

~~SECRET~~

Friday ~~January~~  
January 7, 1967  
4:00 p.m.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 91-180

By sig, NARA, Date 4-7-93

Mr. President:

Before proceeding further in our planning for your South American tour, I would like to have your reaction to the itinerary described in the map and schedule at Tab A.

The 13-day trip (including the conference) would take you to each of the eleven countries in South America, even if only for a few hours. Given Latin sensibilities, it is politic not to skip any country in the southern continent. Central America and the Caribbean can be covered at some other time. If you want a full day's rest along the route, this could be easily arranged at the half-way point -- Lima, Peru.

The tentative program contains a good mix of popular receptions in big cities with visits to Alliance for Progress projects and "inner frontier" areas. We are mapping out a master list of coordinated statements you would make en route covering themes and sub-themes developed at the Summit meeting. A preliminary draft is at Tab B. The list includes a major address to a joint session of the Brazilian Congress in which you could treat the Vietnam situation.

The itinerary has been checked with Linc Gordon, who thinks its fine.

W. W. Rostow

Itinerary OK  
for planning purposes ✓

(handwritten: A thorough security  
check-out is needed before we lock on.  
Should I set it in motion -- or wait

WWRQ

Let's discuss further \_\_\_\_\_

check —

wait —

Attachments

Tabs A and B.

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

Friday - January 7, 1967

MEMORANDUM FOR WALT ROSTOW

SUBJECT: The President's Tour of South America

In the four attached papers I have tried to lay out the dimensions of the President's tour of South America. .

The papers are:

- A map tracing the tour. (Tab A)
- A schedule showing the amount of time to be spent in each country and the nature of possible activities. (Tab B)
- A list of statements, toasts, speeches, etc., that the President would be expected to make (together with themes for each), based on the itinerary and schedule of events. (Tab C)
- A schedule for Summit preparations giving in tentative form target dates for preparation of our Summit and tour documentation and arrangements planning. (Tab D).

WGBowdler

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E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By ju pn OCH, NARA, Date 4-18-91

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Schedule for President's Latin American Trip  
(Second Draft - 1/5/67)

77a

A

Tuesday,  
April 11

8:00 am - Lv Washington

2:05 pm - Ar Georgetown - Short visit with Burnham  
while refueling.

3:05 pm - Lv Georgetown

8:35 pm - Ar Montevideo - Parade through Montevideo.  
Overnight.

Wednesday,  
April 12

10:00 am - Lv Montevideo -

10:40 am - Ar Punta del Este- (Conference will run from  
April 12 - 14).

Friday,  
April 14

4:00 pm - Lv Punta del Este

4:40 pm - Ar Montevideo - Social function and overnight.

Saturday,  
April 15

9:00 am - Lv Montevideo

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White House Guidelines, Feb. 24, 1983  
By WPER/DCH NARA, Date 4-18-91

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9:40 am - Ar Buenos Aires - Spend entire day and overnight.

(Activities:

- parade;
- visit to school or housing project;
- Ongania dinner.)

Sunday,  
April 16

10:30 am - Lv Buenos Aires - Aerial survey of River Plate system with President of Argentina (also Uruguay, if possible). Motorcade into Asuncion for lunch.

11:20 pm - Ar Asuncion

2:30 pm - Lv Asuncion

5:30 pm - Ar Rio de Janeiro - Motorcade. Night free.

Monday,  
April 17

a.m. - Spend morning in Rio visiting favela and PC project and wreath-laying at tomb of Brazil unknown soldier.

12:30 pm - Lv Rio de Janeiro - Lunch on plane.

2:00 pm - Ar Brasilia - Tour of capital; address joint session of Congress; Costa e Silva dinner; overnight.

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-3-

Tuesday,  
April 18

|          |   |               |   |
|----------|---|---------------|---|
| 9:00 am  | - | Lv Brasilia   |   |
| 10:20 am | - | Ar Santa Cruz | - Motorcade through Santa Cruz.<br>Lunch with Barrientos. |
| 2:30 pm  | - | Lv Santa Cruz |   |
| 5:00 pm  | - | Ar Santiago   | - Motorcade from airport<br>to La Moneda.<br>Frei dinner. |

Wednesday,  
April 19

- Spend all day in Santiago.

(Activities:

- visit Alliance -- health  
or housing -- project;
- lunch in agricultural area  
with campesino leaders;
- return reception for Frei.)

Thursday,  
April 20

|          |   |             |                                  |
|----------|---|-------------|----------------------------------|
| 10:00 am | - | Lv Santiago |                                  |
| 12:15 pm | - | Ar Lima     | - Spend afternoon and overnight. |

(Activities:

- motorcade;
- lunch at Embassy;
- visit to La Molina Agri-  
cultural School;
- Belaunde dinner.)

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Friday,  
April 21

|          |   |              |   |   |
|----------|---|--------------|---|---|
| 9:00 am  | - | Lv Lima      | - | Trip to Tarapoto.                             |
| 11:00 am | - | Ar Tarapoto  | - | Lunch   |
| 2:00 pm  | - | Lv Tarapoto  |   |   |
| 4:00 pm  | - | Ar Guayaquil | - | Motorcade.<br>Arosemena dinner.<br>Overnight. |

Saturday,  
April 22

|          |   |                          |   |  |
|----------|---|--------------------------|---|--|
| 10:00 am | - | Lv Guayaquil             |   |  |
| 11:00 am | - | Ar Bogota                | - | Motorcade into city.<br>Lunch at Presidential Palace.<br>Air reconnaissance of Choco<br>area and Cauca valley. |
| 5:00 pm  | - | Lv Bogota                |   |  |
| 7:35 pm  | - | Ar Maiquetia<br>Caracas. | - | Confer with President Leoni<br>and overnight Macuto-Hilton.  |

Sunday,  
April 23

|          |   |             |   |  |
|----------|---|-------------|---|--|
| 10:00 am | - |             | - | Visit industrial complex.<br>Have lunch at Ciudad Bolivar. |
| 4:00 pm  | - | Lv Caracas. |   |  |
| 8:15 pm  | - | Ar Andrews. |   |  |

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List of Statements, Toasts, Speeches  
(First Draft - 1/4/67)

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E.O. 12356, Sec. 3.4

NEJ 91-180

By WJP, NARA, Date 4-7-93

Saturday,  
January 28 - Washington - General announcement that the President plans to visit South American countries following the Summit meeting.

Monday,  
March 20 - Washington - Announcement of the President's itinerary.

Tuesday,  
April 11 - Washington - Departure statement.

- Themes: - The challenges confronting the hemisphere in the next decade and the importance of continued inter-American cooperation.
- Unique opportunity of Summit meeting to give AFP new directions and impetus.
  - Integration, education and agriculture as the under-pinnings of the new effort.
  - Looking forward to intensive working session with his colleagues on the hemisphere's needs and how to meet them through self-help and mutual help.

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-2-

Tuesday,  
April 11

-

Georgetown

-

Arrival  
Statement:

Themes

- Happy to be in one of America's new countries and to return the visit of a good friend.
- We have followed with keen interest Burnham's success in leading Guyana to independence and national development.

Joint Statement  
on departure:

Themes

- Guyana as one of South America's inner frontiers.
- Importance of increased food production.

Tuesday,  
April 11

-

Montevideo

-

Arrival  
Statement:

Themes

- Great pleasure to be in land of Artigas.
- Reference to Uruguay's long democratic tradition.
- Appreciation for President Gestido agreeing to host the meeting.
- Looking forward to conferring with Latin American colleagues, stressing working nature of meeting.



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Wednesday,

Thursday,

Friday,

April 12-14 -

Punta del Este -

Main Speech;

Declaration;

Communique:

Themes

- New directions and impetus for the Alliance for Progress:
  - economic integration;
  - multinational projects;
  - education and agriculture;
  - inner frontiers.
- The Alliance as a collective effort:
  - national activities -- public or private, large or small -- are all part of the Alliance;
  - importance of greater mutual help;
  - the role of Presidents and their governments in developing a popular mystique for the Alliance.
- Arms limitation (non receipt formula):
  - to conserve resources for economic and social development;
  - to tailor military planning and equipment acquisition to meet internal security requirements.

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Friday,  
April 14

-

Montevideo

-

Toast at  
Dinner:

Themes

- Respect which Uruguay enjoys throughout the world for the political maturity of its people, its strong democratic institutions and its experimentation to improve those institutions.
- Importance of food production to meet the hemisphere's requirements and needs of other areas.

Saturday,  
April 15

-

Montevideo

-

Departure  
Statement:

Themes

- Accomplishments and significance of the Summit.
- Looking forward to tour of all South American countries to see at first-hand (1) what countries are doing under the Alliance and (2) some of the challenging inner frontiers.

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Saturday,  
April 15

- Buenos Aires

- Arrival  
statement -

Themes - Happy to be in land of San Martin  
and Sarmiento.

- Reference to Summit accomplishments.
- Appropriate comment on President  
Ongania's role (e.g., arms limitation).
- Looking forward to visit in great city  
of BA and reviewing with President  
Ongania matters of mutual interest.

Buenos Aires

- Remarks  
at School -

Themes - Build around Sarmiento and Argentina's  
achievements in education.

- Reference to what this educational  
system has produced in way of literary  
figures, artists, musicians, scientists, etc.
- Hemispheric needs in education and role  
which Argentina might play in helping  
other countries.
- Promise of new techniques in educational  
field.

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Buenos Aires

- Toast at  
Ongania  
dinner:

- Themes
- Historic leadership of Argentina in Latin America since independence.
  - Great role it can play in integration movement with natural and human resources at its disposal.
  - Importance of US-Argentine co-operation on the world scene: food production, peacekeeping, etc.
  - Looking forward to trip overflying River Plate system -- its significance as a multinational project.

Sunday,  
April 16

- Buenos Aires

- Departure  
Statement:

- Themes
- Gratitude for traditional warm hospitality.
  - At Punta del Este blueprint for new Alliance effort mapped out -- we now enter action phase.
  - Talks with President Ongania show great role which Argentina can play in agriculture, education and integration.

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Sunday,  
April 16

- Asuncion

- Remarks at  
luncheon:

Themes

- Importance of neighboring countries working together across borders to develop shared resources.
- Multinational projects as stimulants to integration and development.

- Rio de Janeiro

- Arrival  
statement:

Themes

- Pleased to be in the largest country of this hemisphere.
- Great progress made by Brazil in last two decades and tremendous potential of its inner frontiers.
- Historic close ties between Brazil and US.
- Brazil as a close partner in hemisphere and world affairs.
- Appreciation of American people for Brazilian collaboration in two World Wars and UN and OAS peacekeeping.

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Monday,  
April 17

- Rio de Janeiro - Remarks at  
favila:

Themes - Housing and urban renewal under  
the Alliance.  
- Tribute to PC and plug for Inter-  
American Peace Corps.

- Brasilia - Address to  
Joint Session  
of Congress:

Themes - Challenge to the Americas in the  
1970's.  
- Role of Latin American economic  
integration and development of  
"inner frontiers" in meeting this  
challenge.  
- Why we are in Vietnam and the  
stake of the hemisphere in the  
outcome.

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- Brasilia - Toast at  
Costa e Silva  
Dinner:

- Themes
- Personal pleasure in being able to return Costa e Silva's visit.
  - Brazil's traditional ability to look outwardly and play an international role while pursuing internal programs.
  - Importance of a dynamic, democratic Brazil to progress and stability in this hemisphere.

Tuesday,  
April 19 - Brasilia - Departure  
statement:

- Themes
- Impressed by Brazil's grandeur and dynamism, wants to return for longer visit.
  - Accepts Costa e Silva's invitation to come back.
  - Importance to move ahead boldly with decisions reached at OAS Summit.

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Tuesday,  
April 18

Santa Cruz

- Arrival  
statement:

- Themes
- Happy to return President Barrientos' visit.
  - Regrets altitude of La Paz made in inadvisable for him to visit capital.
  - Summit accomplishments, Barrientos' contribution.
  - Reference to port enclave in Northern Chile if this can be worked out.

Santa Cruz

Remarks at  
Barrientos  
Lunch:

- Themes
- Assistance to Indian population.
  - Development of "inner frontiers".



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Tuesday,  
April 18

- Santiago

- Arrival  
statement:

- Themes
- Happy to return President Frei's visit so soon.
  - Summit accomplishments and President Frei's role.
  - Looking forward to seeing "Revolution in Freedom" in action.
  - Compliment Chilean nation for giving Bolivia port enclave if this can be worked out.

Santiago

Toast at  
Frei dinner:

- Themes
- Strength of Chilean democratic institutions.
  - Forward-looking policies of President Frei: "Revolution in Freedom" at home and leadership abroad in economic integration, arms limitation, port enclave for Bolivia.
  - Partnership with foreign private investment in carrying forward development plans.

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Wednesday,  
April 19

- Santiago

- Remarks at  
Alliance  
(health or housing)  
project:

Themes

- Importance of the Alliance as a collective effort: government and private.
- Need for individual involvement and commitment to the Alliance concept.

Santiago

Remarks at  
agricultural  
station:

Themes

- Modernization of agriculture and its relation to economic development.
- World food problem and how the Americans help.

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Thursday,  
April 20

-

Santiago

-

Departure  
Statement:

Themes

- Appreciation for warm Chilean hospitality.
- Confidence in strengthening of the Alliance in carrying out Summit decisions.
- Congratulations to Chileans under President Frei's leadership on what they are accomplishing.

Thursday,  
April 20

-

Lima

-

Arrival  
Statement:

Themes

- Have long wanted to see at first-hand what Peru under President Belaunde's leadership was doing to carry the Alliance forward.
- Summit accomplishments reflect vision of President Belaunde.

Friday,  
April 21

- Tarapoto

- Departure  
Statement:

Themes

- Peru's vision and dynamism inspires confidence in the future of the Alliance.
- Importance of translating Summit decisions into action.
- Invitation to President Belaunde to visit Washington in June.

- Guayaquil

- Arrival  
Statement:

Themes

- Happy to be on Ecuadorean soil and to have a further opportunity to talk with your distinguished President.
- Summit accomplishments and importance of new Alliance directions.
- US commitment to the Alliance.
- Importance of greater public involvement throughout the hemisphere in the Alliance.

- Lima

- Remarks at La  
Molina Agricul.  
School:

Themes

- Importance of higher education and technical training to modernization process.
- Key role of agriculture in economic development.
- Belaunde's COPOP program (Indian community development).

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- Lima -

Toast at  
Belaunde  
Dinner:

- Themes - Belaunde, architect turned politician, who has combined both skills to give Peru dynamic, modern leadership.
- Belaunde, the visionary who would move mountains and open up vast virgin lands, but also the humanitarian concerned with bringing Indian populations into the mainstream of national life.
- Belaunde, the practical statesman who has established a climate where private investment works with government in development plans.

Friday,  
April 21

- Tarapoto -

Remarks at  
Lunch:

- Themes - Future of Latin American development in terms of:
- opening inner frontiers -- Eastern Andean piedmont, and
- multinational projects as stimulants to integration -- Carretera Marginal.

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Guayaquil

Toast at  
Arosemena dinner:

- Themes - Ecuador's return to constitutional government.
- 
- 
- Solution to fishing problem to satisfaction of all concerned.

Saturday,  
April 22

- Guayaquil

- Departure  
statement:

- Themes - Visit short, but meaningful -- honor to have worshipped in your cathedral.
- Return to constitutional government as basis for propitious political and economic climate conducive to development.

Saturday,  
April, 22

- Bogota

- Arrival  
statement:

- Themes - Colombian leadership in economic integration, before and during the Summit.
- Our support for President Lleras' ambitious development program.

SECRET

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Saturday,  
April 22 - Bogota

Toast at  
Lleras lunch:

- Themes
- Lleras as economist turned politician with great success.
  - Our keen interest in the success of Lleras' development program.
  - Choco project and Darien gap.
  - Colombia's success in dealing with versive threat.

Bogota

Departure  
statement:

- Themes
- Colombia as a country with firm democratic institutions, getting its economic house in order and launching on ambitious development program under able leadership.
  - Support for Alliance and importance of moving ahead resolutely with Summit decisions.
  - Invitation to visit Washington in July.

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- Caracas - Arrival State-  
ment:

- Themes
- Impressive accomplishments under Betancourt and Leoni in restoring democratic government and launching economic and social programs.
  - Venezuela's successful handling of communist subversive problem.

Sunday,  
April 23

- Ciudad Bolívar - Toast at  
Leoni lunch:

- Themes
- Development of "inner frontiers".
  - Example of how foreign private investment can help in development process.

Sunday,  
April 23

- Caracas - Departure  
statement:

- Themes
- End of highly successful trip and impressions President carries with him about Venezuela and the rest of South America.
  - Invitation to visit Washington in October.



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Sunday,  
April 23

- In-flight over  
Santo Domingo

- Personal message  
to President Balaguer  
by radio.

- Washington

- Arrival state-  
ment:

-- Summit accomplishments.

-- Will make special report to the nation  
on the meeting and his observations  
during visit.

Tuesday,  
April 25

- Washington

- President makes  
fireside report  
to nation on the  
Latin American  
trip:

Themes

- Results and significance of the Summit;
- Alliance very much alive but in more realistic focus.
- New trends and currents in Latin America.
- US prestige high.
- We must be prepared to increase our commitment to the Alliance as Latin America gears itself to.

Summit Preparation Schedule

- Friday,  
January 20 - 11th MFM sets date and place for Summit.
- Monday,  
January 23 - White House makes general announcement of the President's intention to make a tour of South America, without giving any details.
- Monday,  
January 23 - State sends circular to Ambassadors asking them to obtain approval for short visit and levying requirements for planning and suggestions for program, speech material, gifts, etc.
- Wednesday,  
February 1 - Preparation of draft Declaration and Communique which we would like to see come out of the Summit, which Secretary Rusk could discuss with the President before leaving for BA meeting and which would serve as the basis for Secretary Rusk's discussions with his Latin American colleagues at BA.
- Wednesday,  
February 15) - Third Special Inter-American Conference, followed  
- ) by 11th MFM, meets in Buenos Aires. MFM  
20) will fix Summit agenda, review Prepco report, and decide on mechanism for preparing papers to be presented to the Presidents. (Hopefully mechanism might be Working Group of Mexico, Argentina, Brazil and US Foreign Ministers.)
- Monday,  
February 20) - White House advance party makes circuit to work  
- March 1) out arrangements.

|                                   |   |   |
|-----------------------------------|---|---|
| Monday,<br>March 20               | - | President announces that he will visit all South American countries following the OAS summit.   |
| Friday,<br>March 17               | - | Deadline for State to have all briefing materials delivered to Mr. Rostow.  |
| Monday,<br>April 3                | - | Deadline for completion of draft of President's Summit speech and our position on the draft of the Summit Declaration and Communique, prepared by the MFM Working Group.                                  |
| Sunday,<br>April 9                | - | Secretary Rusk leaves for Punta del Este for preliminary meeting of Foreign Ministers to put the Summit package into form for presentation to the Presidents. White House advance party travels with him. |
| Tuesday,<br>April 11              | - | President departs for Punta del Este.   |
| Wednesday, )<br>April 12 )<br>- ) | - | President attends Summit meeting.   |
| Friday, )<br>April 14 )           |   |   |
| Saturday,<br>April 15             | - | President flies to Buenos Aires to begin tour.  |
| Sunday,<br>April 23               | - | President arrives back in Washington.   |

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THE WHITE HOUSE

WASHINGTON

January 7, 1967

Dear Joe:

I am so glad you came in yesterday morning. It was a good meeting.

It was useful for me to have your picture of the political problems and prospects in Pennsylvania. I hope you will keep me regularly informed.

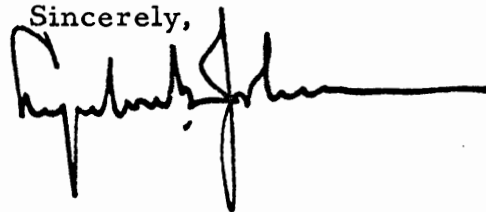
I was also glad to have a chance to discuss with you the poverty program and where we go to make it work better. All of us who are deeply committed to what it stands for have got to stay close together in the days ahead to insure that it survives its infancy and moves forward with increased efficiency as a fundamental part of our society.

It was good also to get your impressions of your travels abroad and the views you expressed in your speech on national priorities.

After you left it occurred to me, Joe, that if you knew how much time and imagination and effort we are now putting into trying to bring about peace in Viet Nam; to bring about a non-proliferation agreement; to head off another round in the arms race--you'd be awfully pleased. Those are the directions in which I wish to go and am determined to go.

Please keep in touch.

Sincerely,



Honorable Joseph S. Clark  
United States Senate  
Washington, D. C.

## THE WHITE HOUSE

WASHINGTON

~~SECRET~~

Saturday, January 7, 1967

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Affairs Summary

1. Vietnamese Cabinet Reviews Reconciliation Program

The Under Secretary for Chieu Hoi (VC returnee program) told Embassy Saigon that the Cabinet's initial reaction to the plan was that the restoration of full civil and political rights to ex-VC created no particular problems; the offer of comparable careers in the Government to middle and high level VC, however, presented major difficulties and was "premature." The Under Secretary said he would push for a national proclamation as soon as possible offering political and civil rights.

2. Plugging of Cracks in our Cuban Isolation Policy

Ambassador Bruce will talk to Prime Minister Wilson early next week in a last ditch effort to persuade the British not to guarantee the sale of a fertilizer plant to Cuba.

Ambassador Harriman is speaking with the Scandinavian Ambassadors today in a further effort to dissuade these governments from granting the Soviets privileges which would facilitate the now highly uneconomic Moscow-Habana air service.

3. Peru-Ecuador Boundary Dispute Flares Up

Peru and Ecuador are having another one of their periodic scraps over the boundary award of 1942 in which Peru received a substantial piece of territory claimed by Ecuador. January 29 is the 25th anniversary of the award and this adds to the tension. We are working with the other three guarantor countries of the 1942 protocol (Argentina, Brazil, Chile) to moderate Peruvian and Ecuadorian reactions.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 99-12

By is, NARA Date 1-11-00~~SECRET~~

~~SECRET~~

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4. Soviets may have given Cubans Green Light in Sponsoring  
Revolutions in Latin America

According to the leader of the Venezuelan Communist Party, now exiled in Moscow, the Soviets have given Castro a free hand in sponsoring revolutions in Latin America in return for "unqualified support" in dealing with Communist China. This report has not been corroborated by other sources.

5. Repatriation of Americans from Cuba

Castro has given no indication when the second group of Americans can depart. The Mexicans are still optimistic that it will be soon.

W. Rostow

The big news of the day, Mr. President,  
is bloodshed in mainland China - bigger,  
perhaps, than we can now take in.  
W

~~SECRET~~

*has file 70*

Saturday, January 7, 1967  
10:35 a.m.

Mr. President:

Here are drafts of the two letters  
you asked me to prepared.

W. W. Rostow

Letter to Sen . Joseph S. Clark  
Letter to Francis M. Bator

WWRostow:rlh

80a

Dear Francis:

I am glad you told me of the offer that may be made to you by Harvard, and the reasons why it may be right for you to accept next summer.

I may want to debate with you a little about it at a later time; but, in the end, you know you will have a free choice, with my blessing.

What I did want to say right now is how greatly I value your work, your mind, your independence, and your devotion to your country. I am proud to have you with me in these times.

Sincerely,

Honorable Francis M. Bator  
The White House  
Washington, D. C.

LBJ:WWRostow:rlm 1/7/67



Dear Joe:

I am so glad you came in yesterday morning. It was a good meeting.

It was useful for me to have your picture of the political problems and prospects in Pennsylvania. I hope you will keep me regularly informed.

I was also glad to have a chance to discuss with you the poverty program and where we go to make it work better. All of us who are deeply committed to what it stands for have got to stay close together in the days ahead to insure that it survives its infancy and moves forward with increased efficiency as a fundamental part of our society.

It was good also to get your impressions of your travels abroad and the views you expressed in your speech on national priorities.

After you left it occurred to me, Joe, that if you knew how much time and imagination and effort we are now putting into trying to bring about peace in Viet Nam; to bring about a non-proliferation agreement; to head off another round in the arms race--you'd be awfully pleased. Those are the directions in which I wish to go and am determined to go.

Please keep in touch.

Sincerely,

Honorable Joseph S. Clark  
United States Senate  
Washington, D. C.

LBJ:WWR:amc 1/7/67

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON


81  
Pres file

Saturday, January 7, 1967 -- 10:05 a.m.

Mr. President:

You probably saw this; but it may have gotten by. Elspeth found it in the real estate section of the Sunday paper:

There are some nice folk about.

**LYNDON BAINES JOHNSON**

Editorial (R)   \*   \*   \*   \*   \*   \*

**"IF"**

By Rudyard Kipling

"If you can keep your head when all about you  
are losing theirs and blaming it on you;  
If you can trust yourself when all men doubt you,  
but make allowance for their doubting too;  
If you can wait and not be tired by waiting,  
or being lied about, don't deal in lies,  
Or being hated, don't give way to hating,  
you'll be the man your mother thought so wise."

\*   \*   \*   \*   \*   \*

HAPPY NEW YEAR CHIEF--AND GOD BLESS--ALL OF YOU.

**JAMES L. DIXON & CO.—REALTORS**  
1144 18th Street, N.W. FE. 8-7200

W. Rostow

*Pres file*~~CONFIDENTIAL~~

Saturday, January 7, 1967  
9:05 a.m.

Mr. President:

Here is a lively cable from Bill Sullivan describing the political situation in Laos after the recent elections.

I thought it might provide a sense of the situation on our Viet Nam flank, which may become important in the year ahead whether Viet Nam moves towards negotiations or towards more intense conflict.

On the whole, the situation is much better than anyone might have guessed a few years ago.

W. W. Rostow

Vientiane 3977

~~CONFIDENTIAL~~

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E.O. 12356, Sec. 3.4  
NEJ 91-404  
By ig, NARA, Date 2-23-93

WWRostow:rlh

~~CONFIDENTIAL~~

Friday, January 6, 1967

TEXT OF CABLE FROM VIENTIANE (3977)

82a  
DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-176  
By           , NARA, Date 9-11-91

When the National Assembly was dissolved early last fall and elections for the new Assembly were scheduled for January 1, the Department expressed concern over developments and asked my views on probable consequences. At that time, I speculated that Souvanna would survive, although his neutralists would suffer; and that the Lao army would emerge as the most powerful and successful sponsor of the new Assembly members. I assumed that the army would be acting very largely under General Kouprasith's inspiration.

Most aspects of this reckless prophecy have indeed come to pass as the result of last Sunday's election. Souvanna seems intact and at least for the time being in better political shape than ever; his neutralists are a shadow of their former selves; and the army has emerged as the most important force behind the scenes. However, in one significant respect, my prophecy was well wide the mark. Kouprasith has not functioned as the primary inspiration of military politics. If anything, he has been very largely isolated and his influence restricted to the Fifth Military Region.

It is, I believe, instructive to examine why Kouprasith slipped. If I were to fix any one causative event, I would suggest the October 21 abortive coup of General Ma. This coup was, of course, aimed primarily at Kouprasith, who had harassed General Ma into extremis. And although Ma failed in his immediate quixotic goal of killing Kouprasith, he nevertheless can take some satisfaction that his rash attack eventually resulted in cutting Kouprasith down to size.

This consequence came about partly because other generals in the army were shocked by the disruption which Kouprasith's harassing tactics had produced, and partly because, in the aftermath of Ma's affair, Kouprasith very decidedly "blew his cool". He lashed about so extravagantly that he produced reactions. My own rather conspicuous rebuff to him on that occasion made it plain to the other generals that Kouprasith was not our "chosen instrument," as some rumors had pretended. All these factors therefore stirred the other generals to more foresighted and more deliberate action in the political field to forestall Kouprasith's expected initiatives. They also caused the Sananikone family, which has always had a healthy respect for American power, to decide that Kouprasith was not necessarily the best standard bearer for the family's fortunes.

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The final result has been that General Ouane Rathikoun, General Van Pao and General Phasouk Somly (especially General Phasouk) with their broad-based regional influences, have developed a political presence that overshadows Kouprasith and leaves him very decidedly just one among the group. The case of General Phasouk is particularly interesting, since he has always been (with good cause) the most respected officer in the army. The fact that he has now also emerged as a political figure in his own right (largely assuming the neglected mantle of Prince Boun Oum) provides a new dimension which we will wish to study and upon which we will wish to comment with some deliberation.

Before closing this retrospection, I feel I should emphasize two caveats. A) Kouprasith may be currently somewhat down, but his ambitions are by no means out, and he can still be expected to press for greater leverage. B) The new Assembly, girded as it is by the army and rather loosely pledged to support Souvanna, is a totally untried animal. We don't know how seriously its members will take their pledges to Souvanna, how united the United Front will be, or how the army will exercise its newly acquired political influence.

These several unknowns should assure us that political life in Laos will remain interesting.

SULLIVAN

THE WHITE HOUSE  
WASHINGTON

Fri., Jan. 6, 1967  
1:30 p. m.

MR. PRESIDENT:

Herewith the draft reply to young  
McLendon.

W. W. R.

to P  
1/6

83a

JAN 4 1967

Dear Bart:

I read today the interview with you published in the December 18 issue of This Week.

I know in my heart that our men in Viet Nam are the true representatives of the coming generation in our country. I know we have never had better fighting men in the field or more compassionate men representing us abroad. I know they understand what the battle is about, and that they are fighting, like Americans of other generations, for the security of our country and for the cause of human freedom.

But it meant a great deal to me to have it said by you -- a member of that generation.

Your words, your attitude, what you have done and what you are doing, will strengthen your President in the days ahead.

We could not be more proud of you.

Sincerely,

*Lyndon B. Johnson*

Mr. Gordon B. McLendon, Jr.  
2008 Jackson Street  
Dallas, Texas 75201

LBJ:WWR:mz



## *How an experienced teen-age war correspondent*

**Q.** Mr. McLendon, how did you become the youngest correspondent in Vietnam at 19?

**A.** "I was a Marine reservist in boot camp and, like all reservists, I did a lot of thinking. As a reservist, I wouldn't be going to Vietnam, but I wanted to see the war, and I knew the only way to get there would be as a correspondent. Then it came to me. The war had been exploited from every viewpoint but that of the teen-ager. There had not been an accredited teen-age war correspondent in Vietnam — or any war — and as more than half the Marines there are under 20, I felt I would be in a unique position to get information from the fighting men."

**Q.** In what way?

**A.** "Well, young people tend to give 'yes sir, no sir' type replies to older men. With me, it would be more like talking to a buddy."

**Q.** What did you learn from our teen-age soldiers?

**A.** "A lot. Maybe the biggest thing was that I learned to be proud of my generation. I'd never thought much about it before — and most of the guys I talked to in Vietnam hadn't, either, till they got there. But now I know that we're alright, and we'll do alright in the future. We're fighting to help preserve our country, and we're not too young or too immature for the job."

**Q.** What is the attitude towards the draft-card burners among our soldiers?

**A.** "Oh boy! I can tell you what one Marine said that sums up the general feeling — 'I don't think about 'em.' 'Well,' I asked, 'do you think they should be punished?' 'Of course they should,' he replied. 'First they should be put in jail and, after that, they should be sent



Twenty-year-old Gordon "Bart" McLendon (right) hails from Dallas, Texas. He recently spent more than three months covering the war in Vietnam for radio and the press from a teen-ager's point of view. Disabled by an infection of the nervous system that temporarily crippled his hands and feet, he returned to the U.S. (where this interview took place) for treatment. Now cured, he is back in Vietnam, and next year will enter college.

over here as scarecrows for the Vietcong. They make me sick!"

**Q.** What do our soldiers think of the Vietcong and North Vietnamese as fighting men?

**A.** "It depends on whom you talk to, but most of our men respect them as fighters. Their weapons are beautifully cared for — in perfect condition — and this is a good indication of their discipline. If you have an ill-kept weapon, you're in trouble."

**Q.** What about our allies? Whom do our men respect the most?

**A.** "The South Koreans. Their Tiger Division is fantastic. Each man in their army — even the officers — studies a form of karate, and they're experts. And

**THIS WEEK**

December 18, 1966  
The National Sunday Magazine  
For A Better America



BEN G. WRIGHT  
President and Chairman  
WILLIAM I. NICHOLS  
Publisher and Editorial Director

JOHN J. O'CONNELL, Editor  
CHARLES ROBBINS, Executive Editor  
NELSON GRUPPO, Art Director  
STANLEY HORSTMANN, Managing Editor



# ew at 19

*sees Vietnam*

they're magnificent, ruthless fighters. Once a patrol from the Tiger Division came across the mutilated body of a Korean. They buried him. That night, the company returned to the same village looking for members of the Vietcong. They found one — and what they did to him made the Vietcong issue orders to stay away from the Koreans."

**Q.** *What do you feel is your best story from Vietnam?*

**A.** "As far as I'm concerned, there's really only one. And that was one about a young Marine told to me by a Marine officer named Fred Tucker. Fred was evacuating an area and was in the last helicopter to leave. There was a mortally wounded Marine, maybe 19 years old, in the chopper with a bullet through his head. As the chopper lifted off, the Vietcong opened fire, and our men returned it. **The dying man heard the firing, reached over to grab his M-14, and tried to return the fire. Ten hours later he was dead.** His dedication and courage are symbolic of all our men — especially our teen-agers — over there."

**Q.** *Why are you going back?*

**A.** "There are many reasons, but I had an idea while I was there that I'd like to see put in action. **We have a program over there called 'County Fair.'** A group of Marines will go into a village, call all the members together and then distribute medical supplies, text books and general necessities, as well as teach them how to plow and irrigate the land more efficiently, simple methods of hygiene and so forth. **When they leave, the village is pro-American.** I would like to set up a program whereby any American town or city could sponsor a village in Vietnam in this way, and I hope to get military approval when I get back." (THE END)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

January 6, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Yugoslav PL-480 Package Once Again.

You will recall the Katzenbach-Schnittker proposal that we sell Yugoslavia 35,000 tons of PL-480 Title IV vegetable oil worth \$9.3 million on hard dollar credit, at 3.5% interest, repayable in 12 yearly installments following a two year grace period. You were concerned about possible bad faith vis-a-vis the Congress in sneaking under the wire before a January 1 deadline -- supposedly imposed by the Belcher Amendment to the Food for Peace Act.

It now appears -- and your two senior foreign policy lawyers, Nick and Gene, are a bit red-faced about this, and I am very red-faced about it -- that there is no problem of sneaking under the wire, since the January 1 deadline does not apply to this sale. We therefore join Secretary Rusk in his strong recommendation, at Tab 1, that you authorize us to go ahead.

The relevant facts are as follows:

1. In part this is a matter of U.S. good faith. Technically, we committed ourselves to sell this oil in a PL-480 agreement with Yugoslavia last April. (We actually issued purchase authorizations during the summer for part of the oil. In the face of pressure on the U.S. price, the Yugoslavs decided to delay. Before they came in again, Findley and Belcher made their moves.)
2. It is agreed within the Executive Branch that the Findley Amendment (covering trade with Hanoi) does not apply to Yugoslavia. (The Justice Department says that the amendment applies only where a government trades with North Viet Nam, and that it is up to State to decide whether Yugoslav Red Cross shipments of medical supplies are government trade. The Secretary, backed by his lawyers, says that they are not.)
3. In any case, Katzenbach's Congressional soundings indicate that only Findley is likely seriously to object as a matter of law. Rusk's memorandum quotes Gerald Ford as saying that "all rational" members of the House will support us on this sale, which he regards as "the only course to take."
4. The Belcher Amendment -- which tripped us up before, turns out not to prohibit our carrying out existing agreements even after January 1. Therefore, despite acknowledged Yugoslav trade with Cuba, we are legally free to go ahead with this sale any time you

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E.O. 12356, Sec. 3.4  
NLJ 92-50  
By fu, NARA, Date 2-10-93

*M. Roston*

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*2. Pres. file*

*orig. notes to  
Baker 1/9/67*

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approve.

5. Nick's earlier consultations with twelve members of the House and six members of the Senate -- including Dirksen and Ford -- found only Findley opposed to the sale. (Katzenbach's report is at Tab 2.) Since then a number of Congressmen who have been to Yugoslavia have, to quote the Rusk memo, "expressed concern over the effects of the Findley Amendment on United States interests and policies in Yugoslavia. These include Republican representatives Harvey, Mize, Adair and Whalley, as well as Senator Scott." Telegrams reporting their reactions are at Tabs B, C, and D of the Rusk memorandum.

I will not repeat my earlier arguments for helping the Yugoslavs. Both in terms of their relatively decent performance on Viet Nam (judged by the standards of other Communists), and their own internal reforms, there is a strong case for our continuing to give them some support.

Other Sources of Help. We are not alone in giving help. In 1965 and 1966 Tito was given substantial assistance by the IMF, France, Italy, Japan, West Germany, Canada and the Netherlands. (A table showing aid by others, as well as the U.S., is at Tab 3.)

Balance of Payments. The immediate balance of payments cost would be nil. The loan would be matched by the export of oil. Subsequently, repayment and interest would produce a net balance of payments plus.

Recommendation. Given the new legal opinion and the generally favorable Congressional report, I think there is a strong case for going ahead. The \$9.3 million is not much, and it will take some of the sting out of Findley/Belcher.

  
Francis M. Bator

Approve the sale \_\_\_\_\_

No \_\_\_\_\_

Speak to me after the State of the Union

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THE SECRETARY OF STATE  
WASHINGTON

84a

December 31, 1966

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Execution of PL-480 Agreement with Yugoslavia

I understand you have doubts about the PL-480 sale of edible oils to Yugoslavia recommended by Undersecretary Katzenbach and Secretary Freeman in their memorandum of December 20.

Since returning from my trip, I have reviewed the matter in detail. I agree with them in proposing that you approve this sale.

The edible oils sale would carry out our obligation under an agreement with Yugoslavia signed on April 11, 1966, some weeks before the Findley Amendment was introduced. A purchase authorization was actually issued on June 9, 1966, for 10,000 tons of the 35,000 tons covered by the agreement, but by mutual consent it was not used then because of our concern at that time about the possible effect of new sales on United States domestic prices.

There are two problems in this transaction - first, that discussed in our memorandum of November 30, 1966, whether the sale is forbidden by the Findley Amendment to the 1967 Agriculture Appropriation Act, by reason of small shipments of medical supplies from the Yugoslav Red Cross to North Vietnam; and second, whether the Belcher Amendment to the 1966 Food for Peace Act applies to an agreement made last April.

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E.O. 12356, Sec. 3.4  
NJ 91-176  
By lig NARA, Date 7-2-92

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I have nothing to add to the controversy over the first point. We continue to rely on the Department of Justice Memorandum that the Appropriations Act does not reach the Red Cross shipments.

The Belcher Amendment raises both a legal question and a question of good faith in our dealings with Congress.

On the legal side, the decisive fact is that the Belcher Amendment goes into effect on January 1, 1967. All our Congressional soundings - including those with Congressman Findley - confirm that whatever else the legislation may mean, it was intended to give us a short period of time in which to wind up pending transactions. The edible oils agreement was in every respect complete before either House considered or acted on the Amendment.

In our consultations on the Hill, we probed the problem of good faith as more important than the legal issue. Everyone with whom we checked, including Congressman Findley, agreed there was no question of cutting corners in completing executed contracts.

In our earlier memorandum of December 20, we urged that action to complete the oils sale be taken before January 1, 1967, on the basis of a legal judgment that the Belcher Amendment would complicate or prohibit action after that date.

Upon further examination of this legal question with the Justice Department, we now conclude that the Belcher Amendment does not prohibit the carrying out after January 1, 1967, of existing agreements such as the oil agreement. A legal memorandum to this effect is attached.

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You are therefore free to act either before or after January 1, 1967, to complete this oils sale. If you decide to approve this sale, we recommend you act after January 1 in order to avoid even the appearance of last minute action to beat a December 31 deadline. During the interim, we propose to make clear our position with key Congressional leaders.

Our earlier consultations with thirteen members of the House and five members of the Senate found only Representative Findley opposed to the PL-480 sales of both wheat and edible oil. Since then we have had reports from our Embassy in Belgrade about the views of recent Congressional visitors to Yugoslavia. All were impressed with Yugoslav economic reforms and with the political atmosphere in Yugoslavia. A number expressed concern over the effects of the Findley Amendment on United States interests and policies in Yugoslavia. These include Republican Representatives Harvey, Mize, Adair and Whalley, as well as Senator Scott. You will be interested in the enclosed telegrams reporting their reactions, if you haven't already seen them.

There is strong Congressional support for completing the oil sales. House Minority Leader Ford, who was reluctant to oppose Representative Findley publicly on the proposed wheat sale, takes the position that "all rational" members of the House will support us on the sale of edible oil, which he regards as "the only course to take".

Although Representative Findley may protest on the floor of the House that any PL-480 sale to Yugoslavia contravenes his amendment, because of the Red Cross shipments to North Vietnam, our soundings indicate he will

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- 4 -

receive little support.

Our failure to fulfill the April agreement would needlessly damage our relations with Yugoslavia at a time when the Yugoslavs are moving forward well, in ways which are having increasing impact throughout Eastern Europe.

*Dean Rusk*

Dean Rusk

Attachments:

- Tab A - Legal Memorandum.
- Tab B - Belgrade 1754.
- Tab C - Belgrade 1761.
- Tab D - Belgrade 1773.
- Tab E - List of Members of Congress and Key Committee Staff Members who will be contacted.

~~CONFIDENTIAL~~

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20530

NOV 18 1968

Honorable Leonard C. Meeker  
The Legal Adviser  
Department of State  
Washington, D. C. 20520

Dear Mr. Meeker:

This is in reply to your recent letter relating to a proviso in Title III of the Department of Agriculture and Related Agencies Appropriation Act, 1967, P.L. 89-556, 80 Stat. 702, which directs

"\* \* \* That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to Titles I or IV of Public Law 480, 83d Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime."

You inquire specifically whether the prohibition against the sale or furnishing of products to North Vietnam applies only to a country the government of which trades with North Vietnam, or whether it includes countries whose private citizens trade with North Vietnam. It is your conclusion that a proper construction of this prohibition limits its scope to those cases where the government of a country is selling or furnishing products to North Vietnam.

We have carefully considered the legal memorandum accompanying your letter, and also the contrary views of the



General Counsel of the Department of Agriculture. We agree with you that this prohibition should be construed as being applicable only to those cases where the government of a country sells or furnishes products to North Vietnam.

The question hinges on the meaning in this context of the term "nation," which is "notoriously ambiguous." See 42 Op. A.G. No. 14, p. 6. Frequently, its scope is limited to the government of a country. There are, however, instances in which it includes its inhabitants. For example, in Article I, section 3, clause 3 of the Constitution the phrase "Commerce with foreign Nations" has been said to mean commerce with inhabitants of a country as well as its government. *Ibid.* Consequently, the sense in which the term is used in a particular statute must be determined with reference to its particular context.

An appropriate starting point is analysis of the statutory language itself. The proviso aims at any nation which either (1) sells or furnishes any equipment, materials, or commodities to North Vietnam, or (2) permits ships or aircraft under its registry to transport equipment, materials, or commodities to North Vietnam. The term "nation" is the subject of both clauses. The second clause manifestly refers to the familiar control which a government exercises over the ships and aircraft under its registry. Hence, with respect to this clause, the term "nation" obviously means "government." It can hardly have a different meaning for the first clause.

Moreover, the proviso refers to Titles I and IV of Public Law 480. Under Title I, the President is authorized to negotiate and carry out agreements with foreign "nations" (§ 101, 7 U.S.C. 1701). Earlier rulings of this Department refer to such agreements as including only "intergovernmental" agreements. See 42 Op. A.G. No. 14, pp. 21-26. Similarly, Attorney General Kennedy observed that Title IV, by distinguishing between agreements entered into by the President with friendly nations and sales agreements negotiated by the Secretary of

Agriculture with foreign and United States private trade (§§ 401, 402, 7 U.S.C. 1731, 1732), seems to use the term "nation" in the sense of "government." 42 Op. A.G. No. 14, p. 6, fn. 9. It seems reasonable to read the term "nation" in the proviso in the same sense as it is used in the titles of P.L. 480 to which the proviso refers.

Other statutes indicate that Congress has recognized the ambiguity of the term "nation" and has used unambiguous language when it seeks to cover not only a foreign government but also its citizens. Thus, the phrase "foreign country or nationals thereof" is used in section 5(b) of the Trading with the Enemy Act (50 U.S.C. App. 5(b)), while section 103 of the Battle Act (65 Stat. 645, 22 U.S.C. 1611b(b)) reaches private activities by cutting off foreign aid if the "nation" involved "knowingly permits the shipment" of certain items to nations threatening the security of the United States.

There is nothing in the legislative history of the proviso which requires a different conclusion. The only relevant discussion is the following colloquy between Senator Holland and Under Secretary of State Mann:

"Mr. MANN. \* \* \* For example, we have no information that India, which is by far the largest food-for-freedom recipient, has currently any trade with North Vietnam. It does ship jute bags to Cuba, for example, and it would seem to us unwise to introduce the element of whether it was legally possible to meet the threatened famine in India because the Government there shipped or might ship some jute bags to Cuba or to North Vietnam.

#### "SCOPE OF PRESENT AMENDMENT

"Senator HOLLAND. This covers not only government shipments but also private shipments; does it not?

"Mr. MANN. That is not clear, Senator. Our lawyers have construed this, and there is some considerable ground, I think, for debate, to apply it to government-to-government transactions.

"The bill, as it is now worded, the pending amendment, I think, leaves it somewhat unclear.

"Senator HOLLAND. Do you think it ought to be clarified if the amendment be changed in the Senate or by conference so as to make the prohibition applicable to recipients of Public Law 480 aid who ship military strategic goods in North Vietnam in such a way as to cover only government shipments of all kinds whether it is government or private?

"PROPOSAL TO LIMIT AMENDMENT

"Mr. MANN. I think we would be inclined to say if the amendment were changed so it is limited to strategic and military, that it might apply to all exports to North Vietnam regardless of whether they came from the private sector or the public sector.

"Senator HOLLAND. That would be my opinion also, but I wanted the record clear on that. Maybe there are other questions.

"Mr. MANN. On the other hand, Mr. Chairman, if the Committee and the Congress were to give the President discretion, there is some advantage in leaving this a little bit vague because it would be helpful to us in our negotiations with foreign governments to reduce even the private sector trade. We would like to eliminate that, too, if we could.

"Senator HOLLAND. Do you mind suspending just a moment. I have a call. I must take it and don't want to miss any of this. I would be glad to put Senator Stennis in charge, but, if we could suspend, I would like to hear it all.

"Senator STENNIS. No, thanks, Senator; I will wait.

"(Whereupon, a brief recess was taken.)

"Senator HOLLAND. Pardon me for having to run out, but this was an appointment I made to come in for a call just before this meeting and it came in a little late. Go right ahead, sir." Supplemental Hearing - Agricultural Appropriations for Fiscal Year 1967, Hearings before the Subcommittee of the Committee on Appropriations, United States Senate, 89th Cong., 2d Sess. on H.R. 14596, p. 6.

The matter was not further pursued. This inconclusive discussion merely emphasizes the ambiguity of the term "nation." It contains nothing which refutes the interpretation of the term as meaning "government" in the context of this proviso.

The General Counsel of the Department of Agriculture has expressed the view that the proviso uses the term "nation" to include private citizens of a country. His position appears to be largely based on remarks made on the floor of the House of Representatives after the enactment of the Appropriations Act and in connection with its consideration of section 103(d) of the Food for Peace Act, 1966, P.L. 89-303.\*

The speeches mentioned by the General Counsel contain remarks indicative of the view that the prohibitions contained in section 103(c) of P.L. 89-303 should cover all types of shipments. 112 Cong. Rec. (Daily Ed. October 5, 1966) 24314-24325. These remarks, however, were not directed to the question involved. The issue then before the House was whether to reject the first conference report on P.L. 89-303 (H. Rept. 2075, 89th Cong., 2d Sess., p. 2), which would have limited the

\* Section 103(d) of P.L. 89-303, which in many respects is similar to the appropriations proviso, provides in pertinent part:

"[The President shall] make sales agreements only with those countries which he determines to be friendly to the United States \* \* \*. As used in this Act 'friendly country' shall not include \* \* \* (3) for the purposes only of sales of agricultural commodities under Title I of this Act, any nation which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam (excluding United States installations in Cuba) any equipment, materials, or commodities, as long as they are governed by a Communist regime. Provided [the proviso permits certain limited exceptions for the shipment of nonstrategic materials to Cuba]."

ban on shipments to strategic items covered by the Battle Act. When talking about "all shipments," the speakers were addressing themselves to the need for prohibiting the shipment of nonstrategic as well as strategic commodities. The distinction between governmental and private shipments was not the issue. We do not feel that these remarks justify departing from the normal construction of the Appropriations Act proviso which we have set forth above.

We recognize that whether any particular foreign sale or shipment is to be considered governmental or private for the purposes of the Appropriations Act proviso, as in the Yugoslav situation described in your letter, is a determination within the special competence of the Department of State. We trust that the legal conclusions set forth above will provide the necessary guidelines for you to apply to such determinations.

Sincerely,

Frank M. Wozencraft  
Assistant Attorney General  
Office of Legal Counsel

846  
NOV 9 - 1966

Dear Mr. Wozencraft:

The Department of Agriculture and Related Agencies Appropriation Act, 1967 (Public Law 89-356) contains a proviso (the Findley Amendment) reading as follows:

"Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime."

Since the enactment of this Appropriation Act, we have been considering the possible impact of this provision on existing and future programs for the sale of agricultural commodities. In particular, we have considered the question whether the prohibition applies only to countries the governments of which trade with North Vietnam, or whether it is broader and covers countries whose private citizens trade with North Vietnam.

This question is particularly relevant in the case of Yugoslavia. Purchases of agricultural commodities by that country are of importance in enabling it to proceed with the program of economic reforms, involving decentralization and liberalization, upon which the Yugoslav Government embarked in the summer of 1965.

At the present time, no ships or aircraft under Yugoslav registry are transporting any equipment, materials or commodities to North Vietnam. Moreover, the Government of Yugoslavia is not selling or furnishing any equipment, materials or commodities to North Vietnam.

The Honorable

Frank M. Wozencraft,

Assistant Attorney General,

Office of Legal Counsel,

Department of Justice.

However, there have been shipments of medicines, bandages and blood, donated by Yugoslav citizens. These shipments are consigned by the Yugoslav Coordinating Committee for Assistance to the Peoples of Vietnam. This organization consists of representatives of the Socialist Alliance, the Trade Union Federation, the Association of Veterans Federations, the Youth Federation, the Yugoslav Red Cross, the Student Union, the Conference for Social Activity of Women, and the Youth League for Peace, Independence, and Equality of Peoples. The organization is not an agency of the Yugoslav Government.

We believe that a proper construction of the Findley Amendment would limit its scope to those cases where the government of a country is selling or furnishing products to North Vietnam. I am attaching a memorandum setting forth our reasons for this conclusion. It is my understanding that the Department of Agriculture, which is also interested in this matter, is forwarding to you a separate statement of its own views.

Sincerely yours,

Leonard G. Meeker  
The Legal Advisor

Enclosures:

Memorandum.

L:LCMeeker:eb 11/9/66

86'd  
November 9, 1966

MEMORANDUM

INTERPRETATION OF THE FINDLEY AMENDMENT

Questions Presented

The Findley Amendment to the Department of Agriculture and Related Agencies Appropriation Act, 1967 (P.L. 89-556) reads as follows:

"Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime."

This memorandum concerns the question whether "nation" as used in the proviso applies only to action by the government of a nation and therefore does not comprehend the actions of private persons.

Summary of Conclusion

The Department of State believes that the language and legislative history of the Findley Amendment require an interpretation limiting its scope to countries whose governments sell, furnish or permit their ships or aircraft to transport any equipment, materials or commodities to North Vietnam. We believe that a contrary interpretation would read into the Findley Amendment a requirement severely restricting the foreign policy objectives of the Administration and undermining the purposes of P.L. 480.

I. Interpretation of the Statute -- Action by "Any Nation"  
Means Action by the Government of a Nation

A. The Statutory Provision

The term "nation" as used in the Findley Amendment is not defined at any place in the Appropriation Act nor is it used elsewhere in the Act in a comparable way. However, the language of the



Amendment itself strongly impels a construction that would limit its scope to countries whose governments are taking actions among those prohibited. The Amendment would prevent the carrying out of P.L. 480 programs with any nation "which permits ships or aircraft under its registry" to transport goods to North Vietnam. When one speaks of nations permitting actions of ships or aircraft "under its registry", the only reasonable construction for "nation" is "government of a nation". Individuals have no registry of ships, only governments have them. Actions taken towards ships under a country's registry can only be taken by the government of that country. Thus, the portion of the Amendment devoted to transportation is clearly referring only to actions by governments.

There is no indication in the language of the Amendment of any intention that the word "nation" should comprehend something greater when applied to trade than when applied to transportation. A statutory term is normally interpreted to have but one meaning within the context of a single provision of law. The words "sell" and "furnish" are neutral so far as any distinction between a government and its private citizens is concerned. Therefore, since the word "permits" can be read in context only as referring to government action, the other two words in the same series should be read the same way.

#### B. Legislative History of the Proviso

Examination of the legislative history of the proviso does not indicate any Congressional intent to give the word "nation" more than one meaning within the proviso.

There was little debate as to the proviso on the floor of the House, where it originated. Hearings were held on the subject before the Agricultural Subcommittee of the Senate Committee on Appropriations, however, and there was some discussion of the government-private trade distinction. That discussion was as follows:

"Senator Holland. This covers not only government shipments but also private shipments; does it not?

"Mr. Mann. That is not clear, Senator. Our lawyers have construed this, and there is some considerable ground, I think, for debate, to apply it to government-to-government transactions.

"The bill, as it is now worded, the pending amendment, I think, leaves it somewhat unclear.

"Senator Holland. Do you think it ought to be clarified if the amendment be changed in the Senate or by conference so as to make the prohibition applicable to recipients of Public Law 480 aid who ship military strategic goods to North Vietnam in such a way as to cover only government shipments of all kinds whether it is government or private?

"Mr. Mann. I think we would be inclined to say if the amendment were changed so it is limited to strategic and military, that it might apply to all exports to North Vietnam regardless of whether they come from the private sector or the public sector.

"Senator Holland. That would be my opinion also, but I wanted the record clear on that. Maybe there are other questions.

"Mr. Mann. On the other hand, Mr. Chairman, if the committee and the Congress were to give the President discretion, there is some advantage in leaving this a little bit vague because it would be helpful to us in our negotiations with foreign governments to reduce even the private sector trade. We would like to eliminate that, too, if we could."  
(Supplemental Hearing on "Agricultural Appropriations for Fiscal Year 1967", 89th Cong. 2d Sess. (1966), p.6)

This colloquy reflects the formal ambiguity of the term "nation".<sup>1/</sup> Mr. Mann recognized that the Amendment was unclear. However, in discussing a clear prohibition on private as well as government shipments, he conditioned his approval on an amendment that would

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<sup>1/</sup> c.f. the following discussion of a synonym for "nation":  
"The word 'country' in the [Internal Revenue Statute expression 'foreign country', is ambiguous. It may be taken to mean foreign territory or a foreign government.... When referring more particularly to a foreign government, it may describe a foreign State in the international sense, that is, one that has the status of an international person with the rights and responsibilities under international law of a member of the family of nations; or it may mean a foreign government which has authority over a particular area or subject matter, although not an international person but only a component part, or a political subdivision, of the larger international unit. The term 'foreign country' is not a technical or artificial one, and the sense in which it is used in a statute must be determined by reference to the purpose of the particular legislation."  
(Barnet v. Chicago Portrait Co., 285 U.S. 1, 5-6 (1932))

give Presidential discretion or that was limited to strategic and military shipments. Thus, the Congress was aware of the ambiguity of the provision and of the Executive Branch position. Yet, the Amendment was unchanged in this respect between the Subcommittee hearing and final passage.

There was no further discussion of this point in Senate floor debate, the statement of House managers on the conference report, the House debate on the conference report, or the Senate debate on the conference report.

#### Similar Terms in Other Laws

In these circumstances, it is appropriate to look to similar provisions in other legislation for the meaning given in practice and understood by the Congress when it adopted the proviso in PL 89-556.

Since PL 89-556 is the Act appropriating funds for PL 480, we have looked at the use of the term "nation" or "nations" in PL 480. There, these terms are not distinguished from the term "country" or "countries". Thus, for example, sections 101 and 107 provide, in pertinent part, as follows:

#### Sec. 101 -

"... the President is authorized to negotiate and carry out agreements with friendly nations ... In negotiating such agreements the President shall --

"(a) take reasonable precaution to ... assure that sales ... will not unduly disrupt ... normal patterns of commercial trade with friendly countries;

"(d) seek and secure commitments from participating countries..."

#### Sec. 107 -

"As used in this Act, 'friendly nation' means any country other than ..."

There is no provision in the current PL 480 that gives any general definition of "nation" or "country". The Food for Peace Act of 1966, however, contains a very similar provision. That provision

limits sales agreements to "friendly countries", which are defined to exclude any "nation which sells or furnishes or permits ships or aircraft under its registry to transport ..."

The two provisions .. the proviso in the Appropriations Act and new section 103(d)(3) of PL 480 as amended by the Food for Peace Act .. were authored by Representative Findley. The day before the conference report on the Food for Peace Act came to the House for action, Representative Findley discussed the kinds of transactions his amendment was designed to prevent (112 Cong. Rec. 24064--65, daily ed. October 4, 1966). He said, in part:

"Polish trade unions, of course, are an arm of the government, so this is evidence of direct financial support for North Vietnam [referring to raising of money by the unions for aid].

...

"Dictator Nasser's government is engaged in trade with North Vietnam."

There is nothing in the legislative history of the Food for Peace Act that contradicts the governmental cast ascribed to the amendment by Representative Findley.

We have also looked at provisions in foreign assistance legislation that are comparable, and interpretations there only confirm our view of the Findley Amendment. The pertinent portion of the Amendment is practically identical with language in sections 107 and 116 of the Foreign Assistance and Related Agencies Appropriation Act, 1966 (PL 89-273):

Sec. 107 -

"(a) No assistance ... to any country, which sells, furnishes, or permits any ships under its registry to carry ...

"(b) No economic assistance ... to any country which sells, furnishes, or permits any ships under its registry to carry ..."

Sec. 116 -

"No assistance ... to any country that sells, furnishes, or permits any ships under its registry to carry ..."

Section 107 was enacted in 1962 and section 116 in 1963. In 1963, the House Appropriations Committee asked the Executive Branch to report on the application of section 107. In a formal statement, several basic points were set forth. The statement reads, in pertinent part, as follows:

270

**"CUBA SHIPPING: Section 107 of the Foreign Aid and Related Agencies Appropriation Act, 1963**

"This memorandum sets forth a legal analysis of the applicability of section 107 of the Foreign Aid and Related Agencies Appropriation Act, 1963 (Appropriation Act), to the voyages to Cuba undertaken by aid recipient country ships listed in the Maritime Administration Report No. 12.

...

[While the memorandum is addressed to ships only, the analysis depends upon the word "country" meaning "Government". If it has that meaning for the last part of the series "cells, furnishes ... or permits", it must have the same meaning for the first part.]

...

"General conclusion

"All voyages to Cuba by aid recipient country ships listed in the Department of Commerce Maritime Administration Report No. 12 have been analyzed and fall into several categories. The applicability of section 107 to each of these categories is discussed below. On the basis of an analysis of the various categories listed below it is the opinion of the Office of the General Counsel of the Agency for International Development and of the Office of the Legal Adviser of the Department of State that no action to terminate aid or to waive application of section 107 is legally required at this time.

...

"Where Congress in one statute [referring here to the Battle Act] uses certain descriptive words and then repeats these words in a subsequent statute at the same time referring to the first [section 107 of the Appropriation Act], it must be assumed that the words of the subsequent statute were intended to relate to the same things as the first statute.

...

"A factor, if not the determining factor, in deciding whether a country permitted a voyage is whether the country took any steps to prevent the voyage.... Nothing in section 107 -- such as provision for indemnification of shipowners [against damages

if the owners were forced to breach existing charters] -- indicates that Congress intended to depart from this basic principle [of fairness in not penalizing people for contracts entered into before the new legal standard is adopted], and require aid recipient governments to take actions exposing their shipowners to substantial liabilities. No such intent, of course, can be attributed to general statements of the congressional desire to terminate aid recipient country shipping to Cuba.

...

"... A substantial number of voyages to Cuba by aid recipient country ships were in fulfillment of charters made before the effective date of the appropriation act. The contract date is important in determining whether the aid recipient government permitted the voyages. The governments involved have exhibited a generally cooperative attitude on this issue....

...

"The Greek Government at the time of [certain] ... voyages had a general policy against its ships sailing to Cuba. This policy was evidenced by the Greek Government's generally cooperative attitude subsequently verified by its issuance of the royal decree barring Greek ships from trade with Cuba.... Accordingly, in the absence of any evidence that the Greek Government specifically acquiesced in these voyages with knowledge that they carried proscribed cargo (i.e., permitted the voyages), the United States Government must conclude that the Greek Government is following its stated policy." (Hearings on "Foreign Operations Appropriations for 1964", 88th Cong. 1st Sess. (1963) Part 4, pp. 2317-2319)

Both PL 480 and the Foreign Assistance Act are directed at providing economic aid to less developed countries. Certainly, the Findley Amendment and sections 107 and 116 of the Foreign Assistance Appropriation Act are intended to deny this aid in very similar situations. It would be anomalous to construe the Findley Amendment in a way that would cast a significantly wider net than the comparable prohibitions in the Foreign Assistance Appropriation Act.



VI. Operation of the Statute - A Reasonable Interpretation Requires that "Any Nation" Include Only Action by the Government of a Nation

---

Any statutory interpretation should pay due regard to the purposes of the law. In this case, the Findley Amendment should, if possible, be construed in light of the purposes of PL 480 and of the foreign policy objectives attached to the PL 480 program. We believe that extending the scope of the Findley Amendment to cover private sales to North Vietnam could subvert many of the foreign policy gains achieved by the basic program itself.

A broad interpretation would tie the use of major instruments of United States foreign policy -- PL 480 sales and also foreign assistance -- to acts of private persons. It is one thing to hold a foreign government responsible for its own actions; it is another to require that government to install a far-reaching system of economic controls to prevent individual private citizens from trading where they want.

Second, if there are very many countries whose governments are unwilling or unable to institute controls of the necessary kind on private trade, the United States will lose a considerable market for its agricultural commodities. This is true because PL 480 not only serves to familiarize foreigners with United States products (a considerable portion of PL 480 local currency resources go for market development), but most PL 480 agreements carry a requirement for additional commercial imports of the same or like products.

A market loss resulting from termination of PL 480 sales would also adversely affect the United States balance of payments. In addition to the longer range benefits of repayment of dollar credits, the PL 480 program generates local currency to use to pay United States obligations abroad, saving the dollar outlay otherwise necessary to purchase foreign currencies for this purpose.

Moreover, there are some developed countries-- e.g., Spain, Portugal, Japan, Iran--where the government is not eligible for PL 480 purchases because of its favorable foreign exchange position but where PL 480 Title IV private trade sales may be in the United States interest. There were some \$45 million in such private trade sales in 1965. The Governments concerned are not



under very much pressure to qualify local private entities for such purchases, and may be under much more political and economic pressure to permit private trade with North Vietnam, or at least Cuba. These Title IV private trade sales in developed countries are most likely to be lost under a broad application of the Findley-type amendment.

Finally, our efforts to persuade other governments to limit or eliminate trade in strategic or otherwise significant commodities with Cuba and North Vietnam are likely to be unproductive if we insist on the elimination of all private trade. In the case of the developed countries, the impact of restrictive provisions in the PL 480 legislation is virtually nil in any event. For the developing countries, acceptance of a ban on private trade is likely to be considered too high a political price to pay for foreign assistance. Experience shows there are limits to what the traffic will bear in political conditions on aid.

~~CONFIDENTIAL~~CONSULTATION ON PL-480 TITLE IV SALE OF WHEAT  
AND VEGETABLE OIL TO YUGOSLAVIAA. HOUSE

1. Majority Leader Albert--Since Majority Leader Albert was unavailable (he is recuperating in Jamaica), we spoke with his AA, Charles Ward on December 8. Ward remembered very clearly the issues at stake when the matter was considered by the House last October and particularly the importance we attach to the PL-480 program with Yugoslavia. He thought our agreement with Yugoslavia for wheat and vegetable oil would raise no problems in the mind of Mr. Albert.
2. Minority Leader Ford--During a telephone call on December 8, Minority Leader Ford indicated privately that he is very sympathetic to the Yugoslavs, but doesn't want to advertise it. He will not make any fuss about the deal. Further contacts were made with Mr. Ford on December 12, 14 and 15 as a result of which he said that while he would find it difficult to publicly oppose Mr. Findley on the wheat transaction, he agreed that we must abide by our commitment on vegetable oils and would support it in discussion with his Republican colleagues.
3. Chairman Morgan of the House Foreign Affairs Committee was in Bethesda Hospital, suffering from a bad cold, but Boyd Crawford (Staff Administrator of the Committee) was fully briefed on December 8. He said he would inform the Chairman and does not anticipate that there will be any problem. This was later confirmed.

~~CONFIDENTIAL~~4. Congressman

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E.O. 12356, Sec. 3.4  
NLJ 91-176  
By mg, NARA, Date 9-11-91

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4. Congressman Poage (Presumptive Chairman of the House Agricultural Committee) was reached on the telephone at Waco, Texas, on December 9. He said that he personally could see nothing wrong with the proposal as outlined. He thought there might be some questions raised by Republican Members, and was glad to hear we were consulting them.
5. Congresswoman Frances Bolton (ranking Republican Member of the Foreign Affairs Committee) was out of town and not available, but word was left that we had wished to get in touch with her to brief her on this matter on December 8. It was considered unnecessary to pursue the matter further.
6. Congressman Belcher was reached by telephone in Enid, Oklahoma, on December 9.. After a full explanation, he said he was willing to trust to the judgment of the State Department in the matter.
7. Congressman Quie was reached by telephone in Minnesota on December 9. He said our position seemed sound to him, particularly if we had a firm legal position to offer in justification. On December 15 he was reached again on his arrival in Washington to correct the statement that Mr. Findley had no objection and to seek comment on the idea of shipping only the vegetable oil. Mr. Quie repeated that he could live with the transaction and would raise no objection.
8. Congressman John Tunney was fully briefed on the proposed PL-480 deal for Yugoslavia during a call at the Department on December 8, and expressed approval of what we proposed to do.
9. Chairman Mahon

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9. Chairman Mahon--Mr. Mahon, reached on the telephone on December 9, expressed the opinion that a new wheat agreement with Yugoslavia "would cause some trouble because of the feeling on the Hill against any economic assistance to Communist countries." He apparently considers it significant that the terms require dollar repayment if "we ever will really be repaid," but not sufficiently to change his basic reaction. "In the light of the very many things he had to do in Texas," he did not want to "be involved in the decision-making process," but he of course would not do anything or say anything against the arrangement.
10. Congressman Passman )Chairman House Subcommittee  
on Foreign Operations Appropriations) was reached by phone on December 9 at his office in Louisiana. He indicated that the signing of this agreement with the Yugoslavs would give him no trouble, said he understood we were "getting in under the wire," that there was nothing else we could do, that it was too bad the President's freedom of action wasn't protected in the Food-forPeace legislation as he, Passman, and Mahon had protected the President's authority in the effort to limit the actions of the Export-Import Bank vis-a-vis the Communist countries. Passman added that he thought we should be trading with all nations, including the divided areas (East Germany, North Korea), as we will not be able to influence them if we have no contact with them. He said that though he may cut the President's appropriations, he will always fight for giving the President maximum flexibility to use the money appropriated as he, the President, sees fit.

11. Congressman

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-4-

11. Congressman Michel was reached in Peoria on December 8, and the background and the nature of the problem explained. The Congressman asked a couple of questions and the answers seemed to satisfy him generally. He said that he saw no serious objection on the spur of the moment, but hesitated to give blanket endorsement without reflection. It was left that if he found any serious objections, he would call back. He did not.

12. Congressman Findley, who is the author of the Findley Amendment which restricts sales to countries selling or shipping commodities to North Vietnam or Cuba, indicated during an extended meeting on December 8 that insofar as he was concerned, the intent of the Congress in selecting the January 1 deadline for the new restrictions to apply had been to avoid embarrassing the Administration in any commitments it might have virtually completed at the time the legislation was passed. He also did not challenge the Department of Justice's advisory opinion that the sending of supplies to North Vietnam by the Yugoslav Red Cross did not fall within the restrictive provisions of the Findley amendment. He indicated he would not raise difficulties on this deal, particularly since the negotiations had been well underway substantially before his amendment had been passed by the Congress. Late on December 9 the Department received a telegram from Findley asking that the transaction be held up until he presented further legal views. At a luncheon meeting with Under Secretary Katzenbach he presented a letter and legal statement in flat opposition to the transaction which he had already released to the press. He refused to be moved by extensive argumentation on the subject.

13. Congressman Mailliard

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13. Congressman Mailliard--Congressman Mailliard was reached by telephone December 12. After being informed of the facts concerning the new wheat agreement and the shipment of vegetable oils outstanding under the existing agreement, he commented that he wasn't aware of exactly how he voted on the last consideration of the new PL-480 legislation, but that he was generally opposed to restrictive provisions. As regards the specific developments concerning Yugoslavia, Mailliard said: "I can't get very excited about it."
14. Congressman Adair--Mr. Adair returned from Europe over the weekend and the problem was discussed with him, in the light of Mr. Findley's objections, on December 13, 14 and 15. He stressed the difficulty of allowing the wheat transaction to become a public confrontation between the Department and Mr. Findley because a number of privately sympathetic Republicans would be subject to pressures on the Vietnam issue and the matter of Republican unity and would come out publicly in opposition. He thought that fulfilling our commitment on the vegetable oils was a different matter and he would be glad personally to be helpful with his Republican colleagues on the matter.

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B. SENATE

1. Senator Mansfield said he approved of our proposed PL-480 deal with Yugoslavia and was very glad that we had talked to Senator Dirksen, Congressman Findley and other interested members of Congress.
2. Senator Dirksen--I explained the matter to him on the telephone in Florida on December 8. He made no particular comment and raised no objections. In a later conversation he indicated this was primarily a House problem and he would not intervene.
3. Senator Sparkman (Ranking Democratic Member of the Senate Foreign Relations Committee in Senator Fulbright's absence abroad) was visited on December 8. He approved the proposed Title IV PL-480 deal with Yugoslavia and does not believe it will create any serious problem for us on the Hill.
4. Senator Hickenlooper, while not being complimentary to Tito, raised no objection, during discussion on December 8, and from what he said we do not believe that he will raise any public objection to the deal.
5. Senator Holland is in Florida, and we have not yet been able to reach him.
6. Senator Ellender is out of the country and not expected back until January.
7. Senator Aiken was reached at his office in Washington on December 9. He cut in, even before the explanations were finished, and said that we

did not

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NJ 91-176  
By [signature], NARA, Date 9-11-91



~~CONFIDENTIAL~~

did not have to spell it out with him, because he thought our Eastern European policy was the one thing we were doing just right. He said he fully endorsed any actions we took to give the Eastern European countries greater encouragement to independent action from the Soviet Union. He said he knew at least one Republican Senator, whom he did not wish to embarrass by naming, who had opposed East-West bridge-building, but was prepared to switch this year, and he hoped there would be others, so that prospects for East-West trade legislation in the Senate would be good. He was not so sanguine about the House.

8. Senator Cooper was expected back in a day or two. Bailey Guard, his AA, who is very familiar with the Senator's views, thought on December 9 the Senator would consider the negotiation of the wheat agreement with Yugoslavia the Department's business and perhaps useful.
9. Senator Carlson was fully briefed and had no objection.
10. Art Kuhl (Acting Chief of Staff of the Senate Foreign Relations Committee) expressed appreciation for being informed on December 8, and did not believe that this would cause any serious problem with Members of the Committee, particularly since both Senators Sparkman and Hickenlooper voiced no objection. He asked when the public announcement of the PL-480 deal with Yugoslavia might be made and was informed it might well be made within the next week, following the completion of Congressional consultation and in light thereof.

~~CONFIDENTIAL~~



Foreign Assistance to the Yugoslav Economic Reform Program  
1965 - 1966

1965

|    | <u>Source</u> | <u>Amount (in millions of \$)</u> | <u>Purpose</u> |
|----|---------------|-----------------------------------|----------------|
| 1. | IMF           | 80                                | Stand-by       |
| 2. | France        | 12                                | Credit         |
| 3. | Italy         | 15                                | Roll-over      |

1966

|    |                   |      |                                  |
|----|-------------------|------|----------------------------------|
| 1. | France            | 11   | Credit                           |
| 2. | Japan             | 5    | Credit                           |
| 3. | Italy             | 30   | Roll-over                        |
| 4. | West German banks | 26   | Roll-over                        |
| 5. | Canada            | 8    | Roll-over                        |
| 6. | Netherlands       | 3.5  | Roll-over                        |
| 7. | U.S.              | 114  | PL-480 Title IV<br>(dollar sale) |
|    |                   | 11.9 | Roll-over                        |
|    |                   | 34   | Ex-IM loans                      |
|    |                   | 5    | Ex-IM credit<br>guarantees       |

~~CONFIDENTIAL~~

75  
Friday, January 6, 1967  
3:45 p. m.

MR. PRESIDENT:

Bob McNamara reported by telephone his response to your questions about the Kraft column (attached).

1. He regarded this as the most serious security leak of his six years in the Pentagon. Although the column contained important errors, it had obviously been leaked by someone who knew of most sensitive telephone calls between the two Secretaries.
2. Moreover, the implication of the column offended him; namely, that he could not maintain control over the Department of Defense.
3. He has no evidence on how the leak came about. He cannot conceive of its coming from the Department of Defense. His suspicion -- without evidence -- is that it was put out by a dove in the Department of State.

W. W. R.

Attachment

DECLASSIFIED  
Authority NLJ 85-332  
By ig, NARS, Date 3-10-86

# Insight and Outlook . . . By Joseph Kraft

## Bombing Off Course

THE BOMBING of targets around Hanoi just before Christmas aroused concern throughout the world because it seemed to raise the prospects of a deliberate escalation of the Vietnamese war at a time when there was talk of truce and cease-fire.



Kraft

But far more alarming is the story of how the decision to bomb so close to Hanoi at that time was made. For it shows the danger of what amounts to an unpremeditated escalation—war out of control.

Because argument about bombing North Vietnam is the hottest single issue in Washington, full and unbiased accounts of what occurred are not available. But this, in rough outline, is what seems to have happened:

Several weeks ago the Joint Chiefs of Staff sent to Defense Secretary Robert McNamara a revised list of recommended targets for bombing in North Vietnam. The list included the targets close to Hanoi as well as many others near civilian population centers and other sensitive points.

McNamara rejected the whole list. But the Joint Chiefs exercised their right to take the issue to the President.

MR. JOHNSON heard both sides of the argument at a session with the Chiefs and the Secretary of Defense at the ranch in Texas. His reaction, as is usually the case when he is in the presence of the military, was to lean in their direction, and against the advice of his civilian Secretary of Defense.

At that point, McNamara called on Secretary of State Dean Rusk who had remained in Washington. He asked Rusk to try to persuade the President against accepting the recommendations of the Chiefs.

Rusk responded in a way that does him more credit than usually accorded in this column. In a telephone call from Washington to the Ranch, he was able to bring the President around. But because the President was now going back on what had looked to be a decision favorable to the Chiefs, there

was agreement to throw them a bone of consolation.

The bone was the decision to strike the targets near Hanoi. And that is how the bombs happened to fall around the North Vietnamese capital just before Christmas.

What is immensely disturbing about all this is what it says about civilian control of the military. First of all there is called into question the relationship between the Secretary of Defense and the Joint Chiefs of Staff.

McNAMARA has been the apostle of rational decision-making in war and peace. He has insisted on precise and, if possible, numerical exposition of the relation between means and ends. And the avowed purpose of all the numbers and definitions was to make it possible for the political leaders to make intelligent judgments on military matters too important to be left to the generals.

But it is now apparent that the military men are not governed by McNamara's rational analyses. On the

contrary, decisions result from a trade between the Secretary of Defense and the military.

And anybody who knows the military knows what that means. It means that to get what they want, they only need to do what comes naturally—which is asking much more than they need.

For all his numbers and definitions, in other words, McNamara has been put on the defensive. The military has gained the whiphand over the Secretary of Defense.

As to the President, rather than go directly against the military, Mr. Johnson is prepared to lean toward a position that would put him at odds with his Secretaries of State and Defense. And when he does come round to line up with his two civilian secretaries, he feels the need to make concessions to the military.

To put it bluntly, the President seems afraid to oppose the military in their presence. The last resort of civilian authority is at the mercy of the soldiers.

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January 6, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Thai Troops for Viet-Nam

As you know, the Thai Government has decided to send a reinforced battalion to Viet-Nam.

State thinks a brief message from you to Prime Minister Thanom would be appropriate. I agree.

Attached is the suggested message, which will be sent by cable to Bangkok.

W. W. Rostow

Att.

Message approved  \_\_\_\_\_

Approved as revised \_\_\_\_\_

Don't send \_\_\_\_\_

866

UNCLASSIFIED

TØ: Amembassy Bangkok IMMEDIATE

FROM: STATE

CINCPAC FOR POLAD

1. You are authorized to deliver immediately following message to

Prime Minister Thanom:

BEGIN FULL TEXT Your Excellency,

Your Government's decision to reinforce Thailand's contribution to the defense of South Viet-Nam by sending a ground force unit there was the source of deep satisfaction to me and to the American people. I know it will give new heart to the people of South Viet-Nam and to the allied forces now assisting them.

Thailand has been a strong and steady ally in the long struggle to protect free Asia against Communist aggression. Your men who fight under the Thai flag in Viet-Nam to help a neighbor preserve its independence have before them the example of a similar contribution by the heroic Thai unit which helped turn back Communist aggression in Korea.

These courageous actions and Thailand's membership in and strong support of the Southeast Asia Collective Defense Treaty show that Thailand knows, as does America, that it is by standing together as allies that we preserve our own independence and freedom.

Lyndon B. Johnson END TEXT

2. We do not plan to release text here, but have no objection if RTG wishes to do so. However, we would appreciate your advising us if Thai do release text.

END

UNCLASSIFIED

Friday, January 6, 1967

MEMORANDUM FOR THE PRESIDENT

When you approved the overall schedule of foreign visitors for the first-half of 1967, it was understood that the specific dates were subject to your final approval. You have already approved the dates of the Costa e Silva (January 26) and Frei (February 1-2) visits. Planning for the next several visits has come to the point where we need to give specific dates to the visitors involved. If you agree, we plan to work out a series of joint announcements of the visits as soon as possible.

The dates outlined below have been checked against your schedule and the social calendar. We believe they will be acceptable to the visitors concerned. The only state visit involved is that of President Sunay of Turkey. All the others are informal two-day visits which involve your participation only on the first, of the two days.

King Hassan of Morocco - February 9

King Hassan was originally scheduled for lunch in early December. (He was coming to visit the UN). When you accepted his offer to postpone, because of your operation, it was with the understanding that the later visit would involve a dinner (rather than luncheon), plus the usual welcoming ceremony, and a substantive discussion.

Approve participation for February 9 \_\_\_\_\_

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

Emperor Haile Selassie of Ethiopia - February 14

This visit was set in February at your request. Ambassador Korry has suggested that if you took the Emperor down to the Ranch, he could be handled more informally. Down there, if the Emperor gets too wound up about his need for arms, you could cool him off with a sightseeing tour. Unless the idea of taking

the Emperor to Texas has some particular appeal to you, however, I suggest you receive him here in Washington. If held here, your participation would involve greeting the Emperor on the lawn, one office meeting, and a dinner. (We probably have to give him what Hassan got, although we'll try to get away with just a luncheon).

Visit in Washington February 14 \_\_\_\_\_

At the Ranch February 18 \_\_\_\_\_

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

Prime Minister Chung of Korea, March 14

You approved this visit for April, but we are now recommending March in order to clear mid-April for the OAS Summit meeting and to avoid the Korean elections scheduled for April. The format would be a simple one involving a welcome, office meeting, and a luncheon.

Approve participation for March 14 \_\_\_\_\_

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

Prime Minister Maiwandwal of Afghanistan, March 28

You approved this visit for April, but late March is preferable because of the OAS Summit and the convening of the Afghan Parliament, April 13. Involved are a welcome on the lawn, an office meeting, and a luncheon.

Approve participation for March 28 \_\_\_\_\_

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

President Sunay of Turkey, April 3-5

The Turks requested this timing. Sunay is another of the postponed December visitors, thus we should give the Turks a date as soon as possible. This is the only state visit and as such would involve welcoming ceremony, parade, two talks, dinner and a return appearance at a Turkish reception.

Approve participation for April 3-4 \_\_\_\_\_

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



Public Announcement of Visits

Because of his domestic, political pressures, the Afghan Prime Minister wants a joint announcement as soon as possible. We could do this within 48 hours after your approval, following it 2-3 days later with announcement of the rescheduled Hassan and Sunay visits. The following week we could announce the Ethiopian and Korean visits.

Approve \_\_\_\_\_

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

W. W. Rostow



DEPARTMENT OF STATE  
THE SECRETARY

*Mr. President:* January 6, 1967  
*Self-explanatory.*  
*Walt*

EYES ONLY FOR THE PRESIDENT

VIA MR. WALT ROSTOW

88a

THE SECRETARY OF STATE  
WASHINGTON

~~SECRET/NODIS~~

January 5, 1967  
4:30 p.m.

MEMORANDUM OF CONVERSATION WITH AMBASSADOR LUCET  
OF FRANCE

Following is the summary of a brief conversation I had with the French Ambassador.

I thanked him for coming in promptly after his absence from the city and then recounted the conversations which one of his counselors, Mr. Jean Baubé, had had with Senator Mansfield and Mr. William Moyers about the possibility of President Johnson's visit to Europe. I told the Ambassador that it was the President's wish that this subject be handled personally between the French Ambassador and myself and not through unusual channels such as Senators or others.

The Ambassador told me that he had been very embarrassed to learn that his colleague had discussed the matter with Senator Mansfield and that he fully agreed that the channel I indicated was the proper one. He said that he thought the attitude of President DeGaulle was well known to us since DeGaulle had expressed it to Ambassador Bohlen — namely — that President DeGaulle would welcome President Johnson if the latter found it possible to come to Europe, that he would have a warm welcome from the French people and that DeGaulle's own mind would run toward good informal working sessions rather than a concentration on formality and protocol.

I told the French Ambassador that we appreciated President DeGaulle's attitude, that the possibilities of a visit by President Johnson to Europe have been under consideration but that it is much too early to think about dates or specific arrangements. I mentioned the Inter-American Summit meeting in April and thought that, in any event, it might be some time before the President could reach any conclusion about a European trip.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 99-12  
By id, NARA Date 1-26-00

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The French Ambassador asked whether the next step might be a formal invitation from President DeGaulle. I said that it seemed to me the next step might be an informal indication from our side that the President thought that he might be able to come, on the basis of which an invitation could be issued.

It was left that this subject was one on which the American side would take any further initiative.

DR(CAB)

Dean Rusk

~~SECRET~~

Friday, January 6, 1967  
5:30 p. m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

Paul Ward called me, and said he asked the question with great reluctance because the whole idea ran against his grain. Nevertheless, his boss on the Baltimore Sun asked him to check the following rumor: the Administration is rushing around trying to find out what domestic public reaction would be if we launched a unilateral bombing pause. I said I knew of no such action. The President had stated his position most recently at his last press conference. So far as I knew, we would not stop bombing the North until there was some solid reason to do so.

I did want you to know that this rumor was circulating.

W. W. R.

(handwritten: Bill M. just called me about a query from Marvin Kalb along similar lines. W.)

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E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By RG, NARA, Date 2-6-91

Friday, January 6, 1987

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**DECLASSIFIED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 99-99**

Meeting with the President, January 4, 1967

By is, NARA Date 10-30-99

Present: Secretary McNamara  
Gen. Wheeler  
Gen. Harold K. Johnson  
Adm. David McDonald  
Gen. John McConnell  
Cyrus Vance  
Gen. Alfred Gruenther  
Dr. James R. Killian  
Dr. Jerome Wiesner  
Herbert F. York

The Vice President  
John Foster  
Secretary Harold Brown  
Secretary Stanley Resor  
Lt. Gen. Harold Mangrum  
Dr. Donald Hornig  
Dr. George Kistiakowsky  
Mr. Robert Kintner  
Mr. Bill Moyers  
Mr. Walt Rostow

SUBJECT: ABM's

The President thanked those who had come from out of town for attending, and asked Secy. McNamara to pose the issue.

Secy. McNamara stated, in accordance with a draft paper which had been distributed, that we faced essentially this choice with respect to an ABM system:

-- do nothing;

-- set up a limited so-called "thin" system with a capability: to protect against Chicom missiles; accidentally launched missiles; nuclear blackmail; and to furnish additional protection for our MINUTEMAN;

-- install a system capable of protecting our population against heavy sophisticated Soviet attack.

He stated that he would now solicit the views of the JCS, the Science Advisors to the President, and others.

He turned to Gen. Wheeler, who spoke for the JCS. Gen. Wheeler proposed, as the JCS had in the Austin meeting with the President, that we install a Nike-X system on a scale capable of protecting 25 major population centers. This would provide a damage-limiting capability; introduce uncertainties about Soviet capabilities which would make them more cautious at a time of crisis; stabilize the nuclear balance; demonstrate that the U. S. was not first-strike minded; and deny the Soviet Union a first-strike capability.

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1/6/67

The proposed Nike-X deployment could not cope with all attacks upon us, but it would provide substantial population protection. It would also provide the four benefits cited for the limited "thin" system.

In short, the JCS reaffirmed its previous position of support for Nike-X deployment to protect 25 population centers.

The views of the Science Advisors were then solicited by seniority, beginning with Dr. Killian.

Dr. Killian stated that he had addressed himself to this important matter, putting political considerations aside, although he was aware that they were extremely important. He was not persuaded about the need for the minimum first-step in the form of a limited system. Beyond the first step an ABM system would be "extremely dangerous." If politics required the first step, the thin system of Secy. McNamara was the most sensible. He hoped it would not be necessary. He recognized that it might, however, be an advantage to have committed ourselves to the first step in negotiating with the Soviet Union.

Dr. Kistiakowsky stated the issue was of very great importance. He agreed completely with the arguments of those who were against massive deployment of an ABM. The argument was complex, but in essence it was this: our system of deterrence is designed now to prevent a nuclear war. The mounting of an ABM system constitutes preparation for nuclear war. It would lead to a radical acceleration of the arms race, in which "all hope would be lost" for arms control agreements.

He felt the same arguments applied to a limited "first step." The international effects would be the same; but they would be stretched out over time. The pressure for expansion of the system would be great and irresistible.

Moreover, he did not believe it would even be effective against Chicom nuclear blackmail. They would prove ingenious and could turn, for example, to submarine-launched delivery systems, or to a dirty bomb exploded, say, 50 miles off shore.

He also doubted that the thin system was the optimum for protecting MINUTEMAN against Soviet attack.

Therefore, he recommended against deployment while we undertook a major diplomatic effort to persuade the Soviet Union to stand down. Conceivably, we might put into the budget certain long lead time items for an ABM system to increase our bargaining leverage.

1/6/67

Dr. Wiesner stated that he supported the arguments presented by his two predecessors. An ABM system cannot buy defense against Soviet attack. He stated that U. S. and Soviet decisions to deploy ABM's would lead to greater casualties in a nuclear war, not less. There is a built-in tendency to overbuild in compensation for the erection of a defensive system. The history of Soviet anti-aircraft in relation to the expansion of our own Strategic Air Command illustrate this tendency. It is inherent in an offensive-defensive race.

With respect to Communist China, there is no need for an ABM system. We can rely on normal deterrence. The Chinese Communists are extremely vulnerable to nuclear attack. Forty 10-megaton weapons could cause between 150 and 200 million Chinese casualties. They could be delivered by 4% of our B-52 force. Moreover, the first generation of Chinese Communist missiles would be soft; their location would be known; and they could be taken out in a pre-emptive attack if we believed they were about to be launched.

The Chinese already have missile-carrying submarines, and our ABM's would provide no protection against them.

Finally, Dr. Wiesner said that the introduction of an ABM race would lead to great uncertainty and destabilize the arms race. We shall certainly overbuild in response to the Soviet ABM's. He noted that he had spent a great deal of his mature life working on defensive systems: first, anti-aircraft, then ABM's. He is now convinced that in the game of nuclear deterrence, defense doesn't work. The offense will always overcome. He noted the irony of his present position in opposition to the JCS since, at an earlier time, the JCS had strongly opposed him when he was supporting an air defense system. (General Wheeler noted that it was a different JCS.)

Dr. Hornig concurred with what had been said by his predecessors. He noted the issue had been reviewed by three Science Advisory panels. He concluded that it was not feasible to have an effective defense against missiles. The facts were that the Soviet Union had taken steps to deploy a limited system around Moscow. It was a poor system and penetrable. His own people believe the second system now being deployed in the Soviet Union is not ABM but air defense. Against this background and the problems of escalation inherent in an ABM deployment, he believed it unwise to take the major step recommended by the JCS.

As for a thin system, he believed that the balance vis-a-vis the Chinese was such that we did not require an ABM system for that purpose; although a thin system could help against an accidentally launched missile; against an Nth country with nuclear capability stirring up trouble; and it could provide some additional protection to our MINUTEMAN.

1/6/67

If it were believed that it would help in our negotiations with the USSR for an ABM-missile freeze, he would tend to support a limited thin system. He would, however, proceed slower than the thin system proposed by Secy. McNamara until we had a definitive response from the Soviet Union.

Gen. Gruenther stated that he subscribed to the limited thin system outlined by Secy. McNamara. He would support this light deployment for the four purposes sketched by the Secretary.

He wished to underline the disagreement in the intelligence community about the functions of the TALLINN system; all hands did not agree that it was strictly anti-aircraft. He said that we should not put excessive hopes in diplomatic negotiations on this question. In saying that, he wanted it understood that he believed in arms control as the right solution to the security problem in a nuclear age; he was a member of Mr. John McCloy's advisory committee to ACDA. He was, simply, not optimistic about negotiating prospects.

Dr. York, former Director of Research and Engineering in the Department of Defense, stated his agreement with the science advisors. He supported a policy of: "Let's do nothing now." He said the case against full-scale deployment of Nike-X had been understated. The workings of the system could lead to an increase in casualties in a nuclear war. The most that might be said is that casualties might be cut.

What is certain, he said, is that the arms race would accelerate, and the net result would be, in the future, as in the past, that more American lives would be at risk each year. If the installation of our defensive system were the last move in the arms race, then, of course, less lives would be at risk. But that would not be the last move, and in the end, more U. S. lives would be in jeopardy.

As for the Soviet system, in his judgment, it is so ineffective that we can afford to defer a decision. He repeated: we should do nothing at this time.

We have a very vigorous R&D effort going forward. It creates a better potential ABM system each year. We should maintain that vigorous effort.

The President then asked Secy. McNamara to summarize. He said our choices are:

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1. Do nothing.
2. The thin system with its four limited functions. It was estimated to cost \$4.2 billion. We must count on the actual cost being 25 to 50% higher than that. It would cost \$250 million a year to operate.
3. Installing Nike-X to protect the population in substantial numbers in 25 cities. This system is now estimated to cost \$13 billion to build. We must expand that realistically to \$20 billion. In fact, his estimate is that it would cost \$40 billion in 10 years.

The argument against deployment was that the Soviet Union must build a system which will survive a potential U. S. first strike and have enough striking power left to inflict such casualties on the U. S. that we would not strike the Soviet Union in the first place. An ABM system is not capable of reducing U. S. casualties to the point where the Soviet Union would not be able to carry out its policy in this matter.

The counter-argument is that we could try and protect our population to some degree. His view is that the effort to protect would lead to an offensive increase in the Soviet Union which would more than offset our initial effort to protect our population.

As for the limited thin system, it might play some role in pushing the Soviet Union into negotiations, but we could not guarantee that. It offered some protection against a Chicom attack. He said that he would be more concerned than he now is, with our policy of bombing North Vietnam, if the Chicoms had ICBM's. A thin system could protect us against the kind of missile accident that, statistically, might happen with the passage of time and the multiplication of missiles. He referred to the Mace incident of January 4. It might also provide some protection against nuclear blackmail.

He felt the decision about a limited thin system was "marginal."

As for the case for doing nothing, the President had heard the pros and cons.

The President asked Secy. McNamara for his recommendation. He said he would prefer to withhold judgment now and present his view to the President later.

1/6/67

The President then summarized: the Chiefs wish to go all the way; the scientists say No; but if we go we should go with a thin system because it might help our negotiations with the Soviet Union.

Secy. McNamara said it was his judgment that it would help; that the argument has some merit. There has been some evidence in the past 3 - 4 weeks. But the ABM problem is extremely difficult: once you start you are pregnant. It will be virtually impossible to stop.

The President then asked for a summary of intelligence on the Soviet system.

Secy. McNamara, asking Gen. Wheeler to correct him if he disagreed, stated that the assessment of Nov. 17, 1966, based on July information, showed disagreement in the intelligence community. The majority agreed that a limited ABM system was being deployed around Moscow which was penetrable by heavy U. S. attack or through POLARIS missiles. In addition, a wide-scale system was being deployed which might contain as many as 240 missiles by 1971. There was some evidence that this so-called TALLINN system was solely designed against aircraft; but others believed it was an ABM system, or dual purpose. In December we acquired new evidence that it is more probably anti-aircraft, since some units are not linked to the radar which is required to track missiles.

Secy. McNamara concluded by stating that, in his view, it made no difference. No defensive system could be effective. He recalled that when he became Secretary of Defense he first investigated the ability of SAC to penetrate the Soviet Union. To his surprise he found that the best estimates indicated that 90-95% of the aircraft could get through. At the very outside, the defensive system might shoot down 15%. The Soviet Union has spent 2-1/2 times as much as the U. S. on defense and has not gotten any serious protection for those expenditures. The Soviets have an irrational bias towards defensive systems. Their present deployments around Moscow are not militarily justifiable, but represent an instinctive, almost theological desire to protect Moscow as the center of Russian life.

The President again thanked those present. He stated he would take their views into account. He was particularly grateful for those outside the government who again showed their willingness to serve. When he came to make his decision he would do so with greater confidence because they had come. He had talked with others about this matter, including General Eisenhower.

W. W. Rostow

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~~FORMERLY RESTRICTED DATA~~

January 5, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Additional U. S. Atomic Information Proposed for  
Communication to NATO and NATO Member States

Secretary McNamara and Acting Chairman Ramey have signed a formal determination that would permit Ambassador Cleveland to make available certain essential information concerning the MK-61 weapon on a need-to-know basis to the NATO Nuclear Weapons Assignment Sheet Conference. Ambassador Cleveland has requested this determination as a matter of great urgency because the conference is scheduled to begin on January 9, 1967.

The action has been reviewed and concurred in by the Department of State.

I recommend that you approve the proposed determination and request your permission to sign the attached memorandum for the Secretary of Defense and Chairman of the Atomic Energy Commission.

W. W. Rostow

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

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 99-75  
By 10 NARA Date 3-20-00

~~SECRET FORMERLY RESTRICTED DATA~~

This document regraded  
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separated from enclosures.

THE WHITE HOUSE  
WASHINGTON

91a  
**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLI 99-75**  
**By 10, NARA Date 3-20-00**

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*January 7, 1967*

MEMORANDUM FOR THE SECRETARY OF DEFENSE  
THE CHAIRMAN, ATOMIC ENERGY COMMISSION

SUBJECT: Additional U. S. Atomic Information Proposed for Communication to NATO and NATO Member States

Reference is made to your memorandum for the President of January 5, 1967, informing him that the Department of Defense has a requirement to communicate to NATO information on the MK-61 weapon similar to information authorized by existing determinations on other weapons for use by NATO assigned and earmarked units. It has been noted that Ambassador Cleveland has urgently requested that authorization to communicate information on the MK-61 be provided in time for SACEUR's Nuclear Weapons Assignment Sheet Conference scheduled for January 9, 1967.

[REDACTED]

6.1(a)

It has also been noted that pursuant to Executive Order 10841, as amended, the Secretary of Defense and the Atomic Energy Commission have determined that the proposed cooperation and the proposed communication of atomic information authorized by the amendments set forth in the attachment to your memorandum for the President will promote and will not constitute an unreasonable risk to the common defense and security. It is understood that the Department of State has been informed of and concurs in the above action.

The statutory determination as proposed has been concurred in. This concurrence also constitutes a waiver of the 15-day waiting period specified by Executive Order 10956.

It is understood that the Department of Defense will promptly inform the Joint Committee on Atomic Energy of the above determination prior to communication of this information.

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

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THE SECRETARY OF DEFENSE  
WASHINGTON

JAN 5 1967

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Additional U. S. Atomic Information Proposed for  
Communication to NATO and NATO Member States (U)

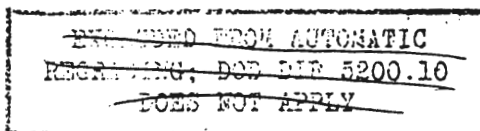
(S-FRD) A new tactical weapon, the MK-61 bomb, is now being phased into the inventory. Current Department of Defense plans include the allocation of the MK-61 bomb to CINCEUR, with dispersal in FY 1967 to [REDACTED] the United Kingdom and West Germany for the support of U. S. Air Force units assigned or earmarked to NATO. The FY 1967/1968 Dispersal Plan, which reflects this recommended dispersal, will shortly be transmitted to you for your approval.

(C) In order that NATO mutual defense planning may include information on the MK-61 weapon there is a requirement to communicate to NATO information on the MK-61 weapon similar to information authorized by existing determinations on other weapons for use by NATO assigned and earmarked units. In this regard Ambassador Cleveland has urgently requested that authorization to communicate information on the MK-61 be provided in time for SACEUR's Nuclear Weapons Assignment Sheet Conference scheduled for 9 January 1967.

(SRD) To accommodate this requirement, appropriate existing determinations can be amended by the addition of the MK-61 to their lists of weapons and where appropriate by the addition of [REDACTED] capability on the MK-61 to the information authorized for release.

(C) In view of NSAM 197 concerning commitments to support NATO forces with atomic weapons, communications will be handled so as to avoid the interpretation of a U.S. commitment to subsequently provide weapons or delivery systems beyond those authorized by the President.

(U) Pursuant to Executive Order 10841, as amended, the Secretary of Defense and the Atomic Energy Commission have determined that the proposed cooperation and the proposed communication of atomic information authorized by the amendments set forth in the attachment will promote and will not constitute an unreasonable risk to the common defense and security.



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~~RESTRICTED DATA~~  
~~Atomic Energy Act of 1954~~

SANITIZED  
E.O. 12958, Sec. 3.6  
NLJ 99-76  
By is, NARA Date 3-22-00

Sec Der Cont Nr. X- 3

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(C) In accordance with Executive Order 10956, amending Executive Order 10841, the determination is hereby referred to the President. Because of the urgent requirement to integrate the MK-61 into NATO defense planning it is requested that the President waive the 15-day waiting period specified in this Executive Order by earlier approval of this determination.

(U) When the determination becomes effective, the Department of Defense will notify the Joint Committee on Atomic Energy of this determination, subject to any qualifications the President may impose, prior to making communications not heretofore authorized.

Chairman

Atomic Energy Commission

Secretary of Defense

1 Attachment

4 JAN 1967

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~~RESTRICTED DATA~~

~~Atomic Energy Act of 1954~~



~~SECRET~~

91c  
Copy 36 of 60 copies each  
of 1 page, Series A

ADDITIONAL U. S. ATOMIC INFORMATION  
PROPOSED FOR COMMUNICATION TO  
NATO AND NATO MEMBER STATES

(S-RD) Each NATO statutory determination specified below is modified as indicated. Existing qualifications and limitations on these determinations, and existing special arrangements such as those regarding communication to France and Iceland, are specifically not changed by these amendments.

1. ATOMIC INFORMATION PROPOSED FOR NATO (NATO Defense Data Program (NDDP)), approved by White House letter dated 12 January 1963:

Paragraph 1.a. "Applicability to Weapons:", add "MK-61".

Paragraph 1.b. "Planning Information:", at the end of sub-paragraph (10) add "[REDACTED] capability on the MK-61". 6.1(a)

2. ATOMIC INFORMATION PROPOSED FOR COMMUNICATION TO MILITARY COMMITTEE/STANDING GROUP NATO, approved by White House letter dated 14 June 1965:

Paragraph "Weapons:", add MK-61".

Paragraph "Information", at the end of sub-paragraph h. add "[REDACTED] capability on the MK-61". 6.1(a)

3. U. S. ATOMIC INFORMATION PROPOSED FOR COMMUNICATION TO ALLIED COMMAND EUROPE (ACE)/ALLIED COMMAND ATLANTIC (ACLANT), approved by White House letter dated 19 September 1965:

Paragraph "Weapons:", add "MK-61".

4. UNITED STATES ATOMIC INFORMATION PROPOSED FOR COMMUNICATION TO NATO MEMBER STATES AND ACCHAN (U), approved by White House letter dated 3 October 1966:

Paragraph 2. "WEAPONS", add "MK-61".

Paragraph 3. "INFORMATION", at the end of sub-paragraph b.(7) add "[REDACTED] capability on the MK-61". 6.1(a)

**SANITIZED**

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

**NLJ 99-76**

By is, NARA Date 3-22-00

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~~RESTRICTED DATA~~

~~Atomic Energy Act of 1954~~

EXCLUDED FROM AUTOMATIC  
REGRADING: DOD DIR 5200.10  
DOES NOT APPLY

*Mr. Rostow 92*

January 5, 1967.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Request that you see Prince Juan Carlos de Borbon of Spain, January 12-16.

At Tab A is a memorandum from Secretary Rusk recommending that you agree to see Prince Juan Carlos sometime during his January 12-16 private visit to Washington. (The Prince may well be the next King of Spain.)

Ben Read, whom I cross-examined, tells me that the Secretary is "personally interested" in your seeing the Prince. There was a Franco message to Rusk asking for an appointment.

Rusk suggests that either: 1) you meet with Juan Carlos in your office for 10-15 minutes, or; 2) you and Mrs. Johnson receive the Prince and his wife for tea.

Francis M. Bator

OK to set up appointment \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_

No \_\_\_\_\_

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

*President doesn't want  
to see Prince - wants  
See Rusk to do so.*



THE SECRETARY OF STATE  
WASHINGTON

December 29, 1966

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Request for Appointment for Prince  
Juan Carlos de Borbon of Spain

Recommendation

I recommend that you receive Prince Juan Carlos in your office for 10 or 15 minutes during his private visit to Washington, January 12-16.

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

Alternate Recommendation

If you would prefer not to schedule an office visit, you and Mrs. Johnson might wish to receive the Prince and his wife, Princess Sophie (sister of the King of Greece), for tea in the afternoon.

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

Discussion

The Spanish Ambassador, the Marques de Merry del Val, has officially requested that you receive Juan Carlos de Borbon during his private visit to Washington, January 12-16. Our Embassy in Madrid has reported the request was made on instructions of General Franco. Since there is a good possibility that Juan Carlos may some day become King of Spain, I believe it is desirable for you to receive him.

During his last visit to Washington in 1962, Juan Carlos was received by President Kennedy in his office for 15 minutes. The alternate recommendation, that you and Mrs. Johnson receive Prince Juan Carlos and Princess Sophie for a social tea in the afternoon at the White House, would offer the advantage of making the occasion flexible enough to allow you to devote as much or as little time with the couple as you desire,

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E.O. 12356, Sec. 3.4  
NJ 91-176  
By sig NARA Date 7-2-92

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and would permit us to stress the purely social aspect of the call. I believe, however, that an office visit would set a more appropriate tone for the Prince's visit. Any question on the visit can be answered that the call was requested officially by the Spanish Ambassador.

*Dean Rusk*

Dean Rusk

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*Handwritten signature*

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January 5, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Congressional Mission to India

Congressman Poage and Senator Miller are already in town. Congressman Dole is expected any time. You may want to hear directly from them, in a joint meeting, what they saw in India, and the kind of advice they will give to Congress when the Indian food message comes forward. They might have ideas on how best to cast the message.

Should Marv set up a session for you with them promptly?

W. W. Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By mg, NARA, Date 2-6-91

~~TOP SECRET -- EYES ONLY~~

January 5, 1967

Mr. President:

Herewith Sec. Rusk's account of his conversation of yesterday with Amb. Dobrynin. It was an exceedingly able presentation; but we shall only know what the Soviet is and is not prepared to do in some days.

You will note Dobrynin's observation on page 4.

Without precluding any other line of approach, including Moscow, my instinct is to put the matter hard and direct to Hanoi via Ne Win.

Incidentally, I sent over to Sec. Rusk a possible draft message from you, which is attached.

W. W. Rostow

~~TOP SECRET -- EYES ONLY~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 91-180  
By KJP, NARA, Date 4-7-93

WWRostow:rlh

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January 5, 1967

MEMORANDUM OF CONVERSATION WITH  
AMBASSADOR DOBRYNINSubject: Viet-Nam - MARIGOLD

The greater part of a two and a half hour conversation between Ambassador Dobrynin and me on the afternoon of January 4 had to do with Viet-Nam. The following is a summary.

I began by giving him the attached copy of our "Fourteen Points" as they have been developed further in public discussion during 1966. He and I then went over them point by point, in the course of which I supplemented them with the following remarks:

1. When we spoke of a conference on "Southeast Asia or any part thereof" we have in mind, as examples, responding to Prince Sihanouk's request for help from the ICC, a meeting to insure the carrying out of the Laos Accords of 1962, or procedures to guarantee the demilitarization of the DMZ.

2. I reminded him of the "two-phase" proposal of George Brown which would provide a pre-agreement on (a) the stopping of the bombing of North Viet-Nam and (b) mutual de-escalation of other forms of violence.

3. In connection with Hanoi's "Four Points", I told him that we had, many months ago, suggested to Hanoi

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E.O. 12958, Sec. 3.6

NLJ 99-12

By is, NARA Date 1-26-00~~TOP SECRET~~

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a revision of Hanoi's Point 3 in language which was very similar to Ambassador Lewandowski's Point 5 but that we had never had a reply.

4. I pointed out to him that the six months pledge in the Manila Communique was a direct response to the conversation which President Johnson had had with Mr. Gromyko.

5. I mentioned Harrison Salisbury's report of his talk with the North Vietnamese Prime Minister and called attention to what the Prime Minister was reported to have said about reunification and the absence of a North Vietnamese desire to "annex" South Viet-Nam. I said that that would seem to be consistent with Point 10 of our Fourteen Points.

After the above discussion of particular points, I said to Dobrynin that it seemed to me that the Soviet Union and the United States could find themselves in broad agreement on the Fourteen Points. He said that he would generally agree although there might be some particular points of interpretation and problems of "priorities."

(attached)

I then handed him Lewandowski's "Ten Points",/on a top secret basis, pointing out that four or five languages had been involved

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-3-

in the various exchanges and that it might be useful for him to have what we understood Lewandowski's points to be in English. I pointed out that our reference to the need for clarification in our first reply to Rapacki arose from the general nature of the 10-point formulation — and that this would be apparent on its face. I pointed out that Lewandowski's Point 2 and Point 5 would have to be read together since they dealt with the same problem. I also pointed out that the last sentence of Point 8 must not be read to believe that we could accept the continued presence of North Vietnamese armed forces in South Viet-Nam.

I then went over the Marigold experience and he, as expected, emphasized the negative effect of the bombings of December 13-14. and said that there were "some in Moscow" who took this as throwing serious doubt upon the real intentions of the United States. I replied that we had reasons ourselves to have doubts about the same thing on the other side. Mr. Rapacki had delayed the despatch of our original message to Hanoi, protesting our reference to "clarification", that attacks in the Saigon area were significantly stepped up during the period involved, while I myself was in Saigon, and that the Vice Chairman of the Constituent Assembly had been assassinated. Furthermore, we were proceeding on the basis of Mr. Lewandowski's formulation of the United

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-4-

States position rather than a formulation of a Polish position or of Hanoi's position. We had only the most insubstantial reflection of Hanoi's attitude and were necessarily somewhat cautious pending a direct exchange of views with Hanoi.

Dobrynin said his information was that Rapacki had told us in Gronouski's first meeting that we should go ahead and establish our own direct contact with the North Vietnamese. This surprised me and I called in Ben Read to check the record carefully and could find no record of any such remark. Indeed, the record shows that the entire exercise was related to a Polish role in actually arranging the first meeting. Dobrynin seemed to accept this and said there might have been some misunderstanding.

We then had a wide-ranging discussion of the background of Southeast Asia in which I reviewed the five years during which there was no bombing of North Viet-Nam, our bitter disappointment at the lack of sincere performance on the Laos Accords and the mounting infiltration of men and arms from North Viet-Nam into South Viet-Nam. I told Dobrynin that the attitudes of the USSR and the United States are of the utmost importance in maintaining the peace of the world and that we would be prepared to sit down very quietly and privately with the Soviets to see if we and they could not find agreement on what the answers ought to be.

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I said that a man from Mars would surely say that it makes no sense for the United States and the Soviet Union to be at odds with each other over Southeast Asia and that no one wants peace in that area more than the President of the United States. He stated his full agreement with these points but did not indicate that the Soviet Union was prepared for such talks. Obviously, he would need instructions in such a matter.

I told him that if the Soviet interest in North Viet-Nam was that it be protected against our bombing, we are prepared to come to arrangements promptly under which there would be no bombing but if the Soviet Union's position<sup>is</sup> that it will assist North Viet-Nam in the seizure of South Viet-Nam, then we have a "hell of a problem" with each other. I told him that the two most fundamental elements of the situation were the presence of North Vietnamese forces in South Viet-Nam and the bombing of North Viet-Nam. Perhaps we and the Soviets should concentrate hard on those two essential facts.

I told Dobrynin that, although we have differences of policy, the two of us need not have differences about facts. For example, if the Soviet Union wants to understand our view, they must understand that we know that there are at least 20 regiments of the North Vietnamese regular army in South Viet-Nam. We do not expect them publicly to acknowledge

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such a fact but they must be aware that we know this fact to be correct. There are many other such elements in the situation in which it will be useful to try to establish a common understanding as to what the facts appear to be. I told him that we fully recognized the interest of the Soviet Union in the safety and well-being of a fellow Socialist country like North Viet-Nam and that we were prepared to acknowledge that fully. On the other hand, we would expect the Soviet Union to recognize our similar and deep interest, reinforced by treaty, in the security and well-being of South Viet-Nam — subject to the free choices of the South Vietnamese people through free elections. He said that the Soviet Union was prepared to accept our treaty commitments in "some parts of the world" but did not feel bound by our treaty in Southeast Asia. I told him the problem was not whether the Soviet Union was bound by our treaty law but whether it would respect the fact that we had such commitments.

I told him that we understood that the situation inside the Socialist world was very complicated and that we understand that there may be some limitations on Moscow's influence in Hanoi. <sup>If</sup> Moscow cannot tell us with assurance what Hanoi would do if we stopped the bombing, Moscow could at least tell us privately what Moscow could do. He pricked up his ears at this and said that was a new idea. I said that I had made the

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same point to Mr. Gromyko some/time ago and that I recognized that this is a complicated problem because of Peking.

I said we have considered possibilities of further direct contacts with Hanoi but our experience thus far has been that Hanoi is very unreceptive. I mentioned the arrival of Ambassador Thompson in Moscow and the forthcoming departure from Moscow of the North Vietnamese Ambassador. He said that a new man is coming from Hanoi shortly and that he believes the new man will be "much better" than the old man. (He asked me to protect him rigorously on the last comment.)

The purpose of my discussion with him on Viet-Nam was not to present him with a formal demarche on the part of the United States Government but to have a wide-ranging discussion in an effort to (a) spread out for him the full range of our attempts to find a peaceful settlement and (b) to keep the Soviet Union's attitude somewhat relaxed while further explorations of the possibilities of peace continue.

Attachments:  
"Fourteen Points";  
"Ten Points".

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DRAFT (#1)

Letter from President Johnson to Ho Chi Minh

956  
DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 71-180  
By 4-8, NARA, Date 4-7-93

January 5, 1967

Dear Mr. President:

I am writing to you in the hope that the conflict in Viet-Nam can be brought to an end. That conflict has already taken a heavy toll -- in lives lost, in wounds inflicted, and in property destroyed. If we fail to find a just and peaceful solution, that toll will certainly rise.

Therefore, I believe that we both have a heavy moral obligation to seek earnestly the path to peace. It is in response to that obligation that I am writing directly to you.

We have tried over the past several years, in a variety of ways and through a number of channels, to convey to you and to your colleagues our desire to achieve a peaceful settlement. For whatever reasons, these efforts have not achieved any results.

It may be that our thoughts and yours, our attitudes and yours, have been distorted and misinterpreted as they passed through these various channels. Certainly that is always a danger in indirect communication.

There is one good way to overcome this problem and to move forward in the search for a peaceful settlement. That is for us to

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arrange for direct talks between trusted representatives. They should be held in a secure setting and in secrecy, away from the glare of publicity. They must not be used as a propaganda exercise but should be a deadly serious effort to find a workable and mutually acceptable solution.

I have thought long and hard about how and where such meetings might be arranged. It has seemed to me that such arrangements can best be provided by a country: (1) where we both have representation; (2) where we both have access to efficient communications; (3) that is neutral in this conflict and is affiliated with neither of us, politically or in any other way; (4) that is able to provide effective security and to preserve the confidential nature of this effort; (5) that does not seek direct involvement in our talks as a participant or mediator.

As I looked around the world, I concluded that Burma and its leader, General Ne Win, offered the best prospects as site and host respectively for such meetings.

I therefore, decided to ask General Ne Win, through our Ambassador in Rangoon, if he would cooperate with us both in the kind of effort I have proposed. He has generously agreed to provide the necessary facilities and security arrangements. In answer to my personal request, he also kindly offered to provide a trusted

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courier who would carry this message, directly and unopened, to you.

Neither General Ne Win nor his courier has seen the contents of this message. I have not discussed this matter with other governments. Knowledge of this message has been strictly limited in my own government. I am confident you will agree that preserving the confidential nature of this matter offers the best hope for a successful outcome.

General Ne Win's courier will stand by in Hanoi to carry your response to this message to Rangoon. You may, however, prefer that your answer be carried by your own courier. It should be delivered only to Ne Win who will deliver it to my representative. The latter will convey it directly to me.

If your response is positive, I shall be prepared to have a personal representative meet immediately with your representative. General Ne Win has promised to provide an appropriate meeting place and quarters for our representatives and such staff as they require. I believe the latter should be held to a very small number.

There should be no preconditions for these talks, in my opinion. Both sides should be free to raise any matters it chooses. Any agreements would, of course, require your and my approval.

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I sincerely believe that the above proposal offers the best hope for reaching a peaceful settlement of the conflict in Viet-Nam. If it fails to produce a solution, we shall at least have made a sincere effort. Moreover, we shall have come to a much better understanding of our respective positions.

If you believe that the kind of talks I have proposed would be useful, but that another site or other arrangements would better serve our purposes, I will give serious consideration to your proposals.

I await your early response and trust it will be as forthcoming as I have tried to be in this message. It is my deeply felt hope that we can move quickly and positively along the path toward a just and honorable solution. For peace will best serve our peoples, the courageous people of Viet-Nam, and the interests of the entire world.

Sincerely,

His Excellency Ho Chi Minh  
President of the Democratic  
Republic of Viet-Nam  
Hanoi

LBJ:WJJ:pas

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*Handwritten:*  
H. S. G.  
3 P. 12. 1. 1. 1.

Thursday, January 5, 1967 - 9:45 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: AID "Number of Countries" Determinations

In the two attached packages (Tabs A and B), Bill Gaud and Charlie Schultze recommend that you determine it in the national interest to:

- make development loans during FY 1967 to 29 countries outside Latin America;
- provide technical assistance in 40 countries, also excluding Latin America;
- furnish modest technical assistance to the UAR. (This requires a special determination.)

Substance and Procedure

You will recall that Congress amended the Foreign Assistance Act last year to limit to 10 the number of countries outside Latin America to which we can make development loans without a Presidential determination of national interest. A similar limit of 40 countries was enacted for technical assistance. In both cases, Senator Fulbright and Speaker McCormack must be notified and 30 days must pass between notification and action. We strongly opposed both limitations.

Gaud and Schultze have carefully winnowed prospective development loan recipients to 29. These are the ten major AID clients, plus Israel, Thailand, the Phillipines, Ceylon, and 15 African countries. An identical operation for technical assistance yielded 48 countries, 35 of them in Africa. I am satisfied that these totals reflect real requirements; the specific arguments are contained in Gaud's memorandum.

Strategy with the Congress

The country limitations presented us with three options:

1. Select a "core" list of countries (10 for development loans, 40 for technical assistance), and ask you to make determinations only for other countries.
2. Request Presidential determinations covering all countries which will receive these kinds of aid, identifying no "core" 10 or 40.



3. Use the slots within the limitations for controversial countries, asking for determinations on the relatively safe ones (Israel, Turkey, etc.).

There is no question about the legality of any of these options. Procedure #1 is fairly clearly what the Congress had in mind. But it would (1) cause us serious political problems with the "non-core" countries, and (2) give us a poor basis for proposing that the limitations be removed in 1967. Procedure #3, on the other hand, could subject you to the charge of subverting the will of Congress.

Thus, we are recommending procedure #2 -- determinations covering all the countries we plan to aid in each category, with no indication of which countries we consider within the limitations and which we do not. It seems to me that this reflects the foreign policy realities -- every AID loan involves an explicit finding of national interest -- and complies with the law and the intent of Congress in a most defensible manner.

Even so, Gaud feels -- and I agree -- that he should explain these determinations to Senator Fulbright before they are announced. Together with the new approach on Africa (described below), they shouldn't be an overly bitter pill. If you approve, Gaud is ready to approach Fulbright immediately.

#### Special Note on Africa

As you know, the "number of countries" problem fundamentally concerns Africa. Most criticism that we are spread too thin does not focus on the Alliance or the Near East/South Asia, or the Far East. It zeroes in on the fact that we help 35 countries in Africa (neglecting the more interesting fact that total aid to Africa is less than 10% of AID expenditures -- much less if food is included). This criticism is by no means totally without merit. As Ed Korry pointed out, we have great difficulty trying to run separate country programs in so many -- often fundamentally unviable -- separate states.

Thus, in accord with the Korry report, and your NSAM of October 5, 1966, we plan to move gradually to:

- limit bilateral development loans in Africa to 10 "concentration countries";
- limit bilateral technical assistance to the same group, maintaining small self-help funds in the others;
- operate in non-concentration countries only through multilateral donor groups and/or in connection with regional and sub-regional projects.

The practical effect of this will be to reduce the 19 African countries included in development loan determination to 10 by FY 1969. It would also lower the total of 35 African recipients of bilateral technical assistance to 10 in about the same period. (Under present law, however, even the small self-help funds we are establishing would count against the limitation. Thus, the number of technical assistance recipients would not fall so dramatically.) These steps are precisely in the direction the Congress favors. They should sweeten the medicine for Fulbright. In terms of the merits and the politics, I think they are worth taking.

However, these changes will be very hard to sell to many Africans. You should know that Joe Palmer -- while fully committed to the general outlines of the policy -- thinks we are moving too fast and with too little flexibility. He is worried that (1) we will not be able to present a sufficiently real multilateral alternative -- the proposed World Bank Standing Groups on African Transportation, Communications, and Power; the African Development Bank; etc. -- to convince Africans that we aren't simply pulling out; (2) there are some countries (e. g. Somalia, Malagasy) which will have a hard time developing multi-country projects, and (3) we may appear -- whatever our protestations to the contrary -- to be imposing political unity on countries hypersensitive about their newly-acquired sovereignty.

While Joe's concerns are valid, the rest of us -- Gaud, Katzenbach, Schultz, Bator and Rostow -- believe that the present changeover formula is as gradual as we can manage while maintaining a persuasive case to the Congress that we are making real changes. However, we would certainly agree with his further argument that a great deal depends on our ability to get the full AID budget request appropriated and to get special authorization to help the African Bank.

#### RECOMMENDATION

I recommend that you sign the determinations. If you approve, we need two signatures -- one under each signature tab.

W. W. Rostow

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

DEC 30 1966

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-180  
By ing, NARA, Date 4-7-93

MEMORANDUM FOR THE PRESIDENT

Subject: Presidential Determination to Permit AID to make Development  
Loans to Certain Countries

Attached is a memorandum from AID Administrator Gaud recommending that you determine that it is in the national interest to make development loans to 29 countries during FY 1967.

The "number of countries" limitation on development lending is similar to that on technical assistance, discussed in an earlier memorandum. Section 201(b) of the Foreign Assistance Act requires that such loans not be made to more than ten countries in any fiscal year until:

- the President determines that making loans to additional countries is in the national interest and
- at least 30 days elapse after he submits a report to the Senate Foreign Relations Committee and the Speaker of the House informing them of and explaining this determination.

The determination attached for your signature would direct Gaud to make this report on your behalf. As with the technical assistance determination, it would make the "national interest" finding for all 29 countries, since distinguishing between a "basic" ten countries and the other 19 scheduled to receive development loans this year could present needless foreign policy problems.

AID's 1967 Congressional Presentation explained that:

- development loans were definitely planned for ten countries -- the six major development countries outside the Alliance (India, Pakistan, Turkey, Korea, Nigeria, and Tunisia) plus Afghanistan, Jordan, Ethiopia, and Morocco,
- loan funds were needed for an unspecified number of other African countries, and
- three other countries (Ceylon, Cyprus, and Nepal) were eligible for lending.

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Now that the Congress has acted on the 1967 appropriation request and a decision has been made on the 1968 budget level, AID has concluded that loans should be made this year to the following 29 countries:

- the ten specifically described in the Congressional Presentation,
- Israel, where the U. S. decided to go forward with unused funds from a 1963 loan,
- Thailand, where development projects are designed to meet security needs,
- the Philippines, where the program is consistent with your understanding with President Marcos,
- Ceylon (one of the three countries described in the Presentation as "eligible"), where continued support is necessary to support the present pro-Western government,
- fifteen other African countries.

Of the 29 countries, 19 are in Africa. In keeping with the policy you endorsed in the Korry Report, AID plans to continue major bilateral programs in ten of these, making every effort to create or strengthen a multilateral framework for each program. In the remaining nine countries, AID intends as soon as possible to limit capital assistance to regional and multilateral programs. The number of such countries will be reduced from a maximum of nine this year to not more than five in 1968 and to none in 1969.

Recommendation

I recommend that you sign the attached determination. Bill Gaud will explain the decision to Senator Fulbright before any announcement is made.

*Charles L. Schultze*

Charles L. Schultze  
Director

Attachment

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