

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

1735

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#2 memo	to President from Rostow <i>open 7/28/98</i> confidential	08/11/66	A
#2a letter	to King Hassan from LBJ <i>open 7/28/98</i> possible classified info	08/12/66	A
#3 memo	to President from Rostow <i>sanitized 5-17-89 NLJ 88-33 open 7/28/98</i> confidential	08/11/66	A
#3a letter	to King Hassan from LBJ <i>open 5-17-89 NLJ 88-33</i> possible classified info	undated	A
#3b letter	to Pres. Johnson from King Hassan <i>Exempt NLJ 88-33 open 7/28/98</i> possible classified info	undated	A
#4a memo	to President from Francis Bator <i>Exempt NLJ 88-33 open 7/28/98</i> secret	08/11/66	A
#4b letter	to President from Ludwig Erhard <i>open 7/28/98</i> confidential	07/05/66	A
#4c XXXXXX letter	Proposed reply to Erhard <i>open 7/28/98</i> secret	undated	A
#5a memo	to President from Prime Minister <i>Exempt NLJ 88-33 open 7/28/98</i> secret	08/11/66	A
#6 memo	to President from Rostow confidential <i>OPEN 01/23/89 NLJ 88-34</i>	08/11/66	A
#7 memo	to President from Rostow confidential <i>open 01/23/89 NLJ 88-34</i>	08/11/66	A
#8 memo	to President from Rostow	08/10/66	C
#10a memo	to President from Maxwell Taylor secret <i>open 5-17-89 NLJ 88-33</i>	08/09/66	A
#10b memo	to Mr. Read from Leonard Unger secret <i>open 3-16-90 NLJ 88-30</i>	08/11/66	A
#15 memo	to President from Rostow <i>open 7/28/98</i> secret <i>sanitized 5-17-89 NLJ 88-33</i>	08/11/66	A
#15a cable	text of Rawalpindi 435 secret <i>open 8-5-88 NLJ 88-29</i>	08/11/66	A

FILE LOCATION

NATIONAL SECURITY FILE, Memos to the President
Rostow, vol. 10 August 1 - 11, 1966
Box 9R

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

285

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#15b cable	Text of Saigon 3200 secret <i>Open 8-5-88 NLJ 88-29</i>	3 p 08/11/66	A
#15e cable	to Bill Moyers from Amb. Bowles secret <i>Open 8-5-88 NLJ 88-29</i>	1 p 07/25/66	A
#16 memo	to President from Rostow confidential <i>Open 01/23/89 NLJ 88-34</i>	1 p 08/10/66	A
#16a memo	to President from Rostow confidential <i>Open 01/23/89 NLJ 88-34</i>	2 p 08/01/66	A
#16c memo	to President from Dean Rusk confidential <i>Open 8-5-88 NLJ 88-29</i>	4 p 07/26/66	A
#16e letter	informal translation of Pres. Balaguer's letter to Pres. Johnson possible classified info <i>open 01/23/89</i>	2 p undated	A
#18 memo	to President from Francis Bator confidential <i>open 5-17-89 NLJ 88-33</i>	1 p 08/10/66	A
#18a agenda	for possible talk with PM Pearson confidential <i>open 5-17-89 NLJ 88-33</i>	1 p undated	A
#19 memo	to President from WWR confidential "	1 p 08/10/66	A
#20 memo	to President from Rostow secret "	1 p 08/10/66	A
#20a memo	to President from W.W.R. secret <i>sanitized 5-17-89 NLJ 88-33 open 7/28/98</i>	2 p 08/10/66	A
#22 memo	to President from WWR secret <i>Exempt NLJ 88-33 open 11-4-99 NLJ 98-400</i>	1 p 08/10/66	A
#23a memo	to Rostow from Bowdler confidential <i>open 7/28/98 [sanitized 7/30/85]</i>	1 p 08/09/66	A
#23b cable	Lima 613 confidential <i>Open 8-5-88 NLJ 88-29</i>	1 p 08/08/66	A
#26a memo	for record by Francis Bator secret <i>Exempt NLJ 88-33 open 7/28/98</i>	3 p 08/04/66	A
#32a memo	to President from Rostow re: Mrs. Gandhi secret <i>Exempt NLJ 88-33 open 11-4-99 NLJ 98-400</i>	3 p 08/08/66	A

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395

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#32b cable	copy of New Delhi 1946 <i>open 10-20-99 NLJ 98-399</i> secret sanitized 8-5-88 NLJ 88-29	5 p	08/04/66 A
#33a cable	text of Saigon 2818 <i>sanitized 3-16-90 NLJ 88-30</i> secret	3 p	08/09/66 A
#33b cable	text of Saigon 3038 <i>open 3-16-90 NLJ 88-30</i> secret	1 p	08/09/66 A
#34 memo	to President from W. W. Rostow <i>open 5-17-89 NLJ 88-33</i> confidential	2 p	08/09/66 A
#34a memo	to Rostow from Ben Read confidential <i>Open 8-5-88 NLJ 88-29</i>	2 p	08/08/66 A
#35 memo	to President from Rostow confidential <i>open 01/23/89 NLJ 88-34</i>	2 p	08/09/66 A
#36 memo	to Chairman AEC from W. W. Rostow secret <i>open 8-9-89 NLJ 88-18</i>	1 p	08/08/66 A
#36a memo	to President from Rostow re: nuclear test sites secret <i>open 8-9-89 NLJ 88-18</i>	2 p	08/04/66 A
#47 memo	to President from Rostow re: nuclear materials secret <i>open 8-9-89 NLJ 88-18</i>	1 p	08/06/66 A
#47a memo	to Chairman AEC from Pres. Johnson secret <i>open 8-9-89 NLJ 88-18</i>	1 p	08/09/66 A
#37a letter	to Dr. Valencia [Colombia] from Pres. Johnson possible classified info	1 p	08/09/66 A
#37a letter	to Dr. Valencia [Colombia] from Pres. Johnson <i>open 7/28/88</i> possible classified info	1 p	08/09/66 A
#41 memo	to President from Rostow <i>opened 1-25-90</i>	1 p	08/08/66 C
#41a memo	to President from Robert McNamara <i>opened 1-25-90</i>	1 p	08/08/66 C
#41b memo	for record by Paul Nitze <i>denied 1-25-90</i>	5 p	07/01/65 C
#43 memo	to President from Rostow re: Laos & Vietnam confidential <i>open 1-27-92 NLJ 88-19</i>	1 p	08/08/66 A
#44 agenda	meeting with Sec Rusk and McNamara secret <i>open 5-17-89 NLJ 88-33</i>	1 p	08/08/66 A

FILE LOCATION

NATIONAL SECURITY FILE, Memos to President
Walt Rostow, vol. 10, August 1 - 11, 1966
Box 9

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

485

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#48b memo	X [Doc # 17 XXXX XXXX] X to President re: Moscow <i>sanitized 7-27-88 NLS 88-57</i> <i>OPRN 3/2/00 NLS 98-401</i> top secret	2 p	undated A
#49a memo	to Rostow from Thomas Hughes <i>open 2-3-89 NLS 88-17</i> secret	1 p	08/06/66 A
#49b memo	to Rostow from Thomas Hughes <i>sanitized 2-3-89 NLS 88-17</i> secret <i>open 10-20-99 NLS 98-399</i>	5 p	08/06/66 A
#49c cable	Extract Bonn 820 - conf. [Exempt NLS 88-29]	1 p	7-20-66 A
#50a cable	Text of Warsaw 298 <i>NSF</i> secret <i>(duplicate) # 124b, Counter File, Poland</i> <i>open 7/28/98</i>	3 p	08/06/66 A
#50c report	re: Vietnam confidential <i>open 8-17-88 NLS 88-48</i>	1 p	undated A
#50e cable	Warsaw 185 <i>sanitized 3-16-90 NLS 88-30</i> secret <i>open 7/28/98</i>	2 p	07/26/66 A
#50f cable	Deptel 17437 to Warsaw <i>sanitized 3-16-90 NLS 88-30</i> secret <i>open 7/28/98</i>	2 p	07/28/66 A
#52a cable	Text of Bangkok 149 <i>sanitized 10-20-99 NLS 98-399</i> secret <i>sanitized 8-10-88 NLS 88-29</i>	3 p	08/05/66 A
#54 letter	to Ferdinand Marcos from Pres. Johnson possible classified info <i>open 5-17-89 NLS 88-33</i>	1 p	08/05/66 A
#55a cable	text of Geneva 676 <i>open 10-20-99 NLS 98-399</i> confidential <i>sanitized 8-10-88 NLS 88-29</i>	2 p	08/05/66 A
#56 letter	to President from Rostow secret <i>open 7-21-89 NLS 88-161</i>	1 p	08/05/66 A
#58 memo	to President from Rostow <i>Exempt NLS 88-33</i> confidential <i>open 7/28/98</i>	1 p	08/04/66 A
#61a message	to Prime Minister from Pres. Johnson possible classified info <i>open 5-17-89 NLS 88-33</i>	1 p	undated A
#62 memo	to President from Rostow re: PM Sato <i>Exempt NLS 88-33</i> secret <i>open 1/90</i>	1 p	08/04/66 A
#62a cable	to Am. Emb. Tokyo <i>Exempt NLS 88-33</i> secret <i>open 9-6-96 NLS 96-90</i>	2 p	08/04/66 A
#63b memo	for record by Gen. Goodpaster re: meeting with Gen. Eisenhower secret <i>opened 9/6/88 NLS 85-280</i>	2 p	08/02/66 A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#64 memo	to President from Rostow secret <i>Open 9-28-97 NLS 98-399-55</i> top secret <i>Edipl #6, USF info 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100</i>	08/03/66	A
#65 memo	to President from Rostow re: UAR Ambassador secret <i>Open 5-17-89 NLS 88-33</i>	08/03/66	A
#65a memo	to President from Dean Rusk confidential <i>Open 8-10-88 NLS 88-29</i>	08/01/66	A
#66a cable	text of Saigon 2564 secret <i>sanitized 3-6-89 NLS 88-30</i> <i>Open 10-20-99 NLS 98-399</i>	08/03/66	A
#69a cable	text of Bangkok 1325 confidential <i>Open 8-10-88 NLS 88-29</i>	08/03/66	A
#72 memo	to President from WWR re: Viet Cong confidential <i>Open 5-17-89 NLS 88-33</i>	08/02/66	A
#73 memo	to President from W. Rostow re: North Vietnam <i>Open 7/28/95</i> top secret <i>sanitized 7-5-90 NLS 89-68</i>	08/02/66	A
#73a report	re: North Vietnam <i>Sanitized 4-18-97 NLS 95-170</i> top secret - <i>Open 10/23/09</i>	07/29/66	A
#73b report	re: North Vietnam, <i>Open 10/23/09</i> top secret <i>Sanitized 4-18-97 NLS 95-170</i>	08/02/66	A
#75a message message	for PM Moro from President confidential <i>Open 5-17-89 NLS 88-33</i>	undated	A
#75b memo	to President from Dean Rusk <i>Open 7/28/95</i> confidential <i>sanitized 8-10-88 NLS 88-29</i>	08/02/66	A
#76a cable	text of Vientiane 641 secret <i>sanitized 10-20-99 NLS 98-399</i> <i>sanitized 8-22-90 NLS 88-17</i>	08/03/66	A
#78a report	re: Vietnam <i>Open 10-20-99 NLS 98-399</i> top secret <i>sanitized 8-22-90 NLS 88-17</i>	undated	A
#90 memo	to President from W. W. Rostow <i>Open 1-27-92</i> secret <i>NLS 88-19</i>	08/01/66	A
#95 letter	to President Diaz Ordaz from Pres. Johnson possible classified info <i>Open 01/23/89 NLS 88-34</i>	08/01/66	A
#40a letter	to Dr. Valencia from Pres. Johnson possible classified info <i>Open 01/23/89 NLS 88-34</i>	08/09/66	A

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Thursday - August 11, 1966

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: Reply to Father Hesburgh on Frei Visit

I recommend that you reply to Father Hesburgh along the lines of the attached draft. It has Linc Gordon's approval.

W. W. Rostow

Attachment

8/12/66

Dear Father Hesburgh:

I have your letter of August 4 recommending a visit by President Frei to the United States. I was greatly interested in the account of your conversation with him and your recommendations.

We have such a visit under consideration. President Frei is aware of my desire that he come to the United States at a mutually convenient time. The place and date for the proposed meeting of American Presidents will quite naturally have a bearing on the timing of the visit.

I noted that you make annual trips to Latin America to keep yourself abreast of conditions. I would be grateful if, from time to time, you let me have your impressions.

Sincerely,

The Very Reverend Theodore M. Hesburgh, C. S. C.
President
University of Notre Dame
Notre Dame, Indiana 46556

LBJ:WGB:WWR:mz

Pres file~~CONFIDENTIAL~~

August 11, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to King Hassan's Letter

Attached for your signature if you approve is a reply to the letter from Moroccan King Hassan which his finance minister delivered to me. Hassan congratulated you on leading the attack on the world food problem, explained his own agricultural program and described problems created by Morocco's drought.

In line with your interest in keeping up a substantive correspondence with selected leaders, we drafted your reply to include enough specifics of our Moroccan programs to emphasize that your concern for food problems is serious. By calling the King's attention to our programs, we also hope to give them priority in Moroccan minds. A team from our TVA is just back with recommendations to jump grain production by better use of fertilizer, and AID hopes to launch a couple of pilot projects in the next few weeks.

We have also put in a plug for the World Bank. George Woods has told the Moroccan government it would have to reorganize its agricultural effort before the World Bank could go any farther there. In line with Korry's recommendations on your African program, we want to throw our weight behind Woods wherever we reasonably can.

We have included your invitation for Hassan to come to Washington for a working lunch if he comes to the UN later in the fall, schedules permitting. He would like to come before going to Moscow in October, but your September schedule is very full. Besides, I see advantage in making him face you after Moscow. He has been very good on Vietnam--even talking of sending some officers to see how Morocco might help--so we might consider your sending him a message on that subject before his Moscow trip to buck him up. Since your September schedule almost forces us to put him off till later, your mentioning the invitation now avoids the impression we're stalling.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *ju*, NARA, Date 7-10-98

W. W. Rostow

~~CONFIDENTIAL~~

August 12, 1966

Your Majesty:

I was heartened to receive your letter describing views so similar to my own on the importance of increasing world food production, and I especially appreciated your kind words about our Food for Freedom Program. Mr. Rostow had a good talk with Finance Minister Tahiri, and Mr. Reuter returned from his visit to Morocco optimistic about your country's potential in agriculture.

It is particularly encouraging to learn of the high priority which you are giving to agriculture in Morocco's economic development plans. I am convinced that by intensive efforts in this direction Your Majesty's Government can bring to the rural population of Morocco a higher income and to the consumers in the cities the necessities of life at prices they can afford. A sustained effort to make Morocco more self-sufficient would be the most important contribution you could make in attacking the world food problem.

We are especially gratified to see countries like your own striving to meet their own food requirements at a time when our exportable surpluses are diminishing. One of the most striking revelations to me in my study of the food problem is the prospect that even my country, with its rich blessing of agricultural abundance, will not be able to meet much longer the shortages that could develop around the world in the short space of a decade. In the end, your nation's own agricultural programs and policies will determine the degree of its success.

We intend to help wherever we appropriately can, and I have asked my own experts to press ahead in determining how the United States can work with Your Majesty's Government to improve Morocco's productivity in food grains. I am pleased that we are currently financing two studies in Morocco which we expect will help Your Majesty's Government reach important decisions on the degree of food self-sufficiency that is most economic for Morocco. These studies should also clarify alternative paths to accelerated agricultural development over the long term. I hope you will find them useful.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By JW, NARA, Date 7-10-96

The World Bank, I understand, has offered to make available to you its professional advice and services, and I hope you can make full use of its great resources. I have been impressed with the Bank's acute analysis in other situations and know its guidance will become increasingly important to us all.

Regarding the grain shortage that last season's bad weather has inflicted on you, I can assure you that the United States will help as much as possible, taking into account heavy demands on our limited supplies. As Ambassador Tasca has told you, we have already allotted to Morocco 100,000 metric tons of wheat under the sales provisions of our Public Law 480 to meet the present emergency. Shipments will begin in the near future. In addition, our officials are examining possibilities for further assistance. Ambassador Tasca has kept us carefully informed of your needs, and Ambassador Laraki is in close touch with our officials here. I assume that other friendly countries are also cooperating in meeting Morocco's needs.

Your letter has given me a useful opportunity to exchange views on a subject which is of special concern to me. I shall follow Morocco's program with great interest. Should you come to the United Nations later this fall, I hope we can discuss these and other issues of common interest in greater detail.

Sincerely,

LS/WBJ

His Majesty
Hassan II
King of Morocco
Rabat

LBJ:State:HHS:tmt 8/12/66

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

3

~~CONFIDENTIAL~~

August 11, 1966 - 1:00 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to King Hassan's Letter

Attached for your signature if you approve is a reply to the letter from Moroccan King Hassan which his finance minister delivered to me. Hassan congratulated you on leading the attack on the world food problem, explained his own agricultural program and described problems created by Morocco's drought.

In line with your interest in keeping up a substantive correspondence with selected leaders, we drafted your reply to include enough specifics of our Moroccan programs to emphasize that your concern for food problems is serious. By calling the King's attention to our programs, we also hope to give them priority in Moroccan minds. A team from our TVA is just back with recommendations to jump grain production by better use of fertilizer, and AID hopes to launch a couple of pilot projects in the next few weeks.

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Walt Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ju, NARA, Date 7-10-96

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

Your Majesty:

I was heartened to receive your letter describing views so similar to my own on the importance of increasing world food production, and I especially appreciated your kind words about our Food for Freedom Program. Mr. Rostow had a good talk with Finance Minister Tahiri, and Mr. Reuter returned from his visit to Morocco optimistic about your country's potential in agriculture.

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We intend to help wherever we appropriately can, and I have asked my own experts to press ahead in determining how the United States can work with Your Majesty's Government to improve Morocco's productivity in food grains. I am pleased that we are currently financing two studies in Morocco which we expect will help Your Majesty's Government reach important decisions on the degree of food self-sufficiency that is most economic for Morocco. These studies should also clarify alternative paths to accelerated agricultural development over the long term. I hope you will find them useful.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 88-33
By ing NARA, Date 5-14-89

The World Bank, I understand, has offered to make available to you its professional advice and services, and I hope you can make full use of its great resources. I have been impressed with the Bank's acute analysis in other situations and know its guidance will become increasingly important to us all.

Regarding the grain shortage that last season's bad weather has inflicted on you, I can assure you that the United States will help as much as possible, taking into account heavy demands on our limited supplies. As Ambassador Tasca has told you, we have already allotted to Morocco 100,000 metric tons of wheat under the sales provisions of our Public Law 480 to meet the present emergency. Shipments will begin in the near future. In addition, our officials are examining possibilities for further assistance. Ambassador Tasca has kept us carefully informed of your needs, and Ambassador Laraki is in close touch with our officials here. I assume that other friendly countries are also cooperating in meeting Morocco's needs.

Your letter has given me a useful opportunity to exchange views on a subject which is of special concern to me. I shall follow Morocco's program with great interest. Should you come to the United Nations later this fall, I hope we can discuss these and other issues of common interest in greater detail.

Sincerely,

His Majesty
Hassan II
King of Morocco
Rabat





Mister President,

We had the pleasure of reading the statement on Food For Freedom which you made to the Congress of the United States. We wish to extend our sincere congratulations to Your Excellency for the noble and lofty thoughts embodied in that message.

The problem described by Your Excellency is of paramount importance for the whole world, for the threat of hunger, actual for some people and virtual for others, is assuming universal proportions either in its short or long-term consequences.

You have brought out, Mister President, with realism and lucidity the impact of this process in all fields, and we are convinced that both the Congress and the people of the United States, on the one hand, and the leaders of a great many countries as well as world opinion, on the other hand, are fully aware of the meaning of this state of affairs and of its repercussions, and value your message in the circumstances which the world is experiencing.

So far as We are concerned We are happy to state that our concern about this problem is identical with yours.

In the international field, the appraisal of existing availabilities and resources and of potentialities in the near future justifies a deep anxiety about the ever-increasing imbalance between population growth and production.

In a world which wisely endeavors to overrun its manifold limits and as far as possible to overcome its differences, the frontier between prosperity and want will inevitably remain the source of never-ending trouble and conflict.

Your Excellency knows that Our activity within the international community has always and constantly been aimed at strengthening the factors of stability and balance and at fostering genuine solidarity among Nations, so that, acting together, they can eliminate all the miseries that still threaten mankind.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By , NARA, Date 7-10-98



Therefore, Our most devout wish is to see the whole world feel itself bound up with your appeal.

But We also feel that, however important international action against hunger may be, the salvation of the countries which are chronically menaced or occasionally distressed, depends, first and foremost, on their own efforts, that is on their determination to give priority to improving and modernizing their means of production in the agricultural sector.

Morocco is neither wholly nor always sheltered from those risks. It is fairly often submitted, due to the irregular climatic conditions which characterize its geographic position, to hazards which may periodically jeopardize its general development, since agriculture is the mainstay of its economy.

Within these limits, the progress achieved, especially in the social and educational fields, does not dispel the anxiety about the dangerous break between the growth of population and the increase in production.

Now, as We are convinced of the necessity - everywhere - of a general effort at the national level to bridge those gaps, so We think, as Your Excellency does, that a good harvest is not only a godsend but also the result of the skill and endeavor of man. Our people are fully aware of this and have resolutely embarked upon this course. This determination is the mainspring of Our Three-Year Plan now under way and is illustrated by the priority accorded to the agricultural sector in Our program of economic development.

In that sector, We have set some well-defined objectives for Ourselves, namely :

- rational utilization of our water resources with a view to extending irrigated areas and providing efficiently for their equipment and development. Three important dam projects are now under study.

- improvement of agricultural conditions with a view to increasing systematically grain production. To this end, Our Government have set out a pluri-annual program which provides for many concerted measures tending to :

.../...



- the genetic improvement of seeds ,
 - the maximum and efficient use of fertilizers ,
 - the progressive improvement of farm implements used by the less advanced category of farmers ,
 - the provision of technical officers responsible for the dissemination among those farmers of most suitable and efficient farming techniques .
- the establishment of industrial units for the processing of agricultural produce in order to meet the needs of local consumers by national production , to diversify production , to raise the income of farmers and create new jobs for rural manpower .
- the training of staff . While Our natural resources lead us to be reasonably optimistic Our effort is handicapped by the lack of technical staff which compels us to adjust Our programs to the size of the available technical staff . The training of technical personnel ranks second in the order of priorities listed in the Three-Year Plan and an Under Secretariat of State , responsible for Staff Training , has been established under Our Minister of Development .

The full achievement of these objectives entails important contributions from the investment budget . For the three-year period covered by Our Development Plan direct expenditures amounting to \$ 170 million have been earmarked for that purpose . But to ensure the fullest efficiency of this purely agricultural program , it is imperative that policies , which also involve high expenditures , should be carried out in other sectors . The Ministry of Public Works contributes \$ 22 million destined to the construction of transport facilities and roads in order to make easier the access to farm units and the marketing of produce . Other rural development schemes will cost \$ 7 million . Our people have accepted meritorious sacrifices in order to raise capital from their own resources which , supplemented by assistance from friendly countries and loans from international agencies , will enable us to start the implementation of the first stages of this far-reaching program .

However , the results which We are entitled to expect from Our determination and endeavors are not always guaranteed . Our action is not protected against the vagaries of the climate which



feature our geographic situation and the general shape of the territory of Our country. An uneven distribution of rainfall results in floods which often affect some areas in Morocco while sometimes in others a serious draught prevails, as it is unfortunately the case this year.

In a country where the bulk of the population derives its living from agriculture, the consequences of such a situation must necessarily be the first object of Our concern. The Government are devoting their energies to taking stock of the agricultural production which has declined and to estimating the needs of domestic consumption, the fulfilment of which is seriously threatened.

Actually, against an overall annual consumption of 32 million quintals and an average production of 29 million quintals in a normal year, the present availabilities do not exceed 16 million quintals which results in a considerable gap of 16 million quintals, worth about \$ 110 million.

In spite of the domestic measures that have been taken and the emergency purchases already made, the cereal needs which have to be imperatively met still stand at 13 million quintals of which 8 million of soft wheat for the milling industry and one million of barley to be used as seeds.

Your envoy, M. REUTER, who is in charge of the American Food For Peace Program, had the opportunity, during his recent visit to Morocco, to appraise the whole extent of this alarming situation.

We have entrusted Dr LARAQUI, Our Ambassador accredited to Your Excellency with the task of making the situation clear to your Government. His Excellency, Mr Henry TASCA, your Ambassador in Rabat has been kept informed of all the aspects of the problem by Our Ministers directly concerned and We Ourselves had the opportunity of taking up the matter with Mr PALMER, the Assistant Secretary of State for African Affairs, when he paid a visit to Us last June.

Our Minister of Finance, M. Mamoun TAHIRI, whom We entrusted with the task of delivering this message to Your Excellency

.../...



is in a position to make a presentation of the other features of the situation both to you personally and to the members of the members of the United States Government to whom you will kindly refer him.

Accept, Mister President, with Our sentiments of deep friendship, the expression of Our Very High Consideration.

Done at Our Royal Palace in Rabat,
on the twenty-third of July
nineteen hundred and sixty six

YOUR GOOD FRIEND HASSAN II

4

THE WHITE HOUSE
WASHINGTON

August 12, 1966

Walt:

Here is the final version
which went in last night.

F
Francis M. Bator

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED

Authority NLJ 92-34

By ju/imp, NARA, Date 7-10-98

4a

~~SECRET~~

Thursday, August 11, 1966 at

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Further Reply to Erhard Letter of July 5: Two Major Decisions

You will recall that you instructed George McGhee to acknowledge Erhard's letter (at Tab A) and to say that you would need time to study it before replying in detail. (Before deciding on how to reply on offset, it made sense to see how the Chancellor's rocky politics and economics shaped up.)

There is now a case for an extended answer, but your advisers differ on what kind of a pitch we should make on offset, and what we should say about the nuclear sharing/non-proliferation issue. The differences reflect basic questions concerning our objectives in Europe which only you can decide.

Issue No. 1: Nuclear Sharing vs. Non-proliferation

Erhard's letter implicitly asks you to reconfirm that we will not exclude "establishing in the future a joint integrated nuclear force" in order to buy a non-proliferation agreement. A full-dress reply which does not explicitly do that, would almost certainly result in another Erhard inquiry within 48 hours.

On the other hand, unless you have made up your mind to stay with the present policy on non-proliferation, you will not want to repeat the assurance he wants. You know the positions of your advisers on this. Secretary Rusk, Ball and Rostow would vote for a strong reconfirmation of our earlier position. (Walt will file his own views in detail.) I do not know how Bob McNamara would vote. (In the past, he has been against the so-called European clause, but not against keeping open the option of a joint force with a U.S. veto.) Moyers and I would vote against reconfirming the present position until you have decided whether to test the Russians in Geneva (though Bill and I would differ somewhat on tactics). My suggestion would be that we avoid this issue by not sending a full, extended reply -- except perhaps on offset -- but rather a short note saying that you plan to discuss the various points raised in Erhard's letter in September.

Reaffirm previous position (hardware option to remain open) _____

Avoid issue by not sending a full, point by point reply _____

Wait with the decision -- and with any detailed ~~approach~~ *reply* until you, Rusk, McNamara, and Rostow are all back in town and can talk it over _____

Speak to me _____

Moyers

~~SECRET~~

Issue No. 2: Offset

The tactical question is whether (1) to send Erhard a hard warning now that we will have to cut back troops if he does not come through with a new 100% offset deal (to follow the present one, which runs out in June 1967); or (2) simply to ask Erhard not to foreclose a renewal of the full offset before his September visit, and ask him, in the interim, to explore with us and the British a modified version of offset which would avoid the payments drain but give the Germans some extra options (buying goods other than weapons, and perhaps even buying long-term U.S. securities).

The tough language on offset at Tab B is a McNamara-Rusk product, which, however, predated some of the recent evidence of Erhard's political difficulties. McNamara still wants to go ahead with it. George Ball and George McGhee are against. I do not know about Secretary Rusk.

The tactical issue hinges on a fundamental question of our objectives:

1. Do we want to use financial pressure to maneuver the Germans into asking us to cut troops? If this worked, it would permit us to shift to a more economical military posture (dual basing, airlift, etc.), with minimum resistance from the Chiefs and their allies on the Hill.
2. Or, do we prefer to try for an arrangement which would: (i) give us the time needed to work out with the Germans and the UK an agreed position on what kind of a reduction in U.S.-UK forces in Europe would make sense in military terms; (ii) avoid large-scale U.S. troop cuts during the interim (perhaps 2-3 years), and minimize British troop cuts; (iii) still protect our balance of payments (though somewhat less so than sharp troop cutbacks).

In general, sending a tough letter now along the lines of Tab B, corresponds to the "get the Germans to invite us out" strategy. Sending a gentler one fits with the second "trying to work it out" strategy.

The Line-Up

Bob McNamara and Joe Fowler would vote for a tough letter. I would surmise -- you will want to get his views in person -- that Bob believes the best way out of big, unnecessary troop commitments in Europe is to insist on a 100% weapons-offset, regardless of German politics. This would maximize pressure on the Germans to build up their forces (using weapons bought from the U.S.) And if the heat gets too great, and Erhard refuses, we will have set the stage for a cutback.

On tactics, Bob would argue that the only hope of getting to Erhard in time to affect his '67 Defense Budget is to hit him now. (If the economies the Chancellor plans are [] carried out, it is clear that he will not have the money to keep offset at present levels after June 1967, either for us or the UK.)

~~Billy, Reston, McGhee~~ -- and, Ball believes, the Secretary -- would vote for a gentler letter. So would I.

- We do not believe there is an appreciable chance of getting Erhard to increase his defense budget this summer. He is in the middle of a major parliamentary fight for an anti-inflation/spending-reduction program. (By next winter, if inflationary pressures ease, he will be in a much better position to raise some extra money for defense.)
- More fundamentally, we believe that major shifts in U.S. security policy in Europe should be based in the first instance on political/military factors. To base such shifts on money would confirm the impression that NATO is falling apart, that deGaulle is right in saying that the British and Americans are unreliable and care more for their pocketbooks than for the safety of Europe. Further, unilateral U.S. troop cuts would reduce our assets for an eventual mutual-withdrawal bargain with the Soviets. Most important, it could seriously unsettle German politics -- with unpredictable results. (Erhard is already in trouble, mainly because of his inflation problem. Latest poll results show his unqualified support down from 44% in April to 30% in July.)

There is no question that the gentler strategy would delay a shift to more economical troop deployments, and it might bring on a tougher battle with the Chiefs when we do shift later. But it would avoid the appearance of the financial tail wagging the security dog, and avoid hitting Erhard when he is down. Moreover, we do not believe that the gentler strategy means giving up on a serious offset deal. There are good alternatives to a straight weapons offset.

Additional Bator Comments Underlying my own strong vote in favor of the softer strategy are two further judgments:

1. If we are going to take risks with German politics, I would vote that we do so in connection with nuclear-sharing/non-proliferation, rather than with offset and U.S. forces in Europe. I do not believe we should risk frustrating the Germans on both counts. Frustrating them on either one is risky -- George and Walt would say much too

risky. I think it worth trying to get Bonn to give up on hardware in order to test the Russians on non-proliferation -- though I would do it more slowly and gently than I think Bill Moyers would. But I entirely share the Ball-Rostow view that a harsh strategy on both fronts would lead to really serious trouble in Germany.

2. It would be a very poor trade for us to take serious risks with the stability of German and alliance politics, and hence with our security position in Europe, in order to make marginal gains on our balance of payments. Given time, I think the gentler Ball-Rostow-Bator strategy would lead to a broader version of offset, good enough to protect our balance of payments. But even if that is wrong, and the result is a marginally greater balance of payments drain, that is a risk that, in my judgment, is worth taking in order to protect our basic security and political arrangements in Europe.

By taking more of a chance on our balance of payments -- and on the UK balance of payments, so as to hold the British in Europe and East of Suez -- we very marginally increase the chance that, in the end, we will face a run on gold. As you know, I do not share the view that such a run would be the end of the world -- as long as it is not within a few months of an election. Far from it. The present international money rules place a preposterous burden on the U.S. By moving with speed and skill, following a stoppage of U.S. gold sales, we could, within a few months, negotiate new rules which would make far more sense all around. Because of our economic strength and trading position, our negotiating leverage would be enormous.

This is not to recommend that we stop gold sales tomorrow. It does suggest that we should not take serious risks with the stability of the Atlantic security system, and the so far successful effort to build Germany into the Western community, in order very marginally to reduce the chance that we will have to stop selling gold to the French at \$35 an ounce.

Choices

Alternative 1: Wait with this decision -- and with any extended reply -- until you, Rusk, McNamara, and Rostow are all back in town and can talk it over. (Bob would worry that the delay would reduce the chances of influencing Erhard's budget. The rest of us do not believe there is a chance of any letter causing Erhard to pull apart his anti-inflation package in the middle of a tough parliamentary fight.)

~~SECRET~~

We will gamble on waiting. Draft letter asking him to be ready to discuss in Sept. and to sit on budget. L

Alternative 2: If you decide now in favor of the tough (McNamara) strategy, we will send up a cleared draft reply incorporating the offset language at Tab B. (Before making that decision, you may wish to talk to Secretary Rusk, George Ball, and Walt.)

Alternative 3: If you have doubts about the tough strategy, but do not wish to wait with a decision, you will wish, before finally making up your mind, to hear out Bob McNamara as well as Rusk and Ball. You could have a small meeting tomorrow (Friday) -- Bob leaves at 3:00 for a week. Or you might telephone Bob.

Wait _____

Follow tough McNamara approach _____

Follow Ball-Rostow-Bator approach _____

Set up meeting Friday (August 12) _____

Speak to me _____

* * *

Next Step

If, after having heard out McNamara, you decide against a tough letter it is important to start a State-Defense-Treasury-White House exercise to prepare an alternative strategy on offset and troop strength for use in U.S. - UK-FRG talks.

Approve _____

Disapprove _____

Speak to me _____

Francis M. Bator

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~~CONFIDENTIAL~~

DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ju, NARA, Date 7-10-98

LS NO. 45860
T-108/R-12
German

FEDERAL REPUBLIC OF GERMANY

THE CHANCELLOR

Bonn, July 5, 1966

Dear Mr. President:

Recently we had the visit of Secretary of State Dean Rusk. I had a long talk with him and found to my great pleasure that full agreement concerning the big political issues was evident. Herr Schröder also told me about the very good cooperation that existed between him and Mr. Rusk at the Brussels NATO conference.

In this difficult phase I feel that it is of decisive importance for the fourteen NATO partners who want to continue the alliance in its present integrated form to take a clear and firm position. Only then will we have a chance, as I hope, to come to satisfactory results with France although I do not by any means underestimate the difficulties of the forthcoming negotiations. The decisive point is--and this, I believe, is the view of all NATO partners--that France should undertake clear commitments with regard to her troops stationed/in a casus foederis.

With regard to the question of the future development of East-West relations, too, the German and United States Governments hold identical views--which, incidentally, also appear to be shared by the French Government, as far as we are able to gather from reports available so far on the talks conducted by the French President in the Soviet Union. We should seize every reasonable opportunity to improve relations with the East

The President

The White House

Washington, D. C.

~~CONFIDENTIAL~~

CONFIDENTIAL

-2-

European countries. In this connection, however, I wish to assure you that any European discussion without decisive participation by the United States will be neither conceivable nor acceptable to the Federal Government.

Our Peace Note of March 25, 1966 is an attempt to prepare the ground for an understanding. We are happy to note that our NATO partners and many other governments have taken a very positive attitude towards it. The reaction of the East European countries is, as might be expected, predominantly a negative one, although there are indications that some of them, including the Soviet Union itself, are interested in our proposal to make declarations renouncing the use of force.

The disarmament negotiations in Geneva which have been resumed meet with our interest and full attention. We believe that the efforts to conclude a non-proliferation agreement should be continued, but that--as is provided in the American draft--the possibility must not be excluded of establishing in the future a joint integrated nuclear force among those partners of the NATO alliance who are prepared to do so.

Finally, I talked with Mr. Rusk about the Kennedy Round and the foreign exchange offset for the U.S. troops stationed in Germany. I am pleased to note that the preparations for the Kennedy Round have made good progress at the latest Council Meeting in Brussels. The Council of Ministers of the European Economic Community has now issued mandates to the Commission concerning all hitherto open sectors in the industrial field.

The offset problem undoubtedly confronts us with difficult problems. We shall, however, do whatever we can to find a solution acceptable also to the United States. In this connection, however, consideration should also be given to payments and services other than the purchase of weapons and military equipment alone. In my view, which, I hope, is shared by you, this set of problems should, however, not be linked with the question of the

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future presence of U.S. troops in Germany. This would all too easily give rise to an approach that would not do justice to the friendship between our two countries or to our common task.

I also spoke with Mr. Rusk about a meeting with you and told him that I would be happy to see you again. In view of my own plans a date around September 8 would be most convenient to me, but, needless to say, I shall accept any other date which you may suggest. I know only too well--and I can share your feeling on this--how heavy a responsibility rests on your shoulders, especially at this particular time.

(m.p.) With friendly regards,

Yours very sincerely,

(sgd.) Ludwig Erhard.

~~CONFIDENTIAL~~

~~SECRET~~
PROPOSED TUGH LANGUAGE ON OFFSET
FOR PRESIDENT'S REPLY TO ERHARD

I noted with appreciation your statement that you will do whatever you can to find a solution to the offset problem. In all frankness I must report that there is a rapidly increasing restiveness in the United States, especially in the Congress, about what seems to be a double standard in the approach of allies to NATO problems. When we discuss with our allies their own defense efforts and the importance of NATO force goals, we find that what other governments feel that they can do is limited in some cases by an attitude toward "detente" or, in others, by a variety of internal political and financial difficulties. But when the question of US forces arises the attitude is that the danger to NATO is real and that the US must continue to be the only member of the alliance which meets its force goals in a realistic fashion. We cannot carry this political and psychological burden indefinitely. You mention your desire not to link the offset with the future presence of US troops in Germany. I must say, taking into account our own political problems, that the United States military effort in NATO is necessarily dependent upon what is done about the major balance of payments problem

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Authority NLJ 92-34
By [signature], NARA. Date 7-10-98

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created by the scale of our military participation in NATO, with the attitude of other NATO members toward their own defense effort and with the lack of a common understanding in NATO about the nature of the threat and what all of us should do about it. I look forward to a chance to go over this with you in detail, and Secretary McNamara will be giving Mr. Von Hassel an account of a recent difficult session which he and Secretary Rusk had with the leaders of our Senate. These matters do not affect my own determination to do all that we can to maintain the solidarity and strength of NATO and complete friendship and mutual support between the Federal Republic and the United States.

Thursday, August 11, 1966
7:25 p. m.

Mr. President:

Herewith a sitrep from Prime
Minister Wilson and a friendly
greeting.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By DCB NARS, Date 8-17-86

WWRostow:rln

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FROM THE PRIME MINISTER
TO THE PRESIDENT

I am just off to the Scillies for a two to three week holiday but I could not go without sending you a short report on where we stand with our recent measures to deal with the economic situation.

First, I am glad to say that we have now driven the prices and incomes bill through the House of Commons. We have had to face fierce opposition not only from our official opponents who put down what amounted to a censure motion, but also from within the ranks of my own party. An outstanding and encouraging feature of the last two weeks is, however, the fact that both the Confederation of British Industry and the Trade Union Council have approved and supported us in this prices and incomes standstill which is unprecedented in peace time.

We shall have a bit of rough water for the next day or two because the trade figures published today appear to be disappointing. This is mainly because of a statistical distortion, the export figures (unlike the import figures) still include about 10 days of the seamen's strike. But there are some silver linings: the price of copper has fallen and if it stays down, it could at this rate improve our balance of payments by up to 75 million pounds in a full year.

You will see that I have reorganized my team to give the boys a fresh stimulus to start the new term in September. Not, this time, a surgical operation. You know George Brown, he will bring a new kind of robustness to the foreign office and you can count on him as a staunch supporter of the Atlantic Alliance. Michael Stewart had done very well as Foreign Secretary, and now we are moving into a new phase on the home front, his attributes will find much scope in this field.

Mary and I, of course, followed the accounts of Luci's wedding. It went well, but I know only too well what you suffered with morning dress.

And now for some relaxation: You I hope to Texas, me to the Scillies.

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DECLASSIFIED

Authority UK Guidelines

By fw, NARA, Date 7-10-98

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~~CONFIDENTIAL~~

Thursday - August 11, 1966 - 7:30 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Ambrose Case in Argentina

Last Thursday in our meeting with Linc Gordon we discussed the case of the MIT Professor, Warren Arthur Ambrose, who was roughed up by Buenos Aires police when they took over one of the schools of the University of Buenos Aires.

We sent a note to the Argentines asking for an explanation of the mistreatment of an American citizen. Linc Gordon also made some plain-spoken comments on it to the press as did Secretary Rusk. The sensitive Argentines responded with a low-key note complaining about our interfering in their domestic affairs

Meanwhile Ambrose has returned to the U S President Ongania has given an interview to Hal Hendrix (Scripps Howard) and John O'Rourke (in his capacity as Chairman of the Freedom of the Press Committee of the Inter-American Press Association) in which he said on the university situation: "Of course I regret the violence I would be ashamed not to do so." This statement has been widely publicized in Buenos Aires and here.

Pegged on this statement, our Charge in Buenos Aires told the Foreign Minister this morning that we do not intend to continue the exchange of notes on the Ambrose case. At the noon briefing in State today a question was asked about the status of the case. The spokesman referred to the Ongania statements to Hendrix and O'Rourke and said we considered the matter closed.

Hopefully this will write an end to the Ambrose tempest with our position abundantly clear and the Argentine regret on the record

Ambassador Martin returns to Buenos Aires on Saturday. Our Charge has told the Foreign Minister that we hope that they will name their Ambassador to Washington soon.

W. W. Rostow

cc - Bill Moyers

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-34
By inf, NARA, Date 1-20-89

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Thursday - August 11, 1966

MEMORANDUM FOR THE PRESIDENT - INFORMATION

SUBJECT: Dominican Situation

The Dominican rumor factory -- assisted by the Kurzmanns -- is again working over-time -- this time on the imminent replacement of Defense Minister Perez y Perez by Colonel Nivar Seijas, a Balaguer intimate with a strong Trujillista past.

These rumors, together with some recent shooting incidents in Santo Domingo and the unauthorized detention of the Secretary General of Bosch's PRD Party have combined to stir up some apprehension.

Ellsworth Bunker has just come back from the DR. He talked to Balaguer, Garcia Godoy, General Linvill and John Crimmins about the rumors. He tells us that there is nothing to them. Both Perez y Perez and Nivar Seijas this morning publicly denied the rumors. Balaguer is speaking tonight and Ellsworth thinks that he will also nail the rumors.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-34
By ijp, NARA, Date 1-20-89

~~CONFIDENTIAL~~

Thursday - August 11, 1966

Mr. President:

Our Ambassador in Brazil, John Tuthill, has sent you the attached letter.

W. W. Rostow

Attachment

9a

*The original
was forwarded
directly to Mr. Bowdler
by Mr. Kurbach
State*

Rio de Janeiro, Brazil,
August 4, 1966.

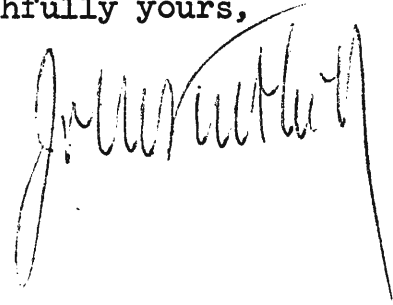
Dear Mr. President:

Upon arriving at the Embassy at Rio, I was deeply pleased to find the fine photographs of our meeting. I appreciate even more what the photographs cannot show: the generous amount of time you spent with Linc Gordon and me in discussing Brazil and Latin America. This first-hand feeling you have given me for your opinions on Latin America has been an invaluable aid in convincing Brazilians of our continuing commitment here.

Since my arrival, I have also observed a wide and public appreciation of why we are fighting in Viet-Nam from Brazilians in all walks of life, both in and out of the government. President Castello Branco's recent letter to you is a good example of this appreciation. So is the statement I heard from the Minister of Agriculture, Ney Braga, when I called on him several days ago. He told me "I appreciate the fact that your brothers are dying for us in Viet-Nam." Moreover, Minister Braga and other cabinet Ministers also make such statements in public with some frequency. It is an encouraging trend.

Once again, thank you very much for the photographs. They are a very effective and pleasant remembrance of my visit.

Faithfully yours,



The President,
The White House.

Thursday, August 11, 1966
5:15 p. m.

Mr. President:

Herewith a recommendation by Gen Taylor on the proposed cease-fire during Viet Nam elections, and a responding memorandum from Len Unger.

I am sure General Taylor's caution is salutary.

We shall be watching to assure that any action taken with respect to the Viet Nam elections does not lead us to ^{the} embarrassment of our negotiating position.

W. W. Rostow

cc: General Taylor

WWRostow:rln

THE WHITE HOUSE
WASHINGTON

August 9, 1966

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Cease-fire During Viet-Nam Elections

I have been following the dialogue which has been going on for some time between the State Department and our Embassy in Saigon on the above subject. While recognizing that the Viet Cong are not likely to join in an election cease-fire, State argues that the proposal would have an important and positive psychological impact in the United States and abroad and could serve to deter Viet Cong acts of terror and harassment during the election period. Saigon has consistently opposed the idea on the ground that it is unlikely to yield positive results and may tend to diminish voter turn out because the population in insecure areas will be uncertain about the ability of the GVN to protect them against the Viet Cong in a situation where a cease-fire may or may not be in effect.

I am stoutly on the side of Saigon in this debate for three reasons. The first is the belief that to ask as a favor that the enemy abstain from trying to sabotage an election which he has vowed to oppose is at best to assume a timid stance which neither the Viet Cong nor the GVN will understand and which the latter will reject or at best accept grudgingly.

Next is the point raised by Saigon that the voters in exposed areas, unsure of the protection which they will be afforded, may be reluctant to go to the polls.

The final argument is to me the most compelling of all. I have always been afraid of our being maneuvered into a cease-fire without safeguards at the outset of peace negotiations. It is essential that any such cease-fire be carefully worked out with balanced, reciprocal concessions on each side. If, at election time, we blithely proclaim a unilateral cease-fire without concern for safeguards, we have in large measure damaged our subsequent case for the need of a cautiously and carefully negotiated armistice.

I would strongly recommend that we cease to press Saigon to advance this proposal.

Maxwell D. Taylor
Maxwell D. Taylor

Copy for Secretary Rusk

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-33
By *ig* NARA. Date 5-15-89

~~SECRET~~

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DEPARTMENT OF STATE
ASSISTANT SECRETARY

August 11, 1966

MEMORANDUM

To : S/S - Mr. Read
From : FE - Leonard Unger
Subject : Cease-fire during Viet-Nam Elections

In response to your request, I have the following comments on General Taylor's memorandum to the President on the above subject:

1. We fully agree with General Taylor's argument that we should avoid any action which might significantly undermine our position favoring a carefully negotiated cessation of hostilities - including ceasefire - in any peace negotiations. We also fully agree with General Taylor that an election cease-fire without proper safeguards would be undesirable, since it would provide the VC with greater opportunities for harassing and sabotaging the elections.

2. What we have in mind is less a cease-fire than a brief, unilateral stand-down or suspension of offensive military operations on our side (e.g., September 10-12). This would be for a finite period, stated in advance, and there would be no danger that we might be pressed successfully into continuing it. We continue to believe that such a suspension of offensive operations at the time of the elections, if properly safeguarded, could in fact increase the voter's confidence in his personal security and his turnout for the vote, and at the same time could make it more difficult for the VC to disrupt the voting. We would envisage that, shortly before September 10, the Vietnamese Government would announce the 72-hour suspension, indicating that Vietnamese and free world forces would concentrate during that period on providing security for candidates and voters and on ensuring conditions to permit maximum voter participation. The Vietnamese Government's announcement would also state that Vietnamese and free world forces, in order to create an atmosphere to encourage maximum participation in the elections, would undertake no military initiative (such as search and destroy). On the other hand we would certainly envisage that Vietnamese and free world forces would patrol, perhaps even more actively than usual, during this period to prevent Viet Cong exploitation of the suspension and that they would take necessary

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E.O. 12356, Sec. 3.4

NJ 88-30

By lij NARA. Date 3-13-90

measures to prevent or counter Viet Cong acts of violence. Nevertheless, the emphasis during this period would be to protect the voters and enhance their security in going to the polls.

3. We have made much of the fact that the Constituent Assembly Election Law places no political restrictions on voting. Accordingly, we believe that there could be an important political and psychological impact, favorable to our side and unfavorable to the Viet Cong, if the Vietnamese Government demonstrated that it was taking every possible measure, practical and psychological, to encourage voters to get to the polls. We are persuaded that a three-day suspension by the forces on our side would provide a convincing -- and even dramatic-- contrast to the Viet Cong's public condemnation of the elections, their call for a boycott, and their acts of terror and intimidation already perpetrated against candidates and local officials. Thus such a suspension, properly safeguarded, would make it psychologically more difficult for the VC to engage in acts of violence against the election process.

FE:RHMILLER;hjh
FE:LUNGER;hjh 8/10/11/66

11
Thursday - August 11, 1966

Mr. President :

Ambassador Sevilla Sacasa has sent you this letter of appreciation for what you did in connection with President Schick's death.

W. W. Rostow

Attachment

11a

EMBAJADA DE NICARAGUA
WASHINGTON, D. C.

August 5, 1966.

Dear Mr. President:

Having returned from my country, I wish to express to Your Excellency the profound gratitude of the Government and people of Nicaragua for your noble gesture in assigning two eminent heart specialists to fly to Nicaragua, accompanied by Ambassador Charles R. Burrows, upon being informed of the gravity of President René Schick's illness. I also extend our deep appreciation for the attendance at the funeral of a Special Mission composed of American dignitaries and worthily headed by The Honorable Jack Valenti.

As of this date, I have also expressed these sentiments to His Excellency The Secretary of State.

Accept, Excellency, the renewed assurances of my highest esteem and distinguished consideration.

Guillermo Sevilla Sacasa
Ambassador of Nicaragua

His Excellency
The President
The White House

works 12

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Thursday - August 11, 1966

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: U. S. - Mexican Commission on Economic and Social
Development of the Border Area

State and OEO have developed the attached proposal for implementing your agreement with President Diaz Ordaz to establish a joint commission to improve living conditions in communities on both sides of the border. I have reviewed it with BOB.

The proposal is basically sound. It contemplates negotiations with Mexico on establishment of the Commission (Phase I), an initial study of economic and social problems of the border communities by the Commission (Phase II), and specific proposals for administering and financing our part of the program which is likely to emerge from the initial study (Phase III). The Phase III proposal represents essential planning, but may well have to be revised in the light of the results of Phases I and II.

My recommendation -- in which BOB concurs -- is that you authorize State and OEO to proceed with Phase I and II, leaving the administrative and financial aspects of Phase III to be decided at a later date.

Approve	<input checked="" type="checkbox"/>
Disapprove	<input type="checkbox"/>
Speak to me	<input type="checkbox"/>

With respect to Phases I and II, the STATE-OEO proposal raises these issues for your decision:

-- Should the U. S. section of the Commission be at the Assistant Secretary or Cabinet level?

State prefers the former. OEO thinks there may be political advantages in the latter. BOB and I side with State on doctrinal (the Assistant Secretaries are responsible for matters within their

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region) and practical (Cabinet members are too busy) reasons.

I recommend that you decide on Assistant Secretary level representation.

Approve

Disapprove

Speak to me

-- Should the U. S. Section include at least two public members or not?

State is indifferent. OEO is in favor of public members. BOB tends to oppose because smaller groups work better and public members from the area are likely to be special pleaders.

I believe it would be politically wise and helpful from a practical standpoint to have public members and recommend that you approve their inclusion in the U. S. section.

Approve public members

Prefer no public members

Speak to me

-- Is the initial cost of the operation of the Commission to be funded from your Emergency Fund or existing appropriations of participating agencies?

The amount involved is about \$30-40,000. State and OEO recommend use of your Fund. BOB wants the agencies to cover the costs.

I recommend that you instruct BOB to work out this detail with the agencies concerned.

Agencies should
use their own
funds to finance
Phase I and II ✓

OK to use
Emergency
Fund _____

Tell BOB to
work out _____

Speak to me _____.

W. W. Rostow

Attachment

*only to
the original*

Limited Official Use

Thursday - August 11, 1966

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: U. S. - Mexican Commission on Economic and Social Development of the Border Area

State and OEO have developed the attached proposal for implementing your agreement with President Diaz Ordaz to establish a joint commission to improve living conditions in communities on both sides of the border. I have reviewed it with BOB.

The proposal is basically sound. It contemplates negotiations with Mexico on establishment of the Commission (Phase I), an initial study of economic and social problems of the border communities by the Commission (Phase II), and specific proposals for administering and financing our part of the program which is likely to emerge from the initial study (Phase III). The Phase III proposal represents essential planning, but may well have to be revised in the light of the results of Phases I and II.

My recommendation -- in which BOB concurs -- is that you authorize State and OEO to proceed with Phase I and II, leaving the administrative and financial aspects of Phase III to be decided at a later date.

Approve _____
Disapprove _____
Speak to me _____

With respect to Phases I and II, the STATE-OEO proposal raises these issues for your decision:

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Limited Official Use

region) and practical (Cabinet members are too busy) reasons.

I recommend that you decide on Assistant Secretary level representation.

Approve _____

Disapprove _____

Speak to me _____.

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State is indifferent. OEO is in favor of public members. BOB tends to oppose because smaller groups work better and public members from the area are likely to be special pleaders.

I believe it would be politically wise and helpful from a practical standpoint to have public members and recommend that you approve their inclusion in the U. S. section.

Approve public members _____

Prefer no public members _____

Speak to me _____.

-- Is the initial cost of the operation of the Commission to be funded from your Emergency Fund or existing appropriations of participating agencies?

The amount involved is about \$30-40,000. State and OEO recommend use of your Fund. BOB wants the agencies to cover the costs.

I recommend that you instruct BOB to work out this detail with the agencies concerned.

Agencies should
use their own
funds to finance
Phase I and II _____

OK to use
Emergency
Fund _____

Tell BOB to
work out _____

Speak to me _____.

W. W. Rostow

Attachment

*only to
the original*

Thursday
August 11, 1966

Mr. President:

I concur in Bill Gaud's recommendation that Dave Bell be appointed to your Advisory Committee on Foreign Assistance Programs in place of Dr. Nabrit, who has resigned because of his new position as an AEC member.

W. W. Rostow

Approve

Disapprove

~~SECRET~~

Thursday, August 11, 1966 -- 1:45 p. m.

Mr. President:

Here are three items you may wish to read:

- a. Amb. Locke's account of his talks with Amb. Bowles.
- b. Amb. Bowles' account of the same conversations.

c. Amb. Bowles' cable to Bill Moyers in which he reports that on several occasions he stated to the Indian government and publicly that he "could not imagine my government resuming a policy which had proven so costly for everyone concerned unless the Pakistanis could be persuaded to join India and the U. S. in opposing the Chinese."

At this stage my impression is that we ought to move very cautiously about lethal spare parts for Pakistan; but move very strongly via our two Ambassadors and George Woods towards getting India-Pak agreement on the level of their military budgets.

W. W. Rostow

Rawalpindi 435, from Amb. Locke
 Saigon 3200, from Amb. Bowles
 5618, from Amb. Bowles

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 E.O. 12958, Sec. 3.5
 NSC Memo, 1/30/95, State Dept. Guidelines
 By ju, NARA, Date 7-10-98

WWRostow:rln

~~SECRET~~

Thursday, August 11, 1966

TEXT OF CABLE FROM AMBASSADOR LOCKE (Rawalpindi, 435)

Ambassador Bowles and I had a fine meeting for 2 1/2 hours in Bangkok. We agree such meetings are highly desirable.

On Kashmir, Ambassador Bowles and I agree it would be desirable to have secret meetings between trusted emissaries of Mrs. Gandhi and President Ayub who might be named at the exploratory meeting between these chiefs of state. Ambassador Bowles doubts, however, that actual results will flow from such meetings until India sorts out relations with the Kashmiris.

Ambassador Bowles and I agree the problem of Indo-Pak relations is broader than Kashmir and discussions should involve other subjects. Perhaps Ayub and Mrs. Gandhi, or their emissaries, could settle on a framework for discussing together these subjects. We agree I should discuss with Ayub whether and where he will meet with Mrs. Gandhi and his version of modalities of future discussions between the two countries.

Ambassador Bowles and I agree on the importance of preventing an arms race on the subcontinent. To this end it is my belief we should seek to bring about secret discussions on arms limitation between representatives of both countries chosen by their respective Chief of State. I desire to discuss with Ayub his willingness to authorize such discussions.

Ambassador Bowles does not believe the Indian Government will hold meaningful discussions if the U. S. provides lethal spare parts for Pakistan and unless: a) Pakistan renounces the use of force in regard to Kashmir; and, b) the U. S. offers some tangible assurance of assistance to the Government of India in the event of a Chicom and/or Pak attack.

He believes if we do not furnish spares to Pakistan, India might be persuaded as a first step to agree to an assessment of the size of its own and the Pak military establishments by the World Bank. I believe bilateral discussions between representatives of the two countries probably will be more fruitful. If such discussions cannot now be brought about, I believe we should seek to promote the same objective of a stable military force relationship through separate discussions between the U. S. and each country.

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E.O. 12356, Sec. 3.4
NIJ 88-29
By sig, NARA, Date 7-27-88

Ambassador Bowles and I do not reach any broad agreement on the complex of issues relating to U. S. military policy toward the subcontinent. We agree Pak military dependence on Chicoms would be disastrous for India, and one of our prime objectives with respect to India is to prevent Pakistan from growing closer to the Chicoms. Ambassador Bowles believes the Indian leaders would agree with this and would also agree China is the main threat to India. He indicates that the principal fear of Indian leaders is the possibility of a Chicom-Pak military combination. However, Ambassador Bowles considers that:

A. Pakistan will not move closer to China even if Pakistan fails to secure lethal spare parts because Ayub and the landowners supporting him will not tolerate further closeness to Communism;

B. We can in any event prevent such a development by threatening to shut off economic aid to Pakistan; and,

C. The Chicoms would not increase military aid to Pakistan to any extent because of their own requirements.

On the sale of equipment to Pakistan by friendly third countries, Ambassador Bowles says he will do everything he can, using the argument the U. S. is not responsible for what other sovereign nations do, to manage what he expects will be a serious problem of Indian reactions.

Ambassador Bowles may have further comments.

For my part, with respect to these critical questions of U. S. military policy in this part of the world, I remain convinced for reasons I set forth in Washington that the course outlined in the draft memorandum for the President entitled "Military Supply Policy for India and Pakistan" is right. I believe it most important I be able to talk to Ayub along the lines of this memorandum shortly after his return from Dacca August 12. The security of India will not be advanced if Pakistan is continually pressed toward China by Indian military weight. In my judgment, this vicious circle must be broken.

Thursday, August 11, 1966

TEXT OF CABLE FROM AMBASSADOR BOWLES (Saigon, 3200)

Ambassador Locke's report of our meeting in Bangkok on August 5 has just reached me in Saigon. It is an excellent report, which quite accurately reflects our respective views.

The only clarification that I would add relates to point two. As the Department knows, I have been pressing the Government of India for an informal, no-agenda meeting between the two Heads of State, not to "settle Indo-Pak differences," which is bound to be a lengthy process, but to create the kind of atmosphere in which these differences can be constructively discussed and agreements eventually arrived at. My suggestion on India's need to sort out its relations with the Kashmiris did not imply that this sorting out process was a precondition for progress in settling such matters as local border adjustments, refugees, transport, communications, etc. If Pakistan will agree to put Kashmir on ice until after the Indian election, I believe that a great deal of progress could be made on these questions rather quickly. In the meantime, the pressure of Indian election may lead to constructive developments in Kashmir, which will be an advantage to both countries as well as of the Kashmiris.

Ambassador Locke's belief that he must be prepared to discuss the question of military aid with Ayub Khan shortly after his return on August 12 means that, to the extent this discussion involves renewed lethal military supplies, the U. S. Government must make in the next few days what I believe will be a fateful decision.

As I understand the package which Ambassador Locke recommends, he would ask the Government of Pakistan to "clarify" present and potential arms deals with the Communist Chinese and the U. S. S. R., to place "limits" on future arms from the Communist Chinese, and make a "genuine effort" to reach some understanding on arms limitation with India. At the same time, he would inform Pakistan that, depending on its response, we will be willing to sell it up to eight million dollars of spare parts for U. S. -provided lethal military equipment, which will reactivate many units of the Pakistan Air Force and Army.

It is my considered opinion that reopening the subject of lethal U. S. military supplies at this time and in a context that, however well-

hedged, will be interpreted by the Pak Government, public, and military as a U. S. commitment would be a grave error.

The specific results I foresee include the following:

A. We will destroy for the foreseeable future any possibility of an Indo-Pak arms control agreement or of the U. S. Government playing a useful role in promoting better relations generally between India and Pakistan. A policy of providing U. S. lethal equipment to Pakistan and a policy of using our influence constructively to promote better Indo-Pak relations are mutually exclusive.

B. Thus, the prospect of meaningful Indo-Pak talks, aimed at settling some, at least, of the outstanding issues and at creating an atmosphere in which those that remain can be defused, will be undermined.

C. In addition, the focus of India's national security planning, which now centers on our major enemy -- Communist China -- will be switched abruptly to Pakistan.

D. Profound and widespread bitterness and distrust of the U. S. among the presently, extremely well-disposed Indian military establishment, especially India's one million man army, which is the fourth largest in the world, will be generated.

E. Additional heavy political pressures will be brought to bear on the Government of India to embark on a nuclear weapons program.

F. Mrs. Gandhi's Government will be weakened, the influence of our best political friends in India undercut, the hands of both Communists and anti-Pak nationalists on the right-wing strengthened, and a dangerous wave of anti-Americanism in a now friendly and democratic country which, for the long haul is our best hope for a counterbalance to China in Asia, will be set in motion.

I might add that, if one billion dollars of U. S. military aid to Pakistan did not preclude Pak military adventures in Kashmir and elsewhere, I do not see how eight million dollars for lethal spare parts which Pakistan can and, apparently is, getting elsewhere will do the trick. As it now stands, Indian military weight is primarily designed to block aggression by our enemy, China, into the subcontinent; that part of it that concerns Pakistan has assumed importance largely because of Pakistan's aggression last fall, and Pakistan's continuing unwillingness to join India in a no-war agreement. It is improved relations between the two countries, rather than resumed lethal U. S. military supplies, which are now needed to help break the vicious circle on the subcontinent.

Moreover, I have never been able to see any basis whatsoever for the U. S. Government providing economic assistance to any nation that works with our avowed enemy, Communist China, against U. S. national interests. Consequently, if Pakistan chooses to work with Communist China against the stability of the subcontinent or chooses to establish a close military relationship with Communist China, they should get no more economic aid than we give to North Vietnam. Our present contribution of 250 million dollars annually to Pakistan's development should be sufficient to keep Pakistan out of the Chinese Communist camp; if it is not, something is grievously wrong with U. S. foreign policy.

I believe that our position should be that the U. S. Government will not provide lethal military supplies to Pakistan until the Government of Pakistan joins actively in an effort to contain Communist China in Asia. In the meantime, let us limit our military supply programs to both India and Pakistan to non-lethal equipment and concentrate our energies on easing tensions between the two nations and pushing forward their vitally important plans for economic development which our Vietnam experience demonstrates once again is the crucial requirement for political stability.

This is a difficult situation for all of us. However, if we get by this critical juncture in our relations to the subcontinent, I am confident that Ambassador Locke and I, working closely together, can make marked progress in encouraging the political stability and economic viability of both Pakistan and India. Even more important for the long haul, we can help free these two potentially great nations for the broader tasks of containing China and promoting our common strategic interests in Asia.

Bowles

~~SECRET~~

FROM AMBASSADOR BOWLES TO BILL MOYERS, 5618, July 25, 1966

I have just sent an EXDIS cable to the President and Secretary Rusk pointing out the profoundly adverse impact that U. S. Mission in India believes a resumption of U. S. supplies of lethal military equipment to Pakistan will have on our position in India at this critical stage.

In this private message to you I would like to add that I have a deep personal involvement in this issue which I cannot wish out of existence.

In 1952 when it was first proposed that we arm Pakistan in the face of clear evidence that Pakistan wanted the equipment for use against India rather than the Russians or Chinese, I was able (in my first assignment as Ambassador here) to persuade President Truman to veto the idea.

When Secretary Dulles picked up the plan in the fall of 1953, I wrote him stressing that if arms we gave Pakistan were ever used in combat, it would not be against China or Russia but only against India, and that even if they were never used, their effect would be to upset the power balance in South Asia, to cloud our relations with India which is potentially the most important non-Communist power in Asia, and to open the door to a much closer Soviet relationship with India. Unhappily these concerns have been fully justified by events.

In the intervening years, President Eisenhower, Ambassadors Bunker, Galbraith and myself assured India over and over again that this U. S. equipment would never be used against her. Yet when the attack came last August and September, it was clear that there was no way that we could prevent their use.

As a result we were faced with a very strong public reaction here in India growing out of deep resentment that young Indians were being killed by the equipment we had given the Paks. In an effort to contain these feelings, I told the Indian government, public and press on several occasions that I could not imagine my government resuming a policy which had proven so costly for everyone concerned unless the Pakistanis could be persuaded to join India and the U. S. in opposing the Chinese.

My objective is not to add to the concerns of the President at this difficult time but rather to relieve him of problems wherever I possibly can. However, past events have given me a personal involvement on this issue which I thought you should know about.

Warm regards.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJL 88-29
By *ijf*, NARA, Date 7-27-88

~~SECRET~~

~~CONFIDENTIAL~~

Wednesday - August 10, 1966

Mr. President:

On August 1, I sent you a memorandum proposing that we give the Panama and Philippine sugar shortfalls for this year to the Dominican Republic.

Agriculture by law is supposed to redistribute the shortfall promptly after August 1. They would like to know your decision on whether the shortfalls should be pro-rated or given to the Dominican Republic. The press has begun to speculate about the redistribution.

W. W. Rostow

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E.O. 12356, Sec. 3.4
NJ 88-34
By iq, NARA, Date 1-20-89

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E.O. 12356, Sec. 3.4
NIJ 88-34
By sig, NARA, Date 1-20-89

~~CONFIDENTIAL~~

Monday - August 1 1966

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: Allocations to the Dominican Republic of Sugar
Shortfalls During the Remainder of 1966

On June 30 I sent you a memorandum (Tab C) recommending that we allocate to the Dominican Republic any shortfall in Western Hemisphere and the Philippine sugar allocations during the remainder of 1966. You indicated then that you did not want to act on the matter at that time.

Since his inauguration on July 1, President Balaguer has inquired on several occasions whether we would give the DR the sugar shortfalls. We have avoided a direct answer, saying that the matter was under consideration. There is a letter on the way from Balaguer to you renewing the request.

Secretary Rusk strongly recommends (Tab B) that the recently declared Panama and Philippine shortfalls (combined: 118,000 tons, with \$9.5 million premium price value) be given to the DR. He makes the recommendation after carefully considering Agriculture's preference that the shortfall be pro-rated, or at least that the DR be given only a portion of the shortfall with the remainder pro-rated. Agriculture bases its position on essentially foreign policy grounds, i. e., that failure to pro-rate all or a portion of the shortfall will create difficulties with the other Latin American states. Secretary Rusk considers that the advantages for our Dominican policy outweigh this risk. I have checked Secretary Freeman and he says that he is not submitting dissenting views to you.

The arguments against giving the DR the shortfalls are:

- It departs from the pro-rated distribution policy followed heretofore.
- It will make other Latin American countries unhappy and stimulate them to ask special treatment.
- The DR will find it hard to readjust next year to a lower allocation.

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The counter arguments are:

- This is a relatively easy way to show support for Balaguer.
- The dollars earned will help Balaguer in his major reorganization of the sugar industry, aimed at putting it on a profitable basis.
- The exception to the pro-rata policy and resulting Latin American discomfiture can be readily handled by pointing out that the exception is to help the new Dominican Government which we all want to see succeed and applies only to the balance of 1966. (The large Puerto Rican shortfall was pro-rated earlier this year.)
- Indirectly, this is one way of making the Latin Americans share in the cost of supporting the Dominican economy.
- The House and Conference Reports on the 1965 Sugar Act recommend that you give the DR a substantial additional amount from the shortfalls.
- The increased earnings may reduce Dominican need for Supporting Assistance Funds, thereby freeing SA funds for other areas.

The pros outweigh the cons in this case. I recommend that you approve the assignment of the Panama and Philippine deficits for the balance of 1966 to the DR.

If you concur, would you sign the memorandum to Secretary Freeman at Tab A which constitutes your finding under the Sugar Act?

W. W. Rostow

Attachments

Tabs A, B & C.

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*originals to Pres
except for attached
draft of
memo to Sec of State*

*↓ This is the original of
WWR's June 30 - 5pm memo
to President.*

tab A 16b

8/17/66

MEMORANDUM FOR

THE SECRETARY OF AGRICULTURE

**SUBJECT: Finding Pursuant to Section 204 (a) of the
Sugar Act of 1948, as Amended by the
Sugar Act Amendments of 1965**

**IN VIEW of the restoration of stable political
conditions in the Dominican Republic and the estab-
lishment of a democratically elected government,**

**IN ACCORDANCE with the recommendation of
the Conference Report on the Sugar Act Amendments
of 1965, that the President use his authority to assign
deficits to provide additional quota for the Dominican
Republic if the political situation in that Republic war-
rants such action, and**

**PURSUANT to Section 204 (a) of the Sugar Act
of 1948, as amended by the Sugar Act Amendments of
1965,**

**I HEREBY DETERMINE that it would be in the
national interest to increase the sugar import quota for
the Dominican Republic by the amount of any sugar quota
deficits declared with respect to Panama and the Republic
of the Philippines prior to September 1, 1966.**

**You are directed to take the necessary steps to
allocate deficits in accordance with this finding.**

**LBJ/WGB:mm
August 1, 1966**

to L.R. 16c

MEMORANDUM FOR THE PRESIDENT

Subject: Recommendation for Allocation to the Dominican Republic of Panamanian and Philippine Sugar Deficits.

Recommendations:

I recommend that you:

Sign the attached directive to the Secretary of Agriculture (Tab A) assigning sugar deficits declared with respect to Panama and the Republic of the Philippines to the Dominican Republic.

Approve _____ Disapprove _____

Authorize the United States Embassy in Santo Domingo to inform President Balaguer, by note that this action is taken in recognition of the special problems facing the Dominican Republic at this time and to support President Balaguer's plan to restructure and rationalize the sugar industry as a part of his government's program for rehabilitating and diversifying the Dominican economy. The Embassy would further state that the present action does not establish a precedent for preferential treatment for the Dominican Republic with respect to reallocation of deficits in future years.

Approve _____ Disapprove _____

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E.O. 12356, Sec. 3.4
NJ 88-29
By sig, NARA, Date 7-27-88

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GROUP 3

Downgraded at 12-year intervals,
not automatically declassified.

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-2-

Background:

Embassy Santo Domingo reports that President Balaguer is sending you a letter referring to reports of notification by the Philippines of a shortfall of 100,000 tons in the 1966 Philippine sugar quota. He cites also the possibility of deficits by other suppliers. He requests, accordingly, that you use your authority under the National Interest clause of the Sugar Act to assign not less than 100,000 tons of the deficit to the Dominican Republic. He indicates the great importance which his government attaches to the receipt of such an allocation at this time. (Tab B).

President Balaguer has just sent to the Dominican Congress a draft law which would dissolve the Dominican Sugar Corporation (CAD) and restructure the State sugar industry in a manner calculated to lower costs, enlist the support of the sugar workers, take out of sugar production those lands which can be more productively employed in diversified agriculture, and facilitate implementation of the agrarian reform program. The debts of the Sugar Corporation would be assumed by the State. There is, however, pressing need for funds for plant improvement and working capital.

The Embassy strongly recommends that the Dominican request be granted, pointing out that the draft law represents the President's "first major effort toward basic, long-term institutional reform of the economy". Assignment of the full amount of deficits notified, i.e., Panama, 18,000 and Philippines 100,000 tons, could make a major contribution to the Dominican economy at a time when its financial problems are serious. The premium on sales of sugar in the U.S. market is currently about \$80 per ton. The full value of the premium to those who participate in reallocation of this deficit would therefore be about \$9.5 million. This is a very substantial sum in relation to the Dominican Government's immediate requirements for capital for the proposed new sugar industry.

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-3-

If the deficit is assigned exclusively to the Dominican Republic there may be some reaction from other countries that may hope to receive a share. There is mention in the legislative history of the possibility of making additional re-allocations to other countries in the Western Hemisphere. I have considered these aspects of the problem and find that in no other country in the Western Hemisphere is sugar as important to the economy as it is in the Dominican Republic. Also, in no other country would the financial assistance we can provide through a preferential deficit reallocation be as significant as it would in the case of the Dominican Republic. I believe, therefore, that such action would be in the national interest and would be consistent with the legislative history. (Tab C).

The Sugar Act provides that all shortfalls are to be notified to the Secretary of Agriculture by August 1 and re-allocated promptly. The only shortfalls notified (outside of the Central American Common Market) are those of Panama and the Philippines, totaling about 118,000 tons. These deficits could be assigned exclusively to the Dominican Republic under the provisions of Section 204 (a) of the Sugar Act on a finding by you that such action would be in the national interest.

Embassy Santo Domingo understands that if preferential treatment were given the Dominican Republic this year in re-assignment of deficits this would not set a precedent for similar preferential treatment of deficits in future years. This is acknowledged by President Balaguer in his letter. He states: "My government does not ask that this quota increase become a precedent, although its standing as a reliable supplier is already traditional."

The United States has invested a very considerable amount of effort and prestige in the Dominican Republic in its efforts to restore a moderate constitutional government. Our Embassy believes that the success of the U.S. economic effort in the Dominican Republic will depend in very great part on the outcome

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-4-

of the President's effort to rehabilitate and diversify the sugar industry, and that a large deficit allocation now would yield the funds so greatly needed both for working capital and for diversification.

Dean Rusk

Enclosures:

Tab A - Directive to the
Secretary of
Agriculture.

Tab B - Letter from President
Balaguer.

Tab C - Legislative history.

ARA:ECP:JASilberstein:jg
7/26/66

~~CONFIDENTIAL~~

THE WHITE HOUSE

TAB A

Washington

MEMORANDUM FOR

THE SECRETARY OF AGRICULTURE

SUBJECT: Finding Pursuant to Section 204 (a) of the Sugar Act of 1948, as Amended by the Sugar Act Amendments of 1965.

IN VIEW of the restoration of stable political conditions in the Dominican Republic and the establishment of a democratically elected government.

IN ACCORDANCE with the recommendation of the Conference Report on the Sugar Act Amendments of 1965, that the President use his authority to assign deficits to provide additional quota for the Dominican Republic if the political situation in that Republic warrants such action, and

PURSUANT to Section 204 (a) of the Sugar Act of 1948, as amended by the Sugar Act Amendments of 1965,

I HEREBY DETERMINE that it would be in the national interest to increase the sugar import quota for the Dominican Republic by the amount of any sugar quota deficits declared with respect to Panama and the Republic of the Philippines prior to September 1, 1966.

You are directed to take the necessary steps to allocate deficits in accordance with this finding.

LYNDON B. JOHNSON

INFORMAL TRANSLATION OF TEXT OF
PRESIDENT BALAGUER'S LETTER TO PRESIDENT JOHNSON

"One of my Government's greatest preoccupations relates to the future of our sugar industry. Political circumstances have for some time exercised a negative influence on the administrative practices and efficiency that should prevail in this industrial sector which has such great importance to the Republic's economic health and to the political and social stability demanded by our current development programs laid down on Alliance for Progress lines.

My Government has dedicated strong efforts and given absolute priority to converting the Dominican sugar industry into a modern, well structured organization which can effectively contribute to our progress and well-being. I have personally assumed direction of that part of this industry presently belonging to the State, which produces 60 per cent of the country's total sugar exports. Extensive measures have been recommended in draft laws submitted to our legislative chambers with the purpose to profoundly transform it economically and socially.

I am sure the Dominican people today have an opportunity to receive great benefits from the reorganization I have initiated and that the measures now subject to our Congress' approval will help solve the principal problems that now confront and adversely affect our production costs.

Sugar prices on the world market, however, have recently reached such low levels that they do not cover costs of even the most efficient producer. This has extraordinary meaning for my country, since the failure to find remunerative markets means our principal industry must place on the world market an appreciable proportion of total production, which would aggravate its already critical situation and would accentuate the price deterioration in the free market. For these reasons my government has learned with hope of possible deficits in other areas supplying the United States market, which would permit additional quota allotments to my country.

I have mainly in mind recent press information which asserts there is imminent declaration of a deficit in the Philippine quota. It is estimated that the deficit will be more than 100,000 short tons. My country's sugar industry can cover it entirely.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 88-34
By sig, NARA, Date 1-20-89

A reallocation to my country of other area deficits will highly favor the greater efficiency of our sugar industry and assist its urgent diversification. My Government does not ask that this quota increase become a precedent, although its standing as a reliable supplier is already traditional.

I appreciate profoundly the generous understanding your government has had in aiding us to resolve our economic problems. But I want to transmit to you today, in the name of this understanding and sincere friendship, a very legitimate aspiration of the Dominican people and their government; i.e., that the Dominican Republic, in its task of rehabilitation, receive a quantity of sugar from the Philippine deficit that will constitute decisive aid in solving the problems in the principal industry satisfactorily. I am confident that the United States sugar situation, depression world market prices, and the transformation we have just begun in this industrial sector are factors that you, Mr. President, will consider in making use of your discretionary powers to grant this equitable treatment to Dominican Republic."

NOTES ON LEGISLATIVE HISTORY OF 1965 EUGAR ACTExcerpt from House Report on H. R. 11135

(Page 14)

"The committee gave serious consideration to increasing the Dominican Republic quota in view of its position as a historic, nearby sugar supplier, the importance of the sugar industry to the well-being of its economy, and the absence of a large home market or stable overseas export market to absorb its large sugar production. However, in light of the changing and unsettled political conditions in the Dominican Republic during the time the committee deliberated this bill, the committee deemed it advisable not to increase the Dominican quota in the legislation but rather to request the President to increase the Dominican quota by allocating to the Dominican Republic a substantial portion of the deficit of Puerto Rico, or any other domestic area or foreign country, after allocation of the Philippines share. The committee understands that the President proposes to make such allocation, subject to political conditions in the Dominican Republic at the time."

Excerpt from Conference Report on H. R. 11135

(Page 14)

"It is the intention and the request of the committee of conference that the President should use this authority to assign about 3,000 tons of deficit to Bolivia, a sufficient amount of deficit to Venezuela to bring its quota up to 25,000 tons or an amount above that comparable to other countries in its vicinity, and to provide a substantial amount of additional quota to the Dominican Republic, in line with the discussion of the Dominican quota in the House report, if the political situation in that Republic warrants such action."

Comment:

The House-Senate Conference Report on the 1965 Sugar Act recommended assignment of small deficit allocations to Venezuela and Bolivia as well as to the Dominican Republic. Both of these countries received a basic quota for the first time under this Act. They have, however, not been significant suppliers of sugar to this market in any historical sense. Venezuela does not have special need for financial assistance, and Bolivia's requirements for assistance are being met from other sources.

The Mexican government, in a note presented before the most recent increase in the U. S. consumption estimate provided them an additional quota of 16,000 tons, requested a supplemental assignment from the deficit reallocations of 60,000 tons. While statements by individual senators supported the Mexican case for a supplemental quota, there was no recommendation in the Conference Report to that effect. Mexico was assigned the highest basic quota. Sugar, while an important Mexican product, does not by any means play so overriding a role in the Mexican economy as it does in the Dominican Republic.

Most countries would recognize that the Dominican Republic's dependence on sugar is unique, and that, in view of the political disturbance of the past year, that government is deserving of special consideration. Over 50 per cent of the Dominican Republic's foreign exchange is derived from its exports of sugar, and the sugar industry accounts for approximately 60 per cent of all industrial employment. The fact that sugar prices on the world market are at the lowest figure in many years - below the cost of production of even the most efficient producers - has contributed greatly to the problem of the Dominican sugar industry and the economy in general.

216100 17

DECLASSIFIED

Authority NLS/CBS 10
By ms, NARS, Date 11-28-83

Wednesday, August 10, 1966

TEXT OF CABLE FROM AMBASSADOR LODGE (Saigon, 3129)

Herewith my weekly telegram:

A. Smell of Victory

In the struggle of the independence of Vietnam, the following can be said:

We are not losing; we cannot lose in the normal sense of the word; never have things been going so well. We are "on the track" with regard to almost every aspect of the war and we are winning in several.

All of this is a great tribute to the excellence of your policies and to the courage with which you have made your decisions. It is also a tribute to those who execute the policies, notably our magnificent military men.

But all of this is still not called "victory." Indeed, however much they disagree about many things, everyone -- in Washington and Hanoi and in Saigon -- seems to agree that what we have now is not "victory."

In truth, we do not need to define "victory" and then go ahead and achieve it 100 percent. If it becomes generally believed that we are sure to win (just as it is generally believed that we cannot lose) all else will be a mopping up. If there is the "smell of victory," we will be coasting.

There are a number of things which would psychologically mean "victory" to us, to Hanoi, to Saigon and to the world as follows:

A) First of the list would be some really smashing results as regards the "criminal" war: terrorism, subversion, village guerrilla. Figures indicate a diminution in assassinations of local officials, but we have as yet no good figures on the trend as regards civilian casualties in general.

B) Important defections could mean a great deal.

C) A successful advance towards constitutional democracy could bring a feeling of success.

D) Really spectacular numbers of people coming into the Chieu Hoi camps would look like the end of the war.

E) Of great significance psychologically would be a situation in which one could start at Camau and drive securely all the way to Quang Tri, since this would mean that the 50 percent of the population which is in Saigon and the Delta and the 35 percent of the population in the coastal strip from Hue to Qui Nhon had been effectively pacified. To be able to ride the whole length of the railroad would also mean much. (Several months ago I sent you a population map which illustrates this.)

F) Other things which would have great meaning would be to be able to drive securely to Dalat or to Vung Tau.

Clearly, the type of "battle victories" which we have been winning, and the impressive 10 to 1 casualties we are inflicting, do not look like victory to many Vietnamese as much as does the phenomenon of open roads. Driving the Viet Cong out of a certain place on the map seems to mean little in and of itself. In that sense this looks more like naval war in which one particular point in the ocean is much like another. The solid thing is the people and 85 percent of the people live in the area through which a traveller driving from Camau to Quang Tri would pass.

But none of these things are just around the corner.

Let us, therefore, by all means rejoice in the good news: that a wildcat, soul-destroying inflation seems unlikely; that a successful Communist takeover of the Government of Vietnam seems now improbable; and that we have the beginnings of a policy on the main "unfinished business" -- counter-terrorism, being mindful that unless definitively crushed, terrorism will always remain as a Communist ace-in-the-hole and the ground for hope by Hanoi that it can at any time "go to phase 1" and start the whole struggle up again. Finally, let us be thankful that our troops are so magnificent.

But our troops will be the first to speak of their respect for the hard-fighting Viet Cong -- and General Westmoreland says North Vietnam Army strength in South Vietnam has increased from 15,580 on January 1 to 47,100 as of July 31 -- the equivalent in battalion terms of from 31 to 81. Also, four Divisional and 10 Regimental Headquarters have been introduced since January 1. The average infiltration rate is 4,400 men per month. No evidence of a serious food or ammunition shortage among major units is observable despite the acknowledged effect of our air strikes. Sixty per cent of enemy forces, it is estimated, have yet to be committed to combat.

If the above is a true statement of the situation, it is obvious that we have quite a stretch of time ahead of us.

The question, therefore, arises: How much time? And the corollary questions are: Can we shorten the time? Should we shorten the time: and, if so, how?

In trying to answer these questions, the first point is that time is not necessarily on the side of the U. S. or the Vietnamese.

Is not a relatively big, fast war easier for the U. S. to sustain than a relatively moderate slow war?

As far as the Vietnamese are concerned, they have demonstrated the patience for which Asians are famous and maybe they can keep on going as they have been. But their leadership is thin, both militarily and politically. This is partly due to the numbing effect of colonialism, with all its deliberate and rather diabolical discouragement of a national spirit, and with all of its educational effort aimed to make people Frenchmen rather than Vietnamese. The war has also played its part. Hope for the future of the country is to be found among young people in Vietnam. But they will not be ready for some time.

Maybe the Vietnamese can last indefinitely -- although it would be dangerous to assume it. But certainly they would be helped by a quick end to the war, assuming always that a satisfactory outcome was achieved. At present U. S. military forces must help the Vietnamese actively in order to get the Vietnamese pacification effort moving -- let alone the war against the big units. We have high hopes that eventually they can undertake it all themselves and our soldiers have already expressed appreciation for the newly created Vietnamese political action teams and have recognized that they render the kind of service no American can render. Nonetheless our help is at present indispensable in the field of criminal/terrorist war as it is on the purely military side.

Therefore, it seems that, for both Vietnamese and American reasons, time is not necessarily on our side and that a quick victory would be of immense value to both.

These thoughts, which are not, of course, original with me, merge from many talks and much reflection. They reminded me of a statement which General Eisenhower once made to me, as follows:

If you desire to conquer one ably-led and well-organized battalion solidly entrenched and favorably located, and you try to do it with two battalions, you may succeed, but it will take you a long time and you will have many casualties. If, on the other hand, you use a division, you will do it quickly and the losses will be very slight.

In a war like this, in spite of everything, there is something tremendously effective about sheer mass. On the fifth floor of this building, I can see the port of Saigon, thick with shipping and in the green flat fields through which the Saigon River winds, I see more ships constantly making the sixty-mile trip to and from the open sea. When I flew over Vung Tau last week, I counted eighteen ships anchored there. There are undoubtedly more in the Philippines and elsewhere. This is American mass, which none can produce as we can.

While I do not believe we can bring anything more into the city of Saigon (in fact, I think the American presence in this city must be reduced), I submit that if ports, piers and warehouses throughout Vietnam are ready and the military leaders can manage, and it can be done without political damage -- three big "if's" -- there is a strong case for "more" coming in "quicker."

Such are the agonizing questions of history, since we never know what would have happened had the course which was not followed been followed. But common sense suggests that the more we bring in and the quicker we do it, the sooner there will be the "smell of victory," the sooner will the war be over and the fewer will be the casualties. Is this worth what it will cost in further dislocating the lives of Americans? Could they be made to understand that something is being asked of them now so as to avoid much great sufferings later?

B. Pacification

At Mission Council meeting on last Monday, MACV presented their proposal for a revised role for the Army of Vietnam (ARVN) as regards pacification, as follows:

A. The war in South Vietnam is a political struggle with violent military and terroristic (criminal) overtones. We must thus succeed in both the conventional military and unconventional terroristic areas. If we are not equally successful in both, Hanoi will find some way to slide back to so-called "Phase I" activities, consisting primarily of clandestine, guerrilla-type actions. (And Westmoreland recognizes that one effective guerrilla is worth two main force Viet Cong or North Vietnamese Army soldiers.)

B. In the past, says MACV, the ARVN has been so hard-pressed by Viet Cong main force and North Vietnamese Army units that it has had no choice but to concentrate on major offensive and defensive operations against these forces, leaving Regional and Popular Forces with primary responsibility for providing local security in hamlets and villages. The latter have not been adequate to this mission. Now the buildup in U. S. and free world military forces makes it feasible to release a major part of ARVN from its former primary task of search and destroy operations and direct its main attention to pacification.

C. Thus, behind the security screen provided by U. S. tactical units (plus some elite Vietnamese Army units), who will take care of the enemy's regular, hard-core forces, the main task of the Vietnamese Army, along with Regional and Popular Forces, political actions teams, police and police field forces will be to support district and village chiefs in establishing and maintaining law and order in villages and hamlets.

D. Greater stress will be placed on ARVN small units operating at night, on continuity of operations and on more prompt and thorough exploitation of local intelligence.

E. For the ARVN to be successful in these activities, there must be a new attitude among ARVN personnel towards the farmers, and ARVN commanders engaged in pacification will be evaluated to a large extent on their success in effecting this change. (Comment: Lansdale points out that the turning point in the Philippines' campaign against the Huks came when the Filipino soldier began treating the peasant as his brother. End comment)

F. No major changes in the ARVN's organization in order to handle pacification is now envisaged. At least 50 percent of the ARVN's strength in the First, Second and Third Corps areas will be diverted to this mission; in the Fourth Corps, where U.S. forces will be much more limited in number, about 25 percent of the ARVN tactical units will be focused on pacification. In many instances, depending on the local situation, ARVN pacification forces will be placed under the direct control of the Province Chief.

General Westmoreland and his staff are working closely with the ARVN high command to develop a campaign plan for 1967 which will reflect and carry out this scheme.

This new concept of ARVN support of pacification operations will mean that U. S. tactical forces will be carrying the main burden of search and destroy operations against Viet Cong main force and North Vietnamese Army units, while the ARVN will be concentrating on pacification. This will probably mean that U. S. military casualties will constitute a higher proportion of total friendly military casualties, although some elite ARVN units will participate with U. S. units in operations against main force units so that there will always be a Vietnamese presence.

But it will be important when announcing casualties in the future that the Vietnamese civilian casualties inflicted by the Viet Cong be announced concurrently with the Vietnamese and American military casualties. The Communists make no distinction between military and civilians and it seems ritualistic for us to adopt the World War II style of always announcing military casualties separately. It is disadvantageous to our best interests and, at the same time, it is not an honest reflection of the true situation. As I have said, we are working to set up a reporting system throughout the country on Vietnamese civilian casualties.

If, in the future, there should be criticism because U. S. military casualties are a higher proportion of total friendly military casualties than they have been, the answer is that the purpose of our military sacrifices and military successes is to create the opportunity to do the pacification job without which the war cannot be successfully completed. If we do not definitively end terrorism, this whole tragic business can start all over again. In pacification the overwhelming bulk of the casualties are borne by Vietnamese.

C. Civilian Casualties

The July figures for local officials killed or kidnapped by the Viet Cong are still incomplete. So far all of the four Corps have reported in except for the Second Corps. The total to date is 33. Depending upon what the Second Corps reports, this could represent the lowest figure in the last eighteen months.

Totals for Government of Vietnam officials killed or kidnapped for the first seven months of 1966, as compared with the same month for 1965, are as follows:

	1965	1966
January	258	76
February	68	91
March	119	59
April	120	52
May	112	78
June	214	64
July	73	33 plus

As you can see, generally speaking, the figures are lower in 1966 than they were in 1965. This may be because Viet Cong guerrillas were busy with military operations or that friendly defense against terrorism has been improving or a combination of both. It is hard to tell. Also, there is no reason to believe that the 1966 figures cannot be increased whenever the Viet Cong decide they want to do it. One thing is clear: this is a time-tested traditional Viet Cong weapon. It is this -- and not popularity -- which brought them into existence at a time when there were no constabulary forces to cope with terrorism and it is their way to get started again if everything else they attempt has failed -- as it looks as though it might.

I apologize because my civilian casualty figures are by the month and do not match up with military casualty figures, which are by the week. I also apologize because we still have not got overall civilian casualty figures which are an integral part of the casualty picture. As soon as we have adequate figures for civilian casualties on a monthly basis, I will examine the possibility of providing them week by week.

D. Elections

The Central Election Review Council has recently met in Saigon to examine the cases of candidates who had either been disqualified on the basis of provincial screening or had been challenged by their opponents. Of the forty-two cases reviewed, twenty-three were reinstated. This review process was carried on beneath the gaze of the local press and the interested parties and even those who were adversely affected by the Council's decision have admitted that the hearing was fair and free of pressure from the central government.

Election lists have now been posted in all cities, Provincial capitals, district towns, and villages giving the names of qualified voters in each area. Purpose of the posting was to permit citizens to see if their names were inscribed. Anyone finding his name omitted could petition for its inclusion. I have no country-wide results as yet concerning how many people checked the lists, found their names omitted and complained. However, as a spot check, over 5,000 people had already registered in Saigon last week after finding their names not included in the lists. Many of these were undoubtedly refugees who had moved to the city within the last year. This statistic provides some measure of popular interest in these elections.

The campaign itself will not begin until August 26. Until then candidates are proscribed from engaging in campaign activities so that everyone will have an equal chance during the fortnight the campaign officially runs. Nevertheless, some of the more sophisticated candidates are already engaged in the campaign here in Saigon through their friends, the columns of the daily newspapers, and in other ways.

I am cautioning Americans here and Vietnamese against making any very optimistic claims about the September 11 elections. I have told them to say in response to questions that, to hold elections in war time is very ambitious, particularly for a country with no experience with democracy; that even the British never had elections in World War 11; that the Viet Cong are going all out to intimidate; and that the Government of Vietnam will do very well if between 35 percent and 40 percent of the qualified voters vote.

As you know, I confidentially think it is going to be quite good. But if we make extravagant claims now, we will get no credit, whereas, if the public expects 35 percent and gets 70 percent, it will look like a miracle. I think this could be most important.

I am looking around for things to do which will put the people in a good humor as far as the Government is concerned during the first ten days of September. The general supply office is helping: through the sale of rice from the backs of trucks in low income areas, the transportation and sale of pork, and the importation of motorbikes. Frozen pork carcasses will be arriving from Europe by September 1 and will be released on the market in Saigon at the rate of 50 tons a day, which is about 30 percent of the daily Saigon requirement.

E. Psychological

For the first time awareness of the elections -- in urban areas -- has become more general than complaints about prices, according to the Juspao Weekly "Evaluation of Attitudes." They get reports throughout most of the country that "rising costs seem to have leveled and have stopped rising, and there is relief that inflation has apparently halted."

Juspao also reports that the Government's publicity efforts are resulting in more people knowing about the elections, and that elections are being talked about, although sometimes cynically. The Viet Cong are increasing their effort to disrupt the elections, particularly in the Fourth Corps, and elements of Buddhism are opposing or boycotting.

There is more ground fire against planes dropping leaflets, indicating increasing concern by Viet Cong commanders over the psychological effects.

Other notes are: The Mayor of Danang is making an excellent impression on the public and is meeting with many groups to explain the Government's program, and to invite them to make known their complaints.

In the Fourth Corps, the flow of farmers from outlying villages into more secure hamlets is increasing due to heavier Viet Cong taxation and artillery barrages. A Viet Cong propaganda officer reported stubborn resistance by peasants to the Viet Cong draft, saying that the peasants cried out: "If you want a revolution, fine, but don't make us and our sons fight it for you." Also, morale went up in Kien Tuong where a military operation uncovered another sizeable cache of foodstuff and equipment.

Evidence was uncovered in Chuong Thien that a large Viet Cong campaign was in the making to obstruct the voters from reaching the polls and to confiscate their identification cards which are the equivalent of registration in the U. S.

F. Economic

The economic picture has brightened -- a tribute to you and your associates for your long, hard efforts and to the Government of Vietnam for following our advice.

Some months ago, Prime Minister Ky asked me for help in setting up a Government of Vietnam PX/Commissary system for Vietnamese military and civil servants -- people with fixed incomes whose purchasing power has diminished as prices rose. As a result of our reaction to this request, USAID and MACV have been working actively with the Government of Vietnam general supply office under the Ministry of National Economy to develop a series of PX/Commissary outlets for civil service and military use. The layout of the first proposed outlet in Saigon for the sale of vegetables, meats and staple items has been forwarded to the U. S. Military Subsistence Center in Chicago for technical review and the site for this first service center in downtown Saigon has been selected. Certain refrigeration items have been identified in U. S. excess property lists and are being held in place for use in this center. In addition, a U. S. military specialist in Commissary and PX systems is being assigned to assist the Government of Vietnam run their system.

G. Visitors

Chester Bowles is here and is favorably impressed with our entire operation. He attended a Mission Council meeting and remarked on General Westmoreland's remarkable sensitivity to political factors and his breadth of view. Bowles believes this struggle is of both historical and world-wide importance and is the kind of thing that happens once in 200 years. If, he

says, we succeed (and he is confident that we will) it will be the beginning of the end for world Communism and will be a date in Communist history comparable to 1917 when the Communist Government was born in Russia. He was much impressed by the way American soldiers understand and carry out in practice the truth that, in this war, unlike World War II, we must win the war and build the peace at the same time. He has seen them doing it. He believes also that victory here will change America, in that so many young Americans have seen at first hand the importance of economic and social development going hand in hand with security against violence.

Another visitor was Gough Whitlam, Deputy Leader of the Opposition in the Australian Parliament. I had a fine visit with him. I sense that he does not think his party will elect the Prime Minister at their forthcoming elections. I also sense that he is favorably impressed with the effort here, and I would be surprised indeed to hear him attack what Americans and Australians are doing in Vietnam.

LODGE

~~CONFIDENTIAL~~

August 10, 1966

Rostaw
Pres file 18
DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-33
By ig NARA, Date 5-15-89

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Campobello Visit on August 20

1. We have been unable to get an answer from Prime Minister Pearson. He is at Ahmic Lake--"in the bush"--and literally out of communication. (Butterworth swears that the only way to reach Pearson would involve sending a messenger after him. Butterworth advises against this unless the President has made up his mind to go and the messenger carries a firm proposal rather than just a feeler.)

2. The Prime Minister will reestablish communication with his government on Friday morning; we can then get a definite answer without sending a special messenger. (Don't you sometimes wish, Mr. President, that you were running a rather more smallish country?)

3. Pearson's secretary reports that the Prime Minister and Mrs. Pearson are scheduled for a wedding in Ottawa on the 20th. She is quite confident that the Prime Minister himself would change his plans to join you at Campobello. However, she suspects that Mrs. Pearson might have to remain in Ottawa for the wedding.

At Tab A is a rather thin agenda for a talk with Pearson, prepared by State. If you decide to go, I am sure we will be able to do better. (There is a one in three chance that the St. John River Treaty, which is under negotiation between us and the Canadians, could be ready for signing by the 20th. This will depend on Pearson working out some difficulties with Quebec.)

Francis M. Bator

Send messenger after Pearson with definite proposition
that President (and Mrs. Johnson?) will go to Campobello
if PM (and Mrs. Pearson?) can come _____

Wait until Friday to put the same proposition _____

Marvin speak to me _____

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

AGENDA FOR POSSIBLE TALK WITH PRIME MINISTER
PEARSON AT CAMPOBELLO, AUGUST 20

- 1. Vietnam - emphasizing our military restraint, our non-military efforts and our continued hope for some sign of reason from Hanoi.
- 2. Cambodia - mentioning our appreciation for Canadian efforts to strengthen the International Control Commission.
- 3. NATO - stressing our intention to cooperate with France in any way that does not damage the defense capability of the Alliance.
- 4. Aid - expressing appreciation for the Canadian field hospital units going to Vietnam and Canada's emergency food aid to India.
- 5. The Canadian-Commonwealth Caribbean Conference - commending Canada for its recent initiative in seeking a role of greater influence in the Caribbean.
- 6. Africa - praising Canada for its consistently constructive role, particularly within the Commonwealth, and noting that, in consequence, Canada's reputation in Africa is higher than that of any other white nation.

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NJ 88-33
 By mg NARA, Date 5-15-89

~~CONFIDENTIAL~~

6819

Wednesday, August 10, 1966
11:00 a. m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

Averell Harriman wishes Chet Cooper to assist him in his peace-feeler job. He wants Cooper because:

- He worked well with him in the Geneva negotiations in 1962.
- Cooper is knowledgeable and professional in this field.

Cooper called me today to ask me to ascertain whether you would object to his taking this assignment. He would not wish to take it without your knowledge and assent.

I told Averell that Cooper would have to be firmly told how secure he would have to be and that newspaper contacts were out.

The need is so urgent and Cooper's technical qualifications are so good, I lean to letting Cooper go to work with Averell.

W. W. R.

Yes

No

See me

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-33
By mg NARA, Date 5-15-87

~~CONFIDENTIAL~~

(cc: Bill Moyers)

~~SECRET~~

August 10, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reaction to your July 12 Speech on Asia

You may be interested in the attached summaries of official and press reaction to your Asia speech.

Prime Minister Sato of Japan has welcomed the "flexible stand" taken toward Communist China.

Other favorable official or press reactions were reported from Australia, Costa Rica, Ivory Coast, Laos, Norway, Panama Spain and Upper Volta.

Qualified support came from Colombia, Congo (K), Israel and Venezuela.

Unfavorable press play was reported from France and Pakistan.

W. W. Rostow

Attachments

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-33
By iq NARA, Date 5-15-89

~~SECRET~~

~~SECRET~~

August 10, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Ambassador Meyer's and Tim Hoopes' Talk with the Shah about the Defense Package

They had a good talk with the Shah which may have gone a long way toward moderating his somewhat irrational feeling that we have been neglecting him. The Shah expressed his deep regard and affection for you and asked Hoopes to convey his sincere appreciation for your interest and for all the U. S. has done for Iran since World War II. He reiterated his desire to maintain a close relationship with us.

Hoopes led off with a detailed exposition of our interest in Iran, our problems and what we could do to help. After a lengthy discussion, they succeeded in persuading the Shah willingly to make some hard choices, cutting out some of the less important items of equipment which would not fit under his financial ceiling. This in itself is a gain, since the Shah has talked recently as if he were going off the deep end buying everything in sight.

They believe that they dissuaded the Shah from buying Soviet SAMs but expect that he probably will buy a few anti-aircraft guns and trucks which he can get there at much lower prices. They explained to him quite frankly that our offer of F-4 aircraft was conditional on how far he went in getting equipment from the USSR. The Shah vowed that he would not allow Soviet technicians in Iran, and Hoopes and Meyer believe he will not permit serious penetration of his country.

The Shah summarized the discussion as "constructive, comprehensive and expensive." The upshot of it is that we will send a technician to Tehran to negotiate some of the military details while the Governor of Iran's Central Bank, who will be here next week on another project, will negotiate financial details in the Pentagon.

I think we have come out of this pretty well. I would not be personally worried if the Shah were to buy a few minor Soviet items, although every breach in the wall makes it more difficult for other leaders like King Hussein to resist Soviet blandishments. Nevertheless, I think both your letter and your sending Hoopes out there have

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E.O. 12958, Sec. 3.5 & NLJ 88-73

~~SECRET~~

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

By JW, NARA, Date 7-10-98

~~SECRET~~

- 2 -

gone a long way toward keeping the Shah from going overboard. We will undoubtedly have to adjust to his increasingly independent tendencies, but for the moment we have managed to keep the worst we had feared from happening.

W. W. R.

WWR:HW:lw

~~SECRET~~

Wednesday, August 10, 1966 -- 4:45 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: News Media Contacts

Jack Leacacos, Cleveland Plain Dealer, came in today to discuss a text book he is writing on the State Department. I discussed in general terms with him certain of the key organizational problems of the modern State Department.

W. W. Rostow

WWRostow:rln

~~SECRET~~

Wednesday, August 10, 1966 - 4 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: B. K. Nehru's Gloom

Ambassador B. K. Nehru of India has returned early from leave in India, because his mother suffered a heart attack and is now in George Washington Hospital. He tells me he is putting in a request to see you and deliver a letter from Mrs. Gandhi. I shall see him 4 p. m. Friday.

I am told he is deeply troubled by developments in India. According to reports from his close friends here, he finds the opposition increasingly ready to disrupt Parliamentary processes, in a way never tried before. Many members of Congress are not supporting Mrs. Gandhi in her bold economic measures. Devaluation has been particularly severely attacked. Even the main party boss, Kamaraj, lets it be known he disapproved. Because she adopted policies known to be favored by the U. S. mission, her Left opposition and Leftist and doctrinaire Congress Party members are charging her with having sold out to us. Two of her top civil servant advisors are now being formally charged with favoritism for having cut through complicated red tape to speed decisions in steel production and importation last year. Senior civil servants are therefore cowed and even more cautious than usual. Mrs. Gandhi is not really coping, and the small band of dedicated men at the top of the administration are very disheartened. They fear a general and rapid unraveling.

This view is to be considered; but may be excessively gloomy. I have known B. K. for many years. He is subject to moods of depression. His mother is ill. He has a cold and has just gotten off a long flight from India. He is not likely to feel that a younger, female cousin, who now has top responsibility, is capable of dealing with the rough and tumble of democratic politics.

We have also been discounting some of Chet's reporting. But it is important to note that both men are reporting the same worries.

Chet's and B. K. 's worries should be taken into account -- along with everything else we know -- in deciding the question of selling spares to Pakistan: its timing and how we go about it.

I shall make sure Arthur Dean and Ellsworth Bunker get the flavor of all this.

You may wish to let B. K. get some of this off his chest to you.

Bring B. K. Nehru in next week _____

W. W. R.

Hold decision until you see him Friday and report _____ ✓

See me _____

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-400
By Chr, NARA Date 10-21-99

Wednesday, Aug 10, 1966
3:00 p. m.

tp 23

MR. PRESIDENT:

I thought this memo from Bill
Bowdler might interest you.

Thus far Belaunde has not merely
lived up to his agreement (leave IPC
alone) -- he is moving towards our
common hope (an IPC settlement
during his administration).

We're not in by any means; but this
is progress.

W. W. R.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

August 9, 1966

MEMORANDUM FOR WALT ROSTOW

SUBJECT: IPC Case

The attached cable reports another favorable development on the IPC case.

IPC this afternoon made the announcement reported, i. e., that it plans to make a major refinery investment at Talara, Peru.

What IPC intends to do -- subject to Belaunde issuing the necessary decree -- is this:

1. Form a new company "ESSO-Peruano" to handle the refining end of the business. The present refinery would be taken out of IPC and put in the new company. In addition, a new catalytic plant would be constructed representing an \$8-10 million dollar investment.
2. At a later stage, spin off the marketing end of IPC into a new company, leaving the La Brea and Parinas oil exploration and development concession problem isolated.
3. Work out a solution on La Brea and Parinas.

~~We have a long way to go, but this is progress in the direction that the President wanted and you negotiated with Belaunde last February.~~

WUB
WGBowler

Attachment

Embassy Lima's 613, August 8.

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By fw, NARA, Date 7-10-98

Wednesday, August 10, 1966 -- 11:00 a. m.

Mr. President:

Congressman Roman Pucinski came in to have breakfast with me this morning. He argues as follows.

In his judgment the American people are prepared to accept the necessity to see it through in Viet Nam, even if it is a long war. What is disturbing is the feeling that we in the Administration are obsessed with the problem of the war in Viet Nam and are not dealing with other problems at home and abroad.

I explained to him that, in my judgment, this was not the case. We were moving in constructively in Viet Nam and in other parts of Asia; in Latin America; in Africa; and to some extent even in Europe. He replied that, in fact, this was true. He was, for example, circulating to his constituency a copy of the U. S. NEWS & WORLD REPORT article on our successes in foreign policy. His point was that we were not successfully projecting to the people that we were effectively engaged in moving things in other parts of the world and were not completely boxed in by the war in Viet Nam.

I asked him what he thought we could do to make clear this fact. His biggest suggestion was that we consider calling a conference, with world leaders, on the food situation. We might even invite Asian Communist leaders. In his committee he was much impressed with the desperate prospects for the world food supply.

He also mentioned a possible conference on inflation, which is not simply a U. S. problem but a worldwide problem. In any case, his firm recommendation was that we find ways of dramatizing to our own people that you were not completely taken up with Viet Nam, however, important it was, and that we find ways to associate you more effectively with the public with worldwide problems of a constructive character.

W. W. Rostow

WWRostow:rln

Limited Official Use

Wednesday - August 10, 1966

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: Your Speech on the Fifth Anniversary of the Alliance for Progress

Last Thursday in our meeting with Linc Gordon on travel plans, you agreed to make an address on Thursday, August 17 -- the Fifth Anniversary of the Alliance for Progress.

We proposed that the ceremony be held in the conference hall of the Pan American Health Organization (PAHO) if the facilities are adequate.

Bill Bowdler and Hal Pachios, together with a Secret Service Agent, have gone over the facilities. The hall, which seats 300, is excellent. Press facilities are adequate. The security situation is very good.

Subject to your approval, I propose to go ahead with detailed arrangements to use the PAHO hall. Our plan is to have the ceremony sponsored by the Director of PAHO, the OAS Secretary General, the Chairman of the Council of the OAS, the President of the Inter-American Development Bank and the Chairman of the Inter-American Committee for the Alliance for Progress. You would be the only speaker.

Bill Bowdler has done the first draft of the speech. Linc and I are polishing it up and will have it to you by Saturday.

W. W. Rostow

Go ahead with PAHO hall arrangements

✓

Speak to me

_____.

Tuesday, August 9, 1966, 5:50 p.m.

Mr. President:

Attached is a memorandum on an interesting conversation I had with Georg von Lilienfeld, the No. 2 in the German Embassy here. We talked about offset and U.S. troops in the context of our general relations with Germany. We also had a short exchange on nuclear sharing versus non-proliferation.

Francis M. Bator

~~Attachment~~ SECRET

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Mr. Rostow

260

Proc. 10/11

~~SECRET~~

August 4, 1966

DECLASSIFIED

Authority NLS 92-34

By jdmp, NARA. Date 7-10-98

MEMORANDUM FOR THE RECORD

SUBJECT: Lunch Conversation with German Minister Georg von Lilienfeld, on Wednesday, August 3, 1966

In reply to a question of mine about U.S. -German relations, Lilienfeld said he was worried -- what with offset, U.S. troops in Germany, the shakiness of German politics, etc. I asked him what we should do. He said we should stop linking money and troops in public. I kept pressing -- what should we do about the underlying reality: we have a serious balance of payments problem, and there are great political pressures on the Administration to cut forces. Will the German Government come up with something?

He said that he was privately very worried about the Bonn Government. The budgetary pressure is great. With declining orders for steel and coal in the Ruhr, yet a generally very tight labor market, rising prices, and a weakening balance of payments, they are in trouble.

I said that I thought a great deal depended on timing. If only we could have enough time to come to an agreed U.S. -UK-FRG position on a sensible NATO strategy for the late '60s and early '70s, and then draw the consequences for force deployments in the light of modern mobility, dual basing, etc. -- then I was sure we could work things out to everyone's satisfaction. But we needed time to do this. And with the UK offset-BAOR discussion coming to a head during this summer, and the U.S. -UK offset discussion also on a short fuse (with the present agreement terminating in the middle of next year) we really didn't have much time.

I then asked his sense of the German budget squeeze. Would it be impossible to increase taxes? Lilienfeld said he did not think so, as a matter of economics, or even of politics. It was his personal judgment that if the Chancellor came up with a comprehensive, energetic program, the German people would rally behind him.

I said I thought a package of (1) tax and (2) defense-budget increases (3) full U.S. offset (with perhaps space and aid thrown in) for two more years, and (4) a good offset deal for the British -- would give all of us just the time needed to get ourselves in shape as an alliance. It would avoid the danger of an impression that NATO is falling apart, that Britain is a useless ally, that the Gaullists are right in calling the Americans unreliable, and that the Germans want to play a more independent hand.

~~SECRET~~

I made the further point that the Prime Minister's visit was such a success in part because he really bit the bullet the week before coming here and came as a man who had taken the steps needed to start getting his home base in order, without backing away from his alliance responsibilities. Would it not be wonderful if in late September the Chancellor could come on a similar basis? I think Lilienfeld took this aboard.

He then asked whether a German proposal that we cut back troops would help. I said that the formal government position was that the foreign exchange drain due to whatever forces we have in Germany had to be fully offset. On the question of preference between offset money and troop-cuts, we had not as a government formally faced that choice. As he knows, McNamara feels that the Germans and others ought to upgrade their forces substantially and that, with dual basing and rapid mobility, we could cut back U.S. forces stationed in Germany without reducing our real combat capability. I gave it as my personal view that any substantial troop reductions on our part, or indeed by the British, ought to result from a thorough process of allied consultation about what makes sense in military terms. Otherwise, the political consequences for German-U.S.-UK relations, etc., could be very damaging.

Lilienfeld also asked about the non-proliferation/hardware issue. I said that the formal government position is what it has been for some time: the hardware option is open. As he knows, McNamara put it on the agenda for the consultative group. He said: "Yes, but would a change in the German position please you?"

I said that was a complicated, iffy question. We would want to be sure that such a change in the German position was sustainable over the long pull in terms of German politics and reflected a hard German assessment of what was good for Germany. If on that basis, the German Government decided they were prepared to forclose ~~the hardware issue~~, then, as he knows, the reactions of various people in this government would vary. My own personal view would be that this would be a very good thing indeed -- for Germany, for German-American relations, for the German role in Europe and the world. It would be a good thing even if it turned out in Geneva that the Russians wouldn't play.

There might be people in the government who would feel otherwise. In the end, as he knows, it would be the President's view that counted -- and. Presidents are not in the business of committing themselves on iffy questions. What we do know is that the President, as he recently emphasized in Austin,

very much cares about a non-proliferation treaty. We also know that the President has been concerned to support Chancellor Erhard in achieving what he, the Chancellor, feels necessary for keeping German politics healthy.

In any case, the formal position of the U. S. Government on the hardware issue is what it has been since the President and the Chancellor last met. There has been no change.



Francis M. Bator

CONFIDENTIAL

August 9, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Korry Report on Development Policies and Programs in Africa

Attached is Ed Korry's Report, approved and transmitted to you by George Ball (cover memorandum at Tab A). George thinks the report is first-rate -- as do Secretary Rusk, Bill Gaud, and I -- and should be required reading for everyone in the Government connected with African affairs. He recommends that you approve it in general, and direct us to staff out the particulars. (My thoughts on how to do that are below.)

Substance of the Report

You will wish to read the "Summary of Strategy and Tactics" (green tab -- pages 24-27). If your time permits, the opening policy statement (yellow tab -- pages 1-23) is also very much worth your attention. The recommendations (white tabs -- pages 28-141) are covered by summary sheets for easy skimming. You could get a good sense of them quickly by leafing through the tabs. The last few pages (142-150) contain the impressive list of people Korry consulted.

Essentially, Korry argues that, except for the 4-5 countries in which rapid economic growth is feasible and we are prepared to support it on a large scale, our present aid program does not fit the facts of life in Africa. He maintains that Africa is simply not ready for the approach we use in Latin America and South Asia, one which painstakingly identifies obstacles to economic growth in each country and tries to supply whatever kind of resource is needed to eliminate them. The obstacles in Africa are too huge, and our resources are too limited. Korry suggests that we now (1) scatter our money and manpower in a way which Congress and the people will never understand; (2) put an impossible administrative burden on AID; (3) yield too often to the temptation to use aid for narrow political purposes; and (4) mislead the Africans and ourselves as to what can be accomplished with the limited resources we are willing to provide.

Moving from our bilateral problems to the broad picture of Free World aid to Africa, Korry finds the situation confused. Donors don't accept each other's technical findings, and are often played off against each other. Recipients have little capacity for developing projects, are often bewildered and misled by donor requirements, and find it politically difficult to agree to self-help conditions on bilateral loans. Regional organizations exist, and make an attempt at coordination, but are very weak.

In this context, Korry proposes a new thrust with the following major themes:

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State 6-23-78; NSC 6-26-79
By *D. G. per 158* NARS, Date 8-17-86

CONFIDENTIAL

1. A much broader and more central role for the World Bank in Africa. By request of both donors and recipients, the Bank would be responsible for rationalizing donor operations, identifying recipient needs and abilities, and applying leverage in both directions. Specifically, it should (a) set up a Standing Group for Africa to deal with major infrastructure projects -- transportation, communications and power; (b) set up a Rural Development Center to deal with the problems of agriculture; and (c) ear-mark some IDA funds for African projects.
2. Realignment of our bilateral programs to (a) concentrate efforts -- outside the few major countries -- on health, education, and agricultural programs covering sub-regions, and administered without AID missions in each country; (b) use the promise of a few large capital outlays outside the major countries to stimulate and finance multi-national projects approved by the proposed World Bank Standing Group; (c) sponsor a special bilateral initiative on communications; and (d) strongly support the growth of African regional organizations.

Next Steps.

If you approve the Report in principle, we need to work out (1) a negotiating scenario which will get the other donors to request the Bank to take on the jobs listed above -- hopefully in time for the Bank's annual meetings starting September 26; (2) the country-by-country specifics of the bilateral changes; and (3) a publicity strategy which makes political points and maintains the momentum created by the OAU speech without destroying the impression that we are responding to African initiative. My thoughts on each are as follows:

1. Negotiating scenario. Woods has agreed that the Bank will take on these new assignments if we can get support for the request from our fellow donors. (Essentially, this means the UK, France, Germany, Belgium, Italy, and Japan.) Subject to your approval, our people agreed to try. We propose to send Livingston Merchant to Europe as your Special Representative for this purpose in the first week of September. (Europe virtually closes up shop during August.) We would use the time between now and then to pave the way. If things go well, we could have a package ready to discuss with the Africans by the September Bank meetings.
2. Bilateral program changes: As Ball suggests, we need to set up a State/AID/White House committee to work out the detailed tailoring of our bilateral program and the communication initiative. It would work best if it were done upon your instruction -- with a tight deadline -- preferably through a NSAM. If you agree, I will get a NSAM ready for your signature immediately.

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3. Publicity. As Ball points out, the Report should not be released. Moreover, it would be self-defeating to announce the details of our proposals while we are working on the Europeans and the Africans. Thus, we will probably not have a full-blown story to tell until October or November. However, if you wish we could prepare a short statement to the effect that the Report is finished and has been submitted to you, and that it will provide the basis for new US attention to the needs and problems of Africa, though much more work needs to be done to give it effect. We might then outline the major themes (promotion of regionalism, new stress on health, education and agriculture, etc.) which wouldn't get us into trouble. This could be a standard release, an item in one of Bill Moyers' briefings, or a voluntary at a press conference.

W. W. Rostow

Approve Report in principle _____

Speak to me _____

* * * * *

OK for Merchant to go to Europe as my Representative _____

No _____

Speak to me _____

* * * * *

Draft NSAM for my signature setting up group on bilateral program changes _____

Rostow sign NSAM _____

Speak to me _____

* * * * *

Prepare short press statement for early release _____

Prepare no statement now _____

Speak to me _____

2775
270

DEPARTMENT OF STATE
WASHINGTON

August 8, 1966

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Review of African Development Policies and
Programs Pursuant to Your Speech of May 26

1. Ambassador Edward Korry has completed the review of African Development Policies and Programs as you requested, and I enclose for your consideration his report of July 27, 1966. He has, within a very short time span, reviewed an extremely complicated subject. His report, consisting of a proposed policy for development in Africa, a brief summary of strategy, and sixteen categories of recommendations, will be extremely useful to the United States Government as we move ahead on the implementation of your speech of May 26. Assistant Secretary Palmer and I suggest that you send Ambassador Korry a note of appreciation.

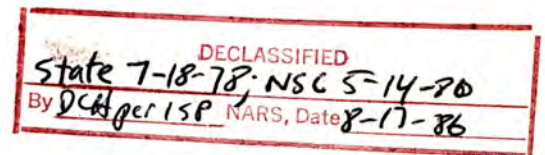
2. The Department, in conjunction with AID, has urgently reviewed this report. The recommendations range widely through a series of proposals involving action by the Executive, the Congress, international organizations and other nations. This diversity is reflected in the various kinds of action required. In general, they include:--

(a) Recommendations which are either on their way to implementation or which the Executive can on its own authority accept and pursue.

(b) Recommendations which we can support in principle, but whose implementation rests at least in part with international agencies, notably the IBRD, with donor nations, e.g. the UK and France, or with African organizations and nations. These will require amplification and negotiation before they can be put into effect.

(c) A very few recommendations requiring examination or Congressional action which must be considered further before we can wholeheartedly endorse them.

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

-2-

3. Within this framework, we are in general agreement with the report and recommend that you approve it as a basis for action.

4. There are, in my opinion, compelling reasons for not publishing this report at this time. The report recommends negotiations with international agencies and foreign governments which would be jeopardized by publication. There are frank comments on policies of other nations and international organizations which would sour relations if released. Finally, detailed statement from you, or from the White House staff, could not give sufficient additional information to have a public impact without getting into the matters subject to negotiation. Instead, we recommend that we focus on a date this autumn, such as November 15, by which time we would hope to complete enough of our discussions with international agencies, donors and Africans to permit a more meaningful statement, and to take sufficient steps on those recommendations which we can implement ourselves to present a progress report.

5. This tactic need not preclude a short announcement, which notes the receipt of the report and indicates some of the areas of implementation.

6. Pursuant to the Summary of Strategy in the Report, we are thinking along the following lines:--

(a) A sounding with Mr. George Woods of the IBRD was taken before his departure from Washington on July 28 to obtain his preliminary reaction to the proposals relating to the IBRD. He was sympathetic to them and thought they presented no serious problems if the US could help line up support among donor nations. Based on this initial encouragement, we are elaborating the lines along which an expanded IBRD participation in African development might take.

(b) Within the framework of these ideas, we are planning early approaches to certain donor nations, after which the IBRD would approach the UN Development Program, the African Development Bank, the Economic Commission for Africa, and possibly other institutions whose support is desirable for an expanded IBRD role.

(c) The discussion with Africans will be exceptionally complex, since no one organization effectively reflects the continent in such important matters. The IBRD has indicated in principle that it would take the lead in this. Talks between the IBRD and the heads of the UN Economic Commission for Africa, and the African Development Bank will follow US diplomatic efforts with donors. The IBRD annual meeting

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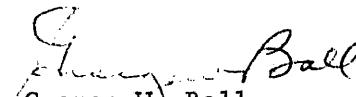
-3-

in September provides an excellent opportunity for discussions with African national representatives. We would try to get our own actions completed before then, with a view to asking Mr. Woods to initiate discussions of the new IBRD role with the African group of the Bank at this meeting. It is likely that certain additional African leaders should be approached, in addition to the Finance Ministers, and we would time these approaches to follow immediately after the Bank discussion.

(d) It will also be necessary, in due course, to discuss other aspects of the Korry Report with interested nations. For example, the educational recommendations will involve the United Kingdom, and possibly France. There are also subjects outside the realm of IBRD activities which should be discussed with African nations. The substance and timing of these talks will require further thought.

(e) It is likely that a coordinated follow-up within the Government can best be initiated by means of a National Security Action Memorandum.

(f) Meanwhile, within the Department of State and AID, Mr. Gaud and I are examining our own activities to be certain that policy guidance and operations are smoothly meshed to press ahead with both plans for the above and implementation of those recommendations falling within our immediate jurisdiction. Assistant Secretary Palmer will inform me if additional measures are required to carry forward this task.


George W. Ball

Enclosure:

Korry Report

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

8-9-66

Walt:

Herewith the proposed cover memo for the Korry Report. Joe Palmer tells me the President asked him about the Report this morning during a credential presentation. ~~Palmer~~ told him it had come in over the weekend. Actually, as you know, it arrived yesterday afternoon. You may want to mention that to the President in a buckslip.

On the negotiating front - as reflected in the memo - Ball has ruled that nothing would be gained by a Merchant trip before the first week in September. Thus,

THE WHITE HOUSE
WASHINGTON

the current plan is to (1) get Stan Cleveland - economic counselor in Paris - fully briefed and working in Paris (2) send the AID man - Bob Smith - who has been drafted to bid-
dog the Kony follow-up to Europe late next week to do what he can, and (3) follow with Merchant, carrying the President's flag, in the first week in September. I think this procedure makes sense.

EJ Hamilton

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THE WHITE HOUSE
WASHINGTON

Tuesday, August 9, 1966, 6:05 p.m.

Mr. President:

As per your request to Walt, attached is a note on what you did and did not say about Harold Wilson versus Winston Churchill. It contains also a suggestion on how Bill, Walt and the rest of us might deal with the issue.

F. M. Bator

Francis M. Bator

Attachment SENSITIVE

*I have conveyed
to George M. Lee
your message
Walt*

THE WHITE HOUSE

WASHINGTON

SENSITIVE

August 9, 1966

MEMORANDUM FOR THE RECORD

SUBJECT: ~~Harold Wilson~~ versus Winston ChurchillWhat the President Said

1. The President's direct references to Wilson single him out as "a man of mettle ... whose own enterprise and courage will show the way" and whose "firmness and ... leadership have impressed the people of the world deeply in the tradition of the great men of Britain."

2. No direct comparison to Churchill was made. At no point did the President mention Churchill and Wilson in the same paragraph. He did say that "England is blessed now as it was blessed in World War II / with gallant and hardy leadership."

3. The President's reference to Churchill appeared in a paragraph the point of which was that "a nation that has given us the tongue of a Shakespeare, the faith of a Milton, and the courage of a Churchill must always be a force for progress; an influence for good, in the affairs of men."

4. In comparing the present British situation with World War II, the President said that both required the same qualities of "fortitude" and "resolve" on the part of the British people.

How to Deal with Questions

1. I think it would be a mistake for the White House to take the initiative in countering these silly stories. There is a real danger that by being over-active, we will revive a story that is already dead.

2. If and as the subject comes up, or can be raised in context, we can usefully point out that:

- The President thinks very highly of the PM ("man of mettle");
- The President did not compare the PM to Churchill; he said that a nation which produced a Shakespeare, Milton and Churchill, "could not think small";
- The President did say that, as in World War II, England is blessed with gallant and hardy leadership;
- The whole thing is a silly tempest in a teapot, cooked up by reporters who didn't read the text very carefully.

SENSITIVE

Francis M. Bator

Tuesday - August 9, 1966

MEMORANDUM FOR THE PRESIDENT - INFORMATION

SUBJECT: Telegram from Nicaraguan President Guerrero

The new President of Nicaragua, Lorenzo Guerrero, has sent you the attached telegram expressing appreciation for all that you did in connection with the illness and death of President Schick.

WWRostow

Attachment

Translation
of
Message to the President from Lorenzo Guerrero, President of the
Republic of Nicaragua

Managua, Nicaragua

August 8, 1966

His Excellency

President Lyndon B. Johnson

Washington.

I have the honor to express to Your Excellency the gratitude of the people and Government of Nicaragua for your noble demonstrations of condolence with respect to the lamented death of His Excellency Dr. Rene Schick, who died while exercising the functions of President of the Republic. Your Excellency's indications of solidarity console our nation in its deep grief over the loss of one of its noteworthy statesmen. I am also grateful for Your Excellency's generous willingness to continue cooperating with our economic and social development. My Government will dedicate itself to increasing the happy relations which unite our two countries within the American ideals of peace, justice and liberty. Receive, Your Excellency, the testimony of my highest and most distinguished consideration.

LORENZO GUERRERO,
President of the Republic of Nicaragua.

to P File
30

Tuesday, August 9, 1966

4:20 p. m.

Mr. President:

As this memorandum of conversation indicates, the Italians have a lively interest should you make a European trip.

W. W. Rostow

(cc: Bates
State Secretariat)

WWRostow:rlh

August 9, 1966

30a

MEMORANDUM OF CONVERSATION

Italian Minister Gian Luigi Milesi Ferretti came in this afternoon, on behalf of his Ambassador, to inquire whether the President plans to go to Europe soon; and to request that, should such a trip take place, Italy be included and be informed in time for President Saragat to send an appropriate invitation to the President.

He said that the Italian Ambassador had raised this matter with McGeorge Bundy many months ago, who had promised to keep Italy in mind.

He said the Italian newspapers have recently carried reports that the President envisaged a European trip soon.

I replied that I knew of no plan for the President to go to Europe; but I would make available to the President his message.

The Minister then asked the following series of questions:

-- Did the President plan to meet de Gaulle in Guadalupe?
I replied that I knew nothing about such a plan.

-- Is the U. S. shifting its position on a non-proliferation treaty to rule out the possibility of a hardware solution to nuclear sharing?
I said that I knew of no such change.

-- Did the approach to China in the President's Alumni Council speech on Asia represent a radical new departure in policy?
I said that it represented a statement of our hope that a more moderate China would find the terms on which to live peacefully with Asia and the world; but it did not foreshadow any radical change in our policy. The critical question was whether mainland policy would moderate.

-- Were we pushing a "Grand Coalition" in West German politics?
I said we had no policy towards the domestic politics of Germany. We were looking forward to Chancellor Erhard's visit.

W. W. Rostow

Tuesday, August 9, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: News Media Contacts

Marvin Stone, U.S. NEWS & WORLD REPORT, came in on Monday, August 8, 1966, to follow up on a presentation I had made on deep background at the Overseas Writers lunch last Friday. His question was on Viet Nam. I marched through in some detail the five variables, again making the point that, while they were all moving in the right direction, they evidently had not arrived at a point where Hanoi was prepared to end the war; and we did not know when that moment would arrive. He said that he plans to prepare something on this for next week's U.S. NEWS & WORLD REPORT. Also, they plan some use of my opening presentation at the Overseas Writers lunch. George Christian was present and joined in the conversation.

W. W. Rostow

WWRostow:rlh

Tuesday, August 9, 1966
2:00 p. m.

Mr. President:

Chet Bowles sent you and Sec. Rusk a long evaluation of Mrs. Gandhi's first six months.

Feeling Chet's view was a bit colored by his job and perspective, I had Howard Wriggins do the attached, with which I concur.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By DCB NARS, Date 8-17-86

~~SECRET~~

WWRostow:rln

~~SECRET~~

August 8, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Assessment of Mrs. Gandhi's first six months

Chet Bowles has sent you and Secretary Rusk a long assessment of India six months after Shastri's death. The full text is attached. (New Delhi's 1946). I believe he is too close to the scene to see the full picture in perspective. From my vantage point, it adds up to this:

1. As a leader, Mrs. Gandhi has done a lot better than we or the Indians thought she would. I recall that, after talking to her, you were worried that she probably could not translate broader objectives into specific lines of action. While she still leans on her advisors, she has shown real courage in pressing ahead with the economic program Mehta worked out here, even in the face of opposition from tough party regulars. Her tactical inexperience has probably given her own leftist opponents somewhat freer reign than necessary, and it embarrassed her both at home and here when she let the Soviets best her in Moscow. But she has shown herself a tough fighter when challenged at home by either the doctrinaire left, whose role I believe Chet exaggerates because of the noise they make, or the doctrinaire "socialists" in the Congress Party, whose policies have meant economic stagnation. She has shown a mind of her own in mapping the beginnings of her political campaign and seems determined to act when challenged, rather than waffle, the way her father did.

2. As a policy-maker, she has so far stood behind the men who make economic sense. Indian moves in agriculture, monetary reform, and population control almost amount to a policy revolution -- despite Shastri's death and determined attacks from the opposition both left and right. It will take time for all these policy changes to be implemented and her Government may not have turned these policy advances to maximum political advantage. But it has shown no inclination so far to back off from the course it has committed itself to, and import liberalization is just now gaining momentum. We may not be able to expect much in the way of new decisions for the next six months, but last February we were about ready to write off 1966 as a total loss. We pressed her hard here in March to move quickly in the brief breathing spell this spring before political campaigning began in earnest at that time; but even George Woods doubted then that she would have the courage to take advantage of it. Bowles admits this is a distinct gain but worries that

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E.O. 12958, Sec. 3.6

NLJ 98-400

By CB, NARA Date 10-21-99~~SECRET~~

her party has not translated these major policy changes into language the grass-roots understand.

3. In foreign affairs, her performance suffers by comparison because her senior advisors do not have similar capacity for foreign policy sense. Thus, in trying to meet the political requirements in her relationship with Moscow, she let herself in for a public stance that showed insufficient regard for our interest. She still needs Moscow against China and therefore will continue to honor "non-alignment", as we did "no entangling alliances" until after World War II. Chet felt let down in a deeply personal way by her performance in Moscow, a fact which has colored his operation and reporting since.

She appears to be genuinely afraid of a larger war and has been actively seeking to open a dialogue with Hanoi, as we have encouraged her to do, which in part explains the positions she has taken. But she has had no more success than anyone else as yet.

There is no slackening in hostility toward China. Despite the noises by her opposition -- which before an election do block overt action -- there are more signs that leading officials and the military increasingly understand India's interest in our success in Vietnam, though they fear the consequences of an ever-deeper U. S. involvement.

Relations with Pakistan could go either way. Despite Shastri's death, the military disengagement after the war was accomplished. There is no peace, but no war. Pakistan's fear of India has increased; suspicion between the two countries remains deep seated, although Ayub and Mrs. Gandhi appear to view each other as reasonably rational human beings. High level conversations may come off, but substantial Indian initiatives are unlikely until after the elections, and any changes in the present situation are likely to touch off loud political noises. While deploring it, both sides appear to be close to an arms race.

Apart from economic development -- and linked to it -- the biggest piece of business we have is to use all our wit and influence to help turn the potential arms race around. We can only be helpful if we use great discretion and finesse.

4. As a politician, Mrs. Gandhi is now running into the heavy weather we anticipated as a prelude to the elections next February. I think Chet overdraws the precariousness of her position, but there is little question that a real political battle is shaping up within her own Congress

~~SECRET~~

- 3 -

party (the opposition is little threat except in one or two states). In the perspective of last February, however, possibly the most encouraging aspect of this is that Mrs. Gandhi herself emerges as a real contender in this battle, rather than simply as the pawn of party veterans Chet and others then thought she might become.

So how this situation looks on balance depends on one's perspective. Chet finds it "deeply worrisome." It seems to me, however, that she is showing increasing political starch at home and is on the right track economically. Given some luck on the monsoon and political sense among the party professionals, she could well come home strongly in February. With substantially more room for maneuver, more vigorous implementation of good economic policies may be possible, and real initiatives toward Pakistan could help to calm the Pakistanis. Improved relations between them would greatly ease our task on the whole subcontinent.

W. W. Rostow

~~SECRET~~

Copy of New Delhi 15-6, Aug. 4, 1966

For President and Secretary

*cl.
typed - original to 326
Wiggins
SPM
8/1/66*

1. At the end of Mrs. Gandhi's first 6 months as Prime Minister and with elections still 6 months away, a broad analysis of political and economic outlook in India may be in order. Views outlined below have been distilled out of recent talks with the Prime Minister, the President, several Cabinet members, key civil servants, Kamaraj, Morarji Desai, plus discussions with members of the press, in addition to exchanges among our top mission staff.

2. Let us first consider the affirmative developments of recent months, many of which are greatly to the credit of Mrs. Gandhi and her government. These include:

A. Orderly shift of government following sudden death of Shastri last winter, which was handled by the Congress Party in the best democratic tradition.

B. Mrs. Gandhi's successful visit to US, which gave both her and us a better perspective on our common problems and objectives.

C. Recognition by central government for the first time in several generations of the overriding importance of modernizing agriculture and achieving self-sufficiency in food grains, and growing determination of key leaders at state level to support this national effort.

D. Union government's decision at long last to come to grips with the problem of population control and steady implementation by center and most of the states of massive program to reduce population growth.

E. Decision to face financial facts of life by devaluing rupee, accompanied by liberalization of imports with the help of foreign exchange from the World Bank, US and other members of consortium. (Even though liberalization action has not gone as far as we might wish, it represents a very significant move in the right direction.)

F. Although progress in settling Pak-Indian differences has been disappointing, at least fighting has been stopped, border incidents minimized, and High Commissioners returned to their posts. Moreover, the Government of India has resisted political temptation to belabor the Pak issue as a means of diverting public attention from its many acute domestic problems.

G. Gradual spread of what now appears to be favorable monsoon with prospect of a good harvest.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLI 98-399

By Cl, NARA Date 9-29-99

(New Delhi 1946)

3. On the other side of the Indian balance sheet are several negative factors which are primarily political and which we find deeply disturbing:

A. Leftist groups have had some success in obstructing orderly parliamentary procedures and exploiting freedom of the press in their avowed effort to discredit democratic process and block government functioning.

B. These leftist groups have also been working with skill to exploit and magnify doubts and suspicions re US policies towards India, seeking thereby to destroy our ability to help the Government of India solve its basic problems. Paradoxically this Communist effort has met with a measure of success even against a background of two blatant Communist failures:

(1) Failure to produce the mass protests which it had announced against US Vietnam policy;

(2) Failure to fashion a domestic program of reform and development that is appealing to Indian masses.

C. An example of Communist parliamentary and public relations skill is their intense campaign to discredit Mrs. Gandhi's decision to devalue the rupee. Over a period of several months news stories had played on a widespread impression in India that the US Government has been using aid relationship to shape Indian economic policy. When devaluation was announced, Communists, against this background of latent suspicion and resentment, attacked the decision as US-dictated. They followed up this initial attack by pointing to a rise in food and other prices (which had in fact started long before devaluation) and charging that the US Government had forced India against its will into "disastrous" course of action. In US the question for public debate would have been, "Is this policy a good policy; does it benefit the nation?" In this case, national debate became focussed almost solely on the issue, "Was this action the result of US and World Bank pressure or was it not?"

D. Leftist campaign in parliament and press has been much more effective than it deserves to be because of the tactical ineptness of Mrs. Gandhi's government.

(1) For instance, from the standpoint both of parliamentary procedures and good political tactics, priority should have been given on the floor of parliament to the opposition's no-confidence motion. This debate

at the beginning of the parliamentary session would have helped unite the Congress Party and put its members in a fighting pre-election mood. Instead GOI tacticians, on the basis of previous parliamentary experience when economic differences within the party were much less divisive, insisted that the issue of economic policy should have precedence. Two days later, after the wild uproar caused by obstreperous opposition, congress floor leaders reversed themselves.

(2) In regard to foreign affairs, Delhi is full of stories of staff confusion and ineptness in handling Cairo-Belgrade-Moscow visits. In Moscow the schedule of Mrs. Gandhi's party appears to have been so manipulated by T. N. Kaul that L. K. Jha, who is known to be friendly to US, did not even see communique before it was signed.

(3) Mrs. Gandhi has also run into difficulties within her own party where a battle is being waged to determine who will run the show after the elections in February. This struggle involves three factions: those supporting (1) Mrs. Gandhi, (2) Kamaraj, and (3) Morarji Desai. Kamaraj, a skillful tactician with no clear set of economic objectives and with no developed political philosophy to steady him, has been allowed to stumble into a querulous opposition, while Desai, in lonely dignity, has emerged as an increasingly strong and predictable force.

(4) In the meantime, Mrs. Gandhi, a basically shy person, has been busily looking for people whom she can trust and who do not provoke too much controversy. On matters of substance she generally shares the views of Asoka Mehta, Subramaniam and L. K. Jha. However, perhaps because the first two have become whipping boys of the leftist groups she has at least for the moment come to lean increasingly on such bright but devious individuals as Dinesh Singh and T. N. Kaul, whose lasting qualities I seriously doubt.

E. Finally there is disturbing lack of a carefully thought out, overall Congress Party program of political, social and economic action which would be understandable and appealing to rural and urban masses and which could thereby strengthen or renew their confidence in Congress party leadership. Only failure of Communist and other opposition parties to develop programs to fill this vacuum has saved Congress Party from an even more difficult dilemma.

F. Although the immediate crop outlook is encouraging and, for the longer haul, Subramaniam's bold new Indian agricultural policy promises continuing progress, the calendar year 1967 will be another scarcity period

for the average Indian consumer. Food grain inventories of most householders and merchants have been drawn down drastically and must be replaced while purchasing power is likely to rise, putting further pressure on available supplies.

4. In spite of the significant positive factors to which I alluded above, the present situation on balance seems to me deeply worrisome. Although the irrational despair of many observers here in Delhi is clearly unjustified by the facts, there is nevertheless an ominous feeling in the air that India at a critical moment in its history may be floundering. A balanced prospectus on specific questions might run along the following lines.

A. The Government of India is genuinely anxious for direct talks with Pakistan in the hope that at least some current problems may be solved and that a period of calm may be provided in which a new Indo-Kashmir relationship can emerge. However against the background described above, Mrs. Gandhi's government cannot accept the conditions in regard to Kashmir on which Paks are now predicating further direct negotiations.

B. Although a few of us are doing our discreet best to persuade key Congress Party leaders of the need for a positive action program of reform and growth that will win public support, we are unlikely to succeed in the near future. It would be more realistic to assume that in the coming months the Government of India will continue to act as a punching bag for increasingly irresponsible leftist oratory.

C. Because the Gandhi government has been hard put to it to defend even its most constructive policies, it may become increasingly reluctant to launch new policies which would only lead to further leftist attacks. In Nehru's day Indian public was content to sit back while Nehru wrestled out basic political decisions in the back room with Pant, Azad, and other key colleagues. I believe that in the next few years, leftist attacks will either cripple democratic government in India or force the government to adopt and learn how to defend constructive positions more effectively.

D. On the more hopeful side of the ledger is near certainty that as election approaches, Congress Party will be drawn closer together by necessity. Although the power struggle within the party will continue, its more obvious manifestations will be subdued and an effort made to bridge personal differences. For instance, there is a stubborn rumor that Morarji Desai may be invited into the Cabinet as Home Minister. Two days ago Desai told me that he would "reluctantly accept provided the government is prepared forcefully to meet the Communist challenge with all its implications."

E. Also on the positive side: Mrs. Gandhi, in spite of her present uncertainties, is politically courageous, intelligent, and capable of bold decisions (as we saw on the devaluation issue). Indian political leadership has traditionally demonstrated a high degree of flexibility in the face of new conditions and the bast party which she heads retains its long established grass roots influence in the rural areas.

F. Working from this political power base, Mrs. Gandhi with her own good qualities and experience, may yet emerge as the effective Prime Minister which India so urgently needs. Indeed her speech in Parliament today demonstrates her ability to summon up reserves of strength and effectiveness when she has to.

BOWLES

Tuesday, August 9, 1966
2:00 p. m.

Mr. President:

Here is the first attempted major operation to go to work on the political orientation of the NLF.

The case itself is attractive, if it works out; but it is equally important that Lodge is now aboard and interested.

W. W. Rostow

Saigon 2818 and 3038
~~SECRET~~ -- SENSITIVE

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By DCH NARS, Date 8-17-86

WWRostow:rln

~~SECRET~~ - NODIS

Tuesday, August 9, 1966

FOR THE SECRETARY FROM LODGE (Saigon, 2818)

We have been impressed by the growing number of indicators, buttressed by the Rand/Goure Report, that the National Liberation Front/Viet Cong morale is sinking. These have naturally led us to give intensive consideration to what might be done to stimulate decay in their organization. At present, we are endeavoring to set up a test in a particular province (that of the official now in charge of the Chieu Hoi activity) with a view to determining whether certain incentives can be provided, in the form of material and status rewards, which would induce high-level National Liberation Front/Viet Cong defections.

By material and status rewards, we mean:

a) substantial cash awards to families to enable such high-level defectors to "reconstitute their lives"; and,

b) assurances that their status as officials will be recognized if they come over, that they will not be herded into ordinary Chieu Hoi centers or prisons, that they and their families will not be maltreated; and that they will be permitted to resume their professions if they have them, provided they maintain correct attitudes toward the Government of Vietnam.

It will probably not be easy to induce the Government of Vietnam to accept such an approach, though their attitude toward returnees has improved considerably. Their objection stems from a reluctance to "reward" National Liberation Front/Viet Cong, while patriotic elements are unrewarded. Their tendency has been to rely on rewards for National Liberation Front/Viet Cong taken "dead or alive."

To counter this, it is currently our idea that the proposal be described as the Government of Vietnam rewarding the families for performance of a patriotic duty in persuading their relatives to return to the Government of Vietnam side. We are now developing a format to propose to the Government of Vietnam on this.

~~SECRET~~ - NODIS

DECLASSIFIED

Authority FRUS 64-68, vol. 4, item 204

By ju, NARA. Date 7-10-98

If we are blocked by bureaucracy from running a test along the general lines mentioned above, I will take the matter to Ky with a view to convincing him that this is a worthwhile effort, that it is better to induce National Liberation Front/Viet Cong by such means to walk in rather than have to go shoot them and get shot ourselves in the process. My talk with him yesterday will, I hope, have paved the way.

We do not intend to confine awards to families of returnees, but will consider other devices calculated to minimize political resentment, such as donations to Vietnamese war veterans, etc. I will keep you informed as this matter develops.

A second effort we are making is at present closely held among very few of us here. On July 23, one of our most experienced American officials, a man with an excellent reputation among Vietnamese, was approached and requested to meet with an uncle of Nguyen Huu Tho, Chairman of the National Liberation Front. The uncle is head of the Tho family as now constituted, and has assumed responsibility for the welfare of Tho's wife and nine children, the tenth child, a boy, being with Tho in the Maquis.

We approved a meeting between the American and the uncle in the presence of the intermediary. The uncle said he wished to induce Tho to come back, not only for patriotic but for family reasons. As Tho would turn himself over only to the Americans, they wished to know whether we would help, if he did so, and particularly whether we would put Tho beyond reach of the Viet Cong.

Bill Porter, who is handling the matter at my request, instructed the American to give assurances that we would assist Tho and his family in every possible way, including protection from the Viet Cong. This assurance was given on July 26 and in return, Tho's uncle stated that the plan would be implemented immediately by sending his (uncle's) wife to Cambodia (they declared no problem doing this) where she would meet with Tho's mother-in-law. The two women would then go either singly or together to meet with Tho or call Tho to see them, their purpose being to obtain from Tho a statement of conditions under which he would come back.

The uncle's wife would then return to Saigon with these conditions, which would then pass from her to the uncle to the intermediary to the American contact. The uncle believes Tho will insist on talking to an authorized American before actually turning himself in. He insists Tho is not a real Communist.

The intermediary who arranged the meeting with Tho's uncle expressed the view that if Tho comes over, several other prominent National Liberation Front/Viet Cong officials would also come. He cited by name Nguyen Van Tri, alias Muoi Tri, Viet Cong political and military advisor, Zone D; Hbay Mon, Viet Cong Chief of West; La Van Liem, Special Commissioner for Viet Cong special missions in Saigon, Cholon and Gia Dinh (terror, sabotage).

Tho's uncle said during the meeting with the American that if Tho comes over, he may arrange to free some American prisoners when he does. The uncle said there is no further need for direct contact between him and the American, that further messages on this subject would come through the intermediary.

We have learned that the uncle's wife left immediately as scheduled. There is no further word.

If and when the matter progresses to the point where arrangements are required, the CIA Station Chief will be brought into effect ~~them~~.

I cannot forecast what will come of this, but it is an interesting family initiative. We will look for others. I assume I have authority to make any arrangements required to get Tho or any other top-ranking National Liberation Front/Viet Cong to come over and that if they wish to do so to us instead of to the Government of Vietnam, we should accept and leave problems to be cleared up with the Government of Vietnam later.

LODGE

~~SECRET - NODIS~~

Tuesday, August 9, 1966

EYES ONLY FOR THE SECRETARY FROM LODGE (Saigon, 3038)

Following is further information on the case discussed in my 2818.

The intermediary has just informed the American mentioned therein that the women made contact as expected and brought back the message that the uncle was to proceed to a certain destination where he would be met and taken to the principal who wishes to see him personally. We have details of the destination and date but prefer to hold them here unless you require them. The intermediary believes that after the uncle and principal meet, another meeting will be requested in the presence of an authoritative American. I will, of course, be in close touch with you as the matter develops.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-30
By WJ NARA. Date 3-13-90

~~SECRET - NODIS~~

~~CONFIDENTIAL~~

Tuesday, August 9, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Appointment with Ambassador Goldberg

Ambassador Goldberg is scheduled to call at 12:30 PM today, Tuesday, August 9, to report on:

- 1. status of the US/USSR negotiations on an outer space treaty, and
- 2. talks in Geneva on Vietnam prisoners with International Red Cross officials.

You may wish to:

- 1. Ask Ambassador Goldberg whether he thinks the Soviets are ready to agree on a treaty we can accept.

The State Department views the two principal issues dividing us as:

- a. Access - We insist that the principle of free access to all installations and vehicles on celestial bodies be reflected in a treaty, subject only to reasonable safety precautions. The USSR has sought to qualify the right of access with such concepts as "reciprocity" and agreement as to the timing of visits.
 - b. Reporting - Our treaty article as tabled provides for compulsory reporting to the Secretary General on the nature and location of activities on celestial bodies and publication of information on the results of these activities for the benefit of the public and the international scientific community. The USSR insists that the reporting obligation should be voluntary.
- 2. Request Ambassador Goldberg to visit a number of foreign capitals to advance the Vietnam peace campaign.

His trip would be completed before the UN General Assembly opens September 20.

~~CONFIDENTIAL~~

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NIJ 88-33
 By sig NARA, Date 5-15-89

~~CONFIDENTIAL~~

- 2 -

Secretary Rusk recommends he visit:

Poland
Rumania
Yugoslavia
Austria

(not Moscow)

W. W. Rostow

~~CONFIDENTIAL~~



12273
IN REPLY REFER TO:

DEPARTMENT OF STATE
WASHINGTON

~~CONFIDENTIAL~~

August 8, 1966

2785
34a

MEMORANDUM FOR MR. WALT W. ROSTOW
THE WHITE HOUSE

Subject: Ambassador Goldberg's Meeting with President

Ambassador Goldberg will meet with the President on Tuesday to report to him on the status of the US-USSR negotiations looking towards an outer space treaty. The President may wish to get Ambassador Goldberg's assessment of the likelihood that such a treaty can be concluded before the opening of the General Assembly on September 20 in light of the fact that there are only two principal issues that divide us at the moment:

a. Access - We insist that the principle of free access to all installations and vehicles on celestial bodies be reflected in a treaty, subject only to reasonable safety precautions. The USSR has sought to qualify the right of access with such concepts as "reciprocity" and agreement as to the timing of visits.

b. Reporting - Our treaty article as tabled provides for compulsory reporting to the SYG on the nature and location of activities on celestial bodies and publication of information on the results of these activities for the benefit of the public and the international scientific community. The USSR insists that the reporting obligation should be voluntary.

Ambassador


~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 88-29
By sig, NARA, Date 7-27-88

~~CONFIDENTIAL~~

-2-

Ambassador Goldberg will also report to the President on his discussions with Gonard, President of the ICRC. Gonard is discussing with his Executive Committee a possible ICRC initiative with Hanoi to see whether a conference designed to get peace talks going can be convened. Gonard is expected to tell us on Tuesday the final decision of his Executive Committee. Regarding Vietnam, we understand the President may wish to raise with Ambassador Goldberg the desirability of having him visit a number of capitals to keep the peace ball in play. Ambassador Goldberg is prepared to undertake such a trip if the President desires and has in mind about ten days starting in early September so that he can be back in New York by about the 14th of September, a few days before the opening of the General Assembly (September 20).


Benjamin H. Read
Executive Secretary

~~CONFIDENTIAL~~

RECEIVED
ROSTOW'S OFFICE

1966 AUG 8 PM 7 01

~~CONFIDENTIAL~~

Tuesday - August 9, 1966

MEMORANDUM FOR THE PRESIDENT - INFORMATION

SUBJECT: Schedule for IAPF Withdrawal

General Linvill has informed Ellsworth Bunker that the IAPF withdrawal schedule (following the token withdrawal of some 400 men prior to July 1) is:

Phase I - July 18-30

U. S.	171 men
Paraguay	204 "
Total shipped	375 "
Total remaining	7240 "

Phase II - August 5-15

U. S.	2052 "
Honduras	227 "
Costa Rica	11 "
Total to be shipped	2290 "
Total remaining	4956 "

Phase III - August 15-30

U. S.	565 "
Nicaragua	159 "
Total to be shipped	724 "
Total remaining	4232 "

September 1-24

U. S.	3113 "
Brazil	1119 "
Total to be shipped	4232
Total remaining	0.

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NLJ 88-34
 By mg, NARA, Date 1-20-86

~~CONFIDENTIAL~~

2

Ellsworth will be discussing this schedule with President Balaguer when he returns to the DR today.

The schedule provides for complete withdrawal two days prior to the 90-day period fixed by the OAS last July.

As things now stand in the DR. there is no reason to extend the presence of the IAPF in the DR beyond the September 26 deadline.

W. W. Rostow

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

August 8, 1966

MEMORANDUM FOR THE CHAIRMAN of the
U. S. ATOMIC ENERGY COMMISSION

Subject: Request for Reprogramming of Funds to Develop
Supplemental Underground Weapons Testing Sites

The President has reviewed the AEC's request to develop additional underground nuclear weapons testing sites and has approved the reprogramming of \$25 million of available funds for use by the AEC in FY-1967 for initial development of the proposed Nevada site and for an initial survey of possible sites in Alaska. This does not constitute approval of the development of an Alaskan site and further consideration should be given to this problem in connection with the FY-1968 budget.

The survey of possible Alaskan sites should not be initiated until the proposal has been cleared with the Governor and Congressional delegation of Alaska. The projects in both Nevada and Alaska should be carried out with as low visibility as possible. Any press announcements concerning this program should be cleared with the State Department and the White House.

The President has not approved the proposal to approach the United Kingdom or Australia concerning the possibility of using Christmas Island or Australia as a possible alternate test site and no action should be taken on this without specific clearance from the State Department and the White House.

W W Rostow
W. W. Rostow

- cc: Sec of State
- Sec of Defense
- Dir of ACDA
- Dir of BOB

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-18
By *inf* NARA, Date 8-8-89

~~SECRET~~

~~SECRET - Restricted Data~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-18
By ing NARA, Date 8-8-89

MEMORANDUM FOR THE PRESIDENT

Subject: Development of Alternate Underground Nuclear Weapons Test Sites

In the attached memorandum (Tab A), Charlie Schultze recommends that you approve an AEC request to reprogram \$25 million of available AEC FY-1967 funds so that the AEC can (1) begin development of a new underground nuclear test site in the vicinity of the present Nevada test site and (2) initiate an unpublicized survey of Alaska for a possible additional underground test site. This action has been submitted for your consideration in view of its potential domestic and international political implications as well as its future budgetary consequences.

The AEC has concluded that, since the present Nevada test site is probably limited for reasons of safety to tests in the one-megaton range, it will require new sites in order to test devices with yields up to six or seven megatons which it believes will be necessary to develop the "optimum" warhead for a future NIKE-ZEUS AICBM system. In the attached letter (Tab B) Glenn Seaborg outlines for your consideration the AEC's plan to develop these alternate underground test sites. In addition to developing a new site in the vicinity of the present Nevada test site, the AEC is interested in exploring possible sites in Alaska north of the Brooks Range and on the island of Amchitka, as well as the possibility of sites in central Australia and on Christmas Island.

The DOD supports the need for an alternate test site for higher yield tests. The State Department has raised no objection to developing such sites in Nevada or Alaska if it is a military necessity, but has not yet agreed to approaching the UK or Australia on the possibility of sites outside the US. ACDA has raised the policy issue that the announcement of a new site in Alaska or elsewhere for very high-yield weapons tests will lead to international charges that we are escalating the nuclear arms race.

~~SECRET - RESTRICTED DATA~~

I think there is general agreement that extension of the present Nevada test site, which would permit tests up to at least two megatons, does not present any immediate problems since it would appear to be a continuation of our present test activities. The issue, therefore, is whether we want to face at this time the domestic and international political problems involved in seeking new sites in Alaska or outside the United States suitable for tests with yields as high as six or seven megatons.

The specific funding recommended by the BOB would defer this issue by limiting immediate activities to the development of the additional Nevada test site and for initial "covert" reconnaissance of an Alaskan test site. This would not require a decision as to the actual development of the Alaskan site or initiation of negotiations with foreign governments concerning possible sites outside the US. In the meantime, information obtained in the present Nevada test series and in the continuing study of the AICBM warhead problem will clarify both the actual yield limitations on testing in Nevada and the yield requirements for testing.

Some urgency attaches to your action on this matter since \$25 million of available funds are presently surplus to AEC's needs, and it is to be expected that this amount will be deducted by the House Appropriations Committee early next week when it marks up the AEC appropriation for 1967 unless a reason can be shown for leaving the funds with AEC. This method of funding would be much less conspicuous than sending up a supplemental for this purpose.

In view of the above, I recommend that you avoid general concurrence at this time in the over-all AEC program but permit the initial phase of the program to go ahead by approving the specific funding recommendations of the Bureau of the Budget. If you concur, I will inform the AEC and the BOB of this action by the attached memorandum (Tab C) which also states that the Alaska survey should be conducted without publicity and should not be initiated until it has been cleared with the Governor and Congressional delegation of Alaska and that no negotiations on this subject with foreign countries should be undertaken without prior clearance with the State Department and the White House.

Atts. (3)

W. W. Rostow

Approved _____
Disapproved _____
Discuss with me _____

SMKeeny:jb:8-4-66
bcc: SMK file and chron
NSC files (2)
CEJ come-back cy
SMK come-back cy

Monday - August 8, 1966

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: Letter to Former President Valencia of Colombia

In his valedictory address before the Colombian Congress on July 20 President Valencia went out of his way to praise the United States. He referred specifically to our Embassy, Ambassador Oliver and the Peace Corps (Tab B).

In reporting the speech, Covey Oliver recommended that you acknowledge this unusually favorable gesture by a Latin American Chief of State with a personal letter.

Linc Gordon concurs. So do I. At Tab A is a suggested letter to ex-President Valencia.

W. W. Rostow

Attachments

Tab A & B.

*Show to Bill M
for backgrounding
also Bandler F -
L*

*Cps to Mayor & Bandler
Bandler to deliver
original to State 8/9*

3 1a

THE WHITE HOUSE

WASHINGTON

8/9/66

Dear Dr. Valencia:

I am moved to write you concerning the generous remarks you made about the United States in your address to the Colombian Congress on July 20. Ambassador Oliver has brought them to my attention.

Your four years in office were years of great service to Colombia and the hemisphere. I am gratified that our assistance contributed to that achievement.

Ambassador Covey Oliver will soon be leaving Bogota. I accepted his resignation with deep regret. His able service in Colombia and close working relationship with you have strengthened the cordial ties between our two countries.

As you return to private life, I congratulate you on the accomplishments of your Presidency and send you best wishes in your new pursuits.

Sincerely,

Dr. Guillermo Leon Valencia
Bogota
Colombia

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ju, NARA, Date 7-10-98

Quotations in Translation
from President Valencia's Address Before
the Opening of Congress, July 20, 1966

On the American Embassy:

"The United States Embassy where we have found only understanding, sympathy and assistance whenever we looked to it for support."

On Ambassador Oliver:

"One of Colombia's best friends, not only in character as Ambassador, but as a person who assays his extraordinary intelligence with vast erudition and adorns it with noblest character, the kindest sympathy and that admirable honesty which distinguishes him from his peers with enduring character. I want to declare today when I expect nothing from him that he merits the admiration, gratitude, and affection of the Republic and of the Colombian people."

On the United States (and Dutch) Peace Corps:

" . . . which in self-denying, valorous, and efficacious ways have travelled through the countryside making contact with the Colombian people, listening to their problems, stimulating their ambitions, contributing to the realization of their hopes. The names of these young people are written on our grateful hearts and they can count in the future on the reciprocity of the willingness of service of the Colombian people."

Monday - August 8, 1966

Mr. President :

Last May the Executive Committee of the Rural Electric Cooperative No. One in Nicaragua sent you a scroll expressing appreciation for U. S. financial assistance. You sent Ambassador Brown a letter asking him to convey your gratitude to the Executive Committee.

The attached letter and picture from Ambassador Brown tell the story of what he did with your letter.

W. W. Rostow

Attachment

Ambassador Aaron S. Brown's letter of August 2, 1966 to the President sending photos taken of the presentation of the President's letter of May 26, 1966 to the Ambassador.

~~SECRET~~

August 8, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Military Supply Policy for India and Pakistan

After lengthy discussions, State and Defense have finally agreed on how to approach the problem of military supplies to Pakistan and India.

Since providing lethal spares to Pakistan will promote difficulties in India for us and for Mrs. Gandhi, and not providing them will create difficulties for us and Ayub in Pakistan, the paper does not make a specific recommendation today on whether or not to sell spares for Pakistan now.

Rather, it seeks to put the narrow problem of spares for Pakistan within the much larger and more important issue of getting both India and Pakistan together (or separately) to agree on limiting their defense outlays. It proposes that Gene Locke explore with Ayub how he will limit his relationship with China and enter serious talks to reach agreed arms limitations with India, while we study with him the problem of spares and possible free world, third country sources of indispensable military equipment. Simultaneously, Chet Bowles would make clear we are above all seeking to get the two countries to agree on an arms limitation and to restrain the Pak-Chicom relationship. But to do this we have to explore with Pakistan their need for spares. This step should help to allay their growing fear of India and give India, Pakistan, and the U. S. time to promote a more active dialogue on agreed arms limitations.

You are, in short, being asked to authorize parallel explorations in both capitals. A final decision on actions to be taken will depend on the results of these explorations.

If they are conducted with finesse and luck is with us, we could make substantial progress. If our political opponents in either country wish to, they could use the mere fact of our explorations to raise some dust. Even starting the explorations will net us sharp criticism in

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DECLASSIFIED
State 5-15-78; NSC 11-22-78
By Oct 1980 NARS, Date 8-17-86

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- 2 -

India, as Sig Harrison's premature story in the Washington Post demonstrates.

This approach will keep our hand in the game in Pakistan and may provide one handle for tackling the arms limitation problem. The Indians should not take so desperately seriously a possible U. S. program of roughly \$8 million. If their reaction is profound and sustained, we can still decide what to do later on.

Both Secretaries recommend you proceed with this exploratory step, and I concur.

W. W. R.

Agree to explore in both Pakistan and India _____

See me _____

~~SECRET~~

Monday - August 8, 1966

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: Letter to Former President Valencia of Colombia

In his valedictory address before the Colombian Congress on July 20 President Valencia went out of his way to praise the United States. He referred specifically to our Embassy, Ambassador Oliver and the Peace Corps (Tab B).

In reporting the speech, Covey Oliver recommended that you acknowledge this unusually favorable gesture by a Latin American Chief of State with a personal letter.

Linc Gordon concurs. So do I. At Tab A is a suggested letter to ex-President Valencia.

W. W. Rostow

Attachments

Tab A & B.

THE WHITE HOUSE
WASHINGTON

117a

August 9, 1966

Dear Dr. Valencia:

I am moved to write you concerning the generous remarks you made about the United States in your address to the Colombian Congress on July 20. Ambassador Oliver has brought them to my attention.

Your four years in office were years of great service to Colombia and the hemisphere. I am gratified that our assistance contributed to that achievement.

Ambassador Covey Oliver will soon be leaving Bogota. I accepted his resignation with deep regret. His able service in Colombia and close working relationship with you have strengthened the cordial ties between our two countries.

As you return to private life, I congratulate you on the accomplishments of your Presidency and send you best wishes in your new pursuits.

Sincerely,

LBS

Dr. Guillermo Leon Valencia
Bogota
Colombia

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 88-34
By ujg, NARA, Date 1-20-89

Quotations in Translation
from President Valencia's Address Before
the Opening of Congress, July 20, 1966

On the American Embassy:

"The United States Embassy where we have found only understanding, sympathy and assistance whenever we looked to it for support."

On Ambassador Oliver:

"One of Colombia's best friends, not only in character as Ambassador, but as a person who assays his extraordinary intelligence with vast erudition and adorns it with noblest character, the kindest sympathy and that admirable honesty which distinguishes him from his peers with enduring character. I want to declare today when I expect nothing from him that he merits the admiration, gratitude, and affection of the Republic and of the Colombian people."

On the United States (and Dutch) Peace Corps:

" . . . which in self-denying, valorous, and efficacious ways have travelled through the countryside making contact with the Colombian people, listening to their problems, stimulating their ambitions, contributing to the realization of their hopes. The names of these young people are written on our grateful hearts and they can count in the future on the reciprocity of the willingness of service of the Colombian people."

Monday, August 8, 1966
11:45 a.m.

Mr. President:

You asked me to establish with Sec. McNamara how Edward Hidalgo could have been employed by the Dept. of Defense in the light of the derogatory material in his file.

The attached indicates the great care taken by Sec. Nitze in running down these items before he hired Hidalgo and why he thought them unsubstantiated.

W. W. Rostow

Sec. McNamara memo
8 Aug 1966

THE SECRETARY OF DEFENSE
WASHINGTON

8 August 1966

MEMORANDUM FOR THE PRESIDENT

Subj: Edward HIDALGO

The attached Memorandum for the Record, which was prepared by the Secretary of the Navy at the time he appointed Mr. Edward HIDALGO, analyzes the favorable and unfavorable material in Mr. Hidalgo's then current investigative file and states the rationale for the Secretary of the Navy's decision to employ Mr. Hidalgo.

I am informed by the Secretary of the Navy that Mr. Hidalgo's performance during his one year tenure in the Navy was eminently satisfactory. Included among the important tasks which were assigned to him were the following:

- a. Navy's representative in interdepartmental Equal Employment Opportunity Programs.
- b. Initiating action to increase the opportunity for Negroes at the Naval Academy.
- c. Supervision of action to resolve a difficult race relations problem at the Norfolk Naval Shipyard.
- d. Navy representative on a Department of Defense study of Service War Colleges and Academies.
- e. Preparation of addresses by the Secretary of the Navy.

The Secretary of the Navy also informs me that Mr. Hidalgo's ethical standards during his year's employment in the Navy were above reproach.

Robert S. McNamara

Attachment

Monday, August 8, 1966
6:00 p. m.

Mr. President:

It now appears that Sec. Rusk wishes to raise at 6:15 p. m. this evening the problem of military aid to India and Pakistan.

The attached paper may be helpful.

W. W. Rostow

WWRostow:rlh

~~SECRET~~

August 8, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Military Supply Policy for India and Pakistan

After lengthy discussions, State and Defense have finally agreed on how to approach the problem of military supplies to Pakistan and India.

Since providing lethal spares to Pakistan will promote difficulties in India for us and for Mrs. Gandhi, and not providing them will create difficulties for us and Ayub in Pakistan, the paper does not make a specific recommendation today on whether or not to sell spares for Pakistan now.

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DECLASSIFIED
State 5-15-78 NSC 11-22-78
By DCH per IP WFK Date 8-17-86

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- 2 -

India, as Sig Harrison's premature story in the Washington Post demonstrates.

This approach will keep our hand in the game in Pakistan and may provide one handle for tackling the arms limitation problem. The Indians should not take so desperately seriously a possible U. S. program of roughly \$8 million. If their reaction is profound and sustained, we can still decide what to do later on.

Both Secretaries recommend you proceed with this exploratory step, and I concur.

W. W. R.

Agree to explore in both Pakistan and India _____

See me _____

~~SECRET~~

August 8, 1966

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

You will be meeting with Ambassador William H. Sullivan, our Ambassador to Laos, at noon today. The meeting was proposed by Secretary Rusk who thought you would be interested in getting Sullivan's report on current political and military developments in Laos and his views on our future course there, particularly as they relate to Viet-Nam.

Sullivan is one of the brighter young (43) foreign service officers. He has been in Laos since December 1964.

You may want to ask him:

- (1) How things are going in Laos;
- (2) How is Prime Minister Souvanna Phouma holding up; is the internal political situation relatively stable;
- (3) How does he read the significant North Vietnamese military buildup in Laos over the last year (one NVN Battalion believed in Laos on July 1965, 13 NVN Battalions in Laos on July 1, 1966);
- (4) How much pressure is Souvanna under from the Soviets as a result of our involvement in Laos;
- (5) His estimate of the effectiveness of our aerial support in Laos;
- (6) Are there things we should be doing that we are not doing in Laos?

A biographic note is attached.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 88-19
By WJ, NARA, Date 12-10-91

W. W. Rostow

Att.

~~CONFIDENTIAL~~

~~SECRET~~

August 8, 1966

44 to P
in
Watson

Meeting with Sect. Rusk and Sect. McNamara

August 8, 6:15 p.m.

cc: Moyers

Agenda

1. U. S Assistance to India's Unconventional Warfare Force.
Sects. Rusk and McNamara.

You held up two add-ons to this program awaiting the views of the two Secretaries. The add-ons are:

-- arms for a 7,000-man addition to the Indian force (about \$8 million over three years).

-- three C-130 aircraft (\$10 million), one configured for ELINT missions, two for training Indian crews in logistical support of the unconventional force.

The attached paper argues the case for this enlarged program which Ambassador Bowles continues to press strongly on us.

2. Gromyko. - Sect. Rusk

I believe Sect. Rusk would like to see if we can get Gromyko over here a week before the U. N. General Assembly to try to nail down the Outer Space Treaty and, if possible, the Non-Proliferation Treaty.

3. Persuading Hanoi and Peiping that we really are willing to get out of the massive South Vietnamese bases we are building .

Sect. McNamara wishes to raise this problem. I have some notions about how to do this.

4. Other

W. W. R.

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 88-33
By ijg NARA, Date 5-15-89

Monday, August 8, 1966 -- 10:30 a. m.

Mr. President:

If you are considering David Ginsburg for a post in the Department of State, I should like to report the following, although you should understand that, while I have known Ginsburg casually for many years, I do not know him very well.

On social occasions over the past year he has indicated to both Elspeth and to me a profound hostility towards our Viet Nam policy; and, I believe, he is quite close to both Walter Lippmann and Joseph Kraft.

I would not take my experience and impression as final. But I do believe you should establish whether this impression has validity.

W. W. Rostow

WWRostow:rln