

Mr. Rostow

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

*to [unclear]  
2. Des file*

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December 22, 1966

MEMORANDUM FOR THE PRESIDENT

*was pouch  
to Rusk*

SUBJECT: Food for Algeria

After much soul-searching, Secretary Rusk recommends a PL 480 Title IV dollar sale of 200,000 tons of wheat to Algeria (attached). Last February you approved a similar sale. But except for that and a little continuing technical assistance (\$125,000), our program in Algeria has been on dead center ever since because of Algeria's vociferous opposition to our position in Viet Nam.

These political problems remain because the Algerians can't dissociate their own revolutionary experience from what is going on in Viet Nam today, no matter how often we point out the differences. The large buildup of Soviet weapons there also upsets our friends in Morocco and Tunisia. But if it were not for Viet Nam, we'd be on relatively good terms with this government. It has not caused trouble elsewhere in Africa, and its interests do not cross ours anywhere.

Despite these political differences, we still face the fact that Algeria is potentially one of the half-dozen African powers of tomorrow. When its government becomes more effective, its oil revenues could underwrite substantial development from the already good French base. Its successful revolution gives it the credentials of leadership among the Afro-Asian nations. Its population and army will be among Africa's largest and strongest.

The main question is whether we want to play for a continuing role there despite its unfriendly public attitude on Viet Nam. The Soviets and French are making a major play for Algeria and would be glad to see us drop out. So far our food has been our blue chip in this game. Now, we must decide whether we will ante up for another round.

Secretary Rusk on balance thinks we should go ahead. Averell Harriman--just back from Algeria--says: "I feel the Algerian government is worth cultivating. Nothing is to be gained by accentuating our differences. They may be helpful in finding a peaceful solution to Vietnam." (His fuller report on his talks in Algeria is attached to Secretary Rusk's memo.)

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- 2 -

Apart from the politics, the North Africans suffered a severe drought this year, and Algeria estimated its need at slightly over 900,000 tons of grain. They've bought 500,000 tons (400,000 in the US) for cash, and the Soviet Union has offered 200,000. This leaves a gap of slightly over 200,000 which Secretary Rusk recommends we fill.

EO 12958

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(C)

He would like to go ahead in the next few days so we can negotiate a new agreement before 31 December. First, while Algerian supplies probably would carry the government into the early spring, we have [REDACTED] indicating that it feels it must make its own arrangements to cover the rest of the gap in the next few weeks for political reasons. Second, he would like to avoid your having to make a determination-- which you've objected to but which will be required under the new legislation beginning 1 January--that it's in the national interest to aid Algeria despite its trade in non-strategic goods with Cuba. It will also be easier to negotiate an agreement with the Algerians under the present legislation than under the new because we are not in any position to discuss changes in its own agricultural practices unless we can expand our technical help.

I have to admit I'm torn. I recognize the pain Algeria causes us on Viet Nam, but it's not in a position to do us much positive harm or good. I also know that rushing to beat the 31 December deadline may not square with your own strenuous effort to shift the food program to harder terms. However, the Algerians have suffered drought and have already bought almost half their requirements here for hard cash, and this concessional sale is repayable in dollars.

Therefore, I recommend looking at this primarily in Algerian terms and lean toward keeping a foot in the door as long as we can do it with mostly dollar sales and a little technical aid.

W. W. Rostow

Approve Title IV sale and current  
technical assistance level \_\_\_\_\_

Disapprove \_\_\_\_\_

Let's talk \_\_\_\_\_

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5286-  
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THE SECRETARY OF STATE  
WASHINGTON

December 20, 1966

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MEMORANDUM FOR THE PRESIDENT

Subject: Assistance to Algeria

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

Recommendation:

I recommend that we be authorized to negotiate a sale to Algeria of 200,000 tons of wheat on PL 480 Title IV concession-  
al terms the same as those for our previous sale in February  
(payable in dollars over 20 years at 3-1/2 percent interest).  
This would be in response to an urgent Algerian request for  
help in making up a crop year wheat deficit of over 900,000  
tons due to the severe North African drought.

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

Discussion:

Algeria continues to pose problems for us. There has  
been some improvement in the Algerian performance domestically  
and internationally since the deposition of Ben Bella, al-  
though our relations remain somewhat ambiguous and difficult,  
primarily because of differing attitudes towards the Vietnam  
problem. Algerian officials have, however, repeatedly assured  
us of their goodwill and desire to improve relations with the  
U.S.

At the same time, we enjoy considerable sympathy and  
support among the people generally and at the technical level

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Group 3

Downgraded at 12 year  
intervals; not auto-  
matically declassified

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-2-

of the GOA. We would not wish to lose these assets, which will become more important as time goes on, particularly in view of Algeria's strategic location and great economic potential. Both the French and Soviets are making a major effort in Algeria, and neither would be unhappy to see the U.S. abandon Algeria completely.

The Title IV sale recommended above, in addition to the few ongoing activities under the February 23 agreement, constitute the minimum that will enable us to maintain a modest presence and some influence in Algeria. Refusal to assist Algeria in the cereals field during this year of serious drought and crop failure would result in serious deterioration in our relations, with the virtual elimination of an official U.S. presence in the form of aid activities and dim prospects for U.S. private investors. The Algerian Government has already drawn on its currency reserves for commercial purchases of some 500,000 tons of wheat, most of it in the American market, and the Soviet Union is reported to have offered 200,000 tons. Unless the Algerian Government can find means to meet the remaining deficit, severe hardship among the people will result and American failure to assist will be held partly to blame, thereby jeopardizing four years of considerable effort in people-to-people diplomacy.

Governor Harriman, who has just returned from talks with the Algerian leaders in Algiers, has provided his impressions in the memorandum attached. On balance, despite some difficulties over Vietnam attitudes, he is in favor of continuing to work with the Algerians where we can. In particular, he says that considering the unusually bad crop year he supports the recommendation for a Title IV sale and adds that he would give the Algerian request a very much higher priority than that of the U.A.R.

Algeria has no trade with North Vietnam and only limited trade with Cuba in items (wine, olive oil, cork) that would be waivable under the Findley Amendment when it takes effect. However, we are anxious to conclude an agreement with Algeria prior to December 31; we do not anticipate a Congressional problem in any event, but we do not think the Algerian Government can wait any longer to be assured that supplies will be forthcoming.

The Department of

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-3-

The Department of Agriculture and AID agree to this concessional sale.

Additional information is included in the enclosed paper.

*Dean Rusk*

Dean Rusk

Enclosures:

1. Background Paper
2. Memorandum from Governor Harriman
3. Letter to Department of Agriculture on Trade with North Vietnam

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## Assistance to Algeria

On February 23, 1966 we signed an aid agreement with the Government of Algeria involving PL 480 assistance, participant training in the U.S., continuation of the CARE-MEDICO medical program and a statement of mutual intent to negotiate rapidly an Investment Guarantee Agreement. The agreement noted also that the U.S. was supporting indirectly through the World Food Program a food-for-work project for which the U.S. ceased direct PL 480 support during negotiation of the agreement. Publication on the following day of a letter from Boumediene to Ho Chi Minh resulted in a decision by Mr. Mann neither to raise the Investment Guarantee Agreement with the GOA nor to consider any new approvals pending a new policy review. To date, the U. S. has complied with the initial PL 480 aspects of the agreement by selling and shipping 200,000 tons of Title IV wheat, approving the FY 1966 portion of a three year phase-out arrangement for Title III voluntary agency food shipments and allocating wheat to the WFP for the first year requirements of the work project noted above.

We have been following the development of the Algerian Government's attitude towards us closely and we find some grounds for hope. The Boumediene regime seems slowly to be sorting itself out. Responsible government officials, including the President, have assured us repeatedly of their desire for improved relations with the U.S. Although there have been hostile pronouncements by the regime on Vietnam, we have noted somewhat increased understanding of the U.S. position following intensive diplomatic discussions. We therefore have reason to hope that the GOA can in time be persuaded to moderate its public position on Vietnam in our favor.

The chances for this change would be more remote, I believe, if the U.S. fails to implement the February 1966 agreement and to approve a new Title IV PL 480 sale. Aside from the Vietnam problem, refusal to proceed with these activities, which would mean total withdrawal of assistance, would support the theory current in some GOA circles that the U.S. is basically unfriendly to Algeria, and that we are providing major aid to Tunisia and Morocco with the aim of "surrounding" Algeria.

The entire Maghreb has been hard hit by this year's drought, Morocco and Algeria most seriously. PL 480 cereals have been requested in large quantities and supplied to Morocco and Tunisia.

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E.O. 12356, Sec. 3.4

NJ 91-147~~SECRET~~By ijp, NARA, Date 9-3-91

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U.S. refusal to carry out the US-GOA agreement of last February as regards needy feeding and food-for-work programs and to sell Algeria wheat under PL 480 concessional dollar terms would be a blow that could end any hope of a reasonably satisfactory US-GOA relationship. U.S. refusal to negotiate an Investment Guarantee Agreement would have a similar effect.

Algeria, for better or for worse, will be a dominant force in Northwest Africa for the foreseeable future. Its important natural resources, size, strategic location and influence in the third world are such as to make it in our interest to maintain a modest presence there and to seek, within limits, to expand our influence. I believe that on balance a policy of prudent cooperation with the present government, designed to give us continuing access to GOA officials but not so large as to call forth criticism inside the U.S., is preferable to a posture tantamount to complete withdrawal. It would not appear to be in the U.S. interest to let the Soviets and others have a clear field in this strategically important and potentially rich country, which some day will find its bearings. Moreover, the continuation of some aid is an important factor in enabling us to protect the sizeable U.S. investment in Algeria (about \$150 million) and to hold the door open for the far more sizeable investment opportunities which may eventually be the key to a viable relationship.

It is my view that the U.S. should be prepared to provide certain limited assistance to Algeria over the immediate future. If after an interim period an improvement in US-GOA relations results, a modest expansion and some diversification of aid could be considered, primarily in the form of technical assistance.

However, time is rapidly running out on the prospect for successful conclusion of a PL 480 Title IV agreement with Algeria for political and economic, rather than for legal, reasons.

The only possible legal impediment to a PL 480 agreement this month would be under the Findley amendment in the Agricultural Appropriation Act, but after the most exhaustive search, we have reached the conclusion that Algeria has no trade with North Vietnam. After the Food for Peace Act becomes effective January 1, however, there will be a legal problem because of Algerian trade with Cuba in the past. It has been determined that wine, which was a substantial part of this trade, is within the category of commodities for which you have discretion. If an agreement is concluded after December 31, 1966, the Findley Amendment to the Food for Peace Act would require you expressly to determine such assistance to be in the national interest and publicly to so state.

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The Algerian Government's original request was made on August 13. Unless we are in a position to assure the GOA before the end of the year that a wheat deal will be concluded, it may feel obliged to make arrangements to secure wheat through commercial sources. To be sure, it will pay a heavy price for this in terms of alternative uses of its limited resources -- at a time when fifty percent of the labor force is unemployed -- but the consequences of running short would be politically disastrous, and the government cannot afford such risks. The Boumediene Government is about the best we can hope for in the immediate future. We could not urge it to run those risks unless we had firm indication that you approve the principle of a wheat sale and that only routine paperwork stands in the way of successful conclusion of an agreement.

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Encl. #269c

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December 12, 1966

MEMORANDUM ON ALGERIA

My impressions gained in Algiers, even in a brief three-day period, are perhaps worth recording as the situation is so complex.

My most extensive talks were with Foreign Minister Bouteflika, a three-hour discussion, and then lunch. I was more impressed with him than I expected to be. He looked me straight in the eye, made his statements quietly but definitely, and has an occasional smile. Ambassador Jernegan told me that he was more direct in his conversation with me than on previous occasions. Usually, Bouteflika appears to be devious. He has a forceful personality, young, confident, and with a good opinion of himself, but he showed willingness to listen attentively. He was critical of US policies on Vietnam, but accepted in return my criticisms of the Algerian Government's positions.

He emphasized their policy of non-alignment, and claimed to oppose communism, but he considers Algeria has every right to express its opinions on international questions which concern them. We must recognize that he is part of a revolutionary group that has fought hard to win its battle. While he will not give in to pressure, he appeared to be open to reason on some questions. His experience has been largely with revolutionists. He sympathizes with revolutionary movements, although opposing communism. In Algeria, they put their communists in jail, and, in fact, any one else who threatens their one-party regime.

I was unimpressed by Boumediene. He has not a forceful personality. In fact, he gives the impression of a man who has been picked as a figurehead, and used by activists in the background. However, he firmly states the Algerian Government position, but without fervor. I pressed him hard

on Soviet

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E.O. 12356, Sec. 3.4

NJ 91-147

By up, NARA, Date 9-3-91

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on Soviet arms shipments, to which he replied in a matter of fact manner. I finally got a reaction, however, when I compared Algerian shipments to the large Soviet shipments to Nasser, Iraq, and Syria. He responded vigorously, and took issue with my putting Algeria in the same category as those other Arab countries. Ambassador Jernegan said this was the first time he had seen such an emphatic reaction.

He spoke frankly about Algerian policies, maintained throughout their independence of outside influences, and showed determination to get on with the development of their country, which he believes has vast potentialities.

All in all, although the leaders of the Algerian Government are antagonistic to our policy on Vietnam as they see the conflict as a struggle similar to their own for the independence and unity of the country, I gained the impression that we might be able to work with them in some other fields. Although they consider themselves revolutionaries, they do not appear to have the Ben Bella aggressive designs, nor are they as yet committed to such extreme policies as Nasser. They obviously believe they must hold to their revolutionary posture to maintain control of the party and the country. They are ambitious for the development of their country, but their enthusiasms and confidence are not matched by adequate knowledge or experience.

I feel the Algerian Government is worth while cultivating. Nothing is to be gained by accentuating our differences. They may be helpful in finding a peaceful solution to Vietnam. Considering our past policies of supplying food for relief under Ben Bella, I would recommend that we continue a moderate Title III program and watch developments with the view of increasing our aid if favorable developments occur.

In addition, considering the unusually bad crop this year, I concur in AF's recommendation for an additional 275,000 ton sale of wheat under Title IV concessional terms. I am not

familiar

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familiar with the amount of grain we now have available, but I would give the Algerian request very much higher priority than UAR.

If we refuse any requests, we should make it plain that our reasons for doing so were not political.

A handwritten signature in cursive script, reading "W. Averell Harriman", followed by a horizontal line.

W. Averell Harriman



DEPARTMENT OF STATE  
WASHINGTON

December 17, 1966

Mr. Raymond A. Ioanes  
Administrator  
Foreign Agricultural Service  
Department of Agriculture  
Washington, D. C. 20250

Dear Mr. Ioanes:

The purpose of this letter is to inform you of an additional country for which P.L. 480 sales programs can be continued or initiated notwithstanding the North Vietnam proviso in Title III of the Department of Agriculture and Related Agencies Appropriation Act, 1967. This information is being supplied on the same basis as that supplied in the earlier letters to you on the same subject.

The additional country on which you may now proceed is Algeria. We have no reason to believe that the above proviso would prohibit going forward with programs for Algeria.

Sincerely yours,

*K. E. Malmberg*  
K. E. Malmberg  
Attorney  
Office of the Legal Adviser

CONFIDENTIAL

Wednesday - December 21, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Trends in Latin America: Curbing of University  
Autonomy

An interesting new trend in Latin America is the action by several democratic governments to curb the "autonomy" of state universities. This is largely a reaction to use of the university by extreme elements (largely communists) to foster anti-government activities and as safehavens for terrorist and guerrilla activities. It is also a reflection of growing impatience with politically-motivated student interference with university administration.

The box score of government action during recent months looks like this:

Chile

In October the Rector of Concepcion University met a communist-led student strike against Peace Corps teachers and modernization of curricula under US private foundation guidance with an ultimatum closing the University and suspending student privileges. The strikers backed down.

Colombia

In late October extremist agitators staged a riot against President Lleras while he was visiting the University campus with David Rockefeller. Lleras sent in troops and subsequently affirmed the right of the government to enter the University grounds whenever necessary.

Guatemala

In late November President Mendez Montenegro warned the leftist-dominated student association that he would not allow student groups to operate in the university with impunity.

Mexico

President Diaz Ordaz in October sent troops to occupy Michoacan University after identification of agitators trained in communist bloc countries in the student disturbances.

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-2-

Panama

Student disturbances have led President Robles to crack down on subversive elements and to consider revoking the university autonomy.

Peru

University authorities closed Lima's prestigious agrarian university when irresponsible elements sparked a strike demanding student control over faculty appointments.

Venezuela

President Leoni this month sent troops to the campus of the Central University of Caracas -- long a safehaven for communist elements responsible for terrorist activities in the capital and guerrilla operations in the interior. He also announced that henceforth all universities would have autonomy over academic programs and administration but the campuses would no longer be immune from government inspection.

This trend carries these benefits:

- The security situation is improved as communists are denied the use of universities as secure bases for operations, and
- The process of modernization of Latin American education will be speeded up if student interference with university administration is curtailed.

W. W. Rostow

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71

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December 21, 1966

FROM WALT ROSTOW  
TO THE PRESIDENT

The following cable is something of a man-bites-dog item.

Frei will apparently announce tonight that Chile will not ask this year for a program loan because of the high copper price.

They would proceed with sector loan negotiations on education and agriculture.

We underlined last night and by telephone today to Santiago that Frei should make no reference to figures or details of our loan negotiations. (Negotiating instructions were very tight as you directed.) Our AID man is now going over draft text of Frei speech.

The reasons cited in following cable are excellent if he presents them to his people. Molina, incidentally, is one of the new breed finance ministers who collects taxes and generally takes development seriously.

(repeat Santiago 2119)

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

WWRostow:rln

~~CONFIDENTIAL~~

Mr. Rostow

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*sent via wire  
to Ranch*

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*From Walt Rostow*

December 21, 1966

MEMORANDUM FOR THE PRESIDENT

*To The President*

SUBJECT: Scenario for South Asia Moves

*If and* When you <sup>are</sup> ready to make your Indian food decision, you may <sup>wish</sup> want to check this rundown of the related decisions on India and Pakistan you also have to work with.

1. At the top of the list is the \$25 million CARE special nutrition program in India for expectant mothers and children in the worst drought areas. This is a significant effort which could reach 5-7 million of the most vulnerable people, and you could well couple it with whatever announcement you make on the major feeding program. (I sent you a memo and draft press release Friday.)

2. PL 480 for Pakistan is the next priority since we ought to sign a new agreement next week to keep their pipeline going. I don't recommend specifically linking this to the Indian program. Ayub resents our linking his programs with India's and there's no need to rub in the fact that we have to think of them together. The Paks have already done a good job buying here and elsewhere to cover their own gaps and their agricultural performance has been good. But if we delay a substantial decision too long, they will feel impelled to use so much of their scarce foreign exchange that import liberalization and other desirable development policies will have to be sacrificed. Simply going ahead with the Pak program as soon after the Indian decision as you are ready ought to make your point that these are all parts of the worldwide food problem you are trying to dramatize.

3. The Pak \$70 million loan is the most flexible, though we don't want to wait too much longer. This is the other important part of Gene Locke's second-round steps to keep your relationship with Ayub developing.

W. W. Rostow

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E.O. 12958, Sec. 3.5

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

By CL, NARA, Date 9-3-98

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WHCA

1966 DEC 21 17 34

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OO WTE10  
DE WTE 2718

FROM: WALT ROSTOV  
TO : THE PRESIDENT  
CITE: CAP661279

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DECEMBER 21, 1966

THE FOLLOWING CABLE IS SOMETHING OF A MAN BITES DOG  
ITEM. FREI WILL APPARENTLY ANNOUNCE TONIGHT THAT CHILE  
WILL NOT ASK THIS YEAR FOR A PROGRAM LOAN BECAUSE OF  
THE HIGH COPPER PRICE. THEY WOULD PROCEED WITH SECTOR  
LOAN NEGOTIATIONS ON EDUCATION AND AGRICULTURE.

WE UNDERLINED LAST NIGHT AND BY TELEPHONE TODAY TO  
SANTIAGO THAT FREI SHOULD MAKE NO REFERENCE TO FIGURES  
OR DETAILS OF OUR LOAN NEGOTIATIONS. (NEGOTIATING  
INSTRUCTIONS WERE VERY TIGHT AS YOU DIRECTED.) OUR AID  
MAN IS NOW GOING OVER DRAFT TEXT OF FREI SPEECH.

THE REASONS CITED IN FOLLOWING CABLE ARE EXCELLENT IF  
HE PRESENTS THEM TO HIS PEOPLE. MOLINA, INCIDENTALLY,  
IS ONE OF THE NEW BREED FINANCE MINISTERS WHO COLLECTS  
TAXES AND GENERALLY TAKES DEVELOPMENT SERIOUSLY.



(REPEAT SANTIAGO 2119)

1. MOLINA INFORMED US TODAY THAT PRESEDENT FREI HAD APPROVED HIS RECOMMENDATION TO FOREGO 1967 PROGRAM ASSISTANCE AS LONG AS CIF COPPER PRICE 45 CENTS OR BETTER. MOLINA SAID PRESIDENT CONVINCED THAT NATION MUST UNDERSTAND ITS NEED TO LIVE WITHIN LIMITS PERMITTED BY ITS RESOURCES AND THAT CHILE COULD NOT ALLOW ITSELF LUXURY OF EXTERNAL BORROWING FOR NORMAL BUDGET LEVELS AT TIME WHEN COPPER PRICES HIGH. MOREOVER PRESIDENT CONVINCED FOREGOING EXTERNAL ASSISTANCE FOR BUDGET FINANCING WOULD SUPPORT HIS EFFORTS OBTAIN BETTER INTERNAL DISCIPLINE ON FISCAL MATTERS ESPECIALLY IN RESISTING EXCESSIVE WAGE DEMANDS AND OBTAIN GREATER INTERNAL CHILEAN EFFORT AND SACRIFICE FOR DEVELOPMENT PROGRAM.

2. MOLINA SAID PLAN IS FOR PRESIDENT MAKE NATIONWIDE TV AND RADIO ADDRESS WEDNESDAY NIGHT STRESSING NEED FOR GREATER INTERNAL SELF-HELP EFFORT ON PART CHILE AND INAPPROPRIATENESS EXTERNAL BORROWING FOR FINANCING NORMAL BUDGET EXPENDITURES AT TIME WHEN COPPER PRICES HIGH.

3. MOLINA STRESSED NEED KEEP THIS INFORMATION CONFIDENTIAL UNTIL AFTER PRESIDENT'S PUBLIC STATEMENT DECEMBER 21, WE ASSURED HIM THIS WOULD BE DONE. MOLINA ALSO REITERATED THAT GOD WILLING HAVE PRIVATE UNDERSTANDINGS WITH US IN REGARD FISCAL, MONETARY, AND EXCHANGE POLICIES.

DTG: 211641Z DEC 1966

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1966 DEC 21 21 54

EEAG11  
OO WTE10  
DE WTE 2728

FROM: WALT ROSTOW  
TO: THE PRESIDENT  
CITE: CAP661283

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DECEMBER 21, 1966

IF AND WHEN YOU ARE READY TO MAKE YOUR INDIAN FOOD DECISION, YOU MAY WISH TO CHECK THIS RUNDOWN OF THE RELATED DECISIONS ON INDIA AND PAKISTAN YOU ALSO HAVE TO WORK WITH.

1. AT THE TOP OF THE LIST IS THE \$25 MILLION CARE SPECIAL NUTRITION PROGRAM IN INDIA FOR EXPECTANT MOTHERS AND CHILDREN IN THE WORST DROUGHT AREAS. THIS IS A SIGNIFICANT EFFORT WHICH COULD REACH 5-7 MILLION OF THE MOST VULNERABLE PEOPLE, AND YOU COULD WELL COUPLE IT WITH WHATEVER ANNOUNCEMENT YOU MAKE ON THE MAJOR FEEDING PROGRAM. (I SENT YOU A MEMO AND DRAFT PRESS RELEASE FRIDAY.)

2. PL 480 FOR PAKISTAN IS THE NEXT PRIORITY SINCE WE OUGHT TO SIGN A NEW AGREEMENT NEXT WEEK TO KEEP THEIR PIPELINE GOING. I DON'T RECOMMEND SPECIFICALLY LINKING THIS TO THE INDIAN PROGRAM. AYUB RESENTS OUR LINKING HIS PROGRAMS WITH INDIA'S AND THERE'S NO NEED TO RUB IN THE FACT THAT WE HAVE TO THINK OF THEM TOGETHER. THE PAKS HAVE ALREADY DONE A GOOD JOB BUYING HERE AND ELSEWHERE TO COVER THEIR OWN GAPS AND THEIR AGRICULTURAL PERFORMANCE HAS BEEN GOOD. BUT IF WE DELAY A SUBSTANTIAL DECISION TOO LONG, THEY WILL FEEL IMPELLED TO USE SO MUCH OF THEIR SCARCE FOREIGN EXCHANGE THAT IMPORT LIBERALIZATION AND OTHER DESIRABLE DEVELOPMENT POLICIES WILL HAVE TO BE SACRIFICED. SIMPLY GOING AHEAD WITH THE PAK PROGRAM AS SOON AFTER THE INDIAN DECISION AS YOU ARE READY OUGHT TO MAKE YOUR POINT THAT THESE ARE ALL PARTS OF THE WORLDWIDE FOOD PROBLEM YOU ARE TRYING TO DRAMATIZE.

3. THE PAK \$70 MILLION LOAN IS THE MOST FLEXIBLE, THOUGH WE DON'T WANT TO WAIT TOO MUCH LONGER. THIS IS THE OTHER IMPORTANT PART OF GENE LOCKE'S SECOND-ROUND STEPS TO KEEP YOUR RELATIONSHIP WITH AYUB DEVELOPING.

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DECLASSIFIED

E.O. 12356, Sec 3.4

NJ 89-26

By 48 NARA Date 5-14-90

DTG: 212053Z DEC 66

FROM QUICK COPY



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E.O. 12356, Sec. 3.4

NLJ 91-148

By ju, NARA, Date 9-8-92

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~~SECRET~~

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DE WTE2721

SENT  
WHCA

FROM: WALT ROSTOW  
TO : THE PRESIDENT  
CITE: CAP661280

1966 DEC 21 19 37

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DECEMBER 21, 1966

SUBJECT: HELICOPTERS FOR MALAYSIA

YOU WILL RECALL YOUR DECISION TO OFFER THE SALE OF HELICOPTERS TO MALAYSIA AT 4 PER CENT INTEREST AND REPAYMENT OVER 7 YEARS. STATE AND DEFENSE ARE PREPARED TO MOVE FORWARD AND HAVE RAISED NO NEW CONSIDERATIONS.

STATE PROPOSES TO INFORM THE MALAYSIANS OF YOUR DECISION IN A LETTER FROM BILL BUNDY TO DEPUTY PRIME MINISTER RAZAK, REPRODUCED BELOW AS TAB A.

THE ALTERNATIVE WOULD BE A MESSAGE FROM YOU, SINCE THE TUNKU RAISED THIS MATTER WITH YOU PERSONALLY IN KUALA LUMPUR. THE DRAFT OF A PROPOSED LETTER FROM YOU TO THE TUNKU FOLLOWS AS TAB B.

IF YOU APPROVE TAB B STATE WOULD GO INTO THE NUTS AND BOLTS OF THE MATTER IN A SUPPLEMENTARY COMMUNICATION, WHICH WOULD UNDERLINE THE DIFFICULTIES INVOLVED AND EXPLAIN WHY THIS OFFER CANNOT BE CONSIDERED AS A PRECEDENT FOR THE FUTURE.

DRAFT LETTER APPROVED -----

DRAFT APPROVED AS REVISED -----

SEND BUNDY-RAZAK LETTER ONLY -----

LET'S DISCUSS -----

TAB A

PROPOSED LETTER TO RAZAK FROM BUNDY



DEAR TUN RAZAK:

I AM WRITING TO LET YOU KNOW THAT, IN RESPONSE TO THE APPEAL OF YOUR PRIME MINISTER, WE HAVE NOW COMPLETED A CAREFUL REVIEW OF THE POSSIBILITIES FOR IMPROVING THE CREDIT TERMS ON SIKORSKY OFFER OF SALE OF 15 HELICOPTERS TO YOUR GOVERNMENT. IN BRIEF, THE PRESIDENT HAS NOW DETERMINED THAT WE SHOULD TAKE THOSE ADDITIONAL STEPS REQUIRED TO MAKE POSSIBLE A 4 PER CENT INTEREST RATE AND 10 PER CENT DOWN PAYMENT. THE TERM OF REPAYMENT WOULD REMAIN AT SEVEN YEARS.

I AM WRITING YOU IN THIS DIRECT AND PERSONAL FASHION TO EXPLAIN THE BACKGROUND OF THE PRESIDENT'S DECISION. NEEDLESS TO SAY, WE HOPE VERY MUCH THAT YOU WILL FIND THESE TERMS ACCEPTABLE, AS IT IS CLEAR THAT THEY ARE THE BEST THAT WE CAN OFFER UNDER PRESENT CIRCUMSTANCES.

EVEN BEFORE YOUR PRIME MINISTER RAISED THE SUBJECT OF YOUR PURCHASE OF HELICOPTERS WITH THE PRESIDENT IN KUALA LUMPUR, WE HAD GIVEN IT CONSIDERABLE THOUGHT, AND, OF COURSE, YOU YOURSELF DISCUSSED IT WITH BOTH SECY MCNAMARA AND MYSELF IN EARLY OCTOBER. YOU WILL RECALL THAT WE ADVISED YOU AT THAT TIME THAT, BECAUSE OF THE GENERAL SHORTAGE OF MILITARY ASSISTANCE FUNDS, IT WAS HIGHLY UNLIKELY THAT WE WOULD BE ABLE TO DO MORE THAN TO GUARANTEE THE CREDIT PORTION OF A COMMERCIAL TRANSACTION ON TERMS OF ROUGHLY 5-1/2 PER CENT INTEREST AND A 7-YEAR PAYMENT.

SINCE OUR RETURN FROM THE TRIP, IN THE LIGHT OF YOUR PRIME MINISTER'S DIRECT INTEREST AND AT THE DIRECTION OF THE PRESIDENT, WE HAVE EXPLORED EVERY POSSIBLE WAY OF RESPONDING AFFIRMATIVELY TO YOUR GOVERNMENT'S NEED. THIS INCLUDED EXHAUSTIVE EXAMINATION OF TECHNIQUES THAT HAD NEVER BEEN USED BEFORE, REVIEW OF ALL AVAILABLE FISCAL RESOURCES, AND CAREFUL ANALYSIS AND RESEARCH ON ALL THE PRECEDENTS AND ON THE EXPRESSED INTENT OF THE CONGRESS IN THE PAST AS TO CERTAIN LEGISLATIVE PROCEDURES. BY LITERALLY "SQUEEZING THE LAST DROP OF JUICE FROM THE ORANGE," FUNDS WERE LOCATED TO ENABLE THE PRESIDENT TO RESPOND TO YOUR PRIME MINISTER IN THE TERMS I HAVE INDICATED ABOVE.

THE TERMS PROPOSED ARE APPROXIMATELY HALF THE NORMAL COMMERCIAL INTEREST RATE IN THIS COUNTRY AT THE PRESENT TIME. THEY ARE MADE POSSIBLE BY THE ALLOCATION OF MILITARY ASSISTANCE FUNDS, AMOUNTING TO APPROXIMATELY 25 PER CENT OF THE VALUE OF THE TRANSACTION, TO GUARANTEE 5-1/2 PER CENT - 7-YEAR TERMS. ADDITIONAL FUNDS WILL BE DIVERTED FROM OTHER PURPOSES TO SUPPORT THE DIFFERENCE BETWEEN THIS RATE AND THE 4 PER CENT RATE WE ARE PREPARED TO OFFER. FINALLY, WE HAVE NOW ESTABLISHED FIRMLY THAT, IF THE SALES CONTRACT CAN BE ESSENTIALLY CONCLUDED PRIOR TO THE END OF DECEMBER, AN ACCELERATED DELIVERY SCHEDULE FOR THE HELICOPTERS CAN BE ARRANGED NAMELY, ONE PER MONTH

FOR THE NINTH THROUGH THE TWELFTH MONTH AND TWO PER MONTH FOR THE THIRTEENTH THROUGH SEVENTEENTH MONTHS, PLUS ONE IN THE EIGHTEENTH MONTH. THIS IS IN ACCORDANCE WITH THE DATES ALREADY COMMUNICATED TO YOUR MINISTRY OF DEFENSE ON OR ABOUT DECEMBER 2ND.

LET ME NOW EXPLAIN WHY IT IS SIMPLY NOT POSSIBLE FOR US TO GO FURTHER. BELIEVE ME, WE CARE DEEPLY ABOUT YOUR GOVERNMENT'S WELFARE, AND WE RECOGNIZE THE IMPORTANCE OF HELICOPTERS BOTH FOR YOUR SUBVERSION PROBLEM AND FOR POSSIBLE OTHER USE IN CONNECTION WITH ECONOMIC DEVELOPMENT AND OTHER IMPORTANT PROJECTS. UNFORTUNATELY, THERE IS ONLY ONE EFFECTIVE FUNDING SOURCE FOR OUR MAKING CONCESSIONAL TERMS ON MILITARY SALES. THIS IS THE GRANT AID MILITARY ASSISTANCE APPROPRIATION, WHICH--AS I HAVE REPEATEDLY EXPLAINED TO AMB. ONE -- WAS VERY SERIOUSLY CUT BY THE CONGRESS IN THE CLOSING DAYS OF THE LAST SESSION AND IS IN FACT INADEQUATE, BY A VERY SUBSTANTIAL AMOUNT, TO MEET FIXED AND FIRM COMMITMENTS IN OTHER KEY COUNTRIES FACING DIRECT THREATS OF AGGRESSION. IN GOING AS FAR AS WE HAVE, WE SHALL HAVE TO PREEMPT FUNDS FROM OTHER VALID MILITARY SALES NEEDS, AS WELL AS FROM THE REGULAR GRANT AID APPROPRIATION. TO GO ANY FURTHER WOULD REQUIRE A TOTAL AND PRESENT COMMITMENT, FROM THIS YEAR'S CURTAILED FUNDS, AT THE EXPENSE OF THE KIND OF PROGRAMS I HAVE JUST DESCRIBED. IN ESSENCE, WE WOULD HAVE TO PAY NOW, IN GRANT AID MONEY, FOR THE WHOLE OF THE INTEREST SAVINGS YOUR GOVERNMENT WOULD RECEIVE OVER THE LIFE OF THE CONTRACT. I REPEAT, WE HAVE GONE INTO EVERY POSSIBLE ALTERNATIVE FUNDING SOURCE, BUT THE FACT IS THAT OUR LAWS ON THE SUBJECT ARE ENTIRELY INFLEXIBLE BEYOND THE POINT I HAVE STATED, AND ARE BACKED BY CATEGORICAL EXPRESSIONS OF THE INTENT OF THE CONGRESS. EVEN IN GOING AS FAR AS WE HAVE, WE MUST MAKE CLEAR THAT WE COULD NOT REGARD THIS AS A PRECEDENT FOR OTHER SITUATIONS THAT MAY ARISE IN THE FUTURE.

IN SUM, I HOPE VERY MUCH THAT YOUR GOVERNMENT WILL REGARD THESE PROPOSED TERMS AS REASONABLE AND WILL FIND IT POSSIBLE TO CONCLUDE THE ESSENTIAL ELEMENTS OF AN AGREEMENT IN TIME TO TAKE ADVANTAGE OF THE ACCELERATED DELIVERY SCHEDULE, NOW POSSIBLE. IT IS MY UNDERSTANDING THAT IN ADDITION TO THE NORMAL COMMERCIAL SALES CONTRACT TO BE CONCLUDED WITH THE SUPPLIER, AN AGREEMENT BETWEEN OUR GOVERNMENTS TO COVER THE SPECIAL CREDIT TERMS IS REQUIRED. SINCE THE SALE INVOLVES MILITARY EQUIPMENT, OUR DEPARTMENT OF DEFENSE WILL BE RESPONSIBLE FOR NEGOTIATING THE TECHNICAL DETAILS FOR OUR SIDE. APPROPRIATE INSTRUCTIONS AND AUTHORITIES ARE BEING FORWARDED TO OUR DEFENSE ATTACHE FOR THIS PURPOSE. OF COURSE, AMBASSADOR BELL WILL PARTICIPATE AS REQUIRED.



JIM BELL HAS ALREADY TALKED TO YOU ABOUT THE QUESTION OF RADIOS FOR YOUR POLICE, AND HE WILL BE PURSUING WITH YOU EVERY POSSIBLE WAY IN WHICH WE CAN ASSIST YOUR ECONOMIC DEVELOPMENT PROGRAM THROUGH THE FUNDING AND RESOURCE CHANNELS AVAILABLE TO US. IN PARTICULAR, I FEEL THE NEED FOR A CLOSER TECHNICAL EXAMINATION BY BOTH OUR GOVERNMENTS, SO THAT WE CAN MESH YOUR NEEDS AND OUR CAPABILITIES MORE CLOSELY AND REFINE THE POSSIBILITIES FOR POLICY DECISIONS HERE MORE RAPIDLY THAN HAS BEEN THE CASE UP TO NOW. THIS IS A BROAD SUGGESTION, AND I MENTION IT PURELY TO UNDERSCORE OUR DEEP CONCERN FOR YOUR GOVERNMENT'S PROGRAMS AND PROGRESS.

WITH MY RENEUED THANKS TO YOU FOR YOUR KINDNESS DURING OUR VISIT, AND MY PROFOUND RESPECTS TO YOUR PRIME MINISTER,

SINCERELY,  
WILLIAM P. BUNDY

TAB B

DRAFT LETTER FROM THE PRESIDENT TO MALAYSIAN PRIME MINISTER  
TUNKU ABDUL RAHMAN

DEAR MR. PRIME MINISTER:

MRS. JOHNSON AND I CONTINUE TO CHERISH FOND MEMORIES OF OUR BRIEF BUT DELIGHTFUL VISIT TO YOUR ATTRACTIVE AND VIBRANT COUNTRY.

DURING OUR STAY IN KUALA LUMPUR, YOU MENTIONED TO ME YOUR INTEREST IN PURCHASING HELICOPTERS AND YOU ASKED THAT I LOOK INTO THE MATTER ON MY RETURN TO WASHINGTON. I PROMISED I WOULD DO SO.

MY ADVISERS HAD BEEN WORKING INTENSIVELY ON THIS MATTER, AND IT WAS THEIR FIRM OPINION THAT THE BEST TERMS WE COULD SUPPORT WOULD BE 5-1/2 PER CENT INTEREST WITH A REPAYMENT TERM OF SEVEN YEARS. EVEN THIS MEANT A STRAIN ON AVAILABLE RESOURCES.

I HAVE REVIEWED THE PROPOSAL PERSONALLY AND ORDERED A CAREFUL RESTUDY OF THE MATTER IN ALL ITS DIMENSIONS.

I AM HAPPY TO TELL YOU THAT WE ARE PREPARED TO SUPPORT, AS A MOST EXCEPTIONAL CASE, TERMS OF 4 PERCENT INSTEAD OF 5-1/2. THIS IS GOING TO MEAN TRIMMING ELSEWHERE AND DRAWING ON FUNDS WE HAD PLANNED TO USE TO MEET OTHER URGENT DEMANDS. I AM MAKING THIS EXCEPTION BECAUSE I UNDERSTAND YOUR REQUIREMENTS, AND I WISH TO RESPOND TO THIS ONE URGENT REQUEST WHICH YOU RAISED AS A MATTER OF SPECIAL PRIORITY.

YOU UNDERSTAND, I KNOW, THE VERY HEAVY BURDENS THAT ARE BEING BORNE BY US IN VIET-NAM AND ELSEWHERE IN THE INTERESTS OF OUR COMMON SECURITY. YOU KNOW, TOO, THAT AT THE LAST SESSION, THE CONGRESS REDUCED SHARPLY ITS APPROPRIATION FOR GRANT MILITARY ASSISTANCE. IT IS AGAINST THIS BACKGROUND OF HEIGHTENED DEMAND AND REDUCED RESOURCES THAT I AM ACTING IN THIS CASE.

IN SHORT, I HAVE BEEN JUST AS FORTHCOMING AS I POSSIBLY CAN BE IN RESPONSE TO YOUR REQUIREMENTS. I TRUST YOU WILL FIND THE PROPOSAL ACCEPTABLE AND THAT THE NECESSARY AGREEMENT CAN BE CONCLUDED SPEEDILY. I UNDERSTAND THAT THE EARLY SIGNING OF A CONTRACT WILL MAKE POSSIBLE A FASTER DELIVERY SCHEDULE THAN ORIGINALLY THOUGHT POSSIBLE.

I AM ASKING MR. BUNDY OF THE DEPARTMENT OF STATE TO COMMUNICATE WITH YOUR DEPUTY PRIME MINISTER CONCERNING THE DETAILS OF THE ABOVE MATTER. BUT I WANTED YOU TO KNOW PERSONALLY OF MY ACTIONS AND MY THOUGHTS ON THIS MATTER WHICH I REALIZE IS OF GREAT INTEREST TO YOU.

WITH WARM GOOD WISHES AND HIGH PERSONAL ESTEEM,

SINCERELY,

**SECRET**

DTG: 211801Z DECEMBER 1966



~~1. Pres file~~  
2. Pres file

December 21, 1966

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: A draft letter, for your signature, replying to the Dalai Lama's letter regarding Tibetan refugees

In a letter dated November 2 and received by the Department of State on November 29, the Dalai Lama asked you to consider accepting 3,000 Tibetan refugees for settlement.

The Department recommends that you turn down his proposal. There are no government funds available, either for transporting or for settling them here. If they find their own funds, the Department will be ready to help in any way it can within the limits of U. S. law.

The Dalai Lama is a lonely and heroic figure. As a focus of loyalty for hard-pressed Tibetan refugees, he could be useful some day if things should blow in Tibet.

The letter comes to you late because the first draft was too cold and bureaucratic. The new draft combines a turn down with more signs of friendship.

W. W. R.

Letter signed 12/28/66

Letter not to be signed \_\_\_\_\_

December 23, 1966

Your Holiness:

I have given careful thought to your proposal for the migration of 3,000 Tibetan refugees to the United States, which you outlined in your recent letter. I want you to know that you have my sincere admiration for the initiative and resourcefulness which you have already shown in resettling so many of your people in cooperation with the Indian and Nepalese Governments. We are happy to have helped over the years in these efforts with our contributions of food and other necessities.

I have examined carefully your proposal. I would like to do everything possible to facilitate the admission to this country of such talented and independent people. However, in all fairness, I must tell you that there are a number of serious obstacles of which you should be aware in considering what course you would like to follow.

It is doubtful whether our present immigration laws permit such a large-scale migration. Even if this difficulty were overcome, there remains the problem of finances. The United States Government unfortunately has no funds that it can contribute for the movement of a large group of Tibetans to the United States and these could not be obtained without action by the Congress. You should also know that it is not in accord with our traditional policy for the Government to support financially the migration of people and to help them maintain their own language and culture. Historically American society has exercised an assimilative influence on newcomers and it is open to question whether Tibetans could successfully maintain their cultural identity.

If I have set forth some of the difficulties I see in your request, it is not through lack of sympathy but rather

from a sense of the realities of these problems. I want to be as forthcoming as possible and if you can obtain funds from private sources or enlist the support of a private organization or foundation to come up with a practical plan for such a mass migration we will do what we can to help. I understand, for instance, that the American academic community has shown increasing interest in the welfare of Tibetans and in the study of your religion and culture. Possibly an academic group or foundation might consider helping.

We have been in touch with Ambassador Bowles regarding your proposal and he is familiar with your concerns. If you wish, he will be happy to discuss with you or your representatives these and other problems of the proposed resettlement.

With assurances of my highest esteem,

Sincerely,

LBJ

His Holiness  
The Dalai Lama  
Swarg Ashram  
Upper Dharmasala  
Kangra/H. P.

LBJ:State:HW:lw  
12/21/66

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

December 21, 1966

~~SECRET~~

TO THE PRESIDENT FROM WALT ROSTOW

SUBJECT: Helicopters for Malaysia

You will recall your decision to offer the sale of helicopters to Malaysia at 4 per cent interest and repayment over 7 years. State and Defense are prepared to move forward and have raised no new considerations.

State proposes to inform the Malaysians of your decision in a letter from Bill Bundy to Deputy Prime Minister Razak, reproduced below as Tab A.

The alternative would be a message from you, since the Tunku raised this matter with you personally in Kuala Lumpur. The draft of a proposed letter from you to the Tunku follows as Tab B.

If you approve Tab B State would go into the nuts and bolts of the matter in a supplementary communication, which would underline the difficulties involved and explain why this offer cannot be considered as a precedent for the future.

Draft letter approved

✓

*12/22/66 = call from Watson to me Rostow*

Draft approved as revised

\_\_\_\_\_

Send Bundy-Razak letter only

\_\_\_\_\_

Let's discuss

\_\_\_\_\_

772

Draft Letter from the President to Malaysian Prime Minister

Tunku Abdul Rahman

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-148  
By pw, NARA, Date 9-2-92

Dear Mr. Prime Minister:

Mrs. Johnson and I continue to cherish fond memories of our brief but delightful visit to lyour attractive and vibrant country.

During our stay in Kaala Lumpur, you mentioned to me your interest in purchasing helicopters and you asked that I look into the matter on my return to Washington. I promised I would do so.

My advisers had been working intensively on this matter, and it was their firm opinion that the best terms we could support would be 5-1/2% interest with a repayment term of seven years. Even this meant a strain on available resources.

I have reviewed the proposal personally and ordered a careful restudy of the matter in all its dimensions.

I am happy to tell you that we are prepared to support, as a most exceptional case, terms of 4 per cent instead of 5-1/2. This is going to mean trimming elsewhere and drawing on funds we had planned to use to meet other urgent demands. I am making this exception because I understand your requirements, and I wish to respond to this one urgent request which you raised as a matter of special priority.

You understand, I know, the very heavy burdens that are being borne by us in Viet-Nam and elsewhere in the interests of our common security. You know, too, that at the last session, the Congress reduced



sharply its appropriation for grant military assistance. It is against this background of heightened demand and reduced resources that I am acting in this case.

In short, I have been just as forthcoming as I possibly can be in response to your requirements. I trust you will find the proposal acceptable and that the necessary agreement can be concluded speedily. I understand that the early signing of a contract will make possible a faster delivery schedule than originally thought possible.

I am asking Mr. Bundy of the Department of State to communicate with your Deputy Prime Minister concerning the details of the above matter. But I wanted you to know personally of my actions and my thoughts on this matter which I realize is of great interest to you.

With warm good wishes and high personal esteem,

Sincerely,

WJJorden:pas  
12/21/66



SENT  
WHCA

1966 DEC 20 20 08

EEA586  
OO WTEIO WTEB  
DE WTE 2701

~~SECRET~~

*Sent*  
*3:08 PM*

FROM: W.W. ROSTOW  
TO : THE PRESIDENT  
INFO: GEORGE CHRISTIAN  
CITE: CAP661269

~~SECRET~~

DECEMBER 20, 1966

SUBJECT: FOREIGN AFFAIRS SUMMARY

1. ISRAELIS CAN LIVE WITH JORDAN ARMS PACKAGE

ISRAELI FOREIGN MINISTER EBAN DISCUSSED THE JORDAN ARMS PACKAGE WITH AMBASSADOR BARBOUR SUNDAY NIGHT, AND BARBOUR TOLD HIM OF MACOMBER'S FIRST TALKS WITH KING HUSSEIN.

ALTHOUGH EBAN EXPRESSED CONCERN OVER THE MORTARS AND HOWITZERS IN THE PACKAGE, HE SAID THE ISRAELI GOVERNMENT IS "NOT TOO DISTURBED AND CAN LIVE WITH IT" PROVIDED THE NUMBERS WE GAVE THEM REPRESENT A CEILING (THEY DO). HOWEVER, IF WE ADDED NEW TANKS OR PLANES, "APPREHENSION WOULD BECOME SERIOUS."

EBAN COMPLAINED AGAIN ABOUT OUR UPSETTING THE "PSYCHOLOGICAL BALANCE" IN THE AREA BY SUPPORTING THE UN RESOLUTION CONDEMNING ISRAEL.

BARBOUR COMMENTS THAT ISRAEL LEADERS SEEM TO BE CLINGING TO THIS POINT BECAUSE THEY REALIZE THEIR INTERNAL HARD-LINERS WILL CRITICIZE THEM FOR CREATING A SITUATION WHERE WE FELT JUSTIFIED IN SENDING MORE HARDWARE TO AN ARAB COUNTRY. THEY RECOGNIZE THAT WE MUST DO SOMETHING TO SHORE UP HUSSEIN AND TACITLY ADMIT OUR PACKAGE IS TOO SMALL TO UPSET THE MILITARY BALANCE, SO THEY MUST BUILD THE BEST CASE THEY CAN TO GET BACK ON THEIR FEET FOR FUTURE BARGAINING AND PUBLIC DEFENSE OF THEIR ACTIONS.

2. BREZHNEV'S 60TH BIRTHDAY

EMBASSY MOSCOW COMMENTS THAT THE SOVIET PRESS ACCOLADE ACCORDED BREZHNEV ON THE OCCASION OF HIS SIXTIETH BIRTHDAY IS THE MOST EFFUSIVE TREATMENT GIVEN ANY SOVIET LEADER SINCE KHRUSHCHEV'S DAY AND UNDERScores HIS PREEMINENCE AMONG THE CURRENT SOVIET LEADERSHIP.

3. OAS COUNCIL SETS DATE FOR THIRD SPECIAL INTER-AMERICAN CONFERENCE

THE OAS COUNCIL YESTERDAY VOTED TO HOLD THE THIRD INTER-AMERICAN CONFERENCE IN BUENOS AIRES ON FEBRUARY 15. THE CONFERENCE WILL REVIEW AND APPROVE THE AMENDMENTS TO THE OAS CHARTER NEGOTIATED AT RIO DE JANEIRO IN DECEMBER 1965 AND PANAMA IN FEBRUARY-MARCH 1966. THE MEETING WILL ALSO GIVE SECRETARY RUSK AN OPPORTUNITY TO BUTTON DOWN THE SUMMIT PACKAGE.

4. PRESIDENT BELAUNDE'S GRATITUDE FOR YOUR COURTESIES

AMBASSADOR JONES REPORTS FROM LIMA THAT PRESIDENT BELAUNDE ASKED HIM TO CONVEY TO YOU HIS AND HIS FAMILY'S DEEP GRATITUDE FOR ALL THE COURTESIES, HELP AND HONORS IN FLYING THE REMAINS OF HIS UNCLE BACK TO PERU.

THE ARRIVAL CEREMONY OF THE USAF PLANE WAS WIDELY COVERED IN THE LOCAL PRESS, WITH PICTURES AND TEXT GIVING CREDIT TO YOU FOR THIS GESTURE OF RESPECT AND FRIENDSHIP.

DTG: 201903Z DECEMBER 1966

~~SECRET~~

~~SECRET~~

GPS: 490 IMI 490 ACK PLS



SECRET

December 20, 1966

FROM WALT ROSTOW

TO THE PRESIDENT -- EYES ONLY

Poage, Miller and Dole, whom I warned not to talk about recommendations in India, have sent via CIA channel the following message asking Freeman to be informed.

QUOTE Replying to Freeman telegram detailed letter will be hand delivered to Freeman Thursday morning which recommends Government of India 1.8 million tons of grain be furnished ~~GOI~~ with maximum amount donated under Title II of PL 480 before December 31 or under Title II of new act immediately after January 1. UNQUOTE.

DECLASSIFIED  
Agriculture 3-14-77 (#31)  
By DeHeng NARS, Date 8-27-86

SECRET



~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-148

By jm, NARA, Date 9-8-92SENT  
WHCASEA581  
OO WTE10  
DE WTE2698

1966 DEC 20 18 18

FROM: WALT ROSTOW  
TO : THE PRESIDENT  
CITE: CAPS61267*Sent  
1:18PM*~~CONFIDENTIAL~~

DECEMBER 20, 1966

HEREWITH BILL GAUD'S REPORT TO ME ON WHICH AID LOANS  
OR GRANTS GO TO YOU FOR PERSONAL APPROVAL.

USUALLY, THE REQUIREMENT TO GO TO THE PRESIDENT IS  
GENERATED BY THE SIZE OF THE COMMITMENT--ABOVE \$10 MILLION  
ON PROJECT LOANS AND ABOVE \$5 MILLION ON PROGRAM ASSISTANCE.  
IN SUCH CASES, A.I.D. SENDS A MEMORANDUM TO THE PRESIDENT  
THROUGH THE BUREAU OF THE BUDGET. B.O.B. PASSES A COPY  
OF IT TO TREASURY AND OBTAINS A STATEMENT FROM SECRETARY  
FOWLER ON HIS ASSESSMENT OF THE COMMITMENT'S IMPACT ON  
THE U.S. BALANCE OF PAYMENTS. THE BUDGET DIRECTOR ALSO  
PREPARES A STATEMENT INDICATING HIS VIEWS ON THE COMMITMENT  
IN TERMS OF U.S. OBJECTIVES. THE ENTIRE PACKAGE GOES NEXT  
TO THE WHITE HOUSE.

IN SOME INSTANCES NEW COMMITMENTS ARE PRESENTED TO THE  
PRESIDENT FOR HIS APPROVAL BECAUSE OF SPECIAL FOREIGN  
POLICY ISSUES, E.G., AID TO INDONESIA, THE U.A.R., INDIA,  
PAKISTAN, WITHOUT REGARD TO THE ARBITRARY DOLLAR LIMITS  
MENTIONED ABOVE. WHEN FOREIGN POLICY ISSUES ARE THE SOLE  
OR PRIME REASON FOR GOING TO THE PRESIDENT, THE MEMORANDUM  
IS SIGNED BY SECRETARY RUSK.

P.L. 480 SALES AGREEMENTS--REGARDLESS OF SIZE--HAVE  
RECENTLY BEEN ADDED TO THE LIST OF NEW COMMITMENTS  
REQUIRING PRESIDENTIAL APPROVAL. THESE GO TO THE WHITE  
HOUSE VIA B.O.B. IN THE FORM OF A JOINT MEMORANDUM  
FROM SECRETARY FREEMAN AND MYSELF.

DTG: 291743Z DEC 1966

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~SENT  
WHCA

1966 DEC 20 17 57

*Sent*  
12:57 PMEEA580  
OO WTE8 AUSTIN  
DE WTE2694**LIMITED OFFICIAL USE**FROM: WALT ROSTOW  
TO : GEORGE CHRISTIAN  
CITE: CAP661266~~CONFIDENTIAL~~ LIMITED OFFICIAL USE

TUESDAY-DECEMBER 20, 1966

SUBJECT: ANNOUNCEMENT OF FREI VISIT AND PRESS GUIDANCE ON  
COSTA E SILVA VISIT.THIS IS THE TEXT OF THE ANNOUNCEMENT OF THE FREI VISIT  
APPROVED BY THE PRESIDENT:"I HAVE INVITED PRESIDENT EDUARDO FREI OF CHILE TO MAKE  
AN OFFICIAL VISIT TO WASHINGTON ON FEBRUARY 1 AND 2. HE  
HAS ACCEPTED, AND ARRANGEMENTS ARE BEING WORKED OUT.I LOOK FORWARD TO THIS VISIT WITH SPECIAL INTEREST.  
DURING THE PAST TWO YEARS PRESIDENT FREI AND I HAVE  
COMMUNICATED BY LETTER ON SEVERAL OCCASIONS. THE VISIT  
WILL GIVE US THE OPPORTUNITY TO TALK FURTHER ABOUT ISSUES  
AFFECTING OUR RESPECTIVE COUNTRIES, THE HEMISPHERE AND  
THE WORLD. I AM PARTICULARLY INTERESTED IN LEARNING MORE  
FROM PRESIDENT FREI ABOUT THE ACHIEVEMENTS OF HIS GREAT  
EXPERIMENT OF REVOLUTION IN FREEDOM. NATURALLY, WE  
WILL ALSO REVIEW THE FUTURE COURSE OF THE ALLIANCE FOR  
PROGRESS IN RELATION TO PREPARATION FOR THE MEETING OF  
PRESIDENTS OF THE AMERICAN REPUBLICS."DETERMINED BY AN  
ADMINISTRATIVE GROUP  
NOT NAT'L SEC. R.  
INFORMATION, E. O. 12356,  
SEC. 1.1(a)BY jw per DCH ON 3-26-91

XEROX FROM QUICK COPY



IT IS OUR UNDERSTANDING FROM YOUR CONVERSATION WITH BILL BOWDLER THAT YOU WILL MAKE THE ANNOUNCEMENT AT THE 4:00 O'CLOCK BRIEFING TODAY. STATE IS ADVISING THE CHILEANS SO THAT THEY CAN WORK OUT SIMULTANEOUS RELEASE IN SANTIAGO.

AS A RESULT OF THE ANNOUNCEMENT ON FREI, YOU MAY WELL GET QUESTIONS ABOUT THE PRIVATE VISIT OF BRAZILIAN PRESIDENT-ELECT COSTA E SILVA. FOR YOUR GUIDANCE IN FIELDING QUESTIONS, I SUGGEST THE FOLLOWING:

Q: WHAT ABOUT THE VISIT OF BRAZILIAN PRESIDENT-ELECT COSTA E SILVA?

A: THE BRAZILIAN PRESIDENT-ELECT COSTA E SILVA IS NOW TRAVELLING AROUND THE WORLD VISITING A NUMBER OF COUNTRIES PRIOR TO HIS INAUGURATION MARCH 15, 1967. WE EXPECT HIM TO BE VISITING IN THE UNITED STATES THE LAST WEEK OR SO OF JANUARY AND ARE LOOKING FORWARD TO HAVING HIM HERE IN WASHINGTON. FINAL ARRANGEMENTS FOR HIS WASHINGTON PROGRAM ARE BEING WORKED OUT WITH THE BRAZILIAN EMBASSY AND DETAILS WILL BE MADE AVAILABLE WELL IN ADVANCE OF HIS ARRIVAL.

Q: IS COSTA E SILVA'S VISIT AN OFFICIAL VISIT?

A: NO, INASMUCH AS HE IS NOT YET PRESIDENT, HIS VISIT MUST BE IN THE NATURE OF A PRIVATE OR INFORMAL ONE. HOWEVER, WE WILL USE THE OPPORTUNITY TO REVIEW WITH HIM MANY MATTERS OF COMMON INTEREST, INCLUDING THE PROPOSED SUMMIT MEETING OF THE PRESIDENTS.

DTG: 201629Z DEC 1966

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CONFIDENTIAL

82  
~~SECRET~~

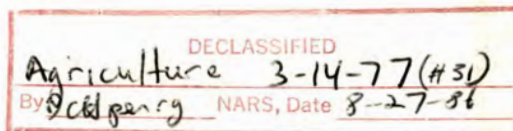
December 20, 1966

FROM WALT ROSTOW

TO THE PRESIDENT -- EYES ONLY

Poage, Miller and Dole, whom I warned not to talk about recommendations in India, have sent via CIA channel the following message asking Freeman to be informed.

QUOTE Replying to Freeman telegram detailed letter will be hand delivered to Freeman Thursday morning which recommends Government of India 1.8 million tons of grain be furnished ~~to~~ with maximum amount donated under Title II of PL 480 before December 31 or under Title II of new act immediately after January 1. UNQUOTE.



~~SECRET~~



SENT  
WHCA

~~SECRET~~

EYES ONLY

1966 DEC 20 22 24

EEA589  
OO WIE10  
DE WIE 2705

FROM: WALT ROSTOW  
TO : THE PRESIDENT  
CITE: CAP 661271

~~SECRET EYES ONLY~~

DECEMBER 20, 1966

66 DEC 20 PM 5:28

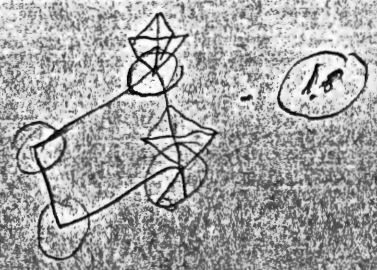
TUESDAY

FROM: WALT ROSTOW  
TO : THE PRESIDENT -- EYES ONLY

POAGE, MILLER AND DOLE, WHOM I WARNED NOT TO TALK ABOUT RECOMMENDATIONS IN INDIA, HAVE SENT VIA CIA CHANNEL THE FOLLOWING MESSAGE ASKING FREEMAN TO BE INFORMED.

"REPLYING TO FREEMAN TELEGRAM DETAILED LETTER WILL BE HAND DELIVERED TO FREEMAN THURSDAY MORNING WHICH RECOMMENDS 1.8 MILLION TONS OF GRAIN BE FURNISHED GOVERNMENT OF INDIA WITH MAXIMUM AMOUNT DONATED UNDER TITLE II OF PL 480 BEFORE DECEMBER 31 OR UNDER TITLE II OF NEW ACT IMMEDIATELY AFTER JANUARY 1."

DTG: 20/2159Z DEC 1966



GPS150 IMI 150

~~SECRET~~

EYES ONLY

DECLASSIFIED

Authority State 11-14-79 (#506)  
By jp/rq NARA, Date 3-26-91

XEROX FROM QUICK COPY



*Rostow*  
~~CONFIDENTIAL~~ 84

SENT  
WHCA

*Sent*  
*10:44 AM*

EEA572  
OO WTE 10  
DE WTE 2687

1966 DEC 20 15 44

FROM: WALT ROSTOW  
TO : THE PRESIDENT  
CITE: CAP661262

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

~~CONFIDENTIAL~~

MONDAY-DECEMBER 19, 1966

MR. PRESIDENT:

IN THE ATTACHED MEMORANDUM SECRETARY RUSK RECOMMENDS THAT YOU GIVE BRAZILIAN PRESIDENT-ELECT COSTA E SILVA A LUNCHEON IN ADDITION TO THE OFFICE APPOINTMENT WHICH YOU HAVE ALREADY AUTHORIZED.

A SMALL LUNCHEON -- WITH OR WITHOUT WIVES -- WOULD BE IN KEEPING WITH THE PRIVATE NATURE OF HIS VISIT IN WASHINGTON AND WOULD BE A GESTURE WHICH THE BRAZILIANS WOULD GREATLY APPRECIATE. IT WOULD ALSO UNDERCUT POSSIBLE INVIDIOUS COMPARISONS WITH THE PROGRAM FOR PRESIDENT FREI, ALTHOUGH THE FREI VISIT BEING OFFICIAL IS, OF COURSE, QUITE DIFFERENT.

THE LUNCHEON MIGHT INCLUDE, PRESIDENT-ELECT COSTA E SILVA, SECRETARIES RUSK AND MCNAMARA, AMBASSADOR DE CUNHA AND LINC GORDON.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: VISIT OF BRAZILIAN PRESIDENT-ELECT  
COSTA E SILVA

RECOMMENDATION:

THAT YOU HOST A LUNCHEON FOR BRAZILIAN PRESIDENT-ELECT COSTA E SILVA ON JANUARY 26, 1967; FOLLOWING A BRIEF PRIVATE MEETING IN YOUR OFFICE.

-----APPROVE

-----DISAPPROVE

-----OFFICE MEETING ONLY

IF APPROVED:

-----1. SMALL STAG  
LUNCHEON

-----2. LARGE STAG  
LUNCHEON

-----3. LARGE LUNCHEON  
WITH WIVES

DISCUSSION:

BRAZILIAN PRESIDENT-ELECT COSTA E SILVA IS NOW TRAVELING AROUND THE WORLD VISITING A NUMBER OF COUNTRIES PRIOR TO HIS INAUGURATION MARCH 15, 1967. HE PLANS TO ARRIVE IN HAWAII JANUARY 18 AND LEAVE THE UNITED STATES FROM NEW YORK JANUARY 31. HE HAS REQUESTED HIS WASHINGTON PROGRAM FOR THURSDAY AND FRIDAY, JANUARY 26-27.

EARLIER THIS MONTH YOU AGREED TO RECEIVE HIM AT A MUTUALLY ACCEPTABLE TIME IN LATE JANUARY, AND IT WOULD BE POSSIBLE TO LIMIT YOUR MEETING TO AN OFFICE CALL. HOWEVER, A LUNCHEON HOSTED BY YOU WOULD ADD GREATLY TO THE SUCCESS OF THE VISIT. THIS WOULD BE THE ONLY TIME YOU WOULD SPEND WITH HIM WHILE HE IS IN THE UNITED STATES.

AS YOU KNOW, BRAZIL HOLDS THE KEY SPOT IN OUR HEMISPHERIC POLICY, AND WE WANT TO DO EVERYTHING WE CAN TO INFLUENCE COSTA E SILVA BOTH BEFORE HE HAS DETERMINED HIS POLICIES AS WELL AS AFTER HE BECOMES PRESIDENT. IN ADDITION, HE IS PROUD, SENSITIVE, AND OWING TO HIS RECENT ELECTION INDIRECTLY BY THE BRAZILIAN CONGRESS INSTEAD OF BY POPULAR VOTE, IS CONCERNED ABOUT THE KIND OF RECEPTION HE WILL RECEIVE HERE. IF HE WERE TO FEEL SLIGHTED FOR ANY REASON, IT COULD COST US SUPPORT FROM ONE OF OUR STAUNCHEST ALLIES.

ON THE NEGATIVE SIDE, THERE MIGHT BE CRITICISM FROM THOSE WHO ARE HOSTILE TO COSTA E SILVA AND THE PRESENT BRAZILIAN REGIME IF YOU GREET HIM TOO WARMLY. HOWEVER, HIS WASHINGTON VISIT WILL TAKE PLACE WITH A MINIMUM OF FANFARE AND PROTOCOL, AND IT IS NOT UNREASONABLE THAT YOU MEET AND EXTEND SOME LIMITED ENTERTAINMENT TO THE PRESIDENT-ELECT OF ONE OF THE WORLD'S LARGEST COUNTRIES WHICH HAS ALSO BEEN A STRONG SUPPORTER OF THE UNITED STATES IN INTERNATIONAL MATTERS. A LUNCHEON WOULD ALSO BE CONSISTENT WITH THE ENTERTAINMENT OFFERED TO OTHER IMPORTANT VISITORS WHILE THEY ARE IN WASHINGTON.

INASMUCH AS MRS. COSTA E SILVA IS ACCOMPANYING HER HUSBAND, AND IS A STRONG INFLUENCE OVER HIM, I RECOMMEND THAT THE LUNCHEON INCLUDE WIVES. HOWEVER, IF YOU PREFER A STAG LUNCHEON, PERHAPS MRS. JOHNSON WOULD BE WILLING TO HAVE MRS. COSTA E SILVA AND A FEW LADIES IN TO THE WHITE HOUSE FOR TEA AT SOME APPROPRIATE POINT DURING THEIR STAY IN WASHINGTON.

DEAN RUSK

DTG: 201441Z DEC 66

~~CONFIDENTIAL~~

85  
EEA562  
OO WTE10 WTE8  
DE WTE 2677

FROM: W. W. ROSTOW  
TO: THE PRESIDENT  
INFO: GEORGE CHRISTIAN  
CITE: CAP661255

~~SECRET~~  
SENT  
WHCA

1966 DEC 19 23 27  
*Sent*  
6:27 PM

~~SECRET~~  
MONDAY, DECEMBER 19, 1966

FROM W. W. ROSTOW  
TO THE PRESIDENT

SUBJECT: FOREIGN AFFAIRS SUMMARY

# 1. REPATRIATION OF AMERICANS IN CUBA

AMBASSADOR MARGAIN TOLD ACTING SECRETARY KATZENBACH ON SATURDAY THAT MEXICO HOPED TO GET THE REPATRIATION UNDERWAY IN TWO WEEKS.

WHEN THE MEXICAN AMBASSADOR OBTAINED CASTRO'S AUTHORIZATION TO PROCEED, CASTRO RAISED THESE ISSUES:

A. THE U.S. HAS TO STOP GIVING FAVORED TREATMENT TO CUBANS WHO ESCAPE CUBA IN SMALL BOATS. (WE TREAT THEM EXACTLY AS THOSE COMING BY AIRLIFT.)

B. THE U.S. MUST STOP FLIGHTS OF PLANES DROPPING LEAFLETS OVER CUBA. (WE ARE NOT AWARE OF U.S. TERRITORY BEING USED FOR SUCH FLIGHTS AND CONTINUE OUR PREVENTIVE SURVEILLANCE MEASURES IN FLORIDA AIRFIELDS.)

C. THE U.S. SHOULD PREVENT ADVERSE PUBLICITY ON CUBA FROM THE RETURNING AMERICANS. (WE WILL DO ALL WE CAN TO PERSUADE THEM NOT TO MAKE PUBLIC COMMENTS.)

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-483  
By is, NARA Date 10-25-99



IT IS NOT CLEAR WHY CASTRO RAISED THESE POINTS. HE MAY WANT A STANDBY PRETEXT FOR SUSPENDING REPATRIATION LATER ON.

2. PANAMANIAN DECIDE AGAINST JOINT STATEMENT ON CANAL NEGOTIATIONS

FOREIGN MINISTER ELETA TOLD OUR AMBASSADOR THAT THE PROPOSED JOINT STATEMENT ON CANAL NEGOTIATIONS HAD TOO LITTLE OF A CONCRETE NATURE AND, THEREFORE, PANAMA PREFERRED NOT TO ISSUE IT. THIS WAS A PANAMANIAN INITIATIVE THAT WE ARE QUITE CONTENT TO DROP.

3. BALAGUER STRAIGHTENED OUT ON OUR HAITIAN POLICY

PURSUANT TO YOUR INSTRUCTIONS, AMBASSADOR CRIMMINS HAS DESCRIBED TO PRESIDENT BALAGUER OUR POLICY TOWARD HAITI IN ORDER TO COUNTER IRVING DAVIDSON'S MISINFORMATION.

4. AMBASSADOR RECOMMENDS WE SIT TIGHT IN EGYPT

AMBASSADOR BATTLE REPORTS FROM CAIRO THAT THERE IS SOME ADVANTAGE TO US IN THE USSR'S OFFER TO PICK UP PART OF THE UAR'S FOOD NEEDS THIS YEAR BUT POINTS OUT THAT IT LIMITS OUR CHANCES OF ACHIEVING OUR OBJECTIVES THERE. HE RECOMMENDS THAT WE AVOID SAYING IN PUBLIC THAT THIS IS A SETBACK FOR US. OUR AMBASSADOR DOUBTS THAT NASSER WILL TOUCH THE AMERICAN COMPANIES' OIL OPERATIONS, WHICH ARE JUST GETTING STARTED, BUT "SEES DANGER AHEAD" IF WE ALLOW OUR POSITION TO DWINDLE FURTHER. THE USSR WILL UNDOUBTLY MANEUVER TO CUT EGYPT'S TIES WITH THE WEST. FOR THE MOMENT, HE RECOMMENDS WE SIT TIGHT.

XEROX FROM QUICK COPY

## 5. GERMANY AND NATO

CHANCELLOR KIESINGER TOLD MCCLOY OVER THE WEEKEND THAT HE WANTS TO EASE GERMANY'S PROBLEM WITH THE FRENCH WITHOUT GIVING THE IMPRESSION OF DISLOYALTY TO THE UNITED STATES. HE SAID DEGAULLE WOULD "FIND A BLAND WALL" IN HIS OBJECTIVE OF DESTROYING NATO. ON OFFSET, KIESINGER SAID A WAY COULD BE WORKED OUT TO NEUTRALIZE THE FOREIGN EXCHANGE WINDFALL RESULTING FROM U.S. MILITARY EXPENDITURES IN GERMANY. KIESINGER BELIEVES IT IS IMPORTANT WE NOT WITHDRAW TROOPS, AS THEY WOULD HAVE TO BE MADE UP, AND GERMAN EFFORTS TO DO THIS WOULD BE SUSPECT. ON NON-PROLIFERATION, KIESINGER SAID GERMANY SHOULD NOT BE DISCRIMINATED AGAINST, AND THAT A EUROPEAN CLAUSE SHOULD BE PRESERVED.

GERMAN FINANCE MINISTER STRAUSS TOLD MCGHEE HE THOUGHT THERE WOULD BE A TWO BILLION DM (\$500 MILLION) INCREASE IN THE DEFENSE BUDGET FOR 1967 OF WHICH 800 MILLION DM (\$200 MILLION) WOULD BE AVAILABLE FOR THE OFFSET. HE CLAIMED VON HASSEL HAD CONSISTENTLY UNDER-SPENT, ALLOWING OTHER MINISTRIES TO ESTABLISH VESTED INTERESTS AT DEFENSE'S EXPENSE. STRAUSS CRITICIZED THE NUMEROUS PAST SHIFTS IN NATO STRATEGIC DOCTRINE, SAYING NUCLEAR DETERRENCE MUST MEAN ESSENTIALLY THAT THE POTENTIAL ENEMY DOES NOT ATTACK BECAUSE HE FEARS A NUCLEAR RESPONSE.

SUMMING UP THE NATO MINISTERIAL MEETING IN PARIS CLEVELAND NOTES FOUR CONCRETE ACCOMPLISHMENTS:

THE ESTABLISHMENT OF THE NUCLEAR DEFENSE AFFAIRS COMMITTEE (NDAC) AND ITS SEVEN-MEMBER NUCLEAR PLANNING GROUP;

THE DOCTRINAL BASIS FOR A SYSTEM OF COMMUNICATIONS AND DATA EXCHANGE, FACILITATING CONSULTATION IN TIME OF CRISIS;

COMMON FUNDING OF FUTURE EXERCISES BY THE ACE MOBILE FORCE; AND

APPROVAL OF THE FIRST STAGE OF A NATO COMMUNICATIONS SATELLITE PROGRAM.

CLEVELAND SAYS WE SHOULD, WITHIN A YEAR, BE ABLE TO DEVELOP A THOROUGH-GOING REVISION OF THE CONCEPTS FOR NATO MILITARY AND FORCE PLANNING, AND BASED ON THEM NATO'S FIRST REAL FIVE-YEAR PLAN. HIS CHIEF CONCERN IS OUR OWN DECISION ON FORCES.

FRANCE DID NOT ATTACK THE REPORT ON EAST-WEST RELATIONS, NOR OBSTRUCT THE BELGIAN PROPOSAL TO STUDY THE FUTURE OF THE ALLIANCE, NOR THE ITALIAN INITIATIVE ON TECHNOLOGICAL COOPERATION. THERE WAS AN ALMOST TOTAL ABSENCE OF OFFICIAL CRITICISM (EXCEPT BY FRANCE) OF THE U.S. ROLE IN VIETNAM.

CLEVELAND CONCLUDES THAT THIS MEETING PRODUCED MORE ACTION, LESS CONFLICT, AND A MORE DEFINITE PATTERN FOR THE FUTURE THAN EVEN NATO'S WELL-WISHERS HAD ASSUMED.

~~SECRET~~

DTG: 192210Z DECEMBER 1966

XEROX FROM QUICK COPY



SENT  
WHCA**CONFIDENTIAL**EEA563  
PP WTE10  
DE WTE 2681

1966 DEC 19 23 36

*Sent*  
6:36 PMFROM: WALT ROSTOW  
TO: THE PRESIDENT  
CITE: CAP661258~~CONFIDENTIAL~~

DECEMBER 19, 1966

I AM INFORMED TODAY THAT B.K. NEHRU DISPATCHED HIS REPORT  
TO DELHI OF HIS CONVERSATION WITH YOU BY SPECIAL MESSENGER  
TO AVOID LEAKS.

DTG: 192319Z DECEMBER 1966

**CONFIDENTIAL**

DECLASSIFIED

State 1-25-78 NSC 4-29-80 (H122)  
By 24 per JK 8-27-86

XEROX FROM QUICK COPY



87  
~~CONFIDENTIAL~~

SENT  
WHCA

sent  
6:40 PM

EEA564  
PP WTE10  
DE WTE 2680

1966 DEC 19 23 40

FROM: W. V. ROSTOV  
TO : THE PRESIDENT  
CITE: CAP661257

~~CONFIDENTIAL~~

MONDAY-DECEMBER 19, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: PRESIDENT DIAZ ORDAZ' REQUEST FOR TRANSFER OF LOAN FUNDS

DURING THE AMISTAD DAM VISIT PRESIDENT DIAZ ORDAZ ASKED WHETHER WE COULD TRANSFER A \$16 MILLION BALANCE OF A HOUSING LOAN TO AGRICULTURAL CREDIT. YOU SAID THAT YOU WOULD LOOK INTO IT.

TONY FREEMAN CHECKED THE STATUS OF THE HOUSING LOAN BALANCE AND FOUND THAT LESS THAN \$4 MILLION REMAINS UNCOMMITTED. MEXICAN FINANCE MINISTER ORTIZ MENA TOLD FREEMAN THAT SINCE THE BALANCE IS SO SMALL, THERE WAS NO POINT IN TRANSFERRING IT, AND THAT MEXICO INSTEAD WOULD PROBABLY SEEK AN AGRICULTURAL CREDIT LOAN FROM THE INTER-AMERICAN BANK. STATE WILL CONSIDER SUPPORTING THE REQUEST IN THE IDB WHEN MADE.

I HAVE ASKED STATE TO MAKE SURE THAT TONY FREEMAN CONVEYS THE FOREGOING TO PRESIDENT DIAZ ORDAZ SO THAT HE KNOWS PERSONALLY THAT YOUR COMMITMENT HAS BEEN CARRIED OUT.

WALT ROSTOV

DTG: 192305Z DEC 66

~~CONFIDENTIAL~~

DECLASSIFIED  
STATE 11-22-78 (#52)  
BY DAW/gel/isp NARS, Date 8-27-86

XEROX FROM QUICK COPY



~~CONFIDENTIAL~~

Monday - December 19, 1966

MEMORANDUM FOR THE PRESIDENT

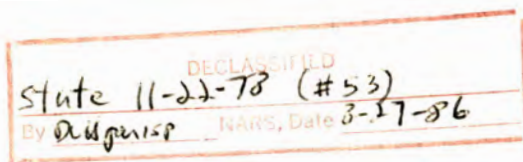
SUBJECT: President Diaz Ordaz' Request for Transfer of Loan Funds

During the Amistad Dam visit President Diaz Ordaz asked whether we could transfer a \$16 million balance of a housing loan to agricultural credit. You said that you would look into it.

Tony Freeman checked the status of the housing loan balance and found that less than \$4 million remains uncommitted. Mexican Finance Minister Ortiz Mena told Freeman that since the balance is so small, there was no point in transferring it, and that Mexico instead would probably seek an agricultural credit loan from the Inter-American Bank. State will consider supporting the request in the IDB when made.

I have asked State to make sure that Tony Freeman conveys the foregoing to President Diaz Ordaz so that he knows personally that your commitment has been carried out.

W. W. Rostow



CONFIDENTIAL

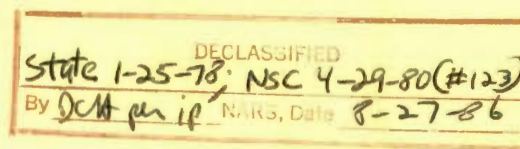
~~CONFIDENTIAL~~

December 19, 1966

FROM WALT ROSTOW

TO THE PRESIDENT

I am informed today that B. K. Nehru dispatched his report to Delhi of his conversation with you by special messenger to avoid leaks.



~~CONFIDENTIAL~~



SENT  
WHCA

~~SECRET~~

1966 DEC 17 21 12

*Sent*  
*4:12 PM*

EEA537  
OO WTE 10 WTE 8  
DE WTE 2648

FROM WALT ROSTOW  
TO JAKE JACOBSEN FOR THE PRESIDENT  
INFO GEORGE CHRISTIAN  
CITE CAP661241

~~SECRET~~

SUBJECT: FOREIGN AFFAIRS SUMMARY

1. BROSIO ON NATO MINISTERIAL SESSION  
-----

SUMMING UP THE NATO MINISTERIAL DISCUSSIONS IN PARIS, NATO SECRETARY GENERAL BROSIO CONCLUDED 1) THAT THEY HAD REVEALED A GENERAL TREND TOWARD A DETENTE, 2) THAT THE BELGIAN-PROPOSED STUDY OF NATO SHOULD CLARIFY THE DIFFERENT ALLIED APPROACHES, 3) THAT THERE SHOULD NOT BE A BLOC-BLOC APPROACH TO THE EASTERN COUNTRIES, 4) THAT PROGRESS TOWARD A DETENTE SHOULD PROCEED ON THE BASIS OF THE ASSURED SECURITY OF THE ALLIANCE, 5) THAT AGREEMENT ON BALANCED REDUCTION OF FORCES WOULD REPRESENT A VALUABLE STAGE IN A DETENTE AND 6) THAT PARTICIPATION BY THE US AND CANADA MUST BE A CONDITION OF A EUROPEAN SECURITY CONFERENCE.

2. ISRAELI REACTION  
-----

AMBASSADOR HARMAN TOLD THE DEPARTMENT OF STATE THAT FOREIGN MINISTER EBAN'S INITIAL REACTION WAS THAT THE JORDAN ARMS PACKAGE APPEARED TO CONTAIN CONSIDERABLE ADDITIONAL FIREPOWER AND RANGE THAT COULD AFFECT ISRAEL'S SECURITY. THE FOREIGN MINISTER HOPED THE FIGURES GIVEN ISRAEL REPRESENTED CEILINGS THAT WOULD NOT BE REACHED. EBAN ALSO EXPRESSED SATISFACTION THAT ISRAEL AND THE US ARE NOW IN CLOSE TOUCH ON THIS MATTER AND HOPED THIS WOULD REMAIN SO.

### 3. WORTHAM-GILMOUR TRIAL

THE TRIAL OF FORMER ARMY LIEUTENANTS WORTHAM AND GILMOUR WILL BEGIN IN LENINGRAD ON MONDAY. EMBASSY MOSCOW EXPECTS IT TO LAST THREE OR FOUR DAYS AND END IN A VERDICT OF GUILTY FOR BOTH. GILMOUR MAY BE LET OFF WITH A FINE OR A SUSPENDED SENTENCE. WORTHAM MAY WELL RECEIVE A PRISON SENTENCE OF THREE OR MORE YEARS. IF SO, WE WILL IMMEDIATELY BEGIN THE APPEAL PROCEDURE WHICH CAN LAST TWO OR THREE MONTHS IN THE USSR. IF THE APPEAL IS REFUSED, WORTHAM WOULD BE TRANSFERRED TO A LABOR CAMP TO SERVE HIS SENTENCE. THE TRIAL WILL BE ATTENDED BY GILMOUR'S FATHER, OUR CONSUL FROM MOSCOW, AND REPRESENTATIVES OF THE WESTERN PRESS.

### 4. WESTMORELAND-PRESIDENT MARCOS TALKS

IN DISCUSSIONS ON DECEMBER 15 WITH PHILIPPINE PRESIDENT MARCOS, GENERAL WESTMORELAND EXPRESSED HIS HIGH OPINION OF PHILIPPINE EFFORTS IN VIETNAM. WESTMORELAND ALSO OBSERVED THAT IN THE EVENT THE PHILIPPINES WISHED TO INCREASE THEIR CONTRIBUTION, THEY MIGHT CONSIDER ESTABLISHING A HELICOPTER SQUADRON FOR CIVIC ACTION WORK. MARCOS WAS APPRECIATIVE OF THE PRAISE BUT WAS NON-COMMITTAL REGARDING AN INCREASE IN PHILIPPINE EFFORTS.

### 5. IRAQ-SYRIA PIPELINE

THE SYRIAN GOVERNMENT IS PRESSING IRAQ TO NATIONALIZE THE IRAQI PETROLEUM COMPANY'S ASSETS, AND THE SYRIAN FOREIGN MINISTER HAS GONE TO BAGHDAD. THE MORE REALISTIC IRAQI GOVERNMENT IS NOT ENTHUSIASTIC AND PROBABLY REALIZES THAT THIS MAY BE PART OF A SYRIAN MOVE TO BRING IT DOWN. WHILE ARAB TALK OF "ANOTHER SUEZ" WILL INCREASE PRESSURE, EVEN THE EGYPTIANS NOW HAVE AN EYE ON THE BEGINNINGS OF THEIR OWN OIL REVENUES AND HAVE NOT GONE OVERBOARD URGING NATIONALIZATION. ON THE OTHER SIDE OF THE PICTURE, AMBASSADOR SMYTHE IN SYRIA SEES SOME SIGNS THAT THE SYRIANS ARE HAVING SECOND THOUGHTS AND THAT SOME OFFICIALS ARE BEGINNING TO THINK ABOUT RESUMING NEGOTIATIONS WITH THE COMPANY.



6. COLOMBIA CLEARS WAY FOR LLERAS PROGRAM  
-----

THE SENATE APPROVED THE "SAVING CLAUSE" BILL WHICH PERMITS THE CONGRESS TO PASS ALMOST ALL IMPORTANT LEGISLATION BY SIMPLE MAJORITY INSTEAD OF TWO-THIRDS. (THE DEPUTIES HAD EARLIER APPROVED THE BILL.) PRESIDENT LLERAS SOCIO-ECONOMIC LEGISLATIVE PROGRAM IS NOW VIRTUALLY ASSURED OF PASSAGE.

7. UNIVERSITY AUTONOMY LIMITED IN VENEZUELA  
-----

PRESIDENT LEONI YESTERDAY FOLLOWED UP HIS MILITARY OCCUPATION OF CARACAS CENTRAL UNIVERSITY WITH AN ANNOUNCEMENT THAT HENCEFORTH "AUTONOMY" IN ALL VENEZUELAN UNIVERSITIES WILL BE LIMITED TO TEACHING AND ADMINISTRATION ONLY. UNIVERSITY GROUNDS WILL BE OPEN TO GOVERNMENT VIGILANCE AND CAN NO LONGER SERVE AS SAFE-HAVENS FOR COMMUNIST TERRORISTS.

DTG: 172001Z DECEMBER 1966

GPS: 760 IMI 760

~~SECRET~~



~~CONFIDENTIAL~~

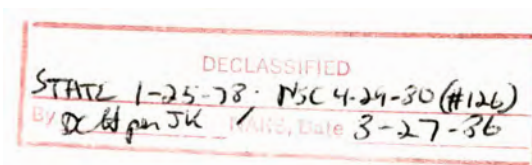
Saturday, December 17, 1966 -- 9:15 a.m.

Mr. President:

Nehru says press became aware of Washington visit when White House operator called Indian Consul General in New York while newspaperman in home Wednesday night. Trip to Washington Thursday morning was linked by press to that call and press yesterday was full of it.

He has talked to no one. He says he is so conscious of security aspect of your conversation that he has not informed Delhi.

W. W. Rostow



WWRostow:rln

~~CONFIDENTIAL~~

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

SENT  
WHCA

1966 DEC 17 04 25

Sent 11:25 92  
Fri 16 DEC 66

EEA531  
OO WTE10  
DE WTE 2641

FROM BATOR  
TO THE PRESIDENT  
CITE CAP661234

~~CONFIDENTIAL~~

DECEMBER 16, 1966  
8:07 P.M.

SUBJECT: PRESIDENTIAL LETTER TO CHANCELLOR KIESINGER

FOLLOWING, FOR YOUR APPROVAL, IS A PLEASANT NOTE TO CHANCELLOR KIESINGER. IT GIVES HIM A PAT ON THE BACK FOR HIS RECENT POLICY STATEMENT BEFORE THE BUNDESTAG, WITHOUT TIPPING YOUR HAND ON THE SUBSTANCE OF THE SPEECH. THE NOTE HAS BEEN CLEARED BY NICK KATZENBACH, WHO AGREES THAT THIS IS A GOOD WAY FOR YOU TO ESTABLISH A WORKING RELATIONSHIP WITH KIESINGER. (AS YOU KNOW, THERE HAVE BEEN STORIES ABOUT THAT YOU INTEND TO KEEP YOUR DISTANCE BECAUSE OF HIS NAZI PAST.) TEXT FOLLOWS:

QUOTE

DEAR MR. CHANCELLOR:

I WANT YOU TO KNOW THAT I HAVE READ WITH CLOSE ATTENTION AND INTEREST YOUR FINE SPEECH OF DECEMBER 13 BEFORE THE BUNDESTAG. IT WAS A MOST IMPRESSIVE AND FORTHRIGHT EXPOSITION OF THE PROBLEMS AND OPPORTUNITIES FACING YOUR GOVERNMENT. AND I WAS GRATEFUL FOR YOUR GRACIOUS AND ENCOURAGING WORDS ABOUT THE UNITED STATES.

I LOOK FORWARD WITH PLEASURE TO WORKING TOGETHER WITH YOU IN THE MANY GREAT TASKS WHICH FACE OUR NATIONS AND OUR FRIENDS, AND TO DISCUSSING THESE MATTERS WITH YOU PERSONALLY.

UNQUOTE

I SUGGEST THAT WE NOT RELEASE THIS HERE, BUT TELL THE GERMANS WE HAVE NO OBJECTION IF THEY DECIDE TO DO SO IN BONN.

DTG: 170330Z DECEMBER 1966

66 DEC 16 PM 11:30

FRIDAY



~~CONFIDENTIAL~~

SENT  
WHCA

1966 DEC 17 14 44

EEA534HH  
OO WTE10  
DE WTE 2644

FROM: WALT ROSTOW  
TO : THE PRESIDENT  
CITE: CAP661237

~~CONFIDENTIAL~~

SATURDAY, DECEMBER 17, 1966 -- 9:15 A.M.

MR. PRESIDENT:

NEHRU SAYS PRESS BECAME AWARE OF WASHINGTON VISIT  
WHEN WHITE HOUSE OPERATOR CALLED INDIAN CONSUL GENERAL  
IN NEW YORK WHILE NEWSPAPERMAN IN HOME WEDNESDAY NIGHT.  
TRIP TO WASHINGTON THURSDAY MORNING WAS LINKED BY  
PRESS TO THAT CALL AND PRESS YESTERDAY WAS FULL OF IT.

HE HAS TALKED TO NO ONE. HE SAYS HE IS SO CONSCIOUS  
OF SECURITY ASPECT OF YOUR CONVERSATION THAT HE HAS NOT  
INFORMED DELHI.

W. W. ROSTOW

DTG: 17/1421Z DECEMBER 1966

~~CONFIDENTIAL~~

GROUPS 120 IMI 120

~~CONFIDENTIAL~~

December 17, 1966

FROM WALT ROSTOW  
TO THE PRESIDENT

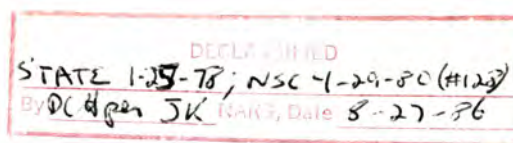
Informed Nehru that we are neither confirming nor denying  
off-the-record meeting.

He says he has not and will not say one word.

He confirms in greater detail that White House operator search  
in New York plus trip to Washington plus necessary cancellation of  
UN appointments stirred up the animals.

He says he informed no one of off-the-record appointment; but  
circumstances in New York <sup>made it</sup> impossible to avoid accurate speculation.

I read lesson of episode loud and clear.



WWRostow:rla

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

December 17, 1966

25X1A

FROM WALT ROSTOW

TO AMBASSADOR CHESTER BOWLES, NEW DELHI *Literally eye only*

President's off-the-record talk with Ambassador Nehru Friday, December 16, resulted in full discussion regarding US food shipments. Nehru understands security critically important. He tells me this morning he has not reported to New Delhi. Reports of meeting here already damaging, although Finney story New York Times, December 17, entirely speculative. No decision will be made until after Congressional delegation returns. Nothing repeat nothing can be said by any U.S. officials except that India's problems continue to receive attention here and contributions from Canada and Australia have been welcomed.

SANITIZED

Authority NLS 019-012-1-5  
By ga, NARA, Date 12-10-01~~CONFIDENTIAL~~



~~CONFIDENTIAL~~SENT  
WHCA

1966 DEC 17 18 51

EEA536  
OM VTE 10  
DE VTE 2647FROM: VALT ROSTOV  
TO : THE PRESIDENT  
CITE: HCAP661240~~CONFIDENTIAL~~

DECEMBER 17, 1966

INFORMED NEHRU THAT WE ARE NEITHER CONFIRMING NOR DENYING  
OFF-THE-RECORD MEETING.

HE SAYS HE HAS NOT AND WILL NOT SAY ONE WORD.

HE CONFIRMS IN GREATER DETAIL THAT WHITE HOUSE OPERATOR  
SEARCH IN NEW YORK PLUS TRIP TO WASHINGTON PLUS NECESSARY  
CANCELLATION OF UN APPOINTMENTS STIRRED UP THE ANIMALS.HE SAYS HE INFORMED NO ONE OF OFF-THE-RECORD APPOINTMENT;  
BUT CIRCUMSTANCES IN NEW YORK MADE IT IMPOSSIBLE TO AVOID  
ACCURATE SPECULATION.

I READ LESSON OF EPISODE LOUD AND CLEAR.

DTG : 171827Z DEC 66

~~CONFIDENTIAL~~

XEROX FROM QUICK COPY

DECLASSIFIED  
STATE 1-25-78 NSC 4-22-80 (#46)  
By AJP/JSK / RS, Date: 8-27-86



December 16, 1966

Dear Arthur:

You and I share a passion for peace. I am writing to tell you how tremendously pleased I am that through your labors in pursuit of a treaty on outer space with the Russians we have moved another step forward. My hope is that the space agreement may in time open a path to further progress in the area of non-proliferation and other aspects of disarmament.

I know very well how many endless hours you have devoted to the space treaty, despite your full engagement in the work of the United States Mission and of the General Assembly Session. Perhaps Dorothy will forgive me if I say that, hard as it may have been for her, the sacrifice of time and energy you have made on this account has been fully justified in the national interest.

Once again, as I have so often done in the past, I want to congratulate you personally on the outstanding result you have just achieved. It adds lustre to your place in contemporary American history.

Sincerely,



The Honorable Arthur J. Goldberg  
Permanent Representative of the  
United States to the United Nations  
New York, New York 10017

State(JS):LBJ:wwr;mz

December 16, 1966

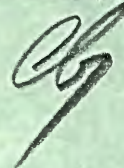
Dear Arthur:

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Sincerely,



The Honorable Arthur J. Goldberg  
Permanent Representative of the  
United States to the United Nations  
New York, New York 10017

State(JS):LBJ:wwr;mz



~~SECRET~~

Friday, December 16, 1966  
3:15 p.m.

Mr. President:

Here is a cheerful note from Sec. Rusk.

The marked passage on page 2 should help demonstrate that, although it may not seem so, the newspapermen of the world do not constitute a statistical majority.

W. W. Rostow

Paris 9261

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By QCA NARS, Date 8-26-86

WWRostow:rln

INCOMING TELEGRAM *Department of State*

W.H. 99a  
3

~~SECRET~~

Action

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FROM: PARIS

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ACTION: SECSTATE

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~~SECRET~~ PARIS 9261

SECTO 103

NODIS

PERSONAL FOR THE PRESIDENT

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ

91-147

By ug, NARA, Date 9-3-91

THE NATO MEETING HAS GONE WELL. WE MAY HAVE A MINOR DONNYBROOK OVER THE COMMUNIQUE LATER TODAY BECAUSE OF FRENCH ATTITUDES. HOWEVER, THE WORK OF THE FOURTEEN HAS GONE IN A BUSINESSLIKE FASHION WITH A MAXIMUM OF SOLIDARITY AND WITHOUT STATIC FROM THE DANES AND CANADIANS WHO HAVE IN THE PAST BEEN UNWILLING TO ACCEPT THE CONSEQUENCES OF FRANCE'S WITHDRAWAL.

I GAVE THE COUNCIL SOME QTE OLD-TIME RELIGION UNQTE ON VIETNAM AND BELIEVE THAT WE CAN GET SOME ADDITIONAL ASSISTANCE FROM GERMANY, THE NETHERLANDS AND SOME OTHERS BUT THIS MUST BE DEVELOPED BILATERALLY IN CAPITALS. I HIT GEORGE BROWN PRETTY HARD ON THE POINT THAT THEY HAVE THE SAME TREATY COMMITMENT THAT WE HAVE TO QTE MEET THE COMMON DANGER UNQTE IN VIETNAM. I INTEND TO PRESS THEM VERY HARD FOR MORE PARTICIPATION BUT THEY WILL PROBABLY ACT LIKE SCARED RABBITS IN THE FACE OF THEIR DOMESTIC POLITICAL SITUATION.

ONE OF THE MOST IMPORTANT DEVELOPMENTS HERE HAS BEEN WILLY BRANDT'S REACTION TO NON-PROLIFERATION. THE PRESENT GERMAN GOVERNMENT IS READY TO FORGET QTE HARDWARE UNQTE AND BRANDT TOLD ME TO FORGET THE EUROPEAN CLAUSE. I AM GIVING THE LATEST RUSSIAN TEXT OF ARTICLE ONE TO THE NATO MEMBERS OF THE GENEVA CONFERENCE (UK, CANADA AND ITALY) AND WILL ALSO SHOW IT PRIVATELY TO THE GERMANS. BRANDT MADE A MAJOR IMPRESSION ON NATO IN DEMONSTRATING THAT THE NEW GERMAN GOVERNMENT WILL NOT BE BOUND BY THE RIGID THEOLOGY OF THE ADENAUER PERIOD AND IS PREPARED TO PROBE THE POSSIBILITIES OF BETTER RELATIONS WITH EASTERN EUROPE, INCLUDING THE EAST GERMANS. THIS MAY NOT MOVE US FORWARD BUT TWENTY YEARS OF HOSTILE CONFRONTATION HAS NOT DONE SO AND I BELIEVE THAT WE SHOULD GIVE THEM A CHANCE TO FIND OUT WHETHER ANOTHER APPROACH MIGHT PRODUCE MORE RESULTS.

~~SECRET~~



~~SECRET~~

-2- PARIS 9261 (SECTO 103) N-O-D-I-S

I WAS GLAD TO HEAR FROM BOB MCNAMARA THAT YOU WANTED TO GET AS MANY OF OUR PEOPLE AND AS MUCH OF OUR EQUIPMENT OUT OF FRANCE AS POSSIBLE PRIOR TO DE GAULLE'S DEADLINE. THIS SEEMS TO ME TO BE THE DIGNIFIED ATTITUDE WHICH WE SHOULD TAKE IN THE FACE OF AN OUTRAGEOUS DECISION TAKEN WITHOUT THE SLIGHTEST CONSULTATION WITH US.

~~I AM TRYING TO GET DETAILS BUT THE NORWEGIAN FOREIGN MINISTER TOLD ME, WITH SOME ASTONISHMENT, THAT RECENT PUBLIC OPINION POLLS IN NORWAY SHOWED THAT YOU WERE HEAD AND SHOULDERS ABOVE ANY OTHER WORLD LEADER IN THE ESTEEM OF THE NORWEGIAN PEOPLE. THIS DOES NOT ASTONISH ME BUT HE OBIOUSLY WAS SURPRISED AND PLEASED. I AM ALSO TRYING TO GET DETAILS OF RECENT JAPANESE POLLS SHOWING THAT THE US IS WAY OUT AN FRONT OF COUNTRIES MOST RESPECTED AND ADMIRERD BY THE JAPANESE PEOPLE AND THAT PEKING HAS MOVED INTO FIRST PLACE AMONG THEIR DISLIKES, NOW SURPASSING THE RUSSIANS.~~

FANFANI EXPRESSED TO ME PERSONALLY HIS GREAT APPRECIATION TO YOU FOR THE STRONG SUPPORT YOU GAVE IN YOUR OCTOBER 8 SPEECH AND OTHERWISE TO HIS INITIATIVE ON THE TECHNOLOGICAL GAP.

END .

RUSK

NOTE: NOT PASSED TO THE WHITE HOUSE BY OC/T.

~~SECRET~~

~~CONFIDENTIAL~~

Friday - December 16, 1966 - 12:30 p.m.

Mr. President:

President Frei is highly pleased to accept your invitation to visit Washington and expresses a preference for February 1 and 2 (Wednesday and Thursday).

Approve Feb. 1-2 \_\_\_\_.

Prefer other dates \_\_\_\_.

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

Jim Symington, Ralph Dungan and Bob Sayre have worked out the program described in the attached cable (Tab A). It falls between a state and informal visit, but it should be adequate to meet Chilean sensibilities. If it meets with your approval, Charge Dean will begin discussions with President Frei on this basis.

Approve cable \_\_\_\_.

I want modifications, see me \_\_\_\_.

I recommend that you announce the visit next Monday, December 19. This will give time to work out simultaneous release with the Chileans. A draft for your approval is at Tab B.

Approve \_\_\_\_.

Disapprove \_\_\_\_.

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

W. W. Rostow

Attachments

- Tab A - Program for Frei visit.
- Tab B - Proposed announcement of visit.

cc: Jim Jones  
Bess Abell

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By JPV/CH NARA, Date 3-26-91



Proposed Cable to Santiago on Program for the Frei Visit

To Amembassy, SANTIAGO - LIMDIS

The following is for your background and for discussion with the Chileans on what a two-day visit for President Frei as guest of USG would contemplate:

1. We would expect that the principal focus of discussion will be the Summit meeting. Generally, during his visit we would want to discuss with Frei the progress his government is making, obtain his views on joint US-Chilean programs and seek to learn first hand present Chilean objectives and plans as regard the Latin American community. We would also give Frei our own views on these matters.

FYI - We would hope also that he might make favorable remarks here on such matters as the accomplishments of the Alliance for Progress, importance of foreign aid to Latin American development, the US role in the Alliance for Progress, other US policies in LA, and the need for a peaceful settlement in Vietnam. *END FYI*

2. Official visit to Washington will be February 1 and 2.
3. Official party should be no more than 8, including Frei, but

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

~~CONFIDENTIAL~~

excepting Ambassador Tomic.

- A. All air and surface transportation for official party, Miami, Williamsburg, Washington and return will be furnished by the USG.
- B. USG will bear all normal expenses of Frei and his official party in Williamsburg and Washington during official visit.
- C. Frei and official party can stay in Blair House during the visit although may reside at place arranged by Embassy, if they prefer.
- D. Protocol escort will be furnished.

4. Program as follows:

- A. Overnight stay Williamsburg enroute Washington.
- B. Met by President at White House: military honors, exchange of remarks.
- C. Meeting with President after arrival.
- D. Additional meetings with President as required.



- E. Stag luncheon with Vice President or Secretary of State:  
additional meetings as required.
  - F. Dinner by President at White House.
  - G. President may attend return reception; President will not  
attend return dinners.
  - H. Vice President or Secretary of State will head farewell com-  
mittee: no honors.
5. We agreeable to joint communique at end of visit.
6. In addition to two-day official visit Chileans may wish arrange privately  
for Frei visit other cities in US at own expense. Exempted from auto-  
matic decontrol.

DRAFT

ANNONCEMENT OF FREI VISIT

I have invited President Eduardo Frei of Chile to make an official visit to Washington on February 1 and 2. He has accepted, and arrangements are being worked out.

I look forward to this visit with special interest. During the past two years President Frei and I have communicated by letter on several occasions. The visit will give us the opportunity to talk further about issues affecting our respective countries, the hemisphere and the world. I am particularly interested in learning more from President Frei about the achievements of his great experiment of "Revolution in Freedom." Naturally, we will also review the future course of the Alliance for Progress in relation to preparation for the Meeting of Presidents of the American Republics.



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

~~SECRET~~

Friday, December 16, 1966 -- 1:00 p.m.

Mr. President:

Good news!

The Australians have decided to send 900 more men to Viet Nam, plus a fighter squadron of 8 fighter bombers, plus a ship, plus 6 frogmen whom Westy wants for harbor clearance.

It is being held very tight because they must detach some of them from Malaysia and have not yet talked to the British.

W. W. Rostow

WWRostow:rlh

~~SECRET~~

Friday  
December 16, 1966

Mr. President:

The Australian Government has just announced that the Cabinet has authorized the allocation of 150,000 tons of wheat and flour for India valued at about \$9 million. They are in close consultation with the Indian Government, the U.S., and Canada. These supplies will be shipped as soon as possible.

W. W. Rostow

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1966 DEC 16 08 55

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//AMEMBASSY WELLINGTON 130  
RUEPWW/WHITE HOUSE  
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BT  
UNCLAS CANBERRA 3120

FOLLOWING PRESS RELEASE BEING ISSUED 1730 HOURS  
CANBERRA TIME TONIGHT:

QUOTE FOOD AID FOR INDIA. MINISTER EXTERNAL  
AFFAIRS, HASLUCK, SAID TONIGHT THAT CABINET HAD  
GIVEN URGENT CONSIDERATION TO CRITICAL FOOD  
SITUATION IN INDIA AND TO CONTRIBUTION WHICH  
AUSTRALIAN GOVERNMENT SHOULD MAKE.

HASLUCK SAID THAT CABINET HAD DECIDED TO MAKE AN  
IMMEDIATE GIFT OF 150,000 TONS OF WHEAT AND FLOUR,  
IN PROPORTIONS TO BE DETERMINED IN CONSULTATION

PAGE TWO RUNDAC 3120 UNCLAS  
WITH GOVERNMENT OF INDIA.

VALUE OF GIFT WOULD BE APPROXIMATELY \$9MILLION AND  
ARRANGEMENTS WOULD BE MADE TO SHIP IT AS SOON AS  
POSSIBLE.

EARLIER ESTIMATES OF INDIA'S FOODGRAIN PRODUCTION  
HAD BEEN SHARPLY REDUCED BY PARTIAL FAILURE OF  
MONSOON IN CENTRAL AND NORTHERN STATES, AND THERE  
WAS NO DOUBT THAT INDIA, FOR SECOND YEAR IN  
SUCCESSION, WAS FACED WITH FOOD SHORTAGE WHICH  
MIGHT HAVE DISASTROUS HUMAN CONSEQUENCES. STATES  
MOST DIRECTLY HIT WERE BIHAR AND UTTAR PRADESH,  
REGION CONTAINING ALMOST 100 MILLION PEOPLE, AND  
IN THESE AREAS CROP WAS ONLY BETWEEN ONE-THIRD  
AND ONE-HALF OF NORMAL. EVEN WITH FULLEST  
CO-OPERATION FROM OTHER AREAS OF INDIA, IT WOULD  
NOT BE POSSIBLE TO OBTAIN SUFFICIENT EMERGENCY  
SUPPLIES FROM INDIAN RESOURCES TO MEET SITUATION.  
NEXT INDIAN CROP WOULD NOT BE DUE FOR HARVESTING  
BEFORE MARCH/APRIL 1967 AND CRISIS WAS EXPECTED

1966 DEC 16 11 42 AM

FRIDAY



~~PAGE THREE RUMDAG 3123 UNCLAS~~

TO REACH ITS PEAK TOWARDS END JANUARY. INDIA'S ABILITY TO PURCHASE GRAIN WAS LIMITED BY OTHER CALLS ON ITS LIMITED FOREIGN EXCHANGE BALANCES. HASLUCK SAID THAT FOR SOME TIME GOVERNMENT HAD BEEN CONCERNED AT TENDENCY IN OTHER PARTS OF WORLD TO LOOK ONLY TO FOOD-PRODUCING COUNTRIES TO RELIEVE FOOD SHORTAGES. BURDEN OF THESE RECURRENT FOOD CRISES MIGHT BE MORE EQUITABLY SHARED WITH CONTRIBUTIONS FROM INDUSTRIAL COUNTRIES TO MAKE IT POSSIBLE FOR GRAIN TO BE PURCHASED FOR PROMPT DELIVERY TO COUNTRIES SUFFERING FOOD SHORTAGES. GOVERNMENT WOULD CONTINUE TO ADVANCE THIS VIEW IN DISCUSSIONS WITH OTHER GOVERNMENTS. PROBLEM OF RECURRENT FOOD SHORTAGES AND ACCOMPANYING PROBLEMS OF AGRICULTURAL DEVELOPMENT DEMANDED FULLER INTERNATIONAL CO-OPERATION. NEVERTHELESS, APPRECIATING IMMEDIATE NECESSITIES FOR GRAIN IN INDIA, AUSTRALIA HAD MADE ITS GIFT TO HELP RELIEVE EMERGENCY SITUATION EXPECTED IN INDIA EARLY 1967. IT WAS SAME AMOUNT AS GIFTS MADE IN 1965 AND

~~PAGE FOUR RUMDAG 3123 UNCLAS~~

1966. IN MAKING THIS GIFT AND IN ARRANGING SALE AND PROMPT DELIVERY OF ADDITIONAL 150,000 TONS OF WHEAT, PURCHASED FROM AUSTRALIAN WHEAT BOARD ON COMMERCIAL TERMS WITHIN PAST FEW WEEKS, AUSTRALIA WAS WORKING IN CLOSE CONSULTATION WITH INDIAN, UNITED STATES AND CANADIAN GOVERNMENTS. UNQUOTE

CLARK  
BT

NNNN

OFFICE OF  
 MEREDITH C. BENTLEY  
 SEC. 13 AND ARCHIVIST'S MEMO OF  
 MAR. 16, 1966.

BY WWR ON 8-26-86

CONFIDENTIAL

Friday, December 16, 1966  
 11:00 a.m.

MR. PRESIDENT:

I have been brooding over the domestic economic situation in relation to our budget problem. Here are some thoughts.

1. It seems to me, as an old student of business cycles, that we may move quite rapidly towards recession. I have a feeling Congress will watch the indicators very closely and accommodate its response to a tax increase proposal to those indicators.

2. If they do not move on taxes, we will, indeed, be confronted with a very large deficit; although that deficit, proportionate to our total budget and GNP, is not extravagantly big. It is big psychologically for more conservative elements in the country and the Congress who have not fully absorbed the New Economics.

3. The key to acceptability of the situation might lie in three moves:

-- An agreement with labor leaders to hold more closely to the wage guidelines, in view of the decline in productivity; the decline in profits; the balance of payments situation; and the need for a national policy acceptable to the Congress for quickly reviving the economy;

-- The grant to you of powers to install a tax increase if the indicators show a recession does not take hold;

-- Re-installation of accelerated depreciation to help revive industrial investment.

4. This leaves us with the question of housing and interest rates.

5. It seems to me that we would have a good handle on the Federal Reserve to play the game if we could get a labor agreement to follow the guidelines. Martin would have to recognize that this is a sound hedge for our balance of payments and a conservative gesture by labor, which would require and justify his cooperation.

6. In short, labor cooperation on the guidelines may be the key to getting conservative acquiescence in a big deficit and cooperation on interest rate policy from the Federal Reserve. If I am right, that doesn't make the task of getting such cooperation easy; but it is an element in the equation I have not heard discussed.

W. W. R.

*Aushali* — *Speed-up*  
Mr. Rostow 104

DECLASSIFIED  
E.O. 12356, Sec. 3.4

NLJ 91-48

By *WJ* NARA. Date 5-15-92

~~SECRET~~

December 16, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Talk with B. K. Nehru Today, 5 p. m.

1. B. K. Nehru will want to hear your interpretation of why we must wait until late December to make a decision on wheat to India. You may want to explain your own problems--lowered stocks and a larger worldwide scarcity; balance of payments squeeze and the consequent need for an equitable distribution of Indian purchases; others must share the burden of providing concessional supplies; and an uncertain mood in Congress, which requires you to wait for Congressional consultations.

2. B. K. will still be worried about January. Agriculture believes some 950,000 tons will arrive in January, but B. K. expects nearer 700,000. If B. K. is right, this will mean that the 250,000 ton buffer in ships standing off of Indian harbors to ensure maximum flow through the ports, will have to be drawn down, slowing the pace of port operations during February. But both the Manhattan leaving soon, ships enroute, and Canada and Australia chipping in, Agriculture is probably right.

3. But he will be substantially more worried about February. At present, we expect arrival to be on the order of 250,000 unless new supplies are authorized to leave U.S. ports by late December. From normal experience, Ambassador Nehru will assume that it takes about eight weeks from a US decision until supplies actually start arriving. But you are doing all that is possible to cut this time lag.

4. He may want to tell you of the difficulties he expects in Indian coastal cities like Calcutta and Bombay, and other politically sensitive areas like Kerala, if there is a significant pause in deliveries before mid-February (the elections run between the 15th and 21st of February). We think Congress will lose Kerala anyway, because of Congress factionalism, but his arguments on Calcutta and Bombay will have more merit.

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- 5 -

5. Can the Indians buy more wheat here? We believe they will be authorized to do so, but only after we have announced our future plans. The Indian Cabinet is facing sharp attack for its apparent subservience to us. A further purchase from us when their own exchange reserves are so near the danger point will be seen as yielding to US pressure. But after our own plans are announced, they could buy more without an uproar.

6. Can the Indians do more to press their own case abroad? We think they can. They are now doing more than they have done before, but they still can press harder. But their foreign service is like bureaucracies everywhere and the Indian officials are proud and hate to beg. We know they have pushed hard in Australia (Mrs. Gandhi wrote Holt personally and their High Commissioner in New Delhi is annoyed at their peremptory requests). They are working on Moscow, Ottawa, Paris, London, though they expect little from Paris and know that the U. K. is broke. Japan, Italy, Argentina and Hague are also being worked on, but no answers yet. (Attached is a preliminary report from State.)

W. W. Rostow

Attachment: "The India Food Search"

~~SECRET~~

~~SECRET~~

### THE INDIA FOOD SEARCH

As we see the situation, it looks like this:

(a) Australia announced yesterday a 150,000-ton grant, in addition to a sale of 150,000 tons scheduled to arrive in January.

(b) Canada's 100,000 ton equivalent grant is being loaded in Montreal. 50,000 tons more will go from Halifax in January for March delivery. The Canadian Government is asking for a \$75-million food aid program for FY 67-68, equivalent to roughly 1,000,000 tons, the bulk of it to go to India and Pakistan.

(c) India is buying 50,000 tons here for shipment in January. The chances are good that if we announce a new PL 480 authorization, it will be politically possible for the Indians to buy more here.

(d) Moscow has been asked to contribute by Indians in New Delhi and Moscow. Although the crop is good, the Russians appear to be building up stocks and may be meeting a UAR request before responding to India.

(e) The French have been approached in New Delhi but have not replied yet. Their representative in Paris is skeptical that the French will help.

(f) Tokyo, Rome, London, Buenos Aires and others are also being approached, and our Embassies are getting into touch with their Indian counterparts to see if we can help their efforts.

Assuming no new U.S. decisions, expected arrivals are as follows:

#### January Arrivals:

|                 |              |                                  |
|-----------------|--------------|----------------------------------|
| From the U.S. - | 564,000 tons | - old agreement                  |
|                 | 150,000      | ( 77,000 Manhattan, sailing late |
|                 |              | -- ( December                    |
|                 |              | (100,000 corn to sorghum,        |
|                 |              | PL 480                           |
| TOTAL U.S.      | 714,000 tons |                                  |

~~SECRET~~

- 2 -

(January arrivals, continued)

|                        |                |
|------------------------|----------------|
| Australia              | 150,000 tons   |
| Canada                 | <u>100,000</u> |
| Total January arrivals | 964,000 tons   |

February arrivals:

|                         |               |                          |
|-------------------------|---------------|--------------------------|
| U. S.                   | 50,000        | residuals                |
| India                   | 50,000        | Indian purchase in U. S. |
| Australia               | 150,000       | grant                    |
| Canada                  | <u>20,000</u> | balance of grant         |
| Total February arrivals | 270,000 tons  |                          |

~~SECRET~~



CONFIDENTIAL/EXDIS ATTACH IT

## DEPARTMENT OF STATE

WASHINGTON

IN REPLY REFER TO:

MEMORANDUM FOR MR. WALT W. ROSTOW  
THE WHITE HOUSE

Subject: Food for India Report

Enclosed is a summary (as of 2:00 p.m. today) of responses to our State Circular 101529 on the Indian food crisis. We should be able to send you later this evening a more complete summary of replies.

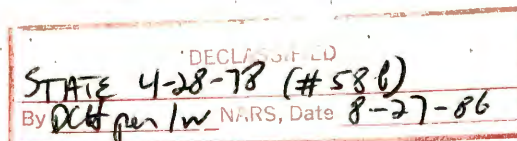
We have heard from fourteen of the 22 posts solicited. In addition, New Delhi and Moscow (both info addressees) have commented. In general the responses are discouraging, at least for the short run. Indian Ambassadors have not had time to receive instructions pursuant to this initiative and most doubt the countries to which they are assigned can be of much assistance, especially on a grant basis. As an initial reaction the Indian Food Secretary himself was somewhat less than enthusiastic. The only optimistic reports come from The Hague, Helsinki, Canberra and Bonn. In addition, our Charge in Moscow believes the Soviets might contribute about one million tons of wheat.

*John P. Walsh*  
John P. Walsh

Acting Executive Secretary

Enclosure:

As stated.

CONFIDENTIAL/EXDIS ATTACHMENT

CONFIDENTIAL

EAST ASIA

AUSTRALIA (Begin EXDIS)

The GOA has informed Ambassador Clark on a confidential basis that Australia will provide 150,000 tons of wheat (valued at U.S. \$10.08 million) as grant aid.

We have accepted the Australian offer to assist us in other capitals on behalf of the GOI. (Canberra's 3107, Deptel 103575 to Canberra, End EXDIS)

JAPAN

The Indian Ambassador in Tokyo has received no instructions from New Delhi to make an approach to the GOJ and the Foreign Office has confirmed that no recent approach has been made. The Indian Ambassador said he expected to sign a \$45 million agreement on December 16 with the GOJ which would include a large amount of fertilizer. Ambassador Johnson informed the Indian Ambassador that he was prepared to support an approach if one were made. (Tokyo's 4432)

BURMA

The Indian Embassy in Rangoon has received no instructions from New Delhi to approach the Burmese. An Indian Embassy official was surprised at the idea of asking for a donation, adding that all India wanted of Burma was the maximum allocation of rice for India on a regular basis.

Our Embassy comments that because of foreign exchange difficulties (rice accounts for 60% of total) and outstanding requests from regular customers, it is doubtful the Burmese Government would agree to give away rice or offer special concessions. The Embassy believes the Burmese will do the best they can under the circumstances to sell India the maximum amount of rice possible. (Rangoon's 825)

CONFIDENTIAL

CONFIDENTIAL

-2-

NEW ZEALAND

The Indian High Commissioner in Wellington has been instructed to make no approach to the GONZ pending results of Indian requests for aid from Australia and Canada. Moreover, New Zealand Foreign Ministry officers see no possibility of food aid to India under the present tight budget and little possibility of a special allocation. Dried milk appears to be the only food product available.

Our Ambassador believes the Indian High Commissioner might receive a more favorable response from an approach to a higher level of the GONZ and will support the Indian if the latter is instructed to make such an approach by New Delhi. The Embassy reports that any food grant from New Zealand will be small in terms of overall GOI needs. (Wellington's 1389)

THAILAND

The Thais have confidentially agreed to an Indian request to sell India 150,000 tons of rice (the request was for 200,000 tons) with delivery to begin in January. The Indian Ambassador has been instructed to try to get at least 25,000 tons more. If the Indian is unable to obtain the rice, he will discuss the possibility of purchasing grain sorghum (milo). The Indian Ambassador expressed his appreciation for our support, adding it had facilitated this new commitment. The Thais are also under pressure to make added rice sales to Ceylon and Pakistan. (Bangkok's 7766)

CONFIDENTIAL



CONFIDENTIAL

AMERICAN REPUBLICS

ARGENTINA

The Indian Ambassador has not yet approached the GOA. He states his government does not intend to ask for a donation but will seek on easy credit terms limited tonnage (200,000 tons and up) of Argentine wheat on the basis of his information that only one million tons are available. (Our Embassy confirms that outside the two million tons directed to Argentina's normal export markets there is available only 1/2 to 1 million tons for other markets, an amount which can be readily distributed commercially.)

Our Embassy believes that the GOA will be extremely reluctant to divert sure cash sales to a concessional program for India, citing its own pressing financial problems. The GOA will also probably suggest that other countries financially able to do so provide financing for Argentine wheat to India. (Buenos Aires 2327)

MEXICO

The Indian Ambassador has kept the GOM informed of the Indian Food situation but has made no request for Mexican assistance and does not expect to do so. He explained present Indian policy is not to scatter food requests indiscriminately but to concentrate on those countries which are best able to make a contribution.

In these circumstances, our Embassy will simply bring to the Foreign Secretary's attention our concern over the Indian food situation and our hope that other countries will join in meeting India's pressing needs. The best which can probably be expected from Mexico is a token food contribution and even this is doubtful. (Mexico City's 3377)

CONFIDENTIAL

CONFIDENTIAL

NEAR EAST

INDIA

Our Embassy at New Delhi conveyed the substance of the Department's circular telegram separately to Food Secretary Dias and to the Director of the Americas Division of the Ministry of External Affairs. The Food Secretary recognized the need for India to explore every genuine source of assistance and emphasized it would continue to do so. He questioned, however, the usefulness of approaching countries which were unable to assist last year (he cited Thailand specifically) and which might be embarrassed by an approach this year.

The Director of EXTIAFF Americas Division assured our Embassy that the Indian Government will carefully consider the list of countries in our circular telegram and to keep us informed (New Delhi's 8648).

CONFIDENTIAL

CONFIDENTIAL

EUROPE

AUSTRIA

There is little chance of India getting any significant assistance from Austria. Further, the Indian Charge told our Ambassador that he had no instructions to approach the Austrian government, and it was clear that he expected none. (Vienna's 2412)

FRANCE

The French told the Indian Ambassador in early December that 200,000 tons of wheat could be purchased on usual commercial terms--i.e. short term credit of 12 months at high interest rate. The Indian Ambassador is convinced that the French are unwilling to give grain on a grant basis, and that US intervention with the GOF would therefore be useless. (Paris' 9141)

FINLAND

Finland has no plans and no funds earmarked for bilateral food aid to India. The Finnish Foreign Aid Director expressed, however, the personal view that Finland could find sufficient funds for a program comparable to the \$62,000 grant of dried milk last spring. Our Embassy will consult with the Indian Charge when he returns to Helsinki next week. (Helsinki's 531)

USSR

The newly arrived Indian Charge said that he has no instructions but presumed that the Soviets had been approached in New Delhi for food assistance. Our Charge believes that the Soviets' basic interest in the subcontinent, plus a desire to be helpful in the pre-election period, might produce an offer of one million tons of wheat, if the Indian rightist press could be muffled. (Moscow's 2672)

CONFIDENTIAL



CONFIDENTIAL

-2-

BELGIUM

Immediate aid to India from the EEC is not in the cards. But the Community may agree to participate in a food aid program in the context of a world grains arrangement in the Kennedy Round. The Indians, despite prodding from us, have been reluctant to approach the EEC. A new Indian Ambassador arrives December 16, and his staff has promised to recommend this subject as one of high priority. (Brussel's 2935)

NETHERLANDS

The Indians have as yet received no instructions to approach the Dutch. Our Ambassador believes that strong US support of an Indian approach could lead to appreciable Dutch contributions--after the new Dutch government is formed in mid-February. Short term prospects, however, are not encouraging. (Hague's 1244 and 1257)

GERMANY

The FRG has approved the 1966 aid-to-India program in the amount of DM252 million (\$63 million) which includes a large component of commodity aid (DM212 million). Current Indian efforts in Bonn are directed toward obtaining an increase in the amount of fertilizer from the currently promised DM12 million total to DM40 million. While it is possible that FRG fertilizer aid might be increased, our Embassy believes that an increase in total aid to India in the near future is most unlikely. (Bonn's 7241)

CONFIDENTIAL

*Sent to Pres Dec 16, 1966*

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

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: [REDACTED]

[REDACTED]

This is the request for specific dispersal authorization of the actual weapons. You previously approved (NSAM 334) the dispersal of these weapons in general terms for planning purposes. All of these weapons will be equipped [REDACTED] in accordance with NSAM 160 before the weapons are dispersed.

[REDACTED]

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

W. W. Rostow

☒ Approved☐ Disapproved☐ See me

~~SECRET FORMERLY RESTRICTED DATA~~

SANITIZED  
E.O. 13292, Sec. 3.5  
NLJ 98-493  
By ius, NARA, Date 6-30-04

105a

THE WHITE HOUSE  
WASHINGTON

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

MEMORANDUM FOR THE DEPUTY SECRETARY,  
DEPARTMENT OF DEFENSE

SUBJECT: [REDACTED]

b.1(a)

[REDACTED]

b.1(a)

It was noted that the Department of State and the Atomic Energy Commission concur in the requested dispersal.

The requested authority has been approved with the understanding that all weapons to be dispersed under this authority are programmed [REDACTED] in accordance with NSAM 160 and the [REDACTED] of these weapons are within the limits of NSAM 143.

3.3  
(b)(2)

[REDACTED]

b.1  
(a)

SANITIZED  
E.O. 13292, Sec. 3.5  
NLJ 98-493  
By ics, NARA, Date 6-30-04

W. W. Rostow

~~SECRET FORMERLY RESTRICTED DATA~~





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

10 DEC 1966

SANITIZED  
E.O. 13292, Sec. 3.5  
NLJ 06-30  
By isl, NARA, Date 2-28-08

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Dispersal of Nuclear Weapons to Support [REDACTED]

6.2(a)

This is a request for authorization to disperse U.S. nuclear weapons to support a nuclear strike capability for a NATO-committed [REDACTED] Air Force squadron. [REDACTED]

[REDACTED] This squadron, equipped with F-104G aircraft, is scheduled to attain operational status during December 1966.

[REDACTED] Specific Presidential authorization is required on a case-by-case basis to disperse weapons to each squadron as it reaches operational status. [REDACTED]

[REDACTED] PAL locking devices are installed in the weapons in compliance with NSAM 160. [REDACTED]

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

Sec Def Cont Nr. X-7954

EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND DECLASSIFICATION  
SCHEDULES  
DOES NOT APPLY

~~SECRET~~

2

6.2(a)

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

Cyril Vance

~~SECRET~~  
FOUO / DUEA  
Handle as Restricted / Foreign Discrimination  
Section 144b, Atomic Energy Act, 1954

106

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

~~SECRET~~

Friday, December 16, 1966 = 3:25 p.m.

Mr. President:

Nick and I have continued working on and with Don Hornig. I got the three of us together at Nick's yesterday and then left. As Nick reports now, Don is prepared to support Cabriolet on the condition that we follow Cabriolet with a review in depth and detail of the whole Plowshare project, in which his Advisory Committee might participate. I believe this is called for in any case. In addition, Don would be "completely happy" if we were to announce the Cabriolet experiment in advance.

Nick adds the proposal that we leave ourselves turn-around room after a Cabriolet announcement, to see how much noise we generate.

As I told Nick, I am more skeptical on this third point because we can't make a serious review of the future of nuclear excavation until we know how the Plowshare experiment comes out.

Nevertheless, working together, we have given you something short of an eyeball to eyeball confrontation in your official family.

W. W. Rostow

Okay Cabriolet on condition:

1. Simultaneous commitment of post-Cabriolet review of Plowshare including role for Advisory Committee \_\_\_\_\_
2. Prior public announcement \_\_\_\_\_
3. Prior public announcement with time lag sufficient to gauge public and scientific reaction \_\_\_\_\_

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

WWRostow:rln

~~SECRET~~



Thursday, Dec. 15, 1966  
9:30 a.m.

MR. PRESIDENT:

Herewith Chet Bowles' report to Sect. Rusk which covers, among other things, Indian efforts to round up food assistance from third countries.

As you know, Nick is making an independent check which will be available Friday. He does not expect the results to look very different.

W. W. R.

~~CONFIDENTIAL~~ attachment

(New Delhi 8634)

~~CONFIDENTIAL~~

December 14, 1966

From New Delhi #8634

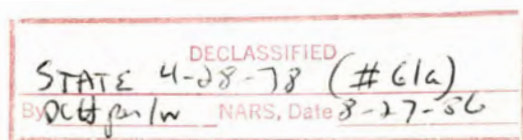
SUBJECT: Indian Procurement of Food Grains from Abroad

Following are answers to questions Secretary Rusk raised during our conversation December 12 on above subject.

Grain Import Pipeline: We estimate that, with recent 150,000 ton purchase from Australians, import flow from pipeline may hold up until mid-January. Assuming shipments of Canadian wheat under \$21 million grant are not delayed, as we understand they may be by winter conditions in Canadian ports, we expect their arrival no earlier than February. Arrivals from all sources for December and January indicate that off-loading capacity less than fully utilized and by January off-loadings will be sufficiently below capacity to affect continuity internal distribution system. Present estimate is that January port availability will be only 750,000 tons with one million minimum necessary to maintain 820,000 tons monthly offloading rate. If monthly offloading rate drops below 820,000 tons, rations to cities or allotments to drought areas must be curtailed.

Third Country Food Aid: Government of India approaches to third countries in the wake of 1965 drought (strongly supported by U. S. Government) resulted in assistance in food and agricultural inputs (fertilizers, pesticides, etc.) from 34 countries totaling \$139 million by June 1966; in addition, voluntary organizations in 11 countries contributed another \$20 million. Most significant contributions were from Canada (one million tons wheat and flour) and Australia (140 thousand tons of wheat) which together accounted for about \$80 million.

When extent current emergency became clear, Government of India asked Canada, Australia, France, and USSR for food assistance. So far only Canada has responded. Australia has sold 150,000 tons of wheat on short-term commercial credit, but has not yet agreed to any sales on concessional terms. France and USSR have thus far not responded. (Approach to USSR was inquiry as to whether supplies available rather than explicit request for supplies.)

~~CONFIDENTIAL~~

CONFIDENTIAL

- 2 -

Commercial Imports: Commercial imports of rice totaled 450,000 tons in Calendar Year 1965, 750,000 tons Calendar Year 1966. Wheat 270,000 tons 1965, 280,000 tons 1966. (Latter figure excludes purchase of 70,000 tons from U. S. reported in press but not yet confirmed). In recent years, India has more than fulfilled PL-480 usual marketing requirements (350,000 tons rice, 200,000 tons wheat from all sources.)

Purchases From U. S.: In FY 1965 were 98,000 tons wheat and in 1966, 46,000 tons wheat and 62,000 tons rice plus 70,000 tons wheat noted above.

Reserve Position: Last firm figure on gold and foreign exchange holdings: \$630 million as of end October. Since then reserves have been declining rapidly and we estimate they are now about \$600 million. Excluding exceptional food grain purchases for cash we estimate further decline of about \$100 million by end of March. India has statutory requirement to maintain minimum \$90 million, and we believe Government of India would not allow reserves to fall much below \$450 million without sharply tightening import controls which we have been trying to loosen.

Additional heavy expenditure for food imports would reduce reserves dangerously close to critical \$450 million level unless foreign donors could be persuaded promptly to provide debt relief or additional quick-flowing free foreign exchange assistance.

India's, and our, dilemma is essentially that India has a foreign exchange problem which is nearly as acute as its food problem; it desperately needs and is receiving help on both fronts. Thus to ease problem one front by buying even more food on commercial terms will only increase critical situation on foreign exchange front which the consortium is seeking to relieve.

#####

CONFIDENTIAL



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PP RUEHGX

DE RUEHC 12625 3432025

ZNY CCCOC

P 142217Z DEC 66

FM SECSTATE WASHDC

INFO WHITE HOUSE

P 141325ZSPEC 66

FM AMEMBASSY NEW DELHI

TO RUEHCR/AMEMBASSY PARIS PRIORITY 44

INFO RUEHC/SECSTATE WASHDC PRIORITY 3649

STATE GRNC

BT

~~CONFIDENTIAL~~ NEW DELHI 8634

~~LEADS~~

~~PARIS FOR SECRETARY RUSH~~

~~DEPT PASS WHITE HOUSE FOR TOSTON~~

*at Indian*  
SUBJ: ~~221~~ PROCUREMENT OF FOODGRAINS FROM ABROAD

*Secretary Rush*  
FOLLOWING ARE ANSWERS TO QUESTIONS ~~YR~~ RAISED DURING OUR CONVERSATION DEC 12 ON ABOVE SUBJECT:

*BP* GRAIN IMPORT PIPELINE: WE ESTIMATE THAT, WITH RECENT 150,000 TON PURCHASE FROM AUSTRALIA, IMPORT FLOW FROM PIPELINE MAY HOLD UP UNTIL MID-JANUARY. ASSUMING SHIPMENTS OF CANADIAN WHEAT UNDER \$21 MILLION GRANT ARE NOT DELAYED, AS WE UNDERSTAND THEY MAY BE BY WINTER CONDITIONS IN CANADIAN PORTS, WE EXPECT THEIR ARRIVAL NO EARLIER THAN FEBRUARY. ARRIVALS FROM ALL SOURCES FOR DECEMBER AND JANUARY INDICATE THAT OFFLOADING CAPACITY LESS THAN FULLY UTILIZED AND BY JANUARY OFFLOADINGS

PAGE TWO RUSBAE 634 ~~CONFIDENTIAL~~  
WILL BE SUFFICIENTLY BELOW CAPACITY TO AFFECT CONTINUITY INTERNAL DISTRIBUTION SYSTEM. PRESENT ESTIMATE IS THAT JANUARY PORT AVAILABILITY WILL ~~BE~~ ONLY 750,000 TONS WITH ONE MILLION MINIMUM NECESSARY MAINTAIN 820,000 TONS MONTHLY OFFLOADING RATE. IF MONTHLY OFFLOADING RATE DROPS BELOW 820,00 TONS, RATIONS TO CITIES OR ALLOTMENTS TO DROUGHT AREAS MUST BE CURTAILED.

*Government of India*  
2. THIRD COUNTRY FOOD AID: ~~221~~ APPROACHES TO THIRD COUNTRIES IN THE WAKE OF 1965 DROUGHT (STRONGLY SUPPORTED BY USG) RESULTED IN ASSISTANCE IN FOOD AND AGRICULTURAL INPUTS (FERTILIZERS, PESTICIDES, ETC.) FROM 34 COUNTRIES TOTALING \$139 MILLION BY JUNE 1966; IN ADDITION, VOLUNTARY ORGANIZATIONS IN 11 COUNTRIES CONTRIBUTED ANOTHER \$20 MILLION. MOST SIGNIFICANT CONTRIBUTIONS WERE FROM CANADA (ONE MILLION TONS WHEAT AND FLOUR) AND AUSTRALIA (140 THOUSAND TONS OF WHEAT) WHICH TOGETHER ACCOUNTED FOR ABOUT \$80 MILLION.

*Government of India*  
*India*  
*SP* WHEN EXTENT CURRENT EMERGENCY BECAME CLEAR, GOV ASKED CANADA, AUSTRALIA, FRANCE, AND USSR FOR FOOD ASSISTANCE.

*So*  
FAR ONLY CANADA HAS RESPONDED. AUSTRALIA HAS SOLD 150,000 TONS OF WHEAT ON SHORT-TERM COMMERCIAL CREDIT, ~~BOT~~ HAS NOT YET AGREED TO ANY SALES ON CONCESSIONAL TERMS. FRANCE AND

XEROX FROM QUICK COPY

CONFIDENTIAL

109  
RECEIVED  
WHCA

copy to Wiggins & Butler

1966 DEC 14 20 35

DECLASSIFIED  
STATE 4-28-78 (#610)  
By DCIT per LHMHS 02008 57-86

Type for President



USSR HAVE THUS FAR NOT

RESPONDED. (APPROACH TO USSR WAS INQUIRY AS TO WHETHER SUPPLIES AVAILABLE RATHER THAN EXPLICIT REQUEST FOR SUPPLIES.)

PAGE THREE RUSBAE 3543 ~~CONFIDENTIAL~~

COMMERCIAL IMPORTS: COMMERCIAL IMPORTS OF RICE TOTALED 450 THOUSAND TONS CY 1965, 750 THOUSAND TONS CY 1966. WHEAT 270 THOUSAND TONS 1965, 280 THOUSAND TONS 1966. (LATTER FIGURE EXCLUDES PURCHASE OF 70 THOUSAND TONS FROM US REPORTED IN PRESS BUT NOT ~~YET~~ YET CONFIRMED). IN RECENT YEARS INDIA HAS MORE THAN FULFILLED PL-480 USUAL MARKETING REQUIREMENTS (350 THOUSAND TONS RICE, 200 THOUSAND TONS WHEAT FROM ALL SOURCES. *in Calendar year*

PURCHASES FROM US: IN FY 1965 WERE 98,000 TONS WHEAT AND IN 1966, 46,000 TONS WHEAT AND 62,000 TONS RICE PLUS 70,000 TONS WHEAT NOTED ABOVE.

RESERVE POSITION: LAST FIRM FIGURE ON GOLD AND FOREIGN EXCHANGE HOLDINGS, \$630 MILLION AS OF END OCTOBER. SINCE THEN RESERVES HAVE BEEN DECLINING RAPIDLY AND WE ESTIMATE THEY ARE ~~NOW~~ NOW ABOUT \$600 MILLION. EXCLUDING EXCEPTIONAL FOODGRAIN PURCHASES FOR CASH WE ESTIMATE A FURTHER DECLINE OF ABOUT \$100 MILLION BY END OF MARCH. INDIA HAS STATUTORY REQUIREMENT MAINTAIN MINIMUM \$90 MILLION, AND WE BELIEVE ~~GO~~ WOULD NOT ALLOW RESERVES TO FALL MUCH BELOW \$450 MILLION *without sharply tightening* ~~ATTENDING TO TIGHTENING~~ IMPORT CONTROLS WHICH WE HAVE BEEN

*trying to loosen.*

PAGE FOUR RUSBAE 3543 ~~CONFIDENTIAL~~

ADDITIONAL HEAVY EXPENDITURE FOR FOOD IMPORTS WOULD REDUCE RESERVES DANGEROUSLY CLOSE TO CRITICAL \$450 MILLION LEVEL UNLESS FOREIGN DONORS COULD BE PERSUADED PROMPTLY TO PROVIDE DEBT RELIEF OR ADDITIONAL QUICK-FLOWING FREE FOREIGN EXCHANGE ASSISTANCE.

INDIA'S, AND OUR, DILEMMA IS ESSENTIALLY THAT INDIA HAS A FOREIGN EXCHANGE PROBLEM WHICH IS NEARLY AS ACUTE AS ITS FOOD PROBLEM; IT DESPERATELY NEEDS AND IS RECEIVING ~~HELP~~

ON BOTH FRONTS. ~~SO~~ THUS TO EASE PROBLEM ONE FRONT BY BUYING EVEN MORE FOOD ON COMMERCIAL TERMS WILL ONLY INCREASE CRITICAL SITUATION ON FOREIGN EXCHANGE FRONT WHICH THE CONSORTIUM IS SEEKING TO RELIEVE. BOWLES

NNNN

~~SEE OVER LINE READ AS SUCH CONTROLS WHICH WE HAVE BEEN TRYING TO LOOSEN.~~

CONFIDENTIAL

PAGE ETC.....

XEROX FROM QUICK COPY

Thursday, Dec. 15, 1966  
9:50 a.m.

~~TOP SECRET~~

MR. PRESIDENT:

You will wish to read this latest MARIGOLD in which Gronouski urges that we assure the Poles that we are prepared "not to create impression of bombing intensification in NVN during the period of delicate negotiations over the holding of Warsaw USG-NVN peace talks. " We would also assure the Poles that we do not intend to bomb in the immediate vicinity of Hanoi and Haiphong during this period. "

State is working on a response, which should be over here by about 11 o'clock for your consideration.

W. W. R.

~~TOP SECRET~~ attachment  
MARIGOLD

(Warsaw 1471)

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



Thurs., Dec. 15, 1966  
10:45 a.m.

MR. PRESIDENT:

Here is John's follow-on from the previous.

W. W. R.

~~TOP SECRET - MARIGOLD~~ attachment

(Warsaw 1475)

Thursday, December 15, 1966  
11:30 a.m.

MR. PRESIDENT:

State informs me that the UN Assembly is likely to act on the Space Treaty in two or three days.

There will be three repository powers for the treaty: U. S. , U. K. , and U. S. S. R.

There will be a signing ceremony in the U. S. in which not only ourselves but the Ambassadors of those nations who wish to sign here will be empowered to do so.

The earliest time for such a ceremony would be the last week in December or perhaps the first week in January. The time could be extended later into January.

The question is: would you like to preside over the Washington signing ceremony?

I believe it would be a good idea, and so does Bill Moyers.

State would like to be in a position to inform the embassies, when the signing procedures are announced, that you will or will not preside.

W. W. R.

Will preside\_\_\_\_\_

Will not preside\_\_\_\_\_

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

Best timing: Last week in December\_\_\_\_\_

First week in January\_\_\_\_\_

Later in January\_\_\_\_\_

cc: Bill Moyers  
Marvin Watson

Thursday - December 15, 1966  
1:45 p.m.

Mr. President:

Victor Andrés Belaúnde, one of Latin America's leading statesman and uncle of the President of Peru, died in New York last night at the age of 83.

I recommend that you approve the attached messages of condolence to Mrs. Belaúnde and President Belaúnde.

Ambassador Linowitz and Ambassador Jones will be calling on President Belaúnde this afternoon to discuss the OAS Summit. They could deliver your condolence message at that time.

W. W. Rostow

Attachments



CONDOLENCE MESSAGE TO PRESIDENT BELAUNDE  
OF PERU

Dear Mr. President:

I have just learned of the death of your uncle, Victor Andres Belaúnde. Peru and the world have lost one of its distinguished statesmen. His dedication to the cause of humanity became well-known from his work in the founding of the United Nations and throughout the many years he served with distinction on Peru's delegation to the United Nations. His great abilities were recognized when he was elected President of the United Nations General Assembly. The world community will mourn the loss of his counsel and steadfast defense of liberty and justice in the cause of peace. Please accept my sincere condolences, and those of the American people, on this sad occasion.

Lyndon B. Johnson

Presidential Message of Condolence to Widow of Peruvian  
Ambassador Andres Belaunde

The sad news of the death of your husband has just reached me. Mrs. Johnson joins me in expressing our deepest personal sympathy.

Your husband's great contributions as a teacher and scholar, and his work as a diplomat and statesman in the cause of peace will always be remembered. The hemisphere and the world will grieve his passing.

*Jim Jones 114*

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

~~CONFIDENTIAL~~

Thursday - December 15, 1966  
6:00 p.m.

Mr. President:

Sol Linowitz reports President Frei's reaction to your invitation as follows:

"President Frei was very happy to accept President Johnson's invitation to visit Washington for two days during the week of January 30. He will shortly advise precisely which two days might be best and will await further word regarding the agenda for the meeting. President Frei would also be extremely pleased if an announcement can be made simultaneously here and in Washington regarding President Johnson's invitation and his acceptance. Once the dates are determined and the visit announced, the Government of Chile will, as a constitutional formality, obtain congressional approval. The President's acceptance was followed by a very cordial one hour and forty minute discussion regarding the Summit conference dealing with the most significant issues to be reported separately. "

We are waiting to hear what days in the week of January 30 he prefers.

W. W. Rostow

cc: Jim Jones

~~CONFIDENTIAL~~



Thursday, December 15, 1966  
11:30 a.m.

MR. PRESIDENT:

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There will be three repository powers for the treaty: U. S. , U. K. , and U. S. S. R.

There will be a signing ceremony in the U. S. in which not only ourselves but the Ambassadors of those nations who wish to sign here will be empowered to do so.

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The question is: would you like to preside over the Washington signing ceremony?

I believe it would be a good idea, and so does Bill Moyers.

State would like to be in a position to inform the embassies, when the signing procedures are announced, that you will or will not preside.

W. W. R.

Will preside ✓

Will not preside \_\_\_\_\_

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

Best timing: Last week in December \_\_\_\_\_

First week in January ✓

Later in January \_\_\_\_\_

cc: Bill Moyers  
Marvin Watson

12/17/66

Thursday, December 15, 1966  
11:55 a.m.

Mr. President:

This is to recall the background and  
to give you present status of subject  
which, I gather, Glenn Seaborn will  
raise with you at his noon appointment.

*meeting cancelled*

W. W. Rostow

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET~~

December 15, 1966

MEMORANDUM FOR MR. ROSTOW

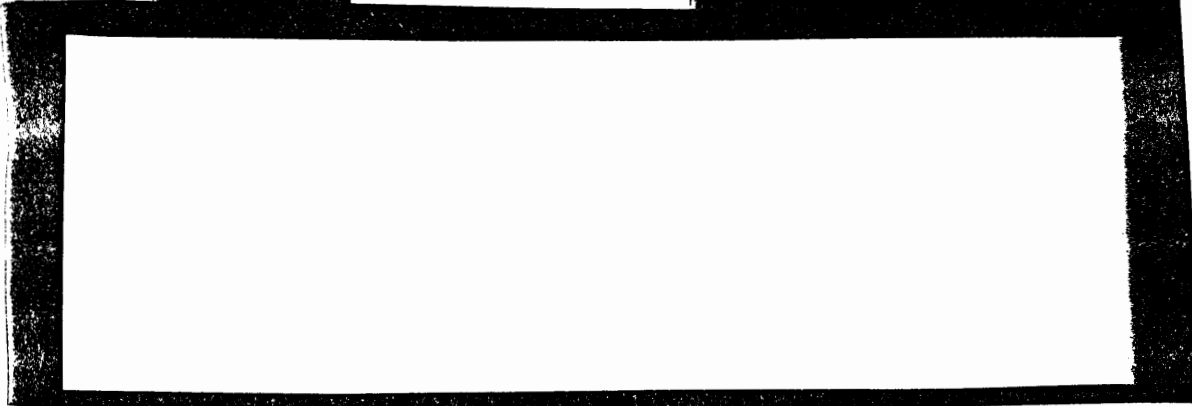
Subject: Dr. Seaborg's Meeting with the President at 12:00 Noon Today

Glenn Seaborg called me at 10:00 this morning to ask whether the President is aware of the problem with the Mark 47 Polaris warhead and whether I thought it would be desirable for him to mention the current status of the problem when he meets with the President on "a number of miscellaneous items" this morning.

I told him we had informed the President about the problem when he approved the [REDACTED] and said that it would probably be worth informing the President that the problem is in hand since, despite the excellent security so far, he might hear disturbing stories from Congressional sources or possibly even the newspapers on this subject.

b.1  
(a)

As you recall, it was discovered in a routine reliability test of the Mark 47 [REDACTED] warhead for Polaris [REDACTED]



b.1  
(a)

The AEC is now examining, on a high priority basis, the possibility of a simple modification [REDACTED] The testing of this modification will be completed by the end of December, and I believe the AEC expects that it will be successful.

b.1  
(a)



SANITIZED  
E.O. 13292, Sec. 3.5  
NLJ 98-443 and NLJ 91-148  
By ics, NARA, Date 6-30-04

~~TOP SECRET~~



~~TOP SECRET~~

-2-

As a further back-up, the AEC is studying   


b.1  
(A)

As far as I can see, the DOD is reasonably calm about the situation and does not expect complications. Everyone appears to be cooperating to clear up the problem as quickly as possible. Needless to say, as with our earlier problems with Minuteman, any distorted public report on this problem could obviously be extremely damaging.

*Spurgeon*  
Spurgen Keeny

cc: CEJohnson

~~TOP SECRET~~

116b

THE WHITE HOUSE  
WASHINGTON

~~SECRET~~

~~RESTRICTED DATA~~

November 19, 1966

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

SUBJECT: Authorization for the [REDACTED] Test

3.3(b)(2)

In reference to the request contained in your letter to me of November 16, 1966 on behalf of the Atomic Energy Commission for authorization to conduct a nuclear test, [REDACTED] in addition to those authorized by the President for November and December 1966 as communicated to you in my memorandum of November 4, 1966, you are informed that the President has approved your recommended authorization.

3.3(b)(2)

It is understood that the maximum nuclear materials expenditure currently authorized is sufficient to accommodate this additional test.

*W. W. Rostow*  
W. W. Rostow

~~SECRET - RESTRICTED DATA~~

SANITIZED  
E.O. 13292, Sec. 3.5  
NLJ 98-493 and NLJ 89-28  
By is, NARA, Date 6-30-04

Dispatched 11/21/66 Rept. # 331

## MEMORANDUM

THE WHITE HOUSE

WASHINGTON

116c

Box 11-18-66  
5:30P~~SECRET~~~~RESTRICTED DATA~~

November 18, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: [REDACTED]

3.3(b)(2)

[REDACTED]

6.1  
(a)3.3  
(b)(2)

Accordingly, AEC requests permission to make a [REDACTED] [REDACTED] This test is expected to produce little or no nuclear yield. However, it is designed to be fully contained in the event of maximum credible yield. The test had been reviewed by the agencies that comprise your Review Committee on Underground Nuclear Tests and there have been no objections expressed by any of those agencies. Therefore, I recommend your early approval of the AEC request so that they may proceed immediately to making this important experiment.

3.3  
(b)(2)

If you agree, I will sign the attached memorandum to the Chairman of the Atomic Energy Commission.

☒ Approved☐ Disapproved☐ See me

W. C. Rostow

SANITIZED  
E.O. 13292, Sec. 3.5  
NLJ 98-493  
By isa, NARA, Date 6-30-0411-18-66  
Ted Rostow  
gk~~SECRET RESTRICTED DATA~~

6.1(a)

[REDACTED]



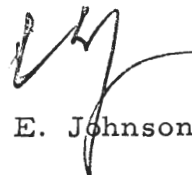
## NATIONAL SECURITY COUNCIL

November 17, 1966

MEMORANDUM FOR MR. W. W. ROSTOW

Walt --

Spurgeon and I have dug into this requested test and we feel that it is very important to get this test made as a matter of high priority in view of its possible implications for the readiness of the POLARIS fleet. We urge that you obtain the President's authorization as soon as possible.



C. E. Johnson

~~SECRET~~~~RESTRICTED DATA Attachment~~



~~SECRET~~

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

4071  
116e

NOV 16 1966

This document consists of 5 pages  
No. 1 of 24 Original, Serial 16

**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 98-497**  
**By is, NARA Date 10-26-99**

Dear Walt:

As a part of the continuing Atomic Energy Commission surveillance program to insure the reliability of the nuclear weapons stockpile, a war-head defect has been encountered which necessitates some urgency in the scheduling and firing of a nuclear test. [REDACTED]

6.1 (a) [REDACTED]

Several solutions to this problem are under investigation on a high priority basis; [REDACTED]

6.1 (a) [REDACTED]

Authorization to conduct that test, in addition to those presently approved for November-December 1966, is hereby requested. For your convenience, a draft approval endorsement is provided in Enclosure 2.

6.1 (a) [REDACTED]

GROUP 1

Excluded from automatic  
downgrading and  
declassification

~~SECRET~~

~~RESTRICTED DATA~~

This document contains restricted data as defined in the Atomic Energy Act of 1954. Its transmission or the disclosure of its contents in any manner to an unauthorized person is prohibited.

The nuclear materials authorized in your memorandum of November 4 are sufficient to accommodate the conduct of this test in the November-December test program, as well as the CABRIOLET test, should the latter be authorized.

6.1(a) [REDACTED] I will keep you advised concerning our progress in this matter.

Cordially,



Chairman

Honorable W. W. Rostow  
Special Assistant to the President  
The White House

Enclosures:

1. Cys 1A&2A VIGIL Event
2. Cys 1A&2A Draft Endorsement

~~SECRET~~



~~SECRET~~

( This document consists of 1 pages  
No. 1 of 22 Copies, Series H ) 116-f

VIGIL EVENT

Device  
(Sponsor)

Estimated  
Yield (KT)

Event  
Name

Approximate  
Date

VIGIL

November 23

6.1(a)

**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 98-497**  
**By is , NARA Date 10-26-99**

Enclosure 1

~~GROUP 1~~  
~~Excluded from automatic~~  
~~downgrading and~~  
~~declassification~~

~~SECRET~~

~~RESTRICTED DATA~~  
~~RESTRICTED DATA~~  
This document contains restricted data as defined  
in the Atomic Energy Act of 1954. Its transmittal  
or the disclosure of its contents in any manner to  
an unauthorized person is prohibited.

~~SECRET~~  
~~SECRET~~  
DRAFT ENDORSEMENT

This document consists of \_\_\_\_\_ pages  
No. \_\_\_\_\_ of \_\_\_\_\_ Copies. Initials \_\_\_\_\_

116g

Memorandum for

Chairman, Atomic Energy Commission

Reference your letter of \_\_\_\_\_. Your request to conduct \_\_\_\_\_  
\_\_\_\_\_ in addition to those presently authorized for  
November-December 1966 is approved.

6.1(a)

It is understood that the maximum nuclear material expenditure currently authorized is sufficient to accommodate this addition, as well as the CAERIOLET event, should the latter be approved for execution in this period.

\_\_\_\_\_  
The President

**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 98-497**  
**By is, NARA Date 10-26-99**

~~RESTRICTED DATA~~  
This document contains Restricted Data as defined in the Atomic Energy Act of 1954. Unauthorized disclosure subject to Administrative and Criminal Sanctions.

Thursday - December 15, 1966  
1:45 p.m.

Mr. President:

Victor Andrés Belaúnde, one of Latin America's leading statesman and uncle of the President of Peru, died in New York last night at the age of 83.

I recommend that you approve the attached messages of condolence to Mrs. Belaúnde and President Belaúnde.

Ambassador Linowitz and Ambassador Jones will be calling on President Belaúnde this afternoon to discuss the OAS Summit. They could deliver your condolence message at that time.

W. W. Rostow

Attachments

*approved*  
*12/15/66*



CONDOLENCE MESSAGE TO PRESIDENT BELAUNDE  
OF PERU

Dear Mr. President:

I have just learned of the death of your uncle, Victor Andres Belaunde. Peru and the world have lost one of its distinguished statesmen. His dedication to the cause of humanity became well-known from his work in the founding of the United Nations and throughout the many years he served with distinction on Peru's delegation to the United Nations. His great abilities were recognized when he was elected President of the United Nations General Assembly. The world community will mourn the loss of his counsel and steadfast defense of liberty and justice in the cause of peace. Please accept my sincere condolences, and those of the American people, on this sad occasion.

Lyndon B. Johnson

Presidential Message of Condolence to Widow of Peruvian  
Ambassador Andres Belaunde

The sad news of the death of your husband has just reached me. Mrs. Johnson joins me in expressing our deepest personal sympathy.

Your husband's great contributions as a teacher and scholar, and his work as a diplomat and statesman in the cause of peace will always be remembered. The hemisphere and the world will grieve his passing.

*see Pres Thurs.  
12/24/66*

Thursday, December 15, 1966  
5:15 p. m.

MR. PRESIDENT:

SUBJECT: Your Congressional investigators into the  
Indian food situation

We have pieced together the schedules of Senators McGee and Miller and Congressmen Dole and Poage. It now appears they all will be back in the United States by December 23rd. If Congressman Poage skips a stop in Saigon, he could hit San Francisco on the 22nd.

In the light of these dates you may wish to schedule your meeting with them soon; for they will scatter for the holidays and not be available to you until sometime after Christmas.

Would you like us to ask them to come to the Ranch immediately on their return or shortly after Christmas?

W. W. R.

Request all 4 members to come  
to the Ranch December 23 \_\_\_\_\_

Request them to come to the Ranch December 26 \_\_\_\_\_

December 27 \_\_\_\_\_

December 28 \_\_\_\_\_

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



Thursday, December 15, 1966  
5:15 p. m.

MR. PRESIDENT:

SUBJECT: Your Congressional investigators into the  
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Request them to come to the Ranch December 26 \_\_\_\_\_

December 27 \_\_\_\_\_

December 28 \_\_\_\_\_

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

Wednesday, December 14, 1966 -- 3:20 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Request for an interview

An Indian Embassy officer has suggested informally that if Ambassador B. K. Nehru could hear directly from you your thinking on Indian food, his hand would be strengthened in the discussions in New Delhi.

Do you want to see him?

W. W. Rostow

Will see him ~~you~~

12/16/66 - 5pm Off the Record

Do not want to see him \_\_\_\_\_

Jim Jones telephoned

Wednesday, Dec. 14, 1966  
3:30 p. m.

MR. PRESIDENT:

Here are two French accounts of the  
raid on the Van Dien rail yards.

It appears:

-- some workers' homes close to the  
railway yards may have been hit;

-- some damage may have been done  
by falling anti-aircraft shells or  
SAM fragments.

W. W. R.

~~SECRET~~ attachment (Paris 9037)



~~LIMDIS - NOFORN~~

~~SECRET~~

Wednesday, December 14, 1966

121a

TEXT OF CABLE FROM AMBASSADOR BOHLEN (Paris, 9037)

SUBJECT: U.S. Raids at Van Dien

Following are informal translations of two telegrams dated December 3 and 4

Two messages assess damages caused by U.S. air raids at Van Dien in suburb of Hanoi on December 2.

25x1

Begin translation: December 3 message: Yesterday, by attacking repair shops and railroad installations at Van Dien, less than 7 kilometers from the center of Hanoi, American Air Force made its closest raid to the capital since June 29. Targets belong to immediate industrial suburb of city.

The manner in which this attack took place is similar to that which destroyed gasoline reservoirs at Gai Lam. American planes, in large numbers, appeared to have caught air-raid warning system and anti-aircraft defense of capital by surprise. Anti-aircraft batteries did not begin firing until planes were already over their objectives and has started to attack. Alert was sounded late. Although Vietnamese fighters took off, they did not appear to wish to engage in combat. From roof of delegation building it was possible to follow operations.

An AFP correspondent, who was able to go immediately to Van Dien (although his dispatches were censored), noted important extent of damage. Part of rail lines along R.C. 1 was destroyed. Mechanical repair work-shops, which are nearby and which were without doubt the principal target, were partially blown up. A group of apartment buildings has been flattened. The number of victims should be rather high among workers who are employed in work-shops.

Barely an hour after the end of the alert, Monsieu Moalic saw more than one thousand workers repairing road-bed, filling holes, putting in ballast and preparing to lay new rails. Repair shops will undoubtedly have to stop their activities for a while, but it is probable that trains will be running tomorrow.

**SANITIZED**

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

**NLJ 98-492**

**By is, NARA Date 3-3-80**

~~SECRET~~

Explosions caused by other raids about 20 kilometers away could be seen clearly. Column of smoke, which dissipated rapidly, rose in the southern sky.

Official communique published on December 3 also acknowledged attacks on city of Hanoi itself. It affirmed that "American planes fired on two locations." In fact, less than 500 meters from the French delegation building, two houses were hit by a shell. It is unlikely that this shell was a bomb, since its explosion would have caused much greater damage to the area than was the case. It could be either an anti-aircraft shell which did not explode, or large shell fragments of missile or rocket. I have not yet been able to determine other point of impact which is also located in the southern section of the city.

PAVN claims 11 planes shot down. As far as I am able to verify, this is the highest number for a single day, although this number appears considerably exaggerated. Nonetheless, there were certainly some American losses: my colleagues saw for certain one plane hit by a missile, and possibly a second one.

The city remains calm and I detected no sign of panic or unusual uneasiness on Friday afternoon or evening. End translation.

Begin translation: December 4 message: Information from various sources now allows us to evaluate more exactly extent and effect of December 2 raid.

A. The principal target was mechanical repair work-shops at Van Dien. American statements about extent of damage which was caused are clearly exaggerations. AFP correspondent who was present at the site about one hour after the end of the attack counted a dozen trucks destroyed, not 500 as claimed by Saigon. Thus, Vietnamese road transportation system was only slightly affected.

B. A village 200 meters from rail line was destroyed, with many victims. But it is difficult to accept the fact that the village was deliberately attacked as the Vietnamese claim.

C. Two points of impact of shells, whose nature has not been determined, in southern section of the city are located as follows:

~~SECRET~~

-3-

first, 500 meters from French delegation, on edge of road to Hue; the second, on the banks of Red River next to a textile plant. Damage in these two places was minimal. There were no explosions, and it has not been verified that these shells were of American origin. It is almost certain that there was no deliberate attack on areas where population lives, contrary to what Hanoi claims. These shells were either anti-aircraft shells which did not explode, parts of a missile which had blown up over city, or rockets which American plane fired to lighten its load. End translation.

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Wednesday, December 14, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Affairs Summary

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-148  
By fw, NARA, Date 98-92

1. Kiesinger Statement

Chancellor Kiesinger's policy statement was about what we expected -- a sober, realistic appraisal. He emphasized improvement of Franco-German relations, but not to the detriment of relations with the U. S. and other countries. Kiesinger adhered to the traditional German view that any change of borders must be the subject of negotiation in which a Government representing all of Germany participates.

2. Agreement Reached on French Troops in Germany

French Foreign Minister Couve de Murville told Secretary Rusk that French and German officials reached agreement yesterday on the stationing of French troops in Germany.

3. Cyprus

Tensions continue to rise in Cyprus over the importation of arms and ammunition from Czechoslovakia. The Turks have asked that the first shipment be placed under UN custody on the island and that the second shipment be cancelled. We have supported the Turkish position, and were pleased to learn that the UN Commander has obtained agreement to a limited inspection of the arms of the second shipment. Foy Kohler noted our serious concern over the shipments of Czech arms during a call by Greek Ambassador Matsas yesterday. We have told the Greek and Turkish Governments we hope they will not let this issue jeopardize their dialogue over Cyprus. (An important meeting of their Foreign Ministers in Paris had been expected this week.) The UN Security Council will take up extension of the mandate of the UN Force in Cyprus on Thursday.

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#### 4. Secretary Rusk Talks with the Shah

During his stopover in Iran, Secretary Rusk in a three-hour talk with the Shah assessed the situation in China and Vietnam and laid the groundwork for persuading the Shah to help with Vietnam. The Shah approved of our efforts to build trade bridges to Eastern Europe and cited his own conclusion, based on a recent trip, that the satellites are loosening their Soviet ties. The Shah reaffirmed his decision not to buy sophisticated Soviet military equipment, but he is negotiating for some anti-aircraft guns (we expected this). He told the Secretary that his new five-year plan will concentrate on agriculture. Ambassador Meyer reports that the Shah was delighted to have this exchange of views and comments that it is "heartwarming to see his obvious sympathy for what the US is trying to do."

#### 5. Ambassador Bunker to Israel

Ambassador Bunker leaves Friday for three days in Israel to hear firsthand Israeli views on the desalting project.

#### 6. Renewed Communist Terrorism in Venezuela

Communist terrorists in Venezuela yesterday assassinated an Army judge and wounded the Army Chief of Staff. President Leoni, reacting to heavy military pressure, suspended certain constitutional guarantees and ordered occupation of the Central University--long a haven for communist elements. Caracas police report that the arms haul at the University was considerable. Public response to the strong Presidential measures is so far largely favorable.

#### 7. Strike Call in Santo Domingo Collapses

Communist labor leaders in the Dominican Republic called a general strike yesterday allegedly in protest against Balaguer's decision under his austerity program not to pay a full Christmas bonus. The strike call was actually an effort to embarrass and weaken Balaguer. The Dominican Revolutionary Party (PRD) and Social Christians withheld support of the strike and Balaguer issued a decree dismissing public employees who did not show up for work. In the face of this opposition the strike leaders called off the strike.

W. W. Rostow

Wednesday, December 14, 1966 -- 3:20 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Request for an interview

An Indian Embassy officer has suggested informally that if Ambassador B. K. Nehru could hear directly from you your thinking on Indian food, his hand would be strengthened in the discussions in New Delhi.

Do you want to see him?

W. W. Rostow

Will see <sup>him</sup> ~~you~~ \_\_\_\_\_

Do not want to see him \_\_\_\_\_

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

*Profile*

~~SECRET~~

December 14, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Presidential Determination--Military Aid for Tunisia

After discussing this with you at lunch on 4 October, Secretary Rusk told Bourguiba, Jr. we'd go ahead with a grant program but couldn't commit ourselves beyond FY 1967. However, since this is the first time you've seen a formal recommendation, I want to give you the background.

Bourguiba has long wanted a closer relationship with us to offset the Soviet-backed arms buildup in Algeria and his deteriorating relations with DeGaulle and Nasser. Last fall, he asked us for \$100 million in military equipment. To bring him back to reason, we sent a survey team. It recommended a \$25 million program over five years to develop a Tunisian force that could hold off the Algerians just long enough for outside help to arrive.

Secretaries Rusk and McNamara vetoed a five-year commitment. In the attached, they recommend a one-year \$5.2 million program because they don't think the Congress will stand for any new long-term commitment right now. But they recognize that going ahead is in effect starting a five-year program since it is the only militarily sensible approach. Cutting off the program a year from now would probably be harder than not starting at all. Secretary Rusk explained to Bourguiba Jr. our problems with long-term commitments and suggested we get started this year and deal with the future as it comes.

They feel there are strong reasons for helping Tunisia:

--The USSR has shipped large amounts of Soviet equipment to Algeria, and Tunisia justifiably feels defenseless. Both the Moroccans and Tunisians have tried unsuccessfully to persuade Moscow to lay off.

--Bourguiba has been remarkably good on Vietnam, and we can't expect our friends to stick up for us if we don't take their legitimate defense concerns seriously.

--He has isolated himself in the Arab world by standing up to Nasser, and he is a moderate voice on Israel and African issues.

~~SECRET~~

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- 2 -

--It doesn't make sense to force Bourguiba to buy arms in the open market while we're helping with his successful development program. He has nowhere else to turn.

Dave Bell strongly opposed this program. He argued that:

--Tunisia's natural relationship lies with Europe. Moving into a long-term program now would reverse our policy of gradually disengaging and nudging Tunisia toward its natural partners.

--We might appear to be fueling a Tunisian-Algerian arms race. The examples of India-Pakistan, Greece-Turkey, Jordan-Israel teach that we should be drawing back from this kind of program wherever possible.

--Your African program tries to build on natural sub-regional groupings like Algeria-Morocco-Tunisia. With both neighbors suspicious of Algeria, economic cooperation may be a pipe dream. Nevertheless, we ought to be urging cooperation--maybe even arms limitation--not undermining it by helping widen the Tunisian-Algerian gap.

--Tunisia needs to concentrate every last ounce of talent and money on economic development.

We have all been uncomfortable about this program for the reasons Dave Bell cited (especially if there's any thought of stopping after one year). At best, it's a 60 - 40 decision. However, I've explored all the alternatives and on balance think we ought to go ahead. If we had something promising to offer Bourguiba in the way of arms limitation, I'd give that a try, but neither the Moroccans nor the Tunisians feel they can do that kind of business with either Algiers or Moscow. In the final analysis, it's tough to tell a friend like Bourguiba that we won't help him defend himself when he has so willingly backed our cause in Vietnam. He told Ambassador Harriman last week that he urgently needs an answer.

Therefore, since you have already given Secretary Rusk verbal approval, I recommend you sign the attached determination. Charlie Schultze's memo (attached) explains the legalities. For signature if you approve.

W. W. Rostow

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GROUP 4  
DOWNGRADED AT 3-YEAR INTERVALS;  
DECLASSIFIED AFTER 12 YEARS

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124a

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM FOR THE PRESIDENT

Subject: Military Assistance for Tunisia

Secretary Rusk has recommended that you sign the attached Presidential Determination which will authorize a \$5.2 million military assistance program to Tunisia in FY 1967. Walt Rostow and I concur in this recommendation.

The determination waives (1) the limitation in the Foreign Assistance Act that assistance to African countries may be given only for internal security and civic action requirements and (2) the requirements that

- . the United States observe and obtain information about Tunisia's use of the materiel furnished and
- . Tunisia agree to return the materiel to the United States when no longer needed.

A new agreement will be negotiated under which Tunisia will agree to meet these requirements. But your determination will permit going ahead with the aid before the negotiations are completed.

Finally, the determination will waive the requirement that Tunisia use the materiel for the "defense of the free world." We do not want Tunisia to make such an agreement for the record, which would imply an alignment with the United States and a break with Tunisia's "non-aligned" status.

As is the case in Morocco, the Tunisians are seriously concerned with the buildup of military strength by Algeria whose Army and Air Force could easily overcome Tunisian forces.

Further details on the program and legal basis are included in Acting AID Administrator Hall's memorandum.

The proposed commitment will be limited to one year. The plans indicate, however, that MAP will be continued over the five-year period recommended in the military survey report. The agencies state they will press Tunisia to obtain additional aid, both military and economic, from other friendly governments during this period. This may reduce the amount of U.S. assistance needed in future years.

*Charles L. Schultz*

Attachments

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|                   |                           |
|-------------------|---------------------------|
| DECLASSIFIED      |                           |
| By <i>Group 4</i> | NARS, Date <i>8-26-81</i> |

THE SECRETARY OF STATE  
WASHINGTON

December 1, 1966

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Military Assistance for Tunisia

Recommendation:

I recommend that you sign the enclosed Presidential Determination authorizing us to provide a one-year \$5.2 million military assistance program to the Tunisians.

Discussion:

As you will recall from our luncheon conversation on October 4, the Tunisian request for military assistance has been under consideration for many months. The matter has come to me after thorough inter-agency consideration with a recommendation that the United States support the \$26 million multi-year program recommended by the U.S. Military Survey Team which went to Tunisia. However, Secretary McNamara and I do not feel we should commit the United States to more than the first year's requirements totalling approximately \$5.2 million. Funds have already been earmarked by the Department of Defense to cover this amount. I fully concur in the enclosed memorandum from Mr. Hall. When I saw the Tunisian Foreign Minister in New York on October 5, I told him that we were willing to help initiate the program but that we could not at this time go beyond a one-year commitment. I strongly urged that Tunisia also seek military help from other friendly governments.

*Dean Rusk*

Dean Rusk

Enclosure:

Memorandum from Acting AID Administrator Hall  
enclosing Presidential Determination

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DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-147  
By ig, NARA, Date 9-3-91

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

OFFICE OF  
THE ADMINISTRATOR

NOV 25 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Determinations and Authorization Permitting the Use of  
Fiscal Year 1967 Funds to Furnish Military Assistance  
to Tunisia

I recommend that you make the necessary determinations and authorization to permit the use of up to \$5.2 million in Fiscal Year 1967 to furnish defense articles to Tunisia on a grant basis. The defense articles in question would include aircraft, weapons, spare parts, vehicles and ammunition needed for the strengthening of Tunisia's military forces.

In the past, military assistance was furnished under a confidential military assistance agreement which satisfied only certain of the requirements of Section 506(a) of the Act. Unsatisfied requirements of the Act were waived by Presidential Determinations.

Negotiation of an agreement with the Tunisian Government in which we would attempt to fully satisfy all of the requirements is being planned for the near future. However, it is possible that such negotiations will not be successfully completed during FY 1967, or that the Tunisian Government may not agree to all the requirements of the Act particularly Section 506(a)(3) and (4).

It is important that this assistance to Tunisia be started as soon as possible. Negotiations with the Tunisian Government may require time. If defense articles are furnished prior to the completion of such negotiations, the assistance will be provided under the assurances given in the 1957 confidential agreement and on the basis of your waiver of the requirements of Section 506(a)(3) and (4).

In addition, the determination that the defense articles granted would be used for the defensive strength of the free world, has not been made in the case of Tunisia. In order to furnish more than \$3 million on a grant basis in any fiscal year, you must either make such a determination under Section 506(b)(2) (second part) of the Act, or waive that requirement. It is felt that the basis for such a determination does not now exist in view of Tunisia's long standing policy of non-alignment, and further that since it is in the United States interest that Tunisia be regarded by the world at large as a non-aligned nation, no attempt should be made now to secure Tunisia's agreement that such articles would be

DECLASSIFIED

Authority Group 4

By per DCH NARA, Date 3-26-91

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

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-2-

used for the defensive strength of the free world. Accordingly, your waiver of Section 506(b)(2) (second part) is required.

It will, therefore, be necessary that you (1) authorize the use in FY 1967 of up to \$5.2 million of funds without regard to certain requirements of the Act, and (2) determine that such authorization is important to the security of the United States. In addition, since military assistance furnished to Tunisia will be primarily for self-defense, it is necessary under Section 512 of the Act for you to determine that this grant military assistance may be furnished for other than internal security or civic action purposes. These statutory requirements and the manner of compliance therewith are discussed in the legal section of the attached Annex.

The grant of defense articles to Tunisia which this action would authorize for FY 1967 will not raise the total of military assistance to Africa countries above the annual \$25 million ceiling established by Section 512 of the Act.

Your decision to waive certain requirements of the Act must be based on a finding that the proposed military assistance is important to the security of the United States. I believe this is so and, accordingly, recommend that you sign the enclosed memorandum.



William O. Hall  
Acting Administrator

Enclosures

1. Background Annex
2. Proposed Determination

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BACKGROUND AND LEGAL ANNEX

I. Background of and Policy Justification for Military Assistance:

At the time of independence in 1956, Tunisia's small military forces were trained and equipped primarily by the French. Since 1957, the United States and the United Kingdom have sold small quantities of light weapons to Tunisia. In March 1959, the Tunisian Government submitted to the United States a list of equipment, which it wished to purchase on concessional terms, for a Tunisian Army of 20,000 men. The U.S. responded to this request by dispatching a military survey team to assess Tunisia's security requirements. In May 1959, pending completion of the survey, the U.S. approved the credit sales of approximately \$1.6 million worth of small arms and vehicles with payment over three years in local currency at 4% interest.

The United States Survey Team completed its review later in 1959 and concluded, first, that the Tunisian Army required additional mobility, communications and fire power and, second, that the Tunisian Army, if properly equipped and trained, could discharge its internal security mission with an Army of approximately 12,000 men. The Survey Team recommended a three-year phased materiel program and a four-year grant aid training program.

In 1960, a three-year program of grant military assistance to Tunisia in the amount of \$15,850,000 was initiated on the basis of these recommendations. This program was approved in order to assist Tunisia, which generally pursues a Western-oriented foreign policy, in maintaining its internal security and in order to demonstrate United States support for Tunisia. Both of these objectives remain valid. The final increment of this three-year program was authorized on 22 May 1962; with a few exceptions, all materiel so authorized has been delivered to the Tunisians.

During the past year and a half, President Bourguiba has become increasingly alarmed over the threat to Tunisia's security posed by the UAR and Algeria. His moderate policies in the Arab-Israeli dispute and his opposition to Nasser have left him relatively isolated in Arab councils. Tunisian relations with Algeria under the Ben Bella regime were strained and, although improved since the Boumedienne coup, are still subject to unpredictable change. Tunisian relations with Nasser are openly antagonistic and the Tunisians are convinced that Nasser's aims include the domination of Libya and Tunisia. The continuing arms buildup in Algeria tends to convince him of Tunisia's vulnerable position.

**DECLASSIFIED**  
**E.O. 12356, Sec. 3.4**  
**NIJ** 91-149  
By isp, NARA, Date 7-25-91

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President Bourguiba has been a valuable friend to the United States. He has taken a helpful public stance on Vietnam and has taken the lead in supporting United States objectives on a world-wide basis. President Bourguiba has not gone unscathed for his pro-US stance; thus, he would tend to see no merit in continually exposing himself to censure if the United States is not now responsive to a problem to which he attaches first priority. Because of Tunisia's exposed position, he is preoccupied with the need to develop a force which could defend against an attack until outside help could be brought to bear. Tunisia has made clear that it does not desire a large force, but one sufficiently well-equipped and efficient to deter any outside force intent upon aggression or coercion. The security of Tunisia is important to the security of the United States because of Tunisia's consistent pattern of political support for the United States and its moderating influence in international councils.

In response to President Bourguiba's requests for military assistance, a Joint State-AID-Defense Survey Team reviewed Tunisia's security needs during the period November 1965 - February 1966 and its most pertinent findings were:

A. Threat to Tunisia

The primary potential external threat is from Algeria, whose forces would be capable of quickly overwhelming Tunisia's present defense forces. Algeria's forces consist of: a 51,000 man Army which is continuing its intensive buildup with Soviet assistance and which already has 358 tanks, four artillery battalions, and an unknown number of surface-to-air missiles; an Air Force of 209 aircraft including 102 jets (29 MIG-21, 34 MIG-17, 21 MIG-15 and 18 IL-28 light bombers); and a Navy which includes three submarine chasers and eight patrol boats. Against this Tunisia has: an army of less than 15,000 men which is equipped with 17 M-41 tanks and 24 armored cars; an Air Force of trainer and transport aircraft; and a small Navy.

B. Tunisian Security Force Deficiencies

The Army lacks sufficient armor, artillery, anti-tank and anti-aircraft weapons, communications and certain types of transport equipment. The Air Force lacks interceptor and ground support aircraft and sufficient transport aircraft. There are critical qualitative and quantitative shortages in trained military personnel in all its armed services.

C. Options for Improving Tunisian Security Capabilities

Tunisia's terrain provides natural defensive advantages. Capitalizing on this asset, the Team developed four options which would give Tunisia varying levels of defensive strength ranging from a self-sufficient capability to a deterrent capability of approximately

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four days. The Survey Team concluded that the least elaborate military improvement option, i.e., a deterrent capability of approximately four days, represented the most realistic choice for both the Tunisian and the U.S. Governments. Primarily because of critical shortages in trained personnel (officer, NCOs and EM) and the necessity for not disrupting Tunisia's economic development, it was considered the maximum force which the Tunisians could develop and employ effectively during the next five years. The cost to the United States would approximate \$26 million over a five-year period.

Following a thorough interagency review it was concluded that President Bourguiba had a legitimate requirement for improving his security forces but that this improvement should not prejudice a continued sound economic program.

The military assistance program for FY 1967 of approximately \$5.2 million will only provide for a partial fulfillment of Tunisia's minimum needs, but it will allow time for a re-examination of possible future requirements for continued U.S. assistance. Hopefully Tunisia will also look to other friendly sources of help. To the extent that Tunisia cannot meet her needs elsewhere, it is probable to assume that she will continue to turn to the U.S. The FY 1967 program is designed to assist the Tunisians in taking initial steps toward:

- A. Achieving a minimum air transport capability,
- B. Improving the air support of the ground forces,
- C. Improving ground force mobility, communications, anti-tank capability, and
- D. Improving professional and technical capabilities through in-country and U.S. training

The authorization and determinations requested herein are made as a part of that military assistance program.

## II. Legal Requirements:

Under the Act, a number of requirements are applicable to the furnishing of military assistance on a grant basis. First, under Section 503 of the Act, the President must find that the furnishing of military assistance to a friendly foreign country will strengthen the security of the United States and promote world peace. Second, under Section 506(a) of the Act, no defense articles may be furnished to any country on a grant basis, unless that country shall have agreed to certain conditions set forth in that Section. Third, Section 506(b) provides that no defense articles may be furnished on a grant basis to any country in excess of \$3 million in any fiscal year unless the President makes certain determinations specified therein. Fourth, Section 512 of the Act provides that no military assistance shall be furnished on a grant

~~CONFIDENTIAL~~

basis to any country in Africa except for internal security requirements or for civic action programs unless the President determines otherwise.

The finding required by Section 503 of the Act was made on 9 March 1962, by Presidential Determination 62-15.

The conditions set forth in Section 506(a)(1) and (2), of the Act, were agreed to by Tunisia in the confidential military assistance agreement which entered into force November 5, 1957. It is believed Tunisia will continue to agree with these conditions in any subsequent agreement. However, Tunisia did not agree to the requirement of sub-paragraph (3) of Section 506(a) which requires the recipient country, as the President may require, to permit continuous observation and review by, and to furnish necessary information to representatives of the United States Government with regard to the use of grant defense articles; nor did Tunisia agree to the requirement of sub-paragraph (4) of Section 506(a) which requires that, unless the President of the United States consents to other disposition, the recipient country return to the U.S. Government, for such use or disposition as the President considers in the best interest of the United States, such articles which are no longer needed for the purposes which they were furnished.

With respect to Section 506(b) of the Act, Presidential Determination (No. 62-29) made on May 22, 1962 satisfied all requirements except that of the second clause of Section 506(b)(2). State and Defense Department examination of the current situation in Tunisia reveals that the factors which supported the 1962 determination remain constant. It is, therefore, believed unnecessary that the President reconsider the findings made in the 1962 determination.

The second clause of Section 506(b)(2) of the Act requires that the President determine that defense articles furnished on a grant basis in excess of \$3 million in any fiscal year will be utilized by the recipient country for the maintenance of the defensive strength of the free world. The implication of such a determination is that Tunisia would be aligned with the United States in the defense of the free world against any military attack by the Soviet Bloc or Communist China.

As stated in the covering memorandum, it is proposed that we attempt to obtain Tunisian agreement to comply with the requirements of subparagraphs (3) and (4) of Section 506(a). However, until such has occurred, or if prior to the completion of negotiations defense articles are furnished under the assurances of the 1957 agreement, these requirements of the Act will not have been met. In any case, the requirements of Section 506(b)(2) (second condition) will not have been met under either agreement.



Finally, Section 512 limits grant military assistance for African countries to internal security and civic action requirements unless the President determines otherwise. Therefore, since it is contemplated that the military assistance to be furnished to Tunisia is for its self-defense as well as for its internal security, it is necessary for the President to determine that this military assistance may be furnished for other than internal security or civic action requirements. Section 512 of the Act also provides that the value of grant programs of defense articles for African countries in FY 1967 shall not exceed \$25 million. The \$5.2 million program herein proposed for Tunisia will not cause that ceiling figure to be exceeded.

In summary, the requirements of Section 506(a), subparagraphs (3) and (4) have not been complied with as of the present and may not have been complied with at the time the proposed assistance would be furnished. The requirements of Section 506(b)(2) (second condition) will not have been complied with in any event. However, pursuant to Section 614(a) of the Act, the President may authorize the furnishing of military assistance without regard to these requirements when he determines such authorization to be important to the security of the United States. Also Section 512 requires specific Presidential authorization of military assistance to an African country for its self defense.

Accordingly, it is recommended that the President make the requisite determinations pursuant to Sections 512 and 614(a) of the Act and authorize the furnishings of the military assistance proposed herein.

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NOV 25 1966

MEMORANDUM FOR THE DIRECTOR, BUREAU OF THE BUDGET

SUBJECT: Determinations and Authorization Permitting the Use of  
Fiscal Year 1967 Funds to Furnish Military Assistance  
to Tunisia

Reference is made to:

- a. Secretary of State memorandum for the President,  
subject: "Military Assistance for Tunisia" (attached),
- b. Our memorandum for the President (attached) which  
seeks a Presidential Determination for FY 67,
- c. Draft memorandum from Secretary of State to Tunisia's  
Minister of Foreign Affairs, and
- d. Memcon, subject: "US Military Assistance to Tunisia"  
dated October 8, 1966 (not formally cleared at this time).

The purpose of this letter is to provide additional information as requested by your office. Although bearing importantly on the case, this information is not considered appropriate for inclusion in the memorandum for the President.

(a) We are concerned that the Tunisians budget sufficient local currencies to meet the costs of future military force improvements. With the difficult financial situation which faces Tunisia presently, it is recognized that a significant increase in the defense budget may have a retarding effect on that country's economic development plans. Consequently, it is possible that the Tunisians may request additional economic aid from an outside source as an offset. Therefore, when we discuss the modernization of Tunisian armed forces, we intend to emphasize the local cost factor and reiterate that the Tunisian Government will be responsible and must make provision for these local costs. We will attempt to determine how they contemplate meeting these added costs.

(b) The proposed program for FY 67 of \$5.2 million will be selected from the U.S. military survey team report. It is not practical at this time to identify finally and specifically the quantities of items, however, they will be drawn from the categories of aircraft,

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Authority Group 4

By per ALH NARA, Date 3-26-91

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intervals; declassified  
after 12 years

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weapons, spare parts, vehicles and ammunition as mentioned in the Memorandum for the President. In drawing up the list we need to maintain flexibility since both price and availability are variables which need to be looked at on a current basis when we are ready to start active discussions with the Tunisians. Reprogramming may be expected; however, the following list includes representative items:

|                                  | Quantity | Approx. cost (in mils of dollars) |
|----------------------------------|----------|-----------------------------------|
| Gun, AAA, 40 mm                  | 8        | 0.6                               |
| Rifle, RR, 106 mm                | 32       | 0.2                               |
| Truck, 1/4 ton                   | 40       | 0.1                               |
| Howitzer, 105mm                  | 36       | 0.1                               |
| F86 F Aircraft                   | 12       | 1.1                               |
| Spare parts for above            |          | 1.1                               |
| Training (all)                   |          | 0.6                               |
| Supply Opns (PCH&T)              |          | 0.4                               |
| Aerospace Ground Equipment (AGE) |          | 0.4                               |
| Ammunition                       |          | 0.6                               |

(c) Reference c for your information, is a proposed letter to Tunisia's Bourguiba, containing an expanded and more precise statement of our Government's commitment to Tunisia. It is intended for transmission with the sanitized military survey report after the PD is approved.

(d) As stated in the U.S. military survey report, the total value of the five-year program is \$26 million. Reference d is a copy of a Memcon in which it is indicated, however, that we are thinking of a rather significant one-year program. Our judgment is that it will take up to \$5.2 million as the initial increment to get a significant and worthwhile program started. Our intention was expressed in the Oct. 5 UN meeting with Bourguiba after thorough discussion between the Secretaries of State and Defense and the President.

(e) The FY 67 program will allow time for a re-examination of Tunisia's future requirements. The Secretary of State has urged Tunisia to look to several other countries to meet some of its requirements. However, since the outcome of such approaches is uncertain, the tentative FY 68 program provides, as a contingency, for an additional \$5.2 million.

*William O Hall*  
for  
William S. Gaud

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Dear Mr. Minister:

Pursuant to our conversation in New York on October 5, I am pleased now to transmit the report of the U.S. Military Survey Team which visited Tunisia last November.

As I am sure you appreciate, the intensive effort which has gone into our attempt to be as responsive as possible to your Government's request for military aid has of necessity been time-consuming. We have wanted to avoid retarding Tunisia's impressive economic development; we have wanted to avoid any appearance of adding fuel to a North African arms race; and, by no means least, we labor under increasing pressures from the Congress not only to avoid new arms commitments but to reduce existing ones.

In our view, the program of military reinforcement proposed in the report, represents a sound professional judgment of how Tunisia can achieve a reasonable level of security without undue repercussions on the economy. As soon as you wish, Ambassador Russell is prepared to begin discussions looking to the means of implementing the recommendations.

The specification of additional equipment that would be desirable is, of course, not intended to prejudge the source of supply. As I emphasized in New York, it is very much our hope that Tunisia will be able to obtain from other friendly sources military aid to complement our own. We consider such aid most important if the goals of the program are to be met.

His Excellency  
Habib Bourguiba, Jr.,  
Minister of Foreign Affairs  
Tunisia

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-147  
By WJ NARA, Date 9-3-91

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As for the contribution of the United States, I am happy to confirm that we are prepared to meet the initial requirements of the program as projected by the Survey Team. We would in fact contemplate a rather significant beginning by furnishing some of the more important items of equipment, in this way enabling the Tunisian armed forces to make appreciable progress toward the levels of preparedness set by the Survey Team.

Because we cannot anticipate future Congressional attitudes or predict the means at our disposal for meeting our eventual burdens elsewhere, I am obliged to make clear that it is not possible for us at this time to look beyond a one-year commitment. But our present contribution is in itself, of course, a gauge of our interest and of the sympathetic concern we will continue to focus on Tunisian security and welfare.

I think you and I agree, Mr. Minister, that the manifold forms of cooperation already existing between our two countries provide ample demonstration of the importance to both of us of Tunisian-American friendship and that in the strength of this friendship lies the best augury for the future. I assure you again of the high value my country attaches to our warm relationship.

With assurances of my highest personal esteem,

Sincerely yours,

Dean Rusk

AF/AFN:FHSacksteder,Jr.:mdem  
November 21, 1966

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E.O. 12356, Sec. 3.4  
NLJ 91-147  
By ijp, NARA, Date 9-3-91MEMORANDUM OF CONVERSATIONOctober 5, 1966  
New York

Subject: US Military Assistance to Tunisia

Participants:

U. S.The Secretary  
Joseph Palmer, 2nd Ass't  
Secretary for African AffairsTUNISIAH. E. Habib Bourguiba, Jr.  
Foreign Minister of Tunisia  
H. E. Taleb Slim, Tunisian  
Ambassador to UN  
H. E. Rachid Driss, Tunisian  
Ambassador to US

The Secretary said that he would like to say a few words about the US military assistance program. The US was ready to transmit the report of the survey team which had visited Tunisia. If Tunisia found the report was a basis for it, the US would then begin to provide the more urgent items. The Secretary stated that it was not possible to make a five-year commitment but the US could begin a rather significant one-year program. The US believes that there are certain things recommended in the report which Tunisia might be able to obtain from France, Germany or elsewhere. The US would concentrate on the things which Tunisia might not be able to get from other countries. The Secretary urged the Tunisians not to be disappointed saying that the US does want to get started but that it does have legislative and budget problems.

The Foreign Minister asked if the survey report itself compromised the conclusions of the survey team and whether it took into consideration the US budgetary and other problems. The Secretary replied that the report was that of the team and that it had not been revised by politicians. Mr. Bourguiba said that the report was supposed to have been ready in March to which the Secretary responded that there had been problems with Congress which had to be settled before we could be sure of beginning a program. He urged Tunisia to approach other countries for help in obtaining its equipment needs where relations with these countries made it possible. This would make it easier for the US to carry out its program.

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- 2 -

The Foreign Minister pointed out that in the case of France, Tunisia's relations with that country had not yet been fully restored although it would be a challenge to try to have France participate as a member of a team helping Tunisia. Italy, he observed, would not do anything to infuriate De Gaulle even though it was mad at France. The UK would not help as it has no specific interest in Tunisia. As for Germany, the Foreign Minister asked if we could infer that it would be proper to look at the problem through the same eyes as the US. Tunisia, he added, did not wish Germany to cut back on its economic aid. The Secretary observed that the survey report must be considered over a period of some years. He augmented that the Tunisians might want to talk to the Italians and said he would support any such initiative with Italian Foreign Minister Fanfani if the Tunisians wished. The geography of the Mediterranean should make it interesting for Italy.

The Foreign Minister pointed out that Tunisia had indemnification problems with Italy although his country was trying to arrange a package deal with the Italians. (off-the-record discussion) The Foreign Minister said he was rather pessimistic about help from Italy in view of Tunisia's problems with that country and the Italian Prime Minister's own internal problem. The Secretary replied that he believed it was worth a try and suggested that a letter from President Bourguiba to President Sarragat might help. The Secretary thought that the Germans would have a constructive reaction to an approach from Tunisia but noted that the US was in a less favorable position to help out with the Germans since the US had gone to Germany so often for help over the past 15 years. In any event, the Secretary observed that it was important to draw one or two European countries into the question of Tunisia's needs. Those countries should be very much interested in what goes on along the southern coast of the Mediterranean.

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1242

THE WHITE HOUSE  
WASHINGTON

*December 16, 1966*

Presidential Determination  
No. 67-12

MEMORANDUM FOR THE ADMINISTRATOR  
AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT: Determination and Authorization Permitting Military  
Assistance to the Government of Tunisia

In accordance with the recommendation in your memorandum of November 25, 1966, I hereby:

- (1) determine, pursuant to Section 512 of the Foreign Assistance Act of 1961, as amended (hereinafter referred to as "the Act"), that military assistance may be furnished to the Government of Tunisia on a grant basis for other than internal security or civic action requirements;
- (2) determine, pursuant to Section 614(a) of the Act, that authorization in Fiscal Year 1967 of the use of up to \$5.2 million of funds available for military assistance under the Act for the purpose of providing defense articles to the Government of Tunisia, without regard to the requirements of paragraphs (3) and (4) of Section 506(a) of the Act and without regard to the second requirement of paragraph (2) of Section 506(b) of the Act, is important to the security of the United States; and
- (3) authorize, pursuant to Section 614(a) of the Act, the use of such funds for defense articles without regard to the requirements of paragraphs (3) and (4) of Section 506(a) of the Act and of the second requirement of paragraph (2) of Section 506(b) of the Act.

You are requested, on my behalf, to give prompt notice of these actions, pursuant to Sections 512 and 634(d) of the Act, to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives.

*/s/ Lyndon B. Johnson*

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| By <i>SCA</i>             | DECLASSIFIED |
| NARS, Date <i>8-26-86</i> |              |

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