementioned meeting he has had no direct or indirect contact with Bosch.

Balaguer said his election clearly indicates that the Dominican people have a strong yearning for peace and tranquility and that his principal effort will be directed toward satisfying this yearning by doing everything in his power to isolate destructive forces and enlist the patriotic cooperation of all constructive elements of the population in the common interest of the entire nation.

Balaguer said that he has not as yet fully made up his mind concerning the composition of his Cabinet and that he is still working on this matter. He indicated he expects to complete the selection of the most qualified men within the next few days and that the complete list of future Cabinet Ministers may possibly not be drawn up in its final form until June 29.

In connection with the Presidential inaugural ceremonies to be held on June 30 - July 1 in Santo Domingo, Balaguer stated that the Te Deum Mass scheduled to be held at noon on July 1 at the Holy Metropolitan Basilica (Basilica Cathedral) is a national tradition which is expected to be attended by all leaders of foreign delegations in connection with the inauguration of the new President. Balaguer indicated that he expects that adequate security measures will be in effect to minimize any risk involved in connection with this Mass at the Cathedral, which is located in the former rebel zone of Santo Domingo.

June 23, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Suggested Messages from you in
the event of the death of former
President Gursel of Turkey

These contingent messages express your
condolences and will be sent in the event of
former President Gursel's death. He is very
ill and these may be required at any time.
They will be held by the Department of State
until needed.

W. W. R.

Approved ✓

See me _____

Att: File #1988

HW:llw

THE WHITE HOUSE
WASHINGTON

June 23, 1966

Dear Mr. President:

It is a great pleasure for me to send warm personal greetings to you through my new Ambassador to Brazil, John Tuthill. He will continue the fine work of his distinguished predecessor, Lincoln Gordon, who did so much to strengthen the ties between our two countries during his long tenure in Rio de Janeiro.

Ambassador Tuthill will be conveying to you my thoughts on a number of subjects. At the same time, I want you to know that it is always a pleasure to hear from you directly. I hope that you will not hesitate to write me at any time.

As we proceed with preparations for a meeting of American Presidents, I would welcome hearing from you on what additional initiatives might be discussed to give the Alliance for Progress increased momentum and otherwise strengthen the projects for economic and social progress in our hemisphere.

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

Sincerely,

LBJ

His Excellency
Humberto Castello Branco
President of the Republic
of the United States of Brazil
Rio de Janeiro.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-172
By sig NARA, Date 11-16-89

THE WHITE HOUSE

WASHINGTON

Wednesday, June 22, 1966 -- 2:45 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter to President Castello Branco

Ambassador Tuthill leaves for Rio de Janeiro this Friday.

If he were to carry a letter from you to President Castello Branco it would serve these purposes:

1. open a dialogue with the Brazilian President.
2. convey your personal interest in having his views on the summit meeting.
3. foster the Brazilian President's confidence in Ambassador Tuthill.

I have prepared the attached letter for your consideration. Linc Gordon approves this step and the text of the letter.

W. A. R. Rostow

Attachment

Wednesday, June 22 1966 - 7:00 p.m

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Visit by Ambassador-designate Crimmins

John Crimmins is in town and plans to return to Santo Domingo on Saturday.

We are trying to arrange for his hearings on Friday, in the hope that we might complete confirmation and swearing in before the July 1 inauguration.

I bring this to your attention to inquire whether you want to see Crimmins before he returns to the Dominican Republic.

W. W. Rostow

Want to see him

Prefer not seeing him .

cc - Jim Jones

THE WHITE HOUSE

WASHINGTON

Wednesday, June 22, 1966

~~CONFIDENTIAL~~

MR. PRESIDENT:

The attached memorandum from George Ball presents to you a choice between:

- a) permitting the USS FRANKLIN D. ROOSEVELT to fuel and provide shore leave to its crew at Capetown, or
- b) fueling it from an oiler at sea in the same general area.

As you will note, there are two political problems: the possibility that the International Court of Justice decision on Southwest Africa may come out at about the time in July when the ship goes through; and the interpretation that might be put on the trip inside South Africa and elsewhere, in the light of Senator Robert Kennedy's recent visit.

To explore whether this choice could be avoided, I asked Paul Nitze to give me a personal assessment of the options open to the Navy.

He reports as follows:

- a) The attack carrier could refuel and have most satisfactory shore leave at Rio de Janeiro; but it means keeping the carrier on fighting station off Viet Nam an extra four days.
- b) It could refuel from a tanker at Diego Suarez (Malagasy). The cost of sending out the tanker is between \$100,000 and \$200,000. Diego Suarez is a town of 4500 people, all colored. At this moment the Navy says that it would prefer to go straight through rather than have shore leave there.

Secretary Nitze concludes that you do have some flexibility here. The Navy would vastly prefer Capetown. But the ship going out contains fresh men, and shore leave is less important than it would be if they had been on battle station for some time. He says that the Navy's willingness to forego shore leave at Diego Suarez indicates to him that the men's situation is not desperate.

I assess the risk of an unpleasant political reaction as about 4 out of 10. The unpleasantness would be moderate, if we hit the 4.

The question is whether, to avoid that risk, you wish either to:

- spend an extra \$100,000 or so;
- or hold the present attack carrier on station an extra four days.

Go via Capetown _____ Go via Rio Refuel at sea _____ Refuel at ^{Walt} Rostow _____
 Diego Suarez _____

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NJL 87-172
 By sig NARA. Date 11-16-89

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83a

THE SECRETARY OF STATE
WASHINGTON

DECLASSIFIED
E.O. 12356, Sec. 3.4

June 17, 1966

NJ 87-174
By rip NARA, Date 3-1-89

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Proposal for Refueling Port Call at Capetown
by USS FRANKLIN D. ROOSEVELT.

Recommendation

It is recommended that you approve our seeking clearance from the South African Government for a refueling visit to Capetown by the USS FRANKLIN D. ROOSEVELT en route from the Atlantic Fleet to Southeast Asia in July.

Approve _____ Disapprove _____

Discussion

The attack carrier USS FRANKLIN D. ROOSEVELT is being deployed in July from the East Coast of the United States to Southeast Asia for action off Viet-Nam. Because the vessel is too large to transit either the Panama or the Suez Canals, it will take the shortest other route around the southern tip of Africa and westward across the Indian Ocean. To make this 14,000-mile voyage, the ship must refuel approximately midway en route. The only port at which this can be done is Capetown, South Africa. The only other alternative is from an oiler at sea in the same general area. This would deny the crew of the vessel, who will be going into action off of South Viet-Nam, any shore leave whatever on this long voyage and would require the diversion from other important commitments of a Fleet oiler for about 45 days as well as additional costs of about \$250,000. As no flights from the carrier to South African airports are planned, this port call would not involve the problems that arose in the previous cases of the aircraft carriers INDEPENDENCE and ENTERPRISE, which avoided calls at Capetown following publicity on South African efforts to impose racial conditions on air crews. This issue does not arise with the crews of ships and in recent months two smaller U.S. naval vessels with racially integrated crews have called at Capetown, where the crews had highly successful shore leaves, with no incidents whatever.

The arguments against the ROOSEVELT making a call are that it might be misinterpreted both in the black African countries and in

South

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South Africa as indicating some military cooperation between ourselves and South Africa, and that this danger would be particularly acute if the visit happened to coincide with the International Court of Justice judgment on Southwest Africa, which could come at about the same time although we have no firm information in this regard. If so interpreted, other African countries might mistrust our motives with respect to South Africa and the South Africans might be encouraged at this demonstration of their importance to our naval operations.

Ambassadors Goldberg and Roosevelt feel that the proposed refueling stop would have a negative political impact at a time when attention in New York is focused on South African assistance to Southern Rhodesia and the ICJ decision on Southwest Africa, and we should thus be extremely hesitant to do anything which could be interpreted as moving closer to cooperation with the South African Government or demonstrating the U.S. need for South African collaboration in important naval movements.

There is also, of course, the problem of how this would be interpreted in the light of the treatment the South African Government gave to the recent visit of Senator Robert Kennedy.

On the other side, insofar as South Africa is concerned, such a visit would be a demonstration of integration at work among a large group of Americans in the confined space of a ship. As far as U. S. political attitudes toward South Africa are concerned, I believe that these have been made amply clear by our public statements here, in the United Nations, by our statements to the South African Government, and the strictness of our arms embargo. Also, insofar as South Africa is concerned, there is the possibility of some gain in terms of maintaining some form of association with the South African armed forces, who fought alongside of us in both World War II and Korea. Considering the difficulties the Navy is having in obtaining reenlistments and the fact that these men will be going directly to the war zone, I do not feel that we should deny the Navy the possibility of this visit except for the most cogent reasons. Also, as we will in the future probably be required to deploy other carriers by the same route, I feel we should now, by this visit, seek to disassociate as much as possible implications of such visits from our general political attitudes towards South Africa.

Therefore, while recognizing the possibility of political misinterpretations of such a port call, I do not feel that this is

sufficiently

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sufficiently strong to deny the Navy the possibility, and I recommend that you authorize us to to make the normal routine request to the South African Government for such a stop. If, as anticipated, the authorization of the South African Government is received, we would seek in any publicity to do the maximum to emphasize the purely routine refueling nature of the stop.

for Guy W. Bell
Dean Rusk

~~CONFIDENTIAL~~

June 22, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting with Congressmen

You will be meeting at 5:30 p. m. today with 32 members of Congress who have visited Viet-Nam. All are from Armed Services, Foreign Relations or Foreign Affairs. The meeting is off-the-record.

Secretaries Rusk and McNamara, General Wheeler, and I will be present.

This will be a good opportunity for a give-and-take session with Congressmen and leaders who are concerned with Viet-Nam and knowledgeable thereon. It would be useful to solicit their views. "You men have been there. Tell me how it looks to you." Etc.

In your opening remarks, you may want to draw on the general approach you took in your statement last Saturday (copy attached).

It might be well to underline a few of the more important recent developments:

Military.

-- North Viet-Nam is continuing to reinforce the Viet Cong hard-core. We have good reason to believe about 21,000 armed men have come down from the North so far this year.

-- But the Viet Cong are taking a beating. More than 2,000 have been killed in the past two weeks.

-- Political trouble in I Corps slowed down South Vietnamese action for a while. But things are getting back to normal. The 1st Division is back in action against the Viet Cong.

-- The slow-down in GVN actions was reflected in the casualty rate for a brief period. But recently the GVN has been losing far more men than we have. Last week, 79 Americans were killed and 175 South Vietnamese.

-- The Viet Cong arms ship we captured carried enough weapons and ammunition for two battalions.

Political.

-- The Vietnamese are moving ahead. The Government has promulgated its laws for the Constituent Assembly and for the coming national elections. The September 11 date is still firm.

-- GVN control has been re-established in Hue. The city is nearly back to normal. Some of the leading trouble-makers have been arrested and probably will be punished.

-- Tri Quang is still fasting, as far as we know. But leading Buddhists are trying to get him to halt his fast. Meantime, he is staying at the air-conditioned suite in a Saigon hospital which he normally occupies when in Saigon.

-- The Government is in close touch with moderate elements of the Buddhist Institute. There is a reasonable chance they will be able to work things out. General Ky has demonstrated a lot more political finesse than most of his critics gave him credit for.

Economic.

-- The Government has launched an extensive program to beat inflation. It took courage to devalue the piaster and to get this program moving. The International Monetary Fund worked closely with the GMN in developing this program, and we are cooperating.

-- Steps are being taken to break the port logjam -- in Saigon and other ports.

-- Bob Komer is now in Saigon looking hard at all the economic programs and problems. He will be making additional recommendations on his return.

On the negotiating front, some mention of the Ronning visit would be appropriate -- no break yet but we continue to explore all avenues to peace.

You may then wish to ask Secretary Rusk to provide a fuller picture of recent political developments and Secretary McNamara for a run-down on the military side.

I believe the Congressmen will welcome the chance to give you some of their observations and views.

W. W. Rostow

Att.

Wednesday, June 22, 1966

FOR THE PRESIDENT FROM LODGE (Saigon, 5684)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-174
By mg NARA, Date 3-1-89

Herewith my weekly telegram:

Many congratulations on the statement which you made at your Saturday News Conference. It was impressive in its solidity, its broad base, and its well-balanced view of the situation.

A. Hue Back Under the Government of Vietnam

Hue, the country's most-persistent political trouble spot, has been brought back under Government control during the past week after having been effectively in disloyal hands for the past three months.

Under the direction of National Police Director, and Ky intimate, Colonel Loan, four battalions of loyal Government troops plus Riot Police dispatched from Saigon removed from the streets the thousands of Buddhist altars which have blocked traffic throughout the city. They also arrested many agitators including several prominent student and struggle force leaders; and they dispersed a spate of small anti-Government demonstrations. First Division Commander General Nhuan, who has been mouthing his loyalty to the Government while giving aid and comfort to the dissidents, has been relieved; and former First Corps Commander and dissident leader General Dinh has been taken out of Hue and sent to Saigon. Commercial activity is gradually returning to normal.

These operations were accompanied by a heavy outpouring of pro-Government propaganda designed to bring the city back under control with a minimum of opposition. Partly because of this propaganda, but mostly because the majority of people in Hue never have supported Tri Quang during this struggle movement, opposition was not serious. During the operation of the last few days, the Buddhists had been able to gather only small bands of civilian demonstrators and a few First Division troops, largely from service rather than combat units, who had responded to Tri Quang's appeal. Tear gas sufficed to bring the dissidents under control. There were only rare instances of gunfire, producing very few casualties with no more than five persons believed to have been killed. Most people in the city were happy to see the bright prospects for ending the turmoil. Once again, Ky had shown his skill in the use of force -- a useful talent for anyone trying to run a Government in this part of the world.

Tri Quang remains on his so-called "hunger strike" (15 days as of June 22) although he has been taking many types of nourishment in liquid form and can probably live indefinitely at this rate. His rabble-rousing activities, however, have been effectively stopped. He has almost certainly lost the considerable popular support he once commanded. He has now been brought to Saigon, reportedly at his request -- some say to protect him from being assassinated by the Viet Cong.

I hope that the return of Hue to Government control, and the failure of the Buddhist Institute to arouse mass popular support in Saigon mean that we are now at the end of the political crisis in Vietnam, which began with the relief of General Thi on March 10. Although Ky did not see the trouble this would make for him, he must be given credit for his wise and restrained application of force once the crisis had started. This allowed the opposition extremists to overplay their hand. Now the Government has retained its power and can resume the many tasks which need doing.

B. Much Governmental Activity

Over the last weekend, there was more Governmental activity than at any time since Ky became Prime Minister a year ago. On June 18, the Minister of Economy announced a broad range of tough anti-inflation measures which we and the IMF have been urging. It looks as though Ky has shown real courage and decisiveness.

Sunday, June 19, was the First Anniversary of the Ky Government, making it the Government which has held office the longest since the overthrow of Diem in 1963. Instead of making it an occasion for self-congratulation, Ky and his colleagues made the wise decision to designate the Anniversary as Armed Forces Day with an impressive two-hour parade, a torch light ceremony and display of fireworks, which, for the first time since I have been here, could be described as creating a festive atmosphere.

It is good for the Vietnamese to think about the Armed Forces who are still the one disciplined, anti-Communist and nation-building element in the country. During the last few months, the Armed Forces have been attacked by the Viet Cong; they have had their prestige injured by the antics of certain political generals; their unity has been a target for the Buddhists and their chaplains; and the "struggle" movement has put a strain on their unity and morale. It was wise not only to have this celebration on June 19, but to have used it as the occasion for announcing promotions and a pay raise.

The so-called "Unified Buddhist Church" is in considerable disarray. Its "young turk" bonzes who are associated with the struggle in Saigon appear unwilling to accept the moderate leadership of Thich Tam Chau. He, on the other hand, sent a letter informing them that he still regards himself as Chairman of the Buddhist Institute. It would be wonderful if out of all this wreckage, a sober, responsible Buddhist Church might emerge.

C. Elections

On June 19, the Government issued the election decree law setting forth the regulations for candidates and voters in next September's election for deputies to a National Assembly which aims to produce a Constitution. A decree was also issued dealing with the organization of the Assembly. The election law represents the work of the drafting committee as modified by the enlarged Directorate (containing 10 military and 10 civilians). I believe it compares well with the election laws and regulations in one of our states. To organize elections in a war-torn country, which has only had a very slight experience with elections, and which has never had elections in a national framework, is quite a job.

For this reason, I advise officials in Washington who speak about the Vietnamese elections not to over-praise what has been done. While it is as certain as anything can be that elections are going to be held, it is not at all certain that they will be held without intimidation, and that the results will command widespread respect. It would be imprudent for our spokesman in Washington to say what a great thing these elections are going to be, and then to have disappointing news. It is much better for us to say very little, and then if the elections turn out well (a possibility which is not excluded), public opinion at home will be entitled to feel really encouraged.

D. Military

Our forces continued to enjoy significant successes in their operations against the Viet Cong and the North Vietnamese Army forces during the week. A total of 928 enemy troops were killed and some 232 were captured. These figures are down somewhat from the preceding week.

Our Coast Guard units made a significant catch the night of June 19-20. While on patrol duty in the China Sea, they picked up a steel-hulled coastal transport about 125 feet long. The vessel refused to respond to their challenge. They pursued it, ran it ashore and discovered that it contained 250 tons of Chinese war material destined for the Viet Cong. The Vietnamese Government is lodging a protest with the International Control Commission and an inspection team of Canadian and Indian officials has already gone to the site.

Despite the important gains we have made on the purely military front over the last several weeks, we still seem to be having great difficulty in dealing with the Viet Cong's systematic campaign of terror. Two nights ago in the vicinity of Hue, the Viet Cong summarily executed a District Chief. Last week in Binh Long, a Village Chief was murdered. This terror tactic which has been a Viet Cong trademark is still terribly effective in demoralizing the population and

breaking down the Government's administrative machinery. Since the turn of the year, there has been some slight improvement in the number of local officials killed or abducted, but it is still running at the rate of seventy per month.

The "village guerrilla" is the responsibility of Regional and Popular Forces, which are under the Vietnamese military and, for the U.S., pertains to MACV. And the "village guerrilla" is also the responsibility of the police which, for the U.S., pertains to USAID and its police advisers. Finally, we hope that our revolutionary development cadres will make life unbearable for local terrorists.

I doubt that Hanoi will conclude that it cannot win in South Vietnam as long as they can do so well with local terrorism.

E. Chieu Hoi

We still get no Chieu Hoi figure from the First Corps. I, therefore, have analyzed Chieu Hoi figures since January leaving out the First Corps (which is 7 percent of the total) so that we can see how we're doing in the rest of the country. It looks as though it is starting up again. These figures are as follows: January, 1005; February, 1862; March, 2141; April, 1444; May, 1458.

June 22, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Amendment to Agreement with the Republic of the Philippines Concerning Cooperation in the Civil Uses of Atomic Energy

The Atomic Energy Commission, with the concurrence of the Department of State, recommends that you approve the proposed amendment to the existing agreement with the Government of the Republic of the Philippines for cooperation in the civil uses of atomic energy, which was originally signed on July 27, 1955, and which remains in force until 1968.

The Government of the Republic of the Philippines signed an agreement last year that transferred to the International Atomic Energy Agency the safeguards responsibilities for materials and facilities provided under the Agreement for Cooperation.

The principal purpose of the amendment is to authorize the transfer of highly enriched U-235 for the Philippine research reactor. The amendment also includes other standard provisions that are being included in all new agreements and amendments reflecting recent changes in the Atomic Energy Act.

I recommend that you approve this draft amendment. If you agree, there is presented herewith a letter to Dr. Seaborg for your signature.

W. W. Rostow

___ Approved

___ Disapproved

___ See me

22 June 1966

MEMORANDUM FOR MR. ROSTOW

Walt-

Here is a routine amendment to the Agreement for Cooperation with the Philippine Government. My draft memorandum for the President will give you the substance.

The only unusual feature is the fact that the Joint Committee has suddenly expressed its interest in holding hearings on this agreement next Tuesday, together with the proposed peaceful uses agreement with the United Kingdom. AEC likes our usual splendid cooperation in securing Presidential approval on such unreasonably short notice.

Charles E. Johnson

Enclosures

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22 June 1966

MEMORANDUM FOR MR. ROSTOW

Walt-

Here is a routine amendment to the Agreement for Cooperation with the Philippine Government. My draft memorandum for the President will give you the substance.

The only unusual feature is the fact that the Joint Committee has suddenly expressed its interest in holding hearings on this agreement next Tuesday, together with the proposed peaceful uses agreement with the United Kingdom. AEC likes our usual splendid cooperation in securing Presidential approval on such unreasonably short notice.

Charles E. Johnson

Enclosures

Wednesday June 22, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter to President Castello Branco

Ambassador Tuthill leaves for Rio de Janeiro this Friday.

If he were to carry a letter from you to President Castello Branco it would serve these purposes:

1. open a dialogue with the Brazilian President.
2. convey your personal interest in having his views on the summit meeting.
3. foster the Brazilian President's confidence in Ambassador Tuthill.

I have prepared the attached letter for your consideration. Linc Gordon approves this step and the text of the letter.

W. W. Rostow

Attachment

THE WHITE HOUSE

WASHINGTON

86a

6/23/66

Dear Mr. President:

It is a great pleasure for me to send warm personal greetings to you through my new Ambassador to Brazil, John Tuthill. He will continue the fine work of his distinguished predecessor, Lincoln Gordon, who did so much to strengthen the ties between our two countries during his long tenure in Rio de Janeiro.

Ambassador Tuthill will be conveying to you my thoughts on a number of subjects. At the same time, I want you to know that it is always a pleasure to hear from you directly. I hope that you will not hesitate to write me at any time.

As we proceed with preparations for a meeting of American Presidents, I would welcome hearing from you on what additional initiatives might be discussed to give the Alliance for Progress increased momentum and otherwise strengthen the projects for economic and social progress in our hemisphere.

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

Sincerely,

LBJ

His Excellency
Humberto Castello Branco
President of the Republic
of the United States of Brazil
Rio de Janeiro.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-172
By rip NARA, Date 11-16-87

June 22, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Amendment to Agreement with the Republic of the Philippines Concerning Cooperation in the Civil Uses of Atomic Energy

The Atomic Energy Commission, with the concurrence of the Department of State, recommends that you approve the proposed amendment to the existing agreement with the Government of the Republic of the Philippines for cooperation in the civil uses of atomic energy, which was originally signed on July 27, 1955, and which remains in force until 1968.

The Government of the Republic of the Philippines signed an agreement last year that transferred to the International Atomic Energy Agency the safeguards responsibilities for materials and facilities provided under the Agreement for Cooperation.

The principal purpose of the amendment is to authorize the transfer of highly enriched U-235 for the Philippine research reactor. The amendment also includes other standard provisions that are being included in all new agreements and amendments reflecting recent changes in the Atomic Energy Act.

I recommend that you approve this draft amendment. If you agree, there is presented herewith a letter to Dr. Seaborg for your signature.

W. W. Rostow

Approved

Disapproved

See me



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

87a

JUN 21 1966

Dear Mr. President:

The Atomic Energy Commission recommends that you approve the enclosed proposed "Amendment to Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of the Philippines Concerning Civil Uses of Atomic Energy," determines that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The proposed amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would revise the Agreement for Cooperation between the United States of America and the Philippines which was signed at Washington on July 27, 1955, as amended by the Agreements signed on June 11, 1960, and August 7, 1963.

The proposed amendment would permit the transfer to the Philippines of material enriched to more than 20% in the isotope U-235 when there is a technical or economic justification for such a transfer. Article II of the proposed amendment reflects the recent changes in the Atomic Energy Act of 1954 permitting private ownership of special nuclear material by enabling private parties in the United States and the Philippines to be parties to arrangements for the transfer of special nuclear material. Previously, such arrangements were confined to governments. Arrangements made directly between private parties under proposed Article II would be undertaken pursuant to applicable laws, regulations, policies, and license requirements of the United States and the Philippines.

Inasmuch as the transfer of highly enriched fuel would be permitted under the proposed amendment, comprehensive bilateral safeguards have also been included. The Philippine research reactor and fuel obtained from the United States, however, are under the safeguards of the International Atomic Energy Agency, as provided in the trilateral agreement among the United States, the Philippines, and the Agency which came into effect on September 24, 1965. Accordingly, the bilateral safeguards in the proposed amendment would be suspended as long as the trilateral safeguards currently applied by the International Atomic Energy Agency remain in force; however, U.S. safeguards would be resumed if for any reason Agency safeguards should cease to apply.

As a result of providing for the transfer of highly enriched fuel and the consequent inclusion of comprehensive bilateral safeguards, the

following standard provisions have been added in the proposed amendment:

- a. reprocessing of source or special nuclear material acquired by the Philippines from the United States would be performed at the discretion of the United States Commission in either Commission facilities or facilities acceptable to the Commission (Article I.B.);
- b. regarding U.S.-leased fuel, the United States may retain, after reprocessing, special nuclear material produced in such leased fuel which is in excess of the needs of the Philippines for its program in the peaceful uses of atomic energy (Article I.C.); and
- c. regarding fuel otherwise transferred, the United States may purchase special nuclear material produced in such fuel which is in excess of the Philippines' needs and, if this option to purchase is not exercised, approval by the United States is required for the transfer of such material to another nation or group of nations (Article I.C.).

Articles IV and V of the proposed amendment include minor editorial revisions.

Following your determination, approval, and authorization, the proposed amendment will be formally executed by appropriate authorities of the Government of the United States of America and the Government of the Republic of the Philippines. In compliance with Section 123c of the Atomic Energy Act of 1954, as amended, it will then be placed before the Joint Committee on Atomic Energy.

Respectfully yours,

(Signed) Glenn T. Seaborg

Chairman

The President
The White House

Enclosure:
Proposed "Amendment to Agreement for Co-operation Between the Government of the United States of America and the Government of the Republic of the Philippines"

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES
CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the
Government of the Republic of the Philippines,

Desiring to amend the Agreement for Cooperation Between the
Government of the United States of America and the Government of
the Republic of the Philippines Concerning Civil Uses of Atomic
Energy, signed at Washington on July 27, 1955 (hereinafter referred
to as the "Agreement for Cooperation"), as amended by the Agreement
signed at Washington on June 11, 1960, and the Agreement signed at
Washington on August 7, 1963,

Agree as follows:

ARTICLE I

A. Article II, Paragraph B, of the Agreement for Cooperation, as amended, is amended by adding at the end thereof the following new sentence:

"The United States Commission, however, may, upon request, make available all or a portion of the enriched uranium supplied hereunder as material containing more than twenty per cent (20%) by weight of the isotope U-235 when there is a technical or economic justification for such a transfer."

B. Article II, Paragraph C, of the Agreement for Cooperation, as amended, is amended to read as follows:

"C. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing; such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel shall not be altered after its removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing."

C. Article II, as amended, is further amended by adding the following new paragraphs E and F:

"E. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of the Republic of the Philippines and, after reprocessing

as provided in paragraph C of this Article, shall be returned to the Government of the Republic of the Philippines, at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby granted, to retain, with appropriate credit, based on the prices in the United States of America referred to in paragraph F of this Article, to the Government of the Republic of the Philippines, any such special nuclear material which is in excess of the needs of the Republic of the Philippines for such material in its program for the peaceful uses of atomic energy.

"F. With respect to any special nuclear material not subject to the option referred to in paragraph E of this Article and produced in reactors fueled with materials obtained from the United States of America which is in excess of the need of the Republic of the Philippines for such material in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an Agreement for Cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or group of nations in the event the option to purchase is not exercised."

ARTICLE II

Article IV of the Agreement for Cooperation is amended to read as follows:

"With respect to the subjects of agreed exchange of information referred to in Article I, it is understood that arrangements may be made between either Party or authorized persons under its jurisdiction and authorized persons under the jurisdiction of the other for the transfer of materials, including special nuclear material, and equipment and devices, and for the performance of services. Such arrangements shall be subject to:

- (1) the limitations applicable to transactions between the Parties under Article II,
- (2) Article V, and
- (3) applicable laws, regulations, policies, and license requirements of the Parties."

ARTICLE III

Paragraphs A, B, and C of Article VI of the Agreement for Cooperation, as amended, are amended to read as follows:

"A. The Government of the United States of America and the Government of the Republic of the Philippines emphasize their common interest in assuring that any material, equipment, or device made available to the Government of the Republic of the Philippines or any person under its jurisdiction pursuant to this Agreement shall be used solely for civil purposes.

"B. Except to the extent that the safeguards provided for in this Agreement are supplanted, by agreement of the Parties as provided in Article VII (A), by safeguards of the International Atomic Energy Agency, the Government of the United States of America, notwithstanding any other provisions of this Agreement, shall have the following rights:

(1) With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any

(a) reactor, and

(b) other equipment and devices, the design of which the United States Commission determines to be relevant to the effective application of safeguards,

which are, or have been, made available to the Government of the Republic of the Philippines or any person under its jurisdiction under this Agreement, or which are to use, fabricate, or process any of the following materials so made available: source material, special nuclear material, moderator material, or other material designated by the United States Commission;

(2) With respect to any source or special nuclear material made available under this Agreement to the Government of the Republic of the Philippines or any person under its jurisdiction by the Government of the United States of America

or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment or devices so made available:

(a) source material, special nuclear material, moderator material, or other material designated by the United States Commission,

(b) reactors,

(c) any other equipment or device designated by the United States Commission as an item to be made available on the condition that the provisions of this subparagraph B (2) will apply,

(i) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in ensuring accountability for such materials; and

(ii) to require that any such material in the custody of the Government of the Republic of the Philippines or any person under its jurisdiction be subject to all of the safeguards provided for in this Article and the guaranties set forth in Article VII;

(3) To require the deposit in storage facilities designated by the United States Commission of any of the special nuclear material referred to in subparagraph B (2) of this Article which is not currently utilized for civil purposes in the Philippines and

which is not purchased or retained by the Government of the United States of America pursuant to Article II of this Agreement, transferred pursuant to Article II, paragraph F (b), or otherwise disposed of pursuant to an arrangement mutually acceptable to the Parties;

(4) To designate, after consultation with the Government of the Republic of the Philippines, personnel who, accompanied, if either Party so requests, by personnel designated by the Government of the Republic of the Philippines, shall have access in the Philippines to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph B (2) of this Article, to determine whether there is compliance with this Agreement, and to make such independent measurements as may be deemed necessary;

(5) In the event of non-compliance with the provisions of this Article or the guaranties set forth in Article VII and the failure of the Government of the Republic of the Philippines to carry out the provisions of this Article within a reasonable time, to suspend or terminate this Agreement and to require the return of any materials, equipment, and devices referred to in subparagraph B (2) of this Article;

(6) To consult with the Government of the Republic of the Philippines in the matter of health and safety.

"C. The Government of the Republic of the Philippines undertakes to facilitate the application of the safeguards provided for in this Article."

ARTICLE IV

Article VII, Paragraph B, of the Agreement for Cooperation is amended by adding the words, "or group of nations", following the word, "nation", wherever it appears.

ARTICLE V

Article VII (A) of the Agreement for Cooperation, as amended, is amended by deleting the reference, "paragraph C", and the commas preceding and following such reference.

ARTICLE VI

This Amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation, as amended.

IN WITNESS WHEREOF, the undersigned, duly authorized,
have signed this Amendment.

DONE at Washington, in duplicate, this day
of , 1966.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES: _____

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

87c S

22 June 1966

MEMORANDUM FOR MR. ROSTOW

Walt-

Here is a routine amendment to the Agreement for Cooperation with the Philippine Government. My draft memorandum for the President will give you the substance.

The only unusual feature is the fact that the Joint Committee has suddenly expressed its interest in holding hearings on this agreement next Tuesday, together with the proposed peaceful uses agreement with the United Kingdom. AEC likes our usual splendid cooperation in securing Presidential approval on such unreasonably short notice.


Charles E. Johnson

Enclosures

Pres. file

~~SECRET~~
~~RESTRICTED DATA~~

June 22, 1966

SANITIZED
E.O. 12958, Sec. 3.6
NLJ 98-335
By cb, NARA Date 5-24-00

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY 1967 Underground Nuclear Test Program

The AEC has submitted for your approval the AEC/DOD underground nuclear test program for FY 1967 (LATCHKEY). This program was discussed by your Review Committee on Underground Nuclear Tests and the Committee has recommended that you approve the program, subject to the following reservations in which the AEC and DOD have concurred:

(a) No cratering experiments will be held or tests executed off the Nevada Test Site without specific approval therefor from you and major expenditures may not be initiated therefor in advance of such approval.

(b) A large yield test scheduled for the first quarter is approved subject to Dr. Hornig's review of the test procedures and safety precautions.

6.1(a)

In general, the 1967 program is an extension of the program that is almost complete for 1966 in which we will have conducted 43 tests. The 1967 program includes 56 tests, but on the basis of our experience to date, the actual number conducted will be about the same this year. The size of the program should not cause any problem although the Russians last week for the first time at Geneva made reference to the large number of U. S. tests. The tests that might cause real problems, such as the cratering tests that might violate the Limited Test Ban Treaty or very large yield tests that would cause domestic problems in the Las Vegas region, are under tight control and these would be given specific and detailed examination before they are presented for your approval.

If you approve this program, I will sign the attached memorandum for the Chairman, Atomic Energy Commission.

Approved _____
Disapproved _____
See me _____

W. W. Rostow

~~SECRET~~

SANITIZED

88a

SANITIZED
E.O. 12958, Sec. 3.6
NLJ 98-335
By cb, NARA Date 2-11-00

~~_____~~
~~_____~~

June 22, 1966

**MEMORANDUM FOR THE CHAIRMAN,
U. S. ATOMIC ENERGY COMMISSION**

SUBJECT: FY 1967 Underground Nuclear Test Program

Reference is made to the request contained in your letter to the President of June 6, 1966, on behalf of the Atomic Energy Commission and the Department of Defense for approval in principle of the underground nuclear testing program proposed for FY 1967, and specific approval of the operations planned for the first quarter (LATCHKEY I).

The FY 1967 test program as proposed in your letter is approved in principle with the exception that specific approval must be obtained before the initiation of any major expenditures in connection with:

- (a) Cratering experiments.
- (b) Tests proposed for execution off the Nevada Test Site.

Notice has been taken of the inclusion in the LATCHKEY series of a scientific experiment on high mass nuclides. In view of the fact that this test was not funded for FY 1967, it will be necessary to submit this to the Bureau of the Budget for expenditure approval.

The testing program proposed in your letter for conduct in the first quarter of FY 1967 is approved except that the GREELEY test will be submitted to the Special Assistant to the President for Science and Technology for his review of the testing procedure and safety standards. That program, LATCHKEY I, consists of AEC tests for weapons development and 1 AEC test for peaceful applications.

In conducting the first quarter program, you are authorized to expend

W. W. Rostow

~~_____~~

b1
(a)

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 88-55
By WJ, NARA, Date 12-9-91

~~TOP SECRET/SENSITIVE~~

Wednesday, June 22, 1966

MR. PRESIDENT:

Herewith my proposed working agenda for today's NSC meeting at 12:30 p. m.

1. Report from Bill Bundy on Ottawa.
Conclusion: They are not now prepared to negotiate on acceptable terms.
2. The military case for attack on POL:
Secretary McNamara; and then poll the Chiefs one by one.
3. Anticipatory messages to Australia, New Zealand, and Canada.
FYI. I personally do not believe it is necessary to inform the Canadians in advance. It may even be an embarrassment to them; however, Secretary Rusk may have different views.
Secretary Rusk
4. Explaining the operation:
 - a. The theme: it is not a change in policy. It is simply an extension of our policy of attacking the logistical base for infiltration into the South. It should be closely linked to the expansion in infiltration and in infiltration routes, plus the expanded use of trucks over the past year. Secretaries Rusk and McNamara
 - b. What should Saigon say and who should say it? Sects. Rusk & McNamara

I believe Westmoreland should brief the Saigon press.
 - c. What should Secretary McNamara say? Secretary McNamara
 - d. What should the Department of State say: publicly; through a circular cable to all Embassies at the time of the attack; in the North Atlantic Council. Secretary Rusk
 - e. Should we say anything to the Russians: in Washington; in Moscow. (FYI: I believe a low-key conversation with Dobrynin indicating that this is a continuation of policy, with no change in objectives, might be appropriate.)
Secretary Rusk

~~TOP SECRET/SENSITIVE~~

(page 1 of 2 pages)

6/22/66

f. USIA handling. Mr. Marks

5. A last check-out by you of the military on the operational orders, and your concern that civilian casualties be limited to the extent consistent with the safety of our crews. General Wheeler
6. You may wish to go around the table to get final recommendations.
7. Timing of operation: As you know, Secretary Rusk recommends early next week. Secretaries Rusk and McNamara
8. A statement of your decision and your expectation about security and the unity of the Government in this matter.
9. Assign a point of coordination in the Government for orchestrating this scenario. Since we intend to play it as a military operation, Secretary McNamara is my choice.

W. A. R. Rostow

Wednesday, June 22, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Delegation to Balaguer Inaugural

After consulting the Vice President, Ellsworth Bunker and Linc Gordon, I submit for your consideration the attached delegation list to the inauguration of President-elect Balaguer.

The Vice President expressed a special interest in Senator Kuchel and Representative Boggs. Secretary Rusk is proposing that George Meany be put on the delegation for the Colombian inauguration in August. In order to be even-handed in the current Meany-Reuther tiff, we thought it advisable to include Reuther on the Dominican delegation. Furthermore, Reuther would be helpful in talking to the democratic Dominican labor leadership which is mostly pro-Bosch. (They would be invited simultaneously.) Mayor High may be helped in his gubernatorial race. He should also be rewarded for his cooperation on the Cuban refugee problem.

W. W. Rostow

Approve list _____

Want other names _____

Speak to me _____.

P. S. In accordance with message from Marvin Watson, we are adding the names of Congressman and Mrs. Neil Gallagher.

cc - Bill Moyers

DR DELEGATION

Vice President Humphrey

Assistant Secretary Gordon

Ambassador-designate Crimmins

Senator Thomas H. Kuchel

Congressman Hale Boggs

Mr. Walter Reuther

Mayor Robert King High

Mr. Gardner Cowles

Congressman and Mrs. Cornelius E. Gallagher

MEMORANDUM FOR THE PRESIDENT

June 22, 1966

SUBJECT: Talking Points for your final meeting
with King Faisal

In addition to expressing your feelings about your discussions with the King, you may want to make the following points:

1. On the Yemen: stress our common interest in a mutually satisfactory settlement, including the withdrawal of UAR troops. We applaud his constructive reply to the Kuwait mediation effort. We hope he will consider, insofar as possible, giving Nasser some face saving way of retreating to help speed withdrawal.
2. Our leverage on UAR: we will do what we can to help, but our leverage on Cairo is presently limited. We hope that continuing modest types of assistance will keep the door open so we can be more helpful in the Yemen situation. Any limited help we give to Egypt at this time will be decided with an eye on its effects on Egypt's neighbors and on our ability to influence Egypt's actions.
3. Has Faisal any further thoughts not yet shared with you?
4. NATO as a possible subject: If the conversation is lagging and you wish to continue, you could fill him in on our current thinking on East-West relations and our current perspectives on NATO.
5. Wind up on communique: attached text has been agreed by both staffs. You may want to ask the King if it is all right with him if the agreed text is released by the White House right after this meeting.
6. His reception for you starts at 6:30 p. m.

W. W. R.

~~Mr. Poston~~
files

June 22, 1966

WWR

**SUBJECT: Rusk to President Memo on
Bilateral Negotiations with
France**

Walt:

I do not think the President should sign off on these instructions without a full discussion with Rusk and McNamara (and a paper from us).

Since we should not sit on the Secretary's memo, I would suggest that we send it in with the attached note.

Francis M. Bator

FMB:mst

92a

Wednesday, June 22, 1966, 8:10 p. m.

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Negotiating Instructions on Wartime Reentry into France

Attached is memo from Secretary Rusk with proposed negotiating instructions for Chip Bohlen on wartime reentry of U.S. forces into France. It raises some important questions of strategy and tactics vis-a-vis the French which should be discussed fully between yourself and the two Secretaries.

We would recommend that you tell Secretary Rusk that you want to discuss the instructions with him and Secretary McNamara before they are issued. (We do not believe it would be wise to do this at tomorrow's meeting on the NATO nuclear problem and on constructive steps in Europe. The agenda for that meeting is already quite long.)

W. W. Rostow

Francis M. Bator

Attachments

DECLASSIFIED
State 5-25-77; NSC 1-16-78
By DCB/gpr/6 NARS, Date 8-17-86

FMB:mst

~~SECRET~~

THE SECRETARY OF STATE
WASHINGTON

1981
Mr. Rostow 926
By sent Bator

June 21, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Bilateral Negotiations with France
on Reentry Rights and Facilities

Ambassador Lucet, in his June 6 talk with Mr. Ball, said France is ready to discuss and to conclude an agreement with the United States on the wartime use of facilities in France.

Discussing reentry rights--under what circumstances, with what rights, and into what facilities we can re-enter--will enable us to determine with precision whether and to what degree France will agree to reentry provisions that are dependable in crisis and operationally adequate. Such a determination is essential for military planning. Perhaps more important, it will give the United States and its thirteen allies a gauge to measure the degree, if any, to which the French Government is willing to cooperate in an emergency. Properly handled, it would clarify thinking and unify action.

The normal way to conduct such a negotiation would be to ask the French Government to grant the United States, in case of emergency under Article V of the North Atlantic Treaty, the rights covered in our bilateral agreements in the manner provided therein. This would provide the French with an opportunity, if they desire it, to narrow the rights offered, which this Government can then appraise.

If you concur, I therefore propose to commence conversations with the French on reentry rights and facilities as soon as our representative is prepared,

DECLASSIFIED

Authority FRUS, 1964-68, vol. 13, item 181

~~SECRET~~ - NODIS

By JW, NARA, Date 6-2-98

we have consulted with our allies and have coordinated the timing with other negotiations between the fourteen and France and the FRG and France.

Ambassador Bohlen should be our representative to conduct the talks; I plan to call him in to discuss the problems in detail both with the State and Defense Departments, to instruct him generally in accordance with the enclosed Memorandum of Guidance, and to reinforce him with the necessary experts.

Secretary McNamara has approved both this Memorandum and the enclosed Memorandum for Ambassador Bohlen.



Dean Rusk

Enclosure:

Memorandum of Guidance
for Amb. Bohlen.

RECEIVED
ROSTOW'S OFFICE

1966 JUN 21 PM 4 39

~~SECRET~~ - NODIS

MEMORANDUM OF GUIDANCE FOR AMBASSADOR BOHLEN IN DISCUSSIONS
WITH THE FRENCH GOVERNMENT ON REENTRY RIGHTS IN NATO EMERGENCY

The Problem

Evacuating U. S. military personnel and installations in France, in response to the French Aide Memoire of March 10, will degrade our military posture in Europe, and will also impose substantial financial loss, both from the lost investment in facilities in France (approximately \$550 million) and the expenditures to construct and move into replacement facilities (perhaps \$500 million).

Such reduced effectiveness and financial loss can be reduced if the French will agree to dependable and timely rights of reentry and operation, effective in time of NATO emergency, into bases and facilities that are adequately maintained and supplied, and with the rights of access, movement, transport, communications and personnel status needed to allow immediate operations.

On the other hand, if the Government of France should refuse reentry and operation provisions which are sufficiently reliable for the U. S. to depend on them for the support of forces in combat, the agreements that might be reached would be hollow. In this case, we should establish conclusively, both to our own satisfaction and that of our allies, that meaningful reentry agreements are not possible under the present French policies.

Objectives

To conclude satisfactory agreements with France for reentry and operation rights to bases and other facilities in France for U. S. forces, in case of NATO emergency.

Failing that, to make clear to the NATO countries how and where French policy makes agreement useless, and the magnitude of the resulting losses.

DECLASSIFIED

Authority FRUS, 64-68, vol. 13, item 81

By pw, NARA, Date 6-2-98

~~SECRET~~ - NODIS

Basic U. S. Position

If agreements reached between the U. S. and France on the reentry and operation rights are to be dependable, they must include:

- a. Timing: the facilities are needed, fully operational, when hostilities commence. Reentry rights must become effective at the time of NATO alert.
- b. Conditions: rights must apply to any NATO crisis.
- c. Facilities: required facilities must be identified, available, stocked, and maintained. The right to construct new facilities after war commences is worthless.
- d. Rights: rights required to permit immediate operations upon reentry must also be effective at declaration of alert (e.g., access, communications, transport, nuclear transit, overflights, status of forces, etc.).

Anticipated French Position

The following elements of the French position have emerged:

- a. Termination of the existing U. S.-France bilateral agreements^{1/} by "mutual consent".
- b. Initial discussions to deal with an overall war-time reentry and utilization agreement, to be followed by a series of technical agreements covering the facilities that would be made available to the U. S. in time of war.
- c. There is no reason to oppose continued use of the pipeline, but its operation should be under unilateral French control at all times.

^{1/} (1) Chateauroux Depot Agreement of February 27, 1951; (2) Paris Air Bases Agreement of October 4, 1952; (3) United States Military Headquarters Agreement of June 17, 1953; (4) Pipeline Agreement of June 30, 1953; and (5) System of Communications Agreement of December 8, 1958.

~~SECRET~~ - NODIS

- 3 -

d. No stocked storage depots will be permitted in France.

e. Reentry rights will be restricted to "a conflict in which both countries would participate under the Atlantic Alliance."

f. Reentry rights will depend on a decision by the French Government taken at the time of the emergency.

~~SECRET~~ - NODIS

To Pres

~~SECRET~~

Tuesday, June 21, 1966 -- 7:40 p. m.

MEMORANDUM FOR THE PRESIDENT

I have checked with Secretary McNamara, as you requested, on the economic program loan for Jordan. I have just received word from him that he concurs in the recommendation of Secretary Rusk, David Bell, Charles Schultze, and myself.

In relation to this loan, you will be interested in a talk I had this morning with Shimon Peres, former Israeli Defense Minister, whom Abe Feinberg brought in. He spoke with great respect of Hussein and cited the unspoken "agreement" between Israel and Jordan to dampen border troubles. He made clear that Israel prizes Hussein's independence of Cairo to which our aid to Jordan is decisive.

I recommend you approve this loan.

W. W. Rostow

Approve ✓

Disapprove _____

See me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 87-173
By ip NARA. Date 4-5-90

WWRostow:rlh

~~SECRET~~

94

Pres. file

~~TOP SECRET~~

Tuesday, June 21, 1966 -- 7:30 p. m.

Mr. President:

With respect to the questions you asked me to address to Secretary Rusk:

- 1. As for the time of action, he proposes early next week;
- 2. As for an NSC meeting, he proposes that we change the subject of the scheduled NSC meeting on Thursday noon, June 23, and alter the membership of those attending.

He informs me that the relevant advance messages are in order.

In the light of your conversation earlier in the day, I will put up to you tomorrow a suggested attendance list.

W. W. Rostow

Thursday noon, June 23, okay _____

Other time _____

DECLASSIFIED
 E.O. 12356, Sec. 3.4(b)
 White House Guidelines, Feb. 24, 1933
 By DCM NARS, Date 8-16-86

WWRostow:rln

~~TOP SECRET~~

95
Tuesday, June 21, 1966

3:15 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Senator Robert Kennedy's statements in Africa

You are, I gather, to see the Senator at 11:30 a. m. Wednesday (tomorrow) morning.

Herewith is a brief summary of Kennedy's remarks on (1) the race issue in South Africa, (2) Viet Nam, and (3) economic sanctions against South Africa.

Race Issue in South Africa:

Kennedy gave three prepared speeches in South Africa, along with any number of informal talks at lunches, dinners, etc. He developed the following line on the race problem:

1. His approach was philosophical -- equality as an aspect of human liberty, fully as integral as freedom of speech, the rule of law, etc.
2. He freely acknowledged that the U. S. has much unfinished racial business -- but pointed out (with examples) that we are moving ahead.
3. He merged his rare direct thrusts at apartheid with calls for action against lists of problems facing humanity -- e. g., discrimination in the U. S., starvation in India, slaughter in Indonesia.
4. He posed a choice for South Africa between a position of leadership in Africa and a foredoomed struggle to hold the line.
5. He stressed the role of youth in promoting new ideas and practical reforms.
6. He made few points without quoting President Kennedy.

Copies of the three speeches are at Tab A. The most important was the address before the National Association of South African Students on June 6.

While in South Africa, Kennedy carefully avoided any hint of a threat of external pressure against apartheid. As he was leaving, he said that he had seen enough of the South African people to be confident that they would make the necessary racial reforms themselves. Elsewhere in Africa he was slightly less charitable, but he never changed his basic line, and was vague in answering questions about specific reforms.

Viet Nam

Kennedy never volunteered any remarks on Viet Nam, but made several strong defenses of U. S. policy in question periods, particularly in Tanzania (a long-time critic on this front). His theme was that we want what the South Vietnamese want. Our only object is that there be a proper atmosphere for free choice. The U. S. would accept whatever result an honest election produced -- even if it put Communists in power. We believe that they will not so choose.

The Senator never allowed himself to be drawn into detailed public discussions of Viet Nam.

Economic Sanctions Against South Africa

Kennedy avoided this question in Africa. Since he has returned, however, he has come out against sanctions. His point is that the real menace to apartheid is the current economic boom in South Africa which puts pressure on employees to break down the rules governing education, vocation, movement, etc. He adds that the blacks would suffer most in the event of a trade embargo. He advises a freer dialogue with South Africa rather than reduction in contact. He has not yet put this in any document or formal speech, however. I think we can expect it on the Senate floor soon.

W. W. Rostow

June 21, 1966
Tuesday, 12:30 p.m.

Mr. President:

Here is some more noise indicating a wobbling mood in Hanoi.

It also reinforces our instinct that they are waiting to assess our political strength, as well as the outcome of the rainy season operations.

For your information, the rainy season ends in the highland provinces (Pleiku and Kontum) early in September; in the Saigon and Delta in September-October.

W. W. Rostow

~~SECRET Attachment~~

Paris 8926

96a

~~SECRET~~

June 21, 1966

FROM PARIS (8926)

1. South Vietnamese Consul General Tan told the Embassy Office on June 20 that sources close to the North Vietnamese commercial representation in France have reported that Vietnamese Communists in France are beginning to doubt Viet Cong military victory. To offset growing skepticism among Vietnamese Communists (cadres), the chief of the North Vietnamese delegation, Mai Van Bo, recently sent a staff member to address the group but the speaker was unable to convince the audience of ultimate Viet Cong military success.

2. Tan also claimed that one of his "agents" who is close to the North Vietnamese mission has reported that sentiment is growing among Vietnamese Communists in France and even among some members of the North Vietnamese mission that the Viet Cong may have to start negotiations after the end of the rainy season. According to these sources, Vietnamese Communists are saying that the Viet Cong will attempt to inflict heavy losses on the U.S. during rainy season in the hope that U.S. public opinion will put pressure on the U.S. Government to accept negotiations on the basis of Dong's four points. If these tactics fail, the Viet Cong would merely scale down their demands but this would not affect their efforts to move toward the conference table. In short, Tan feels that for the first time Vietnamese Communists in France, who are taking their orders from local North Vietnamese mission, are expressing doubt about a Communist military victory and as a result, the idea of a negotiated solution is beginning to be taken into consideration.

BOHLEN

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NJ 87-174
 By ijg NARA, Date 3-1-89

~~SECRET~~

710 Rostow
97

June 21, 1966

Mr. President:

Some of the attached may catch your imagination as possible triggers for dinner conversation with Faisal.

I particularly recommend you ask about his American-educated son.

W. W. Rostow

June 21, 1966

BACKGROUND FOR DINNER CONVERSATION
WITH FAISAL

- Faisal has been conducting the foreign affairs of his country since 1931 (he was 25). He has personally selected most key Saudi foreign service officers, most of whom refer to him as "our father." So he is a pro in this business.
- He had little formal schooling, except in the Koran and Arab history. So most of his extensive worldly knowledge comes from reading and travel. He has been in most Arab and Moslem countries, Europe and the USSR. He has been here several times and from coast to coast. You might ask whether he has seen much of your own southwest, which has a lot in common with Arabia.
- Faisal has been a general, using mechanized columns for the first time against his father's Arab enemies in Yemen in 1933. On one of his last visits here, he answered a high US official's question by admitting he had been in Yemen once "but did not have much time for sightseeing."
- Faisal has a sense of humor. Once when Faisal paid a courtesy call on President Truman, the President gave him an autographed photo and is said to have commented that it represented "a self-made man." The Arabic translation came out something like, "His Excellency the President wishes to assure your Royal Highness that he created himself." Faisal replied, "Assure His Excellency that, in this case, he spared the Almighty quite a job."
- According to recent newspaper dispatches (New York Times, May 21, p.12), the problem which Europe knew three and one-half centuries ago when the fathers of the church condemned Galileo because he said the earth turned on its axis, exists today in Saudi Arabia. According to the Koran, the earth is fixed and the sun revolves around it. It is the King's task to solve the problem of leading his country from the intellectual Middle Ages while avoiding too sharp a conflict with religious conservatism.
- The University of Riyadh inaugurated by King Saud in 1957 has a faculty of 100 and a student body of 1,000. King Faisal has emphasized new schools as the "cornerstone of development and progress". He has personally sponsored the College of Petroleum and Minerals near Dhahran.

A three-year pre-engineering course was started in 1964 to enable Saudi graduates to transfer to high-quality engineering universities in the United States, England, and other countries.

- The U. S. Department of Interior's Office of Saline Water is advising in the construction of a \$14 million dual-purpose power-water plant in the Jidda area, the largest of its kind yet planned. It is oil fueled.
- As a topic for illustrating the world of the future, mention might be made of a recent scientific symposium held in Washington at which the problems of the Year 2000 were explored. Several speakers alluded to urban air and water pollution, and suggested the solution might be domed cities with closed cycle processing of wastes. Saudi Arabia might in some future decade decide to investigate the practicality of domed cities for air-conditioning and water recycling. The country's vast stores of natural gas would make an excellent fuel to run the air-conditioning of a whole city within a giant dome, and water could be used with recycling wherever it proved cheaper to do so than to tap underground rivers or to convert sea water to fresh.
- The King's son is US-educated and a delightful fellow. The King put him to work at a low level in one of the ministries. He is now here negotiating with Interior's Office of Saline Water the details of the big Saudi desalting plant.
- Faisal is a reformer, in addition to his basic interest in education. In 1962, he abolished slavery. He has put a stop to exorbitant spending by the royal family (the oil-rich Saudi exchequer at one point in 1958 had less than \$500 to its name). In 1962 also, he created an autonomous Judicial System. He has brought health clinics to roaming tribesmen.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Tuesday, June 21, 1966

MEMORANDUM FOR THE PRESIDENT

In Bill Moyers' absence I am responding to your question as to who is Mr. Lincoln M. Polan and why he was being recommended by the State Department as a member of the U.S. delegation to the ceremonies marking the inauguration of the Republic of Malawi.

Mr. Polan is the Vice President of Polan Industries which produces optical glass and has done considerable work for the Department of Defense. He was born in 1909 and lives in Huntington, West Virginia.

He was recommended for a position in the government by Cliff Carter. At one time he was interviewed following his desire expressed in 1965 to be named as ambassador. Last May he asked Cliff Carter whether there was any job for him in the State Department. The nature of the assignment to the inaugural ceremonies could be in lieu of further consideration for an embassy.

Polan's political background involves: Chairman of the Kefauver for President committee in 1955-56. In 1960 he was a member of the Johnson for President organization, Finance Chairman of the Citizens for Kennedy-Johnson, and a member of the National Democratic Finance Committee.

I do not believe you know him personally.

I see no objection to giving him this transitory assignment but I would doubt that this appointment would lower his pressure to be considered for an embassy.

Walt Rostow

_____ O. K. to go ahead with Polan

_____ Drop him from consideration

_____ See me

98a

June 17, 1966

TO: WALT ROSTOW

FROM: Bill Moyers

Walt, since I will be on vacation next week, would you please follow through on this. The President doesn't know why we selected this fellow.

MEMORANDUM

(4)

986

THE WHITE HOUSE

WASHINGTON

June 16, 1966
12:25 p. m.

MEMORANDUM FOR THE PRESIDENT

FROM: Bill Moyers

State recommends that for the inaugural ceremonies of the Republic of Malawi (July 5-7), Lincoln M. Polan (Nickey Polan) of West Virginia be your personal representative.

R

yes _____

no _____

Who & Why

2

*Shw
Nickey
Maddal
Strom
Kubers
Long
Moyers*



DEPARTMENT OF STATE

WASHINGTON

June 15, 1966

MEMORANDUM FOR MR. BILL D. MOYERS
THROUGH MR. WALT W. ROSTOW
THE WHITE HOUSE

Subject: Malawi Republic Day Celebrations

This Government has accepted an invitation to be represented at the ceremonies incident to the inauguration of the Republic of Malawi, which are scheduled to be held in Blantyre and Zomba from July 5 through July 7, 1966.

To head the United States Delegation at these ceremonies, we recommend that Lincoln M. Polan, Vice President of Polan Industries, Inc., Huntington, West Virginia, be designated the President's Personal Representative, with the rank of Special Ambassador. I also recommend that our Ambassador to Malawi, Marshall P. Jones, be designated the President's Personal Representative, with the rank of Special Ambassador.

There are enclosed for the President's approval, letters accrediting Dr. Polan and Ambassador Jones in the capacity indicated.

John P. Walsh
Benjamin H. Read
Executive Secretary

Enclosures:

Letters of credence.

To His Excellency

Dr. H. Kamuzu Banda,

President of the Republic of Malawi.

Great and Good Friend:

In recognition of Malawi's having become a Republic, I have made choice of Marshall P. Jones as my Personal Representative, with the rank of Special Ambassador, to attend the ceremonies incident to the inauguration of the Republic of Malawi.

I have entire confidence that Ambassador Jones will be acceptable to Your Excellency in the distinguished duty with which I have invested him.

I therefore request Your Excellency to receive my Personal Representative favorably and to accept from him the assurances of my high regard and of the friendship entertained for Your Excellency and the Government and people of the Republic of Malawi by the Government and people of the United States of America.

May God have Your Excellency in His wise Keeping.

Your Good Friend,

By the President:

Secretary of State.

Washington,

Tuesday, June 21, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Bunker's Testimony Before the Senate Latin American Subcommittee

Ellsworth Bunker describes his hearing before the Senate Latin American Subcommittee this afternoon as a "love feast". Senators Morse, Aiken, Clark and McGee were present.

He reports that Senator Morse asked him at the outset if he had a statement to make. Seizing on this opportunity, Bunker gave a full rundown of the Dominican picture. He anticipated as many of the troublesome questions as possible, with the result that the question period was relatively short and uneventful. Both Senator Morse and Senator Clark congratulated him on what he had done. Senator Clark referred to it as "the most extraordinary diplomatic feat in American diplomacy in this century".

Bunker commented that he came away from the meeting with the feeling that this session put the Congressional interest in the Dominican case to rest.

15/Walt
W. W. Rostow

cc: Hayes Redmon
George Christian

June 21, 1966

NOTE FOR THE PRESIDENT

King Faisal's plane had engine trouble over Spain, had to let down in Lisbon, and a new plane had to be obtained from Paris. He was therefore six hours late when he reached Williamsburg, at 11 p. m. last night.

You may want to start your conversation with sympathy for his interrupted trip and hope that he rested well in Williamsburg.

W. W. R.

1651
106

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June 21, 1966

MEMORANDUM FOR JOHN MACY

John -

Would you please include your comments on the attached memo and forward it to the President? Thanks.

W. W. Rostow

Attachment

Limited Official Use

June 21, 1966 - Tuesday

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MEMORANDUM FOR THE PRESIDENT

Through - John Macy

SUBJECT: Candidate to Study and Make Recommendations on United States-Mexican Border Trade

You agreed with President Diaz Ordaz to study specific problems involving border trade between the two countries.

State has come up with the names of three fully qualified persons to make the study. Their biographies are attached. They are:

- Harry Raymond Turkel
- Herman Barger
- Mervin L. Bohan.

State prefers Mr. Turkel because he is available to start immediately. Mr. Barger is our Economic Counsellor in Mexico City and would have to be pulled away from his important work there. Mr. Bohan is doing a long term policy study on Brazil for State which will not be completed before this Fall.

I concur in the Turkel recommendation.

W. W. Rostow

Approve Turkel

Prefer additional names _____

Speak to me ____.

Attachments

Limited Official Use

Harry Raymond Turkel

Mr. Turkel was born in Ohio in 1906. He holds a Bachelor of Arts degree from Stanford University, a Masters from Harvard and a Bachelor of Letters from Jesus College, Oxford. He attended Georgetown Law School from 1929 to 1933 and passed the District of Columbia Bar. Following four years with the U.S. Post Office, Mr. Turkel was appointed research assistant with the Department of State in 1929. In the years prior to World War II, he had special assignments as technical advisor to the Embassies in Havana, Paris and Ottawa in connection with trade and tax treaty negotiations. He served overseas with the U.S. Army from 1942 to 1945 and was discharged with the rank of Lt. Colonel. In the postwar period, he held positions as Counselor for Economic Affairs at Lima and Athens, Commercial Attache and First Secretary at Bonn, Director of the Office of Regional American Affairs and Director of the Office Inter-American Regional Economic Affairs. In December, 1959 he was appointed U.S. Representative to IA-ECOSOC, with the personal rank of Ambassador. He retired from the Service in 1962.

Herman H. Barger

Mr. Barger was born in Massachusetts in 1915. He received his BA from Harvard and holds a Bachelor of Letters from George Washington University. Following four years as a newspaper editor and foreign correspondent, Mr. Barger entered the Foreign Service in August, 1942, and was assigned to the Embassy in Buenos Aires as a junior economic analyst. With brief interruptions for military service during World War II and a period spent in private business, he has subsequently served as Assistant Chief for the Latin American Section, Division of Foreign Activity Correlations, Consul in Canton, Chief of the General Political Branch, Counselor for Economic Affairs in Djakarta, Deputy Special Assistant for Communist Economic Affairs and Deputy Director of the Office of International Trade. He is currently serving as Counselor of Embassy for Economic Affairs in Mexico City.

He has attended the National War College and in 1950 was the recipient of a Commendable Service Award.

Mervin L. Bohan

Mr. Bohan was born in Chicago in 1899. After graduating from high school in Dallas, Texas, in 1916, he worked for an oil company in Mexico and then for two years in the U.S. Embassy in Mexico. Between 1920-22 he was assistant manager of the U.S. Rubber Export Company and from 1922 to 1926 he was publicity manager with the Dallas Chamber of Commerce. Between 1927-1941 he was commercial attache in Cuba, Guatemala, El Salvador, Peru, Ecuador, Chile and Colombia. In 1941-1942 he was Chief of the U.S. Economic Mission to Bolivia. Later he held the position of Counselor for Economic Affairs at Buenos Aires and Mexico City. He retired from government service in 1949 and taught for a short time at the American Institute for Foreign Trade in Phoenix. Mr. Bohan was a member of the U.S. delegation to the GATT conference at Torquay in 1950-51 and U.S. Ambassador to the Inter-American Economic and Social Council from 1951-55. In 1956 he again retired from public service. He has published books on investment in Cuba and Chile.

June 21, 1966

Dear General Norstad:

I should like to thank you for sending me a copy of the Action Program and Summary Statement of "Atlantic Cooperation and Economic Growth Planning for the 1970's."

It comes to us at a good time. As I have made clear both within and outside the government, I intend that the reorganization of NATO, required because of General de Gaulle's decisions, be accompanied by the maximum number of creative initiatives we can launch with our allies within the Atlantic, as well as East-West relations.

We are also looking ahead in many fields to the 1970's to see what we ought to begin to think about and do now which would help solve those problems we can foresee in the decade ahead.

For these reasons I can assure you the paper you forwarded will be carefully staffed out in the government.

I wish to commend you and your colleagues in the Atlantic Council for the important constructive effort you are carrying forward.

Sincerely,

/s/

LBJ

General Lauris Norstad
Chairman, The Atlantic Council
of the United States
1616 H Street, N.W.
Washington, D.C. 20006

LBJ:WWR:mm

102a

Monday, June 20, 1966
5:00 p. m.

Shirley M. Kenton

Mr. President:

Herewith a draft reply to General
Lauris Norstad.

W. W. Rostow