

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

173

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#1 memo	to President from Rostow re: India & Pakistan <del>confidential</del> [sanitized 9/6/79] <i>open 7/28/98</i>	<del>3 p</del> 08/31/66	A
#2a cable	Text of Saigon 4923 <del>Secret</del> <i>sanitized 8-23-90 NLJ 88-17</i>	<del>10 p</del> 08/31/66	A
#3 memo	to President from Rostow re: Iran <del>secret</del> <i>open 1-27-92 NLJ 88-19</i>	<del>1 p</del> 08/31/66	A
#3a letter	to President Johnson from Shah of Iran <del>possible classified info</del> <i>open 1-27-92 NLJ 88-19</i>	<del>4 p</del> 08/15/66	A
#4 memo	to President from Rostow re: PM Maiwandwal <del>confidential</del> <i>open 8-1-89 NLJ 88-66</i>	<del>1 p</del> 08/31/66	A
#4a letter	to PM Maiwandwal from President Johnson <del>possible classified info</del> <i>open 7/28/98</i>	<del>1 p</del> 09/01/66	A
#6a letter	suggested reply to PM Wilson <del>secret</del> <i>Exempt NLJ 88-66</i>	<del>2 p</del> undated	A
#9a letter	suggested reply to PM Wilson <del>secret</del> <i>open 3-22-91 NLJ 90-245</i>	<del>2 p</del> undated	A
#11 memo	to President from Rostow re: Mrs. Gandhi <del>confidential</del> <i>open 8-1-89 NLJ 88-66</i>	<del>1 p</del> 08/31/66	A
#11a letter	to Mrs. Gandhi from Pres. Johnson <del>possible classified info</del> <i>sanitized 8-1-89 NLJ 88-66</i>	<del>2 p</del> 08/31/66	A
#13 memo	to President from Rostow <del>secret</del> <i>open 8-1-89 NLJ 88-66</i>	<del>1 p</del> 08/30/66	A
#15 letter	to Pres. Ayub Khan from Pres. Johnson <del>possible classified info</del> <i>sanitized 8-1-89 NLJ 88-66</i>	<del>1 p</del> 08/30/66	A
#16 memo	to Pres. Johnson from Rostow re: Vietnam <del>top secret</del> <i>open 12-12-91 NLJ 88-55</i>	<del>1 p</del> 08/30/66	A
#16a memo	to President from Maxwell Taylor re: Vietnam <del>top secret</del> <i>open 5-9-89 NLJ 88-68</i>	<del>3 p</del> 08/30/66	A
#18 memo	to President from Rostow <del>possible classified info</del> <i>Exempt NLJ 88-66</i>	<del>1 p</del> 08/30/66	A
#19a cable	text of Hong Kong 1392 <del>confidential</del> <i>open 2-3-89 NLJ 88-17</i>	<del>4 p</del> 08/30/66	A

FILE LOCATION

NATIONAL SECURITY FILE, Memos to the President  
Walt Rostow, vol. 11 August 12 - 31, 1966  
Box 10

RESTRICTION CODES

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

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#22a cable	text of cable from Gen. Westmoreland #29797 <del>top secret</del> <i>Open 4-19-88 NLJ 88-56</i> 4 p	08/26/66	A
#25 memo <i>Sanitized not open nlj 2-23-00 nlj 03-143</i>	to President from Francis Bator re: NATO <i>Sanitized 11-4-92</i> <del>top secret</del> <i>Exempt NLJ 88-55</i> 2 p	08/24/66	A
#25a memo	to President from Cyrus Vance re: NATO <del>top secret</del> <i>Open 8-22-83 NLJ 88-55</i> 2 p <i>Declassified to Secret per NLJ 88-55</i> <i>same sanitization 2-13-07 NLJ 98-406</i>	05/07/66	A
#25b report	re: NATO <i>Sanitized 12-26-89 NLJ 88-58</i> <del>top secret</del> <i>same sanitization 9-13-07 NLJ 98-406</i> 3 p	undated	A
#27 memo	to President from Bromley Smith <del>secret</del> <i>Open 1-27-92 NLJ 88-19</i> 1 p	08/23/66	A
#28 memo	to President from Bromley Smith <del>secret</del> <i>Open 1-27-92 NLJ 88-19</i> 1 p	08/22/66	A
#31e memo	to President from Wm. Bowdler re: Jamaica <del>possible classified info</del> <i>Open 8-1-89 NLJ 88-66</i> 1 p	08/18/66	A
#31f letter	to PM Bustamante from Pres. Johnson <del>possible classified info</del> 2 p	08/17/66	A
#31g letter	to President Johnson from PM Bustamante <del>possible classified info</del> <i>Exempt NLJ 88-66</i> 1 p <i>Confidential per NLJ 88-66</i>	07/19/66	A
#34a letter	to President Kayibanda from Pres. Johnson <del>possible classified info</del> <i>Open 8-1-89 NLJ 88-66</i> 1 p	08/17/66	A
#39a letter	to PM Holt from Pres. Johnson <del>possible classified info</del> 2 p	08/16/66	A
#40 letter <i>marked in error</i>	to President from Ed Hamilton <del>possible classified info</del> <i>Sanitized 8-1-89 NLJ 88-66</i> 1 p <i>Confidential per NLJ 88-66</i>	08/16/66	A
#41 memo	to President from Wm. Jordan re: Korea <del>confidential</del> <i>Open 8-1-89 NLJ 88-66</i> 1 p	08/15/66	A
#41b memo	to President from David Bell re: Korea <del>confidential</del> <i>Open 8-10-89 NLJ 88-160</i> 2 p	07/19/66	A
#43 memo	to President from Rostow re: Israeli Desalting <del>secret</del> <i>Sanitized 3-15-79</i> 2 p	08/12/66	A
#45 memo	to President from Rostow re: Israeli Desalting <del>secret</del> <i>Sanitized 3-13-79</i> 2 p	08/12/66	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#46a report	re: Philippines <i>open 7/28/98</i> confidential [sanitized 10/28/82] <del>2 p</del>	<del>undated</del>	<del>A</del>
#47 memo	to President from Rostow <i>sanitized 8-1-89 NLJ 88-66</i> secret <i>open 11-4-99 NLJ 98-402</i> 1 p	08/12/66	xxA
#47a report	talking points for the President re: UAR <del>secret</del> <i>open 10-28-99 NLJ 98-403</i> 1 p	undated	A
#47b report	re: US-UAR relations " <del>secret</del> 5 p	undated	A
#49 memo	to President from WWR <del>top secret</del> <i>open 12-12-91 NLJ 88-55</i> 2 p	08/12/66	A
#49a memo	to President from Rostow re: non-proliferation treaty top secret <i>Exempt NLJ 88-68 sanitized 12/5/02</i> 5 p	08/12/66	A
#49b cable	TDCS 314/09664-66 secret <i>Exempt NLJ 88-48 Sanitize 2-23-00 NLJ 98-404</i> 1 p	08/04/66	A
#49c cable	Bonn 820 <del>confidential</del> <i>open 10-28-99 NLJ 98-403</i> 1 p	07/20/66	A
#49d report	re: Arms Control <i>Exempt NLJ 88-17</i> top secret <i>open 9-23-92 NLJ 92-282</i> 11 p	undated	A
#50a cable	Text of Saigon 3264 <del>secret</del> <i>open 10-28-99 NLJ 98-403</i> 2 p	08/12/66	A

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

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## MEMORANDUM FOR THE PRESIDENT

August 31, 1966

SUBJECT: Next PL 480 Wheat Agreements for India and Pakistan

After taking another look at the Indian and Pak wheat pictures, I would like to suggest an approach which I believe would meet your concern for holding onto as much wheat as possible in this tight year while still meeting their rock-bottom needs. This would take account of our domestic problems and preserve maximum flexibility to meet unforeseen emergencies next spring. It stretches the Rusk-Freeman-Gaud proposal (attached) to its limits but is still within their bounds.

As background, I have assured myself that Agriculture, State and AID under Budget Bureau leadership have done a careful job of deciding how much wheat we can reasonably devote to PL 480 this year and of tentatively dividing that amount among recipients for planning purposes. The total is about 25% less than last year, and all recipients will have to take less. Our job now is to stretch out what we have so as to honor commitments and assure a steady flow without drawing down our own stocks too quickly.

The situations in India and Pakistan are different, so I would propose slightly different tacks:

1. In India, our commitment is the general but firm one you made in your food message after Mrs. Gandhi's visit to see India through its emergency and to help it toward agricultural and economic self-sufficiency. The Indians in their Fourth Plan just released have kept their part of the bargain by giving agriculture top priority. Secretary Freeman also reports from his recent trip that Subramaniam and Mrs. Gandhi are living up to the detailed commitments they made.

Nevertheless we don't have enough wheat this year to send all India would like. So I propose we hold off signing our new agreement until late September and then stretch out the ship arrivals through February. The Rusk-Freeman-Gaud memo recommended signing "in September" for a period extending into "early CY 1967." By signing on the late side, we would complete arrivals under current agreements around the end of October and allow just enough lead time for booking ships to avoid interrupting the pipeline. By spreading the amount Subramaniam requested for November-December over four months instead of those

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two, we would leave the Indian rationing system hard pressed, but India's fall crop brings stocks to their highest point in the year. So if we are going to hold back, now is the best time because it gives us time to assess the crop and saves as much of our wheat as possible to include in the next agreement that we will want to consider signing before India's February elections.

What this adds up to is that:

--We have already reduced an ideal FY 1967 planning level of 8.6 million tons of wheat for India to 5 million in the Agriculture-State-AID-Budget worldwide reallocation.

--Now I propose trying to stretch our shipments so as to ship only about two-thirds of this reduced allocation (3.6 of 5 million tons) by the time two-thirds of the fiscal year has passed.

2. In Pakistan, the timing is more urgent, but the quantities are much smaller. The governing fact is that this agreement is the one we promised in the aid deal which we discussed with Shoaib here and which you authorized Ambassador Locke to take out to Ayub. We promised then a new six-month agreement as soon as we could get a fix on Pakistan's June crop. Secretary Freeman reviewed those figures on his recent trip.

In addition to that commitment, there are economic reasons for signing quickly. The Paks have drawn stocks to their lowest point in several years, and an agreement now just large enough to stop hoarding in Pakistan would help break loose in-country grain from the June crop. Government stocks will run out in October at present rates of use. Only 155,000 tons remain in the pipeline against normal monthly drawings from Pak stocks of 110,000. We will have to review Pakistan's situation in October, but we would try to stretch arrivals under this agreement through February as well. Again, that would leave about one-third of our reduced allocation (1.4 million tons to 830,000) for the last third of FY 1967.

If you approve this approach, I would tell Secretaries Rusk and Freeman that you want to keep our wheat on as tight a rein as possible because of our own supply situation. I would say that you have approved the Indian and Pak programs they recommend provided they:

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--stretch arrivals under these agreements through February if possible;

--delay signing the Indian agreement until late September.

Then I would invite them to come back to us if this approach causes them serious problems.

W. W. Rostow

Approve your approach \_\_\_\_\_

See me ✓ 9/1/66

Att: Orig. BKS Smith Memo for President, 8/24/66,  
att. orig. Wriggins Memo for President, 8/24/66,  
Subj: Next PL 480 Agreements for India and Pakistan  
Also Orig. Memo from Rusk, Freeman, and Gaud to  
the President, 8/22/66, Subj: Recommendation for  
PL 480 Programming for India and Pakistan in the  
light of the Supply and Demand Situation for Grain in FY 1967.

~~CONFIDENTIAL~~



to P 2

Wednesday, August 31, 1966

MR. PRESIDENT:

With reference to your note about General Taylor's comment on General Westmoreland's message, I had a long and good conversation with Bob McNamara.

His view is that what is needed now is not a Washington exercise to review Westmoreland's message, but a reorganization of the military and civil resources in South Vietnam to produce concrete working plans, region by region, for pacification.

In turn, this requires clear-cut chains of command and assignments of responsibility on our side and the Vietnamese side.

The working out of this managerial task, he believes, can only be done on the spot. He envisages this as his primary mission when he next goes to Vietnam. This will be, he hopes, after the Erhard visit early in October. He would like Bob Komer to go and suggested that I also go (I am not sure the latter is wise, but would of course be quite willing).

It will be interesting for you to read Lodge's weekly telegram in the light of Bob's comments. The first part wholly concerns pacification. They are drifting towards a recognition that the critical problem is how better to organize our military and other assets to do the job. On the basis of performance in the past, I suspect Bob McNamara is right in his assessment; namely, that much more radical changes in organization will be required if we are to move forward effectively.

I recommend we discuss this matter at the next Tuesday lunch.

W. W. Rostow

~~SECRET~~ attachment

Put on Tuesday agenda \_\_\_\_\_ & have Taylor present.  
See me \_\_\_\_\_ Lets' get something to  
Westly so she will not  
assume that we have  
approved L.

cc: Bill Moyers  
Bob Komer



~~SECRET - NODIS~~

Wednesday, August 31, 1966

FOR THE PRESIDENT FROM LODGE (Saigon, 4923)

Herewith my weekly telegram:

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-403  
By is, NARA Date 10-6-99

A. New Stress on Pacification

The biggest recent American event affecting Vietnam was giving pacification the highest priority which it has ever had -- making it, in effect, the main purpose of all our activities. Thus, we fight the "military" war to get the chance to win the "criminal" war. And the "criminal" war is the heart of the matter.

The above was brought about in several ways -- by word in General Westmoreland's "Concept of Military Operations in South Vietnam" of August 24, and by the deeds of the U.S. 1st and 25th Divisions and the Third Marine Amphibious Force. There has also been the new MACV proposal to revamp ARVN and turn it into a force better suited to pacification. Also at a special meeting of the Mission Council, a stimulating paper was presented by the "Inter-Agency Roles and Missions Study Group" which would take Regional and Popular Forces, now a part of the Vietnamese Armed Forces, make them into a "constabulary" and call it that. Police Field Forces would also be included in the constabulary under this concept.

And at the Mission Council meeting of August 29, a committee was named to produce plans to improve the pacification situation in Gia Dinh province, which completely surrounds Saigon. This committee is also considering training an ARVN battalion solely for police work in the greater Saigon area. It will also study strengthening the quality of American advisers there and I, personally, would be prepared to bring in some very special American military personnel and to go as far as we tactfully can. I am thinking in terms of a single American military officer, in effect, a "manager," who would have all U.S. resources in his hands in a particular place. We did something like this with regard to the operation of the Port of Saigon and it has worked well, with no Vietnamese loss of face. The U.S. has been too bashful for the past three years about becoming directly and intimately involved in pacification in the area immediately around Saigon. And yet, a smell of

~~SECRET - NODIS~~



victory in Saigon means more to U.S. and world opinion than it would coming from any other place. The constant gunfire around Saigon at night and the rifle fire at the airport must give visitors a depressing picture of the situation. Saigon is undoubtedly the supreme Viet Cong objective. I believe that all the evolution described in the two paragraphs above is in the right direction, however much one might differ on specific details.

In connection with pacification, General Depuy of the First Division has said that as a general rule he does not undertake pacification operations until revolutionary development personnel is ready to put in. Otherwise, he says, the effort is wasted and ground is covered which simply returns to the enemy if no organized formations exist which can be left behind.

This statement could influence the question of how much to increase the number of U.S. troops in Vietnam. If U.S. troops assigned to pacification are limited by the availability of revolutionary development personnel, and revolutionary development personnel are presently being trained at the rate of about 16,000 to 20,000 per year (which is the biggest number which can be produced now without sacrifice of quality), then this fact (unless offset by others, such as increased North Vietnamese infiltration) must have a limiting effect on the number of U.S. troops which can profitably be used in Vietnam.

Obviously, there are two broad tasks as regards enemy violence. One is the "military" which is predominantly aimed at North Vietnamese infiltration and Viet Cong Main Force units. In this connection, mention should be made of General Westmoreland's belief that we have reached a "cross-over" point, where the rate of enemy losses equals the rate of infiltration. Thus we are destroying the invading "military" enemy as fast as he is able to build up. The other task is the "criminal" or pacification of village terrorists. We must do both tasks. The question which now arises is: Should a certain number of U.S. troops be pared off of one task to go to the other? This is an expert question requiring sophisticated analysis.

In my wire of August 10, I cited General Eisenhower's dictum about conquering a battalion by using two other battalions and thus suffering many casualties, or else conquering it with a division, in which case casualties would be very few. This led me to say that, broadly speaking, there were advantages in having overwhelmingly superior military forces which would cut the time and cut the casualties -- if conditions at the specific time and place warranted it. Clearly, this limit on producing revolutionary development personnel is a new and big "if."



I have just obtained a complete copy of Sir Robert Thompson's article in the Spectator for August 12, of which I sent you a summary. Speaking of the new Viet Cong strategy, he says:

"There are now indications of a Viet Cong change of strategy (after much Chinese prompting and advice). Having discovered that the Americans are not a 'paper tiger' after all, they are tending to avoid full-scale battles and to revert to guerrilla tactics. Their likely intentions are to maintain control over the rural population and to continue penetration of Government-controlled areas; to switch the weight of their attacks away from American forces on to South Vietnamese forces; but, at the same time, to keep American forces fully occupied (as they have to date) chasing elusive guerrilla units around the 'boondocks' and thereby to prevent them from carrying out any constructive role within South Vietnam."

Thompson goes on to say that:

"It is only the prospect of defeat within South Vietnam which will bring Hanoi to the conference table in an attempt to save at least the Viet Cong political underground organization from extinction (as it brought the Malayan Communist Party to the Baling peace talks in 1955)."

Speaking, therefore, of the use of purely military, as distinguished from pacification forces, Thompson says that American military strategy "should be rather to commit the minimum forces against the enemy's purely military forces, sufficient only to keep the Viet Cong dispersed and off balance. Thus the remainder of the American troops could then be committed to providing the punch and protection without which the pacification program, still left almost entirely in Vietnamese hands, will not gather momentum."

Clearly, what I have described in the first six paragraphs of this telegram is consistent with Thompson's advice, even though he cannot yet know what we are doing. We also seem to be going along with him in the following ways:

A. When he says that "killing Viet Cong and winning battles does not necessarily mean winning the war."

B. When he says, "In the end the Americans must come back to the rural war in the villages of South Vietnam. The longer the delay, the longer it will take."

C. His definition of victory, in effect, is "that the Vietnamese

Government must steadily regain the countryside, area by area, through a fully supported and strategically directed pacification program and that it must then restore a functioning civil administration machine to hold it."

D. We also have learned, to use Thompson's words, that to lift helicopters into a jungle valley and win a battle, "is certainly not the initiative required in counter-insurgency. American and South Vietnamese forces will not gain this until they start to recover, by 'clear and hold' operations, the developed and populated areas of the countryside which are the 'popular bases' of the Viet Cong. In this way the Viet Cong would be forced to commit their regular units to fight for the retention of these areas or lose the source of their supplies, recruits, and intelligence."

E. We also are in step with Thompson when he says that "effective machinery will need to be established to allow the Americans and Vietnamese to work together in directing and pursuing the war." To which should be added that we have such machinery now -- and very promising too -- in the 25th and 1st Divisions and in the Third Marine Amphibious Force.

F. I believe that we have learned that, as Thompson says, when our strategy "starts to go right, time (however long) will be on the American side" -- to which should be added that, in that kind of war, the Government of Vietnam -- rather than the U.S. -- must bear the casualties.

#### B. Americans in Saigon

Your instruction to accelerate the movement of American personnel out of Saigon could develop here, which could undercut much of our achievement and sacrifice,

The housing of Americans in Saigon is most unsatisfactory, both as regards those who are housed, and those for whom there is a lack of any space at all.

MACV is looking into the question of our military engineers building prefabs for use of military personnel, and I have asked that enough prefabs be built to take care of U.S. Government civilian employees -- Embassy, Juspao, USAID, and CIA.

I have also suggested that the unused capability of RMK-BRJ, which I understand exists, be put to work immediately building these prefabs



and, in effect, creating an American compound which, for security purposes, would be contiguous to the airbase at Tan Son Nhut, and which would be away from the centers where the Vietnamese live. I suspect something like this should be done as regards all of the cities of Vietnam.

### C. Open Roads

In a message from MACV to CINCPAC, some simple, comprehensive figures are given about open roads, as follows:

"Approximately 2,100 miles of national and inter-provincial routes require upgrading effort ranging from new construction to maintenance. As of August 15, 1966, approximately 650 miles of highway are sufficiently secure for general military use. This mileage is concentrated in the Saigon area; on Route 1 from Chu Lai to Dong Ha, and Phan Rang to Tuy Hoa; and on Route 19 from Qui Nhon to Pleiku. Current planning contemplates a total of 2,100 miles of road relatively secure for military and general use by December 1967."

Comment: If this is achieved, it will be very big indeed. End comment.

From a Juspao source, I learn that the population of Hau Bon in Phu Bon province "is pleased that the road to Pleiku is now 'open' and that one can drive there without Viet Cong harassment or taxes." Few things make as big an impression as "open roads."

### D. Elections

The election is becoming a major test of strength between the Government and the Viet Cong, which plainly has detailed plans for disrupting the election, and are operating under central direction. Both Viet Cong Radio and Radio Hanoi are devoting most of their time to anti-election propaganda, with a systematic program of combined "instruction" and intimidation in many rural areas, distributing leaflets, making threats, and training their cadres in methods for disrupting the election campaign and the balloting. Attacks on Americans are a feature of the Viet Cong anti-election drive.

The Government of Vietnam is pushing ahead. The two-week campaign period opened August 26, and candidates are busy. In Saigon, they are on the TV every night, with equal time for each candidate. In the provinces,

the local radio stations are beaming their speeches to the people. Although the Government has not ended all press censorship as we had hoped, it has announced an ending of press censorship on articles dealing with the election.

Prime Minister Ky made a major pre-election speech August 25 in which he pledged "with all the honor of a soldier" that the elections will be free. Ky reiterated his intention to turn over the reins of government "to those elected by the people," and repeated that he does not intend to run for office himself. The Armed Forces Council met in Can Tho on August 26 and unanimously called on all authorities to insure that the elections be truly fair and in accordance with the Election Law.

The Government of Vietnam previously invited foreign press observation of the elections. This week it sent a formal message to all diplomatic and consular missions in Saigon saying that the Government of Vietnam will "receive with pleasure all observers who might come to Vietnam in good faith" to take note of the "free and democratic character of the elections."

Our provincial reporters find that the population is increasingly aware of the election and that it is a major issue between the Viet Cong and the Government. In Quang Ngai, for example, one of our political reporters on an unannounced tour of remote hamlets found the population alerted to the election and its significance by cartoon books and leaflets distributed by the Vietnamese Information Service. He commented that "information concerning candidates still has not reached the voters, but everybody from school age children to very old people know that national elections are going to be held. Many people seem sincerely proud of this fact.

The Buddhist Institute has apparently told its provincial branches to urge the people not to participate in the election. There are reports indicating little enthusiasm for the boycott. A member of the Institute Council whom we have regarded as a Tri Quang militant a few days ago told one of our officers that many monks are fed up with politics and think the Institute should stick to religion. We have another report that Institute Chairman Tam Chau, now on "sick leave," has at least contemplated a public statement which would, in effect, disavow the Buddhist boycott. We are doing what we can to work on him and other Buddhist leaders here. The more responsible are worried because their policy so directly supports a major Viet Cong effort.



The newspaper Tu Do, a staunch supporter of political parties, views the election as an opportunity for the parties to re-emerge as a force in the country, saying that since the Army is resolved to keep power through democratic means and the religious groups will probably once again fall, the political role will pass to the parties which must be recognized as the loyal opposition by the Army. The elections can be a turning point in winning the confidence of the people if there is freedom of vote and right of opposition, Tu Do wrote, but added, "if they fail, the Viet Cong will continue to exploit the popular discontent and the independent groups and persons will be forced into clandestine and unlawful acts."

Juspao reports: "Knowledge of the elections is increasing day by day. Viet Cong efforts to disrupt them is also increasing. Possibly a sign of Government of Vietnam effectiveness is a general Viet Cong order to prevent people from listening to South Vietnam television network broadcasts. But there is little evidence that interest in elections as an expression of democracy is gaining much ground. People have registered and will vote (if the Viet Cong allow them), not because they believe in the elections but because they generally fear some reprisal if they don't.

Comment: All of which is natural and to be expected in a country emerging from the Middle Ages and having its first true contact with democracy on a national scale. End comment.

#### E. Economic

Nearly all prices held steady or declined this week, both for the Saigon Retail Index and for imported items. The Saigon Retail Index for the week ending August 22 stood at 206 (January 1965 is the base), which is down about one percent from the previous week's 211. U.S. dollars moved up, reaching 172 by August 26. This compares with the recent low of 158 on August 19.

The newspaper Tia Sang, financially probably the most successful paper in town, dismisses the recent criticism against the Government's economic measures as "unfair." The paper cites the initial successes of the measure: (1) congestion in the port is being relieved; (2) imported goods are flooding the market; (3) the black market is down; and (4) prices of first necessities are down. The 7-point anti-inflationary program of the U.S. Defense Department was welcomed by the newspaper Tieng Vang which described it as concrete and adequate, but the Daily wrote the real solution is to remove the troops from the cities.

Conversations and interviews with shoppers in markets, clergymen, civil servants, members of ARVN and co-workers -- in all about 100 people -- lead Juspao to conclude that except for Binh Long and Phuoc Long relief from the inflation spiral appears to have reached Third Corps. Prices in virtually all provinces are stabilized at a fairly high level, but stabilized nonetheless. In some areas such as Bien Hoa, there is a slight reduction in prices over last week, for example:

<u>Item</u>	<u>This Week</u>	<u>Last Week</u>
	(Prices in Piasters)	
Pork (per KG)	260	280
Beef (per KG)	170	200
Rice (per KG)	12	14
Sugar (per KG)	38	40
Milk (per can)	36	38
Eggs (per dozen)	65	90

#### F. Various Catholic Views

The leader of the Catholic Citizen's Bloc, Father Tran Du, on August 28 held a press conference in which he released a letter to Generals Thieu and Ky demanding the immediate release of prisoners who were members of Diem's Can Lao Party and have been in prison for almost three years. The Bloc also warned that unless the Government take the necessary steps to insure national unity, the Catholic Electorate will consider the Constitutional Convention the instrument of a minority and they will take appropriate position on the elections.

Archbishop Nguyen Van Binh urged Catholic faithful to go to the poll and said there is no division among Catholic leaders.

#### G. American and Vietnamese Killed

During the period August 21 - 27 the Viet Cong killed 32 Vietnamese civilians, wounded 74, and kidnapped 82. These figures include 3 officials killed and one kidnapped. This compares with 50 Vietnamese civilians killed, 155 wounded, and 13 kidnapped last week. If the 205 Vietnamese military personnel are added to the 32 civilians, it makes a total of 237 Vietnamese killed as compared with 113 Americans killed in the same period.

#### H. Revolutionary Development

In Gia Dinh province, Thong Nhut hamlet, the cadre are sleeping in the people's homes by invitation. They buy their own food locally and cook their meals with utensils loaned by the local people. Their behavior is good and



relationships with the people are warm and friendly. The cadre in a nearby hamlet have joined with Popular Forces and the Combat Youth in small patrols to prevent Viet Cong infiltration. They have also developed an alert plan and organized a small hamlet security force. At night, they discuss with the local population such issues as the reason for Allied presence in Vietnam, Allied victories, the elections, and current difficulties with the Viet Cong. In Tuyen Duc province, the local population does not want the mixed Vietnamese-Montagnard Cadre Team to leave their hamlet owing to the exemplary performance of the Team. These are isolated examples. I hope it augurs a trend for the future.

### I. An English View

The London magazine "The Economist" in its voluminous "Report from Vietnam," of July 9, makes the following points:

"A. The police must be given real priority. Until they are, the military campaign may remain bloody and fruitless.

"B. The strain which the United States and the Vietnamese Government are imposing on Vietnam needs to be much more closely controlled and measured. With manpower critically short, security needs to be much more closely controlled and measured. With manpower critically short, security needs to be given priority over sanitation and education, the lack of which shocks Americans much more than Vietnamese.

"C. The American team in the country should be made much more professional. This is needed in the Embassy, the AID Mission (Tours of duty at present last 18 months) and in the Armed Forces. It is simply silly for military 'advisers' to stay one year in this kind of war, which is completely new to them. It is too often true that American advisers, both civilian and military, are being led by the nose because of their ignorance of the country. Just as they begin to understand it, their tour of duty ends.

"D. The American presence as such needs to be made much more discreet. There are plans to build a new Embassy away from the center of Saigon, and to move the soldiers billeted in the center of Saigon out to new quarters at the airport. This should be done quickly -- it has been talked about long enough. The Vietnamese disguise their feelings very well, but thousands of tiny resentments are generated by the hour in the middle of town. More formally, a status-of-forces agreement should be concluded with the Vietnamese Government to define respective rights. American soldiers have been involved in a number of highly embarrassing, highly publicized episodes in Saigon.

The soldiers, being mostly new to Vietnam, have shown themselves much too jumpy for comfort, and uncomfortably quick on the draw.

"E. An overriding impression of my visit to Vietnam was that, on the basic issue of whether they should be there at all, the Americans were getting a much worse press than they deserved. This is partly because the daily briefings in Saigon concentrate almost entirely on military operations. As the facts and figures of air and ground attacks and casualties are droned out day by day in absurd military jargon, it seems to be forgotten that the efficient use of bombs and napalm and firepower by Americans in Vietnam makes a bad impression on world public opinion, not a good one, for purely emotional reasons. A quicker military briefing, followed by the latest news of Viet Cong terrorism, would be more effective."

F. After speaking about "those who believe that the Viet Cong have quite simply won in the countryside, and that the peasants must necessarily regard the Americans and their napalm as their number one enemy", the article finds: that "things do not appear so simple in reality. The systematic and ruthless way in which the Viet Cong have used murder to secure domination of the villages is well documented, and every day the soldiers in the field come across sickening evidence that the terrorism goes on: disembowelled women and children, murdered men. Morally, the American tactical bombing aimed at Viet Cong units is hardly comparable with this terrorism."



DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 88-19By ing, NARA, Date 12-10-91~~SECRET~~

## MEMORANDUM FOR THE PRESIDENT

August 31, 1966

SUBJECT: Letter from the Shah

The Iranian Ambassador has just delivered the Shah's answer to your 20 July letter and to your sending Tim Hoopes to talk about his arms purchases. We do not recommend a reply now because his letter completes the circuit for the moment. However, if you approve, we will ask Ambassador Meyer to tell him at an appropriate moment that you appreciated his letter and will be in touch with him later. Unless something unexpected comes up, your next letter would probably be later in the fall, confirming arrangements for a talk early next year.

The Shah has taken heart, I think, from our explicit recognition of the importance of stability in the areas surrounding Iran. He uses that recognition as an excuse for underscoring the importance of his security needs. He is appreciative of our help, which he realizes is a strain in view of our VietNam commitment, but he states frankly that our \$200 million credit still falls short of meeting Iran's total requirements. He welcomes the prospect of a meeting with you early next year but does not sound as if he will press for more aid then.

We have come out of this exercise pretty well. Hoopes spelled out our problems in detail but couched them in sympathy for the Shah's aims. The Shah has since assured Ambassador Meyer that he will buy no Soviet missiles and allow no Soviet military technicians into Iran. A Soviet military mission is in Tehran for talks this week, but he says he will buy only vehicles and maybe some simple ack-ack guns, if anything. He is buying some naval equipment from Britain, but our only objection to that is the possible impact on his development program. On that, we'll just have to wait and keep an eye open to how the economy shoulders the burden of these arms purchases.

So while the Shah will increasingly move toward a position more independent of us, we have managed to keep him from jumping too quickly this time. Some independence is to be expected and is healthy. We just want to be sure he doesn't go too far too fast and get us all in hot water. For the moment, we've succeeded.

W. W. Rostow

Approve verbal acknowledgment ✓

See me \_\_\_\_\_

~~SECRET~~



3a

Tehran, August 15<sup>th</sup> 1966.

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

Dear Mr. President,

The opportunity you have so kindly afforded me with your warm and cordial letter of July 20, 1966, to discuss some questions of mutual interest is greatly appreciated, particularly as there has been a lapse of some time between our correspondence. I entirely agree with you on the necessity of candor between friends.

I am in full agreement with you, Mr. President, that our co-operation in military matters has been cordial and to the interest of both countries. Indeed, it is my strong feeling that this co-operation has been of much greater service in that it has contributed effectively to the maintenance of the peace of this region - a region fraught with danger and which, in my opinion, merits closer, deeper and more sympathetic attention, if we are to preserve, at least, the semblance of peace it now enjoys.

It gives me much satisfaction to note your interest in the continued stability of the Persian Gulf area. This area and my deep concern over its security have occupied my attention for some years. I have often discussed the problem

The Honorable  
Lyndon B. Johnson,  
President of the United States of America,  
The White House



with high American officials who must have reported my views to you. I feel that a strong and stable Iran can serve as a deterrant to any country around, which would, with scant respect for human or material loss, keep the region in a condition of constant turmoil only to further its own expansionist policy.

The unfolding situation in the area and its potential danger, as you have well put it, Mr. President, requires close scrutiny in order to provide against it before it is too late.

It is essential for Iran to enjoy peace and tranquility in order to be able to carry through her social and economic reforms now well under way. A strong Iran can, not only ensure such a condition, but also avert the spreading of conflicts in the region, guarantee the smooth and orderly flow of oil to the west and, what is of vital importance and worthy of serious consideration, forestall the repetition of current tragic and costly involvements. I therefore make no apology for repeating that the advantages of a strong and friendly Iran to the west should not be denied or minimized. It is my ardent hope that with our community of feeling and interest this co-operation and the happy and cordial association between our nations will continue to grow stronger and be consolidated.





I fully realize that your resources are burdened by your heavy commitments in other parts of the world and I feel grateful to you, Mr. President, for your concern for Iran's security and for your continued intent to respond to Iran's needs despite these commitments.

While I was writing this letter to you, Mr. Hoopes, the U.S. Assistant Secretary of Defense arrived in Tehran and called on me with Mr. Armin Meyer your Ambassador and Major General Jablonsky. We had a long and useful discussion on various aspects of Iran's military requirements. He gave me an account of your difficulties and limitations which I fully realize.

I do not intend to go over what we discussed since Mr. Hoopes will certainly make a full report to you. What I would like to stress here is the great responsibility I feel towards my people in this troubled area of the world. My most sacred duty is the safeguarding of my country's independence and territorial integrity. Unfortunately, I can see little relief in the troubled Middle East situation, and future generations will not forgive me if I fail to pay every attention to my country's defense requirements.

I have given instructions to my government to sign the necessary documents for the 200 million dollars credit,



though this figure, I must say, still falls short of meeting Iran's needs.

We have always maintained that from all standpoints, political, economic, strategic and also from the standpoint of helping Iran preserve her position as a factor of stability in this region, the production of Iran's oil should be set at a level higher than what it is now. We see people around us who do not even know what to do with their oil revenues.

I fully appreciate your interest in Iran's economic welfare and the progress we have achieved. I am resolved to see that while we make provisions for our defense requirements we do not jeopardize the rate of this progress. It is in pursuance of this policy that I need to husband our exchange resources in order to be able to cover the military requirements without hampering the rate of our economic development.

I welcome the possibility of a meeting between ourselves some time early next year. I have always found these personal contacts highly satisfactory and I look forward with much pleasure to this meeting with you. In the meantime may I express, Mr. President, my high esteem for you and the great importance I attach to the warm and deep friendship which binds our two countries.

Sincerely

Mohammad Reza Pahlavi

~~CONFIDENTIAL~~

August 31, 1966 - 6:20pm

Mr. President:

Afghan Prime Minister Maiwandwal has accepted your invitation for an informal working visit on 21 November. It would be a nice gesture, now that we have settled on a date through diplomatic channels, for you to confirm the invitation personally.

Attached for your signature if you approve.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 88-66  
By sig NARA, Date 7-24-89



42  
Mr. Rostow

*Aug Sept 1, 1966*

Dear Mr. Prime Minister:

I am delighted to know that you will be coming to the United States in November and that we will have the pleasure of meeting with you here in Washington, a city in which you have so many friends. Secretary Freeman has told me of his good visit with you recently in Kabul, and I know that he is among those of us who anticipate seeing you here. Your visit will give us the opportunity of discussing many topics of mutual interest, and for me to learn at first hand more of your great country. Meanwhile you have our continued best wishes for the success of your government's effort to promote the prosperity and well-being of Afghanistan.

Sincerely,

*LBJ*

His Excellency  
Mohammed Hashem Maiwandwal  
Prime Minister of Afghanistan  
Kabul

LBJ:State:HHS:tmt 8/31/66

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

5

THE WHITE HOUSE  
WASHINGTON

Wednesday, August 31, 1966  
11:00 a.m.

*approved by Pres  
8 pm  
8/31/66*

Mr. President:

Attached, for your approval, is a  
congratulatory message to Crown Prince  
Charles of Burundi. He will be crowned  
Mwami (King) on Thursday, September 1.

*Walt* W. Rostow

Approve ☒

Disapprove ☐

Speak to me ☐

PROPOSED MESSAGE TO CROWN PRINCE CHARLES

I extend warm congratulations and best wishes to you and the people of Burundi on your coronation as Mwami Ntare V. I know that the friendly relations between our two countries will continue to prosper. All Americans join me in wishing you a long and happy reign.

Lyndon B. Johnson



Wednesday,  
August 31, 1966 - 3:00pm

Mr. President:

Herewith the redrafted message  
to Wilson from Sec. Rusk, in the light  
of your instruction that we accelerate  
the trilateral talks. The key phrase  
is: "earliest feasible time."

W. W. Rostow

Approved as is ✓

Rewrite           

See me           

*Does Mansfield  
resolution anyway  
change this?  
L*

~~SECRET~~

SUGGESTED REPLY TO PRIME MINISTER WILSON

I fully understand your anxiety to complete the steps necessary to deal with your balance of payments problem. We put the safeguarding of sterling high on our list of priorities and, as you know, I admire the sturdy measures you have taken so far to put your house in good order.

Yet, as we have found out in this country, steps to stop the outflow of foreign exchange must always be measured against the cost in terms of defense and foreign policy. Thus, I am concerned that the proposals you are considering with respect to the BAOR be carefully handled or they may start the unravelling of our Western defenses. De Gaulle's abrupt action in pulling his own forces out of NATO was a brutal blow at the solidarity of the Alliance, and there could be great danger from further withdrawals that are not related to a common plan.

Above all, we must avoid any actions that might tend to make the Germans feel they were not full partners on the team. Erhard is in deep trouble and the political situation in Germany today is anything but healthy. It is

~~SECRET~~

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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

~~SECRET~~

-2-

essential to both our countries that we show sensitivity to German opinion which seems more and more confused and apprehensive. For that reason I would think it unwise for us to hold bilateral talks in advance that might lead the Germans to believe that we were preparing a fait accompli. Of course, during the tripartite talks there will naturally be bilateral exchanges among those taking part, and we will be ready for such talks at the earliest feasible time.

Meanwhile, I hope very much that you will not press the NATO discussions too vigorously. It could greatly complicate the problem if plans were rigidly worked out within the NATO Council before we had a chance for quiet talks among our three Governments.

~~SECRET~~



68 7  
Wed. , August 31, 1966  
5:00 p. m.

MR. PRESIDENT:

Herewith Bill Gaud's assessment of  
the result of the aid conference  
you requested.

W. W. Rostow

(log 3130)

**MEMORANDUM FOR THE PRESIDENT**

**SUBJECT: Results of Conference on Foreign Assistance Authorization Bill**

The Conference ended yesterday, and the Conference Report is likely to be filed this (Wednesday) afternoon. There will be one bill for economic and military assistance. Its major provisions are as follows:

1. Funds -

	<u>Conference Action</u>	<u>Appropriation Request</u>
Economic	\$2,623,735,500	\$2,468,982,000
Military	875,000,000	917,000,000
Total	\$3,498,735,500	\$3,385,982,000

Attached is a table showing a breakdown of the amounts authorized by the Conference and our appropriation requests. The \$32 million cut in Supporting Assistance is the only one that really hurts.

2. Length of Authorizations - Except for Development Loans and the Alliance for Progress, which are authorized for three years, the economic and military assistance programs are authorized for one year.

3. Number of Countries Restrictions - While we do not like the principle, these restrictions do not actually hurt us. Development Loans are limited to 10 countries and Technical Cooperation grants to 40 countries. In both cases assistance may be provided to additional countries if the President makes a determination that it is in the national interest to do so, reports the determination to the Congress, and waits thirty days before going ahead. Supporting Assistance is limited to 13 countries unless the President determines it is in the national interest to give assistance to additional countries and reports such determination to the Congress. Military assistance (other than training in the United States) is limited to 40 countries with no exceptions permitted.

4. Use of Development Loan Funds through the World Bank Family - Ten per cent of Development Loan funds may be used only for transfer to the World Bank family. This is bad in principle, and will hurt if the Appropriations Act contains a rider - as it has in the past - prohibiting such transfers. I will keep working on George Mahon on this.

5. Interest Rates - The Senate receded on both increases, so that minimum interest rates remain at one per cent during the 10-year grace period and 2 1/2 per cent thereafter.

6. Ceiling on Military Assistance for Latin America - There is a ceiling of \$85 million on grant military assistance (excluding training) and sales. This ceiling will force a reduction of up to \$50 million in the proposed program.

7. Restudy of Program (Kennedy Amendment) - The Senate receded on this amendment, which would have created a committee to review the aid program.

Most of the other objectionable provisions in the Senate bill (and there were a lot of them) were removed. We owe Doc Morgan a vote of thanks, for on the whole we came out very well.

I am recommending (through Charlie Schultze) that the President's budget be amended by \$40 million to increase our appropriation request for the Contingency Fund from \$70 to \$110 million. This would utilize the full amount of the Contingency Fund authorized by the Conference, would offset the \$32 million cut in Supporting Assistance, and would help meet increasing requirements in Vietnam.

William S. Gaud

Attachment

**XEROX FROM QUICK COPY**

**CONFERENCE ACTION ON ECONOMIC AND MILITARY ASSISTANCE AUTHORIZATIONS**  
(in thousands of dollars)

	Authorization Request <u>1/</u>	Appropriation Request	Conference Action	Cuts Below Appropria- tion Request
Development loans	\$ 1,250,000	\$ 665,388	\$ 685,000 <u>2/</u>	-
Technical cooperation, develop- ment grants	*	231,310	210,000	\$ 21,310
American schools, hospitals abroad	*	10,989	10,989 <u>3/</u>	-
Alliance for Progress loans	750,000	455,300	596,500 <u>4/</u>	-
Alliance for Progress grants	100,000	87,700	100,000 <u>4/</u>	-
International organizations	*	140,433	140,433 <u>5/</u>	-
Supporting Assistance, general	200,000	197,200)		
Supporting Assistance, Vietnam	*	550,000)	715,000	32,200
Contingency fund	150,000	70,000	110,000	-
Administrative expenses, A.I.D.	*	57,387	55,814	1,573
Administrative expenses, State	*	3,255	6 /	-
Total - Economic Assistance	--	\$2,468,962	\$ 2,623,736	\$ 55,083
Military Assistance	917,000	917,000	875,000	42,000
Total Economic & Military	--	\$3,385,962	\$ 3,498,736	\$ 97,083

- 1/ This year's authorization request did not follow the usual pattern. It covered five years, and for most categories of funds (those designated with an asterisk) we asked the Congress to authorize for each of the five years "such amounts as may be necessary." The authorization requests for "Supporting Assistance, general" and for the "Contingency Fund" were geared to estimated needs for FY 1968. However, in accordance with established practice of the past five years, the authorization requests for the Development Loans and the Alliance for Progress substantially exceeded estimated needs for the fiscal year and were in line with maximum requirements for the highest of the next five years.
- 2/ \$750 million for FY 1968 and \$750 million for FY 1969.
- 3/ Plus \$1 million equivalent in excess foreign currencies for the Hadassah Hospital in Israel.
- 4/ \$750 million for FY 1968 and \$750 million for FY 1969, of which \$100 million is available for grants each year.
- 5/ Plus \$1 million for UNICEF in FY 1967.
- 6/ Existing law contains a permanent authorization for such amounts as may be necessary.



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday, August 31, 1966  
3 p. m.

MR. PRESIDENT:

With reference to your note about General Taylor's comment on General Westmoreland's message, I had a long and good conversation with Bob McNamara.

His view is that what is needed now is not a Washington exercise to review Westmoreland's message, but a reorganization of the military and civil resources in South Vietnam to produce concrete working plans, region by region, for pacification.

In turn, this requires clear-cut chains of command and assignments of responsibility on our side and the Vietnamese side.

The working out of this managerial task, he believes, can only be done on the spot. He envisages this as his primary mission when he next goes to Vietnam. This will be, he hopes, after the Erhard visit early in October. He would like Bob Komer to go and suggested that I also go (I am not sure the latter is wise, but would of course be quite willing).

It will be interesting for you to read Lodge's weekly telegram in the light of Bob's comments. The first part wholly concerns pacification. They are drifting towards a recognition that the critical problem is how better to organize our military and other assets to do the job. On the basis of performance in the past, I suspect Bob McNamara is right in his assessment; namely, that much more radical changes in organization will be required if we are to move forward effectively.

I recommend we discuss this matter at the next Tuesday lunch.

*Walt* Rostow

~~SECRET~~ attachment

Put on Tuesday agenda \_\_\_\_\_

See me \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

Wednesday,  
August 31, 1966 - 3:00pm

Mr. President:

Herewith the redrafted message  
to Wilson, from Sec. Rusk, in the light  
of your instruction that we accelerate  
the trilateral talks. The key phrase  
is: "earliest feasible time."

*W. Rostow*  
W. Rostow

Approved as is \_\_\_\_\_  
Rewrite \_\_\_\_\_  
See me \_\_\_\_\_

3128  
9a

~~SECRET~~

SUGGESTED REPLY TO PRIME MINISTER WILSON

I fully understand your anxiety to complete the steps necessary to deal with your balance of payments problem. We put the safeguarding of sterling high on our list of priorities and, as you know, I admire the sturdy measures you have taken so far to put your house in good order.

Yet, as we have found out in this country, steps to stop the outflow of foreign exchange must always be measured against the cost in terms of defense and foreign policy. Thus, I am concerned that the proposals you are considering with respect to the BAOR be carefully handled or they may start the unravelling of our Western defenses. De Gaulle's abrupt action in pulling his own forces out of NATO was a brutal blow at the solidarity of the Alliance, and there could be great danger from further withdrawals that are not related to a common plan.

Above all, we must avoid any actions that might tend to make the Germans feel they were not full partners on the team. Erhard is in deep trouble and the political situation in Germany today is anything but healthy. It is

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 90-245  
By sig NARA. Date 3-15-91



~~SECRET~~

-2-

essential to both our countries that we show sensitivity to German opinion which seems more and more confused and apprehensive. For that reason I would think it unwise for us to hold bilateral talks in advance that might lead the Germans to believe that we were preparing a fait accompli. Of course, during the tripartite talks there will naturally be bilateral exchanges among those taking part, and we will be ready for such talks at the earliest feasible time.

Meanwhile, I hope very much that you will not press the NATO discussions too vigorously. It could greatly complicate the problem if plans were rigidly worked out within the NATO Council before we had a chance for quiet talks among our three Governments.

~~SECRET~~

August 31, 1966 -- 8:30 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: New Zealand Prime Minister's Journey through the U.S.

We have learned that New Zealand Prime Minister Keith Holyoake will be passing through our country on his way to the Commonwealth Prime Ministers Conference in London.

He arrives in Los Angeles on September 2, goes to New York on September 3, and departs for London the morning of the 4th.

You sent a message to Australian Prime Minister Holt regarding his trip. A similar message to the PM of the other country of the South Pacific that has troops in Viet-Nam would be desirable.

Copy of a proposed message is attached.

W. W. Rostow

Send message ☒

Not necessary ☐

MESSAGE TO PRIME MINISTER HOLYOAKE OF NEW ZEALAND

MR. PRIME MINISTER:

I HAVE LEARNED THAT YOU WILL BE PASSING THROUGH  
OUR COUNTRY ON YOUR WAY TO THE COMMONWEALTH CONFERENCE  
IN LONDON. IF THERE IS ANYTHING WE CAN DO TO MAKE YOUR  
JOURNEY MORE PLEASANT PLEASE LET ME KNOW. I WISH YOU  
A PLEASANT TRIP AND EXTEND BEST WISHES TO YOU AND YOUR  
COLLEAGUES FOR A SUCCESSFUL CONFERENCE.

LYNDON B. JOHNSON

Wednesday  
August 31, 1966 -- 9:00 a. m.

Mr. President:

After getting into the Mexican textile matter yesterday, I wanted you to have one more option.

Your decision this morning would be desirable, since today is the last day of August and we must set up the meeting with Margain for this afternoon at the latest.

W. W. Rostow

WWRostow:rlh



Tuesday, August 30, 1966 - 7:00 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Last Shot at the Mexican Textile Decision

Linc Gordon and Tony Solomon are hard at work on the short notice of intent to impose import controls which we agreed upon at lunch. Unless instructed otherwise, we will go ahead tomorrow with Tom Mann's scenario.

However, in the light of your comment to Secretary Rusk that you are willing to take special measures to avoid trouble with Mexico, there is another option you should consider before giving us the final go-ahead. Specifically, we could delay the serving of notice through September. I would size up the pros and cons of this course as follows:

Cons: If negotiations fail and we must impose quotas, delaying the date of notice from August to September will raise the ceiling we can legally set by a total of about \$2 million in imports (16 million square yards). This level is 40% higher than the restraint level we could set if we served notice in August. Further, failure to act would expose us to charges of inequity by the other major yarn suppliers (Brazil, Colombia, Spain and Portugal) who have accepted voluntary restraints. The Mexicans could decide that the tactic which works best with us is to stonewall and refuse to negotiate a reasonable agreement, hoping that you would reverse our negotiations on appeal. On the Hill, the textile Senators -- notably Talmadge, who has written Chris Herter to urge action against Mexico -- could be expected to complain. Within the Government, Jack Connor would be subjected to considerable heat by the industry, and would probably protest. (If you decide to delay, you should probably speak to him personally.)

Pros: There is a strong case that the higher quota levels would be necessary in any event if we are to avoid a major blowup. Even the September numbers would be well below the annual import level the Mexicans will have reached by the time we impose quotas, and they may not be able to live with anything lower. If this is true, we will have lost nothing by slipping to the higher ceilings. Moreover, the Mexicans may be grateful and more reasonable at the negotiating table. Some people on the Hill -- e.g., Mr. Curtis -- would be pleased. (There is a faction strongly opposed to the Long-Term Arrangement and import quotas in general.) Finally, a delay in the notice would push the end of the sixty-day negotiating period past our own election day. (We can avoid action before our elections in any case by simply failing to follow through after sixty days. A long delay would be awkward, however, and reduce our negotiating currency in the future.)

We will await your instructions.

W. W. ROSTOW

Go ahead as planned ☒  
 Delay notice until September \_\_\_\_  
 Speak to me \_\_\_\_

WWR:WFKHamilton/vmr

11

~~CONFIDENTIAL~~

Wednesday, August 31, 1966 -- 8:45 a.m.

Mr. President:

Herewith a draft reply to Mrs. Gandhi's letter of August 7.

Your reply touches on a number of points, but its most important is to urge her in the direction in which all of us believe India and Pakistan should go; namely, the setting up of confidential talks between trusted emissaries, preferably outside the Indian subcontinent.

In addition, it encourages a constructive Indian role in Hanoi and re-states our desire to talk peace if the other side is serious.

It comments briefly on her political problems and her courage in pushing ahead on devaluation and the liberalization of imports. It reflects satisfaction with Indian agricultural production, which Secretary Freeman reported, while explaining briefly our own tight wheat supply.

W. W. Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 88-66  
By mg NARA, Date 7-24-89

WWRostow:rln

1/1-  
August 31, 1966

Dear Mrs. Gandhi:

After I talked with Ambassador Nehru about his visit to India, I read with deep interest your letter which he delivered to me personally.

I understand the serious domestic problems which you are facing in your pre-election period. You know you have my friendship and sympathy as you confront them.

Secretary Freeman has also given me a firsthand report of his recent trip to India. I was encouraged by what he had to say about your resolute efforts to increase agricultural production and reduce the rate of population increase. The problems you face in these areas are formidable, but I am confident that you and your nation are on the right track and that you will overcome them. I join those who are praying that the next harvest in India will be bountiful.

As you know, we have also had a drought and our harvest is not expected to be good. We will do what we can to help you through the difficult food situation you face in the months ahead, although the help we may be able to give may not be as much as we both would want.

I admire the courage you showed in devaluing the rupee and embarking on a program of import liberalization. I share your hope that this program will be successful.

Few problems in this troubled world have given me more cause for concern during the past year than your country's relations with Pakistan. You know how highly I value my personal relationship of confidence and trust with you and President Ayub. You also know that I want to contribute constructively to the material progress, dignity, and security of both India and Pakistan. As I told you when you were here, it is painful for all of us when two friends are forced by history into a relationship with each other such as that which now exists between India and Pakistan.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-402  
By CG, NARA Date 10-21-99



I am particularly concerned at what appears to be growing mistrust within each country regarding the intentions of the other. I fear that the result will be that both you and President Ayub will face increasing problems with your own citizens in maintaining a public atmosphere which would make possible a process leading to reconciliation. I very much hope that both you and President Ayub will try to avoid or deflate public charges and countercharges which further dissipate the political climate achieved at Tashkent. Public statements about military force levels increase the difficulties you both face in avoiding the arms race that neither of you wants.

Some Pakistanis may still cling to the false notion that their objectives in Kashmir can be obtained by force. I believe that President Ayub does not subscribe to such a view and his signing of the Tashkent agreement gives you this assurance. I have always found him to be a man of honor.

Our information does not support the statement that Pakistan is preparing for radical action against India. Nor do I have the impression that relations between Pakistan and Communist China have altered significantly towards closer cooperation during the last few weeks. This is, of course, a matter about which I share your concern. But strained relations between India and Pakistan increase Pakistani receptivity to improving its relations with China. On the other hand, improved India-Pakistan relations could become a guarantee that Pakistan would not move further in a direction we both deplore.

Therefore, I would urge both you and President Ayub to bend every effort to reestablish trusted communications between your representatives which will lessen the present spiral of apprehension and make possible a more rational approach to the many specific issues that now set you at odds.

In this connection I greatly welcomed your expression of willingness to see arms levels discussed. If you believe we could be helpful in bringing about the opening of such a dialogue, we would, of course, welcome any suggestion you might have.



I note that your talks with President Nasser, President Tito, and Chairman Kosygin led you to conclude that they, like our two governments, are in basic agreement on moving the Viet Nam problem to the conference table. The crucial question, of course, remains how this objective can be brought about. India is in a position to be of help in resolving this issue, which thus far has stubbornly resisted our most intensive and searching efforts and those of our friends in many countries.

You mention that you are in touch with Hanoi. We will give the closest attention to whatever concrete indications that channel may produce that Hanoi has come to a genuine and realistic interest in finding a mutually acceptable basis for talks. A reduction of hostilities, including a cessation of bombing, is possible if matched by reciprocal action by the other side. This action need not be of a formal or declared nature. It could take any of a number of possible verifiable forms which, as you put it, need not necessarily be construed as a "sign of weakness" on Hanoi's part. We are not looking for signs of weakness from Hanoi, but rather for a genuine desire on its part to end this conflict.

Thank you for your gracious words about my daughter. The problems and feelings of parents the world over are, indeed, much the same.

With warm personal regards,

Sincerely,

LBJ

Her Excellency  
Indira Gandhi  
Prime Minister of India  
New Delhi, India

LBJ:State:HHS:WWR:mz 8/30/66

to P 12  
ack  
for

Tuesday, August 30, 1966  
1:25 p. m.

MR. PRESIDENT:

Herewith Tom Mann's memorandum to you on how he believes the Mexican cotton problem should be handled. Linc Gordon, who was unavailable for the meeting, has been informed and reports back as follows:

1. It was his judgment that a letter from you to Diaz Ordaz would soften the impact of our serving notice on the Mexicans. But he is fully prepared to go along with the tactic Tom Mann suggests.

2. If we do not move promptly to notify the Mexicans -- and let it slide into September -- we must get Secretary Connor aboard. He believes he has a firm commitment that we would move on this in August.

Having listened to the debate fully now, I believe we should proceed with Tom's suggested strategy. Linc Gordon is holding 5 p. m. this afternoon. If you approve, we shall call in Margain and talk to him along the lines of Tom Mann's fourth paragraph.

W. W. Rostow

12a

Tuesday, August 30, 1966  
12:45 p. m.

MR. PRESIDENT:

Carlos Trouyet and others in the Mexican private sector recently bought a number of Mexican cotton textile mills and invested capital in modernizing them. The pressure on Diaz Ordaz is almost certain to come principally from these owners. Measured in terms of millions of square yards, Mexican cotton textile exports to the U. S. have risen from virtually zero some 3 or 4 years ago to an estimated level of perhaps 60 to 70 million in 1966.

An increase of this magnitude in Mexico's traditional exports of cotton textiles to our market cannot continue because (a) this would be unfair to many other cotton textile exporting countries which, at our insistence, have agreed on voluntary restraints, and (b) because the long-term cotton textile agreement negotiated some years ago would unravel. The pressure in Congress for protective import quotas on cotton textiles would then be irresistible.

I therefore believe the U. S. has no alternative but to make clear to Mexico that it is necessary to work out with them a ceiling on the level of their cotton textile exports to this market and that, failing in this, we will have to impose the quota that the world agreement contemplates. This ceiling should be a generous one, but in any event Mexico will come out with a much higher level of exports than they are entitled to from an historic point of view.

The tactic is important. I suggest that Walt Rostow and Linc Gordon call in Margain and explain that you really had no choice in this matter for the reasons stated in the preceding paragraph, and you are under great pressure not only from the industry but from all the interested departments, as well as other cotton exporting countries. Walt and Linc should explain to the Ambassador that under the long-term agreement which Mexico is party to, notice is required, and that this notice will have to be given. They should add that this would still allow 60 days to negotiate a satisfactory level, and they should suggest that the Mexicans send their best team to Washington to talk about this at their earliest convenience. The U. S. negotiating team should be headed by Linc Gordon if he is here, and if not, by Bob Sayre. Commerce and the other interested departments should of course participate. The negotiations conducted through Freeman thus far have not prospered and, in my judgment, it is not likely that they will as long as we negotiate through the Embassy in Mexico City.

Some two or three days following this meeting, a more formal notice should be given the Mexican Embassy at working levels and in the most abbreviated and polite form possible. The lawyers may say that this must be done in writing. If so, this is O. K. provided care is taken with the text.

There will be some repercussions in Mexico simply because all Mexican Governments must continually demonstrate to their people that they are negotiating tough with the U. S. There may be some adverse publicity. However, it would be easy to overestimate the significance of any initial official government reaction to the conversation and notice, since the Mexicans know as well as we do that their whole economy depends on our cooperation. They will have to find a way to adjust just as soon as they are convinced that there is no more give in the U. S. position.

Tom Mann



~~SECRET~~

*Pres file*  
*[Signature]* 13

Tuesday, August 30, 1966 -- 10:15 a.m.

Mr. President:

Abe Feinberg reports the following on his return from Israel.

1. Eshkol is "delighted" with the Bunker appointment, of which he has been informed in confidence.
2. He will choose a top-notch man "worthy" of Bunker.
3. Feinberg recommends announcing the appointment sometime after the choice of the Democratic candidate for Governor in New York (Sept. 7-8). This fits our suggested scenario of an announcement about mid-September.
4. Feinberg also raised possibility of your making announcement on October 2 if, in fact, you accept invitation to visit an Old Folks' Home in New York. He said this was being given "lively consideration" by White House staff, but not decided.
5. He also asked -- as he does each time we talk -- about the \$6 million Israeli loan we are holding. I said this was a matter in your hands. He said we ought to play for a "one-two punch" before the election.

W. W. Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 88-66  
By *ing* NARA, Date 7-24-89

WWRostow:rlh

~~SECRET~~

Tuesday, August 30, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: News Media Contacts

I had no contacts with the press today.

W. W. Rostow

15 *Lais*

THE WHITE HOUSE

WASHINGTON

August 30, 1966

Dear Mr. President:

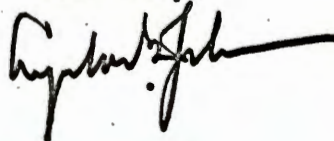
Thank you for your letter of August 20 which arrived at a time when my closest colleagues and I have been reviewing the manner in which our own policies and actions in South Asia can best contribute to our common goal of peace and security. One of the elements of this review is, of course, our military supply policy. Your letter underscores the complexities of this problem, and you may be sure we have the concerns you express very much in mind.

We ourselves are troubled over what appears to be a growing atmosphere of mistrust and apprehension between Pakistan and India. I am especially concerned that this will make it harder for India and Pakistan to avoid an arms race which could threaten the development of your nations and compound our problems in helping. I am glad to know from you that Pakistan remains committed to negotiations with India as the way of solving the many troublesome issues that cause this situation. I believe that is Prime Minister Gandhi's intention as well. I can only encourage you to persist in seeking to establish the kind of trusted communication between you and Mrs. Gandhi that will build confidence between your governments and make possible a more rational approach to the issues that now set you at odds.

Ambassador Locke has told me of the good talks he has had with you. I deeply appreciate the warm welcome you have given him.

With warm regards,

Sincerely,



His Excellency  
Mohammad Ayub Khan  
President of the Islamic  
Republic of Pakistan  
Rawalpindi

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E.O. 12356, Sec. 3.4

NJ 94-82

By 1-8, NARA, Date 8-25-94



16

~~TOP SECRET~~

Tuesday, August 30, 1966 -- 3:15 p. m.

Mr. President:

Herewith a thoughtful response from General Taylor to General Westmoreland's message.

1. I agree that we should have a careful analysis of Westy's concept before fully approving it.
2. Substantively, the danger General Taylor foresees must be met by:
  - the elite ARVN units engaging fully, along with us, in fighting the VC and North Vietnamese main force units;
  - and, equally, getting the ARVN engaged effectively in pacification, which will require changes in attitude as well as in Vietnamese force missions.

W. W. Rostow

Request Defense-State-Komer to prepare  
analysis and recommendations on basis  
of General Westmoreland's proposal \_\_\_\_\_

See me \_\_\_\_\_

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

WWRostow:rlh

~~TOP SECRET~~



16a

August 30, 1966

~~TOP SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: "Concept of Military Operations in South Viet-Nam"

I have just seen General Westmoreland's message on the above subject and have found it thought-provoking reading. He has set forth very clearly what kind of war he thinks we should fight and the role of U.S. forces both in offensive operations and in support of "revolutionary development." While there is little completely new in his paper, there are indications of emphasis which could carry very important implications for the future with respect to the size and the manner of employment of our ground forces in South Viet-Nam.

The most significant change of emphasis is the reorientation of the military effort both of ARVN and of U.S. forces to support "revolutionary development." General Ky made the proposal to me over a year ago that the U.S. forces should operate generally as a shield for population centers in front of ARVN forces which would assume as a primary mission the direct support of the development effort. Westy is now proposing the same kind of shield mission but goes two steps farther in putting U.S./Free World forces into the business of pacification. He indorses the expansion by U.S./Free World forces of control over terrain and population around base areas in application of the "oil spot" concept as the Marines have been doing in the I Corps area (and other U.S. forces elsewhere to a lesser degree). Beyond the creation of an indeterminate number of such American "oil spots", Westy also contemplates mixed pacification operations in which U.S. forces would act in close cooperation with Vietnamese military and paramilitary forces in order to bolster their effectiveness in protecting pacification activities.

An additional mission to be stressed in the coming months is the reopening of rail and highway communications, an activity which, while of the utmost importance, will require large numbers of troops if these communications are to be kept open.

Several thoughts occur to me in reflecting on the consequences of the application of this new concept of military operations. The first

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E.O. 12356, Sec. 3.4

NJ 88-68

By isp NARA, Date 5-5-89

~~TOP SECRET~~

-2-

is that, if successfully carried out, it offers the hope of speeding up the termination of hostilities in South Viet-Nam and of advancing the important non-military programs directed at controlling the population and rebuilding the shattered society and economy. On the other hand, there will be a cost to pay for this progress in a rise in the U.S. casualty rate and in the ratio of U.S. casualties to those of the GVN. Such a rise will reinforce the charges at home that the U.S. has taken over the war and is accepting a disproportionate share of the losses.

Most importantly, the acceptance of this concept would seem to create an open-ended requirement for U.S. forces. If our goal is to reestablish GVN authority over the entire territory, open and keep open the road and rail communications, and make good the manpower deficiencies in the revolutionary development program, General Westmoreland will be justified in asking for almost any figure in terms of future reinforcements. If we undertake to meet such requirements, there will be ground for renewed concern for the increased strains on the GVN economy and for the effect of U.S./GVN relations if we become deeply involved in revolutionary development activities.

In this connection, when General Ky raised the proposition I mentioned above, he was very explicit in saying that he felt the U.S. troops should be kept away from the Vietnamese population insofar as possible. At the time, I thought he had in mind the consequences of the U.S.-Montagnard relationship developed a few years ago in the Highland region. There, we became so popular with the Montagnards that GVN officials became convinced that we were trying to subvert the loyalty of the Montagnards to the government and to attach them to us. The recriminations arising from that episode are still heard from time to time. I have been expecting to hear some reaction of this sort from the very effective civic action efforts of the Marines in their "oil spot" activities. It is very easy for our representatives in Viet-Nam to forget that we are seeking to develop popularity for the Saigon government and not for ourselves. I have always been doubtful of the long-term benefits of U.S. actions, no matter how beneficent, in replacement of those of the responsible Vietnamese ministries.

These thoughts boil down to the following. General Westmoreland has sent us a very thoughtful and important cable, outlining his proposed future military policy in South Viet-Nam. It is full of important implications and deserves close study and a considered reply. It should not be accepted without a reply as this would convey tacit approval and would justify Westmoreland to feel that his concept had official approval. Perhaps it should be approved but only after a careful analysis and in full knowledge of its implications.

~~TOP SECRET~~

~~TOP SECRET~~

-3-

I recommend that you ask DOD for such an analysis.

Maxwell D. Taylor

~~TOP SECRET~~



Tuesday, August 30, 1966 - 10:00 a.m.

MR. PRESIDENT:

September 22 is reserved for a major U. S. speech at the UN.

The UN people at State and in New York will be coming up with some specific UN proposals; but these are not likely to be sufficient in themselves to justify your taking up this option.

I believe you should consider delivering the speech personally, if you find a major theme that is congenial. The case would be strengthened if we could develop some proposals in the field of arms control that go beyond normal UN business, a subject to be discussed at today's lunch with Secretaries Rusk and McNamara.

As for a central theme, I suggest the following:

1. At the end of its first generation of work there are those downhearted about the UN; but their gloom is ill-timed.

2. It is true that for twenty years the possibilities of the UN were limited by:

- ideological conflicts, including the aggressive ambitions and actions of some governments;

- conflicts between new nations over boundaries inherited from the colonial past.

3. What has been gradually learned in this generation is that:

- the attempt to extend ideological power and influence by aggression fails -- whether in Europe, Asia, Africa, the Middle East, or Latin America;

- military action to redress boundary grievances also fails.

Aggression has not worked. There is only one rational path open: let ideological competition be peaceful: let differences between nations be settled by conciliation and compromise.

4. Despite the struggle in Southeast Asia and many unresolved territorial disputes, the trend in fact has been away from aggression towards peaceful competition and conciliation:



- U.S. -Soviet relations since the Test Ban Agreement;
- East-West relations in Europe;
- Tashkent Declaration;
- ending of Malaysian confrontation.

5. Those who believe force can alter the status quo are the wave of the past, not the wave of the future. The true voices of Asia, for example, are those calling for peace and for intensive regional cooperation in economic and social development. So it is in all the other parts of the world. There is a rising tide of moderation and good sense. It is U.S. policy to encourage those constructive forces.

6. Therefore, the UN should look forward to an expanding, not a contracting, role in the fields of conciliation, peacemaking, and peace-keeping as well as an expanding role in all the urgent enterprises of economic and social development.

7. Then would follow specific UN, arms control, and other proposals.

If you regard this as a promising line to develop, I should like, without committing you in any way, to have the UN and other people in the town to generate a draft of this type. You could then decide whether to make a UN speech.

W. W. Rostow

No UN speech \_\_\_\_\_

Developp draft \_\_\_\_\_

See me \_\_\_\_\_

Tuesday, Aug. 30, 1966  
1:30 p.m.

MR. PRESIDENT:

Nick Katzenbach says:

1. The evidence this man would defect is too weak to justify the risk and cost of the effort.

2. He personally does not believe it is a good time to make this kind of trouble with Moscow, given other fish we may wish to fry with the Russians in the months ahead.

I agree, and continue to back Sect. Rusk's position.

W. W. Rostow

~~SECRET~~ attachment

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DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-402  
By CB, NARA Date 10-21-99

Tuesday, Aug. 30, 1966  
1:15 p. m.

MR. PRESIDENT:

This Hong Kong analysis of the Chicom political scene is a bit long-winded, but worth reading given the importance of the subject.

In brief:

1. Mao has chosen Lin Piao as his successor.
2. Together they are determined to set up a power structure, via the Army, which will override the moderate opposition in the Party and the bureaucracy, as well as in intellectual life.
3. It is not certain that Lin Piao will be able to consolidate his position as Mao's successor.
4. If he does consolidate his position, he's bad news.

W. W. R.

~~CONFIDENTIAL~~

Tuesday, August 30, 1966

TEXT OF CABLE FROM CONSUL GENERAL RICE IN HONG KONG (1392)

SUBJECT: Implications of Lin Piao's Emergence as Mao's Heir Apparent

Two conclusions now seem inescapably to emerge from recent events in Peking:

The current upheaval, correctly if inadequately described as the cultural revolution, has at least the blessing of Mao Tse-Tung;

And we must now upgrade to the status at least of the working hypothesis of our previous speculation that Mao has chosen Lin Piao as his heir apparent.

With Lin's emergence near the front and center of the stage and Liu Shao-Chi absent on a series of occasions when he should, as Chief of State, have been present, a whole set of previous assumptions have been upset -- assumptions about who wields how much power now, as well as who will wield it as Mao's successor.

Faced with the apparent fact, the important question emerges: What are the policy implications of the rise of Lin? That in turn raises a host of related questions. What manner of man is Lin? What internal challenges does and will he face? Will he really be able to succeed Mao and consolidate his power, or will he suffer from those slips between hand and lip, which so often occurs in human affairs, before he can drink the cup of power? What are the implications for the regime's solidarity? It will doubtless take us a long time to reach answers to such questions, but it is not too early to start groping towards them.

The first difficulty is in knowing the man behind the face and determining what Lin personally stands for. We knew proportionately more about the young Lin of the 1930's than we do about the man of today because his career developed, between then and his recent emergence into the lime-light, in the offstage shadows. We have not benefited from those accounts of missions abroad, interviews with visiting foreigners and speeches on the public platform which, in cases of men like Chou En-Lai and Chen Yi, have given us some sense of the man behind the official title. The only recent,

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E.O. 12356, Sec. 3.4

NJ

88-17

By ijg, NARA, Date 2-2-89

~~CONFIDENTIAL~~



but pre-1966, insights to be gleaned are those available from documents such as the captured People's Liberation Army work papers; the Army's public orders; its slogans of the past six years on political indoctrination; and Lin's September 1965 article on "People's War" -- and the materials presumably await renewed analysis from the specific standpoint of light they throw on Lin.

The Lin Piao whom Edgar Snow and his wife interviewed in 1936-37, like the Lin encountered just after the war by U. S. officials in Manchuria, was shy of manner but evidently egotistical about his attainments. Snow describes him as blushing like a school-boy when asked to sing a duet, but his wife found him unwilling to disclaim the reputation for infallibility linked to an asserted record of a hundred victories in an equal number of battles. U. S. officials reported him as unassuming to the point of diffidence but sullen when he felt he had been slighted.

Such a man would be able to deal with Mao without challenging the latter's enormous and perhaps psychotically growing ego, and yet of nourishing resentment towards those in the establishment who have enjoyed greater public recognition and Party rank -- and he may have applied some of the tactical genius he displayed during the civil and Sino-Japanese wars to the political task of undermining them. It is the sort of man Mao would choose to be at his right hand if Mao expected or planned war, though that is not to say his attainments are all narrowly military only. In Yen-an he headed the Red Academy, which stressed political as well as military training, and as a general fighting the "People's War" against the Japanese and the Chinese Nationalists he had to be able to employ Red Army cadres as instruments able to carry on production and to administer territory as well as to direct military operations. Accordingly one can see why Mao might turn to the Red Army which Lin controls if he became dissatisfied with the responsiveness to his will of the Party bureaucracy and governmental apparatus.

In July, I reported my surmise that Mao was cracking the whip over his flock to make them return to the path of his true doctrine and, with tyranny characteristic of aging rulers, punishing those who have strayed or otherwise incurred his wrath. In other telegrams and dispatches we have reported the use of cadres drawn from the People's Liberation Army for a variety of outside tasks, such as the establishment of political departments in various sectors of the economy. In some measures the People's Liberation Army is thus serving as a whip which Mao is cracking over his Party and its government. Newly-created Red Guards, drawn from the university and middle school students are similarly being used in a role which

one would have expected the Party's Communist Youth League to play and recently there has been an accelerating demand for permanent cultural revolution work teams, committees and congresses which are to function in educational institutions and within Party organs themselves. The Party's organization men may be suspicious that the aim is to replace the old chain of authority with a new one more responsible to Mao and Lin. And they may be right.

This raises the presumption that the courses Mao has been urging have been too extremist for important elements in the Party and bureaucracy, which have either drawn back at the cost of purge or have followed only with unwilling and lagging steps. During past decades of administering the Party and government they have had to do much thinking for themselves and it must be galling now to be told the guideline for all their actions must be the thinking of Mao, whose deification is being carried to obscene proportions. Documents adopted by the Party Central Committee at the 11th Plenum ratified Mao's recent decisions, but its 16 Point Resolution on cultural revolution contains a recurrent note urging caution which may not have been Mao-inspired. This is suggested at any rate by the fact Mao and Lin so soon thereafter turned loose their rampaging Red Guards who seem intent on wiping out reminders not only of China's past humiliations but also of much of its 3000 years of pre-Communist history. Thus they thumb their nose at those who urged moderation and risk offending the cultural and racial pride so deeply ingrained in Chinese character. Indeed, reliance on Red Guards suggests Mao's cultural revolution is a megalomaniac undertaking from which maturer minds draw back.

Mao and Lin can scarcely by-pass some segments of the Party-State apparatus for certain purposes without damaging its responsiveness for other tasks. Yet they cannot rule without them until alternative organizations are created. Meanwhile there is the risk that elements of Party bureaucracy facing unemployment will turn to anti-regime activities. Lin accordingly faces the arduous task of realigning the top leadership and restoring responsiveness to an apparatus which faces enormous tasks, including that of implementing a cultural revolution intended to remake the Chinese man. Mao has said it may take some experience such as war to teach the younger generation how to struggle, and he may yearn back to the simplicity of civil war days when the leadership of the People's Liberation Army and Party hierarchy were virtually identical and the People's Liberation Army was the Party's chief instrument. He and Lin may also decide that it may take some great and common danger such as war to make the Party, State and people close ranks behind them and measure up to the high demands of Mao's

will. Mao's prestige, and fear, may combine to enforce overt obedience while he lives and functions, but the pendulum is being pushed back too far and the noses of many who are or have been near the top must be out of joint. Lin will need all his skill -- and maybe more -- if he is really to succeed Mao and consolidate his power in a China which is not at war.

Meanwhile, Lin's greater power hardly augurs well for us. It is possible that he has mirrored Mao so faithfully, because doing so afforded him the best road to power, while entertaining reservations which will become apparent only after Mao leaves the scene (it seems hard to believe the pragmatic approach Lin brought to the task of restoring the morale of the People's Liberation Army, after it had been affected by the Great Leap Forward disasters, would permit him to follow, after Mao goes, Maoist courses which might appear impractical). But he will be seen by those Mao has embittered as tarred by the same brush, and their alienation from him will narrow his options.

As a result of the potential scope and strength of opposition, and uncertainty over the length of time left during which Mao's influence can be brought to bear, Lin is not likely to consolidate power at a leisurely pace. The near future should, therefore, witness a continuation of dismissals, demotions, and replacements seen during the past months, some of them at high levels. This would fulfill the pledge in a recent Red Flag editorial to struggle and remove any one opposed to Mao's thinking regardless of rank, seniority, or prestige.

If he wields power after Mao goes, he is likely to prove a thorough Communist, xenophobic in his nationalism, and lacking in true appreciation of the outside world. He is of a generation which in 1925 led the anti-foreign May 30 movement, and according to Mao he belonged to a leftist study group when still a youth in his native Hupeh.

Snow reported that in 1936 Lin had never been outside China and that he neither read nor spoke any foreign language. He subsequently visited the U. S. S. R. for hospitalization, but insofar as we know he has visited no other foreign countries. U. S. officials who dealt with him after World War II found him an evasive and misleading bargainer. He has since had little of the contact with foreigners which doubtless modified the outlooks of men like Chou En-Lai and Ch'en Yi.

Boding ill above all else is the apparent fact that Mao seems to deem Lin as a suitable man to succeed himself.

420

Monday, August 29, 1966  
7:00 pm

**SUBJECT: News Media Contacts**

Bob Thompson, Phil Potter, and Chal Roberts all called re possible heads of state meeting with De Gaulle. I said I knew of nothing to alter your previous position that you would always be glad to see De Gaulle, but it would be wise to assure a constructive substantial result before the event.

W. W. R.



THE WHITE HOUSE  
WASHINGTON

Monday, Aug. 29, 1966  
7:05 p.m.

MR. PRESIDENT:

You may be interested in this note  
to me from Chet Cooper.

He's at work for Harriman --  
I am told, effectively.

*W. W. W.*

21  
*Mr. Baklanov:*  
The State Department  
announced  
Cooper's assignment  
in a way to  
zero in the  
press.

*Attached*

*BKS*

21a

# INSTITUTE FOR DEFENSE ANALYSES

400 Army-Navy Drive, Arlington, Virginia 22202, Telephone (703) 558-1000



August 12, 1966

Dear Walt:

As you know, Governor Harriman has asked me to assist him in discharging the task recently assigned to him by the President. After some deep reflection I have agreed to interrupt what has been a fruitful and pleasant period away from the maelstrom. I have done so because I believe strongly in what the President and the Governor are trying to do. But this is not why I'm dropping you this note. Rather, I want to inform you of the one major condition on which I accepted the assignment. It was that I not be asked by either the White House or the Department to have any dealings with members of the press, no matter how peripheral or infrequent. I still bear the scars from the occasion 18 months ago when I gave a background briefing (by direction) and found that it was on the front page of the New York Times the following day. If there are any leaks in connection with any aspect of the Harriman assignment I, like Caesar's wife, want to be above suspicion.

Regards,

Chester L. Cooper

The Honorable Walt Rostow  
The White House  
Washington, D.C.

22 cl

Monday, Aug. 29, 1966  
11:00 a.m.

MR. PRESIDENT:

This cable from Gen. Westmoreland spells out his concept of where he's come from since 1 May 1965 and where he proposes to go from 1 November 1966 forward -- towards pacification, without reducing the heat on the VC and NVN main force units.

It underlines the need to mount a maximum political campaign, overt and covert, designed to defect VC and start Saigon VC negotiations as soon after the Sept. 11 election as possible.

That is the political track required to match Westmoreland's military plan which is, clearly, in the right direction; although he and Lodge must engage Ky and the ARVN fully if it is to work.

W. W. R.

~~TOP SECRET~~ attachment (29797)

~~TOP SECRET~~

Friday, August 26, 1966

FOLLOWING IS THE TEXT OF A CABLE FROM GENERAL WESTMORELAND  
(29797)

SUBJECT: Concept of Military Operations in South Vietnam

In order to promote a better understanding of the role which military operations play in the overall effort in South Vietnam, I discern a need at this time to review the military situation in South Vietnam as it relates to our concepts; past, present and future. This is an appropriate time in light of the fact that we are on the threshold of a new phase in the conflict resulting from our recent battlefield successes and from the continuing US/Free World military buildup.

The enemy has launched a determined campaign to gain control of South Vietnam -- its land, its people, and its government. There are no indications that the enemy has reduced his resolve. He has increased his rate of infiltration, formed divisions in South Vietnam, introduced new weapons, and maintained his lines of communications into South Vietnam in spite of our increased air efforts. He continues to use Laos and the border regions of Cambodia as sanctuaries and recently moved a division through the Demilitarized Zone (DMZ) into the First Corps Tactical Zone. His campaign of terror, assassination, intimidation, sabotage, propaganda and guerrilla warfare continues unabated. The enemy still holds away over large segments of the land and population. Although thwarted in his overt large scale campaign, he is still determined.

As a companion of the foregoing appreciation of the present enemy situation, a review of our strategic concept for the past year would appear to be useful.

A. During the period 1 May 1965 to 1 November 1965, our task was to build up our combat and logistical forces; learn to employ them effectively; gain confidence in ourselves in fighting in the counterinsurgency and Southeast Asian environment; gain the trust of the Vietnamese in our military skills, courage and ability; and protect our installations and forces from destruction by the enemy.

B. During the period 1 November 1965 to 1 May 1966, our objectives were to extend our deployments toward the frontiers; exercise our logistics in furnishing support to troops in sustained combat; indoctrinate commanders on the techniques of sustained ground combat; interdict intensively by air the lines of communications leading from North Vietnam to South Vietnam; disrupt enemy bases by B-52 strikes; deny the enemy rice by protecting harvests

~~TOP SECRET~~

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E.O. 12356, Sec. 3.4

NIJ 88-56

By           , NARA, Date 7-13-88

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and capturing caches in storage areas; increase our surveillance along the coast; and initiate a program of patrolling certain vital inland waterways. In summary, our purpose was to disrupt the enemy's efforts to prepare his battlefield, to throw his plans off balance by offensive operations, and to continue to gain experience and self-confidence in this environment.

C. During the period 1 May to 1 November 1966 -- the Southwest monsoon season -- our strategy has been and is to contain the enemy through offensive tactical operations (referred to as "spoiling attacks" because they catch the enemy in the preparation phases of his own offensives), force him to fight under conditions of our choosing, and deny him attainment of his own tactical objectives. At the same time we have utilized all forces that could be made available for area and population security in support of revolutionary development, rice harvests heretofore available to the enemy have been protected, lines of communication required by us have been opened, and some of the inland waterways used by the enemy have been interdicted to disrupt his communication and supply systems. The threat of the enemy main forces (Viet Cong and North Vietnamese Army) has been of such magnitude that fewer friendly troops could be devoted to general area security and support of revolutionary development than visualized at the time our plans were prepared for the period.

During the period 1 November 1966 to 1 May 1967 -- the Northeast monsoon season -- we will maintain and increase the momentum of our operations. Our strategy will be one of a general offensive with maximum practical support to area and population security in further support of revolutionary development.

A. The essential tasks of revolutionary development and nation building cannot be accomplished if enemy main forces can gain access to the population centers and destroy our efforts. US/Free World forces, with their mobility and in coordination with Vietnamese Armed Forces, must take the fight to the enemy by attacking his main forces and invading his base areas. Our ability to do this is improving steadily. Maximum emphasis will be given to the use of long range patrols and other means to find the enemy and locate his bases. Forces and bases thus discovered will be subjected to either ground attack or quick reaction B-52 and tactical air strikes. When feasible, B-52 strikes will be followed by ground forces to search the area. Sustained ground combat operations will maintain pressure on the enemy.

The growing strength of US/Free World forces will provide the shield that will permit ARVN to shift its weight of effort to an extent not heretofore feasible to direct support of revolutionary development. Also, I visualize that a significant number of the US/Free World Maneuver Battalions will be committed to Tactical Areas of Responsibility (TOAR) missions. These missions

encompass base security and at the same time support revolutionary development by spreading security radially from the bases to protect more of the population. Saturation patrolling, civic action, and close association with ARVN, regional and popular forces to bolster their combat effectiveness are among the tasks of the ground force elements. At the same time ARVN troops will be available if required to reinforce offensive operations and to serve as reaction forces for outlying security posts and government centers under attack. Our strategy will include opening, constructing and using roads, as well as a start toward opening and reconstructing the National Railroad. The priority effort of ARVN forces will be in direct support of the revolutionary development program; in many instances, the province chief will exercise operational control over these units. This fact notwithstanding the ARVN division structure must be maintained and it is essential that the division commander enthusiastically support revolutionary development. Our highly capable US division commanders, who are closely associated with corresponding ARVN commanders, are in a position to influence them to do what is required.

C. We intend to employ all forces to get the best results measured, among other things, in terms of population secured; territory cleared of enemy influence; Viet Cong/North Vietnamese Army bases eliminated; and enemy guerrillas, local forces, and main forces destroyed.

D. Barring unforeseen change in enemy strategy, I visualize that our strategy for South Vietnam will remain essentially the same throughout 1967.

In summation, the MACV mission, which is to assist the Government of Vietnam to defeat the Viet Cong/North Vietnamese Army forces and extend Government control throughout South Vietnam, prescribes our two principal tasks.

We must defeat the enemy through offensive operations against his main forces and bases.

We must assist the Government to gain control of the people by providing direct military support of revolutionary development in coordination with the other agencies of the U. S. Mission.

The simultaneous accomplishment of these tasks is required to allow the people of South Vietnam to get on with the job of nation building.

Ambassador Lodge concurs, with the following comment:

"I wish to stress my agreement with the attention paid in this message to the importance of military support for revolutionary development. After all,

the main purpose of defeating the enemy through offensive operations against his main forces and bases must be to provide the opportunity through revolutionary development to get at the heart of the matter, which is the population of South Vietnam. If this goal is achieved, we will be denying manpower and other support to the Viet Cong."

## THE WHITE HOUSE

WASHINGTON

Monday  
August 29, 1966

## MEMORANDUM FOR THE PRESIDENT

**SUBJECT: Recommended Change in Precedence of Ranking UN Officials**

Secretary Rusk and Ambassador Goldberg recommend that we bring our practices into line with those of the majority of UN members by according a higher precedence to the UN Secretary General and the Presidents of the three principal UN organizations.

The change would be to rank four UN officials, Secretary General, the President of the General Assembly, the President of the Security Council and the President of the International Court of Justice, ahead of Ambassadors of individual states, accredited to the United States.

Secretary Rusk points out that this change should be made so that UN Secretary General U Thant will rank ahead of the Burmese Ambassador to the US during the September visit of Chairman Ne Win.

I recommend you approve the change proposed by Secretary Rusk and Ambassador Goldberg.

W. A. Rostow

☒ Approve☐ Disapprove☐ See me

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23a

August 24, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Relative Precedence of the U.N.  
Secretary-General and of Presidents  
of Principal U.N. Organs

RECOMMENDATION:

That Ambassador Goldberg be authorized to assure the U.N. Secretariat that, at official Washington ceremonies under U.S. Government auspices, the Secretary-General, and the Presidents of the General Assembly, the Security Council and the International Court of Justice, will be accorded precedence over Ambassadors accredited to the President of the United States.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

DISCUSSION:

Ambassador Goldberg strongly recommends that, at ceremonies in Washington under United States auspices, the Secretary-General and the Presidents of the General Assembly, Security Council and International Court of Justice be accorded precedence over Ambassadors accredited to the President of the United States. Our survey of the practice of other governments indicates that our present practice (e.g., ranking the Secretary-General after Ambassadors accredited to the President of the United States) is not in accord with that of the majority of U.N. members; and, in our view, it would be appropriate

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to rank the Secretary-General, as representative of the world community, ahead of the Ambassadors of individual States.

It has been recommended that the Secretary-General be invited to Washington for the dinner for the Burmese Chief-of-State, General Ne Win, which is scheduled to take place September 8. It would be desirable to assign him on that occasion to a status just above the Burmese Ambassador to Washington.

*Dean Rusk*

Dean Rusk

August 26, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Capitol Reception for Erhard

Very informally, the German Embassy has asked for our views about their trying to arrange a reception for Erhard at the Capitol during his visit. The idea would be to expose him to Congressional opinion, including some members critical of the Germans on offset and U.S. troops. (The Embassy would try to work this out directly with the Speaker, and Senators Mansfield, Symington and Fulbright. The meeting would be hosted by the armed forces and foreign affairs Committees of both Houses, and about 50 people might be asked.)

The Germans have not yet approached anyone on the Hill and they are quite willing to drop the idea. On balance, I would vote that we tell them to feel free to go ahead.

Francis M. Bator

ok  
ul 8/28/66

Good idea, encourage them \_\_\_\_\_  
Discourage them \_\_\_\_\_  
Speak to me \_\_\_\_\_

cc: Mr. Wilson  
Mr. Manatos



## THE WHITE HOUSE

WASHINGTON

~~TOP SECRET~~

August 24, 1966

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: JCS Proposal to Supply Allied NATO Forces with Nuclear Warheads for 155 mm. Howitzers

At Tab A, Cy Vance, on behalf of Bob McNamara, asks you to approve in principle the Chiefs' recommendation that we provide allied forces assigned to NATO with nuclear 155 mm. Howitzer shells. This limited go-ahead would authorize Defense to sound out the allies on (1) who wants this capability, and (2) what kind of distribution and time-schedule makes sense.

This is another step in the 'modernization' of non-U.S. NATO forces--similar to the substitution of Lance missiles for Honest Johns which you approved last month. The argument for it is that -- by beefing up NATO's tactical nuclear capability -- we would somewhat enlarge our options in an emergency for a flexible, graduated response.

The JCS "model" program -- at Tab B -- calls for [REDACTED] warheads. The actual program would depend on what proved negotiable. (It will certainly not include the [REDACTED] weapons the model allocates to France.)

3.4 (b)(1)

As you know, McNamara has never been fond of spreading nuclear weapons around Europe. (On the basis of a hard look at the problem at RAND some time ago, he has my vote.) However, Vance tells me that this will not involve adding to the total of tactical U.S. weapons on the Continent, and that, on balance, both Bob and he think that it is worth doing.

On the other hand, Cy wanted me to tell you that if you have trouble with it, Bob and he can live with a "no" or a delay.

Two further relevant points:

- going ahead would not in any way narrow your choices on non-proliferation or nuclear sharing;
- the Vance memorandum is emphatic that "standards of safety, security, custody and control will be no less strict than those currently applied to nuclear weapons in support of non-U.S. NATO forces". (Operational control of the U.S. custodial

SANITIZED

E.O. 13292, Sec. 3.5

NLJ 03-143

By ms, NARA, Date 12-3-83~~TOP SECRET~~



~~TOP SECRET~~

-2-

3.4(6)(5)

detachment will pass to NATO command [REDACTED]  
[REDACTED] The U.S. commander will  
contain full control of the weapons, through the U.S. custodial  
detachment, until you direct actual release of the weapons to  
NATO.)

Cy believes that we can undertake the exploratory negotiations  
very quietly and that there is not likely to be any fuss. (The Chiefs  
estimate that approval in principle now will result in an operational  
capability only four or five years from now.)

Given Vance's assurance that this has McNamara's personal  
support, I would vote that we go ahead.

Francis M. Bator

✓  
Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Speak to me \_\_\_\_\_

~~TOP SECRET~~



TOP SECRET

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

Copy 1 of 2 copies each  
of 2 pages series A 25a

Tab  
A

7 MAY 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Program of Cooperation to Provide a Nuclear Capability  
to Non-US NATO 155mm Artillery

The Joint Chiefs of Staff have endorsed the concept of providing a nuclear capability to non-US NATO forces equipped with the 155mm Howitzer. They consider that such a capability would enhance the credibility of a NATO posture of flexible, graduated response. Their endorsement is conditional upon solutions to personnel problems associated with US support of nuclear weapons programs for non-US NATO land forces, since the commitment of US personnel in excess of that required for support of current programs would result in a degradation of CLINCUSAREUR's readiness.

The program of cooperation outlined in the attachment is based on a USCINCEUR model which extends to the 155mm Howitzer those support concepts now in use with the 8-inch Howitzer and the HONEST JOHN. In terms of the numbers of battalions to be supported and the numbers of warheads proposed for dispersal, it is representative of a desirable program which could be established and is considered a valid basis for preliminary planning for a program of cooperation. As it is the product of a US-only analysis, however, the program does not address the political, logistic, personnel and fiscal implications which can be developed only through Allied consultation. Therefore, approval in principle for the program is needed in order that discussion with NATO Allies can develop specific recommendations which reflect Allied planning.

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Section 144b, Atomic Energy Act, 1954

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E.O. 13526, Sec. 3.5

NLJ 12-45

NARA, Date 05-22-13

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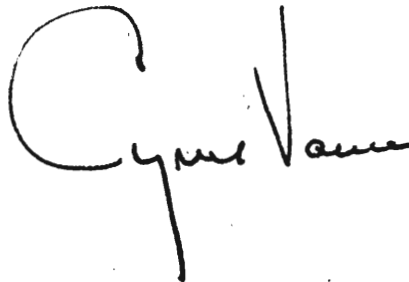
Discussion of this proposed program with NATO Allies will be conducted with due regard for the implications of National Security Action Memorandum No. 334, which states that any recommendation for significant net increases in the European stockpile beyond the level authorized for end FY 1966 will be made only on the basis of new circumstances.

In the proposed program of cooperation for nuclear support of the 155mm Howitzer in NATO, approved safety rules and current NATO standing operating procedures will apply. Although emphasis will be placed on developing a program requiring minimal US personnel support, standards of safety, security, custody and control will be no less strict than those currently applied to nuclear weapons in support of non-US NATO forces.

Accordingly, I recommend that you approve in principle the program of cooperation described in the attachment, with the understanding that its implementation is contingent upon the development of support concepts which require minimal increase in US personnel.

The Department of State and the Atomic Energy Commission concur in the proposed program of cooperation with the explicit understanding that it does not constitute a commitment to any specific level of support.

Attachment



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Section 144b, Atomic Energy Act, 1954

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Tab  
B

PROGRAM OF COOPERATION TO PROVIDE A NUCLEAR CAPABILITY

6.1(a)

[REDACTED] IN NON-US NATO FORCES

PROGRAM OBJECTIVE

6.1(a)

[REDACTED]

RELATIONSHIP TO CURRENT PLANS

6.1(a)

This program is based on a USCINCEUR model which considers, among other things, the widespread distribution of the [REDACTED] throughout ACE, the nature of the targets to be attacked and the projected availability of other delivery systems. The model program is the product of US-only analysis, but the numbers of battalions recommended for nuclear support and the numbers of warheads proposed for dispersal are representative of a desirable program [REDACTED]

6.1(a)

[REDACTED] Presidential approval in principle would allow USCINCEUR to discuss the program with our NATO Allies to determine the interest of these countries in developing a nuclear capability [REDACTED] and to revise the model program as necessary to reflect Allied plans and US level of participation.

6.1(a)

FORCE GOALS AND WEAPONS DISPERSALS

Representative force goals and warhead dispersals are shown below. These would probably be modified during the consultations with NATO Allies concerning details of the proposed program.

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Section 144b, Atomic Energy Act, 1954

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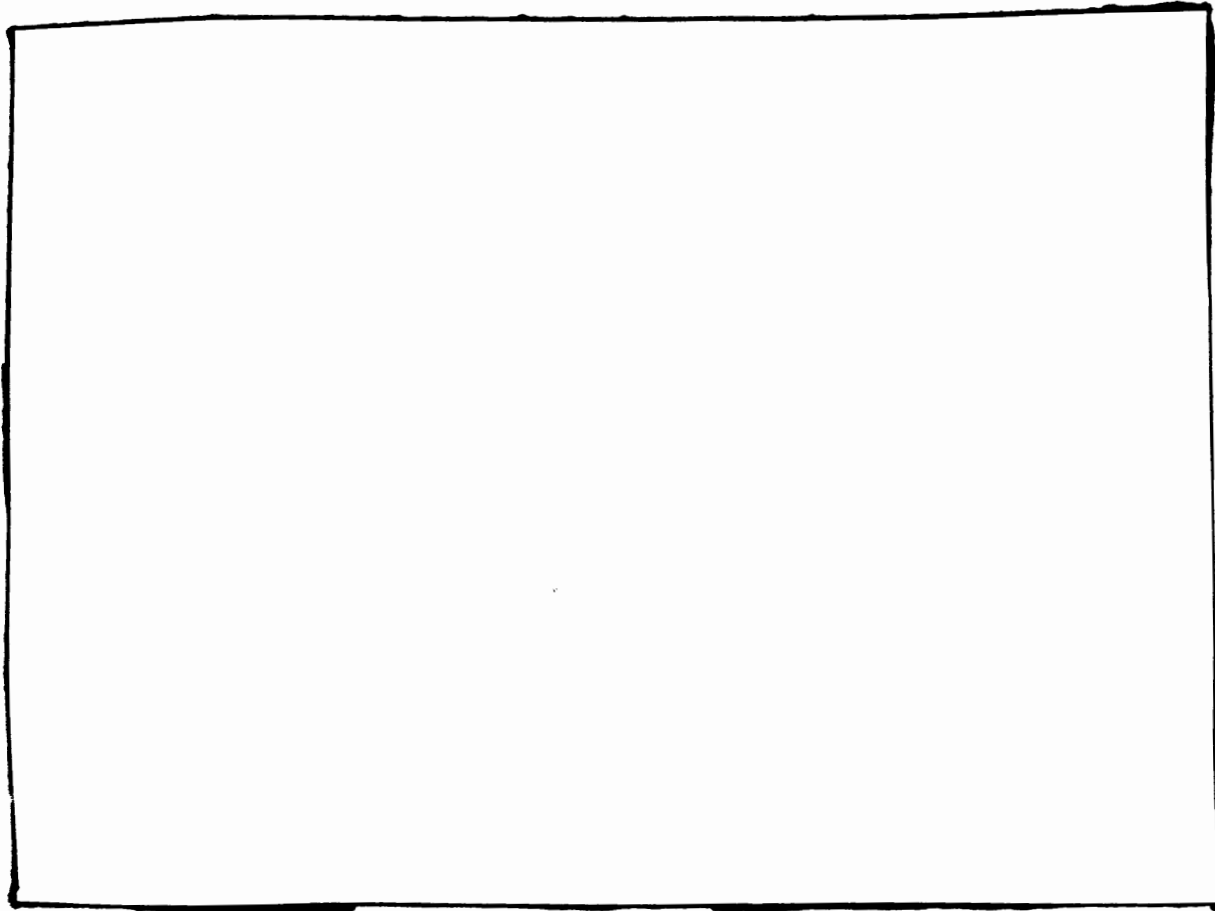
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E.O. 13292, Sec. 3.5  
NLJ 98-406  
By Cbm, NARA, Date 6-19-05



~~TOP SECRET~~

2

6.1(a)



#### TIME REQUIRED TO ATTAIN OPERATIONAL CAPABILITY

It is estimated that an operational capability could be achieved within three to four years after Presidential approval in principle is received. This would allow time to train user and custodial units, to build and man storage sites, and to disperse nuclear warheads within the theater.

#### TRAINING PROGRAM

Initial training of non-US forces can be conducted using men and facilities available to USEUCOM, but detailed training support requirements cannot be determined until the scope of the program is fully defined. Some expansion in the training base will be necessary to prevent an unacceptable shortage in US units of enlisted specialists needed for this program.

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Section 144b, Atomic Energy Act, 1954

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3

#### PERSONNEL REQUIREMENTS

The additional US manpower required for custodial and maintenance support for this optimum program, based on support concepts similar to those in use with other artillery systems, is estimated to be 61 officers and 1121 men. In computing this requirement [REDACTED] 6.1(a)

[REDACTED] would be used to meet warhead storage requirements. There are alternatives to this optimum support concept which must be explored. These alternatives would require less US manpower, but they cannot be evaluated until approval in principle has been obtained for the program and NATO subordinate commanders have had an opportunity to participate in discussions of these alternatives with USCINCEUR.

#### COMMAND AND CONTROL

[REDACTED]

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Section 144b, Atomic Energy Act, 1954

6:35 pm

Wednesday  
August 24, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Birthday Greeting to President of India

President Radhakrishnan of India celebrates his 78th birthday on September 5. He is a good friend of the U.S., and it is worth seizing simple opportunities like this to keep alive these warm personal ties. He sent you his birthday greetings last year.

State recommends and we concur in sending this message:

"My warmest good wishes on the occasion of your birthday. The people of the United States join me in expressing our continuing respect."

Harold H. Saunders

Approve ✓ 8/25

Disapprove \_\_\_\_\_

~~SECRET~~

Tuesday, August 23, 1966

27.  
F  
Z

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Tuesday Luncheon Items

1. U. S. Military Supplies for Pakistan/India.  
Secretary Rusk will bring the recommendations of Ambassadors Bunker and Arthur Dean.  
Latest views of President Ayub and Ambassadors Locke and Bowles do not appear to alter Bunker-Dean recommendations.
2. Vietnam.  
Secretary McNamara may have certain military matters to raise.  
Secretary Rusk may refer to sinking of the U. S. freighter Baton Rouge Victory in the Long Tao River about 25 miles southeast of Saigon.  
Secretary Rusk may raise proposed trip of mayors to Vietnam
3. Expulsion of Soviet Attache Revin.  
Secretary Rusk will seek a decision on how this case is to be handled.
4. Congressional Conference on Foreign Aid Bill.  
You may wish to discuss your views as expressed to AID Director Gaud last night.
5. DeGaulle Trip to the Far East.  
Secretary Rusk will have a letter he plans to send to French Foreign Minister Couve about deGaulle's trip.
6. Foreign Policy Report to Thursday Cabinet Meeting.  
Secretary Rusk will ask guidance on how to handle his part of the meeting.
7. Military Aid for Tunisia.  
Secretary Rusk may raise the general question of 1-year vs. 5-year program.
8. Indonesia - Presidential Determination.  
Secretary Rusk may ask you to approve the determination authorizing an aid program.

Bromley Smith

~~SECRET~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 88-19

By lap, NARA, Date 12-10-91



~~SECRET~~

August 22, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Ambassador Goldberg's Proposed Trip to Eastern Europe

Ambassador Goldberg may raise with you this morning whether he should visit Poland, Rumania, Bulgaria, Yugoslavia, and Austria to discuss the peaceful settlement of the Vietnam problem and UN issues.

Ambassador Goldberg feels that he should not now make the proposed trip but that discussions with the foreign ministers of these countries should take place in New York during the General Assembly meeting next month.

Ambassador Goldberg reached his conclusion on the basis of the following government reactions to the proposed trip:

The Austrian and Romanian governments would be happy to receive Ambassador Goldberg.

The Poles prefer to have their foreign minister talk with Ambassador Goldberg in New York.

The Yugoslavs find it impossible to schedule a meeting with Tito.

The Bulgarians are still discussing the matter. They are not yet ready to reply.

Secretary Rusk has reached the same conclusion as Ambassador Goldberg.

If Ambassador Goldberg does not raise this question, Secretary Rusk would like to know whether you feel Ambassador Goldberg should proceed with the proposed trip to Eastern Europe.

Bromley Smith

✓ Approve Goldberg-Rusk Recommendation

       Ambassador Goldberg should go ahead with plans for the visit

       I will talk to Secretary Rusk

       See Me

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 88-19  
By 477, NARA, Date 12-10-91

8/21/64

Dear Mr. Prime Minister:

A television reporter gave an account on Friday of the Australian battle in Vietnam which I want to share with you.

I am enclosing the comments of Dean Brelis, a National Broadcasting Company reporter, who appeared on the "Today Show" to give his views on your Vietnam military operation.

My reaction to the Australian feat you already have in my message which I asked Ambassador Clark to deliver to you. We are indeed fortunate to have you and your countrymen at our side.

Sincerely,



The Right Honorable  
Harold E. Holt, M. P.  
Prime Minister of Australia  
Canberra

LBJ:BKS:cjf

**"Today Show" Comments on Australian Forces in Vietnam**  
**By Mr. Dean Brels, NBC**

The Australians, who have the largest part of their 7,000-man army in South Vietnam, fought their biggest battle of the war 42 miles Southeast of Saigon. One Aussie company was lured into a Viet Cong trap and then the battle began. The Aussies were outnumbered eight to one. They fought in a driving monsoon rain. The battle went on for four hours, the Communists charging across their own dead and still not able to crack the Aussies. Then reinforcements arrived, and they counter-attacked. 193 Viet Cong were killed in the attack. The Aussies suffered moderate casualties, the official euphemism for saying that an outfit paid dearly for its valour.

During the year I spent in Vietnam covering the war for NBC News, I got to know the Australians. It was quite an experience. For one, it meant drinking good Australian beer for breakfast. For another, the Australians were certain that they were more directly involved in Vietnam than even we were. And just as the Aussies are one of the rare countries to go all the way with the United States in sending combat troops to Vietnam, they also went all the way with L. B. J. They believe that the President's leadership could not be improved upon. One of their commanders, who had fought in Malaya, told me that the key to success against the Communists in Malaya was not to worry about time. He said the same rule should apply to Vietnam and, in fact, the people of Australia are being told just that. It is going to be a long, hard war.

The Australians in Vietnam also run the toughest camps to find. The exact locations of their base camps are classified. Vietnam interpreters with the Aussies never go out on pass alone. There is always an Aussie along to keep a check on him just in case he is a Viet Cong. In battle the Aussies don't wear steel helmets because they make too much noise, and they prefer their own soft bush hats. And when they finish fighting, there is a can of beer for every man. Beer is part of the rations they carry in battle.

They are brave, loyal people. The United States is lucky to have them on our side. We don't have many friends in Vietnam.



## MEMORANDUM FOR THE PRESIDENT

August 19, 1966

*Through Bill Moyers*  
SUBJECT: Ambassador Goldberg's Report on His First Year at the UN

Amb. Goldberg has sent you a thoughtful letter (Tab 1) on the successes of the past year at the UN and the remaining problems. His main points are:

1. We ended the Article 19 crisis while redoubling our efforts to strengthen the UN's financial, budgetary and peacekeeping machinery.
2. The UN peacekeeping role continued important--in the Middle East, on Cyprus and, again, in helping end an India-Pak war.
3. The UN remained the main disarmament forum; we are working seriously on non-proliferation and expanded nuclear test ban treaties.
4. Southern Africa has become the focus of increasing UN concern. The International Court decision on Southwest Africa was a blow. We will stick to our principles and continue to press for responsible UN measures.
5. There has been quiet but steady progress in human rights. A US-supported convention against racial discrimination was a fitting parallel at the UN to our own achievements in civil rights.
6. We made a special effort to increase the effectiveness of UN agencies working for economic and social development.
7. We have made good progress in writing a treaty on peaceful exploration of outer space.
8. While we have so far been unsuccessful because of our adversaries' intransigence, we have made constant diplomatic efforts at the UN on Vietnam.
9. We have continued to build closer relations with the UN staff and other representatives there. Your personal support has been crucial.

State Department recommends we release this to the press (summary at Tab 2 for Moyers' use in briefing). I agree. White House release would bolster the peaceful side of our ledger and help counter critics who charge that we don't care about the UN and are totally preoccupied with Vietnam.

Approve release ☒Disapprove ☐

Harold H. Saunders

*Bromley Smith**S/S - Saunders signed 8/23*



POSSIBLE TALKING POINTS FOR BRIEFING THE PRESS ON RELEASING  
AMBASSADOR GOLDBERG'S LETTER TO THE PRESIDENT

Ambassador Arthur J. Goldberg has written a letter to the President reporting on the accomplishments of the United Nations twelve months after his appointment as the United States Representative to the United Nations. We are releasing the text today.

Of the many developments in the United Nations during the past year, he cited the following as of particular importance to the United States:

1. The termination of the constitutional crisis over financial assessments and voting rights, which had paralyzed the General Assembly in 1964. The Assembly was enabled to function again, and constructive steps were taken which could help the United Nations put its budgetary house in order, once outstanding financial difficulties are resolved. He particularly cited the important work of the Committee of 14 in analyzing the whole financial and budgetary structure of the UN.

2. Pointing to the effective work of United Nations peacekeeping forces, Ambassador Goldberg said that "measured by the probable cost of the wars that did not happen, there can be little doubt that it has already paid for the cost of the United Nations many times over."

3. The achievement of a cease-fire in Kashmir resulting from a unanimous resolution of the Security Council. Even though the situation in Kashmir remains precarious, this action by the United Nations was instrumental in halting a local conflict before it spread into a general war.

4. The draft convention, endorsed by the General Assembly with our support, against all forms of racial discrimination.

5. The work of the United Nations through the Development Program and other activities of the Economic and Social Council to assist the economic development of the emerging countries.

6. Finally, and most recently, the progress in writing a treaty on peaceful exploration of outer space including the moon and other celestial bodies. Ambassador Goldberg, who represented the United States in the treaty discussions in Geneva this past month, expressed optimism that "we appear to be within sight of a treaty text which, if successfully completed, will be a pioneering step to extend international law into outer space."



THE REPRESENTATIVE  
OF THE  
UNITED STATES OF AMERICA  
TO THE  
UNITED NATIONS

The President  
The White House  
Washington, D. C.

Dear Mr. President:

One year ago you appointed me as the United States Representative to the United Nations. This is my report to you on what we have accomplished at the United Nations during these twelve months, as well as on the major problems and projects that lie ahead.

Of the many developments in the United Nations during the past twelve months, the following stand out as of particular importance to the United States:

1. At the outset of the year the constitutional crisis over financial assessments and voting rights, which had paralyzed the General Assembly in 1964, was brought to an end. It was essential to the life of the organization that the Assembly be enabled to function again, and we moved to achieve that result. Our action in this situation has rightly commanded widespread support -- all the more so because, at the same time, we have redoubled our efforts to strengthen the financial and budgetary structure of the United Nations and its future capabilities for peacekeeping. The financial deficit for peacekeeping has not yet been met, and important financial problems remain unresolved. Nevertheless, the report of the United Nations General Assembly's Committee of 14 this summer is a constructive step toward enabling the United Nations and the specialized agencies to put their budgetary houses in order.

2. The effectiveness of the United Nations as a peacekeeping agency has been amply demonstrated. During the past year the

blue-helmeted soldiers of the United Nations have continued to stand guard along the demilitarized zone between Israel and her Arab neighbors, and in the Gaza Strip. United Nations observers help to preserve the renewed cease-fire in Kashmir. The United Nations Force helps to maintain reasonable quiet in Cyprus. These patient and often too little noticed peacekeeping activities of the United Nations, conducted at modest cost, contribute immeasurably to world peace and security and thus serve the interests of all nations, including our own.

It is important that the true value of these peacekeeping operations be understood.

Maintenance of a tenuous truce is, to be sure, no substitute for solution of the underlying issues. Yet the simple prevention of open violence is itself an obvious prerequisite to the ultimate negotiated settlement. The need for such prevention may sometimes continue for a long time, for the passions generated by great political issues are seldom quickly or easily dispelled. In the interim, the ability of the United Nations to keep soldiers and observers on guard against renewed violence, while time and patient diplomacy operate, is a priceless addition to the armory of peace. Measured by the probable cost of the wars that did not happen, there can be little doubt that it has already paid for the cost of the United Nations many times over.

We must prudently assume that similar United Nations forces will be needed in other areas in the future.

3. How fragile the peace still is over which the United Nations stands guard in some areas was proved anew by the dangerous flare-up in Kashmir in September 1965. Here the truce which had been maintained for 17 years with the help of United Nations military observers was shattered by full-scale fighting across international borders involving major armored units of India and Pakistan. The fighting imperiled the peace of the whole region and deeply concerned the United States as a friend of both parties. It fell to me to preside over the



Security Council meetings that culminated in its unanimous cease-fire resolution of September 20 -- a resolution which was accepted by the parties within 48 hours. This action paved the way for the Tashkent agreement and the subsequent withdrawal of forces. Thus the United Nations was instrumental in snuffing out the flames of war in South Asia before they could spread into a general conflagration. This in itself was a signal achievement for peace, even though the situation in Kashmir remains precarious.

4. Disarmament continues to be a top priority objective in our many-sided approach to peace. In this effort the United Nations remains the world's principal forum of public debate. It was in response to resolutions adopted overwhelmingly by the General Assembly last autumn that the Eighteen-Nation Disarmament Committee has continued its work in Geneva on two vitally important treaties: one to ban the further proliferation of nuclear weapons and the other to extend the existing partial nuclear test ban to cover underground weapons tests. We shall continue to emphasize in the UN forum the complete seriousness and urgency with which the United States approaches these negotiations.

5. The southern part of the African continent has become an increasing focus of United Nations concern in the past year, and there is every sign that it will remain so in the year to come. In this area, which includes Rhodesia, the Portuguese territories, South Africa, and the mandated territory of Southwest Africa, the denial of political and civil rights has caused growing tension and a resulting deep concern at the United Nations. The United States has supported responsible United Nations measures to solve all these problems in accordance with the Charter and with our traditional espousal of anti-colonialism, self-determination and equal rights for all peoples.

I need hardly say that the recent decision of the International Court of Justice on Southwest Africa has been received with regret at the United Nations. Since the decision that prevailed avoided dealing with the substance of the problem,

the Southwest African problem is sure to be high on the agenda of the forthcoming General Assembly. The world community has every right to expect us to be faithful to our declared principles in dealing with this great problem -- and I am confident we will continue to be.

6. I can also report progress in one of the less spectacular -- but most important -- fields of United Nations activity, namely the promotion of human rights. Last fall, the General Assembly, with our active support, unanimously endorsed a new draft convention against all forms of racial discrimination. Since this convention complements your domestic legislation in this area, I look forward to signing it on behalf of the United States at an early date.

I hope too that other conventions in the human rights field which still await Senate action can be acted upon promptly. It is important that the United States, which is a traditional champion of human freedom and equality, as proudly set forth in our Bill of Rights and Constitution, should be in the forefront of the nations adhering to these conventions.

What we do at home in the field of civil rights is also highly relevant to international confidence in the United States' intentions in this area. Your leadership, Mr. President, in promoting and achieving civil rights legislation because it is right to do so, has strengthened and sustained our international position.

7. In the economic and social sphere, the United Nations' greatest concern remains the unprecedented effort for economic development of the emerging nations. In that effort the United Nations Development Program and other United Nations activities have continued to play a significant and often pioneering role. Much of our attention in the past year has gone into further enhancing the effectiveness of this work. The United Nations can do much, along with bilateral and regional programs, to help cure the shortage of key manpower; to stimulate higher levels of capital investment; and to

expand and stabilize the export markets of developing nations, especially for the key commodities from which they derive vitally needed foreign exchange. By these and other means it can lead the way in the great crusade against the ancient evils which, throughout the millennia, have beset mankind -- poverty, sickness, illiteracy and hunger. The United States has always been the leading supporter of the United Nations Specialized Agencies which deal with these problems. I earnestly hope our efforts can be intensified in the years ahead.

8. Most recently, I can report good progress in the writing of a treaty on peaceful exploration of outer space, including the moon and other celestial bodies. Immediately after your proposal of May 7, in which you called for early discussion of such a treaty, we requested a meeting of the Legal Subcommittee of the United Nations Committee on Outer Space. We consulted with representatives of the other members of that committee, including particularly the Soviet Union as the other leading space power. On June 16 both the United States and the Soviet Union formally proposed draft treaties as a basis of discussion. It was gratifying to see that the two drafts, although independently conceived, had much in common, and that both drew heavily on the language of the declaration of legal principles governing the peaceful use of outer space which the General Assembly had unanimously adopted, on United States initiative, in 1963.

The treaty discussions began in Geneva on July 12 and continued until August 4. In less than four weeks we progressed with gratifying speed to achieve agreement on 9 treaty clauses, encompassing 13 fundamental principles. The 13 provisions agreed upon are important. Among them are a ban on the placing of nuclear weapons or other weapons of mass destruction in outer space or on a celestial body, and a ban on the use of celestial bodies for military bases or fortifications, for the testing of any types of weapons, or for military maneuvers. We thus appear to be within sight of a treaty text which, if successfully completed, will be a pioneering step to extend international law into outer space.

A few key questions remain to be settled, notably on the reporting of information obtained through space exploration, and the right of access by the parties to each other's installations on celestial bodies. There is no reason why any of these issues should long delay an agreed treaty if our desire to conclude a treaty acceptable to all is shared by all.

9. Finally, it remains to record our efforts at the United Nations in the search for a just peace in Vietnam.

Through no fault of its own, but because of the intransigence of some members, the United Nations has been unable as yet to make an important contribution to the search for peace in Vietnam. But our diplomacy on Vietnam at the United Nations has been constant and, I believe, may yet prove its value. In July 1965, when I undertook this assignment, one of my first actions was to present to Secretary General U Thant your letter reiterating the desire of the United States to move the Vietnamese conflict from the battlefield to the conference table. At your specific direction, I urged all member states individually and collectively to join us in the search for a just and honorable negotiated peace. In January, after the 37-day pause in bombing had failed to bring any constructive response, we laid the matter formally before the Security Council and urged its intervention for peace. Our urging thus far has been in vain as a result of the refusal of a few key members to acknowledge United Nations jurisdiction -- among them the Soviet Union with its veto power. But the presence of the matter on the Council agenda leaves the way open for future United Nations participation should the Communists change their obstructionist policies.

We continue to use the United Nations as a diplomatic contact point on Vietnam; to explain to all concerned at the United Nations the nature of the struggle and our justly limited aims in Vietnam. Moreover, when the time comes that a peaceful solution is possible -- and we continue to hope it will not be too far off -- we may well look to the United



Nations to provide means to implement the settlement. In the meantime, our efforts at the United Nations continue, both in search of a just peace and in explanation of the true nature of this struggle on which so much depends, especially for the small nations of the world.

\* \* \* \* \*

Such, Mr. President, have been our principal concerns and achievements at the United Nations in the past twelve months.

In dealing with these and other problems in the year ahead, we shall continue to have many important sources of strength. Our relations with the other permanent delegations at the United Nations are friendly and effective, as are our relations with the Secretary General and his staff in the Secretariat. We and many other members have urged Secretary General Thant to make himself available once again when his term of office expires this year.

Our working relationships at the United Nations were significantly advanced by two unprecedented events with United Nations members and the Secretariat this spring: your cordial reception at the White House for the permanent representatives of United Nations member states and Secretariat officials; and the United States Mission reception for American members of the Secretariat, at which Vice President Humphrey was present as your special representative.

Also of great importance to the effectiveness of our United Nations activities are our contacts with the Congress and the American public. Through numerous appearances on the Hill in both formal testimony before the appropriate Committees of Congress and in individual contacts, we have attempted to keep the Congress fully informed concerning developments at the United Nations and have scrupulously adhered to applicable legislation.

Members of Congress of both parties have made invaluable contributions through their service on our delegations to

the General Assembly, and most recently in our space treaty negotiations, and also by their valued suggestions on such questions as that of United Nations peacekeeping discussed above.

Through the press, radio and television, through public speeches and private meetings, my associates and I have endeavored to keep the people at large as fully informed as possible on United Nations issues of concern to our nation. By this means we strive to maintain the high level of intelligent backing which the Congress and the American public have given to our participation in the United Nations throughout its 21-year existence.

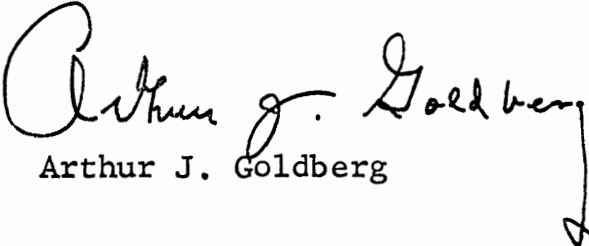
Crucial problems lie ahead for the United Nations. Some, such as Vietnam, the nuclear arms race, and the defiant policies of Communist China, are reflections of deep political problems in the community of nations. Others are specific to the Organization itself -- such as the problems of sound financing and peacekeeping; of the minimum qualifications for membership, particularly on the part of small states; and of the occasional tendency of many members, in their impatience for progress, to violate the procedures without which no institution can long endure.

Only the members can solve these problems. Their conduct can make or break the United Nations, for the Charter is not self-executing. It has always been, and still is, up to each of the members, including the United States, to make it work for the great purposes of peace and justice.

In closing let me acknowledge the indispensable support of yourself, Mr. President, without which I could not hope to achieve any measure of success in this most difficult of undertakings. I particularly appreciate the unlimited opportunities to discuss with you openly, frankly and in detail the problems which confront us at the United Nations and your willingness to listen with an open mind to my views and suggestions. The support and assistance of the Congress and the Executive Departments, including particularly Secretary Rusk, Assistant Secretary Sisco and their colleagues

in the Department of State, are also greatly appreciated. Ambassadors Nabrit, Yost, Roosevelt, Anderson and Pedersen, and my other associates at the United States Mission, have been indispensable collaborators in our common task. We look forward to further progress in the coming year in the cause of peace, which is the basic purpose of the United Nations and the ultimate foundation of our country's security.

Sincerely,

  
Arthur J. Goldberg

WWR:y 31

August 18, 1966

MEMORANDUM FOR MARVIN WATSON

Marvin:

I thought it might be a nice gesture for the President to send a set of the clippings on the Schick funeral to Jack Valenti, Pepe Martin and Chic Kazen.

If you think he would be receptive, you might send him the three attached letters -- revised as you see fit.

WGBowdler

Attachments



8/19/66

Dear Jack:

I thought you would like to have a set of the Managua newspaper clippings on the Schick funeral.

Thanks again.

Sincerely

/ s /

Mr. Jack Valenti  
President  
Motion Picture Association  
of America Inc.  
1600 Eye Street. N. W.  
Washington, D C - 20006

LBJ/WGB:mmm

August 18, 1966

(Letters of appreciation also sent to Mayor J. C. Martin of Laredo, Texas and to Mr. Abraham Kazen, Jr. of Laredo.)

8/19/66

Dear Pepe:

I thought you would like to have a set of clippings from the Managua press on the funeral of President Schick.

I am most grateful to you and Chic Kazen for having gone on this mission.

Sincerely,

151

Honorable J. C. Martin  
Mayor of Laredo  
Laredo, Texas

LBJ/WGB:mm  
August 18, 1966

(Letters of appreciation also sent to Mr. Jack Valenti of Motion Pictures Assn. of America, Inc. . and to Mr. Abraham Kazen, Jr. of Laredo, Texas.)

8/19/66

Dear Chic:

I thought you would like to have a set of the clippings on the Schick funeral as a recuerdo.

Many thanks for having undertaken this mission on such short notice.

Sincerely,

/s/

Mr. Abraham Kazen, Jr.  
2301 Fremont Street  
Laredo, Texas

LBJ/WGB:mm  
August 18, 1966

(Letters of appreciation also sent to Mr. Jack Valenti and Mayor J. C. Martin of Laredo, Tex.)



31d

UNCLASSIFIED  
EMBASSY  
OF THE  
UNITED STATES OF AMERICA

Managua, Nicaragua

August 9, 1966

OFFICIAL-INFORMAL

William G. Bowdler, Esquire  
Executive Office Building  
Room 380  
The White House

Dear Bill:

I am pleased to enclose three sets of the Nicaraguan newspaper clippings relating to the death of President Schick and to the presence here of President Johnson's special mission headed by Mr. Jack Valenti and including yourself. As you know, the Nicaraguan Government and people were most grateful to President Johnson for rushing Doctors Hurst and Mattingly here and for sending a delegation of his close friends to represent him at the funeral.

I enjoyed seeing you again, although the occasion was a sad one. With best wishes,

Sincerely,

  
Aaron S. Brown

Enclosures:  
As stated

UNCLASSIFIED



8/18

~~Wednesday - August 17, 1966~~ - 5:00 p.m.

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: Letter from Jamaican Prime Minister

Jamaican Prime Minister Bustamente has written you complaining about the shift in our Food for Peace Program from indigent family feeding to programs benefitting children (Tab B).

The reasons for the shift are:

- the indigent feeding program in Jamaica has not gone well from the beginning due to Jamaican politics and poor Jamaican administration support.
- we are shifting on a world-wide basis away from indigent feeding to programs more specifically directed at helping children.

The shift in Jamaica is to be made over an 18-24 month period so as to cushion its efforts. We are prepared to increase school lunch and material child welfare programs so that there need be no net decrease in food assistance.

All of this was explained to Acting Prime Minister Sangster when he was in Washington early last month.

The attached suggested reply (Tab A) goes over the same ground reviewed with Sangster.

I recommend that you sign the letter.

William G. Bowdler

Attachments  
Tabs A & B.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 88-66  
By ing NARA, Date 7-24-89

8/18/66

Dear Mr. Prime Minister:

I appreciate the frankness with which you have written me concerning our Food for Peace Program in Jamaica.

As was explained to your Acting Prime Minister when he was in Washington last month, increasing world demands for food have sharply reduced our existing food surplus. In order that adequate assistance may be made available to programs benefiting the children of the world, the group most vulnerable to malnutrition and most dependent on the help of others, we have made a decision to give lowest priority to family feeding type programs. This policy is being applied world-wide. As you point out in your letter, the shift from a family feeding program to assistance to children in Jamaica will take place gradually so as not to cause undue hardships.

I understand that representatives of our two countries have already discussed the possibility of expanding the school luncheon and maternal child welfare programs. We would be pleased to consider proposals for additional commodity assistance for programs of this type. If we can agree on such proposals, there is no reason why the existing level of food commodity assistance to Jamaica cannot continue and possibly expand.

Again, Mr. Prime Minister, I thank you for the confidence with which you have written me. It is a measure of the deep and long-standing good-will which exists between our two countries.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 88-66  
By sig NARA, Date 7-24-88

-2-

I send you best wishes for your continued good health and happiness.

Sincerely,

The Right Honorable  
Sir William Alexander Bustamante  
Prime Minister and Minister of External Affairs  
of Jamaica  
Kingston.

LBJ/ WGB:mm  
August 17 1966



Copy of Original

JAMAICA HOUSE  
Kingston 10. Jamaica

July 19. 1966

Lyndon B. Johnson Esq.,  
President,  
The United States of America,  
The White House,  
Washington. D. C

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

My dear President.

The United States of America through some agency has been very generous to a great portion of the world inclusive of Jamaica - only to some extent to Jamaica, of course, in supplying food for the indigent for which the Jamaica Government is more grateful.

Our friendship, particularly mine who lived in the United States for many years, is a genuine one. It is not based on any kind of help that the United States may or may not afford Jamaica.

It has come to my certain knowledge that it is proposed to cut off the supply of food which is now being made to approximately forty thousand families, because it is said that the food is not being properly distributed, and the Jamaica Government has been advised by the State Department that this will be done gradually.

I take a profoundly dim view of this decision to a friendly country as Jamaica is, and I deem it my duty to advise you. I regard this action as unfriendly and I wish to have the decision reconsidered with a view to having the supply to Jamaica continue.

Believe me, that whatever action might be taken to cut off this supply will not affect my good feeling for your Government.

Good luck and good health.

Yours sincerely,

/signed/ A. Bustamante

PRIME MINISTER.

P.S. I have asked our Ambassador to deliver this letter to you.

/initialled/ AB



Wednesday, 4:35 pm  
August 17, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Amendment to the Agreement with the Government of Israel  
concerning Cooperation in the Civil Uses of Atomic Energy

The Atomic Energy Commission, with the concurrence of the Department of State, recommends in the attached letter (Tab A) that you approve an Amendment to the existing Agreement for Cooperation between the United States and Israel concerning civil uses of atomic energy. The amended Agreement would continue in effect until April 11, 1975.

The primary reasons for amending the present Agreement are:

a. To meet Israel's plans for the future operation of its small research reactor by raising the net quantity of U-235 that may be transferred to Israel from ten to forty kilograms and by permitting the transfer of U-235 enriched to more than 20 percent U-235.

b. To implement the changes in the Atomic Energy Act of 1954, permitting private ownership of special nuclear material, by specifically enabling private parties in the United States and Israel to be parties to the arrangements for the transfer of special nuclear materials.

These changes do not raise any new policy issues.

The Atomic Energy Commission is anxious to submit this Amendment to the Joint Committee on Atomic Energy as soon as possible since hearings have been scheduled by the Committee on this and other bilateral agreements for August 31.

I recommend that you sign the attached letter (Tab B) to Dr. Seaborg approving this Amendment.

Atts. - 2

Spurgeon M. Keeny, Jr.

\_\_\_\_ Approved  
\_\_\_\_ Disapproved  
\_\_\_\_ See me

SMKeeny:jb:8-17-66  
bcc: SMK file & chron  
→ NSC files (2)  
CEJ (1)

8/17/66

Dear Dr. Seaborg:

In accordance with Section 123a of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has submitted to me by letter dated August 12, 1966, a proposed Amendment to the Agreement for Cooperation between the Government of the United States of America and the Government of Israel Concerning the Civil Uses of Atomic Energy and has recommended that I approve the proposed amendment, determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution.

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

(a) approve the proposed amendment and determine that the performance of the Agreement, as amended, will promote and will not constitute an unreasonable risk to the common defense and security of the United States of America;

(b) authorize the execution of the proposed amendment on behalf of the Government of the United States of America by appropriate authorities of the Department of State and the Atomic Energy Commission.

Sincerely,



The Honorable  
Glenn T. Seaborg  
Atomic Energy Commission  
Washington

LBJ:AEC:feg



CONFIDENTIAL

Wednesday, 4:15 p.m.  
August 17, 1966

8/18  
apnd

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Visitor Schedule for the Remainder of 1966

September

Planning is well advanced for the following visits you have approved for September:

Chairman Ne Win	Sept. 8 - 10	State
President Marcos	Sept. 14 - 16	State
Chancellor Erhard	Sept. 26 - 27	Informal
President Senghor	Sept. 28	Informal

October

No visits have been scheduled to date during October. However, depending on your schedule, a few requests may be made to you later for visitors attending the UN General Assembly who would come from New York to Washington for an office call or possibly a luncheon.

November

You have previously approved in principle three visits for November.

The recommended dates of two of the visits, both informal, are:

November 9 - 10	Prime Minister Chong of Korea
<input checked="" type="checkbox"/> Approve	<input type="checkbox"/> Suggest another date
November 21	Prime Minister Maiwandwal of Afghanistan
<input checked="" type="checkbox"/> Approve	<input type="checkbox"/> Suggest another date

The visit of Chilean President Frei will be scheduled only if the Latin American Summit meeting is held in a country other than Chile. (No date has been set for the Summit meeting but December looks less likely.)

CONFIDENTIAL

DECLASSIFIED

E.O. 12356, Sec. 3.4(b)

White House Guidelines, Feb. 24, 1993  
By DCA NARS, Date 8-18-86

December

You have previously approved in principle three visits for December.  
Recommended dates for these visits are:

December 1

King Hassan of Morocco.

This is a half-day visit, including a luncheon, for the King who is coming to the UN.

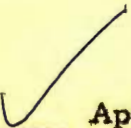
        Approve

       Suggest another date

December 6 - 8

President Sunay of Turkey


This is a State visit calling for your participation in the usual ceremonies during parts of two days.

        Approve

       Suggest another date

December 13

Vice President Yen of the Republic of China  
Informal visit.

        Approve

       Suggest another date

All these dates have been checked with the State Department and against your calendar.

I recommend you approve this schedule so that planning can go forward with the foreign governments.

Bromley Smith

~~CONFIDENTIAL~~



*M. Rostow* 34

Wednesday, August 17, 1966  
~~11:15 a.m.~~ 4:55

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to Letter of Thanks for US Aid to Rwanda

At Tab A is a translation of a letter to the State Department from the Ministry of Foreign Affairs in Rwanda -- a small, very young country between the Congo and Tanzania. The letter asks State to "transmit to the Government of the United States of America and, most particularly, to its eminent President the keenest thanks of the Rwandan nation for the generous aid extended to it."

The aid referred to was \$2.3 million in food which we provided as part of an IMF economic stabilization program. The Rwandans have made excellent use of it.

Officially, this letter has been answered -- Joe Palmer sent the Ambassador a reply on behalf of Secretary Rusk. However, it is clear that the Rwandans wanted the message to get to you but (characteristically) were afraid that a letter from so small a country was beneath your notice. I think -- and State agrees -- that a Presidential reply would be a useful gesture.

The suggested response -- cleared with State/AID -- is at Tab B.

Edward K. Hamilton

cc: ~~WWR~~

8/17/66

Dear Mr. President:

I was deeply touched by the sentiments expressed by the National Assembly of Rwanda, and in the letter recently delivered to our Department of State concerning United States assistance to your country. I speak for all Americans when I express to you my most sincere appreciation for these kind gestures.

I have said on many occasions that the United States stands ready to help those nations which help themselves to better the lives of their people. It is very gratifying to me to see our aid as well used as it has been in Rwanda. I look forward to continued warm friendship and cooperation between our two countries.

Accept, Mr. President, my warmest personal regards and best wishes.

Sincerely,

His Excellency  
Gregoire Kayibanda  
President of the Republic of Rwanda  
Kigali

LBJ:EKHamilton:em (8/17/66)

cc: WWR

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 88-66  
By sig NARA, Date 7-24-89

UNCLASSIFIED

Enclosure 2

"The Rwandan Ministry of International Cooperation and Plan [The Rwandan equivalent of the Ministry of Foreign Affairs] presents its complements to the Department of State in charge of Foreign Relations of the United States of America.

"The Ministry wishes to echo the sentiment unanimously expressed by the Rwandan National Assembly at the time of the vote, last June, on the Budget and requests the Department of State to transmit to the Government of the United States of America and, more particularly, to its eminent President the keenest thanks of the Rwandan Nation for the generous aid extended to it.

"The counterpart funds resulting from the implementation in Rwanda of [P. L. 480] food aid and the assistance in the form of material and equipment have constituted a very precious premium for the Budget of the Republic.

"At the time of Rwandan monetary stabilization, the assistance of the American Government has been a real and great value--all the more so, since it contributes and supports the efforts of the Rwandan people in their struggle for harmonious development of the national economy and reinforces their faith in the virtue of international cooperation.

"The National Assembly has been appreciative of this gesture that marks, once again, the strength of the friendship and solidarity existing between the American people and the Rwandan people.

"Although it is difficult to express fully the extent of their gratitude, the Rwandan Ministry wishes none the less to add to its own thanks those of the members of the National Assembly.

"The Ministry feels it should add to the thanks of the nation its hope to see developing, from year to year, the aid and support brought [To Rwanda] by the United States of America. The National Assembly hopes that the projects recognized as having priority will retain, above everything, the attention and approval of the American Government.

"The Rwandan Ministry of International Cooperation and Plan takes this occasion to renew to the Department of State the assurances of its high consideration."

UNCLASSIFIED

LIMITED OFFICIAL USE

Tuesday - August 16, 1966 8/17

MEMORANDUM FOR THE PRESIDENT - INFORMATION

SUBJECT: Letter from Venezuelan President Leoni

President Leoni has sent you the attached reply to your letters of July 16 and 19 on the Summit meeting.

He makes a strong plea for a meeting with substance. We agree.

He suggests an agenda of five topics. The items on Latin American economic integration and greater emphasis on agricultural production and education at all levels coincides with our views. The items on prices of basic commodities and foreign investment are Latin American perennials. We will have to see what specifically they have in mind and then determine how forthcoming we can be. The fifth item reflects Venezuela's preoccupation with communist subversion.

President Leoni says he expects to write you after his meeting with the Presidents of Chile and Colombia now going on in Bogota.

I recommend that you wait until this letter is received before replying.

William G. Bowdler

Attachment

LIMITED OFFICIAL USE



2885-36  
WJF

Tuesday, 4:45 p.m.  
August 16, 1966

LIMITED OFFICIAL USE ENCLOSURES

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to Marcos Letter

President Marcos has sent a letter accepting your invitation to make a State Visit from September 14 to 16 (Tab A).

He included congratulations to you and Mrs. Johnson on the wedding.

State recommends a cabled response (Tab B). I concur.

Marcos' letter raises a number of items for discussion during his visit. I think these are best left until he gets here.

William J. Jorden

Approve reply ✓

Disapprove           

Atts:

LIMITED OFFICIAL USE ENCLOSURES

SUGGESTED REPLY TO PRESIDENT MARCOS' LETTER OF AUGUST 9, 1966

Dear Mr. President:

Thank you for your letter of August 9, which I read with great interest. I want you to know that Mrs. Johnson and I appreciate very much your kind good wishes on the wedding of our daughter Luci Baines Johnson and Mr. Patrick John Nugent, an occasion which has meant so much to us.

Mrs. Johnson and I look forward with the keenest anticipation and pleasure to seeing you and Mrs. Marcos here in Washington in September.

Sincerely,

  
Lyndon B. Johnson

His Excellency  
Ferdinand E. Marcos  
President of the  
Republic of the Philippines

Tuesday, August 16, 1966  
11:30 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: US Delegation to Basutoland Independence Celebrations

You will recall that you approved Governor Burns of Hawaii as your representative to Independence Celebrations in Bechuanaland (September 29-October 2). In order to oblige Congressman Powell and Congresswoman Bolton -- and to reward a very deserving man -- we also found room on the delegation for Dr. James Robinson, the Negro New York minister who heads up Operation Crossroads Africa.

Basutoland, another British Territory in far southern Africa, will become independent the following week (October 2-7). State recommends that Burns and Robinson be invited to continue to Basutoland as the US delegation to those ceremonies as well. If Burns cannot go on to Basutoland, State recommends Arthur Krim in his place.

I recommend that you approve. South Africa will not appreciate an object lesson in equality within its borders (Basutoland is a Belgium-sized enclave entirely surrounded by South Africa). But, in addition to the moral strength of our position, the fact is that we have nothing to lose in Pretoria and a great deal to gain elsewhere in Africa. Moreover, Robinson is thinking about opening a Crossroads program in Basutoland which would be very useful to us.

Edward K. Hamilton

Approve Burns and Robinson \_\_\_\_\_

Try Krim if Burns can't go to Basutoland \_\_\_\_\_

Disapprove. Come back to me with other names \_\_\_\_\_

cc: WWR

August 15, 1966

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Message to U.S. -Japan Science Committee

In January 1965, you and Japanese Prime Minister Sato agreed to launch an expanded program of cooperation in medical science. A planning meeting was held in Tokyo in April 1965. The new U.S. - Japan Cooperative Medical Science Committee held its first meeting in Honolulu in October 1965. Messages from you and PM Sato were read at that meeting.

The second meeting of the joining committee will be held in Japan August 18-19.

The Prime Minister has authorized a message of greeting for this meeting. The Japanese hope a similar message will come from you.

This is the first meeting of the group in Japan. A Presidential message of encouragement would seem appropriate. State recommends such a message. Dr. Colin MacLeod, chairman of the U.S. delegation, concurs.

I recommend that you approve the attached message.

William J. Jordan

Att.

APPROVE ✓

DISAPPROVE \_\_\_\_\_

*S/S - Jordan informed 8/16*



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Monday - 6PM  
August 15, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter to Prime Minister Holt

You received a most cordial letter from Prime Minister Holt (copy attached) thanking you for your kindness during his recent visits and extending good wishes on the wedding.

I thought you would want to acknowledge the letter, particularly in view of Mr. Holt's staunch statements of support for our mutual cause in Viet-Nam and Asia. The State Department so recommends.

A proposed reply is attached. I recommend it be signed.

*Bill Jordan*  
William J. Jordan

Atts.

*Brouley Smith*

8/16/66

Dear Mr. Prime Minister:

I very much appreciated receiving your kind letter of July 28, and Mrs. Johnson and I are grateful for your good wishes on the wedding of our daughter Luci and Patrick Nugent.

It gave me much pleasure to have you visit Washington last month, and to learn at first hand that you and I see the problems in Viet-Nam and in the Pacific in the same way. As I told you, we are determined to see this thing through, and it is heart-warming to know that you and your people see the same dangers, and share our determination, as well as our hopes. Asia is stirring, and there is encouraging news from many quarters. I have no doubt that the course of free men shall prevail.

I send you, too, my congratulations on your recent public statements. They were forceful words, and they make clear to the world as well as to some here in my country, that the United States does not stand alone.

I wish others would stand up and speak out in public with the same forthrightness. Too many leaders are saying in private that they support us, but they will not say so in public. Perhaps you can prevail on some of the Prime Ministers attending the Commonwealth Conference -- especially those from Asia -- that they have a duty and an interest to speak out as you have done.

eg Jordan 8/16

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 88-66

By sig NARA, Date 7-24-88

I want very much to stay in touch on these important matters. Do write me whenever you feel there is something I should know, and I shall do the same.

Sincerely yours,

A handwritten signature in cursive script, appearing to read 'JG', is centered below the closing. The signature is written in dark ink on a light background.

The Right Honorable  
Harold E. Holt, M.P.  
Prime Minister of Australia  
Canberra

WJJ:hg


Mr. Rostow 40

Tuesday, August 16, 1966  
4:00 p.m.

Mr. President:

The attached case contains an illuminated scroll from the Government of Zambia thanking the United States for the oil airlift during the early days of the Rhodesian crisis. (The scroll is dated April 30, but it actually arrived on August 12.)

At Tab A, for your signature, is a suggested thank-you letter to President Kaunda. It is carefully worded so as not to make you look too thick with Kaunda at a time when he is threatening serious action against the British over Rhodesia.



EO 12958  
3.4(b)(1)>25Yrs  
(G)

Edward K. Hamilton

cc: WWRostow

**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 98-405**  
**By is, NARA Date 1-28-00**



8/17/66

Dear Mr. President:

I have received the beautifully executed scroll you sent me. I express to you the sincere appreciation of the Government and people of the United States for this generous gesture.

This scroll will remain a lasting symbol of the enduring friendship and good will which exist between our two countries.

With warm personal regards.

Sincerely,

His Excellency  
Dr. Kenneth D. Kaunda  
President of the Republic of Zambia  
Lusaka

LBJ:EKHamilton:em

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 88-66

By ig NARA, Date 7-24-89

~~CONFIDENTIAL~~

August 15, 1966

*Mr. Rostow*  
*(Please Return)*  
*41*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: \$12 Million Loan to Korean Reconstruction Bank

Dave Bell asks authority to go ahead with a \$12 Million AID loan to the Korean Reconstruction Bank (KRB) (see Tab A for Bell's proposal).

This loan partially fulfills your \$150 million commitment to President Park made in May 1965.

The loan will enable the KRB to expand its financing of medium-size industrial firms. It is part of a carefully developed industrial promotion program.

We share the financing load of the KRB with the Korean Government and the Germans, and we expect the Japanese to be involved soon. As conditions of the proposed loan, AID is requiring the KRB to make some internal organizational changes, to improve its financial analysis branch, and to use better accounting procedures.

Our loan would be used solely to finance U.S. capital goods and services. It will encourage the use of U.S. industrial equipment by Korean medium industry.

Secretary Fowler agrees that the balance-of-payments effects of this loan will be minimal.

State and Treasury concur in the AID recommendation. The Bureau of the Budget also recommends approval (see letter from BOB Director Schultze (Tab B)).

I recommend that the loan be approved.

Atts. "

*See that Fowler met -*  
*conditions are*  
*L "*

William J. Jordan

BIC S

Approve ✓

*Jordan informed*  
*8/16*

Disapprove \_\_\_\_\_

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41a

~~CONFIDENTIAL~~ WHEN WITH ATTACHMENT  
EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

AUG 3 1966

MEMORANDUM FOR THE PRESIDENT

Subject: \$12 Million Loan to the Korean Reconstruction Bank

This proposed \$12 million project loan will serve an important function in Korea's industrial development program by enabling the Korean Reconstruction Bank (KRB) to expand its operations as a source of finance for medium size industrial firms. It will provide foreign exchange for industrial projects in the \$100,000 to \$1,000,000 range which would otherwise have to be financed on exorbitant terms.

This loan will round out an industrial promotion program which AID has developed carefully with a series of capital and technical assistance projects, including:

- . a \$5 million loan to the Medium Industry Bank to provide foreign exchange to small industries;
- . individual project loans to larger companies of sums in excess of \$1 million;
- . equipping and staffing of the Korean Institute of Technology which you initiated during President Park's visit in May 1965;
- . a \$2 million loan to finance industrial feasibility studies by U. S. consulting firms;
- . a series of project loans for power, water and transport to develop Korea's industrial base.

AID shares the financing load of the KRB with the Korean Government and the Germans - and hopefully, in the near future, the Japanese. As conditions of this loan, AID is requiring the Bank to make some internal organizational changes, to improve its financial analysis branch and to adopt better accounting procedures. AID is also asking KRB to take steps which will improve the soundness of its guarantee program.

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WHEN WITH ATTACHMENT

2

This loan will be used solely to finance U. S. capital goods and services, and the availability of these funds should encourage the use of U. S. industrial equipment by Korean medium industry. Secretary Fowler agrees that the effects of this loan on the U. S. balance of payments will be minimal.

Recommendation: I recommend that you approve this \$12 million project loan to the Korean Reconstruction Bank.

(signed) Charles L. Schultze  
Charles L. Schultze  
Director

Attachment

Approved  \_\_\_\_\_

Disapproved \_\_\_\_\_

I concur but note that AID should seek priority consideration for worthy sub-borrowers who would use the dollars for goods which would promote future U.S. commercial exports now ordinarily purchased commercially elsewhere. Such an effort by AID in this and other contemplated loans to Korea and the low share of Korean commercial imports from the U.S. despite substantial past aid emphasizes the need for some highly competent U.S. trade oriented people on our AID mission in Korea.

(Signed) Henry H. Fowler  
Henry H. Fowler

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WHEN WITH ATTACHMENT



RECEIVED  
ROSTOW'S OFFICE

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

OFFICE OF  
THE ADMINISTRATOR

JUL 19 1966

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 88-160

By ing NARA. Date 7-10-89

MEMORANDUM FOR THE PRESIDENT

SUBJECT: New Project Approval: Korean Reconstruction Bank-Medium Industry Loan

I recommend that you authorize me to proceed with a \$12 million loan to Korea for the Korean Reconstruction Bank (KRB). The loan will enable the KRB to finance capital expansion of private Korean firms and will be used exclusively to purchase machinery, equipment, and services in the United States. The Departments of State and the Treasury concur.

This loan is in partial fulfillment of your \$150 million commitment to President Park made in May 1965, in support of Korea's promising drive toward self-support. We anticipate that our development lending to Korea may reach \$70-75 million in FY 1967 (compared to \$80 million in FY 1966), thus fulfilling the commitment. We expect, however, to continue our lending program to Korea for some years thereafter as indicated in the May 1965 communique. The KRB loan is the first project loan to Korea in fiscal year 1967. A \$15 million program loan already has been authorized. We expect that the balance of the FY 1967 program will include projects in power generation and transmission, sewage treatment, potable water supply, and industry.

We estimate that \$148 million in capital imports will be required annually for the next few years by Korea's rapidly growing industries. About half of these imports will be required by small and medium sized industrial firms. Continued growth of these firms is particularly important since it will contribute to raising the level of income and saving in the private sector, increasing the level of employment, and closing Korea's balance of payments gap.

In providing funds for projects of medium sized firms, this loan will be part of a complete range of A.I.D. financing for Korea's private industries. We recently authorized a \$5 million loan to another Korean

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- 2 -

intermediate credit institution for subloans to smaller firms, and individual A.I.D. development loans will continue to be available for large projects. In addition, part of our second program loan will be available for small subloans for spare parts and replacement machinery.

Self-help will be undertaken by Korean firms in the form of local currency necessary to complete the subloan projects and also in the form of financial and managerial improvements necessary to meet subloan criteria. To strengthen its operations, the KRB is implementing the recommendations of A. T. Kearney and Company, a U. S. consulting firm, and Arthur Young and Company, a U. S. certified public accountant firm. The latter firm recently performed a complete financial audit of the bank. The Korean Government will pay in additional capital to the KRB over the next several years to the fully authorized amount of 20 billion won (\$72 million). We are also asking the Korean Government to improve its system of guaranteeing foreign commercial loans through the KRB by permitting higher fees for such guarantees.

The proceeds of this loan are tied entirely to procurement of U. S. goods and services and thus will finance American exports and contribute to developing and maintaining sales for U. S. firms to the growing Korean market. Competition from other countries in that market is increasing. The Japanese and Germans are showing an increasing developmental and commercial interest in Korea. A recent German loan to the KRB will result in Korean imports of \$5 million worth of German goods and services. As part of the recent normalization agreements, we expect Japan will make a \$15 million loan for procurement in Japan by small and medium Korean firms. Our \$12 million loan will help ensure that Korean firms will continue to purchase U. S. capital goods.

Recommendation: That you authorize me to proceed with this loan.

*David E. Bell*

David E. Bell

~~CONFIDENTIAL~~

Bureau of the Budget

ROUTE SLIP

TO Mr. Walt W. Rostow

- Take necessary action ☐
- Approval or signature ☐
- Comment ☐
- Prepare reply ☐
- Discuss with me ☐
- For your information ☐
- See remarks below ☐

FROM Richard W. Richardson  
International Division  
Ext. 21144

DATE 8/11/66

REMARKS

Secretary Fowler's comments on the Korean loan are appended to our memorandum.

This loan is designed to supply the kind of capital goods which normally are not imported from the United States. To ensure this, AID and Commerce are arranging a promotional effort. The loan should therefore result in additional U. S. exports, satisfying Fowler's concern.



RECEIVED  
 ROSTOW'S OFFICE

1966 AUG 11 PM 4 27

П. 2. "Формы" государственной власти, а именно:  
 1. Форма государственной власти в республике  
 2. Форма государственной власти в области  
 3. Форма государственной власти в области  
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СЛУЖБА

ВКС: 3112

Инспекторский отдел

1804

Виктор М. Игнатьев

1112

3112

*[Handwritten signature]*

- ☐ 1. Форма государственной власти
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- ☐ 10. Форма государственной власти

10

ВКС: 3112

Инспекторский отдел

Виктор М. Игнатьев

1804

3112

August 12, 1966

My dear Cardinal Spellman:

The President has asked me to tell you how greatly cheered he was by your words on the Viet Nam crisis, in your talk in Cleveland on August 4, which he has read.

As you well know, the burden of seeing through a crisis as severe and protracted as that in South Viet Nam is heavy and lonely. Your public support and understanding have meant a great deal to the President.

Sincerely yours,

W. W. Rostow

His Eminence, Francis Cardinal Spellman  
Archbishop of New York  
452 Madison Avenue  
New York, New York 10022

WWRostow:rlh

~~WWRostow:rlh~~

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By JD, NARA, Date 7-16-98

DECLASSIFIED  
Authority NSC 9-26 78 letter  
By JD, NARA, Date 7-16-98

43  
Mr. Rostow

SECRET

August 12, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Next Steps on Israeli Desalting

Ambassador Bunker is reading into the problem. But as you know, he has a quick job to do on India/Pak arms, and he has hopes for a couple of weeks' long overdue leave. We have worked out a tentative schedule with him that I think should be satisfactory.

To nail this down, I recommend you approve the following:

1. Timetable. Bunker would spend 2-3 weeks beginning 29 August digging in and organizing whatever further study he needs to have done. Then he would go off for about 3 weeks while staff work moves ahead. Returning mid-October, he would wrap up his preliminary work and present his recommendations to you in early November. If it looks appropriate then, he could have a get-acquainted session with his Israeli counterpart before he gets deeply involved in the American summit in early December.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

2. Announcement. If you approve this general approach, I would vote to delay our announcement until mid-September when Bunker has collected his thoughts. We will know better then how he plans to proceed, and I should think that would still be early enough to meet our domestic needs. Meanwhile, I could quietly pass word to the Israelis of this timetable.

Approve \_\_\_\_\_ Want to announce sooner \_\_\_\_\_

3. Terms of reference. If you are ready to put Bunker in business, I suggest you approve the attached terms of reference (checked with State). Briefly these instruct him to:

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

~~SECRET~~



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- 2 -

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

--Look especially closely at the problem of requiring the Israelis to accept IAEA safeguards on this, Dimona and all future reactors. Our current position is to make this our price for going ahead with a nuclear plant. We know the Israelis will not accept this condition readily, if at all. But we would stick with our position rather than prompting the bureaucracy to begin thinking about fallback positions already. However, our coordinator will have to know this problem inside out to argue our case with the Israelis. Moreover, we must be realistic about Israeli resistance on this point and will have to know whether there are other good ways to achieve our objective.

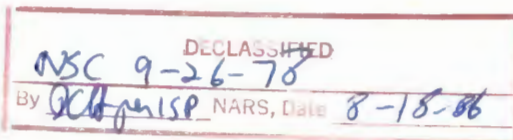
Approve terms of reference \_\_\_\_\_ See me \_\_\_\_\_

This is quite consistent with the earlier approach worked out with Don Hornig's and Charles Schultze's staff, and we have checked it with both Bunker and Hare.

W. W. Rostow

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August 12, 1966

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

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

II. The coordinator should, by early November, conduct the following preliminary reviews of the Israeli desalting project:

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

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

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

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

C. Political. He should review the impact of a nuclear desalting plant in Israel on the political situation in the Middle East. By reviewing internal positions in Israel on desalting, nuclear weapons and

SECRET/SENSITIVE

security as we know them, he should develop specific conclusions on:

1. The extent of Israeli commitment to a nuclear as opposed to a fossil-fueled desalting plant. Among other factors, he should study the importance Israel attaches to being independent of Middle East oil and the availability of oil from other sources.
  2. The problem of exacting Israeli acceptance of IAEA safeguards on all nuclear facilities as a condition for a nuclear desalting plant. The Executive Branch objective is to obtain safeguards on all existing and future nuclear facilities. Because of predictable Israeli objections, the coordinator must review this problem with particular care.
- D. The coordinator may employ one or two independent economists or other specialists and call upon appropriate USG offices to help him complete these reviews and to determine what information and analysis is still needed.

III. The coordinator should also:

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

IV. Having completed these preliminary reviews, the coordinator will, by early November, recommend to the President after consultation with the departments and agencies involved:

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



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

CONFIDENTIAL

August 12, 1966

Mr. President:

Benjamin Romualdez, brother-in-law and close confidant of Philippine President Marcos, wishes to pay you a courtesy call sometime in the next two weeks. Marcos sent him here as Special Envoy to make advance arrangements for the State Visit and watch over their negotiations with us on veterans benefits and expanded aid. He is Marcos' closest and most trusted associate and may be designated new Filipino Ambassador following the visit.

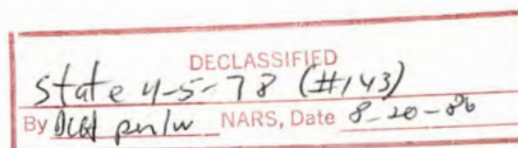
I would recommend a brief call if it is convenient for you. He is in many ways the key factor in a successful Marcos State Visit and our future relations with the Phils. If you receive him he will want to present you, on Marcos' behalf, with the mounted head of a wild tamaraw (buffalo) shot by Marcos.

W. W. Rostow

Bring him in \_\_\_\_\_

Put him off \_\_\_\_\_

DWR:hg

CONFIDENTIAL





S/S 12310

~~CONFIDENTIAL~~

DEPARTMENT OF STATE

WASHINGTON

August 10, 1966

2212  
440  
Jordan

MEMORANDUM FOR MR. WALT W. ROSTOW  
THE WHITE HOUSE

Subject: Request for Appointment with the President for  
Philippine Special Envoy Benjamin Romualdez

Benjamin Romualdez, brother-in-law of Philippine President Marcos and Special Envoy with personal rank of Ambassador, has requested an appointment to pay a courtesy call on the President.

Ambassador Romualdez is responsible for making advance arrangements for the State Visit of President Marcos, and has full power in this respect. He is in de facto control of the Philippine Embassy, and may be appointed Chief of Mission here after the State Visit.

During his call, Ambassador Romualdez wishes to present a mounted tamaraw head to the President on behalf of President Marcos. The animal, a wild and dangerous version of the domestic water buffalo, was shot by Marcos on a hunting trip to Mindoro Island, the only place where the beast is found.

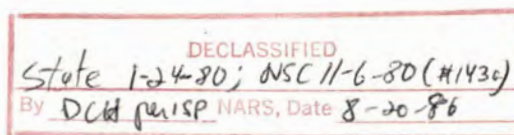
We recommend that, if convenient, the President briefly receive Ambassador Romualdez sometime within the next two weeks.

*John P. Walsh*  
Benjamin H. Read  
Executive Secretary

Enclosure:

Biographic information.

~~CONFIDENTIAL~~



DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By ju, NARA, Date 7-16-98

DECLASSIFIED  
Authority NSC 9-26-78 letter  
By juding, NARA, Date 7-16-98

Mr. Rostow

45

1. summary  
2. file

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August 12, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Next Steps on Israeli Desalting

Ambassador Bunker is reading into the problem. But as you know, he has a quick job to do on India/Pak arms, and he has hopes for a couple of weeks' long overdue leave. We have worked out a tentative schedule with him that I think should be satisfactory.

To nail this down, I recommend you approve the following:

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Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

2. Announcement. If you approve this general approach, I would vote to delay our announcement until mid-September when Bunker has collected his thoughts. We will know better then how he plans to proceed, and I should think that would still be early enough to meet our domestic needs. Meanwhile, I could quietly pass word to the Israelis of this timetable.

Approve \_\_\_\_\_ Want to announce sooner \_\_\_\_\_

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~~SECRET~~

~~SECRET~~

- 2 -

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

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Approve terms of reference \_\_\_\_\_ See me \_\_\_\_\_

This is quite consistent with the earlier approach worked out with Don Hornig's and Charles Schultze's staff, and we have checked it with both Bunker and Hare.

W. W. Rostow

~~SECRET~~

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SECRET/SENSITIVE

August 12, 1966

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US COORDINATOR ON ISRAELI AND UAR DESALTING PLANTS

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2. Establish whether adequate economic data exist to clarify the comparative economics of nuclear and fossil fuels with varying mixes of water and electricity production. Such information is essential in determining the extra costs we might accept as a premium either for "buying" nuclear safeguards or for avoiding building a large nuclear plant.

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

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DECLASSIFIED	
NSC 9-26-78	
By <i>WJ per ISP</i>	NARS, Date 8-18-86



security as we know them, he should develop specific conclusions on:

1. The extent of Israeli commitment to a nuclear as opposed to a fossil-fueled desalting plant. Among other factors, he should study the importance Israel attaches to being independent of Middle East oil and the availability of oil from other sources.
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- D. The coordinator may employ one or two independent economists or other specialists and call upon appropriate USG offices to help him complete these reviews and to determine what information and analysis is still needed.

III. The coordinator should also:

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

IV. Having completed these preliminary reviews, the coordinator will, by early November, recommend to the President after consultation with the departments and agencies involved:

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

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

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CONFIDENTIAL

August 12, 1966

## MEMORANDUM FOR THE PRESIDENT

We have been dealing here for the past two weeks with a Filipino technical aid mission as part of advance preparations for the Marcos visit. It came with inflated expectations of new U.S. bilateral aid for the new Philippine development plan and implied that a worthwhile Marcos State Visit hinged on fulfillment of their expectations.

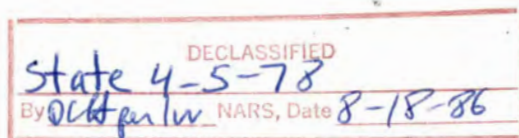
I wanted you to know that these talks concluded satisfactorily, paving the way for a successful State Visit. Our people managed to:

1. Deflect advance commitment of sizable new bilateral economic aid pending further close study, while agreeing to be forthcoming on assistance in important areas of defense support.
2. Gain Phil recognition that self-help is necessary if their economy is to realize its considerable potential.
3. Persuade the Phils that the external financing they require can better be met through multilateral sources.
4. Agree with the urgency of coping with resurgent Huk violence in Central Luzon through economic development of infected areas.

I attach a summary of the Informal Memorandum of agreement reached by both sides. The Memorandum and a more detailed expression of our positions on the matters covered therein are available in my office. I will send them along if they interest you.

W. W. Rostow

Att.

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Summary of "Informal Memorandum" Agreed Upon  
between US and Philippine Representatives during the  
Visit to Washington of the Philippine Technical Mission

The Philippine economy has potential for development but necessary investments exceed the capacity of internal savings. The gap must be narrowed by inducing larger Philippine savings and by external financial help. The multilateral approach is the most promising method for mobilizing external assistance and the United States Government will lend support to Philippine efforts to establish a consultative group (under the IBRD aegis) and will play a leading role when it is formed. Assistance through the consultative group mechanism cannot be expected for several months. During the interim, the United States will be extending assistance on a bilateral basis.

A workable scheme for providing foreign exchange and peso resources to implement certain priority projects will be undertaken by the United States and Philippine Governments immediately. The Philippine Government and the United States Mission in Manila will prepare justifications required to make effective United States assistance possible. The two Governments will urgently examine possibilities for project and program loans. The United States Government will examine possibilities for PL-480 sales. The United States Government offered technical assistance for feasibility studies, an expert on hoof-and-mouth disease, and other similar assistance. The United States is also sending an expert from Washington to Manila to assist the Mission and the Philippine Government in drawing up specific project proposals.

The United States will examine its military assistance program to determine what can be reprogrammed for current year requirements. There will be further consultations on additional items and projects which might be financed under the Military Assistance Program.

The Government of the Philippines decided that an increase in its stand-by with the IMF is not necessary at this time, but if the situation changed they would consider increasing it.

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E.O. 12958, Sec. 3.5

State Dept. Guidelines

By ju, NARA, Date 7-10-98



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A second memorandum prepared by United States officials is annexed to the agreed memorandum as the basis upon which the foregoing areas of agreement were developed. It was agreed that this memorandum (with its annex) should not be released to the public and each side undertook to transmit its substance to its respective President.

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

47  
August 12, 1966

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Talking Points for Your Meeting with UAR Ambassador Kamel--  
12:30 p.m. Friday, August 12

Kamel is just back from Cairo with word that Nasser wants to improve relations, will keep the Israeli issue quiet, would accept nuclear safeguards if Israel did, and wants to get out of Yemen.

Our aim is to keep a line open. Nasser looked ready this spring to force a showdown. Now he has backed off. He badly needs our wheat and is buying \$50 million on CCC credit. But his recent speeches still sound as if he is preparing his people for the end of US aid. (The first page and paras. 1, 8, 10, 11 of the attached give details.)

This will be your first important communication with Nasser since you saw Sadat in February. State recommends a considered reply:

1. We share President Nasser's wish to improve relations.
2. The US has no basic quarrel with the UAR. We are not "inherently hostile" (as Nasser has reportedly said). We respect Nasser's achievement in raising his people's hopes.
3. Where differences develop, we are ready to talk them out or find ways to confine them (like keeping the Israeli issue "in the icebox"). However, you want to repeat your suggestion to Mr. Sadat that we discuss these differences quietly--not in public.
4. We share the UAR's hopes for economic growth. We have not closed the door to helping, but two things make helping difficult--the political atmosphere and the UAR's failure to put its financial house in order. A sound agreement with the Monetary Fund would improve the financial climate. (You will want to avoid promises.)
5. We consider President Nasser's offer to accept nuclear safeguards important. We oppose nuclear weapons anywhere in the Middle East.
6. We hope the Kuwaiti mediation talks on Yemen next week will succeed.

*Walt* Rostow

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E.O. 12958, Sec. 3.6

NLJ 98-402

By CB, NARA Date 10-21-99

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## TALKING POINTS FOR THE PRESIDENT

Subject: Call of Dr. Mostafa Kamel, Ambassador of the  
United Arab Republic

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-403  
By is, NARA Date 10-6-99

### Background

Kamel returned to the United States on June 23 after an extended period of consultation in Cairo. He wishes to see you briefly to present an autographed picture of Nasser. He will also tell you that Nasser wishes to work with you to strengthen US-UAR relations. He will probably tell you that Cairo is "at the crossroads:" that unless Nasser can feel some degree of confidence in US support in his problems of development and sheer survival, so far as feeding his people is concerned, he will succumb to counsels of desperation.

While some aspects of the UAR's deportment in recent months have been irritating to the extreme, our basic interests in the Near East are in relatively good shape. We see no advantage in either seeking, or letting things drift toward, an expanded confrontation with the UAR. If the UAR is willing to cooperate, a period of a few months' calm in our relations could be mutually helpful.

We have enclosed a brief summary of the current status of US-UAR relations.

### Talking Points

Recommended points to make to Kamel:

1. The United States has no fundamental quarrel with the Egyptian people or with their President. We respect the Egyptian people for what they are, hardworking, devoted to their country, and cheerful in adversity. We respect President Nasser for what he has accomplished in giving his people hope for the future.
2. As President Nasser has said most of the differences between us have nothing to do with direct US-UAR relations. They generally relate to issues involving third parties. This does not make the differences any less real. On the contrary, they are more complex and more difficult.
3. Please tell President Nasser that we appreciate his desire to work with us to improve relations. We share this wish. We will continue to be ready to explore with your Government ways and means of resolving our differences, or, if this is not possible, circumscribing them. The atmosphere will be healthiest if we manage, to the greatest extent possible, to keep our differences to ourselves.
4. We appreciate President Nasser's assurance that he will accept international controls over UAR atomic activities. We think this is an important step. We remain absolutely opposed to the spread of nuclear weapons to any country in the Near East.

Enclosure: Current Status of US-UAR Relations

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Current Status of US-UAR Relations

**DECLASSIFIED**

**E.O. 12958, Sec. 3.6**

**NLJ 98-403**

**By is, NARA Date 10-6-99**

1. General atmosphere.

According to Ambassador Kamel a "great debate" has been continuing in Nasser's inner circle. There are those who urge Nasser to give up endeavors to improve relations with the United States and to move closer to the Soviet bloc. There are others, alas too few, who urge a further effort to try to improve things with the United States and to keep the door open for possible resumed US food assistance. Thanks to Kamel's efforts in Cairo, Nasser has gone along with the latter group and is willing to make one more try.

While we would not care to speculate on the factualness of this presentation in detail, we do believe that Nasser has come to realize that the days when he could successfully balance West against East may be coming to an end. While Soviet aid and support have remained fairly constant, assistance from the United States and the West has been cyclical and the cycle has been declining. He has come close to deciding to wash his hands of the West. But he does not desire a dramatic confrontation with us. Moreover, he has come to realize the value and almost irreplaceable character of US food assistance. Therefore, he, Kamel, and other Egyptians are telling us in private what they think we want to hear. Nasser's July public speeches, however, reflect a need he feels to prepare his public opinion for a final cut-off of US help.

2. Yemen.

The Kuwaiti negotiators have been active and resourceful in isolating issues and obtaining compromises between the Egyptians and the Saudis. A meeting is to take place in Kuwait between UAR and Saudi representatives on August 15. The UAR has impressed the Kuwaitis with its desire for a settlement. The Egyptians have also assured us that they want a settlement and asked us to help bring it about. There are some indications that the UAR is going forward on its own with a revision of its military dispositions in Yemen that would result in the reduction of Egyptian forces there from present levels of 60-70,000 to about 40,000.

3. The remaining and most difficult question is the disposition of the former Yemeni Royal Family. They are presently encamped in northern Yemen being aided and succored by the Saudis, among others. Nasser feels that he must be able to make a plausible claim of victory in the Yemen, to the effect that the lengthy and costly Egyptian sacrifice there at least resulted in the establishment of a non-royalist state. Otherwise, discontent in the UAR armed forces will rise to a level

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seriously to threaten the continued existence of the Nasser regime. We believe Nasser may well be right in this analysis. But Faisal says he will not envisage the removal of the Royal Family unless and until the last UAR soldier is out of Yemen.

4. Vietnam.

We believe that Nasser is torn in his mind over Vietnam. He is aware of the big power aspects of the struggle and would not welcome the increase in Chinese Communist prestige and power which would follow defeat of the United States in Vietnam. He is flattered when we consult him on ways and means of bringing Hanoi to the conference table. At the same time, as in the past, he resents the mighty power of the United States, the United States ability to do just about what it pleases in the world without anyone's, not even the Soviets', being able to say us nay. He is emotionally affected by US air attacks on a small, non-European country. He also doubtless believes it essential not to get too far away from the Soviets on this issue if he is to maintain his pipeline to Soviet aid and arms. He was taken aback by our strong reaction to the UAR's permitting the Viet Cong to open an office in Cairo. Kamel and others have tried to explain it away by stating that this was not meant as a provocation to the United States but was done in an effort to be helpful in providing better communications through the Egyptian channel between the US on the one hand and Hanoi and the Viet Cong on the other.

5. Polarization of the Arab World.

While the Soviets still speak of the UAR, Algeria, Iraq and Syria as a natural grouping of "enlightened, forward-looking" Arab states, the prospects of a lasting polarization seem much less than originally feared. The UAR, Algeria, Iraq and Syria publicly profess certain "socialist" goals. But relations among them are far from easy or comfortable. Nasser's present effort seems to be to isolate as "incorrigible reactionaries" the regimes of Jordan, Saudi Arabia, and, of course, Tunisia.

6. Arab Summits and Israel.

Nasser has caused a setback to Arab Summitry by his refusal to attend the meeting planned for Algiers in September. While he may have hoped to keep in being such organisms as the Palestine Liberation Army and the Jordan River Authority, (if for no other reason because the hard currency resources of these bodies were kept in Egyptian banks), it seems that financial support for these groups will probably decline. There has been a decline in Israeli apprehensiveness over Arab military strength. Our military assistance to Israel has played a role in this. Nasser may well fulminate against Israel but we believe there is

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practically no possibility that he will attack or provoke the Israelis within the foreseeable future.

7. AALAPSO Conference.

The Egyptians were impressed by the strong American reaction to the prospect that the second Afro-Asian Latin American Peoples Solidarity Conference would be hosted by Cairo in 1968. They also seem to be surprised at the strength of the reaction by Latin American governments. They have disclaimed any governmental connection with AALAPSO and hinted that the invitation to the group to meet in Cairo may have been issued without the consent of responsible UAR authority. They have also broadly hinted that the conference may never take place.

8. UAR Economy.

Egypt's economy has been in difficulties since the early sixties. It is now somewhat worse off due to the decline in western aid and credit and the heavy debt burden. Many of her problems are those of many developing states: over-ambitious and ill-planned public expenditures leading to inflation, unforeseen rises in consumption, continuing balance of payments deficits, wasteful resource allocation, onerous debt repayment schedules, etc. Her problems are compounded by a burgeoning population and the need to obtain much of her food from abroad. Egypt must import 50,000 tons of wheat a week to feed its urban population. There is some prospect of increasing revenues from oil production in the next few years but there are as yet no signs that Egypt will come close to turning into another Saudi Arabia or Libya. The International Monetary Fund is willing to assist the UAR through a stabilization agreement provided the Egyptians take necessary restrictive measures including some form of devaluation. The Egyptians have balked at this. However, we have emphasized to them the necessity of coming to terms with the IMF. Conversations are continuing and the prospects of a new IMF agreement now appear somewhat brighter.

A.I.D. assistance to Egypt is now limited to a relatively modest technical assistance program (\$1.5 million in FY 1966) and a \$12 million Title III welfare feeding program operated by CARE and Catholic Relief Services. For a combination of economic and political reasons, we have made no development loans to Egypt since 1963. The earlier loan projects are completed or rapidly nearing completion, with the exception of a Grain Storage Project (\$17 million) on which we have delayed implementation for political reasons. The last PL 480 agreement (\$55 million for six months under Titles I and IV) expired June 30, 1966. No action has been taken on a UAR request for a new \$150 million PL 480 agreement. We suggested instead that the UAR make CCC commercial purchases. The Egyptians have now obtained \$50 million in three year CCC dollar export credit to

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meet wheat needs through the remainder of 1966. To maintain their supply, the Egyptians can be expected to seek a new PL 480 agreement sometime this fall.

9. Arms Control.

The Egyptians have moved a step forward on this subject. Nasser has told us personally that he would accept international controls (possibly IAEA controls) over his atomic activities. He told the Guardian newspaper that he would accept a non-proliferation treaty. His missile program seems on dead center, plagued by material and personnel shortages. The Israelis are less anxious to obtain missiles of their own. We think further explorations of this subject with both sides are now called for and are thinking in terms of approaches of our Ambassadors in Cairo and Tel Aviv in the early fall.

10. Conclusions.

Throughout the decline in US-UAR relations which took place this spring, our vital interests in the area--prevention of Arab-Israel hostilities, oil, Suez Canal, etc.--remained basically untouched. It is hard to attribute the cause for the decline to any single factor. It was more a question of general atmosphere.

Nasser is not the man he was, either in the Arab world, or to some extent, in Egypt. But the Arab world still has not produced another leader who can begin to challenge Nasser. Nor do we think that popular discontent in Egypt has risen to the point where the regime is threatened. A military coup, of the type that brought Nasser to power, is of course always possible. A "defeat" in the Yemen would make it more so. There are those--certainly the British and probably the Saudis--who think that any successor regime in Egypt would be better than the present one. This is dubious. Egypt's aspirations to lead the entire area go back many decades, if not centuries. They antedate Nasser and will not disappear with him. Egypt's dependence on the USSR for arms and economic aid is built in for many years to come. Nasser has succeeded in slightly raising the pathetically low living standards of his people and in restoring their sense of dignity and hope for the future. He has maintained stability in an important corridor of an unstable area. If the Egyptians should decide to depose him, that is their business. But there is no American interest in becoming a party to a plot or in letting the situation in Egypt degenerate into total instability in the hope that something better will turn up.

11. We believe it is to our interests to continue to keep the door open with the UAR, and to keep assuring them of our desire to be helpful within the range of our possibilities. We must also make clear that the scope of the range of possibilities depends very heavily on what they can do to

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improve their standing in the light of American congressional and public opinion.

The previous method of food assistance to Egypt, long or short-term PL 480 agreements, has had unhappy aspects for both sides. Ideally, if the Egyptians were to cooperate in maintaining a period of calm in our relations, it would be better to place food assistance to Egypt in a new, perhaps multilateral framework. If we could move to a context of assisting the UAR to make its contribution to the global attack on the world food problem--a program whereby Egypt's agriculture would ultimately provide the wherewithal for feeding Egypt--we would have a sounder basis for cooperation.

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Friday, August 12, 1966 -- 1:00 p. m.

Mr. President:

I had these reflections on the Cabinet briefing on the economy.

1. We don't deal with profits properly. We show gross profits; we show profits after taxes; but we don't show clearly net profits distributed after plough-back of profits into investment. It is true plough-back increases the shareholder's equity; but it is also true that plough-back is the basis for increases in productivity and real wage increases and (via the investment level) the level of employment. Labor, as well as shareholders, enjoys the benefits of plough-back of profits. Therefore, the exposition of Bill Wirtz on income distribution was partially misleading and the complaints of labor are partially false. If we are to get the national community to accept a non-inflationary, full employment policy, we've got to clear this up.

2. Guidelines. A simple standard, uniform guideline won't work. The theory says wage increases must average out at the average increase in productivity. Wage incentives must be provided to draw labor to highly productive, rapidly growing industries. On the other hand, it is tough to deal with wages in each industry as a separate case, in terms of its productivity. I'm not sure of the answer yet; but I'm sure of these elements:

a. We need some flexibility.

b. Charlie Schultze was right, Jack Connor was wrong about prices. If we ask labor to accept wage guidelines, we can ask industry to accept price guidelines. Perhaps like this: When, over a time period of several years, profits, after taxes and after plough-back, are increasing abnormally, a firm has a duty to pass along productivity increases in lower prices.

3. In short, we have a major job of refinement to do -- in thought and policy -- if we are to hold this country up near full employment without controls and without inflation.

W. W. Rostow

cc: Bill Moyers  
Joe Califano  
Gardner Ackley

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Friday, August 12, 1966

MR. PRESIDENT:

The attached memorandum tries to sort out my thoughts on non-proliferation and arms control.

The subject is complex, but my conclusions are reasonably clear:

1. Whether or not we get a non-proliferation treaty with the Russians acceptable to ourselves and our principal allies, we face the grave problem of trying to head off an expensive, sterile, and de-stabilizing ABM race.

2. The real issue in the non-proliferation debate is not German access to nuclear weapons; it is how the West and Asia may decide, with us, to organize nuclear arrangements in the future.

3. A non-proliferation treaty with the USSR should only be agreed if two conditions are met:

-- it leaves open the question of how we organize the West and Asia for collective nuclear defense, within the framework of the agreement;

-- it does not produce a crisis in German political life and in our over-all relations with Western Europe.

It is not necessary or wise to sell out major Western or Asian interests to get a non-proliferation agreement with the USSR. Either the Russians share an interest with us in non-proliferation or they don't. No bonus from the Free World should be required.

4. It is a basic interest of the U. S. , USSR, and Europe to have an agreement in which the U. S. veto is preserved, whatever the form of nuclear organization that emerges; but it may take time and hard serious work with the Europeans for them to see that their insistence on an independent right to fire would lead inevitably to a dilution of the U. S. . military commitment much more costly than it is worth to them. We should work towards that understanding.

5. An ABM freeze may or may not be possible for us to negotiate with the Russians; but the stakes are high and it is our duty to try.

6. It might be easier for us and the Russians to make an agreement on ABM's if it is part of a larger package including, aside from the ABM freeze:

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E.O. 12356, Sec. 3.4  
NIJ 88-55  
By 47, NARA, Date 12-9-91



-- the acceptance -- if possible, publicly, but if not, via a private bilateral understanding -- that the ABM agreement will be inspected by mutual satellite photography;

-- U. S. -USSR agreement to a comprehensive test ban, since the development of ABM warheads is for us the most important single reason for continued underground testing;

-- possibly, the creation of a special international corporation for the development and carrying out of PLOWSHARE operations throughout the world, in which the U. S. and the USSR would cooperate.

7. A comprehensive test ban and the opening of dialogue with the Russians on satellite photography will meet resistance in parts of the government; but my assessment is: these two measures, if agreed, would not only strengthen the ABM agreement but also have powerful positive effects on non-proliferation and its acceptability to the nuclear-potential nations.

8. The Ball PLOWSHARE proposal deserves careful examination; but I am less confident about its viability.

9. This whole package should be part of the September review of all our arms control options.

W. W. R.

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Friday, August 12, 1966 -- 6:00 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Non-proliferation Treaty; the Organisation of the West;  
and Arms Control.

1. We are now probing via Geneva to establish whether acceptable language can be found between the U. S. and the USSR for a non-proliferation treaty. Unless that probe proves successful, I believe we must strike out in new directions in the field of arms control and non-proliferation. But even if we should find the basis for a non-proliferation treaty, I believe these new directions are required for two reasons:

-- Because a non-proliferation treaty agreed between the U. S. and the USSR may not be acceptable to others unless there is significant U. S. -Soviet progress in arms control;

-- Because, in any case, we have a major interest in trying to head off an incipient ABM dimension to the arms race.

2. This memorandum first examines the non-proliferation treaty issue. It then suggests the directions in which an alternative (or supplementary) policy might now attempt to move.

3. The Non-Proliferation Treaty Issue.

a. Thus far the debate on behalf of the non-proliferation treaty -- outside the government and, to some extent, within the government -- has taken something like this form:

'Our choice is between carrying forward the detente with the USSR (and doing something about non-proliferation) or "appeasing" the Germans. What is really needed is for the Germans to accept or be pressured into the act of self-denial required to eliminate the possibility of collective ownership of hardware from our non-proliferation draft. By denying themselves (or being denied) access to nuclear hardware, the whole world community could move a measurable step towards peace.'

b. What is really at stake in closing out the hardware option has little to do with non-proliferation and little to do with German access to nuclear weapons.

3.4(b)(6)

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E.O. 12958, Sec. 3.6  
NLJ/RAC 00-63  
By SJ, NARA, Date 10-24-02

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34(b)(6) [redacted] These cannot be fired without a positive decision by the German government and the U. S. President.

[redacted] Pershing Mark 50 has a range of 400 miles, taking it far beyond the range of battlefield weapons.

c. In this limited sense the Germans are already a "nuclear" power: they own significant delivery systems; they have a voice in firing (or not firing) nuclear weapons. And that voice would not be significantly increased under any of the hardware schemes now contemplated: it might, in fact, be diminished as suggested in paragraph 5, below.

d. The real issue in a non-proliferation treaty is, therefore, not primarily German access to nuclear weapons or German influence over nuclear decisions: it is whether, by an agreement between the U. S. and the USSR, we are to freeze the nuclear organization of the West, ruling out either an Atlantic collective nuclear system or a European collective system; and, similarly, whether we should limit our options in dealing with the future nuclear organization of Asia.

e. This limitation of our options has two sides. There are some significant advantages to us in maintaining two-key bilateral arrangements with the Germans and with others; notably, the requirement of a U. S. positive decision to fire is unambiguous. (But this is also true of an Atlantic system as now envisaged, and it could even be true of a European system linked to an Atlantic system.) Looking down the line, a two-key bilateral system might some day become relevant to arrangements with Japan to counter Chinese Communist MRBM's or to a tactical nuclear system with India should the Indians come to the point politically of being willing to accept such arrangements with the U. S. (Attached is a recent intelligence report on the views of the Indian military with respect to atomic weapons, emphasizing that tactical weapons -- rather than strategic -- are what they need for defense.)

f. The disadvantages of freezing around a bilateral two-key system are these:

-- In Europe it would be taken as a U. S. step in opposition to sentiment towards European integration. It is by no means clear that if and when the Europeans ever get to examine in realistic terms the pros and cons of a European nuclear system, they will accept it. In the end, I believe a collective Atlantic system (or an Atlantic system with a "European" vote and a continued U. S. veto) makes better sense for Europe than a European system with an independent right to fire. I hold this view because

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as soon as a united Europe claimed a right to fire independent of the U. S. , we would pull back. We cannot let SAC be triggered without our assent; and our intimate, integrated NATO arrangements involve us so deeply that a European firing would involve us. Therefore, thoughtful Europeans in the end would accept both the advantages of our involvement and a continued U. S. veto. But at the present time, as the attached extracts from a Bonn cable indicate, a flat U. S. block on a European clause might alienate some of the best U. S. friends on the European continent; e. g. , Birrenbach. The issue is symbolic and political rather than technical or military; but it is more rather than less powerful for that reason.

-- Limiting our option to a bilateral two-key system would also freeze the U. K. and French national nuclear capabilities, since it would make impossible their later submersion in either an Atlantic or European collective nuclear system. Some British believe they should hold their national nuclear capability as a bargaining counter for going into Europe; many French believe a European system is the ultimate destiny of the force de frappe. If we rule out all but bilateral systems, they would have nowhere to go but totally out of the nuclear business; and this is unlikely. And so long as these national nuclear systems exist, pressure on Germany, Italy, etc. will persist for going national.

-- Finally, a freezing via treaty on a bilateral two-key system runs counter to the persistent trend (in Asia as well as in Europe) towards regionalism rather than simple bilateral relations with the U. S.

4. In short, although there are not now strong active pressures in either Europe or Asia for collective hardware solutions, a freezing via treaty with the USSR on bilateral two-key systems would limit the organizational options of the Free World in the future and create immediately some disruptive debate. The sentiment in Europe is not now for collective systems; but it is against ruling them out.

5. If the USSR were serious about using the treaty to move forward in the field of non-proliferation, it would accept our present treaty draft. They might set as a proviso that a U. S. veto be written into an Atlantic collective system and a U. K. veto, in a European system. If they felt unsure of the capacity of Britain to stand up to European pressures in a European system -- and wished to insist on a linking of a European to an Atlantic system, with the U. S. veto maintained under all circumstances -- this would be, I suspect, acceptable to Europe in a treaty, if we had time to work it out patiently with the Europeans. In any case, this is the only correct and legitimate security issue for them to raise with respect to

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Western organization of nuclear affairs. And they should recognize that a collective system in which U. K., Italian, etc. voices would be involved in the decision to fire, as well as U. S. and Germany, dilutes rather than strengthens the German role and capacity in determining whether or not weapons are fired and is to their advantage. From the narrow Soviet security point of view, objectively assessed, a collective system is more secure (somewhat less credible, from our point of view) than a bilateral system. Politically, a collective system is less attractive from Moscow's point of view, because it binds the West together.

6. Thus far I am not persuaded that non-proliferation is the true Soviet interest in a non-proliferation treaty. They are, I suspect, trying to prevent the political coalescence of the West either via an Atlantic or European nuclear system; and this is not a Soviet interest we should accept as legitimate.

7. Therefore, I do not believe we should accept a non-proliferation agreement with the USSR which forecloses or narrows the options of the West -- and of Asia -- with respect to its future nuclear organization in relation to the United States, with the exception of the question of the U. S. veto. And I accept that reservation because I believe, carefully thought through, it is an interest Europe and the U. S. share with the USSR.

8. If the Soviets do not agree to our concept of a non-proliferation treaty, we should proceed along other lines which will get at certain real and pressing arms control problems -- notably an ABM race -- and try to create an environment in which the pressure for both hardware solutions and collective arrangements might abate and the nuclear issue in Germany, India, and Japan gradually deflate as the U. S. and the USSR make progress towards arms control. We can afford to wait a while to see how formidable a threat the Chicom nuclear capability becomes and what we need to do about it nationally and/or collectively.

9. If the Soviets do not agree to some such serious arms control measures, and pressures for nuclear participation mount, we can then consider -- on their merits in the Free World -- either two-key or collective arrangements.

10. Specifically, we should now approach the USSR soon in the greatest seriousness and secrecy with the following four-point package:

-- An agreement for both countries to stand down in the ABM field -- in short, an AMB freeze.

-- The acceptance -- if possible, publicly, but, if not, via a private bilateral understanding -- that the ABM agreement will be

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inspected by mutual satellite photography.

-- U. S. -USSR agreement to a comprehensive test ban, since the development of ABM warheads is for us the most important single reason for continued underground testing.

-- Possibly the creation of a special international corporation for the development and carrying out of PLOWSHARE operations throughout the world, in which the U. S. and the USSR would cooperate.

The rationale for this package is discussed in the attached paper.

11. This package would represent sufficient U. S. -USSR progress in arms control to weaken in all countries the thrust towards national or collective ownership of nuclear weapons. A comprehensive test ban would powerfully inhibit the development of national nuclear capabilities and thus contribute to non-proliferation at least as much as a non-proliferation treaty. Finally, the U. S. and USSR are likely to move towards an expensive mutually frustrating and destabilizing ABM race unless there is an early agreement on this point.

12. I would envisage an early serious and secret approach to Moscow with this package.

13. It is not certain that the USSR will agree. And there will be resistances in the government to some such package. But the ABM issue is so serious and the package so attractive in its total effect -- on non-proliferation as well as the ABM race -- that I believe it to be worth a college try.

W. W. Rostow

#### Attachments

1. Views of Indian Military Officials on Atomic Energy Developments.
2. Extract from Bonn 820.
3. Draft paper -- A Four-Point Approach to Arms Control.

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-- INTELLIGENCE INFORMATION CABLE

4 August 1946

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

**SUBJECT: Views of Indian Military Officials on Atomic Energy Developments**

1. The Indian Ministry of Defense Committee appointed to make recommendations on India's policy on atomic energy developments has completed an interim report which represents the military point of view. The report carries the government of India classification of top secret.

2. The following points were made in the report:

a. From preliminary studies it appears that even if India produced a bomb, it had almost no possibility of producing or purchasing a modern delivery system in the near future. At best, India could only hope to purchase obsolete bombers with a fairly limited range.

b. Tactical atomic equipment would be most valuable for India's defense but it is outside the range of India's present technical capabilities to produce equipment such as compact warheads.

c. The scientific community had indicated to the committee that a nuclear device could be exploded within twelve to fourteen months if a crash program were to be ordered.

3. [REDACTED]

EO 12958 3.4(b)(1)>25Yrs  
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**SANITIZED**

**E.O. 12958, Sec. 3.6**

**NLJ 98-404**

**By is, NARA Date 1-28-00**

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JULY 20, 1966

EXTRACT

BONN 820

LIMDIS      FOR Amb. McGhee

1. Birrenbach called to say that one point he forgot to make in his conversation with you Monday morning was his concern about the course of negotiations in Geneva on non-proliferation. He noted that he had seen Foster when the latter was in Germany and had argued with him that the second U. S. draft non-proliferation treaty was less acceptable than the first draft since it excluded a necessary intermediate stage in the process of creating a European nuclear force by forbidding assistance by a non-nuclear to nuclear powers. He said Foster had told him that the second draft was now on the table and could not be recalled. Birrenbach's fervent hope was that a possible third US draft would not go even farther and completely exclude the possibility of a European nuclear force.

2. Birrenbach stressed that even he, as a consistent friend of the United States and supporter of our policies, could not accept a total elimination of the European option. This was the almost unambiguous opinion within the CDU, and any non-proliferation treaty which went beyond the present draft would be rejected by a large majority of the Bundestag.

Hillenbrand

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E.O. 12958, Sec. 3.6  
NLJ 98-403  
By is NARA Date 10-4-99

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DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 92-282  
By ju, NARA, Date 9-17-92

A FOUR-POINT APPROACH TO ARMS CONTROL

This paper explores a four-point approach to forestalling the next round of the nuclear arms race:

- A freeze on the deployment of anti-ballistic missiles (ABM's);
- A comprehensive ban on the further testing of nuclear weapons;
- A joint U.S.-Soviet approach to performing peaceful nuclear explosions for other countries;
- Reliance on unilateral verification capabilities and, for this purpose, the surfacing of certain capabilities which are now classified.

These measures and their relationship to each other are considered below.

I. Elements of the Approach

ABM Freeze

If the U.S. and Soviet Union become involved in an ABM race, each will incur a double cost: (a) the cost of the

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of the defensive deployment; and (b) the cost of improving offensive capabilities to defeat each other's defenses.

Step (b) -- defeating ABM's -- is technically feasible for both countries. Each would take this step in order to ensure the continuing effectiveness of deterrence in the face of uncertainties created by defenses neither would wish to put to the test.

The most probable outcome would be major, prolonged expenditures -- with no net gain in security for either country. This costly process would consume resources both countries might otherwise be able to devote to meeting domestic needs.

Banning ABM's would mean the following from the standpoint of our own security interests:

(1) We would continue to rely on strategic deterrence vis-a-vis the Soviets. We would have to be satisfied about the probable effectiveness of our strategic deterrent even if the Soviets should call off or violate the ABM freeze in the future.

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(2) Instead of deploying ABM's against a future ChiCom intercontinental threat, we would rely on: (a) strategic deterrence; and (b) a disarming strike, if necessary. (If U.S.-Soviet relations should evolve in a favorable way and if both the U.S. and Soviets felt the need for some ABM deployment versus the ChiCom's in the 1970's, the question might be re-opened at that time.)

(3) A third aspect relates to whether the Soviets might eventually achieve a first-strike capability against our land-based missiles. Defending our land-based missiles with ABM's would be one approach to this problem. However, there are other steps we could take if we were to become seriously concerned about this possibility.

An ABM freeze would not bring the strategic arms race to a complete halt. It has to be assumed that both the U.S. and Soviets will continue to improve their strategic offensive forces. However, under an ABM freeze, such changes should be substantially more limited than if ABM's are deployed.

Comprehensive Test Ban

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Comprehensive Test Ban

Our main requirements for continued underground testing of nuclear weapons center around: (a) the further development of ABM warheads; and (b) the development of new offensive warheads to provide additional assurance of our ability to penetrate Soviet ABM's. Other objectives are, of course, served by underground testing, but these are central.

An ABM freeze would relieve pressures for both kinds of tests. At the same time, a comprehensive test ban would reinforce the freeze by preserving the wide margin of uncertainty that now confronts both countries with respect to how well ABM's would really perform.

On this question of uncertainty, a recent visitor to Los Alamos reports a feeling among scientists there that in view of uncertainties related to system performance, it would not make sense to deploy an ABM system without testing it in the atmosphere. These scientists were not advocating that we abandon the limited test ban. They were simply expressing the view that there is an unreal quality about the present ABM debate.

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There is a further point. A comprehensive test ban and ABM freeze would have a substantial effect on the problem of nuclear proliferation. If the U.S. and Soviets get into an ABM race and continue nuclear weapons testing, we are not likely to halt proliferation. Other countries would join the "nuclear club" since it would be clear to all not only that the arms race was going to continue indefinitely, but also that it was reaching ever higher levels.

#### Peaceful Nuclear Explosions

The present limited test ban restricts peaceful nuclear explosions as well as weapons tests. A comprehensive test ban would eliminate peaceful explosions unless an exception were made for them to be continued.

Peaceful nuclear explosions can be useful for such projects as digging canals and for major excavations for resources development. Efforts of this kind might be especially beneficial to developing countries.

We could propose to the Soviets that they join us:

(a) in seeking international agreement to continuing

peaceful

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peaceful nuclear explosions; and (b) in creating an international corporation to arrange such explosions for other countries.

There have been some indications of possible Soviet interest in an agreement on peaceful explosions. Such an agreement would have to provide as much assurance as possible that peaceful explosions were not actually disguised weapons tests.

#### Detection Capabilities

The missing point in the approach as outlined thus far relates to the problem of verifying Soviet compliance with an ABM freeze and with a comprehensive test ban. We cannot go very far into these matters at this level of classification. However, the following factors would be involved.

(1) We see no chance that the Soviets will accept inspection. This means that if we are to get anywhere, we will have to rely on existing capabilities of our own (and, of course, on improvements of these capabilities as they come along).

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(2) Existing capabilities are probably adequate to verify an ABM freeze.

(3) For the comprehensive test ban, we would rely partly on seismic detection systems. But here again, classified capabilities would play a key role by helping clear up any question that might arise as to whether a particular event was an earthquake or a man-made nuclear explosion.

(4) In order to provide sufficient information to win domestic support for the arms control approach suggested here, we would have to surface certain of these classified capabilities. Since there is and will continue to be increasing awareness of these capabilities at home and abroad, this step might not prove as drastic as it sounds.

(5) Once the capabilities were surfaced, we could consider maximizing the usefulness of the heavy investment they represent. They could, for example, have application to a broad range of problems from peacekeeping to planning development projects.

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Would the verification system outlined here be enough? It would not remove every last doubt. We don't know of any verification system that would be that good. We do think this approach should answer reasonable doubts and hold risks to acceptable limits.

## II. Soviet Reaction

The Soviets have started deploying ABM's. They may not want to stop. They have always been heavily oriented to defensive systems (even to the point of over-investing in them). Moreover, to date they haven't displayed any acceptance of arguments that ABM's would be destabilizing.

But these arguments about ABM's have never been put to them by authoritative U.S. spokesmen. Moreover, the over-all approach outlined above would come closer than other U.S. proposals to giving them a real choice.

They just might want to consider this choice if, as Ambassador Kohler recently reported, "they are finding the burden of trying to rival us in military and space programs almost crushing."

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Perhaps the hardest point for the Soviets to swallow would be facing up to the facts of life by agreeing openly to legitimize detection capabilities they now tacitly accept but regularly denounce. It is possible, though, that they might be just about ready to do this. In his July 1, 1966, speech to Soviet military graduates, Brezhnev made the following statement:

"A host of all kinds of fabulous stories is now much in vogue in the United States--that it has the most 'all-seeing' spy satellites, the 'greatest possible number of rockets,' the most 'invulnerable submarines,' and so forth and so on. But to put it mildly, this does not agree with the facts, since the authors of such stories rely on those simpletons who have never considered what rockets, sputniks, submarines, and other modern technical equipment the Soviet Union has."

We don't want to put too much weight on one statement, but this reference to Soviet sputniks as well as U.S. satellites comes as close to laying the cards on the table as anything Khrushchev ever said publicly.

### III. Next Steps

Each of the foregoing points would require major policy decisions. Our purpose here is not to press for such decisions now, but to stress three points:

First,

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First, the approach outlined here is worth serious consideration. We have arrived at a crucial turning point in the arms race. If the Soviets and U.S. become committed to an ABM race and to the changes in offensive forces that would necessarily follow, there may not be another chance to break the arms race cycle for another decade.

Second, the opportunity is transient. If the Soviets continue to deploy, we will be under increasing domestic pressure to follow suit. Some of our Allies (the British, Canadians, and Danes) are already worried about that possibility. If the approach suggested here could be made to work, it would be greeted with a massive sigh of relief abroad.

Third, the machinery of the government is simply not geared up to assessing possibilities like this. What is needed is not so much time, as concerted effort. If the approach is to receive serious consideration, three steps might be taken: (a) a small staff-level group (perhaps no more than two or three people) might be assigned the

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job of developing the issues and posing the choices;  
(b) the results could be put to the heads of the  
key agencies; (c) senior "wisemen" of both political  
parties might be consulted in the process.

This is a tall order. The conclusion might be  
reached that we don't have any alternative but to go  
ahead with ABM deployment and nuclear weapons testing.  
But rather than accept this conclusion by default, we  
should seek alternatives now.

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THE WHITE HOUSE  
WASHINGTON

August 12, 1966

MEMO FOR THE PRESIDENT

An interesting - and I think  
honest - French diplomat's analysis  
of the real feeling in Hanoi.

Walt Rostow

Sayon 3264

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Friday, August 12, 1966

TEXT OF CABLE FROM AMBASSADOR LODGE (Saigon, 3264)

Foreign Minister Do has made available to the Political Counselor a copy of a report sent by the Vietnamese Ambassador in Kuala Lumpur (protect) regarding the recent visit of Mr. Balthazar, Inspector General of the French Foreign Ministry to Hanoi. Information on which the report was based was obtained from Foreign Office officials in Kuala Lumpur. Apparently Balthazar transited Kuala Lumpur on his way back to Paris.

An unofficial translation of the report follows:

"Subject: The Situation in North Vietnam According to Mr. Balthazar, a French Diplomat.

I wish to inform you of the following information which I acquired from the Malaysian Foreign Ministry.

About three weeks ago Mr. Balthazar, who occupies the position of Inspector General of the French Foreign Ministry, visited Malaya and held discussions with the Malayan Foreign Ministry.

According to Mr. Balthazar, he was in Hanoi when the U. S. Air Force bombed the oil installations in Hanoi and Haiphong.

After them, Mr. Balthazar met Pham Van Dong and other ranking North Vietnamese personalities.

According to Balthazar, although North Vietnamese leaders continue to say that they are determined to (fight to) the end, he had the impression that they were very scared. Although North Vietnamese leaders did not say anything about it, Balthazar concluded from his meetings and discussions that North Vietnam is exhausted and can only bear (to continue) three or four months longer, at the most.

Mr. Balthazar emphasized that this was not only his personal view but was an impression shared by Frenchmen living in Hanoi.

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E.O. 12958, Sec. 3.6

NLJ 98-403

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By ia, NARA Date 10-6-99

Moreover, Mr. Balthazar said that two or three months ago he visited Peking and met with many leading members of the central government. According to Balthazar, the Chinese Communists may be deceiving themselves about American willingness to continue the fight in South Vietnam, that is:

1. The Chinese Communists believe that the pressure of international opinion as well as domestic American opinion will force President Johnson to retreat.

2. The Chinese Communists are very hopeful that the U.S. Congressional elections at the end of the year will result in a change in U.S. policy.

As for the question of diplomatic relations between France and Communist China, Mr. Balthazar said, 'They consider our recognition as a gift and they would like to ask for more.' The French delegation (Embassy?) tried to make it clear to the Chinese Communists that despite the present crisis in French/U. S. relations, France would side squarely with the U. S. in the event of a major war.

Based on his meetings with leading North Vietnamese and Chicom figures, Mr. Balthazar is of the impression that if

(1) the U. S. Congressional elections do not have an adverse impact on President Johnson's policy, and

(2) the political situation remains stable in Saigon after the September Constituent Assembly elections and the Viet Cong do not win any major military victories,

then there is hope that in the spring of 1967 the North Vietnamese will have to accept conciliation.

The foregoing are the impressions of Mr. Balthazar after having visited Hanoi and Peking as reported to me by the Malaysian Foreign Ministry.

(End of report)



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 12, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Policy Consultants for the State Department

Attached are the preliminary lists of individuals being checked by the State Department prior to issuing invitations to them to serve as foreign policy consultants.

These lists are open ended so that names can be added or deleted as security checks come in.

I am sending the lists to you for any reaction you may have to the individuals. I am also sending the names to John Macy to check out any information on the individuals he may have.

I will keep pressure on State to get their project in shape so that public announcement of the panels can be made as soon as possible. It might go well with the announcement of the new Seventh Floor team. But they want your early assent (plus any deletions or additions you may direct) before proceeding.

*W. A. Rostow*  
Rostow

Attached:  
Lists

AFRICA

William Attwood	Editor-in-Chief, Cowles Publications Former Ambassador to Guinea and Kenya
Francis Keppel	Time, Inc., Research Foundation
Martin Kilson	Professor of Government, Harvard University
James I. Loeb	Publisher and Editor, Adirondack Daily Enterprise
John H. Wheeler	President, Mechanics and Farmers Trust Co.
Carroll L. Wilson	Professor, Sloan School of Management, Massachusetts Institute of Technology Chairman, M.I.T. Fellows in Africa Program

EUROPE

John Armstrong	University of Wisconsin (Soviet expert
Cyril Black	Expert on Soviet and Eastern European Affairs. Professor at Princeton.
Miriam Camps	Expert on EEC; Chatham House;
John Campbell **	Council on Foreign Affairs
Alexander Dallin*	Council on Foreign Relations
	Russian expert - Russian Institute, Columbia
William Diebold**	Council on Foreign Relations
Merle Fainsod	Russian Specialist; Director, Harvard Library
Werner Feld*	Law in European communities; Louisiana State University
Ernst Haas*	International Law and Organizations; University of California, Berkeley.
General Lauris Norstad	
Robert Osgood**	Washington Center, Foreign Policy Research
Paul Seabury*	Western European politics, University of California, Berkeley.
Thomas Schelling *	Int. economics; Center for International Affairs, Harvard.
Warner Schilling*	Military strategy and foreign policy; Columbia University
Marshall Shulman**	Director of Russian Research Center, Harvard University
Eric Stein	University of Michigan - international law - esp. EEC law.
Shepard Stone	Ford Foundation
Ray Vernon**	Harvard Business School

\*INR consultant

\*\*State Department consultant

EUROPE -- New Additions

Melvin Conant	Author of US-Canadian Affairs, now with Government Relations Office, Standard Oil of New Jersey
Harold Deutsch	Professor of History, University of Minnesota
William Griffith	Russian Expert, Professor, MIT
Henry Kissinger	Professor, Center for International Affairs, Harvard University
Philip Mosely**	Professor of International Relations, Columbia, University

John Allison	
Dr. Hugh Borton	Haverford
Claude Buss	Professor, Stanford
Russell G. Davis	Center for Studies in Education, Harvard
Russell Fifield	Professor
Caryl Haskins	Scientist
Alice Hsieh	Mt. Holyoke
Howard Jones	
Walter Judd	Former Congressman
George Kahin	Professor, Cornell University
William Lockwood	Princeton University
Dr. Shannon McCune	President, University of Vermont
Lucien Pye **	Massachusetts Institute of Technology
John D. Rockefeller, III	
Abe Rosenthal	<u>New York Times</u>
Dr. Howard Rusk	
Robert Scalapino	California
Arch T. Steele	Retired newspaperman
George Taylor **	University of Washington
Frank Trager	Professor, New York University
Robert Ward **	Professor at Michigan
Clifton Wharton	Rockefeller Foundation
Kenneth Young	

\*\* State Department Consultant

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CHINA

A	Doak Barnett	Columbia University
	Knight Biggerstaff	Cornell University
	Alexander Eckstein	University of Michigan
	John Fairbank	Harvard University
A	Julius Holmes	Former Ambassador
A	Lucien Pye **	Massachusetts Institute of Technology
	Robert Scalapino	California
	Philip Sprouse	Former Ambassador
A	George Taylor **	University of Washington
	Tang Tsou	University of Chicago
A	Paul Varg	Michigan State
	Ralph Powell	American University

\*\* State Department Consultant

A-Available and willing to serve

A	Ambassador John Badeau	Director, Middle East Institute, Columbia
A	John Campbell **	Council on Foreign Relations, New York
A	John Davis	Resident Head of AUB in New York Former Asst. Secy of Agriculture
A	J. K. Galbraith	Professor, Harvard University
A	Robert Goheen	President, Princeton University
A	Joseph E. Johnson	President, Carnegie Endowment for International Peace
A	Joseph Keenan	AFL/CIO - Executive Council
A	David Lilienthal	Resources and Development Corporation
A	Dr. Charles E. Lindblom	Department of Economics, Yale
A	D. W. Lockard	Professor, Center for Middle East Studies Harvard University
A	Edward S. Mason **	Professor, Harvard University
A	Grimell Morris	President, Empire Trust Company, New York
	Richard E. Neustadt **	Professor, Harvard; Director, Kennedy Center
A	Richard Park	Vice President, American Institute of Indian Studies, Pittsburgh
A	Dr. Frederick Seitz	President, National Academy of Sciences
A	Ambassador Charles Yost	Council on Foreign Relations, New York
A	Francis O. Wilcox **	Dean, SAIS, Johns Hopkins University
A	Wayne Wilcox	Professor, Columbia University

\*\* State Department Consultant

A - Available and willing to serve

## INTERNATIONAL ORGANIZATIONS

- A Sol M. Linowitz, Chairman  
Chairman of the Board, Xerox Corp.
- A Harding F. Bancroft  
Executive Vice President  
The New York Times
- A Andrew W. Cordier  
Dean, School of International Affairs  
Columbia University
- A Richard N. Gardner  
Professor of Law, Columbia University
- A Ernest A. Gross  
Partner-Curtis, Mallet-Prevost, Colt, and Mosle  
New York City
- A Arthur Larson  
Director, World Rule of Law Center  
Duke University
- A Francis T. P. Plimpton  
Debevoise, Plimpton, Lyons and Gates  
New York City
- A Marshall D. Shulman  
Professor of International Politics  
Fletcher School of Law and Diplomacy
- A Francis O. Wilcox  
Dean, The Johns Hopkins University School  
of Advanced International Studies
- A Joseph E. Johnson,  
President  
Carnegie Endowment for International Peace

A - Available and willing to serve

- A Charles W. Yost  
Council on Foreign Relations
- A Vernon McKay  
Professor of African Studies  
The Johns Hopkins University School of Advanced  
International Studies
- A Kenneth W. Thompson  
Vice President  
The Rockefeller Foundation

A - Available and willing to serve

## LATIN AMERICA

ARA proposes not to add any new panel in view of its present extensive consultant arrangements. (See attached lists.)



Executive Committee of the  
Council for Latin America

Chairman

David Rockefeller

President  
The Chase Manhattan Bank

Senior Vice Chairman

John F. Gallagher

Vice President  
Sears, Roebuck & Co.

Vice Chairmen

H. W. Balgooyen

Executive Vice President  
American & Foreign Power Co. Inc.

William B. Barlow

President  
Vision, Inc.

Fred C. Foy

Chairman  
Koppers Co., Inc.

George S. Moore

President  
First National City Bank of  
New York

John D. J. Moore

Vice President  
W. R. Grace & Co.

John R. White

Vice President and Director  
Standard Oil Company (N.J.)

William S. Youngman, Jr.

Chairman  
American International  
Underwriters Corporation

Committee Members

Charles M. Brinckerhoff

Vice Chairman and President  
The Anaconda Company

Albert L. Cole	Vice President The Reader's Digest
Earl C. Daum	General Manager General Motors Overseas Operations
S. Maurice McAshan, Jr.	President Anderson, Clayton & Company
Robert W. Purcell	Chairman International Basic Economy Corp.
J. Howard Rambin, Jr.	President Texaco Incorporated
Thomas E. Sunderland	Chairman United Fruit Company
A. Thomas Taylor	Chairman and President International Packers, Ltd.
Rawleigh Warner, Jr.	President Socony Mobil Oil Company

University and Foundation Consultants

✓ Richard Adams	Acting Director Institute of Latin American Studies University of Texas
John P. Augelli	Director Center of Latin American Studies University of Kansas
Russell Davis	Center for Studies in Education and Development Harvard University
Carl Djerassi	Department of Chemistry Stanford University
Joseph Grunwald	Director Economic and Social Development Studies Brookings Institution
✓ Frederick Harbison	Director Industrial Relations Section Princeton University
Albert O. Hirschman	Graduate School of Public Administration Harvard University
✓ Allan R. Holmberg	Department of Sociology and Anthropology Cornell University
John B. Howard	Director International Training and Research Program Ford Foundation
John J. Johnson	Department of History Stanford University

Joseph A. Kahl	Department of Sociology and Anthropology Washington University
Merle Kling	Department of Political Science Washington University
Edwin Lieuwen	Chairman Department of History University of New Mexico
Richard Morse	Latin American Studies Yale University
William H. Nicholls	Department of Economics Vanderbilt University
Stefan H. Robock	Graduate School of Business Indiana University
Charles H. Savage, Jr.	Inter-American Program Department of Civil Engineering Massachusetts Institute of Technology
✓ Theodore W. Schultz	Department of Economics University of Chicago
Robert Scott	Department of Political Science University of Illinois
Kalman Silvert	Department of Government Dartmouth College
Carl B. Spaeth	Chairman Stanford Committee on International Studies Stanford University
Kenneth W. Thompson	Vice President Rockefeller Foundation
✓ Raymond Vernon	Business School Harvard University

Friday, August 12, 1966 -- 5:00 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: News Media Contacts

Jack Foisie, Los Angeles Times, came in yesterday, Thursday, August 11. He had just recently returned from Viet Nam. He gave me his impressions of South Viet Nam; and I provided him with certain background material for his new assignment to Thailand.

I had no press contacts today, Friday, August 12.

W. W. Rostow

WWRostow:rlh



Friday, August 12, 1966  
12:00 noon

Mr. President:

Herewith Bill Gaud's account of  
his troubles with the Conference  
Foreign Aid package.

The operational question is: do  
you want to take a hand with Doc Morgan  
or let it slide?

W. W. Rostow

WWRostow:rlh

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**LIMITED OFFICIAL USE**

DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON

August 11, 1966

OFFICE OF  
THE ADMINISTRATOR

**MEMORANDUM FOR THE PRESIDENT**

**SUBJECT: Conference on Foreign Aid Authorization Bill**

The Conference has met three times, has discussed all the major issues and has reached no agreement.

This morning Doc Morgan met with the House conferees and agreed on a package on the major issues to try out on the Senate conferees when the conference resumes this Monday at 2:30. Doc told us in confidence the major elements of their proposals.

I consider the package a very bad one in certain important respects. In addition, it would be considered a triumph for the Senate Foreign Relations Committee over the Administration on the two most important substantive issues before the conference -- restrictions on the number of countries that can receive assistance, and mandatory channeling of Development Loan funds through the World Bank group.

The major elements of the package and our comments on them are:

1. The number of countries that can receive Development Loans would be increased from 10 (the figure in the Senate bill) to 15. The unconstitutional provision concerning approval of the authorizing committees for additional countries would be removed, but the President would be given no authority to make loans to additional countries if the President determines it is in the national interest. Similarly, the restriction on countries that can receive technical assistance would be increased from 40 (the figure in the Senate bill) to 45, and the unconstitutional provision would be removed without substituting for it a Presidential waiver.

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This compromise will cause great difficulty this year. We plan to make Development Loans to about 19 countries in FY 1967 and give technical assistance to about 47 countries. Moreover, it will probably make things even worse next year. Doc tells us that Fulbright has made it abundantly clear that once there are numerical limitations in the Act, he will lower them next year.

Doc will ask for removal of the Senate provision limiting Supporting Assistance to 10 countries. However, since this provision permits assistance to additional countries if the President determines it is in the national interest, we don't gain much by its removal.

2. A requirement that 7-1/2% of available Development Loan funds (rather than 15% as in the Senate bill) be used only through the World Bank family. This is unsatisfactory in principle and has two bad practical effects. First, the current appropriations act prohibits any such use of loan funds. If this prohibition is re-enacted, we would, in effect, suffer a 7-1/2% cut in an already tight program. Second, it is likely that Fulbright would raise the percentage next year.

3. A one-year authorization for the program with the exception of three-year authorizations for the Alliance and Development Loans, each of which would be authorized at \$750 million for each year. Under present circumstances, this is acceptable with the important exception that the \$750 million for Development Loans would not be sufficient in FY 1968 and FY 1969.

4. A \$95 million ceiling on grant military assistance and sales to Latin America (the figure in the Senate bill is \$55 million). DOD considers this unacceptable. The program is \$134 million.

5. Elimination of Senate increases in interest rates on Development Loans. Indications are that Fulbright is willing to recede on these points.

6. One bill for economic and military assistance. We don't care whether it is one bill or two bills, but Doc considers it is very important to have one bill.

7. As we understand it, we would be all right on the House proposals on funds for FY 1967.

\* \* \*

Whereas, Doc originally said that he would hold out for a long conference to wear Fulbright down, he and the other House conferees seem to be working toward an early end to the conference.

We are in constant touch with him and he is thoroughly familiar with our views. I will continue to press our views on him, but I doubt that I will have any luck in improving this package - which is a good deal worse than the one he took into his caucus this morning. Indeed, if he goes this far when he next talks to the Senate conferees the odds are that the ultimate settlement will be even worse than this.

As I told Larry O'Brien, our two worst issues are with the limitation on the number of countries and on the insistence that some of our loan funds be channeled through the World Bank.



William S. Gaud

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON

5-1

OFFICE OF  
THE ADMINISTRATOR

August 11, 1966

MEMORANDUM FOR:

The Honorable Walt Rostow  
The White House

Inasmuch as this memorandum refers to a proposal which the House conferees will not be putting to the Senate conferees until next Monday afternoon, it should be guarded very carefully.

*Bill*

William S. Gaud



Friday, August 12, 1966 -- 12:55 p.m.

Mr. President:

I have been reflecting about our Ambassador in Saigon.

I concluded that if we can keep Ambassador Lodge, it would be wise. As my experience with his operation has grown, so has my respect for his basic qualities. He may not be a great administrator, but he has the root of the matter in him. He understands the meaning of the enterprise in historic terms. He is a patriot, loyal to his President. He is sometimes a little slow in shifting policy; but he moves in the right directions in time. He is effective -- perhaps increasingly effective -- with Ky.

I do not know how firmly committed he may be to leaving; but I thought you might wish to have this assessment.

W. W. Rostow

WWRostow:rlh

Friday  
August 12, 1966 -- 9:30 a. m.

Mr. President:

Jack Irwin telephoned yesterday with the following message.

He had visited General Eisenhower at Walter Reed hospital. Jack told him something of the Panama Canal negotiation.

General Eisenhower volunteered that during his service in the Panama Canal he read our treaty and concluded then that it needed up-dating and revision. He would be interested in keeping in touch with how the negotiation proceeded. He suggested that Jack Irwin might wish to join Andy Goodpaster, from time to time, in briefing sessions, or visit him separately.

It struck me that, at some critical stage, if we had to strip our Panama position down to essentials, General Eisenhower might be a useful ally.

W. W. Rostow

Encourage Irwin to keep Gen. Eisenhower informed ✓

Discourage him \_\_\_\_\_

See me \_\_\_\_\_

WWRostow:rln

Friday, August 12, 1966 -- 12:15 p. m.

Mr. President:

*Pres file*

I take two weeks leave starting tomorrow. I do so with some trepidation, although:

- leave is necessary for year-round efficiency;
- it is always good for a bureaucrat to be reminded that the U. S. Government can operate very well without him;
- I am confident that your National Security Staff is geared to serve you for this time without me.

Brom Smith will be the central point of communication, as well as for intelligence, AEC, military and related matters. He will also fill in on Latin America for that part of the two weeks when Bill Bowdler will be away, and coordinate with Bob Kintner on speech raw materials our staff will be generating.

On other substantive matters, you have a sturdy senior team:

- Francis Bator, of course, on Europe and foreign economic policy;
- William Jorden, Viet Nam and the Far East;
- Howard Wriggins, India-Pakistan and the Middle East;
- Bill Bowdler, Latin America.
- Ed Hamilton, Africa.

As you know, I run the staff without a single deputy; but they all know their business now; work well together; and are looking forward to serving you in any way you may direct. We've gone over together carefully how they will operate without me.

I've also spoken to Bill Moyers, who is ready to lend a hand if needed.

I figure I'm a pretty poor administrator if I can't organize the shop to operate in my absence.

On the other hand, I would be greatly distressed if you didn't feel wholly free to telephone me or whistle me back. (Everyone has my Martha's Vineyard telephone number.) This is a pretty lively time in foreign affairs; and, to my great pleasure, right now I'm your boy.

I shall complete my three drafting assignments for Bob Kintner before the day is out.

Looking ahead, we have three major foreign policy issues for which we should prepare our minds:

- the German-UK-US offsets-troop issue on which Francis filed a good memorandum last night;
- the arms limitation-spare parts problem with India and Pakistan;
- a review at one time of all the various possible arms control measures, including where we go with non-proliferation.

On all I advise against haste. The staff work on the third needs most attention; but I've left instructions to get this in shape in my absence.

W. W. Rostow

WWRostow:rlh