

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

956

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

OFFICE OF
THE ADMINISTRATOR

3 DEC 1966

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 91-181

MEMORANDUM FOR THE PRESIDENT

By isp, NARA, Date 10-31-91

SUBJECT: Determination under Section 201(b) of the Foreign Assistance Act of 1961, as Amended, (the "Act") Permitting the Furnishing of Assistance to Certain Developing Countries

I recommend that you determine that it is in the national interest to make Development Loans in FY 1967 to 29 countries. The Department of State concurs in this recommendation.

This determination is required because the Act provides that, except for Section 205, funds made available pursuant to its provisions shall not be used to make loans in more than 10 countries in any fiscal year, except that loans may be made to additional countries after at least 30 days have elapsed following the submission by the President to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives of a report stating that the making of loans in such additional countries is in the national interest and giving his reasons therefor.

Last January we presented to the Congress an economic aid program for FY 1967 in which we stated that:

- we definitely planned to make Development Loans to 10 countries (Afghanistan, India, Jordan, Pakistan, Turkey, Korea, Ethiopia, Morocco, Nigeria, Tunisia);
- we considered 3 other countries (Ceylon, Cyprus and Nepal) eligible for development lending, and
- we estimated that \$18,200,000 of Development Loan funds would be used for loans to other African countries, the numbers not specifically determined.

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

We have now reviewed our lending program to determine the extent to which we can reduce the number of countries to which we will make Development Loans without sacrificing foreign policy objectives. On the basis of this review we have concluded that in FY 1967 Development Loans should be made to 29 countries. Specifically,

- for the reasons stated in the Presentation submitted to the Congress in January and the related testimony, it is in the national interest to go forward with our original plans to make loans to Afghanistan, India, Jordan, Pakistan, Turkey, Korea, Ethiopia, Morocco, Nigeria and Tunisia;
- for the reasons stated below it is in the national interest to make Development Loans to Ceylon, Israel, Thailand and the Philippines; and
- for the reasons stated below it is in the national interest to make Development Loans to 15 additional African countries, to wit, Cameroon, Chad, Congo (K), Dahomey, Ghana, Kenya, Liberia, Malagasy Republic, Mali, Rwanda, Sierra Leone, Somali Republic, Sudan, Tanzania, and Uganda.

The U.S. interest in Ceylon lies in the potential of that country to further U.S. objectives of peace and political stability in Asia through a moderate foreign policy. The present pro-Western government is conducting such a policy, and furthermore has committed itself, in conjunction with the IMF and IBRD, to a program of financial stabilization and economic development. The U.S., as a member of the IBRD Consortium, loaned Ceylon \$7.5 million in FY 1966. The IBRD has emphasized the necessity of continuing external support in the magnitude of \$50 million in FY 1967. On our part, we intend to make available \$7.5 million, through the IBRD Consortium, for essential raw materials and maintenance imports.

Our decision to go forward with a loan to Israel in the amount of \$6 million arises from a commitment made during FY 1963, at which time the U.S. agreed to provide \$45 million in loans. Because of a change in procurement plans, \$6 million of this amount was not used. We will use these funds in FY 1967, for power facilities in Tel Aviv.

In the case of Thailand, U.S. policy is to help maintain that country as an independent, economically viable nation firmly allied to the U.S.

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

In order to meet this policy objective it is important that we respond to Thai requests for sound development projects which meet security needs in the areas threatened by subversion, and which do not have a sufficiently high rate of return to attract other lenders. Three such projects are contemplated for FY 1967, with an estimated cost of \$6.5 million.

Essential elements of U.S. policy toward the Philippines are to maintain traditionally close political and military ties and to strengthen the economic and political base of that island republic. The U.S. strategy of encouraging the Filipinos to bring about management and administrative reforms in order to capitalize on the abundant resources available promises to meet success in FY 1967. Development loans in the amount of \$6.5 million, consistent with the Joint Communiqué following talks in Washington between you and President Marcos in September, 1966 are intended very largely to help President Marcos put the Filipino economic house in order and specifically to bring about improvements in the rural development program.

Nineteen of the 29 countries to which we now contemplate making Development loans are in Africa. Our decision to make loans to these 19 countries was arrived at in the context of a new policy governing our loan program for Africa. That policy has two main elements:

- the continuation of major bilateral aid programs in a limited number of African countries with good development prospects or with a special relationship to the United States. Our aid programs to such countries will be carried out -- to the maximum extent possible -- within a multilateral framework. Every effort will be made to create new IBRD Consultative Groups of aid donors in countries where none now exists. Every effort will also be made to strengthen the consultative group mechanism to provide for the joint programming of funds for specific development projects or to attain specific development objectives. In this way, direct U.S. assistance to the major African countries will become increasingly multilateral in character. We intend to carry out such major U.S. programs in the following 10 African countries at the present time, although the number and composition of this group may change from time to time:

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

Ethiopia
Ghana
Kenya *

Liberia
Morocco
Nigeria

Sudan
Tanzania *
Tunisia
Uganda *

* (The East African countries of Kenya, Tanzania and Uganda comprise a regional grouping of countries with good collective development prospects. Aid programs to these countries will be developed to foster the joint development of the entire East African Region.)

- in the remaining countries we will complete projects which are underway and will carry out those development loans for which our joint planning is already at an advanced stage, even though loan authorizations have not yet been established. Eventually, capital assistance to these countries will be limited to financing regional and multilateral programs and/or channeling the development funds through regional and sub-regional institutions. Under this policy, we expect to make direct bilateral loans to nine such countries in FY 1967, to five in FY 1968 and to none in FY 1969.

The success of this policy will depend very largely (a) on the availability and competence of regional and multilateral institutions such as the African Development Bank, (b) on our ability to make funds available to such institutions, and (c) on the leadership of the IBRD in African development. We intend to seek special legislative authority to support the African Development Bank. We are continuing conversations with IBRD, whose top management has indicated a strong interest in strengthening the Bank's leadership role in Africa.

The Foreign Assistance and Related Agencies Appropriations Act, 1967, authorizes the transfer of Development Loan funds to IBRD or IDA. We have approached the World Bank about a transfer of funds under the authority of Section 205 of the Act and are continuing to press the matter. As a first step, we proposed transferring to the Bank funds for specific projects which we have been working on in nine, non-major African countries. The initial indication from the Bank is that it is not interested in taking over such projects. Since these

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

are worthwhile development projects in which we and the countries have invested considerable time and effort, we intend to go ahead with the loans on a bilateral basis during FY 1967. If we are able to work out, however, a suitable arrangement with the bank making it unnecessary to make some bilateral loans in FY 1967, we will not make them.

The Conference Report on the Foreign Assistance Act states, on page 17, that countries receiving U.S. aid as participants in programs or projects organized or administered by international organizations or carried on in behalf of or jointly by a group of nations are not to be included in determining the number of countries. Consequently, such assistance is not taken into account in this Determination.

William S. Gaud

William S. Gaud

~~CONFIDENTIAL~~

95c

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

January 5, 1967
Presidential Determination
No. 67-MEMORANDUM FOR THE ADMINISTRATOR
AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT: Determination under Section 201(b) of the Foreign Assistance Act of 1961, as amended (the "Act"), to permit the making of Development Loans to certain countries in FY 1967

In accordance with the recommendations in your memorandum of December 1966, I hereby determine pursuant to Section 201(b) of the Act, that it is in the national interest of the United States to make Development Loans in FY 1967 in the following countries:

Afghanistan	India	Nigeria	Turkey
Cameroon	Israel	Pakistan	Uganda
Ceylon	Jordan	Philippines	
Chad	Kenya	Sierra Leone	
Congo (Kinshasa)	Korea	Somali Republic	
Dahomey	Liberia	Sudan	
Ethiopia	Malagasy Republic	Tanzania	
Ghana	Mali	Thailand	
Guinea	Morocco	Tunisia	

You are requested on my behalf to give notice of these determinations, together with the reasons therefor, pursuant to Section 201(b) of the Act, to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives.

15/ Lyndon B. Johnson
~~CONFIDENTIAL~~DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 91-182
By 128, NARA, Date 4-7-93

~~CONFIDENTIAL~~

7360
95d

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

DEC 26 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Presidential Determinations to Permit AID to Furnish Technical Assistance to Certain Countries

Attached are two memoranda from AID Administrator Gaud recommending that you determine:

- that technical assistance to more than 40 countries in the current fiscal year is in the national interest (required by section 211(a) of the Foreign Assistance Act) and
- that assistance to the United Arab Republic is essential to the national interest and will not assist aggressive actions by the U.A.R. (required by section 620(p) of the Foreign Assistance Act and section 117 of the Foreign Assistance Appropriation Act).

These determinations must be reported to the Senate Foreign Relations Committee and the Speaker of the House. In the case of the "number of countries" determination, at least 30 days must elapse after submission of the report before technical assistance can be provided to more than 40 countries. Both determinations would direct Gaud to make the necessary reports on your behalf.

I am holding Gaud's request that you make another determination--required for development lending to more than ten countries this year--until the AID budget level and the recipient countries during FY 1967 and 1968 are decided.

These are the major examples of the types of restrictions which you said in your signing statement "unduly and unnecessarily limit the management of our foreign aid program."

Number of Countries

In last January's Congressional Presentation, AID requested funds for technical assistance to 47 countries. Since then, requirements have emerged for three more (Indonesia, and the newly independent states of Botswana and Lesotho), and two (Cyprus and Iran) have been dropped from the list because aid is being phased out. This comes to a total of 48 countries.

DECLASSIFIED

Authority NLTJ 91-180

By cb/lsp, NARA, Date 10-13-98

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

Although we are still carrying on discussions with AID about the level of technical assistance in several countries during FY 1967 and 1968, we are in agreement as to the countries in which this activity will be carried on in 1967. Bill Gaud feels, and I concur, that it would be unwise to distinguish between a "basic" 40 countries and the other eight which are scheduled to receive technical assistance this year. Accordingly, the attached determination would make a "national interest" finding with respect to all 48.

Of these, 35 are in Africa. In keeping with the policy set forth in the Korry Report, AID plans to continue major programs in ten of them and to phase out bilateral assistance to the other 25 except for a limited Self-Help Fund administered by the Ambassador in each country. Until suitable legislative history can be established, however, even these small programs must be counted against the limitation.

United Arab Republic

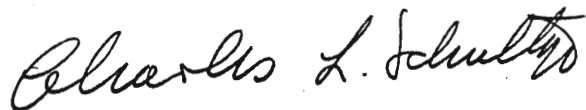
In addition to being included in the above determination, the U.A.R. requires a specific determination. (The same is true of Indonesia, for which you made the necessary finding on September 1, 1966).

Although only \$1.6 million in technical assistance is projected for the U.A.R. this year, it is of particular importance as a signal that we are keeping the door open for improved relations. We have made no development loans since 1963, and none is planned for this year. Our last P. L. 480 sales program expired last June.

Other aspects of our activities in the U.A.R. include food donations through private voluntary agencies, assistance to the American-sponsored American University of Cairo, and the possibility of some AID guarantees of private U. S. investment.

Recommendation

I recommend that you sign the two determinations attached.



Charles F. Schultz
Director

Attachments

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

95-e

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

9 DEC 1966

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-181
By ing, NARA, Date 10-31-91

SUBJECT: Determination under Section 211(a) of the Foreign Assistance Act of 1961, as Amended, (the "Act") Permitting the Furnishing of Assistance to Certain Developing Countries

I recommend that you determine that it is in the national interest to furnish Technical Cooperation and Development Grant assistance in FY 1967 to 48 countries. The Department of State concurs in this recommendation.

This determination is required because the Act now stipulates that such assistance shall not be made available to more than 40 countries in any fiscal year, except that such assistance may be furnished to additional countries after at least 30 days have elapsed following the submission by the President to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives of a report stating that the furnishing of assistance to such additional countries is in the national interest and giving his reasons therefor.

Last January we presented to the Congress an economic aid program for FY 1967 which provided for Technical Cooperation and Development Grant assistance to 47 countries. Since that time requirements have appeared for three more (Indonesia, Lesotho, Botswana) bringing the total to 50.

We have reviewed our program to determine the extent to which we can reduce the number of countries without sacrificing foreign policy objectives. On the basis of this review we have concluded that, exclusive of Cyprus and Iran which are being terminated under the provisions of Section 617 of the Act, this program should be extended in FY 1967 to 48 countries, within the context of a new aid policy for Africa which will permit us to reduce the number of countries in later years.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

On a world-wide basis we believe that assistance should be extended to 48 countries as follows:

- for the reasons stated in the Presentation to the Congress and the testimony given in support thereof, it is in the national interest to go forward with planned programs in the following 22 countries:

Afghanistan	Korea	Nigeria
India	Thailand	Tunisia
Jordan	Philippines	Ethiopia
Pakistan	Burma	Morocco
Turkey	Laos	Sudan
Nepal		Ghana
United Arab		Liberia
Republic *		Tanzania
		Uganda
		Kenya

* (In addition to the determination by Section 211(a) of the Act, there are additional Presidential Determinations required for the UAR under Section 620(p) of the Act and Section 117 of the Foreign Assistance and Related Agencies Appropriation Act, 1967. A request that the President make these additional determinations is being forwarded separately.)

- for reasons stated in my memorandum to you of October 11, 1966, it is in the national interest to carry out a Technical Cooperation and Development Grant program for Indonesia. On September 1, 1966, in the Presidential Determination 67-5, you determined that the furnishing of assistance to Indonesia is essential to the national interest of the United States.
- for the reasons stated below it is in the national interest to continue in FY 1967 Technical Cooperation and Development Grant programs that are underway or in an advanced planning stage in 25 additional countries as follows:

~~CONFIDENTIAL~~

Algeria	Gabon	Mauritania
Botswana	Gambia	Niger
Burundi	Guinea	Rwanda
Cameroon	Ivory Coast	Senegal
Central African Republic	Lesotho	Sierra Leone
	Malagasy Republic	Somalia
Chad	Malawi	Togo
Congo (K)	Mali	Upper Volta
Dahomey		Zambia

Thirty-five of the 48 countries to which we intend furnishing Technical Cooperation and Development Grant assistance in FY 1967 are in Africa. Our decision to furnish such assistance was arrived at in the context of a new policy governing U.S. assistance programs to Africa. The main elements of this policy are:

- the continuation of major bilateral aid programs in a limited number of African countries with good development prospects or with a special relationship to the United States. Our aid programs to such countries will be carried out -- to the maximum extent possible -- within a multilateral framework. Every effort will be made to create new IBRD Consultative Groups of aid donors in countries where none now exists. Every effort will also be made to strengthen the consultative group mechanism to provide for the joint programming of funds for special development projects or to attain specific development objectives. In this way, direct U.S. assistance to the major African countries will become increasingly multilateral in character. We intend to carry out such major U.S. programs in the following 10 African countries at the present time, although the number and composition of this group may change from time to time:

Ethiopia	Liberia	Sudan
Ghana	Morocco	Tanzania *
Kenya *	Nigeria	Tunisia
		Uganda *

* (The East African countries of Kenya, Tanzania and Uganda comprise a regional grouping of countries with good collective development prospects. Aid programs to these countries will be developed to foster the joint development of the entire East African Region.)

~~CONFIDENTIAL~~

-4-

- In the remaining African countries, we will complete technical assistance projects already underway or in an advanced planning stage.
- Upon completion of the projects mentioned above, Technical Cooperation and Development Grant assistance furnished to the non-major African countries will be through:
 - the financing of regional technical assistance projects, i. e., projects benefitting two or more countries.
 - the participation in multi-donor financing of major technical assistance projects.
 - the provision of funds to regional organizations conducting technical assistance operations in Africa.
 - the provision of funds from an expanded (up to \$200,000 per country) Self-Help fund for low cost, high impact, short term projects. This fund would be administered by the U.S. Ambassador on the basis of criteria established in Washington.

Under this policy, we plan to provide assistance to 25 countries in FY 1967 of which three will be limited to the above mentioned Self-Help fund while 22 will have technical cooperation programs (other than regional or multilateral programs). We expect this number to decrease from 22 in FY 1967 to 20 in FY 1968 and to 12 in FY 1969. The feasibility of this policy depends (a) on the availability and performance of regional and multilateral institutions with a competence to provide the needed technical assistance to the developing nations of Africa, and (b) on our ability to make assistance available on a regional or sub-regional basis to such an extent as to make it possible to terminate the bilateral programs.

The Conference Report on the Foreign Assistance Act states, on page 17, that countries receiving U.S. aid as participants in programs or projects organized or administered by international organizations or carried on on behalf of or jointly by a group of nations are not to be included in determining the number of countries. Consequently, such assistance is not taken into account in this Determination.

William S. Gaud

William S. Gaud

~~CONFIDENTIAL~~

95f

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

January 5, 1967
Presidential Determination
No. 67-15

MEMORANDUM FOR THE ADMINISTRATOR
AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT: Determination under Section 211(a) of the Foreign Assistance Act of 1961, as amended (the "Act"), to permit the furnishing of Technical Cooperation and Development Grants in certain countries in FY 1967

In accordance with the recommendation in your memorandum of December 9, 1966, I hereby determine pursuant to Section 211(a) of the Act, that it is in the national interest of the United States to furnish Technical Cooperation and Development Grants in FY 1967 to the following countries:

Afghanistan	Indonesia	Pakistan
Algeria	Ivory Coast	Philippines
Botswana	Jordan	Rwanda
Burma	Kenya	Senegal
Burundi	Korea	Sierra Leone
Cameroon	Laos	Somali Republic
Central African Republic	Lesotho	Sudan
Chad	Liberia	Tanzania
Congo (Kinshasa)	Malagasy Republic	Thailand
Dahomey	Malawi	Togo
Ethiopia	Mali	Tunisia
Gabon	Mauritania	Turkey
Gambia	Morocco	Uganda
Ghana	Nepal	United Arab Republic
Guinea	Niger	Upper Volta
India	Nigeria	Zambia

You are requested on my behalf to give notice of these determinations, together with the reasons therefor, pursuant to Section 211(a) of the Act, to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives.

/s/ Lyndon B. Johnson
~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 91-180
By 118, NARA, Date 4-7-93

Thursday
January 5, 1967 -- 5:00 p.m.

Mr. President:

Doug Cater and I have had it on our common agenda for some time to ask whether you wish to see William Benton. He is back from a UNESCO meeting. The occasion would be opportune if you now wish us to bring him down from New York, chat with him, and bring him in to see you.

W. W. Rostow

Bring him in _____

No _____

See me _____

WWRostow:rlh

~~SECRET~~

Thursday, January 5, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Affairs Summary

1. Constituent Assembly Completes Outline of Constitution

The South Vietnamese Constituent Assembly has completed debate and approved the outline of basic principles of the constitution. Drafting subcommittees will have until January 11 at which time the entire Assembly will begin debate on the draft.

The Assembly's relations with the government remain uneasy following the Directorate's formal refusal last week to give up its veto power over the draft constitution. 108 of the 117 deputies now have taken an oath to "defend the Assembly's version of the draft constitution." It remains to be seen whether the Assembly can muster a two-thirds majority, if and when it seeks to override government amendments to the draft constitution. The purpose of the "oath" is to persuade the Directorate to submit changes while the draft is being debated by the Assembly, rather than after it is approved.

2. Ky Promises Cooperation on Prisoner Visits

Ambassador Porter has persuaded Premier Ky to revoke restrictions which had been placed on visits by the International Committee of the Red Cross (ICRC) to North Vietnamese prisoners and on prisoners' mail privileges. Porter believes the Vietnamese are more bothered by the ICRC's attitude than by the lack of reciprocity on the part of North Vietnam. Porter believes the South Vietnamese have some cause for complaint, however, and has urged them to speak frankly to the ICRC while making clear their intention to abide by the Geneva Convention. Embassy Saigon will inform the ICRC of Ky's intention to rescind the restrictions and suggest the desirability of a frank discussion of differences.

3. Congo and Belgium Seek Accord on Nationalization Issue

We seem to be on the upswing of the Congo roller coaster this morning. Our Embassy at Kinshasa reports that President

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By Ct, NARA, Date 10-21-98

~~SECRET~~

~~SECRET~~

- 2 -

Mobutu has privately agreed to abandon the January 15 deadline for nationalization of the huge Societe Generale holding company (which owns most of the industry in the Eastern Congo), if Belgium agrees to arbitration of the major issues surrounding the earlier nationalization of the Union Miniere mining combine. Meanwhile, Brussels reports that the Belgian Ambassador to the Congo has been secretly instructed to seek just such a settlement from Mobutu. With luck, a settlement may be achieved.'

4. Soviet Overflights to Western Hemisphere

A Danish Embassy official has informed us that the Scandinavians will probably grant the Soviets overflight rights to Cuba. In return the Scandinavians will get trans-Siberia rights, similar to those granted the Japanese, as well as concessions to Leningrad and beyond Moscow to Southeast Asia via Tashkent. The State Department pointed out that such rights, if granted by the Scandinavians, would break the virtually unanimous line on flights to Cuba as generally agreed to in the NATO context.

An official of the French Foreign Office has confirmed that Soviet overflights to Cuba were discussed "at the technical level" during Kosygin's visit to France. Agreement appears dependent upon Soviet willingness to grant equal and simultaneous rights over the USSR, something they have heretofore been unwilling to do.

The State Department has been working on the Scandinavians for some time in an effort to dissuade them from granting the Soviets these privileges. State is now considering additional steps -- possibly including representation by Governor Harriman -- to bring our position forcefully to the attention of the Scandinavian Governments.

W. W. Rostow

SECRET

SANITIZED

E.O. 12958, Sec. 3.6

NLJ 99-13

By cb, NARA Date 6-22-00

98

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

Thursday -
January 5, 1967 -- 5:15 p.m.

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

Mr. President:

We have checked with [REDACTED] State on the security picture in Panama and find nothing to support Jack Vaughn's gloomy assessment.

This is not to say that we are satisfied with the security situation -- rather, there has been no appreciable deterioration in recent weeks.

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

Today we received the attached intelligence assessment reflecting the views of the Ambassador, the Governor, General Porter [REDACTED] They anticipate no serious problems during the January 9-12 anniversary period.

Walt Rostow

P.S. filed with fingers crossed.

Attachment

Embassy Panama's 2050, 2 sections
January 4, 1967.

~~SECRET~~

INCOMING TELEGRAM Department of State

98a

82

~~SECRET~~

Action

ARA

Info

SS

GPM

SP

SC

SAH

P

USIA

NSC

INR

NSA

AID

PC

O

OPR

RSR

P R 042316Z JAN 67
FM AMEMBASSY PANAMA
TO RUEHC/SECSTATE WASHDC PRIORITY 1012
RUEPIA/CIA
INFO RULPAL/USCINCSO
RULPAL/GOV PANCANAL
RULPBH/ANALYSIS UNIT
STATE GRNC
BT

002174

1967 JAN 4 PM 10 17

~~SECRET~~ SECTION ONE OF TWO PANAMA 2050

DEPT PLS PASS PRIORITY TO JCS AND SECARMY

SUBJ: INTELLIGENCE ASSESSMENT OF PROSPECTS OF VIOLENCE DURING
1967 ANNIVERSARY OF 9-12 JANUARY 1964 RIOTS IN PANAMA

1. THIS ASSESSMENT PROVIDES INTELLIGENCE BACKGROUND ON
PROSPECTS FOR VIOLENCE ON THIRD ANNIVERSARY OF
RIOTS OF 9-12 JANUARY 1964. IT HAS BEEN CONCURRED IN BY
USCINCSO, GOVERNOR OF CANAL ZONE, [REDACTED]

2.4 (b)(1)

CONCLUSION

2. WHILE PLANS FOR 9-12 ANNIVERSARY ARE MORE EXTENSIVE
THAN IN 1965 AND 1966 THOSE PLANS TO DATE DO NOT INCLUDE
INCITATION TO VIOLENCE AND IT IS PROBABLE THAT ANNIVERSARY
WILL PASS WITH NO INCIDENTS BEYOND CAPACITY OF
PANAMANIAN SECURITY FORCES TO CONTAIN.

3. WHILE POSSIBILITY OF A SUDDEN AND UNEXPECTED OUTBREAK
OF VIOLENCE CAN NEVER BE RULED OUT IN PANAMA, A NUMBER OF
FACTORS ARE AT WORK WHICH TAKEN TOGETHER SHOULD TEND TO
RESTRICT ANY ANNIVERSARY DISTURBANCES TO MINOR INCIDENTS
SUCH AS A SMALL SCALE DEMONSTRATION IN THE ZONE. AMONG
THESE ARE THE FOLLOWING:

A) PRINCIPAL GROUP NOW PLANNING FOR THE ANNIVERSARY HAS
MADE NO MENTION OF ANY PLANS TO INCITE VIOLENCE.

B) UNIVERSITY ELECTIONS ON 11 JANUARY 1967 SHOULD DETRACT
SOME STUDENT ATTENTION FROM THE ANNIVERSARY.

C) SECONDARY SCHOOLS ARE ON VACATION.

D) REPORTS MADE TO THE NATIONAL ASSEMBLY AND TO
PRESS ON PROGRESS IN TREATY NEGOTIATIONS HAVE HAD A
GENERALLY CALMING EFFECT.

BATOR
BOWLER
BUDGET
DAVIS
GINSBURG
HAMILTON
JESSUP
JOHNSON
JORDEN
KEENE
KOWEN
MOYERS
TAYLOR
WRIGHTS

SANITIZED

~~SECRET~~

E.O. 12958, Sec. 3.6

NLJ 99-12

By is, NARA Date 1-26-00

~~SECRET~~

-2- PANAMA 2050 JANUARY 1 SECTION ONE OF TWO

* E) ECONOMY IS ENJOYING A MINOR BUT PERCEPTIBLE BOOM AND BUSINESS COMMUNITY WILL NOT FAVOR OUTBREAKS HARMFUL TO TRADE AND TOURISM.

F) FAR-LEFT IS BADLY SPLINTERED AND CONTINUED TO SUFFER FROM IMPRISONMENT OF SOME OF ITS LEADERS AND FUGITIVE STATUS OF OTHERS.

G) PANAMANIAN SECURITY FORCES WILL BE PREPARED FOR AND ARE CAPABLE OF CONTAINING ANY STREET ACTION SHORT OF MASSIVE PROPORTIONS.

DISCUSSION

4. NON-OFFICIAL PLANNING FOR A CONCERTED PROGRAM TO COMMEMORATE EVENTS OF 9-12 JANUARY 1964 HAS BEEN CENTERED IN A PRO 9 JANUARY COORDINATING COMMITTEE. THE INITIATIVE HAS BEEN LARGELY TAKEN BY DIOGENES GUTIERREZ, SECRETARY-GENERAL OF THE FEDERACION ISTMENA DE TRABAJADORES CRISTIANOS (FITC), AND ALBERTO QUIROZ GUARDIA, UNIVERSITY OF PANAMA PROFESSOR AND REPRESENTATIVE OF THE NEWLY-REACTIVATED ACCION COMUNAL, A GROUP OF MARXIST-INCLINED INTELLECTUALS IN LEAGUE WITH ARNULFO ARIAS MADRID, LEADER OF THE PANAMENISTA PARTY (PP). (KEY ACCION COMUNAL LEADERS ARE QUIROZ, WHO WAS ACTIVE IN SOVEREIGNTY RALLIES IN NOVEMBER 1959 AND A LEADING MEMBER OF THE COMMITTEE FOR DEFENSE OF NATIONAL SOVEREIGNTY ORGANIZED IN JANUARY 1964; DR. ARRIGO GUARDIA CONTE, WHO HAS A LONG HISTORY OF ASSOCIATION WITH COMMUNISTS AND WAS AN ORGANIZER OF THE VANGUARDIA DE ACCION NACIONAL, A PRO-CASTRO REVOLUTIONARY GROUP; AND DR. GUSTAVO TEJADA MORAAN FORMER TREATY NEGOTIATOR WHO FOLLOWS THE JORGE ILLUECA LINE).

5. ORGANIZATIONS PURPORTEDLY REPRESENTED ON COORDINATING COMMITTEE ARE SAID TO NUMBER BETWEEN 26 AND 33. MOST OF THEM ARE INSIGNIFICANT. ASIDE FROM FITC AND ACCION COMUNAL, MORE IMPORTANT AFFILIATES ARE FEDERATION OF PANAMANIAN STUDENTS (FEP), UNION OF UNIVERSITY STUDENTS (UEU), FEDERATED UNION OF WORKERS OF PANAMA (FSTRP), CONSTRUCTION WORKERS UNION, TAILORS UNION-- ALL ORGANIZATIONS CONTROLLED OR HEAVILY INFILTRATED BY MEMBERS OF PARTIDO DEL PUEBLO (PDP-COMMUNIST PARTY OF PANAMA); MARTYRS OF JANUARY ORGANIZATIONS (NMNE); CAMPESINO COORDINATING COMMITTEE; AND CHRISTIAN DEMOCRATIC YOUTH (JDC).

GP-1. ADAIR

NOTE: RELAYED TO JCS AND SEC ARMY 11:00 PM 1/4/67

~~SECRET~~

RECORDING TELEGRAM *Department of State*

82

Action

~~SECRET~~

002154 JAN 4 PM 8 04

ARA

Info

SS

GPM

SP

SC

SAF

Pa

USIA

NSC

INR

NSA

AID

PC

0

OPR

RSR

ESAS14VV SVA001VAA891
PP RUEHC RUEPIA
DE RUESVA 2050/2 0042331
ZNY SSSSS
P R 042316Z JAN 67
FM AMEMBASSY PANAMA
TO RUEHC/SECSTATE WASHDC PRIORITY
RUEPIA/CIA
INFO RULPAL/USCINCSO
RULPAL/GOV PANCANAL
RULPBH/ANALYSIS UNIT
STATE GRNC
BT

~~SECRET~~ SECTION TWO OF TWO PANAMA 2050

DEPT PLS PASS PRIORITY TO JCS AND SECARMY

SUBJ: INTELLIGENCE ASSESSMENT OF PROSPECTS OF VIOLENCE DURING
1967 ANNIVERSARY OF 9-12 JANUARY 1964 RIOTS IN PANAMA

6. PRELIMINARY PLANS CALL FOR FOLLOWING PROGRAM:

7 OR 8 JANUARY - SOVEREIGNTY CARAVAN TO START FROM DAVID AND BE AUGMENTED FROM OTHER INTERIOR TOWNS ENROUTE TO PANAMA CITY.

9 JANUARY - 0930 - SOVEREIGNTY MOTORCADE ² TO PROCEED TO JARDIN DE PZ CEMETERY FOR AN OPEN AIR MASS WITH FATHER CARLOS PEREZ HERRERA OFFICIATING.

1938 - MASS MEETING AT A PARK IN DOWNTOWN PANAMA CITY.
10 JANUARY - 1988 - OPEN FORUM AT UNIVERSITY OF PANAMA TO
DISCUSS THE ANNIVERSARY AND TREATY NEGOTIATIONS WITH THE US
(POSSIBLE SPEAKERS INCLUDE SUCH CRITICS AS JORGE ILLUEGA,
ALBERTO QUIROZ GUARDIA, AND CARLOS IVAN ZUNIGA).

11 JANUARY - 0800 - MASS FOR THE "MARTYRS" AT SANTA ANA CHURCH.

12 JANUARY - 1930 - POETRY READING AT THE UNIV OF PANAMA.

7. ALTHOUGH BOTH DIOGENES GUTIERREZ AND ALBERTO QUIROZ GUARDIA HAVE MADE DEFINITE EFFORTS TO TIE THE ANNIVERSARY OF 1964 RIOTS TO DISSATISFACTION WITH PROGRESS ON TREATY NEGOTIATIONS, NOTHING IN THE PLANS SO FAR DISCUSSED BY THEIR COMMITTEE HAS INDICATED AN INTENTION TO INCITE VIOLENCE. DESPITE THE COMMITTEE'S CLAIM TO REPRESENT SO MANY ORGANIZATIONS THERE APPEARS AT THIS POINTS TO BE LITTLE POPULAR SUPPORT FOR COMMITTEES' PLANS.

SECRET

~~SECRET~~

-2-PANAMA 2050, JANUARY 4, 1967 SECTION TWO OF TWO

8. ON 16 DECEMBER 1966, THE PDP CELL AT ABEL BRAVO SCHOOL IN COLON DECIDED TO ATTEMPT TO ORGANIZE A SOVEREIGNTY MARCH ON 9 JANUARY THROUGH PRINCIPAL STREETS OF COLON. MARCH WOULD TERMINATE ON CALLE 16 WHERE BUSES WOULD BE BOARDED FOR PUERTO PILON CEMETERY. AFTER SERVICES THERE WOULD BE A MEETING, AT A POINT AS YET UNSPECIFIED, WHERE A U.S. FLAG WOULD BE BURNED. THERE IS NO PRESENT INDICATION OF ANY SUBSTANTIAL SUPPORT FOR SUCH ACTIVITIES IN COLON.

9. ONLY INTERIOR COMMUNITY WHERE PLANNING IS PROCEEDING IS SANTIAGO, WHERE A COMMITTEE HAS PROPOSED A PUBLIC MASS, SENDING A DELEGATION TO PANAMA CITY, AND BURNING (IN SANTIAGO) OF AN EFFIGY OF UNCLE SAM ON 9 JANUARY.

10. PDP STUDENTS HAVE STEPPED UP AGITATION FOR RELEASE OF LUIS NAVAS, UEU PRESIDENT, AND OTHERS ARRESTED IN AFTERMATH OF JUNE 1966 COLON RIOTS. ROBERTO "TITO" ARIAS, PANAMENISTA PARTY DEPUTY WHO RECENTLY RETURNED TO PANAMA, MAY INTRODUCE IN NATIONAL ASSEMBLY A RESOLUTION CALLING FOR AMNESTY FOR THESE PRISONERS.

11. THE PANAMENISTA PARTY, ASIDE FROM ITS TIES TO ACCION COMUNAL AND POSSIBLE AMNESTY RESOLUTION NOTED ABOVE, HAS GIVEN NO INDICATION OF FOMENTING ACTIVITY CENTERED AROUND ANNIVERSARY.

12. GOVERNMENT OF PANAMA PLANS TO COMMEMORATE ANNIVERSARY ON 9 JANUARY ONLY. FLAGS WILL BE FLOWN AT HALF-MAST AND AT 0900 ON THIS DATE A WREATH WILL

BE PLACED AT TOMB OF AUCANIO AROSEMENA (FIRST JANUARY 1964 "MARTYR") AT AMADOR GUERRERO CEMETERY. AT 0930 THERE WILL BE A MASS AT JARDIN DE PAZ AND ORATIONS BY THREE SPEAKERS, ONE REPRESENTING THE GOVERNMENT. GOVERNMENT PROGRAM MAY OVERLAP SOMEWHAT WITH PROGRAM OF COORDINATING COMMITTEE AND SHOULD DILUTE PUBLICITY OF UNOFFICIAL GROUP.

13. CERTAIN PANAMANIAN MEDIA MAY PLAY UP ANNIVERSARY WITH SAME LURID SPREADS AS WERE USED IN JANUARY 1965 AND 1966 (E.G. CRITICA, LA HORA), ALTHOUGH TO DATE THERE HAS BEEN VERY LITTLE ADVANCE PUBLICITY ON THE ANNIVERSARY.

GP-1. ADAIR

NOTE: PASSED JCS & SECARMY AT 11:00 P.M.

~~SECRET~~

Pres file

Thursday -
January 5, 1967

Mr. President:

Dr. Frederick Seitz, President of the National Academy of Sciences, has agreed to represent you at the dedication of the Rio Orinoco Bridge in Venezuela.

I recommend that you sign the letter to Dr. Seitz (Tab A) and authorize transmission of the message to President Leoni (Tab B) informing him of Dr. Seitz's designation.

W. W. Rostow

Approve message ____.

Disapprove message ____.

See me ____.

Attachments

Tabs A and B.

Dear Dr. Seitz:

I am pleased that you will be able to represent me at the ceremonies inaugurating the Bridge of Angostura across the Orinoco River in Venezuela on January 6, 1967.

Please convey my best wishes to President Leoni.

Sincerely,

The Honorable
Frederick Seitz
President, National Academy of Sciences
Washington, D. C.

LBJ/WGB:mmm
January 5, 1967.

MESSAGE TO PRESIDENT LEONI

Tomorrow will be a day of proud accomplishment for you and all Venezuelans as you inaugurate the Angostura Bridge across the Orinoco River.

I know what this bridge means for the future development of your country, and I share your pride in it.

I appreciate your invitation to send a representative to the inauguration ceremonies. I have named Dr. Frederick Seitz, President of our National Academy of Sciences. He carries my warm best wishes to you and the Venezuelan nation on this historic occasion.

100
/

~~Long~~
2. Pres file

Wednesday, January 4, 1967
7:30 p.m.

Mr. President:

Herewith Sec. Rusk's draft response
to the students -- much like the one we did
for you.

W. W. Rostow

Okay ✓

See my changes

See me

1000

January 4, 1937

Dear Mr. Powell:

As I understand that the student leaders letter to President Johnson of December 29, 1936, was signed by you on their behalf, I am taking the liberty of forwarding to you my reply.

You will see that I would be happy to meet with a group drawn from the 100 signatories. Although I recognize that the recommencement of school activities this semester might make it difficult to gather a group, I would appreciate your investigating the possibility of such a meeting. Mr. Dixon Donnelley, my Assistant Secretary for Public Affairs, would be pleased to discuss detailed arrangements with you.

Sincerely yours,

Dean Rusk

Enclosure:
Letter.

Mr. Robert Powell,
President, University of
North Carolina Student Body,
Graham Memorial,
Chapel Hill, North Carolina.

S: CABorg:jmr

1340
January 4, 1967

Dear Student Leaders:

I have received and read carefully your thoughtful letter to the President about our policy in Viet-Nam.

Your interest and your concern are shared by most thinking Americans. No one desires more strongly to bring an early and honorable conclusion to the conflict in Viet-Nam than those who are working day and night, both here and in Viet-Nam, to achieve that end.

The questions you have raised are among those that have been asked and discussed repeatedly in the councils of your Government. If some of these matters continue, as you say, to agitate the academic community, it is certainly not because answers have not been provided. It is more, I think, because the answers to great and complex questions can never fully satisfy all the people in a free and questioning society.

Nevertheless, I am glad to have the chance to address myself to the four specific questions about which you stated you and others felt doubt or concern.

First, you asked if America's vital interests are sufficiently threatened in Viet-Nam to necessitate the growing commitment there.

There is no shadow of doubt in my mind that our vital interests are deeply involved in Viet-Nam and in Southeast Asia.

We are involved because the nation's word has been given that we would be involved. On February 1, 1955, by a vote of 82 to 1 the United States Senate passed the Southeast Asia Collective Defense Treaty. That Treaty stated that aggression by means of armed attack in the treaty area would endanger our own peace and safety and, in that event, "we would act to meet the common danger." There is no question that an expanding armed attack by North Viet-Nam on South Viet-Nam has been under way in recent years; and six nations, with vital interests in the peace and security of the region, have joined South Viet-Nam in defense against that armed attack.

Behind the words and the commitment of the Treaty lies the lesson learned in the tragic half century since the First World War. After that war our country withdrew from effective world responsibility. When aggressors challenged the peace in Manchuria, Ethiopia, and then Central Europe during the 1930's, the world community did not act to prevent their success. The result was a Second World War — which could have been prevented.

That is why the Charter of the United Nations begins with these words: "We the peoples of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind...." And the Charter goes on to state these objectives: "to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained... and to unite our strength to maintain international peace and security...."

This was also the experience President Truman had in mind when — at a period when the United Nations was incapable of protecting Greece and Turkey from aggression — he said: "We shall not realize our objectives unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes."

These are the memories which have inspired the four postwar American Presidents as they dealt with aggressive pressures and thrusts from Berlin to Korea, from the Caribbean to Viet-Nam.

In short, we are involved in Viet-Nam because we know from painful experience that the minimum condition for order on our planet is that aggression must not be permitted to succeed. For when it does succeed, the consequence is not peace, it is the further expansion of aggression.

And those who have borne responsibility in our country since 1945 have not for one moment forgotten that a third world war would be a nuclear war.

The result of this conviction and this policy has been a generation's effort which has not been easy for the United States. We have borne heavy burdens. We have had to face some conflict and a series of dangerous situations.

But the hard and important fact is that in the postwar world external aggression has not been permitted to develop its momentum into general war.

Look back and imagine the kind of world we now would have if we had adopted a different course. What kind of Europe would now exist if there had been no commitment to Greece and Turkey? No Marshall Plan? No NATO? No defense of Berlin? Would Europe and the world be better off or worse? Would the possibilities of detente be on the present horizon?

Then turn the globe and look at Asia. If we had made no commitments and offered no assistance, what kind of Asia would there now be? Would there be a confident and vital South Korea? A prosperous and peaceful Japan? Would there be the new spirit of regional cooperation and forward movement now developing throughout Asia?

If you were to talk to the leaders of Asia as I have, you would know what Asians really think of our commitment in Viet-Nam. You would know that the new vigor in Asia, the new hope and determination, are based in part on the conviction that the United States will continue to support the South Vietnamese in their struggle to build a life of their own within the framework of the Geneva Accords of 1954 and 1962 — that we shall see it through to an honorable peace.

Second, you wonder whether our vital interests are best protected by our growing commitment.

We must always weigh what we are doing against the requirements of the situation and what the other side is doing. You are aware, I am sure, that the flow of men and material from North Viet-Nam into the South radically increased towards the end of 1964 and continued at a

high level in the next two years. It was to meet that escalation, designed to achieve military victory by the North against the South, that we sent our men in large numbers and began an air campaign against military targets in North Viet-Nam.

At the other end of the scale, one must contrast what we are doing with what we could be doing. You know the power that is available to us -- in men, resources and weaponry.

We have done both more than some people would wish, and less than others advocate. We have been guided both by the demands imposed upon us by increased aggression and by the need for restraint in the application of force. We have been doing what the President judges to be necessary to protect the nation's vital interests, after hearing the views of the government's military and civilian experts. We shall continue to do what is necessary to meet the threat the Vietnamese and their allies face.

Third, you raise the question whether a war that may devastate much of the countryside can lead to the stable and prosperous Viet-Nam we hope for.

First, it is an error to suggest that the fighting in Viet-Nam has devastated "much of the countryside." There has been too much destruction and disruption -- as there is in any war. And we deeply regret the loss of life that is involved -- in the South and in the North, among both soldiers and civilians.

But devastation has been far less than on the conventional battlefields of World War II and Korea. If peace could come to South Viet-Nam today, I think most people would be amazed at its rapid recovery. For the Vietnamese are intelligent, energetic and ambitious people. And they are determined to see their country prosper. I am confident that they can achieve that end -- if they but have the chance to do so, in peace and in their own way.

That day cannot come too soon.

You also suggest that there are "apparent contradictions" in the American position on efforts to achieve a negotiated settlement.

We have said that there will be no difficulty in having the views of the Viet Cong presented at any serious negotiation. The details of how this might be done can be discussed with the other side; there is little point in negotiating such details with those who cannot stop the fighting.

We have made it clear that we cannot accept the Liberation Front as the "sole" or "only legitimate voice" of the Vietnamese people. Yet that is what the Front has said it is. The Buddhists, Catholics, Cao Dai, Hoa Hao, ethnic Cambodians, the almost a million refugees who fled from North Viet-Nam to the South in 1954-55, and the Montagnards are not prepared to have the Liberation Front as their spokesman. The capacity of the Government and people of South Viet-Nam to conduct the election of the Constitutional Assembly in September 1966, despite the opposition of the Viet Cong, made clear that the VC are a small minority in the country, determined to convert their ability to organize for terror into domination over the majority. Those now enrolled with the Viet Cong should be turning their minds in a different direction. They should be asking: "How can we end this war and join as free citizens in the making of a modern nation in South Viet-Nam?"

We know that the effort at armed conquest which we oppose in Viet-Nam is organized, led, and supplied by the leaders in Hanoi. We know that the struggle will not end until those leaders decide that they want it to end.

So we stand ready — now and at any time in the future — to sit down with representatives of Hanoi, either in public or in secret, to work out arrangements for a just solution.

You state correctly that we have a commitment to the right of self-determination of the people of South Viet-Nam. There is no ambiguity whatsoever. We shall abide by the decision of the Vietnamese people as they make their wishes known in free and democratic elections. Hanoi and the Liberation Front do not agree.

You also suggest that there is disparity between our statements and our actions in Viet-Nam, and you refer to recent reports of the results of our bombing in North Viet-Nam.

It is our policy to strike targets of a military nature, especially those closely related to North Viet-Nam's efforts to conquer the South. We have never deliberately attacked any target that could legitimately be called civilian. We have not bombed cities or directed our efforts against the population of North Viet-Nam.

We recognize that there has been loss of life. We recognize that people living or working in close proximity to military targets may have suffered. We recognize, too, that men and machines are not infallible and that some mistakes have occurred.

But there is a vast difference between such unintentional events and a deliberate policy of attacking civilian centers. I would remind you that tens of thousands of civilians have been killed, wounded, or kidnapped in South Viet-Nam, not by accident but as the result of a deliberate policy of terrorism and intimidation conducted by the Viet Cong.

We regret all the loss of life and property that this conflict entails. We regret that a single person, North or South, civilian or soldier, American or Vietnamese, must die.

And the sooner this conflict can be settled, the happier we and the Vietnamese people will be.

Meantime, we shall continue to do what is necessary -- to protect the vital interests of the United States, to stand by our allies in Asia, and to work with all our energy for a peaceful, secure and prosperous Southeast Asia. Only by meeting these commitments can we keep on this small and vulnerable planet the minimum conditions for peace and order.

Only history will be able to judge the wisdom and the full meaning of our present course -- in all its dimensions.

But I would close by sharing with you a hope and a belief. I believe that we are coming towards the end of an era when men can believe it is profitable and, even, possible to change the status quo by applying external force. I believe those in Hanoi who persist in their aggressive adventure — and those who support them — represent ideas and methods from the past, not the future. Elsewhere in the world those committed to such concepts have faded or are fading from the scene.

I believe, therefore, that if we and our allies have the courage, will, and durability to see this struggle through to an honorable peace, based on the reinstallation of the Geneva Accords of 1954 and 1962, we have a fair chance of entering quieter times in which all of us will be able to turn more of our energies to the great unfinished tasks of human welfare and to developing the arts of conciliation and peaceful change.

The overriding question for all of mankind in this last third of the Twentieth Century is how to organize a durable peace. Much of the experience which has gone into answers to that question has been largely forgotten — perhaps some of it should be. But the question remains — and remains to be answered. I should much enjoy discussing this with you if we can find a way to do so.

I would value a chance to discuss the issues posed in your letter with a representative group of signatories or with as many as could conveniently join me in Washington at a mutually agreeable time.

With best wishes and thanks for your serious concern,

Sincerely yours,

Dean Rusk

Pres file 101

Wednesday, January 4, 1967
7:30 p.m.

Mr. President:

Herewith Sec. Freeman presents the arithmetic of the current world grain situation as it bears on India.

As compared to the table I gave you the other day, the only major difference is his assumption that India's 1967 requirements will be 10 million tons. I gave you a spread of 8-11.

He reports in paragraph 6 the heavy pressure from the shipping people to give them longer lead times on India grain cargoes.

W. W. Rostow

WWRostow:rlh

ALL
OBJX

ALL
OBJX

ALL
OBJX

January 4, 1967

MEMORANDUM

To: The President
The White House

From: Orville L. Freeman
Secretary of Agriculture

Subject: World Grain Supply Analyzed in Light of Pending Grain to India
Decision Making -- Logistics

The following information concerning worldwide grain availabilities is pertinent to current decision making.

1. India's need - based on current estimates, 10 million tons are necessary to maintain per capita consumption at 154 kilograms, the 1966 level, and 13 kilograms below 1965.
2. Allocations and commercial purchases already made with arrival scheduled for 1967 calendar year total 2,365,000 tons.

Thousand Tons

U.S.	1,665
Canada	150
Australia	150
Russia	200
India's commercial purchase	200

3. Food Grain Availability - Worldwide

A. U.S.

a. Wheat

Carryover stocks as of June 30, 1967 (end of crop year) are estimated at 375 to 450 million bushels (10 to 12 million tons). If the remainder of the planned amount for India for fiscal year 1967 (set by a joint Budget, AID, State, USDA committee) of 75 million bushels (2.0 million tons) is allocated in full, the carryover is estimated at 375 million bushels on June 30, 1967 when our new crop is harvested.

b. Grain Sorghums

Carryover stocks as of September 30, 1967, (end of crop year) are estimated at 200 to 240 million bushels (5 to 6 million tons). If the remainder of the planned amount set for India by the joint committee of 40 million bushels (1.0 million tons) is fully allocated, the carryover is estimated at 5.0 million tons on September 30, 1967 when the new crop is harvested.

2-The President-January 4, 1966

B. Canada - Wheat

With a record crop, Canada has privately pledged a total of 1.0 million tons. Her carryover on July 31, 1967 (end of crop year) is estimated at 16.0 million tons. Canada with such large stocks could allocate more to India but is not likely to do so in light of their relatively large contribution.

C. Australia - Wheat

With a record crop of over 11 million tons, Australia could allocate another 350,000 tons. This would leave her with an estimated carryover of 4.0 million tons on November 30, 1967 (end of crop year). It would require strong persuasion to get this level of contribution beyond the 150,000 allocation already made.

D. Russia - Wheat

With an all-time record crop, Russia has pledged 200,000 tons. Her crop increased an estimated 19 million tons over the previous year. She could go another 300,000 tons, matching Australia, and still have carryover stocks on July 31, 1967, greater than in any recent year. Evidence of her more comfortable position is shown by her recent sales to Egypt and Algeria.

E. France - Wheat

She harvested a poor crop (down 24% from last year) and will have carryover stocks on July 31, 1967 of an estimated 2.5 million tons. This stock level is below the average of recent years.

F. Argentina - Wheat

With a second below normal crop, Argentina will have minimal stocks again of an estimated .5 million tons on November 30, 1967.

G. India - Commercial Purchases

Commercial purchases by India of an additional 500,000 tons would not be unreasonable. Most of this would likely be bought from Australia and part from the U.S.

3-The President-January 4, 1967

4. The "numbers" total up to a possible 2.0 million tons of grain from other countries. We would have to work very hard to get the additional amounts from Australia and Russia.

That leaves a "grain gap" of 5.6 million tons.

5. Recap:

	Million Tons
India's 1967 requirements	10
Allocations already made	2.4
Remaining need	7.6
Potential grain allocation other than U.S.	2.0
Balance	5.6

In 1966, the U.S. counted fertilizer, other agricultural imports, and food other than grain as grain equivalent for matching purposes. The equivalent of 1.5 million tons of grain were made available in this manner.

If we assume for purposes of calculation only, that the U.S. will allocate food grain in the amount necessary to make up the balance of 5.6 million tons (after projected contributions by other grain countries as outlined above) then, if other developed countries are to match that U.S. contribution on a 50-50 basis, 1.8 million tons of fertilizer at a value of \$365 million will be required in calendar 1967.

6. Logistics

We have been pushing both the Indians and our own people hard to meet the February target of 1 million ton arrival in India.

We are reasonably confident we can do this depending on shipping availabilities and Australian and Russian arrivals. However, I would alert you that longer lead time will be necessary in the future. Heavy shipments to other countries, both commercial and concessional, will compete for available facilities. Our technical people are begging for 10 weeks lead time. In my judgment 8 weeks from the time of allocation will be necessary to assure delivery on schedule.

~~SECRET~~

Wednesday, January 4, 1967 -- 8:45 a.m.

Mr. President:

Herewith the Japanese-DRV conversation which led Sec. Rusk to think they may have cut off Warsaw gambit to see if they couldn't play for unconditional cessation of bombing in return for general promises to talk.

I have marked the key passage on page 3.

Not only the myth that no Hanoi troops are in the South (marked page 6), but the myth that Saigon is "obstructing return of several thousand SVN Catholics to the North" could be useful; that is, they might wish in a settlement to have a good many of their key captured infiltrators and agents returned to the North.

My reflection from this and Salisbury's article this morning: whether they are now ready to settle or not, their minds are really focussing on the problems of settling, which is quite an improvement over their cast of mind only a little while back.

W. W. Rostow

State 111909

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By CB, NARA, Date 10-21-98

WWRostow:rln

~~SECRET~~

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

SECRET

111909

80

Origin

ACTION: Amembassy TOKYO PRIORITY

55

Info

INFO: Amembassy MOSCOW PRIORITY
Amembassy SAIGON PRIORITY

JAN 3 8 59 PM '67

STATE

111909

EKDIS. Following is FYI and NOVORN, ~~ambassy~~ based on uncleared memcon and subject to revision upon review:
GOJ/DRV Contacts in Moscow

Exi. Takeuchi called on Secretary December 31 to report that GOJ Ambassador in Moscow had had third conversation, on his initiative, with DRV Amb in Moscow, on December 23. Takeuchi said that he had just received full report of conversation, and agreed that he (which was provided January 3, and will be pouched to would give us written text/~~early in week of January 2. (We expect addressee posts).~~ to pouch this text to addressee posts, ~~relying only if it indicates substantial change from summary below.)~~

1. Takeuchi gave specific dates for earlier meetings as July and September 15. (Berger-Nakagawa memcon of July 26 reports fully on conversation that ~~actually~~ took place July 16.)

2. Takeuchi reported that DRV Amb, who has been in ^{is} Moscow for 9-1/2 years and/ they understand, member of

Drafted by:

EA:WPBundy:mk 1/3/67

Tel. Ext. 4235

Telegraphic transmission and classification approved by:

EA - William P. Bundy

Clearances:

Mr. McCall

S/S -

DECLASSIFIED

E.O. 12958, Sec. 3.5

State Dept. Guidelines

By CG, NARA, Date 10-21-98

SECRET

~~SECRET~~

Central Committee of Communist Party in DRV, is leaving permanently in mid-January. He specifically asked that we consider some message GOJ Amb could deliver in farewell call prior to this date. Request Moscow comment on any information available there on DRV Amb's plans. Dept is considering whether message should be conveyed, and what.

3. Takeuchi reported that ~~first~~ two meetings had been accepted by DRV Amb only after delay of several days. December 23 meeting had been requested only two days in advance. However, on basis of their estimate of Amb's standing, plus frequent recent visits by DRV leaders to Moscow, Japanese believed DRV Amb fully reflected DRV position. In response to our question, Takeuchi said that meetings had taken place at DRV Embassy and that it must be presumed Soviets were aware of these contacts.

Highlights of conversation were as follows:

- a. GOJ Amb led off by referring to previous statements party concerned in Viet-Nam by DRV Amb to effect that (1) NLF was/~~partner~~ and must participate in any meetings (Takeuchi said formulation of "sole" representative was not used); (2) US must publicl declare that it respects independence and territorial integrity of Viet-Nam (not specified whether all of

~~SECRET~~

Viet-Nam or DRV only); (3) US must stop bombing of DRV.

b. GOJ Amb went on to say that GOJ had talked to USG has impression and ~~that~~ there were "perhaps not too great difficulties"

with these positions. Specifically (1) USG was not opposed to NLF participation in talks or conference

"in some form"; (2) US clearly accepted ~~independent~~

independence and territorial integrity of Viet-Nam, and had declared in the 14 points and Manila Communique its

willingness to withdraw and not to retain bases in Viet-Nam; (3) US/ ~~had made clear (in) that it would stop~~

clear prospect of bombing if there were/peace conference or repeat or some military reduction in DRV/actions, ~~and that this did not appear~~

is not correct ~~fundamental differences~~ (This/formulation, ~~with the~~

~~critical to check in memorandum~~ since of course we

have never repeat never taken position that we would stop bombing

~~bombing~~/in return for agreement to peace conference.)

Positions of US and DRV are not very different.

c./ GOJ hoped to contribute to peace and was ready for

any message DRV Amb might have.

4. In response DRV Amb thanked GOJ Amb for message and asked these views had been received, whether through direct contacts through what channel/~~reply should be given. He "seemed impressed"~~ with US, or other routes.

~~SECRET~~

these views were ascertained directly at highest US level
GOJ Amb responded/ ~~various channels available and he has been~~
and
~~based on~~/contacts including Secretary's December talks
with Sato and Miki. DRV Ambassador seemed "impressed."

5. DRV Amb then went on that he did not repeat not agree
there was no fundamental difference on points raised.

in six months

a. US had said it would withdraw ~~only~~ if DRV withdrew. Hanoi
This was a deception
could not believe this. ~~It was a deception~~ and a pretext for
for
leaving US troops forever. ~~He then denied (it) that~~ there
no repeat no
were ~~any~~ DRV troops in South Viet-Nam. ~~and argued that~~ If the
forces
US formula meant the NLF/must leave, this meant that the NLF
would have to leave its own territory. ~~Therefore, the US must~~
The US as invader must
~~withdraw~~/withdraw first. This the only way to end war.

"their opponents".

b. He reiterated that US must talk "direct" with NLF/~~sax~~
~~maximax~~
~~maximax~~ ~~maximax~~ If US did not recognize NLF, ~~sax~~
but only NLF could discuss ~~sax~~ has no
~~only only discuss with NLF/what concerned NLF. Hanoi/sax~~
authority whatsoever to
~~not~~/talk for NLF. NLF role in discussions and form of
discussions must be decided with NLF.

c. US bombing of DRV ~~must~~ was inconsistent with recognition
of independence and territorial integrity. Hanoi could not
accept conditions for stopping bombing. It must stop
unconditionally and permanently, after which Hanoi could talk

~~SECRET~~

Thant approach. GOJ did firmly believe US did not repeat not wish war to continue, but wanted ^{it} to stop as soon as possible, with peace on the basis of Geneva Accords of 1954.

10. This was substance of conversation. GOJ Amb reported that DRV Amb was calm throughout and, unlike previous meetings, not repeat not critical of GOJ. In his report to GOJ, Amb added certain impressions. He stated that his purpose had been to impress on DRV GOJ willingness to help, and secondly to get DRV attitude if bombing stopped. He thought response that DRV would talk if bombing stopped "may be what they really think," and suggested he might pursue this question if US interested.

11. More generally, GOJ Amb reported his impression that Hanoi was relying on world opinion on the bombing and thought USG might be forced to stop by world opinion. He considered denial of DRV troops in SVN "childish" but thought Hanoi might stick to this position in any discussions. He thought Hanoi would also argue that it had respected Geneva Accords throughout, and that US might find this position useful at some point.

12. Finally, GOJ Amb noted much stronger stress on independence in this conversation. It was his own opinion that

~~SECRET~~

this might not repeat not just be an excuse but might reflect some real degree of independence, so that Hanoi was a prisoner of the NLF just as the Soviets were of Hanoi.

II. In closing his report to Secretary, Takeuchi urged channel be kept totally secure. He again asked for some message before DRV Amb leaves Moscow. He also suggested need for USG to fortify its case on DRV presence by special statement, and asked for full information on DRV presence for private information of GOJ and Amb in Moscow.

III. Department Comment: We are considering appropriate follow-up actions. We are of course most specifically concerned that GOJ Amb may have given impression we would stop bombing in return for conference alone. Rest of conversation strikes us initially as simple repetition of standard hard Hanoi line, and it would be our over-all impression that DRV is not repeat not really treating channel seriously but simply using it to see if they can get indications of change in USG position.

GP-3.

RUSK

End.

Pres file~~SECRET~~

Wednesday, January 4, 1967 -- 7:30 p.m.

Mr. President:

Sec. Rusk says he expects a reply from Kosygin in the next week or so; but cannot guarantee.

He also reports he had Dobrynin in for 2-1/2 hours this afternoon. Interesting. Nothing immediately operational. He'll file report to you tomorrow.

W. W. Rostow

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

WWRostow:rla

~~SECRET~~

Pres file

~~CONFIDENTIAL~~

Wednesday, January 4, 1967 -- 5:25 p.m.

Mr. President:

I have now had a lucid conversation with Ambassador Lodge about his wishes.

1. First and above all, he wishes to serve you; and will do what you want, as you want it done.

2. His preference would be to stay on as Ambassador until the constitution is promulgated, sometime in March.

3. He would then like to write a stemwinder of a letter of resignation, which he plans to show you in advance, in support of our Viet Nam policy.

4. He would then wish to spend about a month talking around the country in support of our Viet Nam policy.

5. He would then very much like another assignment along the lines discussed by him with Sec. Rusk.

But in no circumstances does he plan to do anything that would undercut you or of which you would not approve.

W. W. Rostow

P.S. Amb. Lodge very much wishes to see you before he returns to Viet Nam. He leaves on January 14.

WWRostow:rla

~~CONFIDENTIAL~~

Set up appointment _____

No _____

See me _____

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 13526,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 16, 1983.

BY kg ON 2-25-91

File

Wednesday, January 4, 1967
3:30 p. m.

~~TOP SECRET~~

FOR THE PRESIDENT, Literally Eyes only

Herewith a quite interesting memcon of John McNaughton talking with Zinchuk, the Soviet No. 2 here.

1. He asserts there is a "moderate" group in Hanoi seeking a compromise end to the war, but including ~~some~~ part in the government of South Vietnam" for the Liberation Front.
2. He believes the idea of negotiations will revive, but makes the usual point about bombing.
3. He suggests the Soviets may ask for the defense of Moscow, Leningrad, and perhaps Kiev in an ABM negotiation.
4. He makes a tolerably sophisticated analysis of non-proliferation prospects in Germany, France, India.

W. W. R.

~~TOP SECRET~~ SENSITIVE attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-191
By isp, NARA, Date 4-11-00



~~TOP SECRET~~
~~NO DIS~~
 ASSISTANT SECRETARY OF DEFENSE
 WASHINGTON, D. C. 20301

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NJ 91-179
 By ~~ing~~ NARA. Date 7-2-92

INTERNATIONAL SECURITY AFFAIRS

3 January 1967

MEMORANDUM OF CONVERSATION

M A R I G O L D

SUBJECT: McNaughton-Zinchuk Lunch at Federal City Club, 3 January 1967

Minister Zinchuk (Soviet Embassy) telephoned me on December 28 to invite me to have lunch with him during the week of January 2. We had lunch today. The entire conversation was friendly and the main subjects of conversation were (1) MARIGOLD, (2) ABMs and (3) non-proliferation.

1. MARIGOLD. Zinchuk initiated the conversation about Vietnam by commenting that "We get periods when things seem to be looking good, and then something happens so that things aren't so good." He said that Ambassador Dobrynin, "who is very sensitive to the moods that prevail," was in Moscow early in December and noticed a favorable atmosphere with respect to possibilities for settling Vietnam. Zinchuk said that this atmosphere continued even after the "events of December 3 and 7," but that "December 13 and 14 ruined it." He strongly implied that perhaps we did not feel free to say no to the military even though we had been told that bombing Hanoi could ruin the chances of peace talks. We had the expected exchange at this point: I commented that the war goes on, that plans are laid and are executed, that the MARIGOLD thing had blown hot and cold for six months, and that the Poles had not been fully convincing as to their authority to speak before Hanoi; he said that "We knew before the 13th -- and told you so -- that the matter was a serious one," that one would wonder what the United States' intentions really were in view of what they did on December 13 and 14.

I asked him whether he believed that Hanoi was serious about conversations. He said there was definitely something there. When I asked him what his suggestion was now, he said that after a little time things might resume again. He made his point that there are forces for moderation in Hanoi -- forces who think they cannot win the war and that a compromise must be made at some point. He said these forces cannot become active in an environment in which bombs, even by accident, are falling in Hanoi. He said there was no real military significance of targets hit at Hanoi anyway. I asked what kind of reaction time we should expect from Hanoi -- "two days, two weeks, two months?" -- if we were to accept his suggestion that the bombing stop. He would not guess, but referred again to creating the right atmosphere or

EXCLUDED FROM AUTOMATIC
 RECORDING; DOW DIR 5200.10
 DOES NOT APPLY

~~TOP SECRET~~
~~NO DIS~~

Copy 5 of 5 Copies.Page 1 of 4 Pages.

~~TOP SECRET NO DIS~~

"environment" for the forces of moderation in Hanoi "who want to get negotiations started."

I referred to the Christmas and New Year's standdowns, saying that I sometimes wonder whether North Vietnam has control over the forces in the South. I mentioned that there were many scores of stand-down violations. He said "they have control, but there may have been some local grievances being settled or some accidents or some failure of communications in the South." He said, "I don't believe there was any intentional violation of the cease-fire by North Vietnam."

I asked him how he saw negotiations being carried on if they ever get started -- quietly or formally? He said, "Quietly, of course. They are not interested in having it reported to the newspapers." He went on to explain that he saw the first stages of the talks being between North Vietnam and the United States, setting "the general lines of the settlement." He said that North Vietnam "would have contacts with the Front during the bilateral talks, and that "the Front would have to be on it when the formal negotiations took place -- they would have to have a role at the formal talks and would have to end up playing some part in the government of South Vietnam." I commented that "some part," to them, sometimes means "taking over." He said not so. He referred to Laos. He said we must gamble on how these things come out: "Unless you occupy the country for 20 years, you can't be sure how things will turn out." He then said, in response to my hope that the war does not spread to Thailand, "We don't need that." He added that "Thailand is so mixed up ethnically that trouble will come there even without outside help." He said that ultimately all of Southeast Asia should be non-aligned -- like India (which, he said, "some people think is a little more non-aligned your way than ours").

I asked him whether he thought the Poles had, by the recent exercise, destroyed themselves as middlemen. He said no. Regarding Soviet influence in Hanoi, he said, "We can't just tell them to do something, but we do have influence -- more at some times than at others." (He was clearly implying that their influence was greatest when the United States was not bombing.)

I suggested that, while he was urging us to refrain from escalation and to avoid Hanoi, he might be sure that the other side does not do anything rash, requiring reaction from us. He then repeated the point made to Mr. Bundy, that the Soviets are now down to a position where they must supply volunteers "if requested, especially since volunteers are there now from a little country, North Korea." (I made no comment.)

In response to my question as to what the "really sensitive areas are," he mentioned "the other place -- Haiphong," but ended up firmly that the one sensitive place was Hanoi.

In summary, he believes that the MARIGOLD exercise was serious, did have real promise, and was frustrated by the December bombings; that the proper "environment" can be re-created if we don't escalate and if we lay off Hanoi; that Poland may be back in the act and that the Soviets themselves may play a role; that first talks would be quiet NVN-US bilaterals.

~~TOP SECRET NO DIS~~

~~TOP SECRET NODIS~~

and that a settlement, "which would have to be worked out," would of necessity find a place for the Font in the government of South Vietnam. 3

2. ABMs. Zinchuk shifted to this subject, saying that "We have heard about an agreement not to deploy ABMs, but what are your specific ideas? Do you mean none at all, or only a certain number, or only in certain places?" I told him my personal views on the subject, stating that I did not speak for the Defense Department in this regard. I said that the United States assumed that the Soviet Union would insist upon having a nuclear second strike capability that could do great damage to the United States. I said that the United States certainly was going to maintain a second strike capability to destroy the Soviet Union. I said that I thought ABMs in this context tend to be destabilizing, in that they are most effective against a depleted ICBM force. It followed, in my way of thinking, that a large deployment of Soviet ABMs together with an increased number of Soviet ICBMs could be dangerous if allowed to get to the point that Soviet leadership might think they could handle a US second strike. I said that the United States of course would not allow that condition to develop -- that we would buy whatever it took to be able to deliver the requisite number of warheads on target. I regretted that the Soviets now seem to have committed themselves to deployment of ABMs, perhaps risking the dynamic reaction to which I had referred.

Zinchuk said that that is why the Soviets need to have a better idea of exactly what kind of an arrangement might be made. He said that, "It is not easy to say that we are not going to defend Moscow." He implied that the pressure was probably more from the military than from the population, and I chided him for perhaps being guilty of a sin he had attributed to us in the Hanoi bombing case. I said that I had the impression from certain people who had traveled in Russia that the Soviet decision to deploy ABMs had been taken perhaps two years ago. He denied that, at least as it might apply to a comprehensive system. He returned several times to the concept of defending a few places, saying that that much was probably politically required by the Soviet Union. When I asked just how many places they had in mind, and whether he was talking about defending cities or missiles, he said "cities. We may have a different theory than you do. I suppose, Moscow, Leningrad and -- just to take an example -- Kiev might be the three." I asked him why Moscow was so important in this connection -- "Is it because of the number of people, the location of command and control, the center of government, or what?" He explained that, while Washington was "just the seat of government, an artificial creation, Moscow was of spiritual importance to the Soviets." His point was that the Soviets could get by with defending Moscow without having to defend every other collection of people. He added that, "In this country, the people of Chicago might not understand if you protected only Washington."

I explained that I was in no position to state what the US government would do about ABMs. I explained furthermore that I understood Ambassador Thompson would be discussing the possibility of

~~TOP SECRET NODIS~~

MARIGOLD

~~TOP SECRET NODIS~~

4

restraints with the Soviet Government. Zinchuk cut in to say, "But he won't have an answer to my question about specifics." I said that I was sure he could get an answer fast and that, in any event, I would see that his question got to my Secretary and to the Secretary of State.

3. Non-proliferation. Zinchuk introduced this subject by stating (erroneously), "You mentioned non-proliferation. How are the Germans reacting?" Although I was aware of the position taken by Knapstein, I said, "We are looking forward to receiving their reaction." He then gave his views as to how German leadership broke down on the subject: "Schroeder will be against it, although he will be more flexible than Strauss, who will be very much against it. Kiesinger will tend to support Schroeder, but may not since he heads a coalition with Brandt in it. Brandt will be for it." He said that India is giving us a hard time, but ~~will sign the treaty.~~ He said we would know better than he about whether Japan will sign. He said France will not sign, but will make some sort of assurance that France will not proliferate. "DeGaulle doesn't want to be treated like a little power. He will probably sign later after he thinks he has built a strong force in France.")

4. Miscellaneous. Zinchuk said, "If we are going to try to make some progress despite Vietnam, what other areas do you see?" I said that he had already touched three of the main ones (the above three paragraphs). I added that I thought that we might have some parallel interests in India and Pakistan as they have their problems with the Chinese, that China will be a problem in the next 10 or 20 years at least, that one area of constant concern to me is the provision of weapons to underdeveloped countries, and that we might be able to make better sense out of the military situation in Europe. Zinchuk (as was the case several times earlier in the conversation) would not discuss China. He did say, with respect to Europe, that "We can cut our forces in East Germany." He ~~did not~~ develop his point, except to say that any deal in this connection ~~should~~ be "like a year or two ago -- by mutual example."


John T. McNaughton

cc: Secretary Rusk
Secretary McNamara
Mr. Vance
Mr. Walt Rostow
JTM chron file

~~TOP SECRET NODIS~~

106

THE WHITE HOUSE
WASHINGTON

resp

Tuesday, January 3, 1967
5:25 p.m.

Mr. President:

In the attached, Secretary Rusk -- with John Schnittker's concurrence -- recommends that you withhold Southern Rhodesia's 1967 sugar quota. This action would prohibit importation this year of the 6,450 tons (\$900,000 worth) of sugar which would normally be allocated to Southern Rhodesia under the Sugar Act.

This would be the third consecutive year we have prohibited imports of sugar from Southern Rhodesia. This prohibition is one of the few small measures we can take to show our good faith to the Black Africans on the Rhodesian question. It has no harmful economic effects upon us.

I recommend that you approve withholding the quota. If you agree, we need your signature at Tab A.

Walt
Walt Rostow

8.15.7
106a

THE SECRETARY OF STATE
WASHINGTON

December 27, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Withholding the 1967 Sugar Quota for Southern Rhodesia

Recommendation

That you sign the enclosed finding which would withhold the United States sugar quota for Southern Rhodesia in 1967.

Background

Under the 1965 Sugar Act Amendments, any foreign sugar quota may be withheld upon a Presidential finding that importation of sugar from the country in question would be contrary to the national interest. The United States withheld the 1965 and 1966 sugar quotas for Southern Rhodesia. This action was announced by Ambassador Goldberg during the debates on Southern Rhodesia in 1965. Because of the special requirements of the Sugar Act, the sugar quota for 1967 should be withheld separately from the prohibitions on other imports from Southern Rhodesia.

Reasons for Withholding Quota

Withholding the Southern Rhodesia quota would be in accord with the efforts of the Security Council and the United Kingdom to arrive at a solution of the Southern Rhodesian problem. The UN Security Council resolution imposing mandatory sanctions on selected Rhodesian exports includes sugar among the prohibited items. The Southern Rhodesia sugar quota in the U.S. market for 1967 is 6,450 tons, which has a value at today's prices of approximately \$900,000.

Under Secretary of Agriculture Schnittker concurs in this recommendation.

Dean Rusk

Dean Rusk

Enclosure:

Memorandum to the
Secretary of Agriculture

January 3, 1967

TO THE SECRETARY OF AGRICULTURE

SUBJECT: Finding Pursuant to Section 202 (d)(1)(B) of the
Sugar Act of 1948, as amended by the Sugar Act
Amendments of 1965

In view of the continuing world tensions resulting from the unilateral declaration of independence by Southern Rhodesia, I find that it would be contrary to the national interest of the United States to establish a sugar quota for Southern Rhodesia for 1967. You are directed to take the necessary steps to see that no sugar or liquid sugar originating in Southern Rhodesia is imported into the United States during 1967.

/s/ Lyndon B. Johnson

cc: Secretary of State
Secretary of the Treasury

Mr. Koston 107

~~to sign~~
2. Pres file

January 3, 1967

Mr. President:

Attached, for your signature, is a nice note to Queen Juliana of the Netherlands, congratulating her on the upcoming (January 10) marriage of her second daughter, Princess Margriet.

I suggest we release the text of the letter here after it has been delivered.

Francis M. Bator

Release text after delivery ✓

No _____

Speak to me _____

January 3, 1967

Your Majesty:

Mrs. Johnson joins me in sending you and Prince Bernhard our cordial regards and congratulations on the marriage of your daughter, Princess Margriet, to Pieter Van Vollenhoven. Please extend our very best wishes to the young bride and groom.

Sincerely,

/s/ LBJ

**Her Majesty
Juliana,
Queen of the Netherlands
The Hague**

LBJ:FMB:mz

9 Kostov

108

Pres file

Tuesday, January 3, 1967
10:20 a.m.

Mr. President:

Attached, for your approval,
is a short birthday message to
Konrad Adenauer, who will be
91 on January 5.

If you approve the message,
I suggest we not release it here,
but tell Adenauer we have no
objection if he wishes to do so.

Francis M. Bator

OK to send message ✓

1/3/67

No _____

Speak to me _____

FMB:mst

108a

DRAFT MESSAGE

My good friend:

Mrs. Johnson and I join your many friends throughout the world in sending warmest congratulations on your ninety-first birthday. You have our very best wishes, and the best wishes of the American people, for continued health and happiness, and for many more years of public service in the cause of peace and freedom.

~~Very~~ Sincerely, ~~yours,~~

Lyndon B. Johnson

Dr. Konrad Adenauer
Bundeshaus
Bonn, Germany

Profile

~~CONFIDENTIAL~~

Tuesday, January 3, 1966
7:20 p.m.

Mr. President:

Some pragmatic, young, lively
politicians have been emerging in the
Constituent Assembly.

They have a lot to learn about
government, but they are commonsensical.

Here's an interview with one of them
to give you the feel.

W. W. Rostow

Saigon 14701, Dec. 31, 1966

~~CONFIDENTIAL~~

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

WWRostow:rlh

Copy of SAIGON 14701 Dec. 31, 1966

Subject: Constituent Assembly: Conversation with Deputy Ly Quy Chung

1. Deputy Ly Quy, enthusiastic young (26 years old) floor leader of the southern renaissance bloc in the Constituent Assembly, predicted to Embassy officials the evening of Dec. 30 that the CA would complete draft constitution the end of February 1967. He believes Presidential elections could take place as early as May or June, and thinks former Prime Minister Tran Van Huong and CA Chairman Phan Khac Suu are the only serious contenders. Chung favors Huong, and says the latter has been playing his cards close to his chest, preferring to wait until the last minute to make his presidential ambitions publicly known. Fellow/southern renaissance bloc deputy Ly Thanh Le backed up Chung on this point with vigorous endorsement of Tran Van Huong as the "only real possibility."

2. Chung, although obviously disappointed by the GVN's position on decree 21/66, is enthusiastic about CA's work in general, and believes CA elections brought to the fore new generation of young politicians more courageous, outspoken, and energetic than their predecessors. The emergence of the 13-man southern renaissance bloc is part of this trend, and Chung hopes to increase its strength in the future legislature by running young, dynamic candidates in central Vietnam as well as the delta. Chung in effect confirmed Vo Long Trieu's earlier remarks to Embassy officials that the southern renaissance bloc intended to back Tran Van Huong's bid for the presidency, and said he and other members have begun to establish close ties with young ARVN officers.

3. Chung says he and other southern renaissance bloc deputies recently met with Prime Minister Ky and Bui Diem. He believes the only constitutional issue on which the GVN and CA seriously disagree thus far is the question of elected province chiefs, a principle which Chung strongly favors. He believes a compromise is possible on the time and manner of implementation, but not on the principle itself. Moreover, he and other southern renaissance bloc deputies interpret the CA pledge to "defend the constitution" to mean that the CA will consider directorate amendments during the drafting process, but will not submit a final draft for directorate review under decree 21/66.

4. Chung is not favorably disposed toward the present government. He believes the GVN was popular after it smashed Tri Quang's "struggle." (Chung thinks Quang is a Viet Cong) Since that time, public opinion has gradually become disenchanted with the GVN. Ky himself is a sincere, well-intentioned, but has a bad entourage, headed by police director Loan.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-176

By ref, NARA, Date 9-11-91

Underlying Chung's discontent with the present government is, of course, the regional issue. According to Chung, the GVN is insensitive to the regional "element" in politics, and only a government dominated by southern and central Vietnamese could rally popular support at this stage. Chung is quick to point out that he is not a separatist, and predicts that regional issues will fade in importance ten years from now when the northern refugee community has been better integrated. Interestingly enough, Chung claimed to believe that Tran Van Van was "somewhat extremist" in his regionalism.

5. Chung professes strong support for U. S. presence in Vietnam and welcomes the prospect of commitment of U. S. troops to the delta. He credits U. S. build-up for having contributed to increased political stability. Communists, says Chung, have only one hope, and that is loss of heart by U. S. public opinion, leading to withdrawal of support for anti-Communist Vietnamese. As for delta Vietnamese, contrary to certain rumors, they are firmly anti-Communist.

6. Comment: In conversation, as on the floor of the Constituent Assembly, Chung is impressive and humorous speaker. Since it was his first lengthy conversation with Embassy officers, Chung is obviously interested in conveying the impression of being reasonable and moderate, particularly in the light of renaissance bloc's reputation for extremism in some political circles. While perhaps not as reasonable as the impression they conveyed, Chung and his fellow southern renaissance bloc deputies do appear truly dedicated to the best interests of Vietnam as they see them, and are a refreshing change from the more cautious older politicians, many of whom appear primarily devoted to their own self-interest.

PORTER

110

~~SECRET~~

Foreign Policy Lunch With the President
Tuesday, January 3, 1967

AGENDA

1. Viet Nam Diplomacy: Next Steps. Sec. Rusk

Which lines for communication should we pursue, if any: Warsaw, Moscow, other? How should we encourage or guide U Thant to proceed, if at all?

2. Southeast Asia Diplomatic Institutes. Sec. Rusk

Should we try to initiate movement via a Cambodian conference? A Laos conference, now the election is over?

3. Target Questions. Sec. McNamara

What should we do about the ten-mile circle?
Other targeting problems.

4. Tet Truce Policy. Sec. Rusk and Sec. McNamara.

Four days? Longer? No truce?

5. Viet Nam Political Policy. Sec. Rusk

What guidance should we give Amb. Lodge when in town starting January 3?

6. Non-Proliferation Agreement. Sec. Rusk

Progress report.

7. McCloy and Next Stage of Tripartite Talks. Sec. Rusk and Sec. McNamara

8. Other.

W. W. Rostow

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By 128, NARA, Date 2-6-81

~~SECRET~~

111
Pres file

~~SECRET~~

Tuesday, January 3, 1967 -- 6:10 p.m.

Mr. President:

Here is a cable from Gen. Westmoreland, in response to our query, telling us of the areas of interest of Sen. Symington and Representative Grider when they were in Saigon.

Incidentally, I do not for one minute believe the infiltration rate is 8400 per month. I believe it is a MACV balancing figure to give them what I strongly suspect is an inflated order of battle. They are being excessively conservative both as an insurance policy and to protect themselves against what they regard as excessive pressure to allocate more forces to pacification.

W. W. Rostow

P.S. I attach, for your information, the latest month-by-month infiltration figures which I received today from the CIA.

~~SECRET~~

DECLASSIFIED

Authority TLC-CBS 22

By rg/les, NARA, Date 2-7-91

111a

~~SECRET~~

Tuesday, January 3, 1967

TO THE PRESIDENT

FROM GENERAL WESTMORELAND IN SAIGON

DECLASSIFIED

Authority MLG 83-218

By eg/les, NARA, Date 2-7-91

A December 10, 1966, message from Walt Rostow to Ambassador Lodge indicated that the President would be most grateful if Ambassador Lodge and I could "assign men to summarize the main points made by each visiting Congressman and Senator and his principal reactions as nearly as they can be understood, and then to let us know." Rostow further indicated it would be most helpful in their task in Washington "to have some feeling as to where they came out and what is on their minds."

In line with the foregoing, the following areas of interest evinced by Senator Symington during the military portion of his recent visit to Vietnam have been made available to the Embassy:

- a. Current drain on US gold reserves is a matter of serious concern. (A general observation not related to US effort in Vietnam).
- b. Restrictions relative to attack on targets in North Vietnam impact unfavorably on US pilot morale.
- c. Importance of knocking out MIG bases in North Vietnam deserves major emphasis. Senator states, in this regard, that US Thai-based pilots have disclosed anxiety concerning MIG attacks.
- d. Movement of US troops into Delta is important from viewpoint of creating conditions that exert favorable influence on South Vietnam economy. Senator expressed general interest in deployment of US forces into Delta but indicated he is not familiar with various problems involved.
- e. In response to my explanation of and emphasis on current one year tour policy, Senator expressed concern with regard to repetitive pilot tours.
- f. Infiltration of North Vietnamese personnel and supplies must, in his view, be subject of continuing study.
- g. Senator expressed considerable interest in current North Vietnam infiltration rate of 8400 per month. He stated it was considerably higher than rate as of December 28, 1965, provided him last year. He wanted to know why the great difference. A fact sheet covering subject was provided.

~~SECRET~~

~~SECRET~~

h. With regard to Cambodian sanctuary and infiltration situation, Senator contends there are those who do not believe it to be a fact and would like to have positive proof in form of pictures. Discussed at length and concluded with restatement of his request. No such pictures are available.

i. Interest manifested in reorganization of civil side of revolutionary development. Senator was curious as to civil/military relationship down through chain of command and who is subordinate to whom at each level.

j. Request made for logistics briefing based primarily on "cost accounting," particularly with respect to construction costs, what was spent and where last year, programmed major projects and cost of latter. Briefing prepared but later cancelled by Senator due to other commitments.

Representative Grider evinced interest in the following subjects:

a. Ways and means whereby large scale military operations could be terminated in Vietnam. He did not detail his views on subject.

b. Effectiveness of following military actions in Vietnam: More intensive and extensive application of air power; mining or destruction of Haiphong port; use of sunken ships as entry barriers to Haiphong.

c. Impact of substantial increase in US ground strength in South Vietnam as means of hastening end of large scale military operations.

~~SECRET~~

~~SECRET~~

111b

INFILTRATION BY MONTH (1966)

(MACV MSG DTG 300148Z Dec. 66)

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.*</u>	<u>Nov.*</u>	<u>Dec.*</u>
Confirmed	3,032	6,600	9,537	90	2,800	10,460	2,600	1,550	1,400	115		
Probable	1,785	1,768	1,324	791	2,890	600	120	400		500		
Possible	2,070	2,410	3,550	20	3,465	1,315	4,806	3,180	300	4,200	280	
Total	6,887	10,778	14,411	901	9,155	12,375	7,526	5,130	1,700	4,815	280	

*Figures for October, November, December subject to revision as additional information establishes infiltration activity during this time period.

GROUP 1
Excluded from automatic
downgrading and
declassification

~~SECRET~~

Attachment II

THE WHITE HOUSE
WASHINGTON

Tuesday, January 3, 1967
5:25 p.m.

Mr. President:

In the attached, Secretary Rusk -- with John Schnittker's concurrence -- recommends that you withhold Southern Rhodesia's 1967 sugar quota. This action would prohibit importation this year of the 6,450 tons (\$900,000 worth) of sugar which would normally be allocated to Southern Rhodesia under the Sugar Act.

This would be the third consecutive year we have prohibited imports of sugar from Southern Rhodesia. This prohibition is one of the few small measures we can take to show our good faith to the Black Africans on the Rhodesian question. It has no harmful economic effects upon us.

I recommend that you approve withholding the quota. If you agree, we need your signature at Tab A.


Walt Rostow

THE SECRETARY OF STATE
WASHINGTON

December 27, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Withholding the 1967 Sugar Quota for Southern Rhodesia

Recommendation

That you sign the enclosed finding which would withhold the United States sugar quota for Southern Rhodesia in 1967.

Background

Under the 1965 Sugar Act Amendments, any foreign sugar quota may be withheld upon a Presidential finding that importation of sugar from the country in question would be contrary to the national interest. The United States withheld the 1965 and 1966 sugar quotas for Southern Rhodesia. This action was announced by Ambassador Goldberg during the debates on Southern Rhodesia in 1965. Because of the special requirements of the Sugar Act, the sugar quota for 1967 should be withheld separately from the prohibitions on other imports from Southern Rhodesia.

Reasons for Withholding Quota

Withholding the Southern Rhodesia quota would be in accord with the efforts of the Security Council and the United Kingdom to arrive at a solution of the Southern Rhodesian problem. The UN Security Council resolution imposing mandatory sanctions on selected Rhodesian exports includes sugar among the prohibited items. The Southern Rhodesia sugar quota in the U.S. market for 1967 is 6,450 tons, which has a value at today's prices of approximately \$900,000.

Under Secretary of Agriculture Schnittker concurs in this recommendation.

Dean Rusk

Dean Rusk

Enclosure:

Memorandum to the
Secretary of Agriculture

TO THE SECRETARY OF AGRICULTURE

SUBJECT: Finding Pursuant to Section 202 (d)(1)(B) of the
Sugar Act of 1948, as amended by the Sugar Act
Amendments of 1965

In view of the continuing world tensions resulting from
the unilateral declaration of independence by Southern Rhodesia,
I find that it would be contrary to the national interest of the
United States to establish a sugar quota for Southern Rhodesia
for 1967. You are directed to take the necessary steps to see
that no sugar or liquid sugar originating in Southern Rhodesia
is imported into the United States during 1967.

cc: Secretary of State
Secretary of the Treasury

~~SECRET~~

Tuesday, January 3, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Affairs Summary

1. Vietnam Election Not Expected Until September

Embassy Saigon does not believe that South Vietnamese elections will be held before late September. It is also probable that the presidential election will be held in advance of the legislative assembly elections.

2. South Vietnamese Block Red Cross Visits

The South Vietnamese Defense Ministry has informed the International Committee of the Red Cross (ICRC) that visits to prisoner camps by the Committee would be permitted on the "basis of reciprocity"; only after the Committee had visited prison camps in North Vietnam, would it be permitted to make similar visits in South Vietnam. The Committee views this development most seriously and believes it will impair the Committee's ability to proceed with the repatriation of sick and wounded prisoners.

Embassy Saigon believes the ICRC antagonized the Vietnamese with its sudden request for access to all places of detention and its extensive visits to such places before receiving government approval. The Embassy is continuing its efforts to have the decision set aside.

3. De Gaulle's Remarks on Vietnam

Ambassador Bohlen believes that the General's exceptionally severe remarks about the US and the war in Vietnam were designed for French domestic political consumption. He believes de Gaulle's pro-communist stance in foreign affairs may be an attempt to gain communist support for the Gaullists in the March legislative elections.

4. Venezuela Renews Diplomatic Relations with Brazil

The election of Costa e Silva in October and a new Brazilian Congress in November paved the way for Venezuela's President Leoni to resume diplomatic relations with Brazil on the weekend.

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By CB, NARA, Date 10-21-98

~~SECRET~~

Venezuela suspended relations under the "Betancourt Doctrine" (i. e., no relations with unconstitutional governments) following the March 1964 coup.

5. Argentine Cabinet Reconstituted

President Ongania has named new Ministers for Economy and Interior and retained those for Foreign Affairs and Social Welfare. The new Ministers are decided improvements over their predecessors. Hopefully, the Ongania government will now move faster in defining its economic programs and with greater finesse in dealing with internal political problems.

6. Arrest of Haitian and Cuban Exiles in Florida

US Customs and Florida officials last night arrested some 80 Haitian, Cuban and US adventurers as they were getting ready to embark on an expedition against Haiti. The group was led by Father Georges--a Haitian Catholic priest--and Rolando Masferrer--a Cuban with an unsavory background, who operated as a warlord during the Batista regime. Our enforcement agencies have been fully aware of what this group was up to, but waited to move against them until they were in the act of moving out of US territory with their arms.

7. Sale of British Fertilizer Plant to Cuba

For weeks we have been quietly working on the British not to give a government guarantee for the \$30 million fertilizer plant that Castro wants to buy on credit. Secretaries Rusk and Fowler, Governor Harriman and Linc Gordon have engaged in the exercise and it looked as if we were making some headway.

Over the weekend someone--probably in State--leaked the details to AP. Castro picked up the AP story in his anniversary day speech yesterday, blasting us and putting the British Government on the spot. Given this publicity, Prime Minister Wilson will find it extremely difficult not to go ahead with the credit guarantee. The guarantee, if granted, will be a body blow to our Cuban economic denial efforts.

8. Castro's Anniversary Speech

Castro's eighth anniversary speech yesterday was routine and comparatively low-key. The main points were: denunciation of our "economic blockade;" his intention to share party leadership; reaffirmation of his contention that "Che" Guevara is still alive; and strong support for North Vietnam. It is doubtful that he will reduce his own role in running Cuba, despite his remarks.

W. W. Rostow

110

Tuesday, January 3, 1967
12:30 p. m.

MR. PRESIDENT:

Jim Perkins called to report the following:

1. After talking with you, Gene Black proposed to the leaders of the Perkins Committee (Perkins, D. Rockefeller, Black, Ed Mason, etc.) that Mr. Rudolph A. Peterson, of the Bank of America in San Francisco, succeed Sol Linowitz as head of the committee to generate public support for foreign aid.

2. The committee thought well of Peterson; the best possible choice.

3. The next move is for you to call Peterson, or have me call him at your instruction, if you wish him to take over.

4. Jim Perkins will be in San Francisco next week and is prepared to try to persuade Peterson if there has been a prior White House call to him.

W. W. R.

I shall telephone Peterson _____

You telephone Peterson _____

Hold _____

Tell Perkins to go ahead in San Francisco after phone call) _____

(cc:FBator)

Tuesday
January 3, 1967 -- 10:05 a.m.

Mr. President:

Herewith a nice response from Ellsworth
and Carol.

You should know that it was probably the
first time in history that a wedding congratulatory
message was sent via CIA channels. Not having
had any confirmatory information and knowing the
State Department had not been cut in on their
plans, I was a little hesitant about passing the
message in any other way.

All appears to be well!

W. W. Rostow

WWRostow:rlh

115a

RECEIVED
WHCA

1967 JAN 3 13 33

EHB267
RR RUEHGX
DE RUEHC 502 0031325
ZNR UUUUU
O 031250Z JAN 67
FM SECSTATE WASHDC
TO THE WHITE HOUSE
R 031105Z JAN 67
FM AMEMBASSY KATHMANDU
TO SECSTATE WASHDC 1066
STATE ORNC
BT
UNCLAS KATHMANDU 2304

PLEASE PASS FOLLOWING MESSAGE TO PRESIDENT:

"THE PRESIDENT
THE WHITE HOUSE

YOUR MESSAGE OF CONGRATULATIONS AND GOOD WISHES HAS
TOUCHED US BOTH DEEPLY AND GIVEN US GREAT JOY ON THIS
HAPPY DAY. WE SEND HEARTFELT THANKS AND AFFECTIONATE
REGARDS. CAROLINE AND ELLSWORTH BUNKER."
LAISE
BT

NNNN

January 2, 1966
Mr. and Mrs. Ellsworth Bu ~~1966~~ 1156
Katmandu, Nepal

On this occasion unique in American history when two ambassadors
~~who~~ are accredited by this Government, are being married, I send you
my sincere congratulations and best wishes.

Lyndon B. Johnson

Pres file

116

January 3, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Thai Forces for Viet-Nam

The Thai Government has just announced that it is sending a reinforced Thai Battalion to fight in Viet-Nam. The force will number almost 1,000 men. It will be composed of infantry, heavy artillery, armored cars, and a quartermaster unit. The Thai expect it to be able to fight independently without need to rely on any other supporting units.

In its announcement, the Thai Government said in part:

"The time has come when we Thais must awake and take action to oppose aggression when it is still at a distance from our country, this being a practical way to reduce danger to the minimum, and to extinguish a fire that has already broken out before it reaches our home."

W. W. Rostow

WJR:ps

112

Tues. Jan. 3, 1967
10:00 a. m.

MR. PRESIDENT:

Secretary Rusk urges you to go ahead with the letter to the students; he is recommending 3 or 4 minor changes, which I have noted.

W. W. R.

118

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Monday, January 2, 1967 -- 4:45 p.m.

MEMORANDUM FOR THE PRESIDENT:

SUBJECT: Progress Report on Message to Congress on Food for India.

1. We have made progress in giving shape to your idea of (a) internationalizing food aid to India and (b) other countries matching in food and additional agricultural inputs what we provide in food. ~~A consensus has been developed with Agriculture, AID, and State that the World Bank India consortium is the best place to do the job.~~

2. I have explored the idea at length with George Woods. ~~He is now strongly for it;~~ and his senior staff has been exploring the implications with our people.

3. ~~Amb. Nehru is for it~~ as the most efficient multilateral forum. He also thinks it will be a more dignified way to deal with food aid than rushing about the world with a "begging bowl." We don't yet know how the Indian government will react. They would probably like to keep things as separate as possible; but ~~I'm confident they'll go along~~ once they know that you have decided food and agricultural aid should be treated as hard and multilateral.

4. ~~The next consortium meeting is scheduled for about mid-March.~~ This is a good time to come to grips with the new policy:

-- it is this session which, in any case, must make a fresh start on India's next five-year plan, with its new high priority for agriculture;

-- we will have by that time a clearer fix on India's 1967 food requirements;

-- the Indian elections will be over and blunt talk by donors will be less politically explosive.

cc: H. Wriggles

5. The critical problem we face is to reconcile ~~two policy~~ requirements:

-- the need to make by about January 15 at the latest a decision on a further Indian grain allotment, in order to keep the pipeline full in March and April; and

-- the need to bring Japan, Germany, Italy, Britain, etc. along on the new method for handling Indian agricultural aid. (Canada wants to move this way; and we shall also wish to bring Australia formally into the India consortium.)

6. Ideally we would wish to announce the new policy at the time of the next Indian grain allotment. And this remains one option. But those dealing with the India consortium feel that we have a better chance to bring the industrial countries along if, before we firmly announce our position, we send abroad a first-class team to explain:

-- food aid is now hard and we are going to treat it that way from now forward;

-- the U.S. and Canada, in the consortium, Australia and the USSR, outside the consortium, have, in effect, been giving extra hard aid to India to meet the emergency;

-- since the common goal is Indian food self-sufficiency at the earliest possible time, it is possible and right for the other industrialized countries of the world to contribute more in chemical fertilizers, pesticides, etc.;

-- we are prepared to work on a 50-50 matching basis to keep Indians from starving and to hasten Indian self-sufficiency in food if Indian self-help efforts are adequate;

-- we believe the World Bank consortium is the proper place to negotiate out such a policy -- along with other aspects of India aid -- and propose that it be taken up at the mid-March consortium meeting.

7. The background for this feeling that prior consultation is wise is that some of the other donors feel we have acted somewhat unilaterally in the past with respect to the Indian and Pak consortium arrangements; and they are inclined to use that as an excuse for contributing less, rather than more, to the development of the subcontinent. ~~A further step which they regard as unilateral might make a hard job harder.~~

8. On this view, the idea would be to send abroad, say, E. V. Rostow (or Ellsworth Bunker) and Bill Macomber to prepare the ground for the new approach in mid-March.

9. This would mean, however, that we would have to make another Indian grain decision under the new legislation before the new policy was fully and publicly announced, debated and supported by Congress.

10. There are, therefore, three options as follows:

Option one. You could let go with both barrels in an early detailed message at the time the next India food allotment was made. It would describe the need to share the burden; to increase aid in fertilizers, etc.; and set forth in some detail how you think this could be done. It would contain specific figures of what we would offer; define targets for what other countries must do to match us; and authorize 1.5 million tons interim to carry through far enough to permit serious and tough negotiations with the new government to be formed in April. This message would be issued after prompt consultations with the returned Congressional mission and Congressional leaders. If we are to expect some cooperation from other members of the consortium, at a minimum we must give them the gist of your general approach before your message and commit ourselves to send a negotiator to discuss these matters in detail with them after your message, but before the consortium meets in March.

Such a message is being drafted.

Its advantages:

-- before you make another interim allocation for India, this approach formally defines for Congress and our people how you would like to proceed, including international matching, the Bank's role and what you expect others to do;

-- it dramatizes your concern for Indian agriculture, and your determination to have the burden shared more equitably.

Disadvantages:

--- our agriculture specialists and those knowledgeable on the consortium are doubtful others will match us unless we make a substantial advance diplomatic effort (or are prepared to fudge the figures). This approach does not leave time enough ahead of your

message to make a maximum advance effort. If there are not full discussions in advance, the Europeans and Japan are likely to resent our effort and be even less helpful.

Option two. You could make a low-key interim allocation now and present a major message to Congress only in February, after careful advance consultations with consortium members. (Joe Califano prefers this date for other reasons.)

After consultation with the returned Congressional mission and with Congressional leaders, you could authorize a second interim allocation of, say, 1.5 million tons, under the new Food for Freedom legislation, by January 15. This would carry the pipeline far enough so that the real negotiations could be with the new government which takes office in April. It could count as part of your proposed bargain for the balance of 1967. You could indicate to Congressional leaders in low-key private talk how you were proceeding; and that you were determined to have our food aid treated as "hard" and matched in the consortium. Secretary Rusk could then push urgent high-level exploratory talks with prospective European and Japanese donors. After these conversations, we could sense more accurately what we might expect of the others, before you deliver a detailed message to the Congress.

Advantages:

- it would protect you in Congress from getting too far committed to specific matching formulae which may be unrealistic;
- it would give our consortium specialists and George Woods time to soften up other members.

Disadvantages:

- you would be making a new allocation for India without formally consulting Congress and getting a resolution;
- you would be some way down the road before officially notifying Congress of your intentions;
- most aspects of the deal would become publicly known before your detailed message went to the Congress.

Option three. After consultations with the returned Congressional delegation and Congressional leaders, you could perhaps combine the advantages of both options by sending a short message to Congress on January 15, sketching in general terms your intent about internationalizing and finding ways to augment agricultural assistance while sharing the burden more equitably. You could then indicate you were authorizing negotiations under the new legislation for a 1.5 million ton interim shipment. You could promise a more detailed message later in the session. After careful negotiations with prospective donors, a more accurate detailed message could be submitted.

Advantages:

-- such a two-stage approach would permit you to lay out your general strategy without having to specify so early in the calendar year figures or matching formulae;

-- it would put the world on notice of your general approach without publicly putting the finger on any specific countries before your staffs had had a shot at winning them over privately.

Disadvantages:

-- if Congress insists on extensive discussion before it gives you a resolution, Bill Gaud, Gene Rostow and Orville Freeman will have to tip most of your hand before the consortium meeting in any event.

11. I myself feel Option two is best at the present time, if you feel informal Congressional consultations would meet your criteria of what is right and necessary before making an additional interim allocation. Option three sounds good and statesmanlike; but we're liable to fall between two stools: the message would be too thin to be impressive; too substantive to avoid appearing to force the Japanese and European hands unilaterally and without consultations.

My impression is that the way you have handled the Indian food situation in the past several months -- and especially your success in smoking out Canada, Australia, and the USSR -- have proved popular at home as well as educational abroad. I suspect quiet Congressional consultations could cover you on the next interim India allocation, if you were to indicate the direction of your policy; but ~~only you can assess the matter properly.~~

12. I recommend, therefore, that you have an early session with Orville Freeman; Sec. Rusk and Gene Rostow; Bill Caud and Bill Macomber to go over the track; directly hear the argument; and choose your option.

13. A final issue arises out of the work we have done, which you will also wish to consider; namely, the likely size of the Indian food deficit and our proper share in meeting it.

There are various estimates about as to what India will require by way of food imports for calendar 1967. They run from a high of 11 million tons to a low (Indian Embassy, Washington) of 8 million tons.

About 2.3 million tons have already been granted, loaned, or bought for 1967. That leaves somewhere between 5.7 and 8.7 million tons to be covered.

Subtract from that the 3 million tons you are willing to put up and have matched by others. That leaves between 2.7 and 5.7 million tons to be found elsewhere.

Here are the best figures we can now estimate -- or guess -- for what others might contribute on a concessional basis, over and above grants already made for 1967:

Canada	900,000 tons
Australia	100,000 tons
USSR	500,000 tons
Others	100,000 tons
	<hr/>
	1,600,000 tons

This will be a million tons short of the minimum deficit and might be 4 million tons short of the maximum which your experts are now inclined to think is the more realistic figure.

More chemical fertilizers will not cover it; although they would help in 1968.

The books then could be balanced by:

- properly prorated commercial purchases of grain;
- an additional U.S. PL 480 contribution, above 3 million tons;
- further Indian belt-tightening;
- or some combination of these elements.

The trouble with commercial food purchases is that they run down Indian foreign exchange and endanger the whole program of liberalizing their domestic economy and getting the bureaucrats off the neck of the private sector, slowing up their domestic development. The World Bank, the IMF, and the whole consortium pushed India hard in this direction last year.

Also, I am told, Agriculture is worried again about piling up surpluses and lowering domestic prices -- with the new wheat acreage -- if we only move an additional 3 million tons to India this year.

14. The best way to balance the books, of course, would be for the other industrialized countries to put up extra money for India and have India use some of it to purchase U. S. and other grain, without cutting foreign exchange available for other aspects of development. In effect, our negotiators and George Woods will, in one way or another, be pushing for some such over-all increase in non-food-producers aid to India.

15. I have the strong feeling that I am telling you nothing you don't already know; and that you discounted all this when you laid down the 3 million tons as a guideline. I have no recommendation to make; but I did wish you to know the bureaucracy will probably be pressing you for a figure higher than 3 million tons when the time comes to negotiate for matching in the consortium.

W. A. Rostow

to P via Arthur -
for his return

Monday, January 2, 1967 -- 2:20 p.m.

Mr. President:

Herewith two exercises in "peaceful engagement" with our Viet Nam critics at home.

- not sent
Sec Rusk
sent letter to
Student body
attached draft
on basis for
reply
1. A draft letter in reply to the student leaders.
 2. A draft letter to the New York Times which would respond amicably to Sunday's piece by Scotty Reston. I might sign such a letter.

Bill Moyers and I agree that the student letter should be sent and think the draft is pretty good.

We are less certain of the response to Reston; although we think the notion that Viet Nam interferes with progress should be examined and responded to.

I am sending copies to Sec. Rusk, for I'm sure you will wish to know his views, if you consider proceeding.

W. W. Rostow

WWRostow:rlh

Dear Student Leaders:

I have received your thoughtful letter concerning our policy in Viet Nam. I have read it carefully.

Your interest and your concern are shared by most thinking Americans. No one desires more strongly to bring an early and honorable end to the conflict in Viet Nam than those who are working day and night, both here and in Viet Nam, to achieve that end.

The questions you have raised are among those that have been asked and discussed repeatedly in the councils of your Government. If some of these matters continue, as you say, to agitate the academic community, it is certainly not because answers have not been provided. It is more, I think, because the answers to great and complex questions can never fully satisfy all the people in a free and questioning society.

Nevertheless, I am glad to have the chance to address myself to the four specific questions about which you stated you and others felt doubt or concern.

First, you asked if America's vital interests are sufficiently threatened in Viet Nam to necessitate the growing commitment there.

There is no shadow of doubt in my mind that our vital interests are deeply involved in Viet Nam and in Southeast Asia.

We are involved because the nation's word has been given that we would be involved. On February 1, 1955, by a vote of 82 to 1 the United States Senate passed the Southeast Asia Collective Defense Treaty. That Treaty stated that aggression by means of armed attack in the treaty area would endanger our own peace and safety and, in that even, "we would act to meet the common danger." There is no question that an expanding armed attack by North Viet Nam on South Viet Nam

has been under way in recent years; and six nations, with vital interests in the peace and security of the region, have joined South Viet Nam in defense against that armed attack.

Behind the words and the commitment of the Treaty lies the lesson learned in the tragic half century since the First World War. After that war our country withdrew from effective world responsibility. When aggressors challenged the peace in Manchuria, Ethiopia, and then Central Europe during the 1930's, the world community -- without us -- could not act to prevent their success. The result was a Second World War -- which could have been prevented.

That is why the Charter of the United Nations begins with these words: "We the peoples of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind...." And the Charter goes on to state these objectives: "to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained... and to unite our strength to maintain international peace and security...."

This was also the experience President Truman had in mind when -- at a period when the United Nations was incapable of protecting Greece and Turkey from aggression -- he said: "We shall not realize our objectives unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes."

These are the memories which have inspired the four post-war American Presidents as they dealt with aggressive pressures and thrusts from Berlin to Korea, from the Caribbean to Viet Nam.

In short, we are involved in Viet Nam because all humanity has learned from painful experience that the minimum condition for order on our planet is that aggression must not be permitted to succeed. For when it does succeed, the consequence is not peace, it is the further expansion of aggression.

And those who have borne responsibility in our country since 1945 have not for one moment forgotten that a third world war would be a nuclear war.

The result of this conviction and this policy has been a generation's effort which has not been easy for the United States. We have borne heavy burdens. We have had to face some conflict and a series of dangerous confrontations.

But the hard and important fact is that in the postwar world external aggression has not been permitted to succeed anywhere.

Look back and imagine the kind of world we now would have if we had adopted a different course. What kind of Europe would now exist if there had been no commitment to Greece and Turkey? No Marshall Plan? No NATO? No defense of Berlin? Would Europe and the world be better off or worse? Would there be tension in Europe or the easing of tension?

Then turn the globe and look at Asia. If we had made no commitments and offered no assistance, what kind of Asia would there be? Would there be a confident and vital South Korea? A prosperous and peaceful Japan? Would there be the new spirit of regional cooperation now developing throughout Asia?

If you were to talk to the leaders of Asia as I have, you would know what Asians really think of our commitment in Viet Nam. You would know that the new vigor in Asia, the new hope and determination, are based on the conviction that the United States will continue to support the South Vietnamese in their struggle to build a life of their own within the framework of the Geneva Accords of 1954 and 1962 -- that we shall see it through to an honorable peace.

Second, you wonder whether our vital interests are best protected by our growing commitment.

We must always weigh what we are doing against the requirements of the situation and what the other side is doing. You are aware, I am sure, that the flow of men and material from North Viet Nam into the South radically increased towards the end of 1964 and continued at a high level in the next two years. It was to meet that escalation, designed to achieve military victory by the North against the South, that we sent our men in large numbers and began an air campaign against military targets in North Viet Nam.

At the other end of the scale, one must contrast what we are doing with what we could be doing. You know the power that is available to us -- in men, resources and weaponry.

We have done both more than some people would wish, and less than others advocate. We have been guided both by the demands imposed upon us by increased aggression and by the need for restraint in the application of force. We have been doing what your President judges to be necessary to protect the nation's vital interests, after hearing the views of the government's military and civilian experts. We shall continue to do what is necessary to meet the threat the Vietnamese and their allies face.

Third, you raise the question whether a war that may devastate much of the countryside can lead to the stable and prosperous Viet Nam we hope for.

First, it is an error to suggest that the fighting in Viet Nam has devastated "much of the countryside." There has been far too much destruction and disruption -- as there is in any war. And we deeply regret the loss of life that is involved -- in the South and in the North, among both soldiers and civilians.

But devastation has been far less than in Europe and Japan during World War II or in Korea in 1950-51. If peace could come to South Viet Nam today, I think most people would be amazed at its rapid recovery. For the Vietnamese are intelligent, energetic and ambitious people. And they are determined to see their country prosper. I am confident they can achieve that end -- if they but have the chance to do so, in peace and in their own way.

That day cannot come too soon.

You also suggest that there are "apparent contradictions" in the American position on efforts to achieve a negotiated settlement.

We have said that there will be no difficulty in having the views of the Viet Cong presented at any serious negotiation. We have

assumed all along that Hanoi would either present those views itself or that it would include representatives of the so-called Liberation Front in its delegation.

But we have made it perfectly clear that we are not ready to accept the Liberation Front as the "sole" or "only legitimate voice" of the Vietnamese people. Yet that is what the Front has said it is. The people of Viet Nam know better. The capacity of the Government and people of South Viet Nam to conduct the election of the Constitutional Assembly in September 1966, despite the opposition of the Viet Cong, made clear that the VC are a small minority in the country, determined to convert their ability to organize for terror into domination over the majority. Those now fighting with the Viet Cong should be turning their minds in a different direction. They should be asking: "How can we end this war and join as free citizens in the making of a modern nation in South Viet Nam?"

We know that, in the last analysis, the effort at armed conquest which we oppose in Viet Nam is organized, led, and supplied by the leaders in Hanoi. We know that the struggle will not end until those leaders decide that they want it to end.

So we stand ready -- now and at any time in the future -- to sit down with representatives of Hanoi, either in public or in secret, to work out arrangements for a just solution.

You state correctly that we have a commitment to the right of self-determination of the people of South Viet Nam. There is no ambiguity whatsoever. We shall abide by the decision of the Vietnamese people as they make their wishes known in free and democratic elections.

You also suggest that there is disparity between our statements and our actions in Viet Nam, and you refer to recent reports of the results of our bombing in North Viet Nam.

It is our policy to strike targets of a military nature and those closely related to North Viet Nam's efforts to conquer the South. We have never deliberately attacked any target that could legitimately be called civilian. We have not bombed cities or directed our efforts against people as such.

We recognize that there has been loss of life. We recognize that people living or working in close proximity to military targets may have suffered. We recognize, too, that men and machines are not infallible and that mistakes have occurred.

But there is a vast difference between such unintentional events and a deliberate policy of attacking civilian centers. I would remind you that thousands of civilians have been killed and wounded in South Viet Nam, not by accident but as the result of a deliberate policy of terrorism and intimidation conducted by the Viet Cong.

We regret all the loss of life and property that this conflict entails. We regret that a single person, North or South, civilian or soldier, American or Vietnamese, must die.

And the sooner this conflict can be settled, the happier we and the Vietnamese people will be.

Meantime, we shall continue to do what we consider to be necessary -- to protect the vital interests of the United States, to stand by our friends in Asia, and to work with all our energy for a peaceful, secure and prosperous Viet Nam. Only by meeting these commitments can we keep on this small and vulnerable planet the minimum conditions for peace and order.

Only history will be able to judge the wisdom and the full meaning of our present course -- in all its dimensions.

But I would close by sharing with you a hope and a belief. I believe that we are coming towards the end of an era when men will believe it is profitable and, even, possible to change the status quo by applying external force. I believe those in Hanoi who persist in their aggressive adventure -- and those who support them -- represent ideas and methods from the past, not the future. Elsewhere in the world those committed to such concepts have faded or are fading from the scene.

I believe, therefore, that if we and our allies have the courage, will, and durability to see this struggle through to an honorable peace, based on the reinstallation of the Geneva Accords of 1954 and 1962, we have a fair chance of entering quieter times

in which all of us will be able to turn more of our energies to the great unfinished tasks of human welfare and to developing the arts of conciliation and peaceful change.

With best wishes and thanks for your serious concern,

Sincerely,

LBJ:WWR;mz

1196
not sent
January 2, 1967

Dear Sir:

In his column of January 1, 1967, Mr. James Reston observed that we are in a transition from the problems of international violence arising from an age of ideology -- which marked the second third of the twentieth century -- to a different set of challenges which should engage us in the century's final third -- problems of human welfare and peaceful organization of the world community. Mr. Reston asserted that the unresolved problem of Viet Nam limits our ability to come to grips with the latter range of problems.

I should like to make two comments on Mr. Reston's interesting theme.

1. The aggressive ideologists of the second third of the century were not frustrated by abstract historical trends. They were defeated in bloody wars or denied their objectives by the forehanded efforts of the United States and others who had learned the painful lesson that the world's peace is endangered if aggression is permitted to succeed. It is the whole sequence of difficult steps, from the Truman Doctrine to the successful outcome of the Berlin and Cuba missile crises in 1962, that laid the basis for the hopeful spirit of detente in contemporary Europe.

If there is hope for a similar evolution in Asia -- and I believe there is the basis for such hope -- it lies in seeing the Viet Nam struggle through to an honorable peace. Success for aggression in Southeast Asia could postpone the more pacific and constructive era which Mr. Reston -- in my view correctly -- senses may be within our grasp.

2. Although Viet Nam may divert reporting and public attention from these matters, the agenda for the last third of the century is, in fact, already moving forward. Under the leadership of President Johnson the world community is beginning to come to grips with the realities of the food-population problem; in Latin America and Asia vigorous regional efforts in economic and social development go forward with active American support; the West is united in its

determination to see how far the spirit of detente in East-West affairs can be translated into policy and action; the question of a non-proliferation treaty is being gripped with a new seriousness and some hope; etc.

The achievement of peace in Viet Nam might permit us to move faster in some of these directions; but the block to progress is not Viet Nam. It is those in Hanoi and elsewhere who -- in the spirit of a passing generation -- still believe their objectives can be advanced by the methods of international violence.

In the meanwhile, the thoughts and actions of this government are, in fact, gripped with the challenges of the more pragmatic and constructive phase of history which lies before us.

Sincerely yours,

W. W. Rostow

The Editor
The New York Times
Times Square
New York, New York 10036