

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

187

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#2 cable	Deptel 111082 for President from Secretary confidential <i>Open 5-27-92 NLS 91-147</i> 3 p	12/31/66	A
#3 cable	to President from Rostow confidential <i>open 9-25-92 NLS 91-148</i>	2 p 12/31/66	A
#12 cable	to President from Rostow confidential <i>open 3-26-91</i>	2 p 12/28/66	A
#15 cable	to President from Rostow secret <i>open 9-25-92 NLS 91-148</i>	1 p 12/30/66	A
#17 memo	to President from Rostow confidential "	1 p 12/30/66	A
#18 memo	to President from Rostow confidential "	2 p 12/29/66	A
#19 memo	to President from Rostow confidential "	1 p 12/29/66	A
#20 cable	to President from Rostow secret <i>sanzitized 9-25-92 NLS 91-148</i> <i>11-10-99 NLS 98-483</i>	3 p 12/29/66	A
#21 cable	to Christian from Rostow confidential <i>open 9-25-92 NLS 91-148</i>	1 p 12/29/66	A
#23 letter	to PM Holyoake from Pres. Johnson possible classified info <i>open 9-25-92 NLS 91-148</i>	2 p 12/28/66	A
#26 cable	to President from Rostow secret <i>Open 8-12-88 NLS 86-275</i>	2 p 12/31/66	A
#27 cable	to President from Rostow top secret <i>Open 4/20/00 NLS 98-445</i> <i>Downgraded to NLS 89-68</i>	1 p 12/28/66	A
#28 memo	to President from WWR confidential <i>Open 5-17-90 NLS 89-26</i>	1 p 12/28/66	A
#28a memo	to Walt Rostow from Stanley Resor confidential <i>Open 5-31-91 NLS 89-25</i>	3 p 12/28/66	A
#28b report	re: Wm. Beecher article confidential "	2 p undated	A
#30 memo	to President from W. Rostow confidential <i>OPEN 9-3-98</i> <i>sanzitized 9-25-92 NLS 91-148</i>	1 p 12/27/66	A

FILE LOCATION

NATIONAL SECURITY FILE, Memos to the President
Walt Rostow, vol. 17 Dec. 14 - 31, 1966
Box 12

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#31 memo	to President from Rostow re: Laos confidential <i>Open 5-17-90 NLS 89-26</i>	2 p 12/27/66	A
#31a memo	to President from Schultz re: Laos secret <i>Open 7-21-89 NLS 89-24</i>	2 p 12/17/66	A
#31c memo	to President from Henry Fowler re: Laos secret <i>Open NLT 98-494 5-12-88</i>	1 p 12/23/66	A
#32 memo	to President from Rostow <i>exempt NLS 89-68</i> top secret <i>Open 4/20/00 NLS 98-495</i>	1 p 12/27/66	A
#31b memo	to President from Gaud re: Laos secret <i>Open 12-4-89 NLS 89-31</i>	4 p 12/14/66	A
#33 memo	to Rostow from Rufus Taylor <i>exempt NLS 89-68</i> top secret <i>Open 4/20/00 NLS 98-495</i>	1 p 12/27/66	A
#34 memo	to President from Rostow confidential <i>Open 9-25-92 NLS 91-148</i>	1 p 12/27/66	A
#35a letter	to Pres. Johnson from Pres. Ordaz possible classified info <i>Open 9-25-92 NLS 91-148</i>	1 p 12/14/66	A
#35b letter	to Pres. Ordaz from Pres. Johnson possible classified info <i>Open 9-25-92 NLS 91-148</i>	1 p 12/27/66	A
#38 memo	to President from Rostow confidential <i>Open 9-25-92 NLS 91-148</i>	1 p 12/27/66	A
#39 memo	to President from Rostow <i>reviewed for C by GA & opened 3/13/12</i>	2 p 12/27/66	C
#40 memo	to President from Rostow re: Philippines confidential <i>Open 9-25-92 NLS 91-148</i>	1 p 12/27/66	A
#42 memo	to President from Rostow confidential <i>Open 3-26-91</i>	1 p 12/27/66	y A
#43a memo	meeting with Strauss in Duesseldorf <i>Open 11-10-99 NLS 98-483</i> possible classified info <i>exempt 9-25-92 NLS 91-148</i>	11 p 12/22/66	A
#43b memo	meeting with Brndt and Wehner <i>Open NLT 98-230 4-23-99</i> possible classified info <i>exempt 9-25-92 NLS 91-148</i>	11 p 12/17/66	A
#43 c memo	meeting with Blessing possible classified info <i>exempt 9-25-92 NLS 91-148</i> <i>OPEN 9-23-98 NLS 97-404</i>	4 p 12/18/66	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#43d memcon	with Kiesinger exempt 9-25-92 NLJ 91-148 possible classified info OPEN 8-28-78	13 p 12/16/66	A
#44 memo	to President from Rostow confidential open 9-25-92 NLJ 91-148	1 p 12/26/66	A
#45 memo	to Christian from Rostow re: Costa e Silva visit confidential open 3-26-91	1 p undated	A
#47 memo	to President from Rostow re: India confidential [sanitized 9/27/78] OPEN 9-3-78 <i>(Chap # 142a, DSE, NSC Meeting Indian Journal, Vol III)</i>	1 p 12/26/66	A
#48a letter	to President from King of Jordan possible classified info open 11-10-99 NLJ 98-483	2 p 12/21/66	A
#49 memo	to President from Rostow re: Vietnam confidential open 9-25-92 NLJ 91-148	1 p 12/24/66	A
#50 cable	to President from Rostow re: India, Pakistan, Algeria, et al secret open 9-25-92 NLJ 91-148	1 p 12/23/66	A
#51 cable	to President from Rostow re: Panama secret open 9-25-92 NLJ 91-148	2 p 12/23/66	A
#52 cable	to President from Rostow re: message to Haile Selassie confidential open 9-25-92 NLJ 91-148	2 p 12/23/66	A
#53 cable	from Pres. Lleras to Pres. Johnson possible classified info open 9-25-92 NLJ 91-148	3 p 12/23/66	A
#54 cable	to President from Rostow re: draft letter to PM Holyoake confidential open 9-25-92 NLJ 91-148	2 p 12/23/66	A
#56 memo	to President from Rostow re: message to Haile Selassie confidential open 9-25-92 NLJ 91-148	1 p 12/23/66	A
#57 memo	to President from Rostow secret open 9-25-92 NLJ 91-148	1 p 12/22/66	A
#58b memo	to President from Katzenbach re: Poland secret open 5-27-92 NLJ 91-147	4 p 12/17/66	A
#58c memo	to Secretary from Hughes re: Poland and Vietnam secret open 9-6-91 NLJ 91-147	4 p 11/22/66	A
#58d cable	Warsaw 1371 confidential	2 p 12/06/66	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#58f report	re: Poland secret <i>open 9-6-91 NLS 91-147</i>	2 p undated	A
#60 cable xx	to President from Rostow re: Jordan <i>open 11-10-99 NLS 98-483</i> secret <i>sanitized 9-25-92 NLS 91-148</i>	8 p 12/22/66	A
#61 cable	to Christian from Rostow confidential <i>open 9-25-92 NLS 91-148</i>	1 p 12/22/66	A
#62 cable	to President from Rostow re: Germany confidential <i>open 9-6-91 NLS 91-147</i>	3 p 12/22/66	A
#63 memo	to President from Rostow confidential <i>OPEN 9-3-98</i>	2 p 12/22/66	A
#68 memo	to President from Rostow secret <i>Sanitized 4/20/00 NLS 98-495</i> <i>same idm 12/01 - NLS 019-012-1</i>	1 p 12/22/66	A
#69 memo	to President from Rostow re: Algeria secret <i>sanitized 9-25-92 NLS 91-148</i> <i>Sanitized 4/20/00 NLS 98-495</i>	2 p 12/22/66	A
#69a memo	to President from Rusk re: Algeria secret <i>open 5-27-92 NLS 91-147</i>	3 p 12/20/66	A
#69b report	re: Algeria secret <i>open 9-6-91 NLS 91-147</i>	3 p undated	A
#69c memo	re: Algeria secret <i>11</i>	3 p 12/12/66	A
#70 memo	to president from Rostow re: Latin America Confidential <i>open 9-25-92 NLS 91-148</i>	2 p 12/21/66	A
#71 memo	to President from Rostow re: Chile confidential <i>open 9-25-92 NLS 91-148</i>	1 p 12/21/66	A
#72 memo	to President from Rostow re: India & Pakistan Secret <i>[sanitized 9/27/78] OPEN 9-3-98</i>	1 p 12/21/66	A
#73 cable	to President from Rostow re: Chile confidential	2 p 12/21/66	A
#73 cable	to President from Rostow re: India <i>open 9-25-92 NLS 91-148</i> secret <i>[sanitized 9/27/78]</i>	1 p 12/21/66	A
#75 cable	<i>(dupg # 135) NSC, NSC History, Indian Famine, Vol III,</i> to President from Rostow re: Malaysia secret <i>open 9-25-92 NLS 91-148</i>	5 p 12/21/66	A

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#77 memo	to President from Rostow re: Malaysia <i>open 9-25-92 NLJ 91-148</i> secret <i>sanitized 3-18-86 NLJ 85-119</i>	1 p 12/21/66	A
#77a letter	to PM Tunku Abdul Rahman from President <i>open 9-25-92 NLJ 91-148</i> possible classified info	2 p 12/21/66	A
#78 cable	to President from Rostow re: Jordan secret <i>open 9-25-92 NLJ 91-148</i>	2 p 12/20/66	A
#80 cable	to President from Rostow re: AID Loans confidential <i>open 9-25-92 NLJ 91-148</i>	1 p 12/20/66	A
#81 cable	to Christian from Rostow re: Frei visit confidential <i>open 3-26-91</i>	2 p 12/20/66	A
#83 cable	to President from Rostow re: India secret <i>open 3-26-91</i>	1 p 12/20/66	A
#84 cable	to President from Rostow re: Brazil confidential <i>open 9-25-92 NLJ 91-148</i>	2 p 12/20/66	A
#85 cable	<i>open 11-10-99 NLJ 98-483</i> to President from Rostow re: Cuba <i>same sanitization 5-17-90 NLJ 89-36</i> xxx secret <i>sanitized 4-12-90 NLJ 88-192</i>	3 p 12/19/66	A
#90 cable	to President from Rostow re: foreign affairs summary secret <i>open 9-25-92 NLJ 91-148</i>	3 p 12/17/66	A
#92 cable	to President from Bator re: letter to Kiesinger confidential <i>open 9-25-92 NLJ 91-148</i>	1 p 12/17/66	A
#93 cable	to President from Rostow re: Nehru confidential <i>open 9-25-92 NLJ 91-148</i>	1 p 12/17/66	A
#95 cable	to Amb. Bowles from Rostow confidential <i>sanitized 9-25-92 NLJ 91-148</i> <i>Sanitized 9/20/00 NLJ 98-495</i> <i>same sanitization NLJ 98-012-1</i>	1 p 12/17/66	A
#99a cable	Paris 9261 secret <i>open 9-6-91 NLJ 91-147</i>	2 p 12/16/66	A
#100 memo	to President from Rostow re: Chile confidential <i>open 3-26-91</i>	1 p 12/16/66	A
#100a cable	to Amembassy Santiago re: Frei Visit confidential <i>open 9-25-92 NLJ 91-148</i>	3 p undated	A
#101 memo	to President from Rostow re: Vietnam secret <i>open 9-25-92 NLJ 91-148</i>	1 p 12/16/66	A

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#104 memo	to President from Rostow re: B. K. Nehru secret [sanitized 9/27/78] (Dep # 19a, NSF, NSC Mustang, Indian Home, Vol II)	4 p 12/16/66	A
#106 memo	to President from Rostow re: nuclear testing secret open 9-25-92 NLJ 91-148	1 p 12/16/66	A
#110 memo	to President from WWR re: Vietnam top secret open 5-17-90 NLJ 89-26	1 p 12/15/66	A
#114 memo	to President from Rostow re: Chile confidential open 9-25-92 NLJ 91-148	1 p 12/15/66	A
#116a memo	to Rostow from Keeny re: nuclear testing Exempt NLJ 89-28 top secret (Dep # 19a, NSF, NSC Mustang, Indian Home, Vol II)	2 p 12/15/66	A
#121a cable	text of Paris 9037 secret [sanitized 8/12/86] SAME SAMI 3-19-00 NLJ 98-492 (Dep # 4, NSF, CF, "France, Vol. X, Box 172")	3 p 12/14/66	A
#122 memo	to President from Rostow re: foreign affairs summary secret open 9-25-92 NLJ 91-148	2 p 12/14/66	A
#124 memo	* to President from Rostow re: Tunisia Secret sanitized 9-25-92 NLJ 91-148 open 11-10-99 NLJ 98-483	2 p 12/14/66	A
#124b memo	to President from Rusk secret open 9-6-91 NLJ 91-147	1 p 12/01/66	A
#124c memo	to President from Wm. Hall re: Tunisia secret open 3-26-91	2 p 11/25/66	A
#124d report	re: Tunisia secret open 8-1-91 NLJ 91-149	5 p undated	A
#124e memo	to Director, BOB from Wm. Gaud secret open 3-26-91	2 p 11/25/66	A
#124f letter	to Habib Bourguiba, Jr. from Dean Rusk secret open 9-6-91 NLJ 91-147	2 p 11/21/66	A
#124g memcon	re: Tunisia confidential open 9-6-91 NLJ 91-147	2 p 10/05/66	A
#105 memo	to President from Rostow re: nuclear weapons secret - SANITIZED 6.30.04 NLJ 98.493 Exempt NLJ 89-28	1 p 12/16/66	A
#105a memo	to Deputy Sec. DOD from Rostow Exempt NLJ 89-28 secret - SANITIZED 6.30.04 NLJ 98.493	1 p undated	A

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#105b memo	C. v. p. # 22, Subj. F. ile "Nuclear Weapons, Turkey vol. 1" Box 34] <i>same sanitization</i> to President from Cyrus Vance re: nuclear weapons secret <i>sanitized 2/29/82 NLJ 98-494 (more info)</i> 2 p	3-18-88 NLJ 86-30 sanitized 5-17-89 12/10/66	NLJ 89-30 A
#116b memo	to Chairman AEC from Rostow <i>sanitized 1-18-90 NLJ 89-28</i> secret - <i>SAME SANITIZATION 6.30.04 NLJ 98-493 & NLJ 87-28</i> 1 p	11/19/66	A
#116c memo	to President from Rostow <i>Exempt NLJ 89-28</i> secret - <i>SANITIZED 6.30.04 NLJ 98-493</i> 1 p	11/18/66	A
#116e letter	to Walt Rostow from Chairman AEC <i>sanitized 4-13-89 NLJ 89-29</i> secret - <i>more info released 10-28-99 NLJ 98-497</i> 2 p	11/16/66	A
#116f report	re: nuclear testing <i>Exempt NLJ 89-29</i> secret <i>sanitized 10-28-99 NLJ 98-497</i> 1 p	undated	A
#116g memo	draft endorsement <i>sanitized 4-13-89 NLJ 89-29</i> secret <i>more info released 10-28-99 NLJ 98-497</i> 1 p	undated	A
#74 cable	to President from Rostow Secret [sanitized 8/27/86] <i>open 5-17-90 NLJ 89-26</i>	1 p 12/21/66	A

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1
1-2
2 Pres file

Saturday, December 31, 1966
10:30 a.m.

Mr. President:

Herewith an interim response by
Orville Freeman on counterpart funds in
India.

I signalled Bunker privately to look
into this and he signalled back that he would.

I spoke to B. K. Nehru about our
concern. He is preparing a report on
present and possible future uses of bloc
rupees.

W. W. Rostow

WWRostow:rlh



1a

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON

December 28, 1966

MEMORANDUM

To: The President
The White House

From: Orville L. Freeman *Orville L. Freeman*
Secretary of Agriculture

Pursuant to your request that a plan be developed to make use of rupees in India, such a proposal is now being developed. The new Public Law 480 gives authority for the use of rupees for agricultural self-help purposes without Congressional appropriation. Congressional appropriation has been the stumbling block in the past.

We will be submitting to you shortly some detailed proposals to make use of blocked rupees to stimulate agricultural development in India.

~~CONFIDENTIAL~~

RECEIVED
WHCA

1966 DEC 31 17 09

(91)

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OO RUEHGX
DE RUEHC 111082 3651655
O 311650Z DEC 66 ZFF1
FM SECSTATE WASHDC
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STATE GRNC
BT

~~CONFIDENTIAL~~ STATE 111082

FOR THE PRESIDENT FROM THE SECRETARY

ARTHUR GOLDBERG TELLS ME HE HAS JUST INFORMED YOU HE WAS
MAKING EFFORTS TO GET CERTAIN CHANGES IN TEXT OF SYG'S
LETTER ON VIETNAM. WE NOW LEARN SYG WILL RELEASE LETTER
AS SENT YOU LAST NIGHT WITH DELETION OF SENTENCE REFERRING
SPECIFICALLY TO ACTION OF THE WORLD COUNCIL OF CHURCHES.
FOLLOWING IS TEXT OF ANSWER WITH MODIFICATIONS THAT I HAVE
MADE TO GOLDBERG'S DRAFT; HE AGREES WITH THIS VERSION.

WE WOULD PLAN TO RELEASE TO PRESS EARLY THIS AFTERNOON
SO AS TO BLANKET U THANT LETTER IN TOMORROW'S NEWS STORIES.

BEGIN TEXT.

DEAR MR. SECRETARY GENERAL:

I APPRECIATE YOUR THOUGHTFUL REPLY TO MY LETTER OF

66 DEC 31 PM 12:10

SATURDAY

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 91-147

By sig, NARA, Date 5-20-92

PAGE 2 RUEHC 111082 ~~CONFIDENTIAL~~
DECEMBER 19 CONCERNING VIETNAM. THE SUBJECT AT ISSUE -
PEACE IN VIETNAM - IS OF SUCH VITAL IMPORTANCE TO MY GOV-
ERNMENT AND TO WORLD PEACE THAT WE HAVE GIVEN YOUR REPLY
IMMEDIATE ATTENTION AND ARE SENDING YOU HERewith OUR REPLY.

WE SHARE YOUR DEEP CONCERN ABOUT THE DEVELOPMENT AND EFFECTS
OF THE CONFLICT IN VIETNAM: THE RISK IT POSES TO INTER-
NATIONAL PEACE, THE ILL EFFECTS UPON RELATIONS BETWEEN
STATES, AND - MORE THAN ANYTHING ELSE - THE TRAGIC TOLL
IN DEATH AND DESTRUCTION.

I CAN ASSURE YOU WITHOUT RESERVATION THAT THE PRE-EMINENT
DESIRE OF THE U.S. GOVERNMENT IS TO BRING ALL HOSTILITIES
IN VIETNAM TO A PROMPT AND HONORABLE END CONSISTENT WITH
THE UN CHARTER, WHICH AFFIRMS FOR ALL PEOPLES THE RIGHT OF
SELF-DETERMINATION, THE RIGHT TO DECIDE THEIR OWN DESTINY
FREE OF FORCE.

WE HAVE CAREFULLY REFLECTED ON YOUR IDEAS, EXPRESSED IN
YOUR DECEMBER 30 LETTER AND ON PREVIOUS OCCASIONS, ABOUT
THE CESSATION OF BOMBING OF NORTH VIETNAM. AS YOU RIGHTLY POINT
OUT, MR. SECRETARY GENERAL, OUR SIZE AND POWER
IMPOSE SPECIAL RESPONSIBILITIES UPON US.

PAGE 3 RUEHC 111082 ~~CONFIDENTIAL~~
AND IT IS WITH THESE RESPONSIBILITIES IN MIND THAT I WISH TO ASSURE
YOU CATEGORICALLY THAT MY GOVERNMENT IS PREPARED TO TAKE THE FIRST
STEP TOWARD PEACE: SPECIFICALLY, WE ARE READY TO ORDER A PRIOR END
TO ALL BOMBING OF NORTH VIETNAM THE MOMENT THERE IS AN ASSURANCE,
PRIVATE OR OTHERWISE, THAT THERE WOULD BE A RESPONSE TOWARD PEACE
FROM NORTH VIETNAM.

I AM, THUS, REAFFIRMING HERewith AN OFFER MADE BEFORE THE
GENERAL ASSEMBLY--ON SEPTEMBER 22 AND AGAIN ON OCTOBER 18. WE HOPE
AND TRUST THAT YOU WILL USE EVERY MEANS AT YOUR DISPOSAL TO DETERMINE
WHAT TANGIBLE RESPONSE THERE WOULD BE FROM NORTH VIETNAM IN THE WAKE
OF SUCH A PRIOR STEP TOWARD PEACE ON OUR PART.

WHILE REAFFIRMING OUR OFFER, I WOULD ALSO EXPRESS OUR CONVICTION
THAT THE GOAL WHICH, I AM SURE, WE BOTH SHARE--AN END TO ALL
FIGHTING, TO ALL HOSTILITIES, TO ALL ORGANIZED TERROR AND VIOLENCE
--CANNOT BE ATTAINED BY EITHER APPEALS FOR OR THE EXERCISES OF
RESTRAINT BY ONLY ONE SIDE IN THE VIETNAM CONFLICT. WE THEREFORE
WELCOME THE IDEA IN YOUR LETTER THAT THERE BE AN EXTENDED CEASE-
FIRE,
WHICH WOULD OBVIOUSLY INCLUDE A CESSATION OF THE BOMBING OF NORTH

*reap-
posed
sufficient.*

*12/21/66
Pres. approved
with addition
I me & these
words - prefer
original -
add addition
of phrase
below.*

PAGE 4 RUEHC 111082 ~~CONFIDENTIAL~~

VIETNAM AS WELL AS AN END TO ALL HOSTILITIES AND ORGANIZED VIOLENCE IN THE SOUTH. WE BELIEVE THE TEMPORARY TRUCES ALREADY ARRANGED IN VIETNAM OFFER OPPORTUNITIES FOR INITIATIVES IN THAT DIRECTION-- THOUGH WE CANNOT BUT REGRET THAT THE OTHER PARTIES CONCERNED HAVE SHOWN NO INTEREST SO FAR IN SUCH A CEASE-FIRE.

WE CONTINUE TO BELIEVE THAT PEACE CAN COME TO VIETNAM IN ONE OF TWO WAYS: THROUGH DEEDS, SUCH AS A MUTUAL CESSATION OR REDUCTION OF HOSTILITIES, OR THROUGH DISCUSSIONS.

WE AGREE WITH YOU FULLY THAT THE ULTIMATE BASIS FOR A PEACEFUL SETTLEMENT COULD BE THE GENEVA ACCORDS. WE ARE, HOWEVER, ENTIRELY FLEXIBLE IN OUR APPROACH TO THE DISCUSSIONS WE HAVE SOUGHT TO PROMOTE, WHETHER THEY BE FORMAL NEGOTIATIONS OR INFORMAL CONTACTS. IN THIS CONNECTION, WE WOULD BE PREPARED TO MEET PROMPTLY WITH THE GOVERNMENTS OF NORTH AND SOUTH VIETNAM AS PROPOSED BY THE UNITED KINGDOM ON DECEMBER 30. AS MY GOVERNMENT HAS STATED BEFORE ON MANY OCCASIONS, WE ARE PREPARED TO DISCUSS ALL PROPOSALS AND POINTS WHICH ANY INTERESTED PARTY MAY WISH TO PUT FORWARD. I AM SURE THAT YOUR DESIRE FOR A FIRST STEP TO BRING ABOUT PEACE IS ACCOMPANIED BY A STRONG INTEREST ON YOUR PART IN WHAT THE SUBSEQUENT STEPS WOULD BE. *as the Pres outlined in meeting*

I WOULD CONCLUDE, MR. SECRETARY GENERAL, BY EXPRESSING OUR CERTAINTY THAT YOU--AS ALL MEN OF GOOD-WILL--AGREE IT IS

PAGE 5 RUEHC 111082 ~~CONFIDENTIAL~~

THE WAR IN ALL ITS FACETS WHICH MUST BE BROUGHT TO AN END. WE ARE THUS HEARTENED-- AND BELIEVE ALL WHO DESIRE PEACE IN VIETNAM WILL SHARE THE FEELING--BY YOUR ASSURANCE THAT YOU WILL CONTINUE TO EXERT YOUR EFFORTS AND EXPLORE EVERY AVENUE TOWARD A PEACEFUL SOLUTION OF THE VIETNAM CONFLICT. SINCERELY YOURS. END TEXT
RUSK
BT

NNNN

~~CONFIDENTIAL~~

Pres. file

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-148

By *ju*, NARA, Date *9-8-92*

SENT
WHCA

~~CONFIDENTIAL~~

1966 DEC 31 18 28

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP661413

~~CONFIDENTIAL~~

HEREWITH THE RECOMMENDED GOLDBERG RESPONSE. YOU MAY HAVE
CLEARED IT BY PHONE BUT I AM CHECKING WITH SECRETARY RUSK
ON THE CHANGE IN OUR POSITION AT THE END OF THE FOURTH
FULL PARAGRAPH.

BEGIN TEXT.

DEAR MR. SECRETARY GENERAL:

I APPRECIATE YOUR THOUGHTFUL REPLY TO MY LETTER OF
DECEMBER 19 CONCERNING VIETNAM. THE SUBJECT AT ISSUE -
PEACE IN VIETNAM - IS OF SUCH VITAL IMPORTANCE TO MY GOV-
ERNMENT AND TO WORLD PEACE THAT WE HAVE GIVEN YOUR REPLY
IMMEDIATE ATTENTION AND ARE SENDING YOU HEREWITH OUR REPLY.

WE SHARE YOUR DEEP CONCERN ABOUT THE DEVELOPMENT AND EFFECTS
OF THE CONFLICT IN VIETNAM: THE RISK IT POSES TO INTER-
NATIONAL PEACE, THE ILL EFFECTS UPON RELATIONS BETWEEN
STATES, AND - MORE THAN ANYTHING ELSE - THE TRAGIC TOLL
IN DEATH AND DESTRUCTION.

I CAN ASSURE YOU WITHOUT RESERVATION THAT THE PRE-EMINENT
DESIRE OF THE U.S. GOVERNMENT IS TO BRING ALL HOSTILITIES
IN VIETNAM TO A PROMPT AND HONORABLE END CONSISTENT WITH
THE UN CHARTER, WHICH AFFIRMS FOR ALL PEOPLES THE RIGHT OF
SELF-DETERMINATION, THE RIGHT TO DECIDE THEIR OWN DESTINY
FREE OF FORCE.

WE HAVE CAREFULLY REFLECTED ON YOUR IDEAS, EXPRESSED IN
YOUR DECEMBER 30 LETTER AND ON PREVIOUS OCCASIONS, ABOUT
THE CESSATION OF BOMBING OF NORTH VIETNAM. AS YOU RIGHTLY POINT
OUT, MR. SECRETARY GENERAL, OUR SIZE AND POWER
IMPOSE SPECIAL RESPONSIBILITIES UPON US.

AND IT IS WITH THESE RESPONSIBILITIES IN MIND THAT I WISH TO ASSURE
YOU CATEGORICALLY THAT MY GOVERNMENT IS PREPARED TO TAKE THE FIRST
STEP TOWARD PEACE: SPECIFICALLY, WE ARE READY TO ORDER A PRIOR END
TO ALL BOMBING OF NORTH VIETNAM THE MOMENT THERE IS AN ASSURANCE,
PRIVATE OR OTHERWISE, THAT THERE WOULD BE A RESPONSE TOWARD PEACE
FROM NORTH VIETNAM.

I AM, THUS, REAFFIRMING HERewith AN OFFER MADE BEFORE THE GENERAL ASSEMBLY--ON SEPTEMBER 22 AND AGAIN ON OCTOBER 18. WE HOPE AND TRUST THAT YOU WILL USE EVERY MEANS AT YOUR DISPOSAL TO DETERMINE WHAT TANGIBLE RESPONSE THERE WOULD BE FROM NORTH VIETNAM IN THE WAKE OF SUCH A PRIOR STEP TOWARD PEACE ON OUR PART.

WHILE REAFFIRMING OUR OFFER, I WOULD ALSO EXPRESS OUR CONVICTION THAT THE GOAL WHICH, I AM SURE, WE BOTH SHARE--AN END TO ALL FIGHTING, TO ALL HOSTILITIES, TO ALL ORGANIZED TERROR AND VIOLENCE--CANNOT BE ATTAINED BY EITHER APPEALS FOR OR THE EXERCISE OF RESTRAINT BY ONLY ONE SIDE IN THE VIETNAM CONFLICT. WE THEREFORE WELCOME THE IDEA IN YOUR LETTER THAT THERE BE AN EXTENDED CEASE-FIRE,

WHICH WOULD OBVIOUSLY INCLUDE A CESSATION OF THE BOMBING OF NORTH VIETNAM AS WELL AS AN END TO ALL HOSTILITIES AND ORGANIZED VIOLENCE IN THE SOUTH. WE BELIEVE THE TEMPORARY TRUCES ALREADY ARRANGED IN VIETNAM OFFER OPPORTUNITIES FOR INITIATIVES IN THAT DIRECTION--THOUGH WE CANNOT BUT REGRET THAT THE OTHER PARTIES CONCERNED HAVE SHOWN NO INTEREST SO FAR IN SUCH A CEASE-FIRE.

WE CONTINUE TO BELIEVE THAT PEACE CAN COME TO VIETNAM IN ONE OF TWO WAYS: THROUGH DEEDS, SUCH AS A MUTUAL CESSATION OR REDUCTION OF HOSTILITIES, OR THROUGH DISCUSSIONS.

WE AGREE WITH YOU FULLY THAT THE ULTIMATE BASIS FOR A PEACEFUL SETTLEMENT COULD BE THE GENEVA ACCORDS. WE ARE, HOWEVER, ENTIRELY FLEXIBLE IN OUR APPROACH TO THE DISCUSSIONS WE HAVE SOUGHT TO PROMOTE, WHETHER THEY BE FORMAL NEGOTIATIONS OR INFORMAL CONTACTS. IN THIS CONNECTION, WE WOULD BE PREPARED TO MEET PROMPTLY WITH THE GOVERNMENTS OF NORTH AND SOUTH VIETNAM AS PROPOSED BY THE UNITED KINGDOM ON DECEMBER 30. AS MY GOVERNMENT HAS STATED BEFORE ON MANY OCCASIONS, WE ARE PREPARED TO DISCUSS ALL PROPOSALS AND POINTS WHICH ANY INTERESTED PARTY MAY WISH TO PUT FORWARD. I AM SURE THAT YOUR DESIRE FOR A FIRST STEP TO BRING ABOUT PEACE IS ACCOMPANIED BY A STRONG INTEREST ON YOUR PART IN WHAT THE SUBSEQUENT STEPS WOULD BE.

I WOULD CONCLUDE, MR. SECRETARY GENERAL, BY EXPRESSING OUR CERTAINTY THAT YOU--AS ALL MEN OF GOOD-WILL--AGREE IT IS THE WAR IN ALL ITS FACETS WHICH MUST BE BROUGHT TO AN END. WE ARE THUS HEARTENED--AND BELIEVE ALL WHO DESIRE PEACE IN VIETNAM WILL SHARE THE FEELING--BY YOUR ASSURANCE THAT YOU WILL CONTINUE TO EXERT YOUR EFFORTS AND EXPLORE EVERY AVENUE TOWARD A PEACEFUL SOLUTION OF THE VIETNAM CONFLICT. SINCERELY YOURS. END TEXT

DTG 311755Z DEC 1966

CONFIDENTIAL

DEASIG
00 WTE15
DE WTE 2947

SENT
WHCA

Sent
3:10 PM

FROM: W.W. ROSTOW
TO : THE PRESIDENT
CITE: WH62858

DEC 31 20 10

GO

UNCLAS

FOLLOWING IS A MEMO FROM SECRETARY RUSK REQUESTING YOUR GUIDANCE ON HALF-STAFFING THE FLAG IN HONOR OF FORMER SECRETARY HERTER.

I FEEL IT WOULD BE APPROPRIATE FOR YOU TO ASK THE SECRETARY OF STATE TO ISSUE THE PROCLAMATION.

SUBJECT: DEATH OF FORMER SECRETARY OF STATE
CHRISTIAN A. HERTER

IN 1954, PRESIDENT EISENHOWER ISSUED A PROCLAMATION ON THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA AT HALF-STAFF UPON THE DEATH OF CERTAIN OFFICIALS AND FORMER OFFICIALS. THIS PROCLAMATION STATES THAT THE FLAG SHOULD BE DISPLAYED AT HALF-STAFF EITHER (1) BY DIRECTION OF THE PRESIDENT OR (2) BY HEADS OF DEPARTMENTS ON THEIR OWN BUILDINGS AND GROUNDS.

IN THE CASES OF SECRETARY JOHN FOSTER DULLES AND AMBASSADOR ADLAI E. STEVENSON, THE FLAG WAS FLOWN AT HALF-STAFF BY PRESIDENTIAL PROCLAMATION ON ALL GOVERNMENT BUILDINGS THROUGHOUT THE UNITED STATES. IN THE CASE OF SECRETARY CORDELL HULL, IT WAS FLOWN BY PRESIDENTIAL PROCLAMATION ON THE STATE DEPARTMENT AND AMERICAN EMBASSIES ABROAD. IN THE CASE OF SECRETARY FRANK KELLOGG, IT WAS FLOWN AT HALF-STAFF AT THE DIRECTION OF THE SECRETARY OF STATE. I WILL ISSUE INSTRUCTIONS THAT THE FLAG BE FLOWN AT HALF-STAFF ON THE STATE DEPARTMENT AND AMERICAN EMBASSIES AND CONSULATES ABROAD UNTIL 12:00 NOON, TUESDAY, JANUARY 3, UNLESS YOU FEEL THAT AS A COURTESY TO THE HERTER FAMILY, YOU WOULD LIKE TO ISSUE THE PROCLAMATION YOURSELF.

1. THE SECRETARY OF STATE WILL DIRECT-----
2. THE PRESIDENT WILL DIRECT-----

DTG: 31/1952Z DEC 1966

EEA816
00 WTE10
DE WTE 2947

SENT
WHCA

*Sent
3:10 PM*

FROM: W.W. ROSTOW
TO: THE PRESIDENT
CITE: WH62858

1966 DEC 31 20 10

UNCLAS

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1. THE SECRETARY OF STATE WILL DIRECT-----
2. THE PRESIDENT WILL DIRECT-----

DTG: 31/1952Z DEC 1966

6
SENT
WHCA

Pre file

1966 DEC 31 03 49

EEA 800
OO WTE 10
DE WTE 2931

FROM: WHITE HOUSE SITUATION ROOM (MURRAY)
TO : THE PRESIDENT
CITE: WH60851

UNCLAS

DECEMBER 30, 1966

66 DEC 30 PM 11:01
FRIDAY

FOR THE PRESIDENT FROM THE SECRETARY OF STATE

IF YOU WISHED TO SUMMARIZE BRIEFLY THE MAIN POINTS OF 1966, ONE APPROACH MIGHT BE TO BASE IT UPON "THE FIVE CONTINUING LINES OF POLICY" TO WHICH YOU PLEDGED YOUR ADMINISTRATION IN THE 1966 STATE OF THE UNION MESSAGE. THE FOLLOWING IS A HIGHLY DIGESTED VERSION WHICH IS INCOMPLETE BECAUSE OF THE 200 WORD LIMITATION WALT ROSTOW SUGGESTED:

"IN 1966, WE HAVE MADE GOOD PROGRESS IN 'THE FIVE CONTINUING LINES OF POLICY' TO WHICH I PLEDGED MY ADMINISTRATION IN THE 1966 STATE OF THE UNION MESSAGE.

1. THE MOST IMPORTANT OF THESE HAS BEEN OUR EFFORT TO 'BUILD ASSOCIATIONS OF NATIONS':

-IN LATIN AMERICA, THE ALLIANCE FOR PROGRESS HAS REVERSED THE 1953-63 DOWNWARD ECONOMIC TREND AND IS MEETING ITS OVER-ALL GOALS. THE PEOPLE OF THE DOMINICAN REPUBLIC HAVE BEEN GIVEN A CHANCE BY THE OAS TO HAVE FREE ELECTIONS AND HAVE REJECTED EXTREMISM FROM THE RIGHT OR LEFT.

-IN EAST ASIA, THE SEOUL MEETING OF ASPAC, THE REVIVED ASSOCIATION FOR SOUTHEAST ASIA, THE MANILA CONFERENCE, AND THE ASIAN DEVELOPMENT BANK -- ALL TESTIFY TO GROWING REGIONAL COOPERATION.

-IN AFRICA, THE AFRICAN DEVELOPMENT BANK HAS BEGUN OPERATIONS. AND OTHER REGIONAL INSTITUTIONS HAVE BEEN STRENGTHENED.

-IN EUROPE, REGIONAL PARTNERSHIP HAS BEEN THE FOUNDATION FOR RECONCILIATION WITH THE EAST CALLED FOR IN MY OCTOBER 7 SPEECH. THE ENERGIES OF BOTH NATO AND OECD ARE BEING DIRECTED, PARTLY AT OUR URGING, IN GREATER MEASURE TO THIS TASK OF BRIDGE-BUILDING. I PRESENTED TO THE CONGRESS AND EAST-WEST TRADE BILL WHICH I EARNESTLY HOPE WILL BE ENACTED.

XEROX FROM QUICK COPY

2. WITHIN THESE REGIONAL GROUPINGS AND OTHERWISE, WE HAVE SOUGHT 'TO IMPROVE THE LIFE OF MAN':

-THE FOOD FOR FREEDOM BILL.

-THE INTERNATIONAL HEALTH ACT.

-THE INTERNATIONAL EDUCATION ACT.

-FOOD AND FINANCIAL AID WHICH AVERTED CHAOS AND FAMINE IN INDIA AND PAKISTAN AND IN OTHER COUNTRIES

3. OUR EFFORTS TO SUPPORT REGIONAL ASSOCIATIONS AND IMPROVE THE LIFE OF MAN HAVE TAKEN PLACE BEHIND THE SHIELD OF OUR CONTINUING SUPPORT FOR 'THE RIGHT OF EACH PEOPLE TO GOVERN THEMSELVES':

-IN VIETNAM, THE MILITARY SITUATION HAS IMPROVED, AND THIS HAS MADE POSSIBLE NOTABLE PROGRESS, VIA FREE ELECTIONS AND GOOD WORK BY THE CONSTITUENT ASSEMBLY, IN SHAPING A CONSTITUTIONAL POLITICAL STRUCTURE.

-IN INDONESIA, A COMMUNIST BID FOR POWER HAS BEEN TURNED BACK AND NEW HORIZONS ARE OPENING UP FOR THAT GREAT COUNTRY.

4. ALL THIS HAS REQUIRED THE MAINTENANCE OF 'STRENGTH':

-US DETERRENT POWER HAS BEEN MAINTAINED.

-OUR ALLIANCES IN ASIA HAVE BEEN STRENGTHENED BY MY TRIP AND MANILA CONFERENCE.

-NATO HAS WEATHERED A MAJOR CRISES.

5. BUT STRENGTH IS NOT AN END IN ITSELF. OUR ULTIMATE OBJECTIVE HAS REMAINED TO BUILD A DURABLE PEACE AND TO 'CONTROL, REDUCE AND ULTIMATELY ELIMINATE MODERN ENGINES OF DESTRUCTION':

-US-SOVIET AGREEMENT HAS BEEN ACHIEVED ON PEACEFUL USES OF OUTER SPACE.

PROGRESS HAS BEEN MADE IN NON-PROLIFERATION NEGOTIATIONS.

6. CONCLUSION: IN EACH OF THESE FIVE AREAS OF EFFORT FORESHADOWED IN LAST YEAR'S STATE OF THE UNION MESSAGE, PROGRESS HAS BEEN MADE. OUR GOALS ARE NOT YET ACHIEVED, BUT WE ARE STEADILY MOVING TOWARD THEM."

DTG : 310249Z DEC 66

12/31/66
10:30
phoned
to Ranch
for possible
J.C. use
but did not
use it
of J.C.

It is with great personal sorrow that I learned that

7

12/31/66

Christian Herter, a great American, died last night. His life and career spanned a period which saw this nation emerge from a century of isolation to take a place of leadership on the world scene. From the day in 1916 when he took up a post as Attache in the American Embassy in Berlin, to the leadership of ~~our~~ the Kennedy Round negotiations to expand and liberalize world trade which he was exercising to the day of his death, he participated in the events of our time and shaped them.

He was with President Wilson at the Versailles Peace Conference in 1918-19. He was at the side of Herbert Hoover in his work in European relief in 1920-21.

He then turned to journalism and teaching and to public service in Massachusetts. He lectured on international relations at Harvard. He rose to ^{be} Speaker in the Massachusetts Legislature, and then for 10 years was a Member of Congress.

As a Member of Congress he led the famous Herter Committee, whose report helped bring to life the Marshall Plan. For 4 years he was Governor of the Commonwealth of Massachusetts; and then Under Secretary of State and Secretary of State.

Throughout his life he stood for an America that would assume its full responsibilities on the world scene in conformity with the highest values of our national tradition. Christian Herter was a wise, gentle, and wholly dedicated patriot. He will be missed greatly by all of us; but his life and work always will be remembered as part of the half century which has ~~in the history of the half century~~ transformed this nation's place in the world community.

an important

SENT
WHCA

1966 DEC 31 01 17

EEA784
OO WTE10
DE WTE 2915

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: WH60845

UNCLAS

DECEMBER 30, 1966

SUBJECT: PROPOSED TELEPHONE CALL TO THE RETIRING TURKISH
AMBASSADOR, MR. MENEMENCIOLU

THE STATE DEPARTMENT ASKS IF YOU COULD GIVE AMBASSADOR
MENEMENCIOLU A FAREWELL TELEPHONE CALL. HE LEAVES EARLY ON
JANUARY 2 FOR HOME. HE IS A VERY ABLE MAN, A GOOD FRIEND OF
THE U.S. AND WILL OCCUPY A HIGHLY RESPONSIBLE POSITION AT HOME.

AS YOU KNOW, WE ARE IN THE MIDST OF COMPLICATED NEGOTIATIONS
WHICH GO TO THE HEART OF OUR BASE RIGHTS IN TURKEY, AND
TURKS APPRECIATE THE PERSONAL TOUCH. THERE ALSO APPEARS TO BE
SOME REMAINING ANNOYANCE IN TURKEY AS A RESULT OF THE PREMATURE
ANNOUNCEMENT OF THE CANCELANATION OF PRESIDENT SUNAY'S VISIT WHEN
YOU WERE HOSPITALIZED.

I AM A BIT SCEPTICAL OF THE PRECEDENT, BUT THIS IS AN
EXCEPTION WORTH CONSIDERING. IF YOU DECIDE TO PROCEED THESE
ARE POSSIBLE TALKING POINTS:

YOU COULD WISH HIM WELL AS HE GOES HOME; YOU HOPE HIS
FAMILY HAS BEEN WELL IN HIS ABSENCE (THEY WENT HOME MUCH EARLIER,
AS HE EXPECTED TO LEAVE IN OCTOBER).

YOU COULD INDICATE HOW SERIOUSLY YOU TAKE OUR PARTNERSHIP
WITH TURKEY-DEFENSE, NATO, ECONOMIC DEVELOPMENT.

YOU WERE SORRY TO HAVE HAD TO PUT OFF PRESIDENT SUNAY'S
VISIT AND ARE LOOKING FORWARD TO TALKING AT LENGTH WITH HIM
WHEN HE COMES IN THE SPRING.

DTG : 302352Z DEC 66

XEROX FROM QUICK COPY

Pres file
SENT
WHCA

Sent 8:39 PM 9

1966 DEC 31 01 39

1966 DEC 30 PM 8:41

FRIDAY

EAA787
OO WTEID
DE WTE 2918

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: VH60847

UNCLAS

DECEMBER 30, 1966

MR. PRESIDENT:

HEREWITH A MOST HEARTENING MESSAGE FROM THE NATIONAL
COMMANDER OF THE JEWISH WAR VETERANS.

A DRAFT RESPONSE FROM YOU FOLLOWS. YOU MAY PREFER I REPLY
IN THE SAME VEIN.

IN ANY CASE, I THINK WE SHOULD SUGGEST THAT TARLOV MAKE
HIS MESSAGE AVAILABLE TO THE PRESS.

DRAFT REPLY APPROVED -----

ROSTOW ACKNOWLEDGE -----

SUGGEST JWV MAKE THEIR
MESSAGE PUBLIC -----

THE PRESIDENT

THE WHITE HOUSE

THE JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA
PLEDGE CONTINUED FULL SUPPORT FOR AMERICAN POLICY IN
VIETNAM. AMERICAN MILITARY SECURITY CONSIDERATIONS, AND NOT
THE WELL INTENTIONED, BUT UNREALISTIC YEARNINGS OF SOME
ORGANIZATIONAL LEADERS, SHOULD DETERMINE AMERICAN CONDUCT
OF THE WAR IN VIETNAM.

WE SHARPLY DISAGREE WITH THE ONESIDEDNESS OF THE CRITICS
OF AMERICAN POLICY IN VIETNAM, WHO URGE CESSATION OF AIR
ATTACKS ON MILITARY TARGETS IN NORTH VIETNAM, REGARDLESS OF
THE EFFECT OF SUCH ACTION OF THE SECURITY OF AMERICAN FORCES
THERE AND REGARDLESS OF THE ABSENCE OF ANY WILLINGNESS ON
THE PART OF HANOI TO BEGIN TO TALK ABOUT NEGOTIATING PEACE.

AIR ATTACKS ON MILITARY TARGETS ARE NOT ONLY A PROPER, BUT A NECESSARY WEAPON IN THE WAR AGAINST COMMUNIST AGGRESSION, JUST AS IT WAS IN THE WAR AGAINST NAZI AGGRESSION.

OUR SOLDIERS IN SOUTH VIETNAM SHOULD NOT BE EXPOSED TO UNNECESSARY MILITARY DANGERS AND CASUALTIES BY DENYING THEM THE RIGHT TO INTERDICT AND DETER THE INFILTRATION OF ENEMY TROOPS AND SUPPLIES FROM NORTH VIETNAM TO SOUTH VIETNAM. WE STRONGLY REGRET THE UNWILLINGNESS OF MANY AMERICANS TO BELIEVE THEIR OWN GOVERNMENT ON AMERICAN EFFORTS TO ACHIEVE A NEGOTIATED PEACE AND ON THE PRESIDENT'S ORDERS TO RESTRICT OUR AIR ATTACKS TO MILITARY TARGETS ONLY. OBJECTIVE AND OPEN-MINDED MEN AGREE THAT THE PRESIDENT'S RESTRICTIVE ORDERS ON AIR ATTACKS ARE BEING CARRIED OUT BY METICULOUS BRIEFINGS AND THE USE OF THE MOST MODERN METHODS AND INSTRUMENTS OF PRECISION BOMBING.

IT IS IMPOSSIBLE COMPLETELY TO AVOID CIVILIAN CASUALTIES IN AN AIR ATTACK TO MILITARY TARGETS, ESPECIALLY WHERE MILITARY TARGETS ARE LOCATED IN OR NEAR LARGE CENTERS OF CIVILIAN POPULATION. FURTHERMORE, THE EXISTENCE OF SUCH MILITARY TARGETS IN AND NEAR NORTH VIETNAMESE CITIES IS ESTABLISHED BY THE PRESENCE THERE OF INTENSELY HEAVY CONCENTRATIONS OF ANTI-AIRCRAFT MISSILES AND WEAPONS, WHICH ARE NOT WASTED IN DEFENSE OF NON MILITARY LOCATIONS.

MALCOLM A TARLOV NATIONAL COMMANDER JEWISH WAR VETERANS OF THE USA.

DEAR COMMANDER TARLOV:

I WAS DEEPLY HEARTENED TO RECEIVE YOUR MESSAGE PLEDGING YOUR ORGANIZATION'S VIGOROUS SUPPORT FOR OUR POLICY IN VIET-NAM.

NO ONE IS MORE ANXIOUS THAN I TO SEE AN END TO THE SUFFERING AND THE SACRIFICE THAT THIS WAR -- LIKE ALL WARS -- ENTAILS.

BUT UNTIL THE DESIRE TO END THIS WAR IS SHARED BY THOSE WHOSE AGGRESSION IS THE ROOT CAUSE OF CONFLICT, WE CAN ONLY MOVE FORWARD AND MAKE THAT AGGRESSION DIFFICULT, COSTLY AND UNSUCCESSFUL. THAT WE SHALL DO.

YOUR UNDERSTANDING OF THE REASONS FOR OUR PRESENT COURSE AND OF THE DIFFICULTIES INHERENT IN ALL SUCH ACTIONS IS A SOURCE OF ENCOURAGEMENT. MY THANKS TO YOU AND TO ALL THE MEMBERS OF YOUR ORGANIZATION FOR THAT UNDERSTANDING AND HEARTY SUPPORT.

LYNDON B. JOHNSON

DTG : 310824Z DEC 66

XEROX FROM QUICK COPY

CONFIDENTIAL

Friday - December 30, 1966

Mr. President:

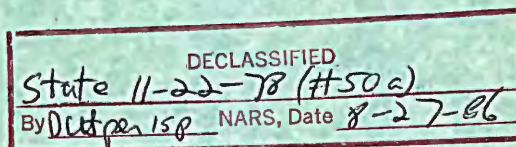
I agree with Secretary Rusk's recommendation that President Diaz Ordaz's visit to Washington be in September 1967 and combined with the Chamizal transfer ceremony.

The time framework you mentioned in the Amistad Dam conversations -- March or April 1967 -- would not be convenient for the added reason that the Summit meeting is scheduled for mid-April.

W. W. Rostow

Attachment

Rusk recommendation.



CONFIDENTIAL

THE SECRETARY OF STATE

WASHINGTON

~~CONFIDENTIAL~~

5575
1 Bowdler 10a
& Ritz

December 29, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Possible State Visit to Washington
of Mexican President

Recommendation

That we proceed with planning for a meeting with the Mexican President in the Chamizal in September 1967 to be followed immediately by a visit to Washington.

Approve _____ Disapprove _____

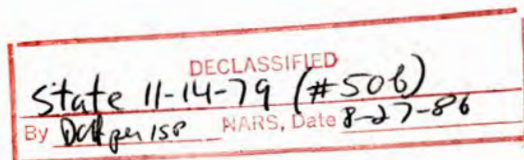
Discussion

During your meeting with President Gustavo Diaz Ordaz at Amistad Dam, he accepted your invitation to visit Washington at a mutually convenient time. The possibility of a visit in March or April 1967 was discussed.

You approved in May our recommendation for a meeting with the Mexican President at El Paso in connection with the transfer of the Chamizal to Mexico in September 1967. It was also our recommendation that Diaz Ordaz visit the United States after the Chamizal ceremony.

As Ambassador Linowitz and Mr. Gordon reported to you on December 19-20 after their return from Latin America, some of the Latin American leaders are sensitive because it has not been possible for you to give them as much personal attention as the Mexican President. The visits of Costa e Silva and Frei, and the Summit Meeting, should remove any basis for this type of criticism.

CONFIDENTIAL



CONFIDENTIAL

- 2 -

A visit before September 1967 would also pose a problem for the Mexican President. He requires Congressional approval to depart the country. While he may obtain this permission from the Permanent Commission of the Congress, when the Congress is not in session from January to September, he prefers to obtain the approval of the full Congress.

Dean Rusk

Dean Rusk

CONFIDENTIAL

11
SENT
WHCA

1966 DEC 30 18 39

EEA749
OO WTE18
DE WTE 2881

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: WH68834

UNCLAS

12/30/66

FROM WALT ROSTOW
TO THE PRESIDENT

FOLLOWING IS DRAFT REPLY FOR YOUR APPROVAL WHICH
RESPONDS TO A TELEGRAM FROM ARTHUR S. FLEMMING,
PRESIDENT, NATIONAL COUNCIL OF THE CHURCHES OF CHRIST
IN THE USA. THE INCOMING IS ALSO REPEATED TO YOU.

"DEAR MR. FLEMMING:

THANK YOU FOR YOUR MESSAGE OF ENCOURAGEMENT. AMBASS-
ADOR GOLDBERG'S LETTER OF DECEMBER 19 TO THE SECRETARY
GENERAL OF THE UNITED NATIONS IS ONE OF SEVERAL INITIATIVES
THE UNITED STATES HAS TAKEN TO SEEK CONSTRUCTIVE ACTIONS
WITHIN THE UNITED NATIONS FRAMEWORK TO BRING ABOUT A
PEACEFUL SETTLEMENT OF THE VIET-NAM CONFLICT.

IT IS MY FERVENT HOPE THAT OUR SUPPORT OF THE SECRETARY
GENERAL'S EFFORTS WILL FURTHER THE CAUSE OF PEACE IN SOUTH-
EAST ASIA. WE SHALL CONTINUE TO URGE MEMBERS OF THE UNITED
NATIONS, INDIVIDUALLY AND COLLECTIVELY, TO USE THEIR IN-
FLUENCE TO BRING THE OTHER SIDE TO THE CONFERENCE TABLE.

SINCERELY,"

THE PRESIDENT

THE WHITE HOUSE

WE WELCOME AND SUPPORT THE ACTION INDICATED BY THE LETTER TRANSMITTED BY AMBASSADOR GOLDBERG ON DECEMBER 19TH TO THE SECRETARY GENERAL OF THE UNITED NATIONS. THE GENERAL ASSEMBLY OF THE NATIONAL COUNCIL OF CHURCHES URGED QUOTE THAT THE JUDGEMENT RESPONSIBILITY AND ACTION OF THE UNITED NATIONS BE SOUGHT BY PLACING THE ISSUE OF THE VIET NAM CONFLICT ON IT'S AGENDA IN A MANNER WHICH WILL FURTHER THE INITIATIVE OF THE SECRETARY GENERAL IN THE ABSENCE OF REASONABLE ASSURANCE THAT THE GENEVA CONFERENCE WILL BE CONVEND SHORTLY OR THAT HOSTILITIES WILL BE BROUGHT TO AN END BY OTHER MEANS UNQUOTE AND FURTHER URGE THE DESIRABILITY OF QUOTE THE GREATEST FLEXIBILITY AND OPENNESS IN THE PRESENT SITUATION UNQUOTE. SUPPORTING ALL EFFORTS TOWARD THIS OBJECTIVE WE ASSURE YOU OF OUR PRAYERS FOR YOU PERSONALLY AND FOR THE FRUITFUL RESULT OF THE INITIATIVE DECEMBER 19TH.

ARTHUR S FLEMMING PRES R H EDWIN ESTY GENERAL SECY
NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE USA.

DTG: 30/1747Z DEC 1966

XEROX FROM QUICK COPY

~~CONFIDENTIAL~~

EEA707
PP VTE10
DE VTE2833

SENT
WHCA

12

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP661347

DEC 28 01 24

~~C O N F I D E N T I A L~~

DECEMBER 27, 1966

HEREWITH ORVILLE FREEMAN'S RESPONSE TO YOUR QUESTIONS OF THIS MORNING. MORE DETAILED MATERIALS WILL ARRIVE BY POUCH TOMORROW.

THE SHORT ANSWER IN PARAGRAPH 4 IS THAT THEY WILL NOT BE ABLE FULLY TO DELIVER IN THE FIRST TWO WEEKS OF FEBRUARY AND CONTINGENCY ACTION WILL BE NECESSARY.

I WILL FOLLOW THIS CLOSELY.

TO: THE PRESIDENT
FROM: ORVILLE FREEMAN

SUBJECT: RESPONSE TO INQUIRIES

1. SORRY I MISSED YOUR CALL YESTERDAY. MIKE IS HOME FROM SCHOOL AND WE HAD AN EARLY MORNING SHOOT -- GOT 8 DUCKS. I WAS AT MY DESK AND RETURNED YOUR CALL SHORTLY AFTER NOON. ROSTOW RELAYED THE MESSAGE AND QUESTIONS. RESPONSE FOLLOWS. MORE DETAIL AND A REPORT ON MISCELLANEOUS MATTERS WILL BE ON THE WAY BY WRITTEN MEMO SHORTLY.

2. THERE ARE A NUMBER OF ACTIONS AGRICULTURE CAN TAKE YET TO HELP RELIEVE BUDGET PRESSURE FOR 1968. WITH SURPLUS ELIMINATED, CURRENT GOVERNMENT GRAIN HOLDINGS ARE SO SMALL THAT IT WOULD BE DANGEROUS TO CUT BACK FURTHER. BUDGET IMPACT WOULD BE MINIMAL. IMPACT ON MARKET FOR THE YEAR AHEAD WOULD BE DANGEROUS. RECOMMEND INSTEAD INCREASE AMOUNT OF PAPER HELD BY BANKS AND MOVING WHEAT PAYMENTS FROM FISCAL '68 INTO FISCAL '67. BETWEEN \$500 MILLION TO \$750 MILLION COULD BE CUT FROM FISCAL '68 BUDGET BY THESE TWO MEASURES.

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By W. P. R. DCH NARA, Date 3-26-91

DECLASSIFIED

Authority Dept. of Agriculture letter, 10-28-82

By W. P. R. DCH NARA, Date 3-26-91

XEROX FROM QUICK COPY

3. COTTON PROGRAM BEING REVISED AND REWORKED TO MOVE SHORT STAPLE COTTON AS QUICKLY AS POSSIBLE AND TO DISCOURAGE ITS PRODUCTION.

4. 185,000 TONS SHIPPING, INCLUDING 100,000 TONS WE HAD OPTIONED, ALREADY CONTRACTED BY INDIA TO MOVE WHEAT. MANHATTAN AND SS VENORE WILL START LOADING DECEMBER 28. PLANS TO MEET ONE MILLION TONS FEBRUARY ARRIVAL TARGET MOVING AHEAD SATISFACTORILY. CONTINGENCY PLANS ARE BEING DEVELOPED USING DIVERSION AND REPLACEMENT OF GRAIN PHYSICALLY CLOSER TO INDIA.

SHIPS ALREADY BOOKED WITH LOADING DATES:

MANHATTAN	24,000	W. COAST	DEC. 28
VENORE	22,500	BALT.	DEC. 29
SEAFARER	26,500	GULF	JAN. 10
TRANSORLEANS	16,000	GULF	DEC. 31
TRANSHATTERAS	16,000	GULF	DEC. 31
NOREANA	23,000	NH/GULF	JAN. 12-13
GLOBE PROGRESS	22,000	GULF	JAN. 21
TRANS HARTFORD	16,500	GULF	JAN. 20-21
SS NACCO	20,000	NVP	JAN. 20

DTG: 280010Z DEC 66

~~CONFIDENTIAL~~

sent to Rostow via wire 13

LIMITED OFFICIAL USE

Friday - December 30, 1966

To: The President

From: W. W. Rostow

The Venezuelan Government has invited us to send a high level representative to the dedication on January 6-7 of the Rio Orinoco Bridge to which they attach great importance. The bridge is in the fast developing "inner frontier" area of the Venezuelan Guyana, to which President Leoni is devoting major attention. The bridge was financed by Ex-Im Bank and built by the American Bridge Co.

There are few ways in which we can be obliging to the Venezuelans. Ceremonial occasions are one. President Leoni would appreciate your sending a special representative. I recommend that you respond favorably, particularly because of the "inner frontier" aspect -- a major focus of your involvement in Latin America in 1967.

Some candidates you might consider are:

The Vice President	_____
Secretary Udall	_____
Secretary Connor	_____
Milton Eisenhower	_____
Dr. Lee A. DuBridge, President of Cal Tech	_____
Dr. Julius A. Stratton, President of MIT	_____.

LIMITED OFFICIAL USE

Friday, December 30, 1966
11:20 a.m.

Mr. President:

I know this heart-warming letter from
Jim Lucas will mean a good deal to you.

W. W. Rostow

WWRostow:rlh

14a



SCRIPPS-HOWARD NEWSPAPER ALLIANCE

1013 THIRTEENTH ST. NW.
WASHINGTON 5, D. C.

30 December 1966

Dear Mr. President:

Belatedly, I want to offer you my holiday greetings. My prayer is that the New Year will bring that true peace for which you have always fought with such courage and integrity.

I am home briefly, having messed up a foot earlier this month. I conned Ed Edmondson's doctor into cutting off the cast when I stopped in Oklahoma on my way home. I am now getting around fairly well, although I limp noticeably in the presence of editors.

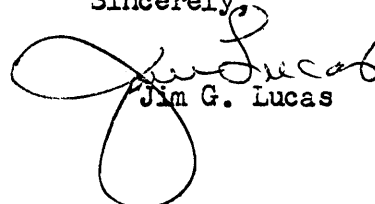
I can only reaffirm that few things have done more for morale in Viet Nam than your recent visit there. We had hoped you would come, but we were prepared to understand if you did not. That you made the trip meant everything. I was sorry to have missed you, but delighted and proud that you were able to pin the Silver Star on my good friend, Marine Sgt. Clovis Coffman. I was in Pleiku, nearby, and knew what was afoot when I learned at mid-morning that all flights into Cam Ranh had been scrubbed. But I also suspected you would be adequately covered.

These are difficult days, I know, but history is on your side. You can find comfort in knowing that your men in Viet Nam are with you, that they believe you are right and support you in your endeavors. It means much to them that you are with them, that you have never let them down and you never will.

I count myself among those men of yours.

I plan to return to the war around January 20, and may not be able to see you. If I do not, I ask God to continue to give you the strength to endure the unendurable in your lonely task as leader. And a very Happy New Year to you and Mrs. Johnson.

Sincerely,


Jim G. Lucas

SENT
WHCA

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-148

By ju, NARA, Date 9-8-92

15

VZCZCEEA745
OO WTE 18
DE WTE 2876

1966 DEC 30 15 02

FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: CAP661371

~~SECRET~~

EYES ONLY

~~SECRET~~ EYES ONLY

DECEMBER 30, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

HERewith, IN A SPECIAL MESSAGE TO YOU AND SEC. RUSK, CHET BOWLES PROPOSES TWO POSSIBLE QUID PRO QUOS FOR A CESSATION OF BOMBING. ONE IS A BIT VAGUE; THE OTHER A BIT THIN.

1. WE HAVE MADE IT CLEAR HERE IN INDIA AS ELSEWHERE THAT BEFORE WE CAN HALT THE BOMBING OF NORTH VIETNAM ON ANYTHING MORE THAN AN INTERIM BASIS THE HANOI GOVERNMENT AND/OR THE NLF MUST TAKE SOME RECIPROCAL STEP OR INDICATE A WILLINGNESS TO REDUCE THEIR OWN ACTIVITIES IN SOUTH VIET-NAM.

2. HOWEVER, THERE IS ANOTHER POSSIBLE OUTCOME OF AN INDEFINITE SUSPENSION OF OUR BOMBING WHICH MIGHT JUSTIFY SUCH A DECISION: THIS IS (A) AN ASSURANCE BY THE SOVIETS THAT, IF WE STOP AND THE NORTH VIETNAMESE PRESSURES CONTINUE UNABATED, THE SOVIETS WILL, AFTER A REASONABLE PERIOD OF TIME, REDUCE THEIR SUPPORT TO THE HANOI GOVERNMENT AND/OR (B) A COMMITMENT BY INDIA, JAPAN AND OTHER QUOTE NEUTRALS UNQUOTE THAT UNDER SUCH CIRCUMSTANCES THEY WILL UNEQUIVOCALLY IDENTIFY NORTH VIETNAM AS THE AGGRESSOR AND OFFER US AT LEAST POLITICAL SUPPORT.

3. I HAVE TRIED THIS CONCEPT OUT INFORMALLY ON T.N. KAUL OF MEA AND ALSO ON THE POLISH AMBASSADOR. ALTHOUGH THE POLE, AS MIGHT BE EXPECTED, WAS NON-COMMITTAL, HE WAS INTERESTED AND KAUL STATED HE THOUGHT HIS GOVERNMENT WOULD AT LEAST CONSIDER THE PROPOSITION.

4. BECAUSE OUR KNOWLEDGE HERE IN DELHI OF THE OVERALL SITUATION IS LIMITED, I HAVE NO WAY OF JUDGING THE PRACTICABILITY OF THIS LIMITED INITIATIVE. HOWEVER EVEN IF THE SOVIETS WOULD NOT AGREE TO REDUCE THEIR SUPPORT TO THE HANOI GOVERNMENT IF IT FAILS TO REWET POSITIVELY TO OUR STOPPING THE BOMBING A SIGNIFICANT SWITCH IN WORLD OPINION IN OUR DIRECTION MIGHT OFFER COMPENSATORY POLITICAL ADVANTAGES THAT ARE WORTH CONSIDERING.

~~SECRET~~

EYES ONLY

DTG: 301417Z DECEMBER 1966

XEROX FROM QUICK COPY

SENT
WHCA

1966 DEC 29 18 27

16

EEA723
OO WTE13
DE WTE2856

FROM: WALT ROSTOW
TO : BILL MOYERS
CITE: WH68824

UNCLAS

FOR APPROPRIATE ACTION

GHUJWY INTL FR ZL LONDON VIA WUI 52/51 29 1152A

IMMEDIATE PRESIDENT JOHNSON

WHITE HOUSE WASHDC

PEOPLE OF BRITAIN MOST CONCERNED OVER VIETNAM BOMBING
DEVELOPMENTS STOP WE WOULD LIKE EXPLAIN YOUR VIEWPOINT
TO OUR 18,830,830 READERS AND HAVE OUR TOP POLITICAL
CORRESPONDENT STANDING BY TO FLY TO SEE YOU AS SOON AS
YOU GIVE THE WORD

EDITOR NEWS OF THE WORLD LONDON

DTG: 291800Z DEC 66

2/30/66

17

TO THE PRESIDENT (copy to Bill Moyers)
FROM WALT ROSTOW

In re-reading the draft State of the Union Message with an eye to shortening it, the following thoughts emerged:

1. Given the degree of public concern about Vietnam, the Vietnam passage is too short and general.

2. On the other hand, if we expand it, we destroy the valuable ^{balanced} picture of your over-all foreign policy with its linkage to the same principles that govern your domestic policy.

3. Therefore, I propose that you indicate in the State of the Union Message that you will file or deliver personally a special message on Vietnam. — *virtually a white paper.*

4. The special Vietnam message should be a full-scale treatment of:

-- why we are fighting and the stakes in Asia and throughout the world;

-- our objectives;

-- how the military operations are going, including the bombing in North Vietnam;

-- how the political process is going in South Vietnam;

-- the tasks of pacification.

It could end with a restatement of our basic peace position, in connection with which Secretary Rusk is now refining a paper which includes 21 solid points.

Organize the drafting of such a possible message _____

No _____

See me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-148
By ju, NARA, Date 9892

~~CONFIDENTIAL~~

Thursday - December 29, 1966

*sent to Rostow
via wire 18*

To: The President

From: Walt Rostow

Pres file

Program for Frei Visit.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-148

By ju, NARA, Date 9-8-92

From Sol Linowitz and Linc Gordon I learn that Ambassador Tomic is keenly interested in arranging for President Frei to address a joint session of Congress.

I find this an unusually attractive idea if we can strike a bargain with Tomic that Frei's address will touch on: the significance of the OAS Summit meeting, the importance of the Alliance, the need for Latin American self-help and mutual-help efforts, and your contribution to the Alliance.

I see these advantages:

- It will provide a strong Latin American boost for the Summit from a key leader and serve as part of the build-up.
- It would demonstrate support for the Alliance from one of the major recipients of our assistance and one of the best self-help performers.
- It might help influence Congressional attitudes towards foreign aid in general.
- It would dramatize the attention which you are giving to Latin American affairs and be well received in Latin America.
- It will undercut your critics on the Hill, in the press, and in academic circles that the Alliance has run out of steam and your interest in the area is only marginal.
- It will shift national attention away from Vietnam and demonstrate that other areas of the world are receiving proper attention.

On the debit side, there are these considerations:

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

- The Congressional leadership -- particularly Senator Mansfield -- has opposed joint sessions for this purpose.
- If other heads of state ask for the same privilege, it may be awkward to find excuses.

I recommend that you authorize us to take soundings with Senator Mansfield and other leaders, and, if they are agreeable, to talk with Ambassador Tomic to see if we can strike a deal.

Approve _____

Disapprove _____

Speak to me _____.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Thursday - December 29, 1966

*sent to Ranch
via wire*

19

To: The President

From: Walt Rostow

Argentine Cabinet Resigns

The Argentine Cabinet has resigned apparently under pressure of mounting public and military dissatisfaction with the lack of economic direction from the Ministry of Economy and the heavy-handed tactics of the Interior Minister.

As a preliminary assessment, the crisis will probably work to our advantage if Ongania will name more competent men to the two posts.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-148
By fw, NARA, Date 9-8-92

~~CONFIDENTIAL~~

EEA728
OO WTE10
DE WTE 2859

~~SECRET~~

SENT
WHCA

20

FROM: V.W. ROSTOW
TO: JAKE JACOBSEN FOR THE PRESIDENT
INFO: BILL MOYERS
CITE: CAP661360

1966 DEC 29 21 57

~~SECRET~~

SUBJECT: FOREIGN AFFAIRS SUMMARY

1. CANADIAN CONCERN OVER ABM DEPLOYMENT

THE CANADIAN AMBASSADOR CALLED ON SECRETARY RUSK YESTERDAY TO EXPRESS PRIME MINISTER PEARSON'S CONCERN THAT WE MIGHT SOON BE MAKING AND ANNOUNCING A DECISION ON ABM DEPLOYMENT. THE CANADIANS ASK THAT THEY BE CONSULTED BEFORE WE MAKE ANY ANNOUNCEMENT. THEY ARE APPREHENSIVE ABOUT THE QUESTIONS THEY WOULD FACE FROM PARLIAMENT AND THE PUBLIC SHOULD SUCH AN ANNOUNCEMENT BE MADE HERE WITHOUT PRIOR DISCUSSION WITH THEM. SECRETARY RUSK TOLD THEM YOU HAD MADE NO DECISION AND ARE CURRENTLY SEIZED WITH THE PROBLEM. HE ALSO TOLD THEM THAT WE HOPED THE SOVIETS WOULD GIVE US AN INDICATION OF A WILLINGNESS TO COME TO AN AGREEMENT ON THIS ISSUE.

THURSDAY
DEC 29 PM 5 05

2. BELGIANS REFUSE CREDIT GUARANTEE FOR CUBAN SALE

IN RESPONSE TO OUR REPRESENTATIONS, THE BELGIAN GOVERNMENT HAS AGREED NOT TO GUARANTEE A CREDIT FOR A \$2 MILLION CUBAN PURCHASE OF 15 LOCOMOTIVES. THE BELGIANS HAVE MADE IT CLEAR, HOWEVER, THAT THEY WILL NOT BE ABLE TO MAINTAIN THIS POSITION IF THE BRITISH, FRENCH OR ANY OTHER NON-COMMUNIST GOVERNMENT IS PREPARED TO BACK THE CUBAN CREDIT. WE HAVE TOLD THE BELGIANS THAT WE WILL DO WHAT WE CAN TO GET OTHER GOVERNMENTS TO HOLD THE CUBAN CREDIT LINE.

3. US-JAPAN FISHERY DISCUSSIONS

US AND JAPANESE FISHERY DELEGATIONS BEGAN PRELIMINARY DISCUSSION WEDNESDAY IN WASHINGTON OF THE CONTINUATION OF JAPANESE FISHING OPERATIONS IN THE NINE-MILE WIDE FISHING ZONE RECENTLY ESTABLISHED BY US. THE CURRENT EXPLORATORY TALKS ARE EXPECTED TO BE FOLLOWED BY A SECOND ROUND OF DISCUSSIONS EARLY IN FEBRUARY.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-483

By is, NARA Date 10-21-99

4. GENERAL STRIKE THREATENS IN SAIGON

THE DOCK STRIKE CONTINUES AND THE PRESS REPORTS THAT LABOR LEADERS HAVE CALLED FOR A 12-HOUR GENERAL STRIKE IN SAIGON BEGINNING AT 5 PM (EST) TODAY. LABOR MINISTER HUNG SAYS THAT KY SUPPORTS OUR POSITION ON THE NEW PORT AS WELL AS OUR REFUSAL TO REINSTATE LAID-OFF WORKERS. KY BELIEVES A "GESTURE" TOWARD THE WORKERS WOULD BE HELPFUL AND THE US ARMY HAS OFFERED TO ADD 280 ADDITIONAL DOCK WORKERS AT THE OLD PORT. KY ALSO REPORTEDLY ORDERED NATIONAL POLICE DIRECTOR LOAN TO CHANGE HIS "HANDS-OFF" ATTITUDE TOWARD THE STRIKE.

5. MALAYSIANS WANT ONLY 10 HELICOPTERS

DEPUTY PRIME MINISTER RAZAK INFORMED AMBASSADOR BELL THAT MALAYSIA HAD DECIDED TO PURCHASE ONLY 10 SIKORSKY HELICOPTERS, INSTEAD OF THE 15 PREVIOUSLY AGREED UPON.

6. UK ASIAN COMMITMENT

EMBASSY CANBERRA HAS BEEN TOLD CONFIDENTIALLY THAT THE UK OFFICIALLY NOTIFIED THE AUSTRALIAN GOVERNMENT THAT THE UK NOW FEELS FREE TO MAKE UNILATERAL WITHDRAWALS FROM ITS UNITS OF THE COMMONWEALTH STRATEGIC RESERVE SINCE THE AUSTRALIANS HAVE UNILATERALLY REMOVED THE CANBERRA SQUADRON FROM MALAYSIA FOR SERVICE IN VIETNAM.

7. US PURCHASE OF SWISS ARMS QUESTIONED

ACCORDING TO THE SWISS PRESS, A COMMUNIST MEMBER OF THE NATIONAL COUNCIL QUESTIONED IN PARLIAMENT WHETHER EXPORTS OF WEAPONS TO THE US, DIRECTLY OR VIA THIRD COUNTRIES, SHOULD NOT BE PROHIBITED IN VIEW OF THE US INVOLVEMENT IN VIETNAM. THE FEDERAL COUNCIL REPLY, RELEASED YESTERDAY, STATED THAT THE COUNCIL GIVES APPROVAL FOR EXPORT OF MATERIAL INTENDED FOR THE US ARMY ONLY INsofar AS A GUARANTEE EXISTS THAT IT WILL NOT BE USED IN VIETNAM. OUR EMBASSY HAS NO KNOWLEDGE OF ANY SUCH FORMAL US ASSURANCES TO THE SWISS OR OF ANY RECENT DIRECT US PROCUREMENT OF SWISS MATERIAL. APPARENTLY SUCH AN ASSURANCE WAS GIVEN THE SWISS BY THE WEST GERMAN GOVERNMENT IN CONNECTION WITH THEIR PURCHASE OF 20 MM. GUNS FOR MOUNTING ON PERSONNEL CARRIERS TO BE USED BY US TROOPS IN GERMANY. THE EMBASSY HAS RECOMMENDED THAT THE DEPARTMENT TREAT THIS MATTER VERY CAREFULLY.

8 JAPANESE EXPRESS INTEREST IN NUCLEAR CONSULTATION

A JAPANESE EMBASSY OFFICIAL APPROACHED AN OFFICER OF AMBASSADOR CLEVELAND'S STAFF IN PARIS TO DISCUSS NATO CONSULTATION AND PLANNING IN THE NUCLEAR FIELD. THE OFFICIAL EXPLAINED THAT THE JAPANESE DESIRE FOR INCREASED CONSULTATION WAS THE LOGICAL REACTION TO THE GROWING CHINESE THREAT.

9 KOREAN CABINET RESHUFFLE

A LONG-EXPECTED KOREAN CABINET RESHUFFLE OCCURRED TUESDAY. FOUR OF THE FIVE RETIRING MINISTERS WILL RUN FOR THE NATIONAL ASSEMBLY NEXT SPRING AND BY LAW MUST RESIGN BEFORE THE END OF THE YEAR. THE NEW CABINET MINISTERS ARE TECHNICIANS AND ADMINISTRATORS RATHER THAN POLITICIANS. LIKE THE MINISTERS THEY REPLACE, THEY HAVE CLOSE TIES TO PRESIDENT PAK AND CAN BE EXPECTED TO WORK FOR HIS REELECTION.

10. HUSSEIN OUT-ARABS THE ARABS

AT THE CAIRO MEETING OF THE UNITED ARAB COMMAND, JORDANIAN GENERAL KHAMMASH DID A DEFT JOB OF DELAYING A DECISION ON STATIONING OF NON-JORDANIAN ARAB TROOPS IN JORDAN. HE DID THIS BY FIRST ACCEPTING FOREIGN TROOPS IN PRINCIPLE AND THEN HINGING JORDAN'S ACCEPTANCE TO COMPLETE IMPLEMENTATION OF AN EARLIER AND BROADER UAC PROGRAM--WHICH HE KNEW NO ONE COULD GO AHEAD WITH. THIS THREW THE MEETING INTO CONFUSION AND ADJOURNMENT, AND KING HUSSEIN MADE GOOD--AT LEAST IN HIS FIRST SHOWDOWN--HIS PROMISE TO YOU TO DO ALL HE COULD TO KEEP OTHER ARABS OUT OF JORDAN. ON THE NEGATIVE SIDE OF THE LEDGER, THERE ARE PRELIMINARY INDICATIONS THAT JORDAN MAY HAVE TROUBLE GETTING MONEY FROM KUWAIT TO HELP COVER ITS MARCH 1966 PURCHASE OF PLANES FROM US. IF OTHER SOURCES FAIL, THEY'LL BE BACK AT US.

DTG: 29/2031Z DEC 1966

SENT
WHCA

~~CONFIDENTIAL~~

EEA716
CO WTE10 WTE8 AUSTIN
DE WTE 2846

1966 DEC 29 01 40

FROM: W W ROSTOW
TO : GEORGE CHRISTIAN
INFO: JAKE JACOBSEN
CITE: CAP 661355

LIMITED OFFICIAL USE

~~CONFIDENTIAL~~ LIMITED OFFICIAL USE

SUBJECT: EXCHANGE OF MESSAGES BETWEEN THE PRESIDENT AND
GOLDBERG

I UNDERSTAND GOLDBERG HAS ALREADY TALKED TO YOU
ABOUT RELEASING PRESIDENT'S CONGRATULATORY MESSAGE--
WHICH PRESIDENT HAS APPROVED -- AND GOLDBERG'S REPLY.
GOLDBERG REQUESTS YOU RELEASE BOTH FROM RANCH WHEN
CONVENIENT. YOU ALREADY HAVE TEXT PRESIDENT'S MESSAGE
AND GOLDBERG TEXT FOLLOWS:

"DEAR MR. PRESIDENT

"ON BEHALF OF ALL MEMBERS OF THE MISSION, TO WHOM
I HAVE WITH GREAT PLEASURE CIRCULATED YOUR LETTER,
I WANT TO THANK YOU FOR YOUR GENEROUS AND THOUGHTFUL
WORDS ABOUT THE PERFORMANCE OF THE UNITED STATES
DELEGATION DURING THE GENERAL ASSEMBLY.

"YOUR UNWAVERING INTEREST IN THE UNITED NATIONS AND THE
CARE WITH WHICH YOU HAVE FOLLOWED OUR WORK AND EVENTS
HERE HAVE BEEN A CONSTANT SOURCE OF ENCOURAGEMENT TO ME
AND MY COLLEAGUES. THIS HAS BEEN AN INDISPENSABLE SUSTAINING
FORCE IN OUR EFFORTS TO BRING THE WORLD CLOSER TO PEACE.
I AM PERSONALLY DEEPLY GRATEFUL FOR YOUR SUPPORT.

"CORDIALLY

ARTHUR J. GOLDBERG"

DTG: 29/0911Z DEC 1966

GPS: 240 IMI 240

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-148
By fw, NARA; Date 9-8-92

LIMITED OFFICIAL USE

22
sent to Ranch
via wire
CAP 661361

December 29, 1966

SECRET - SENSITIVE

MEMORANDUM FOR THE PRESIDENT

SUBJECT: For your information -- Rain Making Experiment
in India

You are aware that we have been exploring with Indian officials, on a highly classified basis, an experiment to seed clouds over Bihar and U. P. in an effort to make some rain available within the next two months. If we succeed, this will materially improve the chances that this spring's crop will produce something in the worst affected areas.

A DoD meteorologist, just returned from New Delhi, was impressed by his Indian counterparts. The planning and execution will be a thoroughly joint enterprise. Three or four planes will be used with commercial markings, flown by Americans in civilian clothes. Indian Airforce meteorologists will participate in each plane.

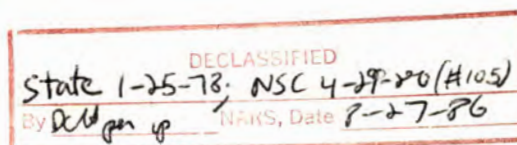
A memorandum of understanding is being drafted, to be signed in New Delhi. An agreed contingency press release will characterize it as an agro-meteorological survey, in case of need.

We expect Nick to finalize the instructions today or tomorrow. The handful of personnel will be moving with their planes promptly. For optimum results, they hope to start flying in India late in January.

May the rain makers succeed!

W. W. R.

WWR:HW:lw



December 28, 1966

Dear Mr. Prime Minister:

Ambassador Powell has sent me your very welcome letter of December 19. Your reaffirmation of our close ties of friendship and common aspirations is most gratifying. I share your confidence that these will continue to strengthen as we work together toward the realization of a true community of Pacific nations.

That goal, which holds forth so much promise for so many of the people on our planet, comes closer with each passing day. The beginning of operations of the Asian Development Bank in Manila on December 19 was truly an historic milestone in our common endeavors, and a long step toward achieving our objective.

It is my view, which I would like to share with you, that the New Year holds prospects for a further lessening of tensions and advancement toward the peaceful and cooperative Pacific community that we seek. Vietnam remains, of course, central to our immediate concerns. And much that we hope to accomplish elsewhere in the region depends, as I believe we agree, on a successful conclusion of that conflict.

I am encouraged that the heightened momentum we sought to establish when we met in Manila is carrying forward in the critical areas of our plans and actions with the Vietnamese.

The Government of South Vietnam has given new evidence of its determination to make the Revolutionary Development program a success. The Vietnamese military is now being retrained to operate essentially as pacification forces to provide the local security essential for successful Revolutionary Development. Our combined Free World operations against Viet Cong and North Vietnamese main

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E.O. 12356, Sec. 3.4
NLJ 91-148
By fw, NARA, Date 9-8-92

force elements continue to be effective. And recent reports suggest that this may have led the Viet Cong to revert to smaller scale guerrilla operations.

We can also draw encouragement from the accelerated work of the Constituent Assembly. It is pushing ahead with its task of creating a constitutional political system that will be representative and responsive to popular aspirations.

It is with guarded optimism, then, that I look forward to this coming year. It promises important rewards for the painstaking efforts we have undertaken jointly with the Vietnamese to successfully withstand the insurgency directed from the North. I know you share the view, however, that Free World resources in support of the Vietnamese will remain critically important until the aggression is defeated and the conflict resolved.

I wish to assure you, Mr. Prime Minister, of my great esteem for your leadership. It is most heartening for Americans who have responded to their country's call to duty in Vietnam to be allied there with your countrymen who are giving dedicated service in assisting the Vietnamese.

I look forward to continuing consultations with you on our common purposes in the year ahead and to the benefit of your wise counsel.

Sincerely,

15/

The Right Honorable
K. J. Holyoake, C.H., M.P.
Prime Minister of New Zealand
Wellington

LBJ:WJJ:amc

LYNDON B. JOHNSON
Carbons stamped in
Mr. Thomas' Office

12/28/66

24

~~TOP SECRET~~

FOR THE PRESIDENT LITERALLY EYES ONLY
FROM WALT ROSTOW

Herewith the only noise on the MARIGOLD circuit today.

(quote Rome 3409, attached)

DECLASSIFIED
E.O. 12358, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By DWA NARS, Date 8-26-86

~~TOP SECRET~~

Dec. 28 11:2

~~Limited Official Use~~

Wednesday - December 2, 1966

To: The President
From: Rostow
Info: Christian

Our Embassy in Chile reports that an earthquake struck the copper mining area of northern Chile centered around Antofagasta. The extent of damage and loss of life is still not known. I will advise you whether special US assistance is required.

~~SECRET~~

26

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 86-275
By inf, NARA, Date 8-10-88
SENT
WHCA

EEA806
OO WTE10
DE WTE 2937

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP661411

1966 DEC 31 05 59

~~SECRET~~

SECRETARY RUSK AND I HAVE CONFERRED IN RESPONSE TO THE THREE QUESTIONS PUT TO ME BY JAKE.

ONE. IS A PROPOSED STATEMENT IN REPLY TO A QUESTION ABOUT GEORGE BROWN'S INITIATIVE. YOU MAY WISH TO MAKE THIS SOMEWHAT LESS FORMAL, BUT THE GUT OF THE MATTER IS THERE.

TWO. IS A PROPOSED STATEMENT IN REPLY TO A QUESTION ABOUT HARRISON SALISBURY'S ARTICLES. WE BOTH STRONGLY RECOMMEND THAT YOU NOT DEBATE WITH SALISBURY, BUT REPLY ALONG SOME SUCH BROAD LINES.

THREE. FOR INFORMATION, IS GEORGE BROWN'S STATEMENT.

WE ARE STILL WORKING ON GOLDBERG TO GET U THANT TO CLEAN UP HIS PROPOSED LETTER.

SECT. RUSK HAS FILED SEPARTELY A POSSIBLE STATEMENT ON FOREIGN POLICY LINKED TO YOUR 1966 STATE OF THE UNION MESSAGE. IT'S A BIT TOUGH TO DO THE JOB IN TWO OR THREE SENTENCES.

1. WE ARE, OF COURSE, READY TO SEND A REPRESENTATIVE TO DISCUSS WITH THE GOVERNMENTS OF SOUTH VIETNAM AND NORTH VIETNAM THE QUESTION OF A CESSATION OF HOSTILITIES. WE ARE AT THE DISPOSAL OF HER MAJESTY'S GOVERNMENT TO DISCUSS SPECIFIC ARRANGEMENTS IN THE LIGHT OF THE REPLIES OF THE OTHERS TO WHOM IT'S MESSAGE WAS ADDRESSED. THE OFFER OF HER MAJESTY'S GOVERNMENT TO BE OF ASSISTANCE IN THIS MATTER IS GREATLY APPRECIATED BY THE UNITED STATES.

2. I REGRET THE LOSS OF EVERY LIFE IN SOUTH VIET-NAM AND IN NORTH VIET-NAM. I HAVE SENT OUR REPRESENTATIVES TO THE ENDS OF THE EARTH OVER AND OVER AGAIN TO SEEK EVERY POSSIBILITY OF A PEACEFUL SETTLEMENT.

MY ORDERS TO OUR OWN MILITARY ARE TO STRIKE ONLY AT MILITARY TARGETS AND TO TAKE EVERY POSSIBLE PRECAUTION TO AVOID UNINTENTIONAL OR INADVERTENT LOSS OF CIVILIAN LIVES BOTH IN SOUTH VIET-NAM AND IN NORTH VIET-NAM. I KNOW THAT OUR ARMED FORCES ARE DOING THEIR VERY BEST TO CARRY OUT THE ORDERS THAT I HAVE GIVEN. IN THE COURSE OF HOSTILITIES IT IS NOT POSSIBLE TO INSURE, ABSOLUTELY THAT THERE WILL BE NO CIVILIAN CASUALTIES.

XEROX FROM QUICK COPY

1966 DEC 31 AM 1:15
SATURDAY

1. *map*
2. *pro file*

BUT WE DO KNOW THAT THERE ARE TENS OF THOUSANDS OF CIVILIAN CASUALTIES DELIBERATELY INFLICTED BY VIET CONG AND NORTH VIETNAMESE FORCES IN THE SOUTH AS A MATTER OF POLICY.

THE REAL QUESTION HERE IS WHY THERE SHOULD BE ANY SHOOTING AT ALL AND HOW IT CAN BE STOPPED BY SUNDOWN TOMORROW. HANOI HAS PUBLICLY PROCLAIMED ITS INTENTION TO SEIZE SOUTH VIET-NAM BY FORCE. WE AND OUR ALLIES ARE PREPARED FOR IMMEDIATE PEACE ON THE BASIS OF THE GENEVA ACCORDS OF 1954 AND 1962 WHICH THE GOVERNMENT IN HANOI SIGNED. IF THAT GOVERNMENT IS PREPARED TO RETURN TO THOSE ACCORDS, PEACE CAN COME IN A MATTER OF HOURS.

3. FOLLOWING IS BROWN TEXT

BEGINS

1. THE BRITISH PEOPLE SHARE WITH ALL PARTIES TO THE TRAGIC CONFLICT IN VIETNAM A STRONG AND SINCERE DESIRE THAT IT BE BROUGHT TO AN END WITHOUT FURTHER BLOODSHED.

2. IN THIS AS IN ALL SUCH CONFLICTS STRONG VIEWS ARE HELD ON EITHER SIDE ON POLITICAL AND IDEOLOGICAL ISSUES. BUT THE ISSUE WHICH MUST CONCERN US ALL ABOVE ALL OTHERS IS THE PLAIN ISSUE OF OUR COMMON HUMANITY.

3. HUMANITY DEMANDS THAT THE MISERY INFLICTED UPON THE INNOCENT, IN BOTH NORTH AND SOUTH VIETNAM, SHOULD CEASE. POLITICAL AND OTHER ISSUES CAN BE DISCUSSED AND RESOLVED ONLY AFTER BOTH SIDES HAVE LAID DOWN THEIR ARMS AND THE BURDEN OF WAR IS LIFTED FROM THE PEOPLE.

4. I THEREFORE APPEAL TO YOU, AS I AM DOING SIMULTANEOUSLY TO THE FOREIGN MINISTER OF THE REPUBLIC OF VIETNAM AND TO THE FOREIGN MINISTER OF THE GOVERNMENT IN NORTH VIETNAM, THAT YOUR GOVERNMENT AND THEIRS NOMINATE FORTHWITH REPRESENTATIVES OF THE THREE COUNTRIES TO MEET TOGETHER IMMEDIATELY TO ARRANGE THE CESSATION OF HOSTILITIES. THE PLACE OF MEETING IS A MATTER FOR AGREEMENT BETWEEN THE PARTIES CONCERNED, BUT IF IT IS OF HELP HER MAJESTY'S GOVERNMENT ARE WILLING TO OFFER APPROPRIATE FACILITIES IN HONG KONG OR IN ANY OTHER SUITABLE BRITISH TERRITORY AND TO ARRANGE FOR THE TRANSMISSION OF SUCH MESSAGES AS MAY BE NECESSARY BETWEEN THE INTERESTED PARTIES FOR THE ARRANGEMENT OF THIS MEETING.

5. IF A CESSATION OF HOSTILITIES CAN BE ARRANGED HER MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM ARE WILLING TO OFFER ANY FURTHER HELP WITHIN THEIR POWER TO ALL CONTENDING PARTIES TO REACH AN HONOURABLE PERMANENT SETTLEMENT OF THE PROBLEMS WHICH HAVE LEAD TO THE PRESENT HOSTILITIES

DTG: 312359Z DEC 66

~~SECRET~~

~~TOP SECRET~~

SENT
WHCA

EEA788
PP VTE18
DE VTE 2835

1966 DEC 28 00 55

FROM: WALT ROSTOV
TO: THE PRESIDENT
CITE: CAP661349

~~TOP SECRET~~

DECEMBER 27, 1966

ADMIRAL RUFUS TAYLOR, DICK HELMS' DEPUTY, CALLED TODAY AND SAID THE FINAL MEMO TO YOU ON THE SR-71-A-12 PROBLEM DID NOT QUITE FULLY REFLECT HELMS' OPINION.

HIS STATEMENT FOLLOWS.

SINCE I HAVEN'T SEEN THE BUDGET BUREAU MEMORANDUM, I CANNOT COMMENT.

"THE SR-71 AIRCRAFT CANNOT YET BE CONSIDERED ESSENTIALLY INTERCHANGEABLE WITH THE A-12 FOR OPERATIONAL PURPOSES BECAUSE THE A-12 HAS BEEN FULLY OPERATIONAL FOR ONE YEAR AND HAS ALREADY DEMONSTRATED GREATER PERFORMANCE FOR PEACETIME RECONNAISSANCE MISSIONS THAN HAS THE SR-71, WHICH HAS NOT YET ACHIEVED AN OPERATIONAL CAPABILITY."

DTG: 280035Z DEC 1966

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-475
By ia, NARA Date 4-5-01

~~TOP SECRET~~

XEROX FROM QUICK COPY

Enc. 28

Wednesday, December 28, 1966
11:00 a.m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

Herewith Stan Resor's and Bus Wheeler's combined report on the Beecher ABM story in yesterday's TIMES.

Barber's interview was the most germane; but he filed on the 23rd an account of what was said. There was no Public Affairs officer present because Beecher "dropped in" unannounced.

Incidentally, on Dec. 19, after an earlier Beecher story, Bob McNamara called his people in and gave a very sharp warning against any discussion of ABM policy.

Bus Wheeler made this further observation: it is unlikely that a military man leaked because the story was contrary to the JCS position and the military have learned that leaks are counter-productive in recent years.

I leaned on him pretty hard.

W. W. R.

~~CONFIDENTIAL~~ attachment .

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 89-26
By inf NARA, Date 5-14-90

28a

~~CONFIDENTIAL~~



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

December 28, 1966

MEMORANDUM FOR: MR. WALT W. ROSTOW
SPECIAL ASSISTANT TO THE PRESIDENT

This will refer to your telephone request of yesterday that I determine who in the Department of Defense has recently spoken to William Beecher about the problem of anti-ballistic missile defenses.

I have asked the Chairman of the Joint Chiefs of Staff, each Acting Service Secretary, the Deputy Director of Defense Research and Engineering, and two Assistant Secretaries of Defense (Systems Analysis) and (International Security Affairs) to let me know the names of any persons in their offices who had talked to Beecher since December 8th. The only interviews by Beecher which I have been able to discover are as follows:

Interviews Concerning Anti-Ballistic Missile Defense

December 16 - Fred S. Hoffman, Deputy Assistant Secretary of Defense, Strategic Programs (Systems Analysis).

The interview was monitored by Dan Henkin, Director of Operations, Office of the Assistant Secretary of Defense, Public Affairs. The interview included a discussion of "strategic" parity and an analysis of how Soviet long-term improvements in offensive weapons have influenced our shift from "massive retaliation" to a spectrum of responses. Henkin viewed this interview as a fill-in on some broad strategic considerations which did not break any new ground. Both Hoffman and Henkin have stated that Hoffman did not answer any questions about anti-ballistic missile deployment, and that they believe that none of the information in Beecher's story could have come from this interview.

December 23 - Arthur Barber, Deputy Assistant Secretary of Defense, Arms and Trade Control (ISA).

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 89-25
By inf, NARA, Date 5-17-91

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Beecher stated that he had been told that a Presidential Memorandum recommended procurement of long lead time items for ABM deployment, that this decision would not be described as a deployment but as a means of keeping our options open. Beecher asked for comment, including Barber's estimate of the Administration's reaction to such a story. Barber's comment was that he did not know whether or not it was true and that he would expect the Administration to reply that a decision had not been made or perhaps a flat denial.

December 23 - Dr. Charles S. Lerch, Assistant Director of Defense Systems (DDR&E).

Beecher telephoned Lerch and asked him what the level of current R&D effort is on the NIKE X system. Lerch told him it is about \$400 million (this is public information). Beecher asked for an interview. Lerch said he could not see him.

Interviews on Other Subjects

December 7 - Mr. Robert H. B. Baldwin, Under Secretary of the Navy, was interviewed on the subject of nuclear powered ships.

December 10 - General Wallace M. Greene, Commandant of the U. S. Marine Corps discussed with Beecher, on a background basis, the current situation in Vietnam.

December 14 - Mr. Graeme C. Bannerman, Assistant Secretary of the Navy (Installations and Logistics) was interviewed on the Fast Deployment Logistics Project and on elements of the fast deployment technique which might be applied to combatant ships.

December 15 - Admiral David L. McDonald, Chief of Naval Operations, was interviewed on the over-all status of the Navy with emphasis on Vietnam.

We have reviewed the Beecher article. The analysis at Inclosure 1 leads me to believe that a knowledgeable, skilled reporter could write

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

such an article based on information available from unclassified sources.
A paragraph by paragraph analysis of the Beecher article is attached.

Incls
as

Stanley Resor
Stanley R. Resor
Acting Secretary of Defense

~~CONFIDENTIAL~~

286

~~CONFIDENTIAL~~

Analysis of William Beecher Article
Prepared by Deputy Assistant Secretary of Defense (Public Affairs)

Paragraph 1. This is a deduction which any reporter could reach on the basis that the Administration was not going to commit \$30 billion to a program at this time and that it was not going to allow the possible Soviet deployment to pass without any U.S. response. Note that Beecher used the words "seriously considering," thus giving himself an easy escape hatch if his prediction proved false.

Paragraph 2. This is a natural follow on to the logic of paragraph 1. An obvious option to anyone who has followed this program would be the procurement of key long lead time items.

Paragraph 3. The Secretary of State, in both a backgrounder and a press conference, has discussed the possibility of talks with the Soviet Union. The Communist Chinese pace has also been widely discussed and this paragraph adds nothing to the information already in the public domain.

Paragraph 4. The figure mentioned and all else in the paragraph are public knowledge resulting from past Congressional action.

Paragraph 5. The figure in this paragraph is not a figure from the new budget. The Pentagon customarily makes public this kind of spending figure for major weapons systems.

Paragraph 6. This is reasonable speculation.

Paragraph 7. This is a factual statement of what Secretary McNamara actually said at the Ranch.

Paragraph 8. The first sentence is also an accurate replay of what the Secretary said publicly. While we do not officially admit the information in the second sentence, it has been widely written.

Paragraph 9. This paragraph is an over-simplified restatement of Secretary McNamara's traditional position, which has often been expressed to the press in news conferences and backgrounders. The Secretary has not repeated this position in the last two months, but rather has said repeatedly that this entire matter is under review as the FY 1968 budget is formulated.

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E.O. 12356, Sec. 3.4
NLJ 89-25
By inf, NARA, Date 5-17-91

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Paragraph 10. Most of the Washington press corps has written about this alleged unanimous position of the Joint Chiefs of Staff. Since we refuse to discuss positions of the Joint Chiefs, it has become commonly accepted as "fact." While we do not have the reference before us, we recall that some Congressional advocates have cited this as the Chiefs' position. In Congressional testimony on August 1, 1966, Secretary McNamara indicated that the Joint Chiefs of Staff recommended unanimously proceeding with a version of the NIKE X system. The \$8 billion estimate of the cost of a "light" defense is the same as the lower of the two estimates of the cost of such a defense made in Secretary McNamara's February 1966 prepared statement before the Senate Armed Services Committee (see page 57).

Paragraph 11. This is a matter of record from Mr. Rusk's press conference.

Paragraph 12. This is a matter of record from Mr. Rusk's press conference.

Paragraph 13. This paragraph includes two assumptions which newsmen are making--that China's progress has been more rapid than expected and that the October 27 nuclear test involved a missile. The Pentagon has confirmed neither statement, but they are widely made, nonetheless.

Paragraph 14. The first two sentences are an accurate statement of the public record. The third, again, is being widely written.

Paragraph 15-Paragraph 16. We cannot identify the "Administration official." This could be sheer speculation by the author himself. Note that the official is not even identified as "State" or "Defense."

~~CONFIDENTIAL~~

NEW YORK TIMES
27 DEC 66 P-1
**PRESIDENT WEIGHS
NEW MISSILE PLAN**

By WILLIAM BEECHER

Special to The New York Times

WASHINGTON, Dec. 26 —

The Johnson Administration is seriously considering a compromise decision on the Nike-X antimissile system that potentially could mollify both those who favor and those who oppose a quick deployment of such a system.

The compromise, high Pentagon officials say, would involve the procurement of some key preliminary items but would not commit the President to go into full scale installation of a missile defense around the country.

Rather, the plan could be presented as a way to keep open the option for fast deployment, pending talks with the Soviet Union on a possible freeze on missile defense work, and pending a reassessment of the pace at which Communist China is developing nuclear missiles.

If President Johnson chooses this option, sources say, he might spend anywhere from a few million dollars to \$153.5 million. The latter sum is the amount Congress appropriated this year for the purchase of such items as special, high quality electronic components for Nike-X. Congress voted the funds to avoid delays if it was decided to deploy the system soon.

Funds Not Requested

The Administration has so far refused to spend any of this so-called long lead time money, which it has never asked for. But it is spending more than \$400-million this year to continue advanced development work on Nike-X.

Should the President decide on this compromise, half-step forward, sources say, it could take a good deal of steam out of a widely anticipated Congressional debate aimed at pushing the United States into a major deployment. At the same time, sources say, the compromise would not unduly antagonize those who fear that such a move would trigger a costly, danger-

Impetus to the Nike-X debate was provided last month by Secretary of Defense Robert S. McNamara when announced, after a discussion with President Johnson in Texas, that there was "considerable evidence" that the Russians were deploying a missile defense around the Soviet Union.

Would Use New Missile

Mr. McNamara's immediate response was to reveal that the United States would probably counter by improving its capability for strategic attack with the new submarine-launched Poseidon missile. Such a large missile could carry numerous devices designed to penetrate an enemy defense.

Mr. McNamara is believed still to oppose deployment of the Nike-X because he believed that even a \$30-billion system could be overpowered at some points by enough Soviet missiles to kill tens of millions. He would prefer to deter nuclear war with an unstoppable force of intercontinental ballistic missiles.

Others, led by some key Congressional figures and bolstered by a unanimous Joint Chiefs of Staff, prefer not to limit the American response to the ICBM. They want also to put in a missile defense, even if only a cheaper, lighter defense that would blunt a possible assault by Red Chinese missiles. Such a system could be expanded to provide a tighter defense against Soviet missiles if that should seem advisable later on. It might cost from \$3-billion to \$8-billion.

Last week, Secretary of State Dean Rusk stepped forward to say publicly what some Administration officials had been saying privately for the last few weeks. The United States would like to see "some means developed," he said, to limit the arms race and avoid "wholly new levels of expenditure" on new weapons systems.

Weapons Curb Hinted

He hinted that the possibility of a bilateral freeze on development of antimissile systems might be broached with the Soviet Union, perhaps at the disarmament conference when it reconvenes in February in Geneva.

Another factor in the Nike-X decision involves Communist China's continued progress, more rapid than most Western experts had predicted, in nuclear weapons. On Oct. 27 the Chinese tested their first nuclear-tipped missile, some months ahead of the date predicted by American specialists.

Before that test, Mr. McNamara had said the Chinese probably would not possess a meaningful force of ICBMs before 1975. That would mean that a missile defense, oriented primarily to the Chinese threat, could safely be delayed for a few years while Chinese weapons progress was carefully monitored. Now the Chinese weapons timetable is being re-evaluated.

"If the President did nothing more than continue development of the Nike-X system, he would

official.

"But by spending a little production money, he can't be accused of doing nothing. And if he fails to secure any agreement with the Russians, he can place the onus on them, should be decide to go ahead and deploy a missile defense in this country."

16 28c

Sent Ranch
4:04 P.M. F.S.T.
Wednesday, Dec. 28

SENT
WHCA

VZCZCREA711
OO WTE13 WTES AUSTIN
DE WTE 2840

1966 DEC 28 21 04

FROM: WALT ROSTOW
TO : THE PRESIDENT
INFO: GEORGE CHRISTIAN
CITE: WH60816

UNCLAS

WEDNESDAY-DECEMBER 28, 1966

OUR EMBASSY IN CHILE REPORTS THAT AN EARTHQUAKE STRUCK THE COPPER MINING AREA OF NORTHERN CHILE CENTERED AROUND ANTOFAGASTA. THE EXTENT OF DAMAGE AND LOSS OF LIFE IS STILL NOT KNOWN. I WILL ADVISE YOU WHETHER SPECIAL US ASSISTANCE IS REQUIRED.

SANTIAGO 2196

SUBJECT: DISASTER ALERT JOINT EMBASSY USAID MESSAGE

1. EARLY WEDNESDAY MORNING, EARTHQUAKE SHOOK ZONE ENCOMPASSING ANTOFAGASTA - COPIAPO - TALTAL. EPICENTER LOCATED AT TALTAL, SMALL PORT TOWN REPORTEDLY 8-10,000 POPULATION WHERE TREMOR REACHED GRADE 8- RICHTER. EARLY REPORTS INDICATE 50 PERCENT TALTAL DESTROYED, WATER, ELECTRICITY, AND SEWAGE OUT, AND 1 DEAD, 6 SERIOUSLY WOUNDED WITH UNCOUNTED NUMBER OF LIGHT CASUALTIES. GOC PLANS DECLARE ZONE DISASTER AREA TODAY. EMERGENCY RELIEF COLUMN LEFT ANTOFAGASTA FOR TALTAL THIS MORNING WITH WATER TANK TRUCKS AND OTHER SUPPLIES.

2. ANTOFAGASTA HAD GRADE 6- TREMOR CAUSING LIGHT GENERAL DAMAGE. COPIAPO GRADE 8- WITH SEVERE DAMAGE TO OLDER HOUSES. CALAMA AND CHLUICAMATA GRADE 5- NO SERIOUS DAMAGE REPORTED. GOC STILL RECEIVING REPORTS ON EXTENT OF DAMAGE, AND WILL ADVISE LATER TODAY ON EMERGENCY RELIEF REQUIREMENTS. US AND CHILEAN VOLUNTARY AGENCIES ALERTED AND PREPARED DISPATCH FOOD AND RELIEF SUPPLIES. US CONSUL ANTOFAGASTA REQUESTED INSPECT ZONE. UNTIL MORE INFORMATION AVAILABLE ON EXTENT DAMAGE AND RELIEF REQUIREMENTS, NOT POSSIBLE AT THIS POINT DETERMINE NEED FOR SPECIAL US ASSISTANCE. WILL ADVISE AS SOON AS FULLER INFO AVAILABLE.
DEAN

DTG: 281949Z DECEMBER 1966

*via pouch
to Rostow**1. [unclear]
2. Pres file*~~CONFIDENTIAL~~

December 27, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: \$12 Million Higher Education Loan for India

In addition to agriculture, our other two top targets in India are education and health. Since Indian numbers are so great, we've concentrated on quality rather than quantity. We've been working on an exciting series of programs developed by both private citizens and government consultants and designed to revolutionize Indian teaching methods to let students learn by seeing and doing in lab and workshop rather than by rote. You authorized Don Hornig to offer US help in some of these programs on your behalf when he visited India last May.

Now Bill Gaud has put all these programs together in a \$12 million loan package which would serve as seed money reaching a wide range of institutes and colleges working to improve the quality of scientific and technical education. The core of the program would be improving an already successful system of summer seminars for Indian teachers now operating with the help of over 200 professors from the US. But it also includes follow-up and related programs for selected secondary schools, engineering colleges, polytechnic colleges and regional teachers colleges.

These are all part of an overall Indian effort to increase enrollment in schools by 30% over the next five years, so the Indian government will cover local costs. Our loan will be used only for direct purchase of teaching aids, books and technical equipment from US companies.

Charlie Schultze's memo (attached) spells out India's self-help efforts and indicates Secretary Fowler's concurrence.

I recommend you approve.

Approve OKay

Disapprove _____

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By cb, NARA, Date 9-3-98

W. W. Rostow

~~CONFIDENTIAL~~*provided they will have a big press conf.
let it leak - make the \$12 million sound like
\$12 billion
telephone call from Jim Jones to Pres
12/30/66
5:00pm*

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

DEC 9 1966

MEMORANDUM FOR THE PRESIDENT

Subject: \$12 Million Higher Education Loan to India

In the attached memorandum, AID Administrator Gaud requests your authorization to make a \$12 million loan to the Government of India for educational materials and equipment. This money would meet about two years' needs for books, teaching aids, and other scientific and technical equipment imported from the United States. The material and equipment would be used for:

- . the highly successful Summer Science Institutes to be carried out by the National Science Foundation as of this year,
- . India's 135 engineering colleges,
- . regional teachers' colleges, and
- . selected secondary and polytechnic schools.

The proposed loan is an important part of your world-wide education initiative. You authorized Don Hornig to promise such a program on your behalf when he visited India last May.

Self-Help

Of course, most of India's educational materials come from local sources and are financed in her own budget. India has established ambitious targets for education in her Fourth Five-Year Plan, and has allocated more than \$1.6 billion, or 8% of Plan outlay for this purpose. This is up from \$878 million in the Third Plan, and \$437 million in the Second. But important improvements are still needed.

- . Curricula must give greater emphasis to the skills needed for India's development.
- . The rigid examination system must give greater recognition to innovation and imagination.
- . Pay scales for teachers must be increased.
- . School budgets must be increased.

Both AID and the National Science Foundation will use the leverage of this loan to press for progress on all these fronts.

We cannot and should not finance India's education program. But small amounts of United States aid, strategically placed, can help us get vital improvements in India's education systems.

Balance of Payments

The funds made available under this loan will be used solely to buy equipment, supplies, books, and teaching aids in the United States. Secretary Fowler concurs in this loan.

Recommendation

I recommend that you approve Bill Gaud's request for a \$12 million loan for Indian secondary schools, colleges, and universities.

Attachment

Approve _____

Disapprove _____

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

OFFICE OF
THE ADMINISTRATOR

NOV 18 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Higher Education Loan

Action Proposed: We propose to lend \$12 million to the Government of India to pay for the purchase of equipment, supplies, books, and teaching aids to support India's program for expansion and improvement of the quality of science and technical education.

This program centers around six-week summer seminars (SSI's) for Indian teachers conducted by more than 200 science and technology professors from the United States and the subsequent incorporation of new teaching techniques in schools throughout India. This country-wide science education effort includes a major Technical Assistance project in science education which, starting in FY 1967, will be carried out by the National Science Foundation.

This loan will meet most of the foreign exchange costs of equipment and technical materials for about two years' needs for Summer Science Institutes (\$2.4 million) and follow-up programs (\$2.3 million) operated by the Indian University Grants Commission and programs of the Ministry of Education for selected secondary schools (\$0.9 million), about 135 engineering colleges (\$4 million), about 270 polytechnics (\$1.4 million), and 4 regional teachers colleges (\$1 million).

Cost estimates are based on experience gained with science education programs since 1964. Much of the equipment will become part of permanent facilities in the various institutions. New purchases will round out needs of a school or equip an additional institution. Some of the materials are expendable, e.g., books and other teaching aids made available to Indian teachers participating in the summer seminars.

U.S. Interests: Modernization and expansion of facilities for scientific and technical training for Indians are preconditions to the rapid economic and social development of India. The U.S. is participating in several education projects in support of India's effort to develop rapidly. A contribution of the equivalent of \$300 million of U.S.-owned rupees for the Binational Foundation is under consideration. In FY 1966, the equivalent of almost \$36 million of U.S.-controlled rupees was granted for assistance to the Indian Institute of Technology at Kanpur, technical education institutes, elementary education, Higher Technical Education and the National Education Institutes.

The GOI target in the Fourth Five-Year Plan is a rise of 25% in numbers of degrees and nearly 48% in diplomas for students in technical education. The importance of trained scientists and technical experts to economic growth has been the subject of protracted discussions between our representatives in India and Indian officials over a period of years and Indian education authorities have welcomed U.S. participation in planning and developing India's science education. Dr. Hornig was warmly received when he brought your message to the Srinagar Conference last May.

Self-Help: The GOI has officially acknowledged the serious qualitative deficiencies in its educational system and has initiated a national program, which will be supported by this loan, to correct them. Enthusiastically endorsing the SSI's, the GOI acknowledges that the effectiveness of the new teaching methods requires a number of structural changes. These will have to be introduced into the educational system on a carefully phased basis to coincide with the improved training of teachers and availability of equipment and other teaching aids. Our loan assistance will provide us with a focus of discussion leading to vital changes in Indian education -- revision of curricula, elimination of external examinations, revision of pay scales for teachers, increases in school budgets.

The Fourth Five-Year Plan proposes an outlay of the equivalent of more than \$1.6 billion for education -- 61% for current expenses and 39% for investment. This represents 7.6% of the total budget and a rise from the equivalents of \$279.3 million in the First Plan; \$436.8 million in the Second Plan; \$877.8 million in the Third.

The greatest share of equipment needs for India's expanded program will come from indigenous sources the costs of which will be borne by the Indians. The GOI has also agreed to bear rupee support costs of the Science Education Project, the technical assistance companion effort. It is expected that demand will spur domestic production of educational materials similar or additional to those to be imported under this loan. Within two years, additional import requirements in relation to local production capabilities can be assessed.

U.S. Balance of Payments: Funds made available through this loan will be spent for direct purchases from private firms in the United States and for at least one-half the costs of transportation of the goods by U.S. shipping companies. The exports financed by this loan are additional to U.S. commercial exports because India does not allocate significant amounts of its foreign exchange for imports of the type covered by this loan.

Recommendation: Material required for the 1967 SSI's should be on hand in India no later than April 1, 1967. It is not expected that payment for any of the material to be ordered will be made before the end of this calendar year.

It is recommended that you approve an authorization for a \$12 million Higher Education Loan for India.

/s/ William S. Gaud

William S. Gaud

via pom
to Rusk

1. [unclear]
2. Pres file

December 27, 1966

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 89-26
By [signature] NARA. Date 5-14-90

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U. S. Contribution to the Laos Inflation Stabilization Fund

For the past three years we have contributed to the Laos Foreign Exchange Operations Fund (FEOF) to help control inflation. FEOF contributors are now renewing pledges for CY 1967 based on an IMF review which has ascertained that approximately \$20 million is needed.

Our share would be \$13.8 million, roughly \$100,000 more than our commitment for CY 1966. The balance would come from Japan, the UK, Australia, France and possibly West Germany.

FEOF was initiated in 1964 by the IMF with our cooperation. Lao government military operations against the Pathet Lao and North Vietnamese caused expenditures far greater than the Government could collect in revenue. The annual budget deficit threatened serious inflation and the country's political and economic stability. Lao military operations directly support our security objectives in South-east Asia. We agreed that FEOF was the best available means to check runaway inflation.

Bill Gaud notes in his memorandum that the IMF believes the CY 1967 commitment represents the peak in FEOF demands. IMF is confident Laos will be able to cut its budget deficit after 1967, thereby reducing the FEOF requirement. During fiscal year 1965/66 Lao revenues covered 97 percent of civilian expenditures (excluding military and police). The IMF gives them high marks for commendable budget performance these past two years.

Of our proposed \$13.8 million commitment, \$8.9 million can be provided out of FY 1967 funds. The remaining \$4.9 million is included in the FY 1968 budget and is not due for payment until the second half of CY 1967.

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~~CONFIDENTIAL~~

State, AID and BOB approve the proposed commitment. Secretary Fowler is concerned about the balance of payments effect. However, he sees no satisfactory alternative immediately available to us.

Secretary Fowler recommends that the \$4.9 million installment of the commitment which would come from FY 1968 funds be offered Laos on a conditional basis to permit an overall review of alternative options. This is agreeable to State, AID and BOB.

I recommend your approval of the CY 1967 commitment of \$13.8 million to FEOF on this basis.

W. W. Rostow

Approved ✓

Disapproved

See Me

12/30/66 - telephone call from Jim Jones to Mr Rostow.

~~CONFIDENTIAL~~

~~SECRET~~

31a

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

DEC 17 1966

MEMORANDUM FOR THE PRESIDENT

Subject: U. S. Contribution to the Laos Foreign Exchange Operations Fund

Bill Gaud is requesting authority to commit the United States to a \$13.8 million contribution to the Laos Foreign Exchange Operations Fund (FEOF) in calendar year 1967. Of our total commitment, \$8.9 million will be provided out of FY 1967 funds and the remaining \$4.9 million is included in the FY 1968 budget since it is not due for payment until the second half of CY 1967.

FEOF was started in 1964 and is part of a stabilization program designed to control inflation. It was devised by the IMF with our collaboration. Japan, the United Kingdom, Australia, and France also contribute to the Fund. We are also attempting to get West Germany to contribute this year.

Total FEOF operations have increased from \$7.8 million in 1964 to about \$20 million in 1966 and 1967. We have provided increasing amounts to the Fund, but at the same time we have been reducing our aid for direct commodity procurement. Because the exchange rate of the Fund is more than twice the official rate used for commodity imports, we get more counter-inflationary impact for our aid dollar by using the Fund.

~~Because~~ FEOF is a foreign exchange market in which customers buy and sell freely, it is impossible to tie our contribution to U. S. procurement, and there is therefore undoubtedly some U. S. balance of payments cost connected with our pledge. But I believe the costs are more than offset by the proven benefits of FEOF. Specifically:

- It has been the key factor in checking a runaway inflation. The cost of living rose by 147 percent in 1963, the year before FEOF was established. It rose 52 percent in 1964, the year FEOF began operations, only 8 percent in 1965 and 14 percent thus far in 1966, in spite of the severe Mekong floods this year.
- Other donors share the cost.
- It has provided a degree of stability to a fragile economy which has, in turn, promoted political stability essential to keeping Laos from succumbing to the Communist insurgency.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ

89-24

By ing NARA, Date 7-13-89

~~SECRET~~

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~~SECRET~~

It is cheaper for the U. S. to finance imports through FEOF than at the official exchange rate.

While Secretary Fowler is concerned about the probable balance of payments cost of our FEOF contribution, he does not see a satisfactory alternative immediately available. He recommends that the FY 1968 portion of our pledge (\$4.9 million) be made conditional and that AID examine alternative options in the meantime. I agree.

Recommendation

I recommend:

- . that you authorize Bill Gaud to pledge \$13.8 million for the CY 1967 Foreign Exchange Operations Fund in Laos, with \$4.9 of this amount conditioned on further U. S. government review.
- . that AID be instructed to examine alternatives to FEOF, with Treasury, the other donors, and the International Monetary Fund before releasing the FY 1968 portion of the pledge.

Charles L. Schultze

Attachments

Approve _____

Disapprove _____

~~SECRET~~

~~SECRET~~

316

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

DEC 14 1966

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Extension of Laos Foreign Exchange Operations Fund

1. Action Proposed: I recommend that you authorize me to approve U.S. negotiation and conclusion of the CY 1967 extension of the multi-lateral and bilateral agreements for the Laos Foreign Exchange Operations Fund (FEOF) in order to support U.S. policies of promoting economic and political stability in Laos. The Department of State concurs.

The proposed agreements provide for a U.S. commitment of \$13.8 million (\$8.9 million in FY 1967 Supporting Assistance funds and \$4.9 million in FY 1968 appropriations subject to future availability of funds). FEOF is currently supported financially by the U.S., U.K., Australia, France and Japan. In CY 1967, it is hoped that West Germany will also agree to become a FEOF donor. FEOF now has sufficient funds to last until about the end of the first week in January given present usage rates. To avoid possible exhaustion of the fund, or failure of popular confidence, signing of the new agreements has been scheduled tentatively for December 23, 1966.

FEOF is a device to control inflation by absorbing local currency through the sale of foreign exchange contributed by various donor countries. FEOF operates by selling foreign exchange on the open market. The FEOF rate is more than twice the official rate, which applies to official Lao Government expenditures and essential commodities imported under the U.S., U.K. and Australian import programs.

The IMF has just completed a review of FEOF and the RLG economic situation. The team concluded that FEOF was still the best mechanism to maintain economic stability in Laos. The IMF study estimated that for CY 1967 FEOF would require at least \$19.8 million. The other donors are not likely to increase their 1967 contributions which amounted to \$5.9 million; there is a possibility that some contributions may even be reduced. It should be noted that the IMF estimate is considered a minimal requirement. It is quite possible that a decision will have to be made to further increase the U.S. contribution late in CY 1967.

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E.O. 12356, Sec. 3.4

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It is important that the U.S. set an example by immediately making a firm pledge to support FEOF. A prompt pledge is the best way to ensure that other donors will follow suit, inasmuch as the U.S. contribution is essential to the Fund's success.

There is \$8.9 million from FY 1967 funds left for FEOF. However, it is necessary for three reasons that the U.S. pledge the entire amount \$13.8 million.

1. Historically IMF estimates of FEOF requirements are made on a calendar year basis and RLG requests to donor nations are made on that same basis.
2. A full U.S. pledge will show other donors the U.S. intends to back FEOF throughout CY 1967. Confidence in U.S. support will encourage other donors to pledge their contributions.
3. The full pledge will help show the Lao public that FEOF will have substantial funds for CY 1967 and thus prevent a possible run on FEOF caused by fear of insufficient funds before the year is over.

Local currency generated by direct U.S. contributions to FEOF is sterilized in accordance with the multilateral agreements involved. Since we have a substantial need for kip to finance project activity, half of our CY 1967 contribution will be channeled through the Lao Government which will in turn provide us with an equivalent sum of kip at the official rate of exchange. This portion of our contribution will be formally listed as coming from the Lao Government, thus reducing the appearance of U.S. domination of FEOF.

2. U.S. Interests: Our fundamental policy in Laos is to preserve the existence of an independent and neutral Laos within the framework of the 1962 Geneva Agreements on the Neutrality of Laos. In this connection our basic security objective in Laos is to protect the security of the Mekong Valley.

Our main political objective in Laos is to strengthen the Government in its competition with the Communists for the support of the Lao people. This objective requires (a) the promotion of cooperation among the conservative and neutralist forces, (b) the maintenance of a reasonable degree of stability in prices and the value of the currency, and (c) the encouragement of economic and social development to improve the living conditions of the people. RLG defensive military operations against the Pathet Lao and North Vietnamese directly supports U.S. security objectives in Southeast Asia, in Thailand and Vietnam as well as in Laos. RLG expenses for these operations

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- 3 -

are far more than the Government can collect in revenue, and the annual budget deficit is enormous in relation to the Lao economy. An unmanageable inflation would threaten both economic and political stability.

FEOF is essential in assuring that degree of stability necessary for the RLG to continue its resistance to communist aggression. The existence of FEOF as a multi-national organization operating with the blessings of the International Monetary Fund furthers an important U.S. political objective. The successful operation of FEOF greatly enhances RLG efforts to retain international support for the Geneva Accords and its policy of neutrality in the face of continuing violations of its territorial integrity by North Vietnam.

3. Self Help Action: At the end of 1963 the IMF sent a high-level team to Laos to review the country's serious economic and financial problem and to recommend a new course of action. Pursuant to the team report, the IMF recommended establishment of a stabilization program for Laos which included the setting up of a new institution, FEOF. The U.S. and other Free World nations supported this proposal. The IMF has reviewed this program several times most recently in October, 1966. The U.S. has continued to back the IMF recommendations, which help to fulfill U.S. policy objectives in Laos, through the maintenance of financial and political stability. FEOF has succeeded in stemming rampant inflation in Laos with the cooperation of the RLG which has continued to increase revenues and restrict expenditures. During fiscal year 1965/66 Lao revenues covered 97% of civilian expenditures (excluding military and police) compared with only 63% in 1963/64. The recent IMF report states that Lao budget performance during the past two years has been commendable and compares favorably with the record of many developed and developing countries. However, as long as the war continues in Laos the RLG will be required to make military expenditures in excess of their financial resources.

4. Self Help Commitments: The latest IMF report suggests that CY 1967 represents the peak in FEOF demands. After 1967 the IMF feels that the RLG will be able to cut the budget deficit further thus reducing the FEOF requirement. The proposed agreements as currently drafted call for the RLG to limit its budget deficit to 9.2 billion kip during FY 67 and make all possible efforts to further reduce the deficit during FY 68.

5. Balance of Payments: There is no doubt that the bulk of FEOF funds are used for purchases outside the United States. Tied aid to Laos is not a sound alternative because Lao purchases are very largely from Thailand, and Laos is simply unable to prevent smuggling from its natural source suppliers. We estimate that 40 to 50% of funds passing through FEOF are spent in Thailand for rice, vegetables and other perishable commodities. Because of the very nature of FEOF, however, it is difficult to determine exactly where all FEOF funds go. We have continually and repeatedly reviewed our programs in Laos to seek methods of reducing the balance of payments drain, and such studies will continue. As pointed out above, however,

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- 4 -

FEOF funds are near exhaustion, and serious political instability would result from a termination of FEOF without its replacement by equally effective measures of support to the Lao economy. We have a strong interest in the continuity of Prince Souvanna Phouma's government which faces a national election on January 1. For these reasons we believe there are overriding political and security considerations which make it essential to commit now the sum of \$13.8 million as the U.S. contribution to FEOF for CY 1967.

William S. Gaud

William S. Gaud

Concurrence:
STATE - EA/Laos, RSlutz (Draft) *W.W.*

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THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 23 1966

31c

MEMORANDUM FOR THE PRESIDENT

Subject; \$13.8 Million U. S. Contribution to the Laos
Foreign Exchange Operations FUND (FEOF)

I am concerned about the probable balance-of-payments cost of this proposed contribution to Laos of \$13.8 million. While I do not see a satisfactory alternative immediately available to us, and one which would afford the benefits of the present multilaterally financed fund, we should not necessarily accept this fund or its growing level as a long-run solution. Accordingly, I am not raising an objection to the \$8.9 million from FY 1967 funds. I recommend that the \$4.9 million installment which would come out of FY 1968 funds be offered to Laos only on a conditional basis, and that AID should, in the meantime, examine alternative options. Treasury and our Executive Director at the IMF will be glad to cooperate in this review.

Henry H. Fowler
Henry H. Fowler

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-496
By us, NARA Date 5-12-98

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12/27 6

FOR THE PRESIDENT
FROM WALT ROSTOW

Admiral Rufus Taylor, Dick Helms' deputy, called today and said the final memo to you on the SR-71 - A-12 problem did not quite fully reflect Helms' opinion.

His statement follows.

Since I haven't seen the Budget Bureau memorandum, I cannot comment.

"The SR-71 aircraft cannot yet be considered essentially interchangeable with the A-12 for operational purposes because the A-12 has been fully operational for one year and has already demonstrated greater performance for peacetime reconnaissance missions than has the SR-71, which has not yet achieved an operational capability."

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DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-495
By is, NARA Date 4-5-00

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

For the President
from Walt Rostow
Adm. Rufus Taylor,

Dick Helms' Deputy, called
27 December 1966

Today and
said the
final
memo to
you on the
SR-71 -
A-12
problem
did not
quite
fully
reflect
Helms'
opinion.
His
statement
follows.
A Since
I haven't
seen the
Budget
Bureau
memorandum
I can not
comment.

MEMORANDUM FOR: The Honorable W. W. Rostow
Special Assistant to the President
SUBJECT : Advanced Reconnaissance Aircraft

Further to our telephone conversation of this date, this Agency feels that the draft memorandum on this subject prepared by the Director of the Bureau of the Budget does not quite fully reflect the opinion of the Director of Central Intelligence in that:

"The SR-71 aircraft cannot yet be considered essentially interchangeable with the A-12 for operational purposes because the A-12 has been fully operational for one year and has already demonstrated greater performance for peacetime reconnaissance missions than has the SR-71, which has not yet achieved an operational capability."

Rufus Taylor
Acting Director

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E.O. 12958, Sec. 3.6
NLJ 98-495
By is, NARA Date 4-7-00

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E.O. 12356, Sec. 3.4

NJ 91-148

By ju, NARA, Date 9-8-92

FOR THE PRESIDENT

FROM WALT ROSTOW

Stan Resor will file in writing tomorrow the result of his and
Bus Wheeler's review of all recent Beecher contacts in the Pentagon.

I shall forward promptly.

Pres file

Tuesday - December 27, 1966

Mr. President:

President Diaz Ordaz has sent you a letter (Tab A) thanking you for accepting his invitation to Amistad Dam and apologizing for how the luncheon turned out.

I suggest that you reply along the lines of the draft at Tab B.

W. W. Rostow

Attachments -

Tab A - Letter from President Diaz Ordaz

Tab B - Suggested reply.

35a

LETTER TO THE PRESIDENT FROM PRESIDENT DIAZ ORDAZ
OF MEXICO, DATED DECEMBER 14, 1966

National Palace

December 14, 1966

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

Mr. President:

With pleasant memories of our latest meeting at the border between our two countries, I thank you for accepting my invitation to that meeting, specially in view of the fact that you were in a post-operative period.

I regret that the luncheon did not turn out as well as we should have liked. As you know, it was held at a work camp and everything was prepared by the engineers on duty there.

That is why we were unable to provide better accommodations. I beg you, Mr. President, to offer my apologies and those of Mrs. Diaz Ordaz to your distinguished wife.

Cordially yours,

G. Diaz Ordaz

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E.O. 12356, Sec. 3.4
NLJ 91-148
By ju, NARA, Date 9-8-92

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E.O. 12356, Sec. 3.4
NLJ 91-148
By ju, NARA, Date 9-8-92

Dear Mr. President:

Your thoughtful letter brings to mind how much Lady Bird and I enjoyed meeting with you and Doña Guadalupe at Amistad Dam. Our coming together to inspect so dramatic an example of cooperation between two neighbors carried a special message of friendship and progress to our two peoples and throughout the Continent.

Your concern over the luncheon is most kind but wholly unnecessary. It was our pleasure to be with you, to exchange views and to renew our friendship.

Lady Bird joins me in sending you and Doña Guadalupe our warmest good wishes for a happy and successful new year.

Sincerely,

Hls Excellency
Gustavo Diaz Ordaz
President of the United
Mexican States
Mexico, D. F.

LBJ:WGB-mm
December 27, 1966.

FOR THE PRESIDENT
FROM WALT ROSTOW

I have read Bill Moyers' latest draft of the State of the Union Message.

I believe it is the makings of a great address which could help you and our whole Administration significantly in the days and months ahead.

1. It has unity of theme, from beginning to end. That is rare and important at a time of debate and confusion.

2. The language is good -- but hard, as befits the problems.

There is no escape into rhetoric.

3. It is philosophical in the best sense: it represents to the very best of all our abilities what in fact moves you and your Administration at home and abroad.

4. I believe commentators will say: President Johnson has taken the measure of his problems and frustrations and risen to deal with them and plot the course for the nation.

Only you can assess whether this judgment is correct and put us on to the final drafting path. But I thought you might wish my assessment.

I shall, in the meanwhile, be seeing how it can be cut.

Tuesday - December 27, 1966

Mr. President:

This letter is a further expression of appreciation for what you did in connection with the death of Ambassador Belaunde.

Admiral McCain is now on Ambassador Goldberg's staff. In April, 1965, he was in charge of the naval task force off Santo Domingo.

W. W. Rostow

Attachment



UNITED STATES DELEGATION
UNITED NATIONS
MILITARY STAFF COMMITTEE
799 United Nations Plaza
New York, N.Y. 10017

5308

37a

20 December 1966

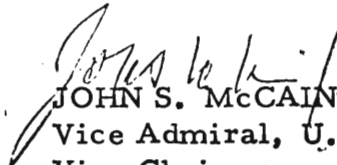
Dear Mr. President:

On the 16th of December, Ambassador Goldberg informed me that I had the honor of escorting the mortal remains of H. E. Dr. Victor Andres Belaunde, Ambassador Extraordinary and Plenipotentiary of Peru to the United Nations, and his family to Lima, Peru.

Mrs. Belaunde, the wife of the Ambassador, who accompanied the body, is a lady of great distinction and personal charm. She was most anxious that I convey to you her personal and deep feeling of gratitude for the courtesies extended to her and to the Peruvian Government on this occasion.

I wish to assure you that the entire family was most grateful. President Belaunde was equally strong in his words of appreciation of the Peruvian Government.

Very respectfully,


JOHN S. MCCAIN, Jr.
Vice Admiral, U. S. Navy
Vice Chairman

The President
The White House
Washington, D. C. 20501

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E.O. 12356, Sec. 3.4
NLJ 91-148
By JW, NARA, Date 9-8-92

~~CONFIDENTIAL~~

Tuesday - December 27, 1966

To: The President

From: Rostow

The first planeload of Americans (about 75) to be repatriated from Cuba is scheduled to depart Havana at 3:00 p.m. EST tomorrow. They will land in Merida and then come to New Orleans.

We hope that other groups will be coming on successive days. But Castro has been playing future commitments a little coy. We have the impression that he is waiting to see if the returning Americans give him bad publicity. Further releases of Americans may hinge on this.

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12/27/66

FOR THE PRESIDENT FROM WALT ROSTOW

I had lunch with Scotty Reston today. He began by volunteering that Harrison Salisbury's articles are "bad business." ~~He~~^I said that, aside from being extraordinarily careless journalism, it was odd to have that kind of thing done by a major correspondent during ~~the~~^a war when his own countrymen were engaged. Scotty said that he had been in touch with New York and told them that Salisbury's hasty reports, with no clarity about what he was shown, the character of the evidence, the nature of the sources, was poor journalism and would do the New York Times no good. I gathered that this was pretty much the consensus among professional newspapermen with whom Scotty had been talking. He says the New York office is "going to do something about it."

I then talked to him at some length about the pattern of your Administration's foreign policy throughout the world and the creative transition through which we are passing in Asia, Latin America, East/West relations and, hopefully, in Africa. He said that he could see this, but what were we going to do about the image of the President as not being candid? I then asked him two questions:

-- How much of all this is Vietnam?

His answer: 95%.

--What answer is there short of seeing Vietnam through?

His response: Given the feelings and commitments on Vietnam, there is no other answer.

BY DCU ON 8-26-86
EXEMPTED FROM AUTOMATIC
DECLASSIFICATION AND
MARKING. CANCELLED PER E.O. 12958,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 16, 1983.

He then volunteered that he did not believe it would be impossible, if it were necessary, to hold the country with the President in 1968. It depended on whether we had made sufficient progress between now and then.

He felt that the President would have enough instinctive support at a time of war so that, with good leadership, we could transit an election year successfully.

He also volunteered that he was aware of what tremendous things your Administration had accomplished in domestic policy. He was prepared to agree that we had set great things in train in foreign policy. All of this would become clear if we could get an honorable conclusion to Vietnam.

I reminded him that from Washington through Lincoln, down to Truman, what we now regarded as great periods in the Presidency were accompanied by a great deal of articulate opposition. He said that was true, but he still wondered what we could do even now to limit and reduce the vicious character of the attacks on the President and the attitudes in the communications industry. I said that was a problem to which he ought to turn his mind, because what was going on now was not good for the country.

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NJ 91-148
By rw, NARA, Date 9-8-92

*sent to Ranch -
via wire
CAP 661341*

December 27, 1966

~~CONFIDENTIAL~~

TO THE PRESIDENT FROM WALT ROSTOW

SUBJECT: Philippine Veterans Claims

As you know, we have negotiated out an executive agreement with the Philippine Government on payment of two Phil veterans war claims. Secretary Rusk wants to delegate stand-by authority to Ambassador Blair to sign the agreement for us. We would eliminate the stand-by restriction as soon as Treasury and the Central Bank agree on offset procedures which are still being discussed.

The Appropriation Acts require that outlays under the agreement be made in a manner prescribed by the President. I understand from the lawyers at State I am authorized to indicate that necessary approval has been given. A memo from me to Ben Read will suffice, but I thought you should know about this matter and extend your approval. If you wish, I can send the papers to the Ranch for your study.

Authorize Rostow to sign necessary memo

✓ 12/27/66

Send me the papers

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1966 DEC 27 15 39

FROM WALT ROSTOW
TO THE PRESIDENT
CITE WH60811

UNCLASSIFIED

FOR THE PRESIDENT FROM WALT ROSTOW

FIRST REACTION IN ISRAELI PRESS TO JORDAN ARMS DEAL IS
ON THE WHOLE HELPFUL AND CLEARLY THE PRODUCT OF GOVERNMENT
BRIEFING.

(REPEAT ATTACHED, TEL AVIV 2186)

TEL AVIV 2186

ARMS TO JORDAN

1. COMMENT IN WEEKEND NEWSPAPERS WHICH FEATURE ARMS STORY
GENERALLY RESTRAINED AND UNCRITICAL. ACTION BY U.S. SEEN AS
QUOTE POLITICAL UNQUOTE, IN CONTEXT EFFORTS STRENGTHEN MODERATION
IN JORDAN AND NEW GOJ. FONMIN EBAN'S CAVEAT TO CABINET DEC
25 REPORTED: QUOTE OBLIGATION UNQUOTE (NOT STATED WHOSE)
EXISTS TO CORRECT ANY CHANGE IN AREA'S ARMS BALANCE.

2. SAMPLE EDITORIALS:

A. DAVAR (SEMI-OFFICIAL, HISTADRUT): QUOTE WASHINGTON HAS
MADE IT QUITE CLEAR THAT IT WANTS TO SHORE UP PRESENT REGIME
IN JORDAN, AND THIS TIME MERE DECLARATION WOULD OBVIOUSLY
NOT HAVE DONE JOB. ISRAEL, WHICH DOES NOT INTERVENE IN INTERNAL
ARAB AFFAIRS, CAN HAVE NO QUARREL WITH THIS PURPOSE; ITS
POSITION IS ONE WHICH APPLIES TO ALL ARMS SUPPLIES TO ARAB
STATES; WHAT MATTERS IS WHETHER THEY AFFECT ISRAELI-ARAB ARMS
BALANCE, AND IF THEY DO, STEPS MUST BE TAKEN TO RE-ESTABLISH
EQUILIBRIUM UNQUOTE.

B. HAARETZ (INDEPENDENT) QUOTE IT IS CLEAR THAT US-JORDAN ARMS DEAL AND UNUSUAL PUBLICITY GIVEN TO IT ARE PART OF PRICE WE HAVE TO PAY FOR OUR INCURSION IN HEBRON HILLS...THE ARMS DEAL SHOULD...BE REGARDED NOT ONLY FROM ISRAELI POINT OF VIEW, BUT ALSO IN LIGHT OF INTER-ARAB DISSENSIONS...WE SHOULD KEEP WATCH OVER BALANCE OF POWER IN AREA...BUT OUR REACTION SHOULD BE COMMENSURATE TO SERIOUSNESS OF CHALLENGE, AND NOT GO BEYOND IT UNQUOTE.

C. HAARIV (INDEPENDENT): QUOTE ARMS ARE ARMS WHATEVER LABEL SUPPLIER MAY STICK ON THEM...IF ARMS CONSIGNMENTS UPSET THE STATUS QUO IN AREA, WE MUST DEMAND REDRESS IMMEDIATELY. DISTURBANCE OF STATUS QUO IS NO LESS SERIOUS BECAUSE OF ORIGIN OF ARMS (AMERICAN NOT SOVIET), OR EVEN BECAUSE OF THEIR DECLARED PURPOSE UNQUOTE.

3. CORRESPONDENTS:

A. ELI AYAL, HAARETZ U.S. CORRESPONDENT QUOTES DEC 26 WASHINGTON POST EDITORIAL AS CONCLUDING QUOTE...IN VIEW OF FACT THAT HUSSEIN IS RATHER ISOLATED IN ARAB WORLD WHEN HE SPEAKS ABOUT MODERATION, GRANTING OF AMERICAN ARMS TO JORDAN IS JUSTIFIED AND IS TO BE SUPPORTED UNQUOTE.

B. I.L. KENEN, JERUSALEM POST (INDEPENDENT, ENGLISH-LANGUAGE) FROM WASHINGTON: QUOTE ONCE AGAIN WASHINGTON IS TAKING A CALCULATED RISK - IN HOPE OF PRESERVING BALANCE OF OPINION AS WELL AS BALANCE OF ARMS IN REGION...U.S. DIPLOMATS STRESS THAT U.S. WOULD PREFER TO EXTEND ECONOMIC RATHER THAN MILITARY AID UNQUOTE.

C. HAARETZ MILITARY CORRESPONDENT QUOTES MILITARY OBSERVERS AS SAYING THAT SINCE VALUE OF NEW U.S. ARMS SUPPLIES IS NO MORE THAN FIVE MILLION DOLLARS, IT IS UNLIKELY THAT ARMS BALANCE WOULD BE SERIOUSLY DISTURBED. HE OBSERVES THAT COSTLY PATTON TANKS OR RADAR INSTALLATIONS COULD HARDLY BE INCLUDED AT THIS PRICE, AND FACT THAT A GOOD DEAL OF CONSIGNMENT IS TO BE AIRLIFTED INDICATES THEIR COMPARATIVELY LIGHT WEIGHT. CONCLUDES THAT EARLIER SUPPLY OF ALREADY PROMISED PLANES IS NOT THOUGHT SIGNIFICANT, SINCE CRITICAL FACTOR IS JORDANIAN AIR FORCE'S ABILITY TO ABSORB THEM.

BARBOUR

DTG: 271458Z DECEMBER 1966

~~CONFIDENTIAL~~

December 27, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

Your offer to Malaysians worked. We got the order for Sikorsky plus some good will.

DECLASSIFIED

Authority NLJ 85-119
By JW PER RHNARA, Date 3-26-91

~~CONFIDENTIAL~~

file

Monday

December 26, 1966 -- 10:10 a.m.

Mr. President:

These Memcons of John McCloy with Kiesinger, Strauss, Brandt, Wehner, and Blessing are worth reading and give a good feel for the four major new figures in the German government.

Kiesinger emerges well-balanced and decent.

Strauss, full of barely contained energy and ambition for Germany to exercise more power via a closer link to Paris -- at first subservient, later dominant.

Brandt, not yet shaken down as a professional, full of rhetoric rather than hard policy.

Wehner, suspicious of Strauss and Paris, hard-minded, needing U. S. cultivation. (With Kiesinger he is the father of the coalition.)

Blessing, surprisingly forthcoming on the offset by means other than hardware purchases.

W. W. Rostow

Memorandum of meeting with Strauss, the German Finance Minister,
Saturday, December 17, 1966 from 9:00 A.M. to 1:00 P.M. in Duesseldorf

I told him I was anxious to know something about the direction of the new government and its policy and the direction he felt United States policy should take due to the "changes" which everyone said were taking place.

He replied that he wanted to review the whole situation as he saw it -- going back a little and going forward a little.

In the first place, the Erhard Washington visit was a terrible mistake, not because of his failure to get relief, but because of its untimeliness. The Americans had not been sensitive enough of the German political situation. Erhard faced an offset agreement his government had made to meet which he had to raise taxes and this was impossible for him in view of his then political situation. In a sense this was good because it brought the government down faster than if the Washington visit had not taken place. Erhard would probably not have lasted till 1969 but he probably would have survived until at least 1968.

But going back we had to realize that the United States leadership had been most confusing. First there were the days of Admiral Radford. The United States had the nuclear monopoly and the idea was to

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E.O. 12958, Sec. 3.6
NLJ 98-483
By is, NARA Date 10-21-99

think in terms of instant nuclear retaliation. Dulles came along arguing for tactical war heads in Europe so that there would be superiority all along the line.

MC 70 was the doctrine then and it was a good one. It contemplated IRBM's, tacticals and certain goals for ground forces, all of which made sense. If continued and advanced it could have done all that M.L.F. could have done and done it much better.

Then came McNamara and Kennedy with statements as to Russian capabilities and new strategical doctrines based on them only to be followed by new strategy based on an entirely new estimate of Russian capabilities. There was the most rapid build-up and build-down of Russian divisions all on the desks of the Pentagon. Intelligence was always advanced "to fit the strategy of the political scientists."

Never had there been such rapid disarmament of the Soviet armies! No one could but conclude that all the new strategy was an attempt to minimize the risk for the homeland of the United States as the Soviet nuclear power grew. It was a sensible strategy from the United States point of view. The thought was to set up a conventional defense -- create time for negotiations -- delay the atomic trigger, raise the threshold as high as possible. All this created a sort of "doctrinal mess" -- whatever doctrine Europe evolved was simply a bit of waste paper unless backed by the United States but Europe tried manfully to

follow. There had been some vast changes taking place most significantly in the field of Soviet nuclear capability. The homeland of United States was vulnerable and it was only logical that United States should modify its strategy to meet this fact but it was laid down without real consultation and prior discussion. It was necessary to look at United States-European relationship from the short run and the long run. In the long run United States interests and European interests were identical. In the short run they were not and the frequent changes in doctrine proved it. General De Gaulle was taking the short run concept as support for his "force de frappe". Much to be said for a flexible defense and a non-nuclear option but it should not be introduced as a "fait accompli" of American doctrine in the NATO groups without prior submission and discussion. It was a prepared prescription when it arrived in NATO. Of course, only what the President does at X hour really determines the NATO strategy but Europe did wish to conform. It is true that we need a bigger Bundeswehr -- should have more money spent on it as McNamara demands. Hassel made a tremendous mistake in giving back some of his budget money he thought he would not be able to spend wisely. A fatal mistake. He could have spent it if he had had gone about it with efficiency. Instead, it went into social welfare and it was lost forever. This was a catastrophic mistake. Now the money is needed to extend the days of supply, etc. and you have difficulty getting it.

The supply lines were not filled to the degree that the United States lines were so there was an imbalance due largely to Hassel's inefficiency and then suddenly there evolved the "package deal". Just when Europe was accepting the new strategy the talk of reducing the conventional strength of United States in Europe because of balance of payment considerations came along -- "buy more military items or we reduce troops!" It was based on Hassel's failure to spend the money which he had. Because we, i.e., the Germans were weak the United States took the position it should also become weaker. "Unless we get our offsets, we will go home and sacrifice you to the Russians." All this was most confusing and disquieting.

Then we have ~~Fowler~~ ^{Foster}, Chalfont and Brezinski -- disarm and detente at the same time other Americans are saying build up! -- too schizophrenic for a common understandable strategy and a convincing deterrent.

He also referred to Tom Gates, Herter and the M.L.F. In loyalty to United States, Germany embraced the M.L.F. and after they did, the United States lost interest. Another blow to confidence in United States leadership.

There is a good bit to be said for a flexible strategy provided the Soviet does not get the idea that if they attack with non-nuclear forces we will certainly only respond with non-nuclear forces.

We have to make them feel we may well respond with nuclear as well as non-nuclear. I said that I had sensed some strong German distaste for the thought of instant nuclear response for fear that Germany would disappear in the first blast. There was a certain concern for the German homeland in German nuclear thinking as well as in American.

Strauss then discussed Soviet intentions. He said they had made it clear the Soviets did not want to extend their engagement in Viet Nam. They wanted to keep it just as low as possible consistent with their position as the leading communist power.

The price the Soviet Union demanded for peace was acceptance of the status quo in Europe; the cessation of reunification talk except in the vaguest and far-postponed terms; a European conference from which United States should be excluded, i.e., confirmed neutralization of Europe and elimination of any United States deterrent or influence in Europe. He added that there were some in the Soviet Union who were not so anxious to have United States leave Europe just now. Again this was evidence of the spectre of German military revival which influenced both friend and foe. I said that we were in Germany as part of NATO to defend the Free World. We were not there to police Germany.

He also referred to East Germany in terms of his unhappiness over the non-proliferation treaty; the space treaty and other forms of detente. All involved the signature of the East German government and

this was implicit recognition of East Germany. Another example of the absence of a common political and military strategy. To leave the Germans in a confused outside world, similar to situation after World War I with all armed but Germany would recreate the mistakes of the past. It had led to trouble then and would again. Too much doubt and skepticism as to aims in NATO. German soldiers and officers frustrated. This is the main difficulty with Bundeswehr, not lack of support or days of supply. No clear role to play. MC 70 had a rationale. France proportional deterrence sensible -- small but French -- made them less dependent on the ups and downs of United States political science strategists. We in Europe do now need a European solution.

The Federal Government in its recent statement made by Kiesinger had a sentence agreeing to accept the non-proliferation treaty. He had opposed it vigorously and finally it was omitted. National control has been renounced but Germany should not forever be deprived of nuclear defense if attacked -- and they should have some protection besides United States nuclears, i.e., on a European basis. Europe must unite -- need unity to cope with technological gap as well as for military security. No long range security without European unity with United States partnership. Great need for a common strategy, if we had it United States could reduce its strength in Europe by 1/3rd -- there was a real need to organize the reserves better. Airlift had to be more convincing and Europe had to

have a nuclear capacity really to be secure. All this required the refreshment of Germany's relations with France. The existing treaty must be fully exploited not to oppose United States but to compose a real European defense in partnership with the United States. It was going to be necessary to buy more equipment from France -- would continue to buy the more sophisticated weapons from the United States but balance should be bought in Europe -- mainly France. British stuff was obsolete. Denmark could provide weapons, too. Britain was having second thoughts about leaving Germany. Found it cost more to take care of troops in England than in Germany -- and they thought they could "control" Germany better with troops there.

What was necessary was to go back to firm principles and stick to them. All right to let the political science professors discuss and lecture but don't impose them on your allies. There was more of all this adding up to his conclusion that a new turn toward France and a certain detachment from the United States had to be made but with emphasis on the complete identity of purpose with the United States in what he called the long run! I told him this sounded well but that he had better take into account United States public opinion. Our leadership may have been confused but since the war it had saved Europe including Germany and France. It would be short-sighted if Europeans now decided to go their own way ignoring United States in their planning in the thought

they need only whistle up United States aid whenever it became necessary; they were playing with fire.

He spoke of the greatly stepped up nuclear strength of the Soviets. He seemed to know all of the intelligence I had been given on this subject, i.e., the stepped up ICBM's and the ABM's. He spoke of the efficient status of the Warsaw pact divisions -- outside the United States probably more efficient and better able to operate than the allied forces. No diminution in his mind of the Soviet threat. We could expect them to lie low till they had completed their build-up and then look out for renewed pin pricks and probes!

He said he would only class the fighting efficiency of the Bundeswehr now as "moderate". They would not fold and run but they did need more weapons and above all a better sense of purpose. He spoke of the maldeployment of the NATO troops and the exposure of the north German plain. He was disposed to disparage the British military strength and didn't seem to care much whether they stayed or not. He referred to a recent statement of General Montgomery to the effect that Britain should maintain forces in Germany to keep the Germans under control. If this statement had had greater publicity in Germany, all negotiations with the Germans and British would break down. I wish I had thought to say that in this respect the British seemed closely to approximate the motivation of General De Gaulle who keeps French

troops in Germany (totally uncommitted to NATO) for the same reason.

(Unfortunately I only thought of this after he had gone.)

Strauss then said he was going to give me a bit of history.

On one of Adenauer's visits to De Gaulle the latter had in rather eloquent terms broached the idea of a union between France and West Germany.

This was in accordance with Adenauer's proposals after World War I.

If not a union, it could be a confederation. De Gaulle had not been specific but there had been a good bit of romantic language about the

historic Frankish empire etc. Adenauer had said that he was most

favorably disposed but the matter could not be dealt with at the particular moment. It needed preparation and as an election was impending it would

not be an opportune time to announce any such intentions. Adenauer left and the question arose whether De Gaulle would reintroduce the offer to

Erhard. After some clever work on the part of Strauss and I gather some

other German Gaullists, De Gaulle was induced to again make the offer

on an even more eloquent basis. When Erhard returned from Paris he was

asked what had transpired in Paris and Erhard had failed to mention the

offer. When pressed by those who knew the offer was to be made, Erhard

said he had refused it as immoral because it assumed a dominance of

the two countries over Europe. Strauss gave this as an example of how

obtuse and unfarsighted Erhard could be. It was quite clear that Strauss

did not feel that Germany would long be the junior partner and the union

would enable the two countries in the meantime to exercise full control of Europe. I gathered the impression that it was to be the objective of the new government, or at least of Strauss, to get the offer renewed with the implication it would now be accepted. I recalled to Strauss that De Gaulle had at one time "offered" to us the formation of a grand triumvirate consisting of the United States, France and Great Britain to run things to which all other free countries necessarily would have to conform. President Eisenhower turned it down for the reason we had agreed to treat our NATO allies as equal partners and we had particularly referred to the case of the Federal Republic in this request. Eisenhower had thought De Gaulle's offer had been immoral and I said I was surprised that Strauss had criticized his own Chancellor for taking the almost same attitude which Eisenhower had. Strauss said this was a different situation and it was clear he was not interested in the analogy.

Strauss said the objective now would be to get De Gaulle to be more specific than he had thus far been. Germany intended to find out just what he had in mind in the way of specifics. He was going to put De Gaulle "on the spot" as to what he intended to do in respect of Germany. I think he felt that Germany would not long be the junior partner considering the respective populations and the economic strength of Germany. (see Brandt's comment on this.) (p. 7 of next rec. vol.)

Strauss also hinted as did Brandt that the Paris-Moscow

axis was a most significant one. Though no pact was announced the arrangements for interchanges, consulates, trade, etc., were very elaborate and could be expected to be expanded in the course of the further Soviet-French visits. Might as well be a pact. And it was clear that Strauss hoped that in the forthcoming January 13th and 14th meetings in Paris some very significant exploitations of the Franco-German treaty would be effected.

In the course of our talk he said he had it on very reliable authority from Paris that Kosygin had urged De Gaulle not to stir up too much animosity against the United States as they were holding China in check. I said I doubted this in view of Kosygin's own attack from French soil on the United States mainly over Viet Nam.

John J. McCloy

December 22, 1966

Memorandum of meeting with Brandt and Wehner on the evening of Saturday, December 17th, 1966, at Brandt's Berlin office in Bonn. Was with them for about 3 hours (7 to 10 P.M.) An S.P.D. member of the Bundestag, Seydak (who may only have been a party official) was also present.

I told Brandt I was anxious to get from him his conception of the direction of the new government in foreign affairs. I had talked with the new Chancellor and with the new Finance Minister and I was particularly interested in the views of the new Foreign Minister.

I told him that I had been asked to talk to them about the new direction of the government and also to learn their views of the correct direction of United States policy in respect to Germany.

Brandt was expecting me to talk about balance of payments. I told him this was an important but incidental matter, important but far less so than the direction of Europe and the relation of the United States to it.

The talk of "change" was in the air and it was necessary to know what really was changing and what the implications were for the security of the Free World.

He started out by saying that in the past German emphasis had been on reunification. That had been the inspiration of German policy. The main orientation now is, what can Germany do for peace of the world. Everything must be put in relation to this without giving

up Germany's ultimate legitimate aims, i.e., reunification. Soviets must lose their fear of Germany if reunification is ever to come about. We must find the formula by which peace is preserved -- peace on a permanent basis.

Germany had been concerned too much with its own worries and preoccupations and had not been as conscious or as sympathetic as it should have been over the concerns and troubles of others, particularly the United States. Reunification is not in the foreseeable future. NATO had been the security framework but within this framework now Europe had to be brought together. It was a slow process but a necessary one -- contradictory in many of its aspects but it had to be accomplished. Young people needed confidence in future and they had to have new direction. As nothing can be done with Europe without France, one has to deal with France and De Gaulle is France at the moment. We cannot give France a new government and so we have to deal with him. We shall never have the Europe which is ultimately desirable while he is head of France because his concept is leadership of France in Europe with a secondary position for everybody else. People are disillusioned regarding reunification and the lack of progress of integration of Europe economically and politically but we must make progress in what direction we can; and so Germany has determined to see what can be done on a bilateral basis. He saw De Gaulle day before yesterday -- cordial -- talked for an hour. Brandt had felt it possible to work out common policies with France,

technological problems, common market, common policies for Europe, etc. Found De Gaulle not so much interested in this any more. Now it was the East-West issue which absorbed him. Whereas before this, De Gaulle had always expressed anti-American sentiments to him, this time there was "almost no such references." Quite evidently, De Gaulle thought that the major development was now to be the entente with the Soviet Union, deep significance of Kosygin visit and those to come after. De Gaulle had met with Rusk and Brandt had impression meeting was not unpleasant.

De Gaulle believed no threat from Soviet Union for time being -- possibilities of renewed threat not excluded for the future. De Gaulle had referred to United States troops on Germany's territory. Had no objection to this -- indeed, was quite satisfied with their presence there. He simply did not want them on French soil and they served the purpose where they were. Soviet Union much preoccupied with China and internal problems and way is now open to discuss things with Soviet Union -- trade, culture -- can't really discuss reunification now. Brandt was contemplating and De Gaulle was urging entering into an agreement renouncing all use of force in connection with solution of the German problem. Formal document. Make it appear as a significant document or treaty of far-reaching importance. This might help "normalize" relations which they had in mind. They wished to have

diplomatic relations with satellites. Poland would prove difficult. All this is in line with President Johnson's October 7th speech as Couve de Murville was careful to point out. It was not possible to mention "Oder Neisse" line at this time but they had gone as far as possible in the Chancellor's statement. De Gaulle had said to Kosygin that reunification of Germany was a historical necessity though nothing to be done about it now. Maybe the issue of Sudetens could be included in the agreement but this was already so clearly renounced that it no longer had any significance. De Gaulle surprised him by referring to the need for a renunciation of an Anschluss with Austria. Of course, no one was interested in this but it might be useful vis-a-vis Soviet Union. There are limited moves one can make and we intend to study what these moves can be. De Gaulle had said no longer interested in military matters or strategy. French troops in Germany on the proper basis -- experts can take care of trade, military technological matters. "We can deal with the fundamentals", i.e., East-West.

Brandt and Wehner were impressed by the proclamation Monnet was now working on in regard to Europe. S.P.D. would support it. British would certainly be blocked unless De Gaulle could be convinced that Britain's financial problems solved and honestly accepted full obligations of Rome. Had to deal with France. Brandt said that he had made it clear that Germans adhered to concept of integrated defense.

"De Gaulle did not object". Brandt said the Germans were going to do what they could to improve military planning but did not know how far De Gaulle would be prepared to go. Mainly interested in the Moscow-Paris axis.

Germans were in a confused position. "We are the only one all of whose forces are in NATO." Till recently all wanted Germany to do more in military field. Now suggestion is we should do less; still fear of German rearmament. Must restore confidence. This is the value of the renunciation agreement.

As for United States force levels -- most dangerous if important changes took place now -- must not relate such action to money. This had created a very bad impression -- the package approach was a major mistake -- created doubts about the Alliance. Hastened the fall of the Erhard Government. No steps regarding forces should be taken which do not come about as a result of community decisions -- must be a rational evolution subscribed to by all -- not unilateral. Alliance has suffered a set back. Must be reinvigorated. United States should not gain the impression that there was a basic change in German policies. Geography and experience dictated the need for accommodation with France. He found a recent statement given him by McGhee helpful in that it made clear State Department's desire for good Franco-German relations. Germany's economic situation probably improving this fall

but growth rate of 4% impossible. Need to bring order into ~~finance~~ ^{finance.}

Should no longer make the defense budget a savings account for social legislation as it had been. Whatever was needed for defense should be voted and spent. (cf. Strauss)

Belgians had made an interesting suggestion in Paris -- all say things have changed -- appoint a committee to examine into just what has changed and what is the value of the change.

When I asked Willy whether he had the impression that the United States had attempted to dominate or bring too much influence to bear on German policy, he said definitely not, except in some aspects of the military field. If anything, he felt United States had not been as closely interested in German policy matters as might have been wished. At one time there had been a common discussion of problems -- example of old days in Berlin, etc. Now the impression was one of some aloofness and oversensitivity in regard to undue influence. What was needed was close frank collaboration on all matters which affected Germany. He said he was pleased that Rusk had referred to the non-proliferation treaty language when he had been in Paris. His view was that Germany did not want to create any difficulties over non-proliferation. People had come to believe it was a step toward peace and momentum of opinion is in favor of it. No place therefore for Germany to stand in way, although its significance may be considerably less than claimed for it. Where

Germany raised questions it would be on basis of interest of all non-nuclear powers not particularly Germany alone. On the European option he was not so concerned. Impossible to bind a new European community any way -- simply not bound by treaty's terms. Of course, if such a European political entity was favored it would have to have nuclear power. Important thing is what goes on within Alliance as it is; McNamara committee, disarmament questions. When I raised the question of the confederation with France which Strauss spoke of, he said he did not agree with Strauss on this point. He said his concern was to save De Gaulle and France from the German Gaullists. They were dangerous and most reactionary in their thinking. No accident that many rightist elements in Germany are Gaullists.

Wehner added some remarks. Important for everyone to realize with all the talk of French rapprochement Europe is only possible within the concept of American partnership. We should try to find the small "auslege" with the French but never lose sight of the fact that these were interior matters and are not part of the larger waters. Germany needs a little "spielraum" within which to operate with France and the East but it must all be within the basic commitments. Wehner said he had learned to become pro-American out of discipline -- simply because there was no other way. Had not been exactly seduced by the Americans over the years but he was a pro-American. Kiesinger had done well to

speaking of France as America's oldest ally.

Erhard was not able to establish good relationship with either France, Britain or United States -- too bad because he had made real contribution to the country. Now the new government was going to do this. It had authority which Erhard lacked. The S.P.D. had supported Schroeder and the M.L.F. and the Kennedy test ban. Impression created that United States interest in these things had disappeared after Germany had been committed. Too easy an acceptance of United States point of view. New government will be more satisfactory to deal with than the obsequious Hassel. Can operate on a broader basis.

Wehner said United States should emphasize closer collaboration. He complained that American Ambassador had not seen him since the Ambassador's arrival until just the other day when he was made a Minister. (This remark together with the one about the United States not having seduced him made me feel he is very sensitive in regard to his position. He has been operating in the shadows for so long due to his old communist record and the brilliance of Erler that he is now enjoying the sun. He seeks and expects recognition and one should be aware of this if he visits the United States.)

Both of them thought a visit by the President to Germany would be helpful if not too long postponed. However, it should be carefully thought out and some concrete results should accompany the

conclusion of the visit. Perhaps some things in regard to space or technology. He rather thought Kiesinger should visit the United States first. Visit should be not for show but for business -- serious attempt should be made to recreate confidence in United States leadership.

I had seen Brandt on the T.V. when he addressed the Bundestag after his return from Paris. It was too effusive and too obviously directed toward a make-up with France and a tactful detachment from the United States. I said that I wanted to say a few things: the strong emphasis on the overthrow of the old government because it had been too much under the influence of the United States, the rush to Paris, the tone of his talk was not the attitude of a foreign minister sure of himself as an equal partner in an Alliance. I said I was fearful of the result of all this Lili-Marlene love affair. He should recall that it was only a few days before his "embracio" of De Gaulle that Kosygin, De Gaulle's red carpet guest, had used French soil from which to deliver vicious attacks on his country and my country -- two allies of France. De Gaulle must have been apprized of these attacks beforehand.

When I recently saw Senator Mansfield he had talked to me about the Europeans not wanting United States troops and that we had better get out if this was their attitude. I complained that he was mistakenly relating French attitudes to the rest of Europe. I was now fearful that all this rather ostentatious display toward France on the part

of Germany when France had hardly acted as a loyal ally of the United States either in respect of Viet Nam or in the manner it had left NATO, would tend to justify the Senator's appraisal and that a large body of United States opinion would be saying "a plague on both your houses", with the result that both De Gaulle and Moscow would suddenly find they had with Germany's assistance accomplished their respective wishes for the detachment of the United States and its interests from Europe. I am sure this sobered him up. I believe it was well to say it if only to moderate the emotional transports which Bonn and Brandt are now undergoing in the way of "off with the old, on with the new."

I said that he must always keep in mind that it was not the United States which was demanding a choice between Washington and Paris. It was France only that demanded Paris. Germany did not have to decide between De Gaulle and Johnson or France and the United States. What Germany did have to decide was between a collective approach to security with all that it meant and an individual independent approach based on axes and all the other paraphernalia of the pre-war era which De Gaulle had re-introduced. This was fundamental for there was no place for the United States in Europe on any basis except a collective basis. We could not put our troops in Germany on the same basis that France now demanded hers. It was going to require high statesmanship for Germany to play these two roles -- embracement of France and

adherence to collective policies hostile to De Gaulle. It would prove to be a difficult role to play in Europe and an even more difficult one to play in front of United States public opinion.

I asked Brandt what role the offset problem and the failure of Erhard's visit to the United States had played in his downfall. He said it had undoubtedly accelerated it but it would probably have occurred later on without this development. There is no doubt now in my mind that this is a correct appraisal. At least all Germans with whom I spoke said the visit and the way the offset was handled triggered things and was a factor both in the fall of Erhard and the new accent on overtures to the French.

He seemed to harbor no grudges over the Berlin voting problem.

John J. McCloy

December 22, 1966

Memorandum of meeting with Blessing of Bundesbank in late afternoon of
Sunday, December 18th, 1966 in Frankfurt

I had told Blessing in Bonn that I would see him as soon as I could after the last tripartite meeting and he had said he was anxious to talk to me about the balance of payments problems arising from the stationing of United States troops in Germany.

I told Blessing I had seen the Chancellor, Strauss and Brandt and talked with McGhee before seeing him. I said I would be happy to have his ideas of how best to handle this matter. He said it ought to have been simple; if it had been dealt with by professionals who really understood the problem and the techniques, it could have been quietly dealt with "in an afternoon." Unfortunately, military purchases had played too great a part and it had gotten into politics to a degree which tied everyone's hands. If we accepted the concept of the gain to Germany and if he was told what the gap would be between the offset purchases, whether they were military or not, and the net gain he could neutralize that amount by any number of devices in so far as any threat to United States gold reserves might be. He mentioned reserve certificates of relatively short-term maturity, blocked accounts, etc., with some gentlemen's agreement that if circumstances changed in the respective balance of payments position of the two countries, a new arrangement could be made. He did not intend to convert to gold and he had steadfastly

refused to join France when they urged him to go along with them for the sole reason that it would help weaken the United States. ^{Dubne} Dubreil (the Finance Minister) had asked him to do this and he had said no. He had tried to convince the French that it was contrary to their own interests to do so. He said the matter was a little complicated now and more difficult to do it quietly, but it was only a matter of choosing the method which would cause the least trouble.

The Bundesbank and the Federal Reserve should be given the job to do. He will talk with the new government about it when they consult him and he saw no real difficulties in neutralizing the "windfall".

He also talked about the prepayment of the debt. Strauss had called him on the instigation of McGhee and the papers were coming through on this. This was practically ready and could certainly be done before the end of the year; could even do it by teletype.

We then talked about political matters. He confirmed that the Erhard-Washington visit had precipitated things but other forces had been at work to unseat him so that he probably could not have lasted until 1969. He said the reversal of emphasis from the United States to France was more superficial than real, though some damage had been done by the visit. Kiesinger may have confidence in his ability to do his job and may be enjoying it now but he is going to have his hands full very soon. Kiesinger has a number of real prima donnas to control and some serious

problems to face. The growth rate of 4% is not going to be achieved.

"I am not going to be as amenable in terms of expansion and inflation as the government would like and there are many fewer Gaullists in Germany than appears on the surface." Both for current obligations and the future in respect of balance of payments, he could anticipate no area of major difficulty with the United States. The only problem in his mind was how do you explain it after all the "to do" about the offsets which had taken place? How rid it now of its political implications?

He distrusted Strauss but said he was intelligent and a hard worker. Strauss is bitterly opposed to Schroeder and Erhard but may put things in order in the Treasury. Blessing is always ready to cooperate with the United States on balance of payment matters but as things developed in the offset controversy, he could not act to make added money available for military purchases without budgetary authorization. He said he feared too many in Bonn were following the Pied Piper in Paris toward a "European solution" through Moscow without realizing the pitfalls.

The United States could remain assured as long as he was in charge of things that he would not play games against the American dollar with the French. It was stupid even for the French because if the French were successful, the result would not be the continuance of the gold monetary standard but there would only be a dollar standard with

varying rates. The policy of the Bundesbank would remain as it had been to cooperate with the United States on monetary matters and on integrity of reserves. All business and banking men of any knowledge in Germany are of the same view. This attitude has annoyed the French but their effort to embarrass the United States to the point where they thought the United States would have no alternative but to revalue gold was a silly theory of Rueff and De Gaulle, to which Germany could not be enticed. There were other commodities which Germany could buy from the United States outside the normal range of the current trade. There was an argument about the purchase of airplanes on a larger than normal scale. He did not know how this could be resolved. There was talk of lifting the coal quotas but he said this carried some very serious labor problems in Germany. However, he anticipated no difficulty in neutralizing the "windfall" in so far as any threat to the United States gold reserves were concerned if both governments wished to solve it. Germany could find better use for the dollar than for gold as the French were now finding out for themselves.

John J. McCloy,

December 22, 1966

Memorandum of conversation with Kiesinger, the new German Chancellor,
on December 16, 1966 at Palais Schaumburg

I saw Kiesinger and spent 2-1/4 hours with him. I told him that I had seen the President at his ranch in Texas and that I had told him I would take the first opportunity after the government had been formed, and it had had the opportunity to discuss the direction of its foreign policy, to talk with the new German leaders. It had been impossible or impractical to talk with him on the occasion of my last visit to Germany while the new government was being formed. I told him I was now in Germany for a short visit and I was glad to have this opportunity to discuss with him his intentions regarding the direction of the new German government's policy and to get his thoughts on how he viewed United States policy.

I emphasized that though I was still engaged in the tripartite discussions, I was here now only as one who had a deep interest in the future of Germany and its good relations with my own country; I expected to report to the President my talks with him and with other German leaders but there would not be the general diplomatic reporting of my visit. He said he was most happy to have the chance to sit down and talk over the new direction of things as far as it was now possible to do so.

I told him of my general instructions from the President on the tripartite mission and I briefly outlined to him the basis on which I

had been appointed referring to the threat of British withdrawal of troops and the need for a reappraisal of the NATO situation; its strategy; its force levels and the sharing of burdens. We now had a brief respite before the discussions resumed and I was taking advantage of my visit to Germany to have from him, as best he could now give it, the direction of German policy and what he hoped that the United States' direction would be in relation to it. I added that I thought his recent statement of policy had been excellent and that it had had a good reception in the State Department and generally in the United States.

Since it had been frequently announced that the new government would endeavor to make constructive advances in regard to France. I thought it well to emphasize again that good relations between Germany and France were not only consistent with United States policy but a matter of deep concern on the part of the United States. Two world wars and tensions between Germany and France had been the result of poor relations, the effect of which had been to involve the United States in European affairs in a large way and we rebelled at the idea propounded by French propaganda that we stood in the way of good Franco-German relations. I said that the United States could only be relieved and pleased if those relations were placed on a permanently constructive basis. This had been a cardinal principle of our foreign policy since the end of World War II. It was true in Schuman's time and it is true

in De Gaulle's as well. There was one thing we did wish to clarify however and that was the attitude of Germany toward NATO. We could only read General De Gaulle's intention as one of distinct hostility to NATO. While we were not seeking to place ourselves between France and Germany, we did believe we were entitled to know which stood first in his mind, i.e., adherence to NATO or in the attempt to improve relations with France, less emphasis on NATO and the principles on which it was built. We had put a great deal of energy and resources into the concept of collective security in Europe through NATO. It had been successful and we believed it still had great validity; it was based on the concept of equal partnership of all the participants, including Germany. If the new German government was prepared to sacrifice the unity of NATO in favor of a new relationship with France, we ought to know as it would affect our whole position as a NATO partner. People were talking about new directions of policy, more "modern" approaches to European security; less adherence to the United States. Was there any suggestion in his own thinking which involved any new relationships affecting Germany's position in NATO?

He said he wanted to respond to this question very emphatically. The coalition of which he was the leader representing over 2/3rds of all the Bundestag votes adhered strictly to the concept of European collective security which NATO represented -- and more

than 2/3rds of the country as a whole took the same view. This was a basic principle. NATO had to be developed, not retarded, in accordance with the requirements of the time. In his recent statement he had said this. He had said no more about NATO in his statement than this but this was not because of any lack of interest in NATO but only because he did not want to burden his first statement with details of military affairs and he wanted to emphasize in his first statement Germany's great desire to get along well with all nations and not place too much emphasis on Europe alone. He wanted me to know and the President to know that the position of France in respect to NATO had not the slightest effect on Germany's attitude to NATO. He repeated this several times. He had been one of the strongest proponents of the preamble to the French treaty which had stressed the priority of NATO and he did not withdraw from this position in the slightest degree. What concerned him was how to effect good relations with France at the same time making perfectly clear his adherence to and dependence upon NATO. It required some thought, how best to proceed with these objectives in mind and he was not at this moment clear as to what he could do to insure the accomplishment of both objectives. He said he and all Germany urgently desired to keep United States troops in Germany on the basis and in the amount they were here now. If reduced he would be most unhappy and Germany would have to think of an equivalent substitute

because the threat from the East had not disappeared. He had stressed in his statement that Germany had in the past been overly preoccupied with its own problems and had not acted as if it were aware of the problems of its allies. Germany was not now in a position where it had to be solely occupied with its own problems. It was a member of the Alliance and had to take into account the preoccupations of its partners as well. The United States was beset with problems of which Germany had to be aware and Germany had to be more understanding in respect of them. Germany was no longer in the position of the young girl in love for the first time who sought daily some new assurance from her lover of his undying affection. Its task was to help create a real and dignified partnership with the United States and not seek repeated assurances of United States commitments as a member of the Alliance to the security of Germany. "We take this for granted and intend to act accordingly," was the way he put it. He deplored the French defection and was sorry for it but we had to put up with it, make the best of it and to look now for the practical adjustments required by it and not merely deplore the past. It might be presumptuous of him to hope that Germany might be of some help in trying to bring about some better understanding with France on matters of military security and between United States, NATO and France than had thus far been practical, considering the French attitude. He did not have anything specific in mind and it might only

be wishful thinking on his part but he intended to give the matter thought and try to accomplish something to improve the arrangements with France in regard to defenses in case of trouble and generally between France and the United States. He hoped there was a role Germany could play along these lines. It was, at least, worth a try.

The need was now to strengthen NATO. There was no justification either for security reasons or for the inability to achieve the reunification of Germany to suggest any withdrawal or weakening of NATO. It had not been the objective of NATO, in the first place, to achieve reunification and he did not share the view of some of his compatriots that NATO had been a failure because reunification had not been achieved. NATO had been a resounding success but it needed nourishment. There were some who once thought Germany ought to withdraw from NATO in order to advance reunification; this was a thing of the past, and no one in his right mind could think the Soviets would be the more induced to grant reunification if NATO were to go or Germany were to withdraw from it. He did feel that some relaxation of tensions might help in the long struggle for reunification but he was under no illusions respecting Soviet intentions in this respect. He was not concerned over any detente with the United States and the Soviet Union. He was in favor of it but one thing must be clear; the detente must not take the form of cementing or acquiescing the status quo. Germany did

look toward eventual reunification; it would not be a self-respecting nation if it did not constantly seek to bring it about. There was no possibility of any acceptable Soviet proposal for reunification coming about in the reasonable future. There were some fears that a detente with the Soviet Union on the part of the United States would embody an acceptance of the status quo. This was not his worry as he was aware that the United States had been the first to declare for the reunification of Germany and had been the most steadfast adherent of it. He was less confident of France.

There could not be anything in the nature of a lasting detente if the German problem was not solved but this did not mean that steps toward the relaxation of tensions could not be taken short of an acceptance of the status quo. He said he wanted to say a word about the success of the N.D.P. (the new rightist party). He thought its significance had been exaggerated abroad. It had to be watched but it was the result of a joinder of a number of malcontents. Rightists, refugees, small businessmen and merchants who had not been doing well and a smattering of former Nazis. It was definitely not a neo-Nazi party, though there were some old Nazis from Franconia in it. The important thing was to appraise the attitude of the young toward it. He had had a survey made of the adherents of the new party. It showed that its main appeal was to those between the age of 45 to 55. The young people are not attracted to the new party now.

If there were real economic distress it might be otherwise. A very interesting thing is the development of the attitude of young people in Germany. This has been one of his chief interests recently. They are democratically inclined but they are seeking a new national consciousness -- which he sharply distinguished from a nationalistic attitude. They want a dignified role for Germany and a role fitting it as a responsible nation. They are not glamorized by deGaulle. They do resent being collared with the past with which they had nothing to do. They are critical of their fathers who played along with Hitler but they accept no responsibility themselves. He thought their present attitude was healthier than the earlier enthusiasm of German youth for the European idea which followed the aftermath of the war, -- that had been an attempt to escape from any national responsibility because of the general trauma which had beset the whole country after the defeat and the Nazi Zeit. That earlier mood was an attempt to flee from history -- it was an attempt to seek a new anonymity. The new attitude was healthier. There was not any country in Europe where there was less anti-American feeling than in Germany. There has been a growing feeling of the youth which insists that Germany "not be a satellite of the United States." This is a recent expression and not too significant. It arose because in the political campaigns there was some reflection of the failure of the Erhard visit and the troublesome offset problems. It was too bad that all this coincided with

the campaigns. Feeling throughout the country took the form that Erhard had been faced with unyielding businessmen too tough for him demanding "hard bargain" in form of payment for costs of United States troops in spite of his difficult budgetary situation. All sensible Germans knew that this was not the case; that it was the foreign exchange problem only. This was beginning to be better realized and the government was taking steps to clarify this but some damage to United States relations had been done. For the first time there had been mutterings against the United States and the presence of the troops but it had been only small and irresponsible comment and not significant. The youth were disappointed over the lack of progress toward European unity but they knew this was due to De Gaulle. The result was this new national consciousness. It was growing in Eastern Europe too. It was one of the mysteries of history, a phenomenon coming about almost imperceptibly but it had to be recognized and dealt with. German youth really wanted a sense of true partnership with the United States and it might require some deliberate effort to demonstrate the acceptance of this principle to make them enthusiastic and cooperative. The success of the Kennedy visit was due largely to the fact he had stressed this note and to this day the youth look back to that visit and to his memory -- that was their ideal, not De Gaullism or nationalism. The manner in which the German press had reported the Erhard visit had been very bad. Kiesinger had not felt the visit was timely and he did not

share the view that McNamara and Fowler had been overharsh. They had their problems and McNamara had made proposals of composure which had not been well reported in Germany. It was just bad public relations coming at a difficult political time. The bad taste had to be removed and he was anxious to assist in its removal. It would not, he thought, take much to do it.

As for direction of United States policy, he wished to say he had not thought that there was any justification for the change that the United States had attempted unduly to dominate German policy. He, like all Germans, was grateful for the guidance and help the United States had given the new Republic. It would be helpful to clear the present atmosphere particularly over the offset problem and he was hopeful that this could be done. It needed only some indication which the public could grasp that there had been some relaxation of the "hard position". He was grateful that the concept of the new net gain in foreign exchange to Germany due to the presence of United States troops had been recognized. Something rational could be worked out he was sure. He then referred to the possibility of the President's visit. He could assure the President he would have the warmest welcome. Many sensed that he was well disposed toward Germany and they would greatly appreciate his coming in spite of his many preoccupations, i.e., with Southeast Asia and other problems. He did not think that any world-shattering results would have

to attend the visit but some thought might be given on both sides to what results could be sought for. All that was necessary really was an attitude of good will and an appreciation of the need for an understanding of each other's problems. In this respect he felt Germany had been more to blame than the United States. What was needed was a token of friendship -- It is "the tone which makes the music".

More specifically he said he thought that deliberate efforts should be made to create the reality of closer collaboration on problems which deeply affected Germany -- East-West relations, NATO, force levels, nuclear problems, relations with France, etc. If any new direction of United States policy were being thought of it would only be along these lines that he could suggest anything. If the actuality of close cooperation came about it would quickly be noticed in Germany and the minor clouds now on the horizon would disappear. It could be dangerous if conscious attempts on the part of both nations were delayed too long. To sum up: closer collaboration on problems which so deeply concern Germany; restoration of mutual confidence which is now lacking to some degree but which could rapidly be repaired. His government would be moving toward opening up avenues to the East including diplomatic relations with some of the satellites.

He said he had not mentioned non-proliferation in the statement. Did not want to clutter up statement with too many details. He

realized the advantage of non-proliferation and he looked to the United States to protect the interests of the non-nuclear powers. Germany had renounced the control over nuclear weapons and they supported the idea of non-proliferation but two points were most important to them. Nothing discriminatory in the way of treatment of Germany should be involved in the treaty or action under it. They had taken the initiative in renouncing the manufacture and control of nuclear weapons -- no new forms of discrimination would be tolerable with both France and Britain as well as the United States and Soviets possessing the weapons. They must be given the same treatment as other non-nuclear powers. Secondly, there should be a reasonable European clause. The language is important and they were interested in this phase of the matter. Anxious to know what United States government was thinking about in this regard. There should be no barring up of this option.

He was seeing De Gaulle on the 13th or 14th of January and he was looking forward to visit. We could be sure he would not compromise on German support of NATO. He was most anxious to bring Britain into Common Market and would tell De Gaulle so. He was like De Gaulle, desirous of bringing about "European solution" of some of the real problems facing the European nations but exclusively European solutions had not been conspicuously successful in the past. He recognized that the United States as a member of the Alliance and having had to become

involved in the failure of former European solutions, had to play a part.

He struck me as a man enjoying his job and anxious to face the challenges it presented, more forceful than I had recalled him from earlier days. He frequently spoke with feeling and emphasis; he seemed in good health and eager. It was a little early to gain definite impressions, but I did sense a new and more vigorous spirit in the air.

I believe he is a sensitive man, quick to recognize any failure to treat him as his dignity expects, but a man of culture and refinement. All say he managed the very difficult matter of forming a government with skill and force. He is definitely not under the thumb of Strauss. It was he and Wehner who did the job. He constantly reminds me of Harold MacMillan -- same sort of background, humor and dignity.

December 22, 1966

John J. McCloy

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-148

By ju, NARA, Date 9-8-92

~~CONFIDENTIAL~~

December 26, 1966

FROM WALT ROSTOW

TO THE PRESIDENT VIA JAKE JACOBSEN

State contact with Davidson was Ted Long, Caribbean Office
Director. This is level at which State had earlier contact with him.

WWRostow:rln

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

48

FROM: ROSTOW

TO : CHRISTIAN

Repeat Jacobson for clearance with President if required.

SUBJECT: Suggested Statement on Costa e Silva Visit.

As Bill Bowdler explained to you by phone last Friday, the President has approved an office appointment and lunch for Brazilian President-elect Costa e Silva when he visits Washington on January 26.

State recommends that the President authorize you to make the statement which follows, today if this is convenient. A week has passed since the announcement of the visit of President Frei - so the timing is satisfactory.

Text of suggested statement:

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By per CH NARA, Date 3-26-91

Proposed Announcement For The President at the
Texas White House

Recommended for release at 12 noon Monday, Dec. 26, 1966

I am ~~very~~ pleased that President-elect Costa e Silva of Brazil is planning to visit the United States as part of his world tour before his inauguration March 15, 1967. He is the incoming President of the largest country of Latin America and one with which the United States has had close and friendly ties for almost one hundred and fifty years.

I understand that after leaving Japan, President-elect Costa e Silva plans to stop in Hawaii and California before going East to visit Cape Kennedy, Washington and New York. He will be in Washington January 26 and 27. I am delighted that he will be able to see so much of our country and am looking forward to seeing him at the White House in Washington where I hope to discuss with him a number of matters of mutual interest, including especially the Alliance For Progress and the proposed Summit Meeting of the Presidents of the hemisphere.

12/26/66

46

FOR THE PRESIDENT FROM WALT ROSTOW

First reaction in Israeli press to Jordan arms deal is
on the whole helpful and clearly the product of government briefing.

(repeat attached, Tel Aviv 2186)

~~CONFIDENTIAL~~

December 26, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

I talked with George Woods about putting the India food problem into the World Bank consortium.

He thinks the idea is sound. In fact, the Canadians raised something like it with him because they want their food grants counted as aid in the consortium.

He has put one of his men to work to staff it out.

We are doing our first draft in this sense.

Without finally committing you (or George Woods) I have let Orville, Nick, and Gene know the direction we are exploring.

All reacted positively.

WWRostow:rlh

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By CB, NARA, Date 9-3-98

~~CONFIDENTIAL~~

48

December 24, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

EM
WH 60801

This is the kind of thank you note you deserve more of.



48a

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-483
By is, NARA Date 10-21-99

THE ROYAL PALACE,
Amman, Jordan,
21st December, 1966.

Mr. President,

I wish to seize the opportunity of the return to Washington of your Special Emissary, Ambassador Macomber to convey to you the deep gratitude which I feel and which is shared with me by my Government and the Armed Forces for your sympathy and your personal interest in our affairs at this difficult period of crisis. Our gratitude is boundless for the help and assistance of our friends and I can assure you, Mr. President that in the way in which we were able to face in the past many a crisis while fighting to maintain our freedom and the common ideals we share with you, we can but do our best once again, in the face of great odds, and hope that once more we may be successful.

I would wish here to reiterate the criteria that I have set out while developing the strength of the Armed Forces of Jordan: Firstly, that these forces must be prepared to fight the battles of free people and of freedom in this part of the world, when ever and where ever the need arises. Secondly, that they must have the highest degrees of ability to face the challenge, such ability, to be in part the result of the best possible training. Thirdly, that these forces be as well equipped as possible with the most modern available equipment to ensure their effectiveness, that they should have minimum man-power, maximum fire power and mobility.

At the same time I would like, Mr. President to assure you that we have and shall always attempt while striving to meet this criteria, to make maximum efforts to ensure that Jordan continues on a steady, rapid path of progress in building and maintaining a sound economy that will enable us to contribute towards the better future we seek in this area, for all, and to the cause of freedom.



(2)

The Challenge that confronts us at this time is indeed great, while we stand in the face of a common enemy as well as in the face of other threats to the security of Jordan, but at this critical time your sympathy, concern and prompt action in our support has not only been appreciated but, we hope, will be instrumental in our overcoming the crisis.

If we have been so anxious to obtain a little more than you have been kindly able to provide us with, possibly making a nuisance of ourselves in the process, this was only due to the fact that this crisis required it, and that the little extra help so badly needed now could make the greatest difference where as a great deal more at a later date may be too late. However, we understand your own difficulties, Mr. President and we appreciate all that you were able to do for us. We know that we are committed to fight for our beliefs, and for so much that is at stake in this area, with our lives, with courage and determination as well as with all the resources available to us.

With my very best wishes to you Mr. President, and to your family for a merry Christmas and a happy New Year.

Your Sincere Friend,
[Signature]

PRESIDENT LYNDON B. JOHNSON,
PRESIDENT OF THE UNITED STATES OF AMERICA,
THE WHITE HOUSE,
WASHINGTON D.C.,
U. S. A.

~~CONFIDENTIAL~~

December 24, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

Jim Jones conveyed last night your instruction to prepare and forward to you promptly draft personal messages to "friendly foreign leaders, as appropriate."

There are, essentially, two choices:

1. To restrict the greetings to our fighting allies in Viet Nam.
2. To do New Year greetings to most of the world's leaders -- leaving aside Sukarno, the Albanians, etc.

On reflection -- and after talking with Nick Katzenbach -- we see no natural cutoff between the two extremes. that would not give us problems of hurt feelings.

You may see middle ground; and we solicit your guidance.

We are, of course, ready to go to work on either basis -- or any other you direct.

Fighting allies _____

A New Year's greeting for
W H B of world's leaders _____

Other _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-148
By ju, NARA, Date 9-8-92

~~CONFIDENTIAL~~

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~~SECRET~~

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EEA648
OO WTE 10
DE WTE 2770

1966 DEC 23 20 18

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP661304

~~SECRET~~

DECEMBER 23

HERE IS THE LIST OF DECISIONS WHICH YOU MAY OR MAY NOT WISH TO MAKE BEFORE SANTA COMES DOWN THE CHIMNEY. MEMORANDA ON ALL OF THEM ARE AT THE RANCH WITH THE EXCEPTION OF THE YUGOSLOV PAPER WHICH ARRIVES WITH TODAY'S COURIER ABOUT 5:30 P.M.

1. \$25 MILLION AID-CARE SPECIAL NUTRITION PROGRAM FOR INDIA.

2. \$70 MILLION LOAN TO PAKISTAN--THE SECOND 6-MONTH SLICE OF THE AID LEVEL WHICH GENE LOCKE MENTIONED TO PRESIDENT AYUB LAST JUNE.

3. FL480 DOLLAR SALES OF WHEAT FOR ALGERIA.

4. FL480 DOLLAR SALES OF VEGETABLE OILS TO YUGOSLAVIA WORTH \$9 MILLIONS.

5. YOU SHOULD ALSO HAVE A DRAFT REPLY TO HOLYOALSE.

HOLYOAKE

MERRY CHRISTMAS

~~SECRET~~

DTG: 23/1938Z DEC 66

51
~~SECRET~~

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EEA650
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DE WTE 2772

1966 DEC 23 21 24

FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: CAP661306

~~SECRET~~

DECEMBER 23, 1966

MEMORANDUM FOR THE PRESIDENT FROM WALT ROSTOW.

SUBJECT: PANAMA NEGOTIATIONS: INFORMATION

YESTERDAY I MET WITH THE PANAMA REVIEW GROUP (ANDERSON, IRWIN, GORDON, ADAIR, MCGIFFERT) TO LOOK AT THE POLITICAL SITUATION AND THE STATUS OF THE NEGOTIATIONS.

THE POLITICAL SITUATION CONTINUES FRAGILE BUT THERE ARE NO INDICATIONS OF IMMINENT TROUBLE. PRESIDENT ROBLES TOLD CHUCK ADAIR THAT HE ANTICIPATES NO SERIOUS DISTURBANCES ON THE JANUARY 9 ANNIVERSARY AND THAT HE WILL NOT HESITATE TO USE THE NATIONAL GUARD IF NECESSARY.

ON THE NEGOTIATIONS, BOB ANDERSON AND JACK IRWIN ARE CAUTIOUSLY OPTIMISTIC. THEY ARE NOW CONVINCED THAT PANAMA WANTS TO CONCLUDE THE TREATIES, AND THEY REPORT CONSIDERABLE PROGRESS IN WORKING OUT MUTUALLY SATISFACTORY TREATY LANGUAGE. COMPENSATION, WHICH HAS NOT BEEN DISCUSSED IN DETAIL, WILL BE THE PRINCIPAL ISSUE. IF A SATISFACTORY FORMULA CAN BE FOUND, OTHER ISSUES SUCH AS CONTROL, JURISDICTION, SIZE OF CANAL AREA, AND DEFENSE WILL PROBABLY FALL INTO PLACE. WE ARE AWAITING COMPLETION OF SPECIAL STUDIES ON TOLLS BEFORE FIRING UP ALTERNATIVES ON COMPENSATION.

THE GROUP DISCUSSED THE PROSPECTS OF ROBLES BEING ABLE TO GET RATIFICATION OF THE TREATIES ASSUMING THAT WE REACH AGREEMENT IN THE NEXT 4-5 MONTHS. THIS IS A CRITICAL ISSUE BECAUSE IF ROBLES CANNOT DELIVER, IT MIGHT BE IN OUR INTERESTS TO DRAG OUT THE NEGOTIATIONS AND CONCLUDE TREATIES WITH THE NEW GOVERNMENT WHICH WILL ASSUME OFFICE IN 1968.

THE CONSENSUS WAS THAT THE PROSPECTS -- WHILE NOT CERTAIN -- ARE SUFFICIENTLY GOOD TO WARRANT WORKING TOWARD EARLY COMPLETION OF THE NEGOTIATIONS. FURTHERMORE, IT IS IMPORTANT FOR US TO BE ABLE TO DEMONSTRATE PUBLICLY, IF THE NEGOTIATIONS HIT A SNAG OR ARE UPSET BY EXTRANEIOUS CIRCUMSTANCES, THAT WE HAVE OFFERED THE PANAMANIAN GOOD TREATIES.

THE GROUP AGREED ON THIS TENTATIVE COURSE OF ACTION:

1. ANDERSON AND IRVIN WILL TRY TO HAVE BY LATE JANUARY OR EARLY FEBRUARY DRAFT TREATIES WHICH REFLECT MAXIMUM AREAS OF US-PANAMANIAN AGREEMENT AND ALTERNATIVE PROPOSALS IN AREAS OF DISAGREEMENT.
2. ANDERSON WILL DISCUSS THESE DRAFTS WITH YOU PRIOR TO INITIATING CONGRESSIONAL CONSULTATIONS.
3. THE DRAFTS WILL BE REFINED TO REFLECT WHAT WE CAN REASONABLY EXPECT THE SENATE TO APPROVE, AND YOUR AUTHORIZATION WILL BE OBTAINED TO ENTER THE FINAL STAGE OF NEGOTIATIONS WITH THESE DRAFTS.

AT BOB ANDERSON'S SUGGESTION, WE AGREED TO PREPARE A SHORT STATEMENT FOR INCLUSION IN ANY YEAR-END ROUNDUP YOU MIGHT MAKE FOR THE PRESS REFLECTING PROGRESS IN THE TREATY NEGOTIATIONS.

I PUT MY PERSONAL VIEW THAT THE NEGOTIATION OUGHT TO BE LINKED OR PARALLELED TO DRAMATIC ACTION TOWARDS PANAMANIAN ECONOMIC DEVELOPMENT, INCLUDING COMPLETION OF THE PAN-AMERICAN HIGHWAY. THE REASON: IT WOULD TAKE SOME OF THE POLITICAL HEAT IN BOTH COUNTRIES OFF FLAGS, BASES, MONEY, ETC. ALL OF WHICH ARE INHERENTLY CONTENTIOUS AND WILL HAVE TO BE COMPROMISED. I'M NOT SURE I MADE A SALE, BUT BOB ANDERSON, I BELIEVE, GETS THE POINT, AGREES, AND BELIEVES WE SHOULD WORK UP SOMETHING IN PARALLEL.

DTG: 23/2014Z DEC 66

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-148
By ju, NARA, Date 9-8-92

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1966 DEC 23 22 19

EEA633
OO WTE 18
DE WTE 2775

~~CONFIDENTIAL~~

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP661308

~~CONFIDENTIAL~~

DECEMBER 23, 1966

FOR THE PRESIDENT FROM WALT ROSTOW

SUBJECT: MESSAGE TO HAILE SELASSIE

THE EMPEROR SENT YOU A BALANCED TELEGRAM EXPRESSING HIS CHRISTMAS HOPE FOR PEACE IN VIET NAM. SINCE HE IS A GOOD FRIEND AND WILL BE COMING TO SEE YOU IN FEBRUARY, I HAVE WARMED UP STATE'S DRAFT REPLY AND RECOMMEND THE FOLLOWING:

"THANK YOU FOR YOUR MESSAGE ON VIET NAM WHICH I KNOW REFLECTS YOUR DEEP PERSONAL CONCERN THAT NO STONE BE LEFT UNTURNED IN THE SEARCH FOR PEACE.

"I PROFOUNDLY SHARE YOUR DESIRE FOR AN EARLY END TO THE CONFLICT THERE AND FOR A WORLD IN WHICH ALL MEN AND NATIONS CAN LIVE IN PEACE. THE GOVERNMENT OF THE UNITED STATES CONTINUES TO MAKE EVERY EFFORT TO FIND A PATH TO A PEACEFUL SETTLEMENT. TO THIS END, WE HAVE ASKED UNITED NATIONS SECRETARY GENERAL U THANT FOR HIS HELP IN BRINGING ABOUT DISCUSSIONS FOR A CESSATION OF HOSTILITIES. WE FERVENTLY HOPE THAT THE OTHER SIDE WILL ALSO SHOW A SINCERE DESIRE FOR PEACE.

"I LOOK FORWARD TO DISCUSSING THESE AND OTHER IMPORTANT ISSUES WITH YOU. MEANWHILE, MY BEST WISHES FOR THIS CHRISTMAS SEASON AND FOR THE NEW YEAR."

THE COPTIC CHRISTIAN CHRISTMAS COMES IN EARLY JANUARY, SO THE GREETING IN THE LAST SENTENCE WILL NOT BE LATE. AS OF MY WRITING YOU HAVE NOT YET APPROVED SPECIFIC DATES FOR HIS VISIT, BUT YOU HAVE INVITED HIM IN PRINCIPLE FOR FEBRUARY.

XEROX FROM QUICK COPY

66 DEC 23 PM 5:20
FRIDAY

APPROVE-----

DISAPPROVE-----

ADDISABABA 20 DECEMBER 1966

THE PRESIDENT

THE WHITE HOUSE WASHINGTON DC

SINCE INTERNATIONAL PEACE IS INDIVISIBLE ITS DENIAL ANYWHERE IN THIS WORLD IS OF MUCH CONCERN TO ALL MANKIND . INVIEW OF THIS THE WAR IN VIETNAM HAS PREOCCUPIED AND CONTINUED TO ENGAGE THE ATTENTION OF ALL HUMANITY WHICH DURING THE LAST TWENTY YEARS HAS NOT ONLY RESULTED IN GREAT LOSS OF WEALTH IN VIETNAM BUT HAS ALSO CAUSED THE SHEDDING OF THE INNOCENT

BLOOD OF ITS VALIANT PEOPLES. IT IS, THEREFORE, OUR FERVENT DESIRE THAT ALL THE PEACE-LOVING PEOPLES THROUGHOUT THE WORLD WOULD TAKE ADVANTAGE OF THE FORTHCOMING CHRISTMAS AND NEW YEAR HOLIDAYS, AND STRIVE TO BRING ALL THE CONCERNED PARTIES TO THE NEGOTIATING TABLE IN ORDER TO END THIS RUTHLESS WAR AND BRING LASTING PEACE TO THIS TROUBLED AREA WHICH SO FAR HAS SUFFERED INCALCULABLE DAMAGE BOTH IN LIFE AND PROPERTY

HAILE SELASSIE EMPEROR

~~CONFIDENTIAL~~

DTG : 232115Z DEC 66

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1966 DEC 23 23 08

EEA634
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DE WTE 2776

FROM: WALT ROSTOW
TO : THE PRESIDENT
INFO: GEORGE CHRISTIAN
CITE: WH60799

UNCLAS

DECEMBER 23, 1966

SUBJECT: MESSAGE FROM PRESIDENT LLERAS ON COFFEE SITUATION

COLOMBIAN PRESIDENT CARLOS LLERAS HAS SENT MESSAGES TO YOU AND THE HEADS OF GOVERNMENT OF FRANCE AND WEST GERMANY PROPOSING A NEW INTERNATIONAL COFFEE CONFERENCE TO WORK OUT A SYSTEM TO GUARANTEE ADEQUATE PRICES FOR COFFEE. HE IS CONCERNED OVER FALLING WORLD PRICES AND ITS IMPACT ON COLOMBIA'S BALANCE OF PAYMENTS POSITION.

WE WANT TO WORK OUT WITH THE FRENCH AND GERMANS -- WHO TOGETHER WITH US ARE THE LARGEST COFFEE CONSUMERS -- A JOINT RESPONSE TO THE COLOMBIAN PRESIDENT.

IN THE MEANTIME AN INTERIM REPLY TO PRESIDENT LLERAS IS IN ORDER.

I RECOMMEND THAT YOU APPROVE THE ATTACHED DRAFT.

APPROVE _____

DISAPPROVE _____

SPEAK TO ME _____

THE PRESIDENT
THE WHITE HOUSE
WASHINGTON, D.C.

THE LATIN AMERICAN COFFEE-PRODUCING COUNTRIES HAVE BEEN NOTING WITH JUSTIFIED CONCERN THAT THE WORLD AGREEMENT CONCLUDED BETWEEN PRODUCERS AND CONSUMERS IS NOT YIELDING THE RESULTS THAT WERE SOUGHT BY IT. THE PRICE LEVEL TO WHICH WE HAVE COME, FAR FROM CONSTITUTING A STABLE AND ADEQUATE BASIS FOR MAINTAINING A REASONABLE RATE OF GROWTH, IS TODAY THE SOURCE OF SERIOUS FOREIGN EXCHANGE DISTURBANCES. IF TO THAT IS ADDED THE DECLINE ON THE WORLD MARKETS SUFFERED BY OTHER TROPICAL AND SUBTROPICAL PRODUCTS, SUCH AS BANANAS AND SUGAR, AND THE FAILURE TO MAKE ANY ADVANCES IN THE EFFECTIVE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE WORLD CONFERENCE ON TRADE AND DEVELOPMENT, ANY UNPREJUDICED OBSERVER MUST ACCEPT THE FACT THAT THE WORLD ECONOMY IS CONTINUING TO MOVE TOWARD A SERIOUS CRISIS CHARACTERIZED BY THE PROGRESSIVE WIDENING OF THE GAP BETWEEN THE INCOME AND STANDARD OF LIVING OF THE BIG INDUSTRIAL COUNTRIES AND THE GROWING DIFFICULTIES OF THE DEVELOPING COUNTRIES. THESE DIFFICULTIES WILL FORCE US TO ACCEPT EVER GREATER RESTRICTIONS THAT ARE INCOMPATIBLE WITH THE IDEAL OF AN EXPANDING ECONOMY AND WILL END UP BY HAVING SERIOUS EFFECTS, AS THEY ARE ALREADY BEGINNING TO HAVE, ON THE SAME GREAT INDUSTRIAL POWERS THAT NOT MANY DECADES AGO ACCEPTED AS AN INCONTROVERTIBLE TRUTH THE AFFIRMATION THAT PROSPERITY, LIKE PEACE, IS INDIVISIBLE.

IN A FRIENDLY SPIRIT I AM TAKING THE LIBERTY OF SUGGESTING TO THE HEADS OF GOVERNMENT OF THE THREE LARGEST COFFEE-CONSUMING COUNTRIES THAT THEY TAKE ACTION RESOLUTELY TO OPEN A NEW PATHWAY TO INTERNATIONAL ECONOMIC JUSTICE AND HELP TO PROMOTE THE CONVENING IN THE NEAR FUTURE OF A NEW CONFERENCE OF COFFEE-PRODUCING AND COFFEE-CONSUMING COUNTRIES, IN ORDER TO SPONSOR THEREAT AN AGREEMENT SUPPLEMENTING THE PRESENT SYSTEM OF QUOTAS, THE INADEQUACY OF WHICH HAS ALREADY BEEN SHOWN, WITH ANOTHER SYSTEM STABLE WHICH, ALONG WITH QUOTAS ADJUSTED TO THE DEMAND, WILL PROVIDE FOR ADEQUATE PRICES IN ORDER TO GUARANTEE AN INCOME TO THE PRODUCING COUNTRIES THAT CAN SERVE THEM AS A BASIS FOR A NORMAL RATE OF GROWTH. THESE TWO MEASURES WOULD LOGICALLY BE SUPPLEMENTED BY THE FIXING OF PRODUCTION GOALS IN ORDER TO PREVENT THE PROBLEM OF WORLD SURPLUSES FROM BECOMING MORE SERIOUS. THE PRICES

WOULD IN THE FUTURE BE SUBJECT TO REVISION IN ACCORDANCE WITH THE VARIATION IN THE GENERAL PRICE LEVEL OF MANUFACTURED GOODS IN THE PRINCIPAL INDUSTRIAL COUNTRIES. THUS, THE FIRST POSITIVE EFFORT WOULD BE MADE BY THE MORE PROSPEROUS COUNTRIES TO IMPROVE THE INCREASINGLY MORE PRECARIOUS CONDITIONS OF THE COUNTRIES THAT ARE PRODUCERS OF ONE OF THE COMMODITIES ACCOUNTING FOR CONSIDERABLE VOLUME AND VALUE IN WORLD TRADE.

IN THE LIGHT OF LONG EXPERIENCE WITH REGARD TO INTERNATIONAL RELATIONS IN COFFEE MATTERS, I AM CONVINCED THAT ONLY A BROAD, FAIR, AND DETERMINED ATTITUDE ON THE PART OF THE BIG CONSUMER COUNTRIES IN REGARD TO THE SETTING OF PRICES CAN CLEAR THE WAY FOR A NUMEROUS GROUP OF NATIONS THAT ARE FLOUNDERING TODAY IN UNCERTAINTY AND ARE BEGINNING UNDERSTANDABLY TO LACK CONFIDENCE IN THE REALITY OF THE PROGRESS THAT IT WAS SAID IN THE UNITED NATIONS THEY WERE TO OBTAIN WHEN THE GENERAL ASSEMBLY OF THAT BODY PROCLAIMED THE DECADE OF DEVELOPMENT.

ACCEPT, TOGETHER WITH THE ASSURANCE OF MY PERSONAL ADMIRATION, THE RESPECTFUL GREETINGS OF THE COLOMBIAN NATION.

PRESIDENT LLERAS RESTREPO

HIS EXCELLENCY
DR. CARLOS LLERAS RESTREPO,
PRESIDENT OF THE
REPUBLIC OF COLOMBIA,
BOGOTA.

I APPRECIATE RECEIVING YOUR VIEWS ON THE PRESENT STATE OF THE WORLD COFFEE ECONOMY, SINCE I KNOW HOW IMPORTANT IT IS TO MANY COUNTRIES OF THE WORLD THAT THERE BE STABLE PRICES AND ORDERLY MARKETING FOR THIS IMPORTANT EXPORT PRODUCT.

AS SOON AS I HAVE HAD AN OPPORTUNITY TO CONSULT WITH MY STAFF ABOUT YOUR SUGGESTIONS, I SHALL COMMUNICATE WITH YOU AGAIN.

LYNDON B. JOHNSON

DTG: 23/2129Z DECEMBER 1966

~~CONFIDENTIAL~~

SENT
WHCA

Sent
8:33 PM

EEA636
OO WTE10
DE WTE 2753

1966 DEC 23 01 33

FROM: WALT ROSTOV
TO: THE PRESIDENT
CITE: CAP661298

~~CONFIDENTIAL~~

DECEMBER 22, 1966

HEREWITH A DRAFT LETTER FROM YOU TO PRIME MINISTER
HOLYOAKE, AS REQUESTED.

DEAR MR. PRIME MINISTER:

AMBASSADOR POWELL HAS SENT ME YOUR VERY WELCOME LETTER
OF DECEMBER 19. YOUR REAFFIRMATION OF OUR CLOSE TIES OF FRIENDSHIP
AND COMMON ASPIRATIONS IS MOST GRATIFYING. I SHARE YOUR CONFIDENCE
THAT THESE WILL CONTINUE TO STRENGTHEN AS WE WORK TOGETHER TOWARD THE
REALIZATION OF A TRUE COMMUNITY OF PACIFIC NATIONS.

THAT GOAL, WHICH HOLDS FORTH SO MUCH PROMISE FOR SO MANY
OF THE PEOPLE ON OUR PLANET, COMES CLOSER WITH PASSING DAY.
THE BEGINNING OF OPERATIONS OF THE ASIAN DEVELOPMENT BANK IN MANILA
ON DECEMBER 19 WAS TRULY AN HISTORIC MILESTONE IN OUR COMMON
ENDEAVORS, AND A LONG STEP TOWARD ACHIEVING OUR OBJECTIVE.

IT IS MY VIEW, WHICH I WOULD LIKE TO SHARE WITH YOU, THAT THE
NEW YEAR HOLDS PROSPECTS FOR A FURTHER LESSENING OF TENSIONS AND
ADVANCEMENT TOWARD THE PEACEFUL AND COOPERATIVE PACIFIC COMMUNITY
THAT WE SEEK. VIETNAM REMAINS, OF COURSE, CENTRAL TO YOUR IMMEDIATE
CONCERNS. AND MUCH THAT WE HOPE TO ACCOMPLISH ELSEWHERE IN THE
REGION DEPENDS, AS I BELIEVE WE AGREE, ON A SUCCESSFUL CONCLUSION OF
THAT CONFLICT.

I AM ENCOURAGED THAT THE HEIGHTENED MOMENTUM WE SOUGHT TO ESTABLISH WHEN WE MET IN MANILA IS CARRYING FORWARD IN THE CRITICAL AREAS OF OUR PLANS AND ACTIONS WITH THE VIETNAMESE.

THE GOVERNMENT OF SOUTH VIETNAM HAS GIVEN NEW EVIDENCE OF ITS DETERMINATION TO MAKE THE REVOLUTIONARY DEVELOPMENT PROGRAM A SUCCESS. THE VIETNAMESE MILITARY IS NOW BEING RETRAINED TO OPERATE ESSENTIALLY AS PACIFICATION FORCES TO PROVIDE THE LOCAL SECURITY ESSENTIAL FOR SUCCESSFUL REVOLUTIONARY DEVELOPMENT. OUR COMBINED FREE WORLD OPERATIONS AGAINST VIET CONG AND NORTH VIETNAMESE MAIN FORCE ELEMENTS CONTINUE TO BE EFFECTIVE. AND RECENT REPORTS SUGGEST THAT THIS MAY HAVE LED THE VIET CONG TO REVERT TO SMALLER SCALE GUERRILLA OPERATIONS.

WE CAN ALSO DRAW ENCOURAGEMENT FROM THE ACCELERATED WORK OF THE CONSTITUENT ASSEMBLY. IT IS PUSHING AHEAD WITH ITS TASK OF CREATING A CONSTITUTIONAL POLITICAL SYSTEM THAT WILL BE REPRESENTATIVE AND RESPONSIVE TO POPULAR ASPIRATIONS.

IT IS WITH GUARDED OPTIMISM, THEN, THAT I LOOK FORWARD TO THIS COMING YEAR. IT PROMISES IMPORTANT REWARDS FOR THE PAINSTAKING EFFORTS WE HAVE UNDERTAKEN JOINTLY WITH THE VIETNAMESE TO SUCCESSFULLY WITHSTAND THE INSURGENCY DIRECTED FROM THE NORTH. I KNOW YOU SHARE THE VIEW, HOWEVER, THAT FREE WORLD RESOURCES IN SUPPORT OF THE VIETNAMESE WILL REMAIN CRITICALLY IMPORTANT UNTIL THE AGGRESSION IS DEFEATED AND THE CONFLICT RESOLVED.

I WISH TO ASSURE YOU, MR. PRIME MINISTER, OF MY GREAT ESTEEM FOR YOUR LEADERSHIP. IT IS MOST HEARTENING FOR AMERICANS WHO HAVE RESPONDED TO THEIR COUNTRY'S CALL TO DUTY IN VIETNAM TO BE ALLIED THERE WITH YOUR COUNTRYMEN WHO ARE GIVING DEDICATED SERVICE IN ASSISTING THE VIETNAMESE.

I LOOK FORWARD TO CONTINUING CONSULTATIONS WITH YOU ON OUR COMMON PURPOSES IN THE YEAR AHEAD AND TO THE BENEFIT OF YOUR WISE COUNSEL.

SINCERELY,

DTG: 22/2349Z DECEMBER 1966

~~CONFIDENTIAL~~

SENT
WHCA

Sent
7:31 PM

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EEA634
00 VTE 18
DE VTE 2750

1966 DEC 23 00 31

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: WH68792

UNCLAS

DECEMBER 22, 1966

HEREWITH ORVILLE'S ACCOUNT OF HIS BACKGROUNDER AND HIS
CROP ESTIMATES.

MEMORANDUM

INDIA ANNOUNCEMENT MADE. NO ATTRIBUTION AS TO SOURCE OTHER
THAN HIGH GOVERNMENT OFFICIAL. NO ATTRIBUTION ON BACKGROUNDER.
I BELIEVE IT WENT WELL. EACH OF THE FIVE POINTS WAS STRONGLY
MADE AS INSTRUCTED. ALWAYS DIFFICULT TO ANTICIPATE PRESS
REACTION BUT I'M OPTIMISTIC THAT WE'VE CLEARED THE AIR.
I HAVE REACHED DOLE AND MCGEE. THEY ARE PLEASED WITH THE
PRESIDENT'S ACTION AND LOOK FORWARD TO REVIEWING THIS MATTER
WITH THE PRESIDENT SHORTLY AFTER THE FIRST OF THE YEAR. THEY
EXPRESSED PARTICULAR PLEASURE AT THE FACT THE PRESIDENT IS
ANXIOUS TO HAVE FULL CONSULTATION WITH CONGRESS AND CHOOSES
NOT TO COMMIT ANY GREATER AMOUNTS THAN ABSOLUTELY NECESSARY
UNTIL THAT CONSULTATION HAS BEEN ACCOMPLISHED. I INDICATED
TO THEM THAT IF THE SITUATION REQUIRED IT AND CONGRESS WAS
UNABLE TO ACT RAPIDLY ENOUGH THE PRESIDENT WOULD DISCUSS WITH
THEM THE POSSIBILITY OF ANOTHER INTERIM ALLOCATION, PERHAPS
MATCHING THAT ANNOUNCED THIS DATE. THEY CONSIDERED THIS A
VERY SOUND APPROACH AND SAID IT COMMANDED THEIR FULL SUPPORT.

DOLE VOLUNTEERED, I THOUGHT SOMEWHAT SHEEPISHLY, THAT
THE PRESS HAD TAKEN HIM. HE CLAIMED HE HAD REFUSED TO GIVE
THEM ANY NUMBERS AND SAID THAT WOULD HAVE TO AWAIT FOR A
PRESIDENTIAL ANNOUNCEMENT. APPARENTLY THE PRESS WHEEDED OUT
OF HIM SOME COMMENT VIS-A-VIS THE TWO MILLION TON NUMBER
THAT HAS BEEN BATTED ABOUT. HE SEEMED CHAGRINED SO I DIDN'T
PUSH HIM ON IT. I HAVE FOUND IT SOMEWHAT DIFFICULT TO SCOLD
REPUBLICANS WHEN WE NEED TO WORK CLOSELY WITH THEM ON A
NON-POLITICAL BASIS. I HAVE CALLS IN FOR MILLER AND POAGE
AND WILL TRY AND BUTTON THEM UP AS SOON AS THEY HIT THESE
SHORES.

XEROX FROM QUICK COPY

SUBJECT: GRAIN AND SOYBEAN SUPPLIES

YOU WILL RECALL THAT WE HAD BEEN CONCERNED OVER OUR STOCKS OF WHEAT, FEED GRAINS AND SOYBEANS NEXT YEAR, AND THAT WE HAVE ENCOURAGED FARMERS TO INCREASE THEIR PLANTINGS OF THESE CROPS IN 1967.

THE UNDER SECRETARY'S MEMORANDUM TO YOU OF DECEMBER 6 REVIEWED WHEAT AVAILABILITIES FOR CASH AND FOOD AID MARKETS DURING THE REMAINDER OF THIS YEAR AND INDICATED THAT THERE WAS SOME CHANCE THAT OUR WHEAT STOCKS ON JUNE 30, 1967 MIGHT SLIP BELOW THE 400 MILLION BUSHEL TARGET WE SET SIX MONTHS AGO.

TODAY'S CROP ESTIMATE IS VERY ENCOURAGING FROM THE STANDPOINT OF INSURING ADEQUATE SUPPLIES OF GRAIN AND SOYBEANS FOR ALL FORESEEABLE MARKETS, AND STABLE PRICES.

\$ WINTER WHEAT IN 1967 IS ESTIMATED AT NEARLY 1.3 BILLION BUSHELS, COMPARED WITH 1.06 BILLION BUSHELS THIS YEAR, DESPITE POOR MOISTURE CONDITIONS IN THE CENTRAL AND SOUTHERN PLAINS. FARMERS HAVE PLANTED 26 PER CENT MORE WHEAT THAN LAST YEAR -- MOST OF THE 32 PER CENT INCREASE AUTHORIZED.

\$ SOYBEAN PLANTINGS ARE EXPECTED TO BE UP 8 PER CENT. THIS SHOULD PROVIDE 75 MILLION BUSHELS MORE SOYBEANS IN ADDITION TO THIS YEAR'S 930 MILLION BUSHEL CROP. THIS IS RIGHT ON OUR TARGET OF 1 BILLION BUSHELS IN 1967. IT WILL MEAN A REAL BOOST FOR OUR EXPORTS, AND SHOULD MODERATE PROTEIN MEAL PRICES.

\$ CORN ACREAGE IS ESTIMATED AT 8 PER CENT MORE THAN 1966. THIS IS A NICE INCREASE, BUT NOT AS MUCH AS WE WOULD LIKE TO HAVE TO REPLENISH OUR STOCKS AND TO MAINTAIN STABLE YET STRONG PRICES. WE WILL HAVE TO TAKE ANOTHER LOOK AT THE FEED GRAIN SITUATION.

CROP ACREAGES AS INDICATED WILL GIVE US NEEDED SUPPLIES NEXT YEAR TO EXPORT AGGRESSIVELY FOR DOLLARS, MEET REQUIREMENTS AT HOME, AND STILL BE IN A POSITION TO TAKE FULL ADVANTAGE OF THE ECONOMIC AND POLITICAL LEVERAGE INHERENT IN OUR POSITION AS THE BREAD BASKET OF THE WORLD. NOW WE MUST BE PRUDENT AND MANAGE IT SO FAIR PRICES WILL HOLD.

DTG : 222311Z DEC 66

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-148
By ju, NARA, Date 9-8-92

~~CONFIDENTIAL~~

December 23, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Message to Haile Selassie

The Emperor sent you a balanced telegram expressing his Christmas hope for peace in Viet Nam. Since he is a good friend and will be coming to see you in February, I have warmed up State's draft reply and recommend the following:

"Thank you for your message on Viet Nam which I know reflects your deep personal concern that no stone be left unturned in the search for peace.

"I profoundly share your desire for an early end to the conflict there and for a world in which all men and nations can live in peace. The Government of the United States continues to make every effort to find a path to a peaceful settlement. To this end, we have asked United Nations Secretary General U Thant for his help in bringing about discussions for a cessation of hostilities. We fervently hope that the other side will also show a sincere desire for peace."

"I look forward to discussing these and other important issues with you. Meanwhile, my best wishes for this Christmas season and for the New Year."

The Coptic Christian Christmas comes in early January, so the greeting in the last sentence will not be late. As of my writing you have not yet approved specific dates for his visit, but you have invited him in principle for February.

W. W. Rostow

Approve ✓

Disapprove

Sent to State 108383
12/24/66

~~CONFIDENTIAL~~

~~SECRET~~

52
December 22, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

After conferring with Jake Jacobsen at Marv's suggestion, I would call to your attention the following.

You checked the Pakistan PL 480 agreement on December 17 "hold until after India decision." An Indian decision was made. Nevertheless, I wanted to check once more with you before going ahead with the Pakistan agreement.

Let Freeman background as in the case of India _____

Will announce at Ranch _____

Hold _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-148
By jw, NARA, Date 9-8-92

WWRostow:rln

~~SECRET~~

Mr. Kestow 58

December 23, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Polish Currency Package

You will recall that in your October speech to the editorial writers you announced that "the Secretary of State is reviewing the possibility of easing the burden of Polish debts to the U.S. through expenditures of our Polish currency holdings which will be mutually beneficial to both countries."

At Tab A is a Katzenbach memo asking you to approve a package for negotiation with the Poles. Specifically:

- We would postpone \$21.75 million of the \$39.2 million the Poles owe us during January 2, 1967-January 2, 1968. (The \$39.2 million they would have to pay if we did not postpone represents a big hump in the repayment schedule -- it is four times what they had to pay us in 1966, and twice what they will have to pay annually after 1968.)
- They and we would agree to use the postponed \$21.75 million, over the next several years: (1) *perhaps* for a \$9.5 million/10-year English language teaching program in Poland, *perhaps* manned by young Americans and administered by our universities; and (2) to help pay for U.S. cultural exchange programs in Poland and elsewhere; for the operating expenses of the U.S. Embassy in Warsaw; international travel by U.S. officials from and through Poland, etc. The Poles would also agree to a firm date for negotiations on defaulted pre-war bonds; to concessions on the use of other U.S.-owned zloties by U.S. tourists and businessmen, and on some other minor issues between us.

A short precise account of the proposed deal is at Tab B. The only part that would show up explicitly as a line-item appropriation in the budget is the English language training program, at an annual \$950 thousand in Polish zloties.

Balance of Payments We would by and large neutralize the balance of payments effects by a side-agreement with the Poles that they would increase imports from the U.S. during 1967 by an amount equal to the postponed ~~to~~ payment. We would use their recent level of U.S. imports as a base. This is not fool-proof protection, but we can police it well enough to reduce the likely leakage to negligible amounts.

Executive Branch Positions The package has been formally approved by all the NAC agencies, with Treasury in the chair, as well as Agriculture. Gronouski -- who has been pushing very hard for something like this -- thinks we are offering too little and asking too much. (The English language program, ^{perhaps} with young Americans running around Poland, ^{it} ~~will~~ ^{would} be a hard pill for Gomulka to swallow. John may turn out to be right, and if so, we will come back to you. But the rest of us think that the proposal is balanced enough to be worth a try.)

The Congress We know that Senator Mansfield thinks "this a modest program ... in the right direction." On the other hand, Senator Gruening has written State opposing any such deal. His letter was full of misconceptions, and State will try to straighten him out -- at least on the facts. (He will not be back in town until January, but his office knows we have been trying to reach him about this.)

In addition, and not surprisingly, Paul Findley is opposed. Otherwise we know of no Congressional reactions -- despite the reference in your speech. To avoid the risk of stimulating opposition -- especially since you have already given a public signal that you are planning to do something like this -- Nick Katzenbach decided against taking further soundings before asking for your approval.

Timing I am afraid we need your decision on whether we can begin negotiating with the Poles before January 2. The first '67 installment of the Polish debt (\$9 million) is due on the 2nd. If you authorize us to start talking with the Poles, we will offer them a three month postponement on \$4.7 million -- the portion which would become a part of the final rollover package if the negotiation is successful.

Recommendation As a bridge-builder I would vote for this. The English language program is a first-rate idea and the cost of the entire package is not great. Politically, we face the usual risk of helping a communist country which is making a fuss about Viet-Nam, and giving Hanoi some help -- the usual dilemma of maintaining a balanced Presidential posture. (If, during the course of the negotiations, the Poles go in for unusual pyrotechnics on Viet-Nam, we can always back off. They will be told that no U.S. proposals are final until a deal is struck.)

Francis M. Bator

OK to open negotiations with the
Poles on the package as outlined _____

No _____

Speak to me _____

582

A

586
A

DEPARTMENT OF STATE
WASHINGTON
December 17, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Concessions From Poland in Return
For Easing the Burden of Polish
Debts To the United States

Recommendation:

That you authorize our Embassy at Warsaw to begin discussions with the Poles on a proposal to stretch out the repayment of Polish debts to the United States due in 1967 and 1968. In return we would require them to accept U.S.-owned local currency to finance a large-scale English language teaching program in Poland and to provide hard currency for cultural exchange programs, purchases of goods for United States Government agencies, international travel by U.S. officials and Embassy expenses over a number of years.

Approve _____ Disapprove _____

Discussion:

Between January 2, 1967 and January 2, 1968, Poland must repay the United States \$39.2 million due on PL-480 credits, Eximbank loans and our claims agreement. This is almost four times what they paid us in 1966 and is a large sum in relation to their dollar earnings. Polish debt payments to us will drop to about \$20 million annually in subsequent years. Ambassador Gronouski sees in this 1967-1968 "hump" a good opportunity to get Polish agreement to programs such as a large English language teaching project and Polish financing for our cultural exchange programs with Poland and other countries which would insure a large and continuing American presence in Poland.

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-147
By ing NARA. Date 5-20-92

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2

for at least the next ten years. I agree with this judgment and believe it can also be used to settle other outstanding economic issues such as the claims of American holders of defaulted Polish bonds.

We have designed a package which will allow the Poles to postpone \$21.75 million of the \$39.2 million if they agree to implement and finance the English language teaching and other proposals. As part of the agreement they will have to increase their purchases in the United States during this period by an equal amount above recent levels, to prevent a balance of payments loss to the United States.

Ambassador Gronouski first put forward this proposal last July and has since repeatedly urged that it be approved for negotiation with the Poles. A detailed outline of the entire proposal is enclosed.

The proposal has been cleared by all interested agencies and the National Advisory Council on International Monetary and Financial Policies and modified to meet their views. Ambassador Gronouski has since suggested certain amendments. We have discussed these with interested agencies and concluded that further changes in the package would be impractical, but we are prepared to consider any Polish counter-proposals after the package has been submitted to them.

The first payment affected by this proposal is due on January 2, 1967.

Specific Congressional action will be required on an annual appropriation of \$950,000 in Polish currency to implement the English language teaching program as a line item in the budget of the State Department's Bureau of Educational and Cultural Affairs. All of the programs would be funded from the budgets of the various U.S. Government agencies involved.

In your October 7 and October 16 speeches, you mentioned the possibility then under consideration of easing the burden of Polish debts to the United States by instituting projects of mutual benefit to the two countries.

~~SECRET~~

~~SECRET~~

3

The only adverse Congressional reaction we have received on this subject to date is a letter from Senator Gruening, who seems to have been under some misconception over the magnitude and purpose of the proposal, but we understand Congressman Findley has wind of the matter and we assume will endeavor to exploit it. Senator Gruening is out of Washington until January, but we have been in touch with his office and have offered to brief him upon his return. We have discussed the proposal with Senator Mansfield, who expressed his belief that this appeared to be a modest program but a step in the right direction.

There have been recent news stories in the "New York Times" and "Washington Post" to the effect that Poland will contribute \$30 million in foreign exchange as its share of a Soviet bloc \$1 billion war chest for the North Vietnamese. However, Ambassador Gronouski has received assurances from the Polish Minister of Foreign Trade and Deputy Foreign Minister that these stories about hard currency are not true. There may be a Polish contribution to a ruble fund for this purpose which, in effect, would mean goods and services but not usable currencies. The Poles have, of course, stated that Polish trade with and aid to North Viet Nam will continue. A study of intelligence information and a recent telegram from Warsaw on this subject are enclosed. Confirmation of such a Polish contribution, even if not in hard currency, is bound to generate Congressional criticism of the proposed payments stretch-out as facilitating such aid to North Viet Nam.


Even after presentation of this negotiating package to the Poles we would make clear to them that we reserve the right to modify or withdraw it at any time until final agreement is reached. The question of Polish aid to North Viet Nam will be kept under review. Meanwhile, we recommend that our Embassy be authorized to initiate the talks.

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4.

Since the time remaining before the January 2, 1967 payment of \$9 million is too short to permit negotiations, it would be desirable not to elect to demand the portion of that payment (\$4.7 million) which would form a part of this proposal until April 1, 1967. This would allow three months for negotiations to be completed. If you approve beginning negotiations, we will seek the agreement of the other interested government agencies to this three months' postponement.


Acting

Enclosures:

1. Proposal.
2. Intelligence Note - 11/22/66.
3. Warsaw's 1371.

~~SECRET~~

~~SECRET/EXDIS~~

U.S. DEPARTMENT OF STATE
DIRECTOR OF INTELLIGENCE AND RESEARCH

Intelligence
Note - 729

Tab B
58c

November 22, 1966

To : The Secretary
Through: S/S
From : INR - Thomas L. Hughes
Subject: The Polish Dilemma on Aid to North Vietnam

DECLASSIFIED
E.O. 12356, Sec. 3.4

NJ 91-147
By ing, NARA, Date 9-3-91

17505

The Polish regime has a credibility problem on Vietnam. As an insecure communist regime without an internationally recognized title to a third of its territory, the Gomulka regime feels very much dependent on international communist solidarity for its own ultimate survival. It is anxious to demonstrate that such solidarity now exists in support of the DRV, and it wants to emphasize its own sense of loyalty and responsibility to a fellow communist regime under attack. As a result, the Polish regime -- particularly on the highest levels where such considerations play a significant role -- appears to exaggerate publicly the nature and extent of its aid to Vietnam.

Even at the highest levels this policy conflicts with the regime's long range political need to have some US goodwill toward Poland pending a European settlement. At the working level this policy runs into headlong collision with Poland's immediate economic interests. As a result, the public stories tend to be followed by private denials. In general, the denials seem closer to the truth. Below we review the three principal public versions of Poland's contribution to Vietnam and examine their credibility.

The Hard-Currency-Contribution Story. Last month, both our Embassy and the Western press had reported a story coming out of Warsaw that during their October "meeting" in Moscow the party and government chiefs of nine communist

~~SECRET/EXDIS~~

GROUP 1
Excluded from automatic
downgrading and
declassification

~~SECRET/EXDIS~~

- 2 -

countries had signed an agreement setting up a one billion dollar hard-currency fund for North Vietnam. Poland's alleged contribution was to be 30 million dollars.

The original source of the story appeared to be a reputable Polish journalist, Marian Podkowinski, who had accompanied Polish leaders Gomulka and Cyrankiewicz on their October 10-16 official visit to the USSR and then returned to Warsaw. Podkowinski was not in Moscow during the October 17-22 international gathering. Nevertheless, he began giving out his version of what had happened there on the evening of October 21, i.e. before the Moscow gathering was officially over but some hours after Gomulka and Cyrankiewicz had in fact returned from the USSR. Podkowinski's story thus had all the earmarks of a highly authorized leak. The claim that an international agreement had been signed in Moscow is particularly hard to accept if only because there seems to have been a series of consultations among the visitors and hosts, but apparently no "meeting". The whole story appeared to have been designed to give the impression of greater unity and solidarity than in fact exists among the communist countries.

The Denials of Poland's Hard-Currency Contribution. On November 9 Ambassador Gronouski confronted Deputy Foreign Minister Winiewicz with the story as it had appeared in the Western press. Winiewicz at first claimed that he had no detailed information on what had happened in Moscow, and said it must be understood that Poland will continue to aid its North Vietnamese ally regardless of consequences. However, when the Ambassador explained the impact the story was having on Polish-US relations, Winiewicz assured him in strict

~~SECRET/EXDIS~~

confidence that "there is no hard currency involved." On November 21 a more official denial came from Minister of Foreign Trade Trampczynski, who told Ambassador Gronouski he "could state categorically that not one dollar of hard currency is being furnished North Vietnam by Poland."

It would appear that in the interval between November 9 and 21, the ministries concerned received authorization to make this statement. Unlike Trampczynski, Winiewicz probably spoke on his own.

Military Aid and Defense Support. There is less apparent conflict between words and deeds on military aid. On July 16, 1966, in a major public speech, Gomulka said that Poland will continue to give "material-defense, political and moral support" to Vietnam. On October 17, Vice Premier Jaroszewicz, offering a toast to a visiting North Vietnamese delegation which had negotiated trade and aid agreements for 1967, said:

"We shall strive to implement these agreements within the specified time periods so that civilian and military deliveries could to some extent contribute to defense against American aggression in Vietnam."

While the above implies that Poland had not lived up to its earlier commitments to North Vietnam, hard information is lacking. We believe that Polish military aid to North Vietnam up to the present time has been in the token category -- a few cases of small arms and ammunition, possibly a few pieces of field artillery. Probably the most significant aid has been in the quasi-military category -- heavy trucks -- but the number has not been large, probably less than 200. There have also been some moderately large shipments of medical supplies and equipment, and over the past few years Poland has transferred some small coastal-type vessels to North Vietnamese registry.

~~SECRET/ENDIS~~

- 4 -

In his confidential November 9 remarks to Ambassador Gronouski, Deputy Foreign Minister Winiewicz said, "Polish assistance to North Vietnam is limited to medicine, food, and consumer goods." While he made no mention of military deliveries he may have been simply conveying the idea that such shipments are regarded as trade, not aid. This is possible.

The Spurious Issue of Volunteers. Last July the Warsaw Pact countries offered to send volunteers to Vietnam, if asked. Poland has been silent on the topic except on the eve of and immediately after the joint Warsaw Pact offer. Embassy and intelligence reports indicate that last June and July the military and the police in some locations called for "volunteers" at increased pay, but this move appears to have been handled more as a poll than as an actual recruitment drive. On July 16 Gomulka referred to the matter for the first and only time, claiming that "...we have received already a mass of applications from people who would like to go to Vietnam as volunteers."

Polish Shipping. While Polish shipping to North Vietnam may not qualify as "aid", it is the one meaningful contribution the Poles definitely do make to the Vietnamese economy. It is the one contribution they never mention.

~~SECRET/ENDIS~~

COMMING TELEGRAM Department of State

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L I N D I S

1966 DEC 6 PM 2 20
DEPARTMENT OF STATE
OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AFFAIRS

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-147

By LiP, NARA, Date 9-3-91

1. WHEN NYTIMES ON OCT 28 REPORTED SOVIET AND OTHER COMMUNIST COUNTRIES HAD AGREED IN MOSCOW TO PROVIDE "ONE BILLION DOLLAR" AID PROGRAM TO NVN, EMBASSY ENDEAVORED CHECK RUMOR WITH MANY USUALLY WELL-INFORMED SOURCES INCLUDING SWISS EMBASSY. ACCORDING SWISS FIRST SECRETARY, HIS AMBASSADOR RECENTLY ASKED MONGOLIAN AMBASSADOR POINT-BLANK AMOUNT OF MONGOLIAN SHARE IN THIS COMMITMENT. LATTER REPLIED WITHOUT HESITATION THAT HIS GOVT MUST PROVIDE 4.5 MILLION RUBLES. WHEN ASKED WHAT POLES CONTRIBUTING, HE RESPONDED AS READILY: 20 MILLION RUBLES AND 7.5 MILLION RUBLES WORTH OF MEDICAL SUPPLIES, FOOD AND OTHER RELIEF. AS AN EQUIVALENT, THIS COMES VERY CLOSE TO RUMORED BUT INACCURATE ACCOUNT

PAGE 2 RUDKRU 1371 ~~CONFIDENTIAL~~
OF POLISH 30 MILLION DOLLAR COMMITMENT.

2. NYTIMES CORRESPONDENT KAMM TOLD AMBASSADOR GRONOUSKI DEC 2 AFTER COVERAGE SOFIA PARTY CONGRESS THAT HE HAD FOUND SUBSTANTIAL EVIDENCE CONCERTED SOVIET AND EE EFFORT TO BRING HANOI TO CONFERENCE TABLE. HE SAID BULGARIANS SPOKE FREELY OF THIS MATTER. WHILE CESSATION BOMBING CONSIDERED IMPORTANT, KAMM NOTED SOMEWHAT LESS EMPHASIS THAN HERETOFORE ON THIS FACTOR IN SOFIA.

3. SWISS REPORT CONFIRMS POLISH ASSURANCES HERE (NARSAN 1267 AND 1167) THAT COMMUNIST COUNTRIES OF EUROPE NOT PROVIDING HARD CURRENCY AID TO NVN. CONJUNCTURE OF STEPPED-UP BLOC AID AND SERIES OF VISITS TO HANOI BY EE PARTY GROUPS WOULD TEND TO SUBSTANTIATE

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-2- WARSAW 1371 DEC 06

RECENT FRENCH EMBASSY OBSERVATION HERE THAT "OF COURSE THESE SOLIDARITY AND SUPPORT EFFORTS OF EUROPEAN COMMUNIST COUNTRIES IN HANOI ARE REALLY EFFORTS TO INDUCE HANOI TO NEGOTIATE."

4. IN PASSING, SWISS FIRST SECRETARY ALSO TOLD DCM THAT HIS EMBASSY AND ITALIAN EMBASSY HAD JUST RECEIVED NOTE FROM VIETNAMESE LIBERATION FRONT MISSION ANNOUNCING ITS

PAGE 3 RUDKRU 1371 ~~CONFIDENTIAL~~
ESTABLISHMENT IN WARSAW. NOTE REFERRED TO PRESENTATION CREDENTIALS TO LOGA-SOWINSKI IN HIS CAPACITY AS DEPUTY CHAIRMAN OF POLISH NATIONAL UNITY FRONT BUT ALSO MENTIONED HIS POSITION AS DEPUTY CHAIRMAN OF COUNCIL OF STATE.

5. POLES HAD APPARENTLY DELIBERATELY ARRANGED FOR NLF REPRESENTATIVE TO PRESENT HIS CREDENTIALS TO DEPUTY CHAIRMAN AND NOT TO CHAIRMAN OF POLISH NATIONAL UNITY FRONT, OCHAB, WHO IS ALSO CHAIRMAN OF COUNCIL OF STATE. PRESENTATION TO OCHAB WOULD HAVE CARRIED STRONGER IMPLICATION OF GOVT RECOGNITION OF NLF. VIETNAMESE, HOWEVER, NOTED THAT LOGA-SOWINSKI IS ALSO DEPUTY CHAIRMAN OF COUNCIL OF STATE AND CAPITALIZED ON IT TO EKE OUT MODICUM OF IMPLIED OFFICIAL RECOGNITION.

GP-3.

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~~SECRET~~Elements of the Proposal

The Poles owe the United States \$31.2 million in 1967 and a total of \$23.4 million in 1968.

The total package of postponements to be negotiated is \$21.75 million. It would have the following effect on the Polish debt schedule:

	<u>1967</u>	<u>1968</u>
Now scheduled	31.20	23.40
Package	<u>-13.65</u>	<u>-8.1</u>
New schedule	\$ 17.55	\$15.3

(OF WHICH \$8 m. due on JAN. 2, 1968)

The \$21.75 million total consists of:

1. A \$9.5 million English language teaching program spread over ten years at \$950,000 per year. Of this, the Poles must agree to make up to \$200,000 per year available in convertible currency. If we do not spend the \$950,000 in any year, we can ask them to pay us the unspent balance in dollars.

2. \$5,250,000 to finance the U.S. cultural exchange program with Poland and other countries at the rate of \$750,000 in hard currency per year for 7 years.

3. Two million dollars set aside to finance international travel to or through Poland by U.S. officials for the next four to five years.

4. Five million dollars to be used over five years for Embassy operating expenses in Poland. Up to \$200,000 per year of this to be available for the purchase of goods and services in Poland by United States Government agencies for use outside Poland.

In addition, we would ask the Poles to:

1. Increase their purchases in the United States during 1967 and 1968 by the net amount of payments relief we grant to them in each of these years.

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E.O. 12356, Sec. 3.4

NJ 91-147

By ijg, NARA, Date 9-3-91

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2. Agree to set a firm date before which they will begin negotiations with American holders of defaulted pre-war Polish bonds.

3. Amend existing PL-480 agreements to include the possibility of selling surplus United States-owned zlotys to visiting American tourists and include in the agreements a provision for loans of zlotys to American businessmen in Poland if we are prepared to consider such loans in the future.

Finally, we intend to switch our payments to United States annuitants in Poland drawing social security, veterans' benefits and the like from dollars to zlotys in the near future. This will mean an annual balance of payments saving to us of about two million dollars. We will be asking the Poles to cooperate in making this changeover.

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SENT
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FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: WH69789

1966 DEC 22 17 32

UNCLAS

DECEMBER 22, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

FREI MADE HIS ANNOUNCEMENT WELL -- IN TERMS OF NATIONAL PRIDE -- WITH NO CUTTING EDGE.

SANTIAGO 2146

1. PRESIDENT FREI DELIVERED HOUR AND ONE QUARTER MAJOR POLICY SPEECH EVENING DEC 21 OVER NATIONAL RADIO-TV HOOK-UP. FREI'S TONE WAS SERIOUS AND HIS DELIVERY SINCERE, DETERMINED, EFFECTIVE AND APPEALING.
2. STATED TWO BASIC GOALS HIS ADMINISTRATION ARE ACCELERATED ECONOMIC AND SOCIAL DEVELOPMENT. EMPHASIZED THAT WITHOUT ECONOMIC DEVELOPMENT SOCIAL DEVELOPMENT WOULD HAVE NO MEANING. REVIEWED TWO YEAR ACCOMPLISHMENTS IN KEY SECTORS EDUCATION, HOUSING HEALTH, LABOR AND SOCIAL OR INSTITUTIONAL DEVELOPMENT STATED THESE COULD NOT HAVE BEEN ACHIEVED WITHOUT ADEQUATE DOMESTIC AND FOREIGN FINANCING.
3. FREI EXPRESSED EXTENSIVE, DETAILED AND SHARP CRITICISM OF POLITICAL OPPOSITION, OF EXTREME LEFT AND RIGHT WHICH HE CHARACTERIZED AS BENT ON DESTROYING GOVERNMENT PROGRAM AND BRINGING NATION TO RUIN IN THEIR ENDEAVORS ACHIEVE POLITICAL POWER. PUT PARTICULAR EMPHASIS ON EXPOSING EXTREME LEFT OBJECTIVES AND TACTICS IN EXPLOITING LABOR GRIEVANCES TO ATTAIN POLITICAL ENDS.
4. EMPHATICALLY EXPRESSED HIS DETERMINATION NOT REPEAT NOT INCREASE BUDGET WHICH WOULD DEFEAT ANTI-INFLATION OBJECTIVE OR INCREASE OPERATING EXPENDITURES AT EXPENSE OF INVESTMENTS.
5. IN REFUTATION OF OPPOSITION TACTICS HE CITED ECONOMIC ACCOMPLISHMENTS AND PRESTIGE CHILE ENJOYS ABROAD. MENTIONED VISIT TO CHILE OF DISTINGUISHED FOREIGNERS AND PROUDLY REFERRED TO PRESIDENT JOHNSON'S INVITATION FOR HIM TO VISIT U.S., SAYING INVITATION EXTENDED IN "TERMS AND CIRCUMSTANCES THAT SIGNIFY SPECIAL DISTINCTION FOR CHILE".

6. AFTER USING 45 MINUTES FOR FOREGOING, FREI CAME TO WHAT HE CALLED "CENTRAL OBJECTIVE OF SPEECH". HE ANNOUNCED "HISTORIC STEP" (COMPARING IT WITH ANNOUNCEMENT HE HAD MADE PRECISELY TWO YEARS EARLIER ON CHILEANIZATION OF COPPER) THAT CHILE HAD DECIDED TO DO WITHOUT AID LOAN AND IMF STANDBY NEXT YEAR, THAT CHILE WOULD FINANCE ITS OWN PROGRAM FROM ITS OWN RESOURCES.

7. PRESIDENT'S STRESS WAS INDEPENDENCE THIS WOULD GIVE CHILE, MORAL BOOST IT WOULD GIVE CHILEANS AT HOME, AND RESPECT IT WOULD EARN FOR CHILE IN COUNTRIES ABROAD. AT SAME TIME FREI EMPHASIZED THERE HAD BEEN NO REPEAT NO PROBLEM WITH US, WITH AID OR WITH IMF. RELATIONS WITH ALL FOREGOING HAVE BEEN AND WILL CONTINUE TO BE CORDIAL, AND THAT PRESENT DECISION TAKEN SOLELY AT CHILE'S INITIATIVE. PRESIDENT ADDED THAT IF COPPER PRICES SHOULD FALL, CHILE MIGHT HAVE TO SEEK EXTERNAL HELP; SAID HE WAS SURE FROM WHAT HE WAS TOLD THAT IN SUCH CASE RESPONSE WOULD BE FAVORABLE WITHIN SPIRIT OF ALLIANCE FOR PROGRESS.

8. HE SAID TIME WAS PROPITIOUS DUE COPPER PRICES AND BY 1970-71 WHEN COPPER EXPANSION PROGRAM IS COMPLETED, INDEPENDENCE WOULD BE BASED NOT ON HIGH BUT ON MODERATE COPPER PRICES. SAID HE WISHED TO END TERM OF OFFICE WITH SMALLER FOREIGN DEBT THAN WHEN HE STARTED.

9. MOST IMPORTANTLY HE STRESSED THAT CHILE WAS GOING TO DO WITHOUT LOANS WHICH HELP FINANCE BUDGET (OUT PROGRAM LOAN, ALTHOUGHT HE DID NOT USE THIS PHRASE), BUT HE WOULD NOT REFUSE DIRECT LOANS WHICH FINANCE SPECIFIC PROJECTS. HE NOTED EVEN SOCIALIST COUNTRIES ACCEPT SUCH LOANS CITED FIAT ARRANGEMENT IN USSR AND EXIM BANK LOANS TO POLAND) WITHOUT SACRIFICING THEIR INDEPENDENCE. AT NO POINT IN SPEECH DID FREI CITE LOAN FIGURES, EITHER THOSE HE WAS FOREGOING OR THOSE WHICH MIGHT BE ACCEPTED FOR DIRECT PROJECTS.

10. TONE OF THIS FINAL SECTION OF SPEECH WAS BOTH EMOTIONAL, IN THAT IT STRESSED INDEPENDENCE THEME, AND CORDIAL TO LENDERS FROM WHICH CHILE SEEKS ITS INDEPENDENCE. FREI OBVIOUSLY CONSIDERED THIS AN IMPORTANT AND HISTORIC OCCASION, AND HE PLAYED IT THAT WAY.

11. FULL TEXT WILL BE TRANSMITTED IN SEBSEQUINT CABLE. DEAN

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DEC 19 28

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP661289

~~SECRET~~

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DECEMBER 22, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-483
By 10 NARA Date 10-26-99

HEREWITH FOUR MESSAGES FROM JORDAN.

1. THE PROPOSED PRESS RELEASE ON JORDAN PACKAGE.
2. A WARM PERSONAL MESSAGE FROM HUSSEIN TO YOU.
3. A CABLE DESCRIBING THE LAST STAGE OF THE NEGOTIATION.
4. AN EVALUATION FROM TEL AVIV OF THE ISRAELI PROBLEM.

I SAW FEINBERG YESTERDAY, WHO ASKED THAT WE TELL HARMON, BEFORE HE LEAVES FOR ISRAEL, ROUGHLY WHAT WE TOLD FEINBERG IN NEW YORK ON YOUR INSTRUCTIONS, IN ORDER TO DISARM THE OPPOSITION WHOM HE WILL SEE. I INFORMED NICK WHO WILL PROBABLY SEE HARMON TOMORROW.

FEINBERG WILL WORK ON THE LOCAL COMMUNITY.

WE HAVE WARNED THE JORDANIANS ABOUT LEAKING AND HAVE DESIGNED ABOUT AS GOOD A PUBLIC ANNOUNCEMENT AS CAN BE MANAGED.

SECRET AMMAN 1572

FROM MACONBER

1. THE FOLLOWING IS TEXT OF PRESS RELEASE WORKED OUT WITH KING HUSSEIN. FIRST PARAGRAPH WILL BE PUT OUT IN BOTH CAPITALS. SECOND PARAGRAPH WILL BE PUT OUT IN AMMAN ONLY. HUSSEIN BELIEVES IT IMPORTANT TO GET THIS ANNOUNCEMENT OUT AS FAR IN ADVANCE OF WEEKEND CAIRO MEETINGS AS POSSIBLE. HE WOULD LIKE TO ISSUE IT HERE FRIDAY MORNING AMMAN TIME. (GNT PLUS 2) EMBASSY WILL CONFIRM EXACT HOUR. IF DEPARTMENT HAS OBJECTION TO EITHER CONTENT OR TIMING PLEASE ADVISE EMBASSY SOONEST.

2. TEXT AS FOLLOWS: PARAGRAPH ONE QUOTE AT THE REQUEST OF THE HASHEMITE KINGDOM OF JORDAN THE UNITED STATES GOVERNMENT HAS AGREED TO PROVIDE UNDER ITS EXISTING MILITARY ASSISTANCE

PROGRAM CERTAIN ITEMS OF MILITARY EQUIPMENT TO STRENGTHEN THE DEFENSIVE CAPABILITY OF THE JORDANIAN ARMED FORCES. THIS ADDITIONAL EQUIPMENT IS BEING PROVIDED AS A MEANS OF ENABLING JORDAN TO ASSURE ITS SECURITY, AND THUS TO CONTRIBUTE FURTHER TO THE STABILITY OF THE AREA. A SUBSTANTIAL PORTION OF THIS EQUIPMENT WILL BE AIRLIFTED TO JORDAN OVER THE NEXT 30 TO 60 DAYS. IN ADDITION TO THESE DELIVERIES, THE SHIPMENT OF F-104 INTERCEPTOR AIRCRAFT, PREVIOUSLY PURCHASED BY JORDAN, WILL BE EXPEDITED. UNQUOTE

3. PARAGRAPH TWO QUOTE A JORDANIAN MILITARY SPOKESMAN SAID IN AMMAN TODAY, THAT THE ADDITIONAL EQUIPMENT MENTIONED IN THE JOINT JORDANIAN-AMERICAN COMMUNIQUE IS BOTH CONSIDERABLE IN IMPORTANCE AND SIZE. THAT MILITARY SECURITY WOULD NOT MAKE IT POSSIBLE TO DIVULGE THE NATURE OF THE EQUIPMENT IN DETAIL AND THAT THE SUBSTANTIAL PORTION OF IT, THAT WILL BE ARRIVING IN JORDAN OVER THE NEXT THIRTY TO SIXTY DAYS, WILL BE ARRIVING IN A MASSIVE AIR LIFT. UNQUOTE

4. AS SUGGESTED BY LANGUAGE IN SECOND PARAGRAPH PROPOSED STATEMENT KING CONCURS WITH WASHINGTON'S SUGGESTION THAT THERE SHOULD BE NO PUBLIC MENTION OF AMOUNTS AND TYPES OF EQUIPMENT INVOLVED.

5. WITH REGARD TO THE EXTENT HE WOULD FEEL HE WOULD HAVE TO REVEAL NATURE AND CONTENT OF MCNAMARA PACKAGE AT SATURDAY'S CAIRO UAC MEETING, GENERAL KHAMMASH HAS INFORMED US THAT HE WOULD HAVE TO PLAY THIS BY EAR AT THE MEETING, BUT THAT HE WOULD REVEAL NO MORE OF THE DETAILS THAN THE EVOLVING CIRCUMSTANCES OF THE MEETING MIGHT REQUIRE.

~~SECRET~~ AMMAN 1571

1. FOLLOWING IS TEXT OF KING MUSSEIN'S DECEMBER 21 LETTER TO PRESIDENT JOHNSON:

2. MR. PRESIDENT: I WISH TO SEIZE THE OPPORTUNITY OF THE RETURN TO WASHINGTON OF YOUR SPECIAL EMISSARY, AMBASSADOR MACOMBER TO CONVEY TO YOU THE DEEP GRATITUDE WHICH I FEEL AND WHICH IS SHARED WITH ME BY MY GOVERNMENT AND THE ARMED FORCES FOR YOUR SYMPATHY AND YOUR PERSONAL INTEREST IN OUR AFFAIRS AT THIS DIFFICULT PERIOD OF CRISIS. OUR GRATITUDE IS BOUNDLESS FOR THE HELP AND ASSISTANCE OF OUR FRIENDS AND I CAN ASSURE YOU, MR. PRESIDENT, THAT IN THE WAY IN WHICH WE WERE ABLE TO FACE IN THE PAST MANY A CRISIS WHILE FIGHTING TO MAINTAIN OUR FREEDOM AND THE COMMON IDEALS WE SHARE WITH YOU, WE CAN BUT DO OUR BEST ONCE AGAIN, IN THE FACE OF GREAT ODDS, AND HOPE THAT ONCE MORE WE MAY BE SUCCESSFUL.

3. I WOULD WISH HERE TO REITERATE THE CRITERIA THAT I HAVE SET OUT WHILE DEVELOPING THE STRENGTH OF THE ARMED FORCES OF JORDAN: FIRSTLY, THAT THESE FORCES MUST BE PREPARED TO FIGHT THE BATTLES OF FREE PEOPLE AND OF FREEDOM IN THIS PART OF THE WORLD, WHENEVER AND WHEREVER THE NEED ARISES. SECONDLY, THAT THEY MUST HAVE THE HIGHEST DEGREES OF ABILITY TO FACE THE CHALLENGE, SUCH ABILITY, TO BE IN PART THE RESULT OF THE BEST POSSIBLE TRAINING. THIRDLY, THAT THESE FORCES BE AS WELL EQUIPPED AS

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POSSIBLE WITH THE MOST MODERN AVAILABLE EQUIPMENT TO ENSURE THEIR EFFECTIVENESS, THAT THEY SHOULD HAVE MINIMUM MAN-POWER, MAXIMUM FIRE POWER AND MOBILITY.

4. AT THE SAME TIME I WOULD LIKE, MR. PRESIDENT, TO ASSURE YOU THAT WE HAVE AND SHALL ALWAYS ATTEMPT WHILE STRIVING TO MEET THIS CRITERIA, TO MAKE MAXIMUM EFFORTS TO ENSURE THAT JORDAN CONTINUES ON A STEADY, RAPID PATH OF PROGRESS IN BUILDING AND MAINTAINING A SOUND ECONOMY THAT WILL ENABLE US TO CONTRIBUTE TOWARDS THE BETTER FUTURE WE SEEK IN THIS AREA, FOR ALL, AND TO THE CAUSE OF FREEDOM.

5. THE CHALLENGE THAT CONFRONTS US AT THIS TIME IS INDEED GREAT, WHILE WE STAND IN THE FACE OF A COMMON ENEMY AS WELL AS IN THE FACE OF OTHER THREATS TO THE SECURITY OF JORDAN BUT AT THIS CRITICAL TIME YOUR SYMPATHY, CONCERN AND PROMPT ACTION IN OUR SUPPORT HAS NOT ONLY BEEN APPRECIATED BUT, WE HOPE, WILL BE INSTRUMENTAL IN OUR OVERCOMING THE CRISIS.

6. IF WE HAVE BEEN SO ANXIOUS TO OBTAIN A LITTLE MORE THAN YOU HAVE BEEN KINDLY ABLE TO PROVIDE US WITH, POSSIBLY MAKING A NUISANCE OF OURSELVES IN THE PROCESS, THIS WAS ONLY DUE TO THE FACT THAT THIS CRISIS REQUIRED IT, AND THAT THE LITTLE EXTRA HELP SO BADLY NEEDED NOW COULD MAKE THE GREATEST DIFFERENCE WHEREAS A GREAT DEAL MORE AT LATER DATE MAY BE TOO LATE. HOWEVER, WE UNDERSTAND YOUR OWN DIFFICULTIES, MR. PRESIDENT, AND WE APPRECIATE ALL THAT YOU WERE ABLE TO DO FOR US. WE KNOW THAT WE ARE COMMITTED TO FIGHT FOR OUR BELIEFS, AND FOR SO MUCH THAT IS AT STAKE IN THIS AREA, WITH OUR LIVES, WITH COURAGE AND DETERMINATION AS WELL AS WITH ALL THE RESOURCES AVAILABLE TO US.

7. WITH MY VERY BEST WISHES TO YOU, MR. PRESIDENT, AND TO YOUR FAMILY FOR A MERRY CHRISTMAS AND A HAPPY NEW YEAR.
(SIGNED)
HUSSEIN.

~~SECRET~~ AMMAN 1573

1966 DEC 21 PM 9:28

FROM MACOMBER

1. CONCLUDED NEGOTIATIONS WITH KING HUSSEIN AFTERNOON DECEMBER 21. IN COURSE OF THIS AND EARLIER MEETINGS WE HAVE COME TO FOLLOWING UNDERSTANDINGS:

2. KING DOES NOT AGREE WITH OUR BELIEF THAT THERE HAS BEEN NO BASIC CHANGE IN ISRAELI POLICY TOWARD JORDAN. HE UNDERSTANDS, HOWEVER, THAT US RESPONSE IS PREDICATED ON THIS ASSUMPTION AND AIMED PRIMARILY AT EASING CURRENT SITUATION, RATHER THAN DEALING WITH LONGER TERM THREAT OF REVISED NATURE.

3. HIS MAJESTY UNDERSTANDS VERY DIFFICULT POSITION FACING US SHOULD IT TURN OUT THAT DRAMATIC EFFORT TO STRENGTHEN JORDAN ARMY ALONG LINES OF MCNAMARA PACKAGE WAS HAPPENING IN APPARENT CONJUNCTION WITH INTRODUCTION OF FOREIGN ARAB TROOPS INTO JORDAN. WHILE UNDERSTANDING THE IMPLICATIONS OF THIS FOR USG. HE ALSO FEELS THAT INTRO-

DUCTION OF FOREIGN TROOPS IS INCOMPATIBLE WITH JORDAN'S OWN INTERESTS. HE CANNOT GIVE AN ABSOLUTE GUARANTEE THAT HE WILL BE ABLE TO KEEP FOREIGN TROOPS OUT OF HIS COUNTRY BUT HE DOES GUARANTEE TO THE PRESIDENT THAT HE WILL DO ALL HE CAN TO KEEP THEM OUT.

4. THE KING HAS COMMITTED HIMSELF TO HOLD INCREASE IN CURRENT ACTUAL FORCE LEVELS (50,000) TO AN INCREMENT OF 3,000. HE WISHES PRESIDENT TO KNOW THAT HE UNDERSTANDS AND SHARES US CONCERN FOR ESCALATING TROOP STRENGTH. HE ASKS HIM TO UNDERSTAND, HOWEVER, THAT SOME INCREASE AT THIS TIME IS ABSOLUTELY ESSENTIAL. HE ALSO WISHES TO PERSONALLY ASSURE THE PRESIDENT THAT AT EARLIEST OPPORTUNITY HE WILL TRY TO CUT BACK HIS TROOP STRENGTH. HE HAS SPECIFICALLY AGREED ONE YEAR FROM NOW TO REEXAMINE NEED FOR ADDITIONAL 3,000 TROOPS IN LIGHT OF POLITICAL AND FINANCIAL CONDITIONS EXISTING AT THAT TIME.

5. KING INTENDS TO CONTINUE HIS MODERATE POLICIES AND MEASURES TO ENHANCE AREA STABILITY. IN THIS CONNECTION, JORDAN WILL PERSIST IN ITS EFFORTS TO PREVENT TERRORIST INFILTRATION INTO ISRAEL.

6. KING HUSSEIN UNDERSTANDS THAT USG IS FULLY PREPARED HONOR US-JORDANIAN SALES AGREEMENTS OF 1964 AND 1965 PROVIDED GOJ CAN CONTINUE TO MEET PAYMENTS ON SCHEDULE FROM FUNDS OBTAINED FROM SOURCES EXTERNAL TO JORDAN. HE UNDERSTANDS ALSO THAT US NOT PREPARED TO ALTER TERMS OF THESE AGREEMENTS. HE KNOWS WE ARE WILLING TO GIVE VIGOROUS DIPLOMATIC SUPPORT TO GOJ EFFORT OBTAIN NECESSARY FUNDS FROM SAUDI ARABIA AND KUWAIT. HE IS FULLY AWARE, TOO, OUR POSITION THAT ANY FUNDS OBTAINED FROM SUCH SOURCES, OR FROM UAC, WOULD BE APPLIED FIRST TO MEETING GOJ OBLIGATIONS UNDER US PURCHASE AGREEMENTS AND WOULD BE AVAILABLE FOR GENERAL SUPPORT OF GOJ FORCES ONLY AFTER US OBLIGATIONS MET. (IN EARLY FEBRUARY KING PLANS TO VISIT SAUDI ARABIA AND KUWAIT IN SEARCH OF FUNDS; AND IN MARCH WILL GO TO LIBYA FOR SAME PURPOSE)

7. WITH RESPECT TO OPTION TO PURCHASE 24 ADDITIONAL AIRCRAFT, KING UNDERSTANDS THAT WE ARE PREPARED INTERPRET QUOTE ON OR ABOUT JANUARY 1 UNQUOTE LIBERALLY AND THAT WE BELIEVE IT WOULD BE PREFERABLE WAIT TO EXERCISE THIS OPTION UNTIL HE HAS, WITH OUR SUPPORT, OBTAINED NECESSARY FUNDS FROM SAUDI ARABIA OR KUWAIT. IN ANY EVENT, HE UNDERSTANDS IF GOJ EXERCISES OPTION IN JANUARY, PAYMENTS TOTALLING 5.4 MILLION WILL HAVE TO BE PAID IN JANUARY TO USG AND THAT THESE OBLIGATIONS WOULD HAVE PRIOR CLAIM ON UAC FUNDS OVER THEIR USE TO FINANCE ANY INCREASE IN FORCE LEVELS.

8. KING UNDERSTANDS THAT WE ACQUIESCE ON ENLISTED MEN'S PAY RAISE OF MAGNITUDE OF TWENTY-FIVE PERCENT. IN OUR AGREEING TO THIS, HE UNDERSTANDS THAT WE WILL TAKE RAISE INTO ACCOUNT IN LATER NEGOTIATIONS FOR A NEW CEILING IN JORDANIAN MILITARY BUDGETARY EXPENDITURES TO REPLACE CURRENT 19.2 MILLION DINAR LIMITATION.

9. I HAVE INFORMED KING THAT UNDER DIFFICULT POLITICAL AND FINANCIAL CIRCUMSTANCE HE FACING USG WILL NOT PROCEED WITH ALL \$5 MILLION PROJECTED CUT IN OUR BUDGET SUPPORT FOR FY 67. I HAVE THEREFORE INDICATED THAT, SUBJECT TO CONGRESSIONAL APPROPRIATIONS, OUR BUDGET SUPPORT PAYMENTS FOR THE COMING YEAR WILL BE REDUCED TO \$27 MILLION RATHER THAN TO \$25 MILLION. I ALSO INDICATED THAT IN RESTORING A PORTION OF OUR CUT I WOULD HAVE TO MAKE IT CLEAR THAT ALL OUR BUDGET SUPPORT FOR FORTHCOMING YEAR WOULD BE SUBJECT TO 57 PERCENT SPECIAL LETTER OF CREDIT ARRANGEMENT AS WE HAD EARLIER INFORMED HIS GOVERNMENT.

10. ON BASIS OF FOREGOING I HAVE ALSO TOLD HUSSEIN THAT WE WILL DELIVER THE EQUIPMENT LISTED IN MCNAMARA PACKAGE AND MAKE EVERY EFFORT TO AIRLIFT A SUBSTANTIAL PORTION OF THIS EQUIPMENT TO JORDAN IN NEXT 30 TO 60 DAYS. I HAVE INDICATED THAT IT WILL NOT BE POSSIBLE TO AUGMENT PACKAGE TO EXTENT HE AND GENERAL KHAMASH REQUESTED IN OUR FIRST MEETING, BUT HAVE GIVEN HIM LIST OF MACHINE GUNS, RADIOS AND COMMUNICATION WIRE, AS SPELLED OUT DEPTTEL 124754, NOTING THAT WE WERE PREPARED TO ADD THESE ITEMS TO INITIAL MCNAMARA LIST FOR KING EXPRESS DISAPPOINTMENT THAT PACKAGE STILL DID NOT INCLUDE UPGUNNING OF M-48 TANKS. HE UNDERSTANDS, HOWEVER, THAT WHILE THIS REQUEST CAN BE CONSIDERED ON ANOTHER, LATER OCCASION, IT IS NOT PART OF OUR CURRENT PACKAGE.

11. WHILE INDICATING DISAPPOINTMENT THAT OTHER ITEMS HAD NOT BEEN ADDED TO MCNAMARA PACKAGE, KING HUSSEIN SAID THAT PRESENT PACKAGE DRAMATICALLY FLOWN IN TO JORDAN WILL HELP SITUATION HERE QUOTE VERY, VERY MUCH, UNQUOTE

12. KING BELIEVES THAT ADVANCE LOAN OF SIX F-104'S, AND THEIR PRESENCE HERE WILL BE MOST HELPFUL. I HAVE CONFIRMED THAT WE WILL ATTEMPT TO DELIVER THEM TO JORDAN IN COURSE OF JANUARY AND EARLY FEBRUARY. KING UNDERSTANDS THAT WHEN AMERICAN PILOTS ARE PILOTING THE PLANES THEY WILL BE USED ONLY FOR TRAINING OF JORDANIAN CO-PILOTS. HE HAS ALSO GUARANTEED THAT EVERY EFFORT WILL BE MADE TO AVOID THESE PLANES COMING INTO COMBAT WITH ANY OF JORDAN'S NEIGHBORS AS LONG AS THEY ARE BEING SERVICED ON GROUND BY US PERSONNEL, EVEN WHEN THEY ARE BEING PILOTED BY JORDANIANS. ADDITIONALLY, HE IS AWARE THAT IF OTHER FOREIGN AIRCRAFT SHOULD BE STATIONED IN JORDAN WHILE THE F-104'S ARE STILL HERE ON LOAN BASIS, WE WILL HAVE TO REEXAMINE QUESTION OF WHETHER THEY SHOULD REMAIN.

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13. WE HAVE AGREED ON PROPOSED TEXT FOR PUBLIC ANNOUNCEMENT OF PACKAGE ALONG LINES SUGGESTED DEPTTEL 106068, WITH PARAGRAPH ADDED FOR USE IN JORDAN ONLY. (TEXT BEING SENT SEPARATELY.) HUSSEIN WOULD LIKE TO MAKE ANNOUNCEMENT FRIDAY MORNING AMMAN TIME AND AGREES WITH US THAT NUMBERS AND TYPES OF EQUIPMENT SHOULD NOT BE REVEALED PUBLICLY.

14. IN COURSE MY FINAL MEETING WITH HUSSEIN ON DECEMBER 21, WE ALSO DISCUSSED TACTICS OF FORTHCOMING CAIRO MEETING AS WELL AS KING'S CURRENT THINKING WITH RESPECT TO CHANGES IN HIS GOVERNMENT. THESE DISCUSSION REPORTED IN EMBTEL 1559.

15. AFTER RETURNING TO OFFICE AND DICTATING FOREGOING, I RECEIVED CALL FROM PRIME MINISTER TELL WHO SAID HE AND GENERAL KHAMMASH HAD TALKED TO KING RE AGREEMENT WHICH WE HAD REACHED AND MUST SEE ME AT ONCE. WE MET AT EMBASSY RESIDENCE AND MEETING BEGAN WITH MY REVIEWING POINT BY POINT ALL KEY LANGUAGE OF AGREEMENT SPELLED OUT PARA 2-12 IN THIS TELEGRAM. PRIME MINISTER AND KHAMMASH, IN AN INTENSE AND EMOTIONAL EFFORT, MADE IN THE NEXT TWO HOURS ONE LAST TRY TO OBTAIN FURTHER CONCESSIONS. WHILE MUCH OF OLD GROUND AGAIN GONE OVER, MAIN THRUST TELL-KHAMMASH ARGUMENT WAS THAT U.S. RESPONSE WAS NOT ENOUGH AND THAT BY OUR FAILURE TO BE MORE FORTHCOMING WE WERE DENYING JORDAN MINIMUM NECESSARY SUPPORT NEEDED AT THIS CRITICAL TIME. THEY ASSERTED THAT KING'S SENSE OF COURTESY MASKING DEPTH OF HIS DISAPPOINTMENT AND THAT THEIR OWN DISAPPOINTMENT WAS QUOTE MANY TIME GREATER UNQUOTE THAN THE KING'S.

16. TELL ARGUED PAY RAISE, WHICH KING PRETTY MUCH COMMITTED TO AFTER MEETING WITH OFFICERS PREVIOUS EVENING, WOULD NOT BE POSSIBLE. (I WENT OVER FIGURES TO SHOW THAT IT WOULD BE.) TELL ALSO SUGGESTED THAT IT MIGHT HAVE BEEN BETTER TO HEAD OFF PRESSURES FOR TROOP BUILD-UP BY DECIDING NOT TO TAKE U.S. PACKAGE AND INSTEAD GOING AHEAD WITH PLANS TO ACCEPT FOREIGN TROOPS INTO JORDAN. KHAMMASH FELT KING, AFTER LAST NIGHT'S MEETING WITH OFFICERS, WAS ALSO COMMITTED TO MUCH LARGER TROOP BUILD-UP THAN WOULD NOW BE POSSIBLE. KHAMMASH, IN VERY EMOTIONAL STATE SUGGESTED THAT HE MIGHT NOT BE ABLE CARRY ON. (UNLESS HE CALMS DOWN, I SUSPECT HE MAY RESIGN IN NEXT DAY OR SO, AS HE DID ONCE BEFORE ON A SIMILAR OCCASION. IF SO, I BELIEVE KING WILL BE ABLE PERSUADE HIM WITHDRAW RESIGNATION.)

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17. THROUGHOUT MEETING I MADE IT ABSOLUTELY CLEAR THAT WHILE RECOGNIZING SINCERITY OF THEIR APPEAL WE HAD COME TO THE END OF THE LINE. I ADDED, HOWEVER, THAT IN VIEW OF THEIR COMMENTS, I THOUGHT I SHOULD CONTACT HIS MAJESTY TO SEE WHETHER HE WAS HAVING SECOND THOUGHTS ABOUT THE AGREEMENT WE HAD REACHED. AT THAT POINT TELL INTERJECTED TO SAY THAT THERE WAS NO QUESTION ABOUT GOING BACK ON THE DEAL, THAT IT HAD BEEN MADE AND IT WAS TOO LATE NOW FOR IT TO BE UNMADE. SHORTLY THEREAFTER, WHEN TELL AND KHAMMASH FINALLY CONCLUDED THAT THERE WAS IN FACT NO MORE GIVE IN MY POSITION MEETING ENDED.

18. WHILE I HAVE NO DOUBT THERE WAS CONSIDERABLE SINCERITY IN THIS ELEVENTH HOUR EFFORT ON THE PART OF PRIME MINISTER AND CHIEF OF STAFF, I BELIEVE THAT HUSSEIN WHILE DISAPPOINTED IS NOT AS DEEPLY DISAPPOINTED AS THEY ARE SUGGESTING. FURTHER I BELIEVE THAT UNDER THE CIRCUMSTANCES WE HAVE MADE ABOUT THE RIGHT DEAL.

19. WHEN I RETURNED TO THE OFFICE I FOUND WAITING FOR ME TO CARRY BACK TO WASHINGTON A VERY COURTEOUS AND APPRECIATIVE LETTER TO THE PRESIDENT FROM KING HUSSEIN. TEXT OF LETTER FOLLOWS BY SEPARATE TELEGRAM.

20. MY CONTINUED PRESENCE HERE NOW WILL ONLY RAISE FALSE HOPES THAT THERE IS IN FACT FURTHER GIVE IN MY POSITION. I HAVE SAID GOODBYE TO KING AND WILL BE LEAVING AMMAN FOR WASHINGTON MORNING 22ND.

~~SECRET~~ TEL AVIV 2142

1. WE AGREE WITH MACOMBER THAT POSSIBILITY HANDLING ISRAELI REACTION TO ENTRY OTHER ARAB TROOPS INTO JORDAN IS QUOTE BIG IF UNQUOTE. FOLLOWING ARE CONSIDERATIONS WE BELIEVE SHOULD BE WEIGHED IN ESTIMATING LIKELY GOI RESPONSE.

2. GOI'S REACTION TO DATE POSSIBILITY INTRODUCTION ARAB FORCES HAS REFLECTED ITS DETERMINED EFFORTS SINCE SAMU TO MAINTAIN MODERATE STANCE. IT HAD UNTIL ALLON SPEECH (TEL AVIV 2113) NOT ADDRESSED ITSELF PUBLICLY TO SPECIFIC PROBLEM INTRODUCTION FOREIGN ARAB TROOPS. WHEN ALLON'S REMARKS MADE STATEMENT NECESSARY EBAN'S PRESS CONFERENCE COMMENTS DID NOT COMMIT GOI TO SPECIFIC ACTION IN EVENT FOREIGN TROOPS INTRODUCTION. INTENT THIS FORMULATION VERY LIKELY WAS TO REMIND HUSSEIN AND PARTICULARLY OTHER ARABS WHO MIGHT PUT PRESSURE ON HIM THAT ISSUE INCENDIARY AS FAR AS GOI CONCERNED, WHILE AT SAME TIME NEITHER PROVOKING PUBLIC CONFRONTATION ON ISSUE IN SPECIFIC TERMS THAT COULD ONLY

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RINDER HUSSEIN'S POSITION MORE DIFFICULT, NOR RESTRICTING COURSES OF ACTION THAT GOI MIGHT TAKE IF EVENT COMES TO PASS. COOLNESS OF GOI REACTION TO DATE PROBABLY REFLECTS ALSO ITS CONFIDENCE IN BEING ABLE TO COPE WITH PROBLEM'S MILITARY ASPECTS IN ITS PRESENT FORM. GOI HOLDS IN LOW ESTEEM FIGHTING QUALITIES IRAQI AND SAUDI FORCES. IT FURTHER RECOGNIZES THESE TROOPS COULD TAKE UP STATIONS IN JORDAN AT POINTS WHERE THEY WOULD NOT CONCEIVABLY POSE THREAT TO ISRAEL. FINALLY, GOI SEEMS TO ESTIMATE THAT HUSSEIN HAS VARIOUS TACTICAL POSSIBILITIES AVAILABLE TO STALL ACTUAL ENTRY ARAB TROOPS INDEFINITELY AND THAT, SINCE HE OBVIOUSLY DOES NOT WANT SUCH TROOPS IN JORDAN, HE WILL SO MANEUVER AS TO PREVENT THEIR ARRIVAL.

3. IN SPITE OF FOREGOING ESSENTIALLY SHORTRUN CONSIDERATIONS, WE ARE OF OPINION THAT ISRAELIS' ESTIMATE OF LONG RUN FACTORS WOULD BE CONTROLLING IN DETERMINING THEIR REACTION. PROPOSED INCREASE IN SIZE JORDANIAN ARMY (APPARENTLY BY TWENTY PERCENT) WOULD ALMOST CERTAINLY CAUSE SEVERE ADVERSE RESPONSE HERE OF ITSELF, EVEN IF NO FOREIGN TROOPS WERE INVOLVED. IMMINENT OR ACTUAL MOVEMENT FOREIGN ARAB TROOPS INTO JORDAN TO EFFECT INCREASE WOULD CAUSE VEHEMENT REACTION AND MIGHT WELL BE CONSIDERED INTOLERABLE. ISRAELIS WOULD COME QUICKLY TO VIEW IT AS FIRST STEP ON SLIPPERY SLOPE BY HUSSEIN THAT SLANTS TO A JORDAN UNDER CONTROL OF RADICAL ARAB FORCES, SERVING AS BASE FOR INTENSIFIED QUOTE WAR OF LIBERATION UNQUOTE AGAINST ISRAEL. ESHKOL GOVERNMENT ALREADY UNDER HEAVY CRITICAL FIRE AT HOME BECAUSE OF ECONOMIC PROBLEMS AND TO LESSER DEGREE ITS MISHANDLING SAMU OPERATION WOULD, WE EXPECT, ALSO BE TAXED SORLY BY MILITANT ZIONISTS ABROAD IF IT DISPLAYED LACK OF RESOLUTION AND BOLDNESS IN COPING WITH THIS NEW THREAT TO ISRAEL'S EXISTENCE.

4. WE DO NOT BELIEVE PRESENT GOVERNMENT OR ANY LIKELY SUCCESSOR COULD, EVEN IF IT WISHED, DO OTHER THAN RESPOND ENERGETICALLY IF INTRODUCTION FOREIGN ARAB TROOPS INTO JORDAN ACTUALLY TAKES PLACE OR SEEMS TRULY IMMINENT UNDER CONDITIONS THAT WOULD BE INTERPRETED AS POSING AN IMMEDIATE THREAT TO ISRAEL AND/OR SETTING PRECEDENT FOR SUBSEQUENT ENLARGED FOREIGN ARAB MILITARY PRESENCE IN JORDAN. PRECISE FORM OF ISRAELI RESPONSE IN THESE CIRCUMSTANCES WOULD OF COURSE DEPEND ON PARTICULAR CIRCUMSTANCES PREVAILING. OF ONE THING I BELIEVE WE CAN BE SURE: GOI WOULD INTERPRET SUCH ARAB ACTION AS DIRECT CHALLENGE TO CREDIBILITY OF ITS DETERRENT AND WOULD BY THE MEANS AT ITS DISPOSAL PRESS US TO HELP RESTORE THAT CREDIBILITY. THUS INTRODUCTION OF FOREIGN ARAB TROOPS INTO JORDAN COULD ULTIMATELY BE AN EXPENSIVE PROPOSITION IN MONEY TERMS FOR USG; IN FACT WE MIGHT HAVE TO PAY FOR SAMU TWICE.

DTG: 22/1530Z DEC 1966

~~SECRET~~ ~~EXHIBIT~~

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-148
By fw, NARA, Date 9-8-92

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1966 DEC 22 18 18

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DE WTE 2744

~~CONFIDENTIAL~~

FROM: WALT ROSTOW
TO: GEORGE CHRISTIAN
CITE: CAP661292

~~CONFIDENTIAL~~

THURSDAY - DECEMBER 22, 1966

FREI AND COSTA E SILVA VISITS

BASED ON DAN KURZMAN'S ARTICLE IN THE POST THIS MORNING
YOU MAY BE ASKED ABOUT THE RELATIONSHIP BETWEEN THE
COSTA E-SILVA AND FREI VISITS.

I RECOMMEND THAT IF YOU ARE ASKED ABOUT THE VISITS, YOU
MAKE THESE POINTS:

1. WE HAVE EXCELLENT RELATIONS WITH CHILE AND BRAZIL.
WE WELCOME THESE DISTINGUISHED VISITORS TO OUR
COUNTRY. THERE ARE IMPORTANT BILATERAL AND RE-
GIONAL MATTERS TO BE DISCUSSED WITH THEM.
2. THE FREI VISIT IS AN OFFICIAL VISIT WHICH HAS BEEN
UNDER CONSIDERATION FOR SEVERAL MONTHS. LING GORDON
EXTENDED THE INVITATION LAST MAY, BUT IT HAS NOT
BEEN POSSIBLE, DUE TO UNCERTAINTIES OVER THE DATE
FOR THE OAS SUMMIT MEETING, TO WORK OUT A MUTUALLY
CONVENIENT DATE UNTIL NOW.
3. PRESIDENT-ELECT COSTA E SILVA PLANS TO VISIT THE US
AS PART OF A WORLD TOUR. HE WILL BE IN WASHINGTON ON
JANUARY 26 AND 27. HE WILL BE ASSUMING OFFICE ON
MARCH 15. THIS VISIT AFFORDS THE OPPORTUNITY TO
EXCHANGE VIEWS WITH THE INCOMING PRESIDENT OF THE
LARGEST COUNTRY IN LATIN AMERICA.
4. THE PROGRAMS FOR THE VISITS ARE BEING WORKED OUT.

DTG: 22/1633Z DEC 1966

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EXDIS

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1966 DEC 22 17 49

FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP661290

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 91-147

By inf, NARA, Date 9-3-91

~~CONFIDENTIAL~~ EXDIS

DECEMBER 22, 1966

HEREWITH A CALL BY GEORGE MCGHEE ON KIESINGER IN WHICH
THEY TOUCH ON NON-PROLIFERATION AND KIESINGER EXPRESSES HIS
HOPE FOR A VISIT BY YOU.

STATE 106794

1. THIS MESSAGE SHOULD BE CONSIDERED AS BEING A REPORTING TELEGRAM
FROM AMEMBASSY BONN.

2. I CALLED LATE YESTERDAY ON CHANCELLOR KIESINGER AT MY REQUEST.
I WAS WITH HIM FOR AN HOUR. ONLY HIS AIDE, FONOFF REP OSTERHELD,
WAS PRESENT. THIS WAS MY FIRST OPPORTUNITY TO CALL ON THE CHANCELLOR,
WHO WAS INDUCTED ON DECEMBER 1. HE HAD ONLY THE PREVIOUS DAY GIVEN
HIS INITIAL RECEPTION FOR FOREIGN AMBASSADORS--THUS PUTTING HIMSELF
IN BUSINESS.

3. I CONGRATULATED THE CHANCELLOR ON HIS ELEVATION TO HIS
HIGH OFFICE. RECALLING OUR LONG ASSOCIATION WHEN HE WAS MINISTER-
PRESIDENT OF BADEN WUERTTEMBERG I EXPRESSED MY PLEASURE AND
THAT OF OUR GOVERNMENT IN WORKING WITH HIM. WE KNOW HIM WELL AND
HAD FULL CONFIDENCE IN HIM AND IN HIS FRIENDSHIP FOR THE US.

4. I THEREUPON GAVE HIM THE LETTER TO HIMSELF FROM THE PRESIDENT
DATED DECEMBER 19, TOGETHER WITH THE CHRISTMAS CARD FROM THE PRESIDENT.
KIESINGER READ THE LETTER CAREFULLY, EXPRESSED APPRECIATION FOR THE
WARMTH OF THE PRESIDENT'S GREETING AND SAID HE WOULD REPLY SHORTLY.

5. I ALSO GAVE THE CHANCELLOR FOR LATER READING THE US POLICY STATEMENT APPROVED BY THE DEPT FOR TRANSMISSION TO FONNIN BRANDT, AND A COPY OF THE VERY FAVORABLE NY TIMES EDITORIAL OF THAT DAY WHICH COMMENTED ON HIS POLICY STATEMENT TO THE BUNDESTAG. I ATTEMPTED TO CLARIFY FOR THE CHANCELLOR THE CONFLICTING RUMORS CONCERNING THE POSSIBILITY OF A VISIT OF THE PRESIDENT TO EUROPE IN THE SPRING, BY READING TO HIM THE MOST RECENT OFFICIAL US STATEMENT (MADE DECEMBER 12) ON THIS QUESTION.

6. KIESINGER THEN COMMENTED THAT GERMAN AND AMERICAN INTERESTS WERE TO A VERY WIDE EXTENT THE SAME. HE PROPOSED TO DEVELOP AND EXPAND OUR TRADITIONAL GOOD RELATIONS -- TO BRING OUR NATIONS INTO A CLOSE UNDERSTANDING. HE REFUSED TO ACCEPT AN "EITHER-OR" IN GERMANY'S RELATIONS WITH FRANCE AND THE US. ALTHOUGH HE HOPED TO ESTABLISH GOOD RELATIONS WITH FRANCE, THIS NEED NOT BE AT THE EXPENSE OF RELATIONS WITH US. THERE ARE MANY ISSUES, NATO ORGANIZATION FOR EXAMPLE, ON WHICH HE DIFFERS SHARPLY FROM FRANCE.

7. I ASSURED KIESINGER THAT WE HAD NO DOUBTS AS TO HIS IMPARTIALITY. WE WERE NOT ENGAGED IN A RUNNING POPULARITY CONTEST WITH THE FRENCH. WE HOPED HE WOULD BE ABLE TO DEVELOP CLOSE AND FRUITFUL RELATIONS WITH FRANCE, WHICH WE CONSIDERED TO BE VITAL FOR THE PEACE OF EUROPE.

8. I THEREUPON RAISED WITH THE CHANCELLOR THE PARTIAL DRAFT NON-PROLIFERATION TREATY WHICH I HAD BEEN INSTRUCTED TO TAKE UP WITH THE FONNIN EARLIER THAT DAY. I EMPHASIZED THAT IN OUR JUDGEMENT THE DRAFT DID NOT FORECLOSE ANY IMPORTANT GERMAN NUCLEAR OBJECTIVES, INCLUDING THE EVENTUAL CREATION OF A EUROPEAN NUCLEAR FORCE, TO WHICH THE CHANCELLOR HAD MADE REFERENCE IN HIS TELEVISION APPEARANCE ON DECEMBER 18. IT WOULD ENHANCE GERMANY'S IMAGE - PARTICULARLY IN EASTERN EUROPE. IF, ON THE OTHER HAND, GERMANY WERE THE ONLY IMPORTANT "HOLDOUT" TO A NON-PROLIFERATION TREATY, HER REPUTATION WOULD SUFFER ENORMOUSLY.

9. KIESINGER REPLIED THAT ALTHOUGH THE MATTER HAD BEEN DISCUSSED BRIEFLY IN THE CABINET MEETING THAT MORNING, THERE HAD BEEN NO OPPORTUNITY FOR DETAILED STUDY OF THE DRAFT ITSELF. THE GERMAN POLICY, AS GIVEN IN HIS POLICY STATEMENT, WAS QUITE CLEAR. THEY WERE AGAINST GERMAN POSSESSION OR CONTROL OF NUCLEAR WEAPONS. HE IS AWARE OF THE STRONG REACTION THERE WOULD BE AGAINST GERMANY IF THEY WOULD OPPOSE A TREATY. THEIR ONLY CONCERN IS ONE OF "KEEPING THE DOOR OPEN" -- FOR OPTIONS FOR THE FUTURE, AND TO ASSURE GERMANY'S NUCLEAR PROTECTION AFTER THE TREATY IS SIGNED. HE QUERIED ME AS TO OUR IMPRESSION OF TIMING. WHEN WOULD GERMANY BE FACED WITH A DECISION? THE NEXT CABINET MEETING WAS SCHEDULED FOR JANUARY 11. I UNDERTOOK TO INFORM THE FONOFF ON THIS POINT.

10. I THEN RAISED WITH KIESINGER THE QUESTION OF EASTERN POLICY. THERE WAS MUCH IN HIS POLICY STATEMENT WHICH CORRESPONDED CLOSELY TO PORTIONS OF THE PRESIDENT'S SPEECH OF OCTOBER 7. FONMIN BRANDT HAD YESTERDAY BEFORE THE WEU SPOKEN, AS HAD THE PRESIDENT, OF THE POSSIBILITY OF PHASED WITHDRAWAL OF FORCES FROM CENTRAL EUROPE.

11. KIESINGER REPLIED THAT HE DID NOT EXPECT SPECTACULAR RESULTS FROM HIS POLICY, HOWEVER, "SOMETHING NEW WOULD HAPPEN." HE WISHED TO AVOID THE OLD NOMENCLATURE -- "MUST DETENTE PRECEDE REUNIFICATION OR VICE VERSA." THE SUPREME GERMAN POLICY WAS NOT REUNIFICATION BUT PEACE. ALTHOUGH THIS IS NOTHING NEW, THERE WAS RELIEF ON THE PART OF THE GERMANS THAT HE HAD STATED IT. THE NEW POINT THAT HE SOUGHT TO INJECT WAS "THAT WE SHOULD ALL TOGETHER TRY TO ACHIEVE DETENTE" -- AT THE SAME TIME BEING SURE THAT NOTHING WAS LEFT UNDONE IN THE MILITARY FIELD. INDEED, HAS NOT THE RATIO OF FORCES TURNED IN RECENT YEARS IN FAVOR OF THE SOVIETS? WE MUST NOT LOSE THE MILITARY CONFRONTATION, HOWEVER DETENTE MUST BE PURSUED AND REUNIFICATION MUST BE "INFUSED" INTO IT.

12. I ASSURED THE CHANCELLOR OF OUR SINCERE DESIRE TO SEE REUNIFICATION ACCOMPLISHED. WE WOULD NOT BE CONTENT MERELY TO AWAIT ITS COMING ABOUT AUTOMATICALLY THROUGH THE HISTORICAL WELDING TOGETHER OF EAST AND WEST EUROPE, IF IT COULD BE ACCOMPLISHED EARLIER IN ANY OTHER PEACEFUL WAY.

13. KIESINGER THEN COMMENTED ON THE FACT THAT, ALTHOUGH THERE WAS SOME ANTI-AMERICAN FEELING IN EUROPE, THIS WAS LEAST TRUE OF ALL IN GERMANY -- DESPITE EFFORTS BY THE NPD TO STIR IT UP. THE ONLY REAL PROBLEM WAS A FEAR ON THE PART OF SOME THAT THE US WOULD SEEK DETENTE AT THE EXPENSE OF REUNIFICATION. GERMANY SHOULD NOT PUT ITSELF IN THE POSITION OF A GIRL WHO CONSTANTLY SEEKS REASSURANCE FROM AN OLD LOVER "THAT HE STILL LOVES HER". THIS IS NOT DIGNIFIED. GREAT GOOD COULD BE ACCOMPLISHED, HOWEVER, IF THE PRESIDENT COULD COME TO GERMANY AND EXPLAIN HIS POLICIES. HE WOULD BE WELL RECIEVED.

~~CONFIDENTIAL~~ EXDIS

DTG: 221531Z DEC 66

~~CONFIDENTIAL~~

December 22, 1966

FROM WALT ROSTOW
TO THE PRESIDENT

Senator McClellan called me today about the Wortham case. The boy is from North Little Rock. He had been informed by John Leddy that we are planning to assist Wortham in filing a judicial appeal and an appeal for clemency immediately; and we shall also try to obtain his release on bail.

He wanted to be able to tell the parents that the White House was "interesting itself" in the case.

I spoke to Tommy Thompson who said he would talk to Dobrynin about it on his return tomorrow or Friday.

The problem is this: we do not expect our appeals to be successful and we anticipate growing public pressure for a trade involving the convicted Soviet spy Igor A. Ivanov. All hands agree such a trade would be bad medicine because it would make every tourist vulnerable to pick-up for spy-trading purposes.

After a second talk with Senator McClellan in which I made no promises but said we were interested and would follow the case, he said he was satisfied. He volunteered that a trade would not be appropriate; but that it might be important at some stage for the White House to indicate interest and activity so the folks back home felt all was being done that might be done.

~~CONFIDENTIAL~~

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We'll hear more of this before we hear less.

~~CONFIDENTIAL~~

December 22, 1966

FROM WALT ROSTOW

TO THE PRESIDENT

Herewith Orville's account of his backgrounder and his crop estimates.

64a



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON

December 22, 1966

MEMORANDUM

To: The President
The White House

From: Orville L. Freeman
Secretary of Agriculture

India announcement made. No attribution as to source other than high Government official. No attribution on backgrounder. I believe it went well. Each of the five points was strongly made as instructed. Always difficult to anticipate press reaction but I'm optimistic that we've cleared the air. I have reached Dole and McGee. They are pleased with the President's action and look forward to reviewing this matter with the President shortly after the first of the year. They expressed particular pleasure at the fact the President is anxious to have full consultation with Congress and chooses not to commit any greater amounts than absolutely necessary until that consultation has been accomplished. I indicated to them that if the situation required it and Congress was unable to act rapidly enough the President would discuss with them the possibility of another interim allocation, perhaps matching that announced this date. They considered this a very sound approach and said it commanded their full support.

Dole volunteered, I thought somewhat sheepishly, that the press had taken him. He claimed he had refused to give them any numbers and said that would have to await for a Presidential announcement. Apparently the press wheedled out of him some comment vis-a-vis the two million ton number that has been batted about. He seemed chagrined so I didn't push him on it. I have found it somewhat difficult to scold Republicans when we need to work closely with them on a non-political basis. I have calls in for Miller and Poage and will try and button them up as soon as they hit these shores.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON

DEC 22 1966

MEMORANDUM

To : The President
The White House

From : Orville L. Freeman

Subject: Grain and Soybean Supplies

Orville L. Freeman

You will recall that we had been concerned over our stocks of wheat, feed grains and soybeans next year, and that we have encouraged farmers to increase their plantings of these crops in 1967.

The Under Secretary's memorandum to you of December 6 reviewed wheat availabilities for cash and food aid markets during the remainder of this year and indicated that there was some chance that our wheat stocks on June 30, 1967 might slip below the 400 million bushel target we set six months ago.

Today's crop estimate is very encouraging from the standpoint of insuring adequate supplies of grain and soybeans for all foreseeable markets, and stable prices.

- * Winter wheat in 1967 is estimated at nearly 1.3 billion bushels, compared with 1.06 billion bushels this year, despite poor moisture conditions in the Central and Southern Plains. Farmers have planted 26% more wheat than last year -- most of the 32% increase authorized.
- * Soybean plantings are expected to be up 8%. This should provide 75 million bushels more soybeans in addition to this year's 930 million bushel crop. This is right on our target of 1 billion bushels in 1967. It will mean a real boost for our exports, and should moderate protein meal prices.
- * Corn acreage is estimated at 8% more than 1966. This is a nice increase, but not as much as we would like to have to replenish our stocks and to maintain stable yet strong prices. We will have to take another look at the feed grain situation.

Crop acreages as indicated will give us needed supplies next year to export aggressively for dollars, meet requirements at home, and still be in a position to take full advantage of the economic and political leverage inherent in our position as the bread basket of the world. Now we must be prudent and manage it so fair prices will hold.

via pouch
to Lench
12/22/66

Thursday - December 22, 1966

Mr. President:

Ambassador Tomic has given us the text of President Frei's statement announcing his acceptance of your invitation to come to Washington. It reads:

"I have received the very cordial invitation of the President of the United States, His Excellency Lyndon B. Johnson, to visit him on the first and second of next February in Washington.

"I have accepted this invitation because I consider it to be of great importance, since it will permit us to talk over the plans of the Government of Chile, to analyse the problems that concern our two nations, and to study the future of the Alliance for Progress in relation with the forthcoming meeting of Presidents of the American Republics.

"I feel sure that Chilean public opinion will understand the importance of this meeting. I advance my thanks for the tenor of the invitation of President Johnson and the manner in which he refers to the action of our Government and the results of the experiment that we are carrying out in our country."

W. W. Rostow

Thursday, December 22, 1966 -- 6:45 p.m.

MEMORANDUM FOR THE PRESIDENT

AEC Chairman Seaborg has requested your approval of his travel plans for the period January 3 to January 15, during which time he will be visiting Australia, India and Pakistan. During his absence, there will be at least one and usually more of the Commissioners in Washington.

Secretary Rusk has no objection to Dr. Seaborg's plans and I recommend your approval. If you concur, I will sign the attached note to him.

W. W. Rostow

____ Approved

____ Disapproved

____ See me

MEMORANDUM FOR THE CHAIRMAN,
ATOMIC ENERGY COMMISSION

The President has noted your letter to him of December 20, 1966 concerning your travel plans for the period January 3 to January 15. This is to record the President's approval of these proposed plans.

W. W. Rostow

December 22, 1966

FROM ORVILLE FREEMAN
TO THE PRESIDENT

I have conferred with Rostow and Katzenbach pursuant to your instructions that the India announcement be made on a low key basis. The following statement has their concurrence.

"It was announced today that an allocation of 900,000 tons of grain, 50% wheat and 50% sorghum, has been made to India. Immediate shipment will be made with arrivals during the month of February and early March. Combined with earlier U.S. authorizations, purchases by India and grants by Australia and Canada, grain arrivals in India will continue to be around the record million ton per month level. Substantial stocks of privately owned and CCC wheat and grain sorghum are positioned in Atlantic, Gulf and West Coast ports to ~~speed~~^{speed} shipments."

As directed, I plan to hold a press backgrounder prior to releasing the statement. That backgrounder will emphasize the following points.

1. That grain arrivals in India in February will maintain the million ton record level.
2. That other countries are joining with us in meeting India's needs. I will repeat what I said in Austin that a 50-50 proportion with other countries around the world is not unreasonable.
3. That progress has been made by India in ~~strengthening~~ strengthening her agriculture. The self-help criteria are being met.

4. That the President does not want to go any further in connection with grain allocations to India than is absolutely necessary until Congress has had the opportunity to consider the matter.

5. That purchases have been made by India on a commercial basis ^{in the US} and that the proportion between the commercial and the concessional is improving.

Each of these points will be developed as effectively as possible during the course of the backgrounder.

*Dictated over telephone
by Miss Warren*

~~SECRET~~ - SENSITIVE

Thursday - December 22, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Follow-up on your instruction regarding Irving Davidson

With respect to Irving Davidson's conversation with President Balaguer, you gave me instructions-

1. to explain to Balaguer what our policy toward Haiti is;
2. to warn Balaguer that Irving Davidson has no authority to speak for you and is not to be trusted;
3. to tell Davidson in unmistakable terms that he is to cease forthwith using your name in any way.

Ambassador Crimmins has carried out the first point through a conversation with President Balaguer.

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State called in Davidson yesterday and gave him the message loud and clear.

W. W. Rostow

~~SECRET~~ - SENSITIVE

SANITIZED
Authority NLJ 019-012-1-3
By GP, NARA, Date 12-13-01