

62c

~~TOP SECRET~~

I. Military actions against North Vietnam and in Laos

A. Present program

About 1000 sorties per day are now flown against targets in Southeast Asia, of which about 560 are in South Vietnam, 230 in Laos and 210 in North Vietnam.

Bombing in the North is restricted to military related targets and lines of communications; and, within a 30-mile circle around Hanoi and a 10-mile circle around Haiphong, it is restricted to a few approved targets. Bombing is prohibited within 10 miles of Hanoi and 25 miles of the Chinese border. In 1966 less than 3% of all sorties against North Vietnam were flown against JCS fixed targets.

Naval gunfire is restricted to waterborne traffic and return-fire against shore batteries south of 19°.

In 1966 there were an estimated 17,000-20,000 civilian casualties in North Vietnam.

The present bombing program has increased the cost of the war to Hanoi and has perhaps put a ceiling on the level of infiltration. It has not, however, succeeded in denying the VC/NVN the less than 120 tons per day of logistic support necessary to continue operation at present levels. Nor has it eliminated any important sector of the economy or of the military establishment.

It is our best estimate that, to date, the bombing of the North has hurt North Vietnam but has not resulted in a material weakening of the will of the Hanoi regime. Hanoi is expected to be able and willing to persevere indefinitely in the face of the present bombing program.

~~TOP SECRET~~

DECLASSIFIED

Authority 719 88-194  
By g/wp, NARA, Date 3-26-91

~~TOP SECRET~~

2

B. Options for increased military programs.

The United States has the following illustrative choices of additional actions against North Vietnam (all assuming that population centers are not to be eligible targets per se):

1. Destroy modern industry.
2. Destroy dikes and levees.
3. Mine ports and water entrances.
4. Unrestricted attack on roads, railroads and waterways.
5. Expand naval surface operations.
6. Destroy MIG airfields.

And the United States could take action in Laos to increase the difficulty of the enemy's using the Trail:

7. Enlarge SHINING BRASS operations in Laos.
8. Cause interdicting rains in Laos and North Vietnam.

Each major military option is analyzed below in terms of the (a) nature of the target, (b) sorties required, (c) civilian-casualty estimates, (d) impact on North Vietnam's capacity to infiltrate materiel into the South, (e) impact on North Vietnam's will to continue the war, (f) likely Soviet and Chinese reactions, (g) likely international reaction, and (h) effect on US public opinion.

~~TOP SECRET~~

~~TOP SECRET~~

3

Option 1. Destroy modern industry. There are 20 major modern industrial targets in North Vietnam (the strike sorties required in each case are indicated) --

- 7 thermal power plants (48),
- 1 cement plant (18),
- 1 explosives plant ( ),
- 1 potential explosives material supplier ( ),
- 1 rubber plant facility ( ),
- 1 chemical plant (24),
- 4 engineering plants ( ),
- 1 steel-producing complex (44), and
- 3 coal-processing plants ( ).

a. Thermal power. The 7 thermal power plants might be treated as a separate target. They generate 90% of the remaining power capacity in North Vietnam; the plants comprise North Vietnam's integrated power grid and supply essential power to almost all of its major industrial plants. We believe that the grid can be kept inoperative by restrikes and that only a small per cent of the needed power could be replaced by diesel generators.

Destruction can be delivered by an estimated 48 strike sorties. Primarily because the two largest plants are located in Hanoi and Haiphong, destruction of the grid the first time would mean an estimated 300-500 civilian casualties in the initial assaults.

The impact of this action on Hanoi's capacity to infiltrate materiel into the South would be entirely through the load placed on the import transportation system by the need for goods no longer produced by North

~~TOP SECRET~~

~~TOP SECRET~~

4

Vietnam's idled industry. Depending mainly on whether the cement plant's auxiliary generators could continue to supply the power needed there, the increased load attributable to destruction of the power plants could vary from 350 to 1400 tons of imports a day. Since North Vietnam now uses only approximately 4200 of its 13,700 tons of daily capacity, however, this increased load by itself would not have any effect on Hanoi's ability to continue infiltration.

The North Vietnamese economy is essentially agrarian; and the people have been prepared for such bombing. The additional burden would almost certainly not affect Hanoi's will to continue the war.

The USSR and China would provide increased imports as needed; they probably would not as a consequence of our action change their policies; they would, however, denounce the US move by stressing the "civilian" nature of the targets and the civilian casualties -- appeals which would find sympathetic audiences in the international community and even in certain circles in the United States. There is a serious risk that this action would lose us British support for the war and push certain marginal Senators and Congressmen into opposition.

b. Other industrial targets. If these facilities were not effectively shut down by destruction of the power grid (paragraph a. above), their destruction would do so. Civilian casualties from these actions would be an estimated 900-1300. Destruction of modern industry would ensure the 1400 increase in tons required to be imported each day, but only, by itself, with the same insignificant impact on infiltration as would be the case if power plants alone were destroyed.

~~TOP SECRET~~



~~TOP SECRET~~

5

Neutralization of all these industrial facilities would eliminate the fruit of a decade of intense effort and of several hundred million dollars in capital investment, cut off the source of perhaps one-quarter or more of the gross national product and most foreign-exchange earnings, and halt the construction of additional modern plants by other Communist countries. It would also cause disruption and displacement of the urban labor force. The program, if escalated industry by industry, would bring the pressure on North Vietnam; but the best estimate is that Hanoi's will to continue the war would not be affected.

The USSR and China are not likely to change their policies if we pursue this option, especially if we do it industry-by-industry over a period of time. The impact on the international community and upon US public opinion is likely to be similar, as the program is carried out, to that ascribed above to the destruction of the thermal power grid -- with increasing opposition as time passed.

~~TOP SECRET~~

~~TOP SECRET~~

6

Option 2. Destroy dikes and levees. The relevant dikes and levees are in the Red River delta. Their destruction in the period mid-July to mid-August would permit natural flooding and thus destruction of up to 20% of the rice crop.

Approximately 1400 strike sorties would be required. Casualties would probably number in the hundreds, and homes in the village areas would be destroyed.

Loss of the domestic rice would force Hanoi to import between 175,000-750,000 tons (depending on the success of the flooding) of needed rice probably from China. This must be accomplished within a nine-month period, so the increased load on imports would be 640-2500 tons a day. Because, as indicated earlier, North Vietnam has perhaps 13,700 tons of capacity of which only 4200 is now used, the increased load would not by itself overload the system, nor would it do so even if coupled with the 1400-ton increase caused by destruction of industrial targets. The effect of this Option on infiltration of materiel into the South would thus be negligible.

It is estimated that the effect of this action on Hanoi's will would be marginal at best, and probably would be a stiffening of their will to resist.

The Communist nations would probably estimate that the US would be unable to inflict and maintain destruction of the levee system so extensive as to place insupportable burdens on the North Vietnamese economy. Furthermore, they would estimate -- correctly -- that world opinion would be peculiarly sensitive to US attacks on this "population" target system. We could expect them to exploit this sentiment, and we could expect massive loss of support both internationally and domestically.

~~TOP SECRET~~

~~TOP SECRET~~

7

Option 3. Mine ports and water entrances. The immediate impact of a mining program -- of Haiphong, Cam Pha and Hong Gai, and of coastal waters -- with deep- and shallow-water mines -- would be a disruption of normal transport activity ranging from a situation in which a substantial portion of imports could be maintained by sea and coastal water movement to one of almost complete denial of water access to North Vietnam. The best we could expect from mines and [ ] would be 80% success, reducing imports from 3,000 to 600 tons a day.

For such effectiveness, 64 strike sorties would be required to do the initial mining. Constant reseeding, of approximately 10-20 sorties a week, would be required. There should be no civilian casualties associated with this option.

Because the effect of the mining on total imports would be so small, as compared with North Vietnam's total import potential, the mining should be expected to have no effect on Hanoi's ability to give full support through infiltration to the South. All normal traffic could be handled by resorting to rail, road and inland water routes. As for the impact on Hanoi's will, interdiction of Haiphong would cause serious pain and concern to Hanoi, but their resolve to fight on would remain. Indeed, our action might lead North Vietnam to mine the Tonkin Gulf, and the VC would probably make a sustained effort to close the channel into Saigon.

China would probably add to its troops in North Vietnam and perhaps announce their presence. Peiping might also undertake some demonstrative military movements in South China or along the Taiwan Strait, or offer to send ground troops to North Vietnam. To the USSR, the mining

~~TOP SECRET~~

~~TOP SECRET~~

8

would be particularly challenging. Last year they moved some 530,000 tons of goods to North Vietnam by sea. If the ports remained closed, almost all of their deliveries -- military and civilian -- would be at the sufferance of Peiping, with whom they are having increasing difficulties. They would be severely embarrassed by their inability to prevent or counter the US move. It is an open question whether they would be willing to take the risks involved in committing their own ships and aircraft to an effort to reopen the ports.

In these circumstances, the Soviets would at least send a token number of "volunteers" to North Vietnam if Hanoi asked for them, and would provide Hanoi with new forms of military assistance -- e.g., floating mines and cruise missiles (land-based or on Komar boats), which could appear as a direct response to the US mining and which would endanger our ships in the area.

The Soviets would be likely to strike back at the US in their bilateral relations, severely reducing what remains of normal contacts on other issues. They would focus their propaganda and diplomatic campaign to get US allies in Europe to repudiate the US action. They would probably also make other tension-promoting gestures. The situation could of course become explosive if the mining operations resulted in serious damage to a Soviet ship.

International reaction to mining would be one of fright, because of the possibility of US-USSR confrontation, and of disapproval. The US public reaction, since civilian casualties would be low, is likely to be mild unless it appeared that the Soviets were going to force the issue.

~~TOP SECRET~~

~~TOP SECRET~~

9

(The JCS, with respect to a proposal to mine three deep water ports, say, "Extensive propaganda outcry expected; possible increase in USSR/China cooperation"; and, with respect to a proposal to mine all major port approaches, they say, "Political risk is acceptable -- no direct military confrontation likely; no realignment of power blocs. Propaganda outcry severe.")

~~TOP SECRET~~

~~SECRET~~

10

Option 4. Unrestricted attacks on roads, railroads and waterways.

We can by intensive attack on lines of inland communication from China expect to reduce the flow on the Red River by 80%, the rail traffic by one-third, and the road traffic by one-quarter. The effort would involve striking close to the Chinese border and attacks within the Hanoi-Haiphong circles. Option 4 could be carried out by less than 200 strike sorties a week. The civilian casualties would be high, perhaps as high as 1,000 a month.

Since North Vietnam's import capacity is 13,700 tons a day on these internal lines and by sea and since its need is for only 4,200 tons a day, Option 4 by itself will not reduce capacity below need and therefore by itself would have no effect on infiltration. Also by itself is unlikely to have significant effect on Hanoi's will to keep fighting. import and need figures appear

as follows:

NORTH VIETNAM'S POTENTIAL FOR OBTAINING  
IMPORTS BEFORE AND AFTER U.S. ATTACK  
(tons per day)

	<u>Potential Now</u>	<u>Potential After Attack</u>
By sea	3,000	600
By Red River from China	1,500	300
By road from China	3,200	2,400
By rail from China	<u>6,000</u>	<u>4,000</u>
TOTAL	13,700	7,300

Without major hardship, the need for imports is as follows (tons per day):

Normal imports	4,200
If imports replace destroyed industrial production	1,400
If imports replace rice destroyed by levee breaks	<u>600-2,500</u>
TOTAL	6,200-8,100

~~TOP SECRET~~

Given the estimated degree of success under each of the first four options, the net capacity of the roads and the rail lines would be insufficient to satisfy the "maximum" daily requirement and, therefore, some reduction in the enemy's desired levels of supplies would take place. If the combined program was highly successful, the regime would encounter increasing cost in maintaining the "minimum" flow of some of their most essential military and economic goods even though the North Vietnamese could draw for a while on their stockpiles. Infiltration to the South, however, could be expected to go on. With respect to the effect of the combined Options 1-4 on North Vietnam's will, how the war is progressing in the South would be very important. Unless things were going very badly for them there, it is likely that the North Vietnamese would decide to continue the war despite their concern over the increasing destruction of their country, the effect of this on their people, and their increasing apprehension that the US would invade the North. Furthermore, North Vietnam could be expected to make a maximum air defense effort. But we would not expect them to attack US carriers or to attack airfields or other targets in South Vietnam. Yet the possibility exists, and the odds would rise in the later stages of the US air campaign. At some point the North Vietnamese might feel they had little left to lose.

Only if the combined options were more successful than is likely to be the case -- and if the collapse of the North Vietnamese government seemed certain -- would China be expected to intervene, and then by occupation of North Vietnam. The USSR would probably be pressing Hanoi to seek peace, they might be putting pressures against us in Berlin, and they would be carrying on a vigorous propaganda campaign against us.

All marginal international and domestic support for US policy in Vietnam would be lost.

~~TOP SECRET~~



~~TOP SECRET~~

12

Option 5. Extend naval surface operations. A large fraction of important fixed targets are within range of naval gunfire. This method would be particularly effective against selected known SAM, AAA and other fixed targets near the coast and would permit continuous strikes against these targets. A program of 24-hour attack up to 19° could be carried out without additional ships, up to 20° by deploying 4 additional destroyers to the area, and to within 25 miles of China by adding 8 destroyers and one heavy cruiser (the added ships could be made available from current Atlantic Fleet assets, but would require subsequent replacement from the Reserve Fleet).

Civilian-casualty numbers would depend on the type of target and should be somewhat smaller than would be the case if the targets were struck by air.

Experience with saturation 24-hour bombing to interdict supplies in Korea supports a view that similar saturation by naval gunfire against lines of transport along the North Vietnam coast would not produce significant results either in reducing infiltration or in affecting Hanoi's will to continue the war -- although it probably would do the assigned tasks

less expensively than aircraft bombing.

So long as the naval bombardment did not approach Chinese territory too closely, the Chinese are not likely to react to our action by a change in policy. (The JCS say that the political risk of going clear to the Chicom buffer zone would be "less than moderate.") However, our action almost certainly would be a stimulus to the Soviets to provide North Korea cruise missiles for use from shore against our ships.

The use of naval gunfire against North Vietnam, if kept away

~~TOP SECRET~~

~~TOP SECRET~~

13

from population centers and China, would probably not draw severe adverse international or domestic criticism.

SEA DRAGON, our naval effort against enemy waterborne traffic south of 19°, could likewise be extended northward -- an action that would complement mining of the ports, to prevent barge traffic.

~~TOP SECRET~~

~~TOP SECRET~~

14

Option 6. Destroy MIG Airfields. With about 150 strike sorties, we could render inoperable the 6 jet-qualified airfields in NVN. About 20 civilian casualties would probably result from these attacks. This destruction would have little direct military effect (we have lost only 13 planes to MIGs). It could be expected to affect neither infiltration nor Hanoi's will.

Successful and sustained US attacks on the airfields would almost certainly soon force the remnants of the North Vietnamese air force to seek refuge in South China, though it is possible that they would be expended in a desperation attack against US carriers or US bases in South Vietnam. If circumstances were normal in China when the assumed situation arose, we would expect China to provide sanctuary for North Vietnamese aircraft but to refuse to allow North Vietnamese aircraft to operate from Chinese bases. China might take a middle ground: Fighter aircraft might not "operate" from China but might return to North Vietnam if and when the airfields were repaired, and then begin some limited defensive operations.

There would be little Soviet, other international, or domestic reactions to these attacks by themselves.

~~TOP SECRET~~

~~TOP SECRET~~

15

Option 7. Enlarge SHINING BRASS ground operations in Laos. Under the present SHINING BRASS program, small mixed South Vietnamese-US units are permitted to enter a narrow strip of Laos (varying from 5 to 20 kilometers in width) to conduct reconnaissance and to attack targets of opportunity. There are strict limits on the size of the unit (1 platoon), on the depth helicopters can go (12 km), and on the depth at which targets can be attacked (10 km). These restrictions could be eased, for example to permit larger units, and to permit helicopters to be used and attacks to be made to a uniform depth of 20 kilometers. A more ambitious program would permit SHINING BRASS assets to train Lao to conduct guerrilla warfare against the NVA/VC. Liberalization of the rules would increase our intelligence and make enemy infiltration more difficult. Only together with other actions could it have effect on the will of North Vietnam.

These operations, as they expanded, would of course increase the risk of the activity's becoming known, but they are defensible because of the enemy's known conduct in the area. The Chinese would not be expected to react to the expanded program, but the Soviets -- being co-chairman of the 1962 Accords -- might find it difficult to blink at large-scale US operations in Laos. This might mean that Souvanna could not survive exposure of the activity.

Internationally and domestically, the larger move, if it became known, would be received with mixed reactions. Against the criticism for destroying the Geneva Accords and for "merely spreading the war and US colonialism to Laos" would be weighed widespread support for the plan because of its "defensive" nature.

~~TOP SECRET~~

~~TOP SECRET~~

16

Option 8. Cause ~~Inter~~dicting rains in Laos and North Vietnam.

The United States has developed the capability, by seeding clouds over Laos and North Vietnam, to induce heavy rains there. Our tests indicate that it may be that the monsoon season (May-November) can be extended in this way, effectively denying vehicular traffic almost until the next monsoon season arrives; and that, even starting during the dry season, sufficient rain can be induced to impede vehicular traffic at choke-point areas. We have ready and in place the assets to initiate an operational program. We have a limited plan and a full plan prepared. The limited program involves seeding 5 areas/ 4 in Laos and 1 near Mu Gia Pass in North Vietnam. The full program would add 2 areas in North Vietnam -- one where the coastal plain is narrow north of the DMZ, and one near Nape Pass -- and 5 additional areas in Laos.

No civilian casualties would be expected from the program since it would not cause flooding (although we might, if the program became known, be blamed for natural flooding).

This method of interdiction could make infiltration of materiel very difficult. And if it did, it could have a bearing on Hanoi's fortunes in the South and will to continue the fight there.

No special Soviet or Chinese military reaction should be expected. But an international and domestic reaction, asking whether this is a new form of warfare akin to biological and nuclear warfare, might be great. (The JCS say "the risk of compromise is minimal.")

~~TOP SECRET~~

~~TOP SECRET~~

17

## II. Actions in South Vietnam

### A. Expand US forces and/or their role

We now have 406,000 US forces in South Vietnam. The present schedule calls for 462,000 by the end of 1967 and flattens out at 470,000 by June of 1968. The schedule was designed to provide forces as fast as they could be assimilated but not in excess of what was needed, taking all factors (including inflationary pressures in South Vietnam) into account.

The deployments could be accelerated, achieving the 462,000 level by September instead of December. Furthermore, the missions of the Free World forces could be expanded to include more spoiling offensives against enemy base areas, more activity in the Delta, and a larger role in small-unit activities required to provide security to populated areas.

~~TOP SECRET~~

~~TOP SECRET~~

18

B. Improve pacification

The most important factor in convincing Hanoi to accept a political settlement of the war is the way that war is going in the South. And the way that war is going is determined by the extent to which Saigon is gaining control and support of the people.

On the political and economic sides, progress can be seen in Saigon. The Ky Government survives (a notable fact in itself), and steps are being taken toward a more responsive government through a constitution infiltration, and elections. Economic problems -- including ~~inflation~~ rice and the port -- are manageable and being solved.

The greatest question mark is the Revolutionary Development program. Efforts to revamp the South Vietnamese army into a pacification force have not yet borne fruit -- the army still misbehaves and fails to take steps to provide security for the population. Attempts to improve government at the village and hamlet level are very slow in producing results. There is no hard evidence that our neutralization and frustration of enemy main-force units has started a collapse of enemy strength at the grass-roots level; indeed, there are indications that the VC, apparently convinced now that their war cannot be won at the military level, are rededicating themselves to "Stage 2" terror and political action. The next six months should tell whether enemy morale can survive such a "step backward"; but, as of this moment, the Saigon Government has made no discernible progress in the "real war" -- the war for support and control especially of the rural population.

Our military and political efforts in support of pacification and revolutionary development should be continued in South Vietnam.

~~TOP SECRET~~



~~TOP SECRET~~

19

We do not believe, however, that there are actions either the US or South Vietnam is capable of taking which would markedly accelerate this program. Existing pacification programs, if successful, would result in an increase in population controlled from an estimated 60% to about 66% by the end of 1967. The principal bottleneck to further expansion of the program is a lack of trained South Vietnamese civil and local defense personnel and this is a need which US personnel are incapable of filling.

~~TOP SECRET~~

Tuesday, February 21, 1967  
6:40 p.m.

Mr. President:

This is the tabulation of  
Presidential telephone calls to CIA  
which you requested of Mr. Rostow.

It is as complete as existing  
records permit.

Bromley Smith

~~CONFIDENTIAL~~

BKS:rlh

DETERMINED TO BE AN ADMINISTRATIVE  
MARKING. CANCELLED PER E.O. 12958,  
SEC. 1.3 AND ARCHIVIST'S MEMO OF  
MAR. 16, 1983.

BY rg ON 3-27-91

~~CONFIDENTIAL~~

February 21, 1967

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Presidential Telephone Calls to CIA Since Inauguration  
(Compiled from CIA and Mrs. Roberts)

Honorable John McCone

1/16/64	Local call to	6:21 pm
2/3/64	Local call to	12:17 pm
5/24/64	Local call to	1:25 pm
5/25/64	Local call from	10:50 am
8/5/64	Local call from	3:47 pm
8/7/64	Local call from	11:13 am
8/21/64	Local call from	11:21 am
10/18/64	Local call from	12:17 pm
12/15/64	Local call from	1:20 pm
12/28/64	LD call from Los Angeles, Calif.	9:07 am
1/8/65	Local call to	9:51 am
2/22/65	Local call from	10:45 am
3/16/65	Returning McCone's	3:33 pm
3/18/65	Local call from	10:58 am
3/27/65	LD call from	12:40 pm
4/11/65	LD call to	2:37 pm
8/18/65	LD call from	12:10 pm

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE  
MARKING. CANCELLED PER E.O. 11652,  
SEC. 1.3 AND ARCHIVIST'S MEMO OF  
MAR. 15, 1983.

BY RG ON 3-27-91

General Marshall P. Carter, Deputy Director

4/6/65      Local call to      8:38 am      VietNam

~~CONFIDENTIAL~~

Admiral William F. Raborn, Jr.

4/6/65	LD call to El Monte, Calif.	4:26 pm	
4/8/65	LD call to Pasadena, Calif	10:07 am	
4/28/65	Local call from	5:55 pm	Dominican Republic
4/29/65	Local call to	8:47 am	"
	Local call from	12:55 pm	"
	Local call from	2:55 pm	"
4/30/65	Local call to	2:12 pm	"
	Local call from	8:25 pm	"
5/1/65	Local call to	8:44 pm	
	Local call from	10:17 pm	
5/3/65	Local call from	11:41 am	
	Local call from	2:36 pm	
5/12/65	Local call to	4:05 pm	
	Local call to	Midnight	
5/20/65	Local call to	3:47 pm	Cooperation with FBI in Dominican Republic
6/19/65	LD call to	8:33 pm	US Image Abroad
7/6/65	Local call from	10:40 pm	
7/28/65	Local call from	7:10 pm	
2/10/66	Local call to	3:45 pm	
2/25/66	Local call to	6:32 pm	
8/17/66	Local call to	1:22 pm	

~~CONFIDENTIAL~~

Richard Helms

4/30/65	Local call to	8:20 pm	
	Local call from	8:51 pm	
5/7/65	Local call to	3:00 pm	Juan Bosch
5/24/65	Local call to	4:05 pm	Marguerite Higgins Article in <u>Star</u>
7/8/65	Local call to	8:32 am	VietNam, Dominican Republic
6/18/66	Local call to	12:50 pm	
7/12/66	Local call to	1:35 pm	Bi-Partisan Meeting
1/14/67	Local call from (Returning President's call)	10:55 am	Civilian Casualties in Vietnam
2/7/67	Local call to	11:33 am	Consular Treaty

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Admiral Rufus Taylor, Deputy Director

None

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

February 21, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Talk with Ambassador Marshall Green

On your instructions, I had a useful talk with Marshall Green. He underlined the following in discussing Indonesia today:

1. Our efforts in Viet-Nam had a definite and favorable impact on developments in Indonesia. General Suharto could not have reacted as he did to the Sukarno-Communist coup if a serious threat from the North had existed. Our involvement in Viet-Nam is part of our total posture in the area -- with favorable effects in Indonesia and elsewhere. However, we should avoid public discussion of the effect on Indonesian internal developments.
2. On Communist China, recent developments confirmed the Indonesian view that Peking's policy was wrong, and "ideological absurdity" (Maoism). The Indonesians feel more secure. They also have more confidence in us, because only we really oppose Peking's policy.
3. Sukarno will be out of power, probably soon. Suharto has wisely followed the constitutional path in cutting back Sukarno's power. Sukarno has destroyed himself.
4. The new government is working for the people. Suharto and Co. feel they have to win; their lives are on the line. Failure will mean their destruction. The Communists will try to pay back the blood debt. Green sees some risk of the military overriding the civilians politically, and will advise against this course.
5. The government is pursuing a pragmatic economic policy. Green notes that the five leading economists in Indonesia on whom Suharto and his colleagues rely were all trained in the U. S.

~~CONFIDENTIAL~~

DECLASSIFIED

Authority State Dec 3-8-79  
By reg/lip, NARA, Date 3-25-91

6. Main problems of the new regime:

- to maintain the unity of the new order;
- to get going on economic progress.

Green notes progress is debt-rescheduling. Now, we should push economic assistance. (The plan for U.S. help, in cooperation with other donors, is on your desk; it will be discussed at Amsterdam later this week.)

Green thinks the proposal is minimal. It is important we be forthcoming with the Indonesians: (1) to give them needed assurance; (2) to stimulate others to help more.

Indonesia faces severe problems; prices have been rising. There ~~is~~ rising popular discontent. Any evidence we are going to help will be heartening in Djakarta.

Green was pleased that we are moving fast in the civic action field through MAP. This is "relatively minor, but crucial."

The Ambassador has two concerns about the immediate future:

1) Can we give enough fast enough to help the Indonesians out of their current troubles?

2) Can we help in ways that will minimize frictions and maximize our political advantage?

The Ambassador would like to see less red tape in aid administration. He would put heavier responsibilities on recipient governments rather than looking over their shoulders at every turn. He understands Congressional pressure on this, and that we cannot make one country an exception. He notes that present procedures require large AID missions, which he considers self-defeating politically.

Overall, Green thinks:

- there have been tremendous changes in Indonesia;

CONFIDENTIAL

-3-

- things are going to get better;
- Indonesia is a vitally important "swing" country in Asia;
- the important thing is to consolidate the gains that have been made -- to not let things slip backward.

The Japanese Government wants to play a more important role in Indonesia. There is resistance in the Finance Ministry and the Diet. He is worried Japan won't do as much as it should. He will consult with the Japanese on his way back to Djakarta.

There is significant Japanese private interest in investment. The Indonesian and Japanese economies are complementary.

The Australians should be doing more in Indonesia.

The Dutch are playing the most constructive role of all the Europeans.

During his leave, Green spoke to 30 important private groups around the country, audiences up to 500. He spoke "off the record" for the most part, and was able to stress the importance of our Viet-Nam action for Indonesia and for Asia. He strongly supported our policy in Viet-Nam.

He leaves tomorrow morning, unless you wish to see him.

W. W. Rostow

CONFIDENTIAL

Tuesday, February 21, 1967  
3:30 p.m.

Mr. President:

We urgently need a decision on the  
attached, since Shoaib will be leaving  
tomorrow.

W. W. Rostow

RLN



## THE WHITE HOUSE

WASHINGTON

Wednesday, February 15, 1967 -

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: **Providing** the World Bank with a Sanitized Version of the  
**Korry Report**

George Woods is now ready to **carry out the major recommendations** of the Korry Report as they concern the World Bank. (You will recall that the Report recommended that the Bank become a central coordinator for aid to Africa, particularly in the areas of communication, transportation and power.) Woods has designated his first-rate Vice President -- Mohamed Shoaib, former Finance Minister of Pakistan -- to take on the job. Shoaib leaves a week from tomorrow for meetings with people from the UN Development Program, the Economic Commission for Africa, and the Organization of African Unity to start setting up the framework.

Woods and Shoaib believe -- and Ed Korry, Joe Palmer and I agree -- that it would be useful if Shoaib could take with him a sanitized version of the appropriate portions of the Korry Report. It would provide an analytic basis for an expanded Bank role as a basis for discussion. If you approve, we would plan to give it to Shoaib next week.

Obviously, the editing has to be very carefully done. Everybody understands that the first priority is to protect your flexibility. We would go over the text here word by word before giving any clearances. Shoaib promises that he would use the paper on a confidential basis, but we would have to expect the gist of it to leak. Thus, we should make it available on a limited basis on the Hill and to knowledgeable members of the press. I would plan to come back to you on this part of the problem when we have a paper and a specific plan of action.

I recommend you authorize us to proceed. If you want to examine the document before it is given to Shoaib, we would expect to have it for you early next week.

W. Rostow

Go ahead with carefully edited version \_\_\_\_\_

O.K. in principle; let me see the finished product  
before you give it to Shoaib \_\_\_\_\_

No \_\_\_\_\_

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

*Pres file*  
66

Tuesday, Feb. 21, 1967  
11:00 a. m.

~~TOP SECRET~~

MR. PRESIDENT:

I believe, as you make your dispositions for Viet Nam in the next phase, you should have as many views as possible.

Therefore, I forward this thoughtful memo of Bill Jorden's.

His suggestion that we talk out the shape of a settlement with the Soviets may be useful, until a channel opens up (p. 3a).

I'm sure we should open up our minds and start a dialogue with Ky (p. 3c).

W. W. R.

~~TOP SECRET-NODIS attachment~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 91-322  
By ij, NARA, Date 12-2-92

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

February 20, 1967

~~TOP SECRET-NODIS~~

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Where We Go in Viet-Nam

66a  
DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 91-322  
By rip, NARA, Date 12-2-92

This summarizes my current thinking.

1. Action in the South

This remains the key to the Viet-Nam conflict. There are four basic problems:

- (a) military
- (b) counter-terror
- (c) political
- (d) economic

Militarily, we are going to have to keep slugging away, chopping up main force units, hammering at the base areas, keeping the enemy off balance. As events of the past few days have shown, the ARVN can play a useful role here, and I don't think Vietnamese participation in the strictly military field should be totally closed out.

By counter-terror, I mean the whole range of actions designed to provide the people with security against small-scale guerrilla action and harassment. It means weeding out the Viet Cong infrastructure in the villages. And it means opening up arteries of communication and transport -- from village to market place, from town to city. This is a combined RD-police-intelligence-military job, one in which the Vietnamese will have to do the real work.

Politically, it is absolutely critical that the present encouraging progress be maintained. This means keeping the Constitution-making process going. It means carrying through on the local and national elections. It means developing a civilian-military slate and a national party to back it.

~~TOP SECRET-NODIS~~



~~TOP SECRET-NODIS~~

In both the counter-terror and political tracks, the GVN is going to have to get to work on the Liberation Front. It ought to be engaged in a carefully designed campaign to attract defectors from the middle and higher ranks of the Front. It should be pushing hard on an amnesty-reconciliation program. The VC aren't going to come out of the jungle in large numbers unless they feel sure that their lives will be spared and that they can play a useful role in Vietnamese life, one that corresponds to their intelligence and experience.

It is important that we get into a much more detailed dialogue with the GVN on these matters than we have to date. I think they now have the confidence that makes action in this realm a practical possibility.

On the economic side, I would wait for Bob Komer's observations.

## 2. Action in the North

I think the thing to avoid here is an impression of "lashing out," of hitting targets more out of frustration than of careful calculation. Our campaign should be one of slow, steady pressure. Hanoi ought to get the feeling that the vice is slowly tightening.

I would give highest priority to the area just north of the DMZ and the infiltration trails through Laos. Interdiction of coastal shipping -- particularly in the 17th-19th parallels area -- should help, and that includes mining. SAM sites are natural targets. If we begin to suffer significant air-to-air losses, I would take out the military airfields. Power plants would deal a serious blow to industry and impose additional hardship on the population.

## 3. The Diplomatic Track

I remain convinced that the end in Viet-Nam is more likely to come in a combination of "fading away" and ultra-secret talks on key items than in full-dress negotiations. But I think that sometime, somewhere, we are going to get into direct conversations with Hanoi.

Right now, we have played out the Hanoi link. Our posture ought to be: we are waiting for word from you.

Our only really useful channel at the moment is Moscow. Two things are clear: (1) the Soviets have moved off the "its none of

~~TOP SECRET-NODIS~~

~~TOP SECRET-NODIS~~

our business" tack and taken a direct interest; (2) they are the only ones who can give Hanoi the assurances I am sure the latter will need.

Hanoi is going to want:

- a pledge of its security (against both us and the Chinese);
- a firm promise of economic assistance in rebuilding (and they won't be eager to accept help from us or our allies);
- some promise that the NLF can play some role in Vietnamese political life -- or at least assurance that the Front will not be destroyed in a blood-bath in the Indonesia pattern.

We are going to want:

- withdrawal of NVN forces to the North;
- a return to the essential elements of the 1954 and 1962 Agreements;
- better control machinery over agreements (beefed-up ICC or, better, the involvement of Asian forces not presently involved -- Japanese, Burmese, Indians, etc.);
- an end to terror and violence;
- political development through democratic processes (one man - one vote).

We ought to:

(a) begin talking this out with the Soviets in a very hard-headed and realistic way.

(b) part of that talk should focus on the best way to set up direct talks between us and Hanoi -- preferably in a neutral spot like Burma, which the Soviets might, in fact, prefer lest they subject themselves to attack for "selling out" or "collaborating with the imperialists."

(c) open a really serious dialogue with our friends in Saigon on the whole range of questions involved in a settlement.

~~TOP SECRET-NODIS~~

~~TOP SECRET-NODIS~~

This last is, as you know, a source of concern to me on both moral and practical grounds. We have talked a good deal more freely with the Poles, Italians, Russians, British, the Pope, U Thant, and others than we have with the people who are most directly involved. It is time for us to do better than we have on this score. I feel only a little less strongly about the Koreans, Australians, Thai, New Zealanders and Filipinos. These are the ones who are fighting and dying with us.

But the Vietnamese remain the essential element to success. And they are the ones we should be working with and talking to -- and listening to -- day in and day out.

Bill

William J. Jordan

~~TOP SECRET-NODIS~~

*Pr. 1/2*

February 21, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Iraqi Generals take back the good word.

President Aref of Iraq has cabled his thanks for the message and gifts you sent to him through his Generals (you will recall you saw them on January 25 -- and they brought you a carpet).

He also expresses appreciation for the treatment the delegation received elsewhere in the government.

W. W. Rostow

Att: Baghdad 1455

67a  
~~CONFIDENTIAL~~

RECEIVED  
WHCA

1967 FEB 21 12 13

*Winggen*

EH8109  
RR RUEHGX  
DE RUEHC 18910 0521210  
ZNY CCCCC  
R 211210Z FEB 67  
FM SECSTATE WASHDC  
TO WHITE HOUSE  
R 210810Z FEB 67  
FM AMEMBASSY BAGHDAD  
TO SECSTATE WASHDC WASHDC 595  
STATE GRNC  
BT  
~~CONFIDENTIAL~~ BAGHDAD 1455

SUBJ: MESSAGE FROM PRESIDENT AREF TO PRESIDENT JOHNSON

1. DURING MY CALL FEBRUARY 20 PRIME MINISTER TALIB SAID THAT JUST BEFORE PRESIDENT AREF LEFT FOR TURKEY HE ASKED TALIB PASS FOLLOWING MESSAGE TO ME FOR TRANSMISSION TO PRESIDENT JOHNSON: HE APPRECIATES VERY MUCH THE MESSAGE AND GIFTS FROM PRESIDENT JOHNSON BROUGHT TO HIM BY THE IRAQI MILITARY DELEGATION AND HE ALSO APPRECIATES THE COURTESIES SHOWN TO THE DELEGATION WHO HAVE PRAISED IN THE HIGHEST TERMS THE TREATMENT THEY RECEIVED.

2. TALIB SAID THE PRESIDENT HAD DESIRED TO GIVE ME THIS MESSAGE PERSONALLY BUT SINCE HE WILL BE ABSENT SIX DAYS AND DOES NOT WANT TO DELAY FURTHER THE TRANSMISSION OF THE MESSAGE, HE CHOSE THIS WAY TO DELIVER IT.

GP-4. STRONG  
BT

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-325

By *isp*, NARA, Date 11-7-91

NNNN

~~CONFIDENTIAL~~

PRESERVATION COPY

Tuesday, February 21, 1967 -- 2:15 pm

Mr. President:

I gather from Bill Jorden that the Reuters story on the wire yesterday about our Naval Commander and his alleged confession was handled as follows.

Defense got in touch with the Reuters man and said that publication might risk the man's life. Reuters put out an advisory to editors urging them to kill it. The other wire services apparently fell into line.

This accounts for the failure of the story to appear today in any of the press we have seen.

Thus far it is heartening indication of press responsibility when the matter is put to them straight.

W. W. Rostow

WWRostow:rlh

Tuesday, February 21, 1967  
11:15 a. m.

*Pres file*

MEMORANDUM FOR THE PRESIDENT

THRU: Marvin Watson

SUBJECT: Foreign Visitors

Of the many Chiefs of State and Heads of Government who will be going to the Exposition in Montreal this summer, the State Department recommends that you invite nine to come here for informal visits.

Your participation would include greeting the visitor on arrival, an office call, and either a working luncheon or a dinner.

Although you would be seeing an unusually large number of foreign officials during June, State believes that asking them to come here informally at the time when they are already in this Hemisphere would avoid more time-consuming visits later.

It could be an economical way of clearing some accounts; but I have no strong recommendation.

W. W. R.



535  
6-7-66

DEPARTMENT OF STATE  
WASHINGTON

February 17, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Forthcoming Visits of Chiefs of  
State and Heads of Government

Recommendation:

That you approve the visits from the Chiefs of  
State and Heads of Government listed in the enclosure.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Background:

We have been informed by the Canadian Government of a long list of Chiefs of State and Heads of Government who have accepted invitations to visit Montreal during the Expo '67 Exhibition. Some of these prospective visitors are people you will undoubtedly want to see and who will certainly seek a meeting with you, such as Prime Minister Wilson and Prime Minister Holt. You have already agreed to see the Shah of Iran and President Bourguiba.

There are a few others on the list we have received whom I believe you should also consider receiving. Your participation will be limited to greeting the visitor on his arrival, an office call and either a luncheon or dinner, as appropriate. With your approval we will plan to send a plane to pick up the visitor in Montreal and take him on to his next stop in this country after Washington.

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-325  
By isp, NARA, Date 11-7-91



~~CONFIDENTIAL~~

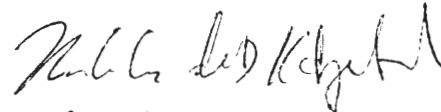
-2-

I believe that it will be possible for us to extend invitations to these leaders without offending others who may be visiting Montreal.

Because of the number of visitors who will be going to Expo '67 and the uncertainty of the list, I do not suggest we schedule other visitors to Washington, besides those from Expo, during this period or that we now attempt to assign dates for those you approved earlier this year for visits during the first half of 1967.

We have been informed that President Banda of Malawi will visit the United States to receive an honorary degree from Amherst College on June 6. Since he is a foreign Chief of State on a private visit to this country, I suggest you consider receiving him for a short office call only.

Enclosed is a list of those Chiefs of State and Heads of Government whom I believe it would be desirable that you see and a brief explanatory justification for each. Also, enclosed for your information is the most recent list of visitors who have accepted Expo invitations as reported to us by the Embassy in Ottawa. Finally, there is enclosed an up-to-date list of those visits now definitely scheduled for this year.



Acting Secretary

Enclosures:

1. Schedule of Visitors
2. Justifications
3. List of Expo Visitors
4. Current Status of Visits

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

SUGGESTED LIST OF VISITORS TO BE INVITED TO WASHINGTON

<u>Name</u>	<u>Country</u>	<u>Expo Visit Dates</u>	<u>Suggested Date for Washington Visit</u>	<u>Approve</u>	<u>Disapprove</u>
Prime Minister Wilson	UK	May 30 - June 1	May 29	_____	_____
Prime Minister Holt	Australia	June 4 - 6	June 2	_____	_____
President Bourguiba*	Tunisia	June 11 - 14	June 5	_____	_____
President Banda	Malawi		June 9	_____	_____
Shah of Iran*	Iran	June 7 - 8	June 12	_____	_____
King Bhumibol	Thailand	June 20 - 22	June 23	_____	_____
President Obote	Uganda	June 25 - 27	June 29	_____	_____
President Asgiersson	Iceland	July 11 - 14	July 10	_____	_____
King Constantine	Greece	September 4 - 6	September 7	_____	_____

\*Previously invited by you

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-325  
By ing, NARA, Date 11-7-91

~~CONFIDENTIAL~~

LIMITED OFFICIAL USE

69c

Prime Minister Wilson

By June it will be almost a year since the Prime Minister last met with you. Your meetings with the Prime Minister in recent years have been held on an average of twice a year. This high frequency is a reflection of the large area of mutual interests between us and the United Kingdom which need to be coordinated at the highest level. Specifically, the question of troops in Germany, the future of NATO, and East/West relations are reasonably certain to be among the subjects under active consideration in June which would be suitable for you to discuss with the Prime Minister.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

Harold Holt, Prime Minister of Australia

Australian Prime Minister Harold Holt plans to visit Expo 67, June 4-6. It is almost certain he would wish to make a brief informal stop in Washington following his visit to Canada.

We believe in view of the warm hospitality extended by the people of Australia during your visit there last October, as well as the close relationship of the United States with Australia in so many fields including Viet-Nam, that it would be desirable to extend an invitation to Prime Minister Holt to visit Washington informally at the time of his trip to Canada.

LIMITED OFFICIAL USE

~~CONFIDENTIAL~~

President Habib Bourguiba of Tunisia

President Habib Bourguiba of Tunisia was invited in April 1966 to make an official visit to the United States. He accepted in principle, but because of timing and other difficulties it was not feasible to schedule the visit for 1966. It was deferred to 1967 by mutual agreement. One of the principal reasons for the postponement was President Bourguiba's concern with the effect such a visit might have had at that time on his efforts, which we encouraged, to achieve better relations with France. President Bourguiba has expressed the desire to come in June, at which time he will also visit Canada, having a firm invitation to be there June 11 to June 14. He must be in Tunisia June 17 for an important Muslim Holy Day. Therefore, the visit to the U. S. could precede that to Canada.

The United States has no more courageously outspoken friend in Africa or the Arab world than President Bourguiba, whose effectiveness is enhanced because he speaks from conviction as a "non-aligned" statesman. His support of the U.S. position in Viet-Nam and on the Communist Chinese menace has been particularly helpful, as has his position on the Palestine problem as well as on African questions. U.S.-Tunisian relations are close and friendly. Tunisia has been a model in the under-developed world of political stability and economic growth, based on maximum self-help and effective utilization of foreign aid, of which we have been a major contributor.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-325  
By *isp*, NARA, Date 11-7-91

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PRESIDENT HASTINGS KAMUZU BANDA OF MALAWI

President Banda is planning a private visit to the United States this spring. He will receive an honorary degree from Amherst College where he will be a guest of the college from June 2 through June 5. President Banda has requested an opportunity to have a brief meeting with you, sometime after the conclusion of his visit at Amherst. He has indicated that he will be available from June 6 through June 9.

I believe that you should receive Dr. Banda for a brief conversation, since he is Chief of State of a moderate African country. Dr. Banda has strongly and publicly supported US policy in Viet Nam. Seeing you while he is a guest in the United States would greatly strengthen our relations with Malawi.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-325  
By sp, NARA, Date 11-7-91

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

The Shah of Iran.

Your letter of July 20, 1966 to the Shah suggested that "perhaps early in the new year we could find a mutually agreeable time for direct discussion". In his reply of August 15, the Shah welcomed the possibility of a meeting early in 1967. The Shah subsequently indicated through his Foreign Minister that he hoped the visit could be timed so as to fit in with his visit to Canada on June 7 - 9, 1967. As the Shah is making a state visit to Germany through June 4 and may commence another state visit to Turkey on June 16, the Iranians have more recently indicated that June 12 - 13 would be their preferred dates for the Shah's visit to Washington.

At a time when Iran is pursuing a more independent foreign policy and when American assistance to Iran is declining, a meeting with the Shah would give you an opportunity to help cement our relations with Iran, a country where we have important security and economic interests. Such a meeting would also provide an opportunity for discussions on a number of matters of mutual interest, including our military relationship with Iran, Soviet aims in the Middle East, the outlook for the Persian Gulf area, and Viet-Nam, where Iran alone among Middle Eastern countries, is contributing personnel to the struggle against Communist aggression.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 91-325  
By 438 NARA, Date 11-7-91

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

KING BHUMIBOL OF THAILAND

King Bhumibol Adulyadej and Queen Sirikit of Thailand are expected to visit EXPO '67 in Montreal on June 22, 1967, which is Thailand Day at the exposition. They may also visit Williams College in Massachusetts, which has offered the King an honorary degree, on June 11, 1967. I urge that you invite Their Majesties to visit the United States, including a brief visit to Washington, either before or after their trip to Montreal. It would reciprocate your visit to Bangkok in October 1966, and would at the same time further our foreign policy interests.

Your reception of the King, the most revered figure in Thailand, would do more than any other single act could to cement our relationship with the Thai, a vital one for us in Southeast Asia. Further, the King is an able and articulate spokesman who can be expected to speak out strongly and effectively in support of our Vietnam policy. During his previous visit in 1960, he addressed a Joint Session of the Congress and his address was very well received.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-325  
By isp, NARA, Date 11-7-91

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

A. MILTON OBOTE

We believe that an informal visit to Washington by President Obote would not only further improve US relations with Uganda, a country with good development prospects in East Africa, but would strengthen Obote's domestic position and the prospects for stability in his country. President Obote is by far the most important political leader in Uganda; he is making strong efforts to give his country a sense of national unity and spirit. Through the introduction of a new constitution establishing a unitary state, he has done much to revamp the cumbersome structure inherited from the British though at the cost of some dissatisfaction in the Kingdom of Buganda. He is genuinely desirous of further strengthening US-Uganda relations. He has on several occasions thanked us for our AID programs in Uganda. Obote has played an important and constructive role in the Rhodesian dispute and the Uganda delegation on the Security Council this past year, was both helpful and moderate in a number of issues. President Obote has indicated understanding, if not a total approval, of our Viet Nam problem. His government is non-aligned but is suspicious of Bloc motives, particularly those of Communist China.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-325  
By 128, NARA, Date 11-7-91

~~CONFIDENTIAL~~

69j

~~CONFIDENTIAL~~

PRESIDENT ASGEIR ASGEIRSSON

Asgeir Asgeirsson, President of Iceland, will visit Expo '67 on July 11-14, 1967 and Ambassador Penfield has strongly recommended that he be invited to visit the United States on that occasion. No Icelandic head of state has visited the United States in the past 22 years, despite the very important United States interests in Iceland as represented by the Base at Keflavik where we have highly classified and sensitive facilities of strategic importance. The use of the Base and facilities could be denied us on relatively short notice should the Icelanders so request.

The present two-seat majority coalition government is probably the friendliest possible under present political conditions. National elections are scheduled for next June and an invitation to visit the United States would highlight United States interest in Iceland, enhance the prestige of the present government, and increase its chances for continuation after the elections.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-325  
By 129, NARA, Date 11-7-91

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

King Constantine of Greece

King Constantine of Greece has accepted an invitation to visit Expo '67 in Montreal, probably for "Greek Day" on August 30, 1967. His visit to Canada provides an excellent opportunity for him, together with Queen Anna Maria, to visit the United States. The ideal time would be either during the last week in August or the first week in September.

King Constantine has not visited the United States since he ascended the throne of Greece in March of 1964 and has expressed a strong interest in making an official visit. There has been no visit by a Greek monarch since November of 1958, when King Paul and Queen Frederika, accompanied by then Crown Prince Constantine, visited the United States. In view of the fact that the President of Turkey is visiting the United States this spring, the visit by the Greek Chief of State assumes special significance. In recent months King Constantine has been extremely energetic in encouraging various Greek Governments to reach an understanding with Turkey over the Cyprus issue. A meeting with you would greatly help keep strong the friendly relations with Greece, which plays a key NATO role in the eastern Mediterranean. Although the assistance we are in a position to give Greece is less each year, we still enjoy highly valuable facilities on a bilateral basis. Thus, a gesture of friendship on the part of the United States takes on greater significance. A visit by the attractive, young royal couple would also be well received by many Americans of Greek ancestry.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 91-325

By isp, NARA, Date 11-7-91

~~CONFIDENTIAL~~

INCOMING TELEGRAM Department of State

90

~~CONFIDENTIAL~~

Action CONTROL: 007274

EUR RECD: JANUARY 12, 1967 5:22P

Info FROM: OTTAWA

SS  
G/PM ACTION: SECSTATE

H INFO: MONTREAL

AF

ARA

EA

NEA

P

US IA

NSC

INR

CIA

NSA

DOD

CPR

~~CONFIDENTIAL~~ OTTAWA 1102

VISITS OF FOREIGN VIP'S TO EXPO

REF: OTTAWA 346

1. REVISED SCHEDULE VISITS FOREIGN HEADS OF STATE, PRIME MINISTERS AND OTHER VIP'S TO CANADA AND EXPO OBTAINED FROM GOC YESTERDAY. FIRST DATE MENTIONED IS OTTAWA ARRIVAL UNLESS OTHERWISE SPECIFIED. SECOND DATE IS FOR ONE-DAY VISIT AT EXPO:

ETHIOPIA, EMPEROR HAILE SELASSIE, 30 APRIL, 2 MAY (GOC UNDERSTANDS EMPEROR WILL BE IN CALIFORNIA 24-25 APRIL ON A PRIVATE VISIT.)

MAURITIUS, PREMIER SIR SEEWOOSAGUR RAMGOOLAM. MAY 2-4  
BELGIUM, PRINCE ALBERT OF LIEGE, MAY 7 -9

AUSTRIA, PRESIDENT JONAS, MAY 10- 12

THE NETHERLANDS, QUEEN JULIANA, MAY 15 - 13

ISRAEL, PRESIDENT SHAZAR, MAY 21 -23 (SHAZAR MAY STOP OVER IN NEW YORK SINCE HE MAY NOT FLY ON THE SABBATH, MAY 20.)

GREAT BRITAIN, PRIMIN WILSON, MAY 30 - JUNE 1 (ANNOUNCED PUBLICLY)

AUSTRALIA, PRIMIN HOLT, PREVIOUSLY GIVEN AS JUNE 4 -6, BUT THESE DATES SUBJECT TO CHANGE.

IRAN, THE SHAH, JUNE 7 -9

FEDREP GERMANY, PRESIDENT LUEBKE, JUNE 13-15 (ARRIVES IN CANADA JUNE 11)

CEYLON, PRIMIN SENANAYAKE, JUNE 10 -21

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 91-325

By 110, NARA, Date 11-7-91

~~CONFIDENTIAL~~

-2- OTTAWA 1102, January 10, 1967, 5:22 p.m.

UGANDA, PRESIDENT OBOTE, JUNE 25 -27

INDIA, PRESIDENT RADHAKRISHNA, JUNE 26-23

GUYANA, PRIME MINISTER BURNHAM, JULY 9-11

JAPAN, REPRESENTATIVE OF EMPEROR HIROHITO, JULY 10-12

MONACO, PRINCE RAINIER, JULY 16 -13

TANZANIA, SECOND VICE PRESIDENT KAWAWA, JULY 13-20

ICELAND, PRESIDENT ASGEIRSSON, MID-JULY

TOGO, PRESIDENT GRUNITZKY, JULY 25-27

SWITZERLAND, FORMER PRESIDENT SCHAFFNER, JULY 30-AUG 1

JAMAICA, ACTING PRIME MINISTER SANGSTER, AUG 1-3

FINLAND, PRESIDENT KEKKONEN EXPECTED, AUG 27-29

TRINIDAD AND TOBAGO, PRIME MINISTER WILLIAMS, AUG 29-31

GREECE, KING CONSTANTINE, SEPT 4-6

SENEGAL, PRESIDENT SENGHOR, SEPT 5-7

ITALY, PRESIDENT SARAGAT, SEPT 11-13

YUGOSLAVIA, PRESIDENT TITO, SEPT 13-20

BARBADOS, PRIME MINISTER BARROW, SEPT 19-21

2. NO CHANGES IN ROYAL VISITS SCHEDULE REPORTED REFTEL.  
GOC REQUESTS ABOVE INFORMATION BE TREATED AS CONFIDENTIAL  
UNTIL PUBLIC ANNOUNCEMENT EACH VISIT MADE. TO DATE GOC HAS  
ABOVE 29 RESPONSES TO 49 INVITATIONS ISSUED.

DECONTROL AFTER 9 MONTHS.

BT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

69 m

CURRENT STATUS OF VISITS THROUGH MAY 1967

<u>Visitor</u>	<u>Country</u>	<u>Type of Visit</u>	<u>Timing</u>	<u>Status</u>
Il Kwon Chung	Korea	Informal	March 14, 15	Announced
Maiwandwal	Afghanistan	Informal	March 28, 29	Announced
Sunay	Turkey	State	April 3, 4, 5	Announced
C. K. Yen	China	Informal	May 9, 10	To be announced February 20

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-325  
By isp, NARA, Date 11-7-91

~~CONFIDENTIAL~~



Tuesday, Feb. 21, 1967  
1:15 p.m.

brought  
to Marvin  
to give to  
B

MR. PRESIDENT:

Herewith a quick flash report from Dick Helms from a telephone booth on the Hill after his hearing. It was not a rough session:

- the question of Presidential involvement in CIA activities was not raised;
- Fulbright asked some questions about support for the Captive Nations group in New York/ Helms explained that they have been trying to off-load it, but State insists on their keeping with it;
- Mansfield asked no questions, but made a statement urging that CIA get out of the student business;
- other questions were relatively routine;
- afterwards, Senator Russell took Dick aside and said:  
"You did very well."

W. W. R.

Monday, Feb. 20, 1967  
9:15 a.m.

71

~~1. recap~~  
2. Pres file

MR. PRESIDENT:

In the wake of my conversation with Ed Ritchie --  
reported to you -- he approached the State  
Department formally -- as Nick indicates.

In the light of your instruction to me, I recom-  
mend approval.

I assume I remain responsible for assuring  
no disturbing public or private Viet Nam talk  
that would rock the boat.

W. W. R.

~~CONFIDENTIAL~~ attachment

Wed, March 8, 1967  
1:00 p.m.

(Log 567)



367  
71a

DEPARTMENT OF STATE  
WASHINGTON

February 18, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Possible Visit to Washington  
of Canadian Prime Minister

Recommendation:

That you agree to meet with Prime Minister Pearson while he is in Washington March 7 and 8 and that you authorize me to send the Prime Minister the enclosed suggested reply.

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

Discussion:

I have been asked by the Canadian Ambassador to convey to you a message from Prime Minister Pearson suggesting an informal meeting with you in Washington early in March. (The message is enclosed.)

We have a number of serious bilateral problems with Canada at the moment, and a frank discussion of them with Pearson could be of value in solving them. Examples are discriminatory Canadian banking legislation and our differences on Law of the Sea. We believe Pearson will also press you to set a date for your proposed 1967 visit to Canada. If your schedule permits, therefore, I recommend that you agree to see him.

*Walt Rostow*  
Acting Secretary

Enclosures:

1. Suggested reply
2. Letter from Ambassador Ritchie

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-325  
By *wp*, NARA, Date 11-7-91

D R A F T

~~CONFIDENTIAL~~

Dear Mr. Prime Minister:

I agree that it would be useful for us to get together and suggest that we meet at \_\_\_\_\_ o'clock on the afternoon of March \_\_\_\_\_.

I hope the time is convenient for you and that your holiday will be a pleasant one.

Sincerely,

Lyndon B. Johnson

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-323  
By ing, NARA, Date 11-18-93

The Right Honorable

Lester B. Pearson, P.C., O.B.E., M.P.,  
Prime Minister of Canada,  
Ottawa.

~~CONFIDENTIAL~~

CANADIAN EMBASSY



~~CONFIDENTIAL~~

AMBASSADE DU CANADA

Washington, D.C.,  
February 17, 1967.

Dear Mr. Secretary,

I should be grateful if you would transmit the following personal message from Prime Minister Pearson to President Johnson:

"Dear Mr. President,

If the parliamentary situation here permits, I hope to take a brief holiday in the south towards the end of February. I believe you share my view that it would be useful if we could have an informal conversation on various subjects of current interest to our two countries during my return trip which could easily be arranged through Washington. While I know that you have a very full and busy timetable, I understand that some time early in the week beginning March 5 would be reasonably convenient for you. If this is so, I shall ask our Ambassador in Washington to work out the arrangements with your staff. I would like to regard this as an informal and personal visit and not one that would involve any formalities or elaborate preparations or undue additional burden for you.

My best regards,

Lester Pearson"

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 99-49  
By is, NARA Date 10-25-99

Yours sincerely,

  
A. E. Ritchie,  
Ambassador

The Honourable  
Nicholas Katzenbach,  
Acting Secretary of State,  
Washington, D.C.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 99-100  
By CB, NARA Date 7-10-00

## THE WHITE HOUSE

WASHINGTON

Tuesday, February 21, 1967, 7:20 p.m.

~~SECRET~~DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 92-50  
By ju, NARA, Date 2-10-93

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting on Troops in Germany, Offset, etc.

A long joint paper from Rusk, McNamara and Fowler -- which lays out the arguments on the U.S. position about troop cuts in Germany and offset -- will be ready by Wednesday night or Thursday morning at the latest. As you know, McNamara will recommend a scheme involving redeployment and rotation of two divisions. Rusk will recommend that we should only cut one. You know about McCloy's position.

The purpose of this memo is to get your guidance on procedure. The next "trilateral" meeting with the UK and the Germans is scheduled for Monday of next week. We can get this postponed. But even so there is a strong case for your giving us marching orders during the next few days. Whatever decision you make, it will take some time to work out precise negotiating instructions, and we will also want to prepare the ground in Bonn and London.

If your schedule permits, I would recommend a meeting on Friday with Rusk, McNamara, Deming (for Fowler), and perhaps Gene Rostow who has been chairing the interdepartmental working group. You need not make or give us a final decision at such a meeting, but it will give you a chance to hear the arguments and ask questions.

I am afraid this is a tough one -- the outcome will cast a long shadow. I will do an in-house paper for you tomorrow summarizing the arguments and the risks as I see them.

Francis M. Bator

Marvin to set up meeting on Friday ✓No   Speak to me   ~~SECRET~~*orig to Bator 2/22*

PRESERVATION COPY

## THE WHITE HOUSE

WASHINGTON

Thursday, February 16, 1967, 3:10 p.m.

Mr. President:

Attached is a request for a meeting with you for the editor of the London Economist, Alastair Burnet, and the foreign editor, Brian Beedham. The request comes from John Midgley, The Economist's very fine correspondent in Washington. Burnet and Beedham will be here during the week of April 2.

If your schedule permits, this would be a good thing to do. Burnet and Beedham are able men, influential in their own right, and The Economist carries considerable weight throughout the world. It would be a plus to give them a personal sense of the President's range of thought on foreign affairs. (Walt and I would of course do the necessary preparatory paper for you.)

Francis M. Bator

Marvin to schedule appointment ☒No ☐Speak to me ☐

CC: George Christian

I support  
The Economist  
Do hear the  
strongest voice  
outside the  
U.S. for  
our  
Vietnam  
policy.  
Walt

But there must be a  
limit to Pres. visits  
from for. newspapers  
C



WASHINGTON OFFICE  
NATION, PRESS BUILDING  
WASHINGTON, D.C. 20004  
TELEPHONE: 783-5753  
TELEGRAMS AND CABLES:  
MISTECON WASHINGTON

PUBLISHED WEEKLY  
IN LONDON, ENGLAND

73a

February 10th, 1967.

Mr. Francis Bator,  
The White House,  
Washington, D.C.

Dear Francis,

I have seen George Christian to inform him that the Editor of The Economist, Alastair Burnet, and the Foreign Editor, Brian Beedham, are planning to visit Washington in the spring in hopes that the President will be ~~able~~ so good as to see them.

The dates of the visit and the length of stay are still under discussion. Mr Burnet's original idea was to arrive at Easter, March 26th, but after talking to Mr. Christian I have recommended that he put it off till a week later, April 2nd. I do not think this is going to present any difficulty, and so I am assuming that he and Mr Beedham will plan to arrive on April 2nd and will stay several days.

The possibility of being received by the President for a talk will be the main factor in their decision to come or not and I much hope that consideration may be given to it. It should not be time wasted. Both are bright, youngish men. Both were Harkness Fellows after leaving Oxford. Brian Beedham was Washington correspondent of The Economist from 1958 to 1961 and received an award from the University of California at Los Angeles for excellence in reporting United States affairs. Alastair Burnet is well known on British television, but it is in his capacity as Editor of The Economist (in which post he succeeded Donald Tyerman in 1965) that he will be coming to Washington on this occasion.

Yours ever,

John

John Midgley.

I should have added that  
both are known to  
Mr Rostow, and that  
we hope I can come too.



Monday, February 20, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Postponement of Regular NSC Meeting

The next regular NSC meeting is now scheduled for Wednesday noon, February 22. The subject for discussion is "Current International Fisheries Problems".

After reading the State Department paper, I believe we need to do more staff work before the problems are brought before you for discussion.

In addition, you will be having an important meeting on Vietnam on Wednesday at 1:00 p.m.

I recommend that the NSC meeting be postponed from this Wednesday to the next scheduled meeting time, March 9.

*Should have been March 8*

W. W. Rostow

Postpone NSC meeting \_\_\_\_\_

Hold meeting as scheduled \_\_\_\_\_

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

*Pres file*

~~CONFIDENTIAL~~

February 20, 1967

MEMORANDUM FOR THE PRESIDENT

Attached is a draft Presidential message to the Conference of the 18-Nation Disarmament Committee. The message would be delivered by Bill Foster tomorrow, February 21, at 3:30 pm Geneva time, and released simultaneously in Washington (9:30 am Washington time).

The attached draft has been cleared with Adrian Fisher and the DOD staff and is based on an earlier draft cleared by Katzenbach and McNamara.

The speech presents something of a problem since the Soviets, for reasons that are not yet clear, have not agreed to table the draft treaty with us jointly tomorrow as we had hoped. In these circumstances, it reaffirms your strong support for a treaty and reassures our allies and the neutrals that it will not adversely affect their economic and technological prospects.

In view of the uncertainties about the tabling of the treaty in Geneva, I recommend that the statement simply be released here without any special coverage.

Francis M. Bator

W. W. Rostow

Att.

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

SMKeeny:jb:2-20-67

bcc: SMK file and chron

Unmarked:

WWR(2) / FMB(1)

~~CONFIDENTIAL~~

PRESERVATION COPY



75a

~~CONFIDENTIAL~~

February 20, 1967

DRAFT PRESIDENTIAL MESSAGE  
ON THE NON-PROLIFERATION TREATY

The Eighteen-Nation Disarmament Committee reconvenes today in a time of renewed hope. Conclusion of a treaty banning weapons of mass destruction in outer space, and a treaty for a Latin American nuclear free zone give new impetus to the effort to bring the arms race under control.

The Disarmament Committee now faces a great opportunity -- a treaty to prevent the spread of nuclear weapons. I earnestly hope that it will soon be possible to recommend draft provisions of a non-proliferation treaty for the consideration of the Committee.

As I pointed out to the Congress in my State of the Union message, the world is "in the midst of a great transition, a transition from narrow nationalism to international partnership; from the harsh spirit of the cold war to the hopeful spirit of common humanity on a troubled and threatened planet."

Our deepest obligation to ourselves and to our children is to bring nuclear weapons under control. We have already made considerable progress. The next step is to prevent the further spread of these weapons. If we fail to act now, nation after nation will be driven to use valuable resources to acquire them. Even local conflicts will involve the danger of nuclear war. Nuclear arms will spread to potentially unstable areas where open warfare has taken place during the last decade. Indeed, all the progress of the past few years

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE  
MARKING. CANCELLED PER E.O. 12958  
SEC. 1.3 AND ARCHIVIST'S MEMO OF  
MAR. 16, 1983.

BY RG ON 2-25-91

~~CONFIDENTIAL~~

- 2 -

toward a less dangerous world may well be undone.

A non-proliferation treaty must be equitable as between the nuclear and the non-nuclear-~~weapon~~ powers. I am confident that we can achieve such equity and that the security of all nations will be enhanced.

Such a treaty will help free the non-nuclear nations from the agonizing decision of whether to pursue a search for security through nuclear arms. Freed from the fear that non-nuclear neighbors may develop such weapons, nations can devote their efforts in the field of atomic energy to developing strong, peaceful programs.

I have instructed our negotiators to exercise the greatest care that the treaty not hinder the non-nuclear powers in their development of nuclear energy for peaceful purposes. We believe in sharing the benefits of scientific progress and we will continue to act accordingly. Through IAEA, through EURATOM, and through other international channels, we have shared -- and will continue to share -- the knowledge we have gained about nuclear energy. There will be no barrier to effective cooperation among the signatory nations.

I am sure we all agree that a non-proliferation treaty should not contain any provisions that would defeat its major purpose. The treaty must, therefore, cover nuclear explosive devices for peaceful as well as military purposes. The technology is the same. A peaceful nuclear explosive device would, in effect, also be a highly sophisticated weapon.

CONFIDENTIAL

~~CONFIDENTIAL~~

- 3 -

However, this will not impose any technological penalty on the participating nations. The United States is prepared to make available nuclear explosive services for peaceful purposes on a non-discriminatory basis under appropriate international safeguards. We are prepared to join other nuclear states in a commitment to do this.

More generally, we recommend that the treaty clearly state the intention of its signatories to make available the full benefits of peaceful nuclear technology -- including any benefits that are the by-product of weapons research.

To assure that the peaceful atom remains peaceful, we must work toward a broad international system of safeguards satisfactory to all concerned. The treaty provides a unique opportunity for progress to this end.

~~I believe that~~ agreement on a treaty to stop the spread of nuclear weapons will be an historic turning point in the long effort to bring the atom to heel. It will, I am confident, permit further cooperative steps to reduce nuclear armaments. Plain sanity calls for a halt to the competition in nuclear arms.

There is nothing to choose here between the interests of the nuclear and the non-nuclear nations: there is a terrible and inescapable equity in our common danger. I wish you God-speed in your work.

\* \* \*

~~CONFIDENTIAL~~

76

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

~~TOP SECRET~~

Monday, February 20, 1967  
5:30 p. m.

Mr. President:

This interesting paper of Gen. Taylor's  
deserves your reading and circulation to  
Sec. Rusk and Sec. McNamara, as well as to  
Gen. Wheeler, Amb. Lodge and Gen. Westmoreland.

W. W. Rostow

Circulate as indicated ✓

2/21/67

No         

See me ✓

~~TOP SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By ry, NARA, Date 2-25-91

WWRostow:rlh



THE WHITE HOUSE

WASHINGTON

February 20, 1967

~~TOP SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-322  
By ~~1-8~~, NARA, Date 12-2-92

MEMORANDUM FOR THE PRESIDENT

Subject: Possible Forms of Negotiation with Hanoi

Walt Rostow recently made available to me his memorandum to you of November 17, 1966 on the above subject (I attach herewith a copy of his paper). He has made a very important point, I believe, in concluding that, in any negotiation, we need to seek agreement on an end position and then work back to agreement on a cease-fire.

I have always been impressed with the difficulties of negotiating a satisfactory cease-fire which will really stop the shooting and, at the same time, avoid giving the enemy a respite for refitting and retraining for a bigger and better war. Such a cease-fire would have to include bringing a halt to our bombing of North Viet-Nam and to all breaches of the peace in South Viet-Nam, including the "Big War" (the war against the units of the Viet Cong Main Forces and of the North Vietnamese Army), the "Little War" (the activities of the local guerrillas) and the "Criminal War" (the activities of the terrorists and saboteurs). If the cease-fire is to be in effect for any significant duration prior to reaching a total settlement of the situation, it should also include a verifiable agreement whereby the enemy ceases the infiltration of reinforcements in exchange for our freezing of force levels.

Clearly, to negotiate such a cease-fire would be very difficult; to fail to cover all the elements mentioned would expose us to the possibility of a Parmunjom-type stalemate in the negotiation of the remaining steps required for a normalization of relations and an enduring peace. The latter steps would include such things as the dissolution of the Viet Cong organization, the disposition of the remaining guerrillas and the withdrawal of foreign troops (I mean here the U.S. and Free World Forces and the North Vietnamese forces and cadres infiltrated from North Viet-Nam).

For the purposes of this discussion, I am going to refer to the package of measures necessary for a cease-fire as Package A and the remaining measures for normalization as Package B. We could conceive of negotiating the totality of issues of A plus B in three ways or cases. Case I would be to negotiate A and B separately in that order.\* Case II would be the simultaneous negotiation of A and B.\* Case III would be the negotiation of B and A separately in that order.\* The question to decide is which of these cases is the most advantageous from our point of view.

~~TOP SECRET~~

In evaluating them, there are several points which have to be taken into account. Without suggesting an order of priority, they include the following:

- a. To prevent a Panmunjom, we must either keep the military pressure on during the negotiations or set tight deadlines for getting results at the negotiating table.
- b. South Viet-Nam should always retain the right to exercise its police powers in maintaining law and order and protecting Vietnamese citizens outside of the areas under Viet Cong control.
- c. The infiltration from the North, the withdrawal of North Vietnamese forces and cadres, and the dissolution of the Viet Cong are actions difficult to verify in the short run. On the other hand, the bombing of the North and the military, paramilitary and criminal activities in the South can be verified in a general way and can even be statistically tabulated.
- d. Based upon the experience of several truces, it is doubtful whether a complete cease-fire in South Viet-Nam will be possible prior to the completion of the actions of Package B. Experience suggests that breaches are inevitable.
- e. It is uncertain how long the Main Force Viet Cong and the North Vietnamese units can subsist without supplies from North Viet-Nam and without molesting the local population. It is probable that the local guerrillas must live off the population although local accumulation of stocks may give them a limited capability of self-maintenance.

With these points in mind, now let us consider the pros and cons of the three cases.

#### Case I

Case I, if successful, would bring a quick end to the fighting and a sharp reduction of tensions in Viet-Nam and elsewhere. However, it would probably create a sense of euphoria on our side and a feeling that peace is at hand. It would open up the possibility of a drawn out negotiation of B which would give the enemy the opportunity to refit and prepare for a longer war. As indicated above, it would probably be impossible to avoid violations of the cease-fire, intentional or accidental. Finally, it would be impossible to negotiate the B Package quietly since the whole world would know that negotiations were in process and our side at least would soon be under pressure to report progress and to soften tough negotiating positions to expedite results.



~~TOP SECRET~~

- 3 -

### Case II

Case II would avoid most of the cons of Case I and, if successful, would settle everything in a single operation. The difficulty is that such a negotiation would be highly complex and time-consuming. It is doubtful that it could be kept secret and, if revealed, would expose our side to the pressures mentioned under the cons of Case I. We could count on a major effort at home and abroad to get us to stop the bombing during such negotiations and perhaps to reduce all military activity to the levels of a de facto cease-fire in order to reduce loss of life with peace just around the corner.

### Case III

Case III would avoid most of the cons of Case I and has the great advantage of showing each participant how he would come out in the end. Hence, if agreement is reached on B, there should be little difficulty in obtaining agreement on A and little inducement for further stalling. Secrecy should be possible during the negotiation of B and military pressure would be maintained until agreement on A.

It is clear from the foregoing that Case III appears to be by far the most advantageous from our point of view. For success, it requires, first, a carefully prepared negotiating position on our side, then a secret, solid negotiating contact with Hanoi. Our preparations would require an understanding as to the "carrots" which we are prepared to offer for the dissolution of the Viet Cong and disposition of Viet Cong personnel. Such "carrots" might include an amnesty and civil rights for the Viet Cong guaranteed by the GVN and the U.S., the assurance of participation by Viet Cong in political life, economic assistance to aid the ralliers, and the right of honorable repatriation to those who prefer to go north of the 17th parallel. We would also need a position on the phased and verified withdrawal of foreign troops and the kinds of verification procedures which we would consider acceptable to assure ourselves that infiltration had ceased and withdrawal had been completed. We need to make up our own minds on these points well before sitting down at a conference table with our opponents.

For completeness, I might have added consideration of a Case IV, the subsidence termination without formal negotiations. Under certain conditions, it might compete in desirability with Case III. It avoids the requirement for formal negotiations and agreements. It avoids the disadvantages attendant upon the presence of kibitzers and advisors behind the chairs of our negotiators. It permits slow and cautious de-escalation with minimum risks.

~~TOP SECRET~~

PRESERVATION COPY

~~TOP SECRET~~

- 4 -

On the other hand, there would always be the problem of verifying the threat really had subsided and did not remain latent for an indefinite period in the jungles of South Viet-Nam and in the sanctuaries of Laos and Cambodia. There would always be an uncertainty about the termination of hostilities which could neither be verified, guaranteed or made the subject of public commitments by the adversaries.

A hybrid Case III/Case IV is conceivable which would be partly negotiated, partly tacit--a blend of the negotiation and subsidence approach. As a starter, the field commanders of ARVN and of the VC/NVA forces, following the armistice pattern in 1954, could negotiate a military agreement covering the disposition of the Viet Cong and the "carrots" to be given them. If this succeeded, we could then accept a cease-fire to create the conditions necessary for the carrying out of the agreement. If this appeared successful, we could then freeze our forces and secretly inform Hanoi of the fact with the suggestion that they do likewise. After receiving evidence that infiltration was subsiding, we could then progressively decrease bombing of the North, adjusting it to the behavior of the other side.

If all violence subsided and the Viet Cong resettlement proceeded in accordance with plan, then we could consider a slow withdrawal of forces, watching for corresponding actions by Hanoi.

From this analysis, I come out with the following priority of desirability in negotiation forms:

- Priority 1 Case III, IV or hybrid III/IV
- Priority 2 Case II
- Priority 3 Case I

  
Maxwell D. Taylor

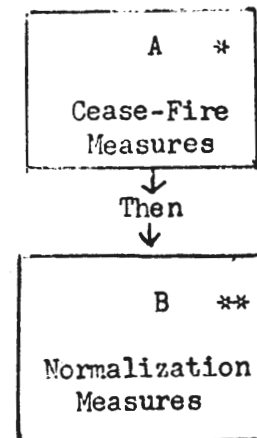
~~TOP SECRET~~



# NEGOTIATING SEQUENCE ALTERNATIVES

76-b

## CASE I



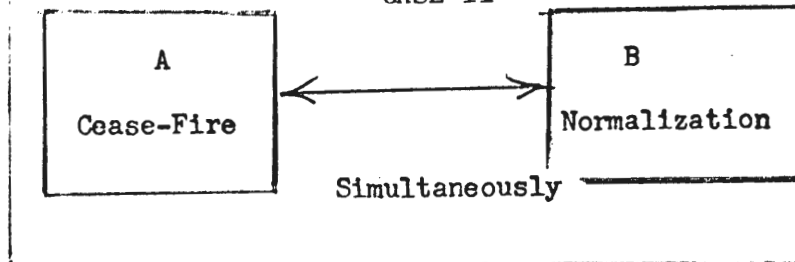
\*Includes cessation of:

- a. Bombing North
- b. "Big War"
- c. "Little War"
- d. "Criminal War"
- e. Reinforcements

\*\*Includes:

Dissolution of VC  
Withdrawal of foreign forces  
"Carrots"

## CASE II



PRO: Quick end to fighting, reduction of tensions

CON: Creates sense of euphoria; possibility of Panmunjom; gives enemy chance to refit. Impossible to negotiate Package B quietly.

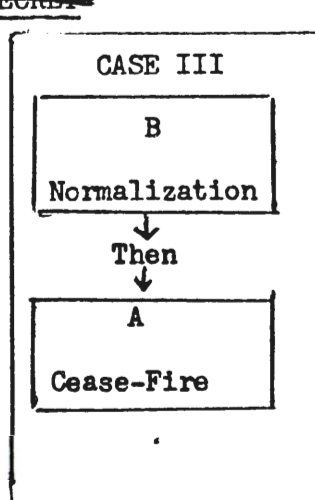
PRO: Brings settlement in a single operation. Avoids most cons of Case I.

CON: Highly complex, time-consuming. Could not be kept secret. Exposes our side to pressures to stop bombing and refrain from military activity.

~~TOP SECRET~~

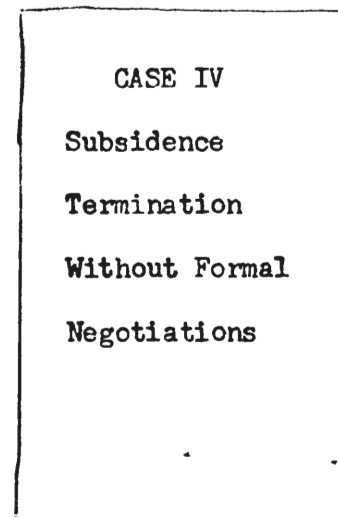
DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-322  
By ing, NARA, Date 12-2-92

PRESERVATION COPY

~~TOP SECRET~~

PRO: Avoids most cons of Case I. Shows participants how they come out. Permits secrecy in negotiating Package B. Military pressure can be maintained.

CON: Delays end of shooting. Tensions remain high.



PRO: Avoids requirement for formal agreements. Avoids kibitzers at negotiations. Permits slow and cautious de-escalation at minimum risk.

CON: Problems of verifying subsidence. No public guarantees or commitments.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-322  
By 128, NARA, Date 12-2-92

~~TOP SECRET~~

~~TOP SECRET~~ -- EYES ONLY

*cy sent Sec Rusk  
cy sent N. Kitzburg*

Thursday, November 17, 1966 -- 1:30 p.m.

Mr. President:

This memorandum suggests that the optimum form of negotiation with Hanoi may be:

- a secret negotiation of a total deal;
- a dramatic joint announcement followed by a complete end of hostilities, infiltration, and the beginning of troop withdrawals.

1. A Possible Problem

It is certain that the men in Hanoi have not yet decided that their best option is to negotiate. And there is still a probability that they believe that the burden of the war on the U. S. will give them a better resolution in the future than they could get at present, although that conviction may be waning.

But there may be another problem. They may be willing to accept the outcome we have outlined; but they may not be able to see how they can get from here to there without a complete collapse in their negotiating position along the way. Therefore, they may think a different outcome than the one we promise would result. That is why they may, with some candor, call our proposals "trickery" -- or worse.

Their problem is this: If they stop infiltration and if they stop terror in the South, two things are likely to happen:

- the Viet Cong movement will quickly collapse;
- they will then lose their international bargaining position.

This is because the Viet Cong are so dependent on northern supplies, men, and leadership and because the ability to disrupt and to terrorize is the only serious bargaining leverage they have -- or believe they have.

Once the Viet Cong movement collapses, it is almost impossible to envisage its starting up again. For example, they may well feel that any substantial de-escalation by Hanoi -- in infiltrated men, supplies, etc. -- would be immediately recognized by the Viet Cong as the beginning of the end.

~~TOP SECRET~~

DECLASSIFIED

Authority MLG 85-174  
By reg/us, NARA, Date 3-26-91

The Viet Cong might scramble for their place in the society of South Viet Nam. On the other hand, we could sustain various degrees of de-escalation without a collapse in our position or that of South Viet Nam.

With a patent collapse in the Viet Cong they may feel Saigon and we could claim a "new situation" and ignore prior commitments. Communists, as a matter of doctrine, are trained to rely on effective power, not verbal promises or good will.

In this context we should remember that, quite contrary to a popular cliché in the West, guerrilla wars have been won or lost clean: mainland China; Malaya; Philippines; Greece. The only compromise solutions were not political but territorial; e. g., the split of Indo-China at the 17th parallel. (I do not count the Laos solution because it is not a solution -- the war continues, awaiting the outcome in Viet Nam.) We are, thus, up against a tough problem in trying to talk our way to a satisfactory resolution of a guerrilla war -- with no clear precedents.

## 2. A Possible Solution

If I have correctly described a part of Hanoi's problem in ending the war by negotiation, the answer may lie in communicating to them a solution which takes that problem into account and making it credible.

Specifically, we must communicate three things:

- an end position which Hanoi and the Viet Cong could live with;
- a way of making our guarantee of that position credible;
- a way of getting there which would minimize the significance of Hanoi's and Viet Cong's weak bargaining leverage along the way.

Now each element in turn.

## 3. An End Position

We can offer the Viet Cong only two things in South Viet Nam and the substance of one of them is dependent on how soon they move towards peace:

- a guarantee against slaughter, as in Indonesia.

~~TOP SECRET~~

-3-

-- a right to organize politically and to vote, but only after arms are laid down. They cannot mix terror and political status.

The meaning of the second offer is contingent on when it is picked up; for example, they have already missed the constitutional assembly; if they want to get in on the next round of village and provincial elections, they had better move fast (before early 1967), and this could prove important in establishing a local political base for them; if they want to influence the presidential elections under the new constitution, they have only between now and September 1967.

Since they know that their prospects on a one-man-one-vote basis are not good in South Viet Nam, the Viet Cong may not find a role in domestic politics worth much; it may be more important to Hanoi which could be concerned to save some face for their proteges and protect them from the reprisals that could come if they persist in violence once the game from the North is called off.

As for Hanoi, we can only offer them our withdrawal six months after they are out and violence subsides, plus a free Viet Cong run at peaceful politics plus the promise of an ultimate plebiscite on unity under peaceful conditions plus economic assistance in reconstruction as part of Southeast Asia if they want it.

[It may, incidentally, be important to communicate to them soon that we do not intend to let the war drag; that we plan to up the ante; and our present offers to them may not hold indefinitely.]

#### 4. The Problem of Credibility

The credibility problem can only be fully solved in conjunction with the bargaining leverage problem discussed in Section 5 below. But two things could contribute:

- negotiating in secret the end position while the war goes on;
- announcing it publicly (and perhaps registering it before the UN) as the process described in Section 5 begins.

Specifically, the U.S. and the fighting allies would join the government of South Viet Nam in guaranteeing the amnesty to the Viet Cong. If the

~~TOP SECRET~~



Viet Cong wanted promptly to participate in peaceful elections -- for example at the local level -- we (and the government in Saigon) would accept international supervision. If asked what our sanctions would be in the case of violation of the amnesty, we could point out that the South Vietnamese would remain for a long time extremely dependent on our assistance and on the political support of the rest of the world. But no guarantee to the Viet Cong as an organization could be secure unless they cut out violence and did not revive it.

5. The Bargaining Leverage Problem

There is only one answer to the Communist bargaining problem: speed. Once the end position is negotiated in secret and announced, then the war -- North and South, main force and guerrilla -- must stop dramatically: the North Viet Nam units must immediately begin heading home (from Laos, too); and we must begin immediately some withdrawals. All infiltration and supply movements south must stop on a given day -- 100%.

The drama of the joint announcement of the agreement by ourselves, Hanoi, Saigon, and the NLF is the best facesaver they could have, with symmetrical movements promptly following.

Then a Geneva conference could take place on the details of the international aspects of the deal -- a beefed up control commission; straightening out Laos, etc.

6. How to Probe the Viability of this Concept

The probe should be a direct U. S. -Hanoi gambit, with no intermediaries.

It should be conducted in great secrecy, and evident seriousness, by a completely credible U. S. official. He should leave behind an aide memoire for communication to Hanoi.

W. W. Rostow

WWRostow:rla

Monday, Feb. 20, 1967  
7:00 p.m.

MR. PRESIDENT:

This report on VC defectors for the fourth quarter 1966 shows -- for the first time -- the beginnings of damage to the VC guerrilla structure.

It is not dramatic -- but quite unmistakable.

I've marked in yellow some key passages.

W. W. R.

~~CONFIDENTIAL~~ attachment

~~SECRET~~

February 20, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Opposition to Mao

The situation in China is so confused as to defy brief description. The accompanying map is the best that can be done by way of indicating the province-by-province situation as of today, but it does not reflect the magnitude of the confusion. It shows that most of China is still in dispute, but the significant fact is that not a single province or municipality shown as in either the pro- or anti-Mao camp is without elements of significant opposition.

I strongly suspect that the Soviets have been instigating and aiding anti-Mao resistance in Sinkiang, Manchuria and possibly Inner Mongolia.

Ever since Mao's call to "seize power" throughout the country, there have been numerous phony power seizures, so that it has been difficult for anyone to tell who are the "genuine revolutionaries" and who the "enemy." Even local military units have difficulty in identifying which of competing rival groups actually have Mao's sanction, and which authority in the confused military chain of command to respond to.

Much of this confusion arises from the fact that the revolution itself was artificial in its inception, inasmuch as Mao imposed it from the top. Its stated objectives have been too generalized and too vacillating to afford practical guidance for consistent action, even if major elements of the society desired to further its objectives.

Mao's opposition has eagerly added to the confusion by promoting dissention, by offering economic incentives to workers and peasants, by walking off the job, and at times by feigning support. Peking complains that many groups have "used the name of revolutionary rebel organizations falsely." Furthermore, there is continued resistance to the few "revolutionary" organizations which have received Peking's blessing as genuine. It is possible that their control does not extend much beyond provincial capitals.

Mao still retains the initiative, and the opposition is not broadly organized except perhaps in Tibet, Szechuan and Inner Mongolia. The

~~SECRET~~

DECLASSIFIED

Authority 7129 85-261  
By y/osp, NARA, Date 3-25-91



~~SECRET~~

- 2 -

atmosphere of suspicion, mistrust, and -- perhaps most of all -- uncertainty, now pervades the entire unhappy country. Mao has unleashed forces which are not yet ready to listen to exhortations for moderation. The Minister of Security has called on genuine revolutionaries to "put an end to armed struggle" and to "stop using loudspeakers to insult their enemies." However, typical provincial radio comment continues to say to all "demons and monsters" that the revolutionary rebels will "resolutely suppress you and smash your dogs' heads."

Mao's grand design in foreign policy of two years ago has failed completely, and it now appears that his domestic economy may well be disrupted by the Cultural Revolution as seriously as it was by the Great Leap of 1958-59.

W. W. Rostow

Attachment

AJenkins:mm

cc: Mr. Jorden  
Mr. Ropa

~~SECRET~~



Anti-Mao forces still in strong position, reports of current disorder  
Pro-Mao forces acceptable to Peking in control  
Situation unclear, resistance may be strong, army or Maoist forces may be divided

~~CONFIDENTIAL~~

786



DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-325  
By 48, NARA, Date 11-7-91

Monday, Feb. 20, 1967  
6:30 p. m.

24

MR. PRESIDENT:

This cable indicates why I feel that the earlier the Thieu-Ky deal is settled the better.

It also indicates why Thieu is the ideal man to take over the military job (para. 8). Ky doesn't command five-stars!

W. W. R.

~~SECRET~~ attachment (Saigon 18354 2/18/67)

~~SECRET -- EXDIS~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-325  
By ing, NARA, Date 11-7-91

Saigon 18354, February 18, 1967

1. In reply to your interesting and valuable 133730:
2. The first point to make is that unity of the military is essential to governmental stability in Viet Nam. From the standpoint of stability, this is the "law and the prophets."
3. Movement toward a broadly based, truly popular government is impossible without stability.
4. The military is also the chief nation-building group in this country. It has education, skills, experience, and discipline which no other group can offer. Without the full benefit of these strengths, any regime here will be seriously handicapped, and its chances of survival would be poor.
5. This is one thing out of many which makes Vietnamese politics and Vietnamese elections different from American politics and American elections. There is nothing in the United States remotely resembling the place which the military has in this country where it renders not only a military service but also plays an indispensable role in the social structure.
6. This makes a political contest between Ky and Thieu highly dangerous. It could be a disaster which would jeopardize much that we have labored to build.
7. It is critical therefore for the military to stay together. As prudent men we must expect Hanoi and the so-called NLF to move towards the field of politics in South Viet Nam and exploit the schisms which exist here. If I were Hanoi I would consider that this was a promising way to retrieve much of what they have lost.
8. General Westmoreland tells me that at the meeting of the Generals when it was decided to give General Vien his fourth star, it was also decided to give General Thieu a fourth star with a date of rank a day ahead of General Vien so that when, as, and if Thieu retired from civil office, he could take over as the number one soldier of Viet Nam. It would be good news if this presaged that there would not be a split between Thieu and Ky. Without having anything concrete to go on, I believe that this split will be avoided simply because I know the two men well and think they have enough sense to realize how catastrophic a split would be.

~~SECRET~~



~~SECRET~~

-2-

9. In light of the above, I believe we should continue to stress the importance of: keeping the military together; keeping the military and non-Communist civilians together; nominating a ticket in which the military and civilian elements are joined; and having a clean election, the results of which will be accepted as binding by all concerned.

10. I think we are in agreement that it would be undesirable if three or four candidates of substance competed with each other, with the result that the winner did not get a strong majority. In discussions at various levels of the government and with Assembly Deputies, Embassy officers have suggested that a run-off election would be the best way to avoid this problem. Ky says that this is not practical. He thinks the same of proposals for a primary or a convention system or a requirement for signatures as devices to thin out the candidates. He is, therefore, thinking of getting the leaders of the various groups in Viet Nam together and having them agree on a slate -- presumably the slate to which they will have previously agreed.

11. From a strictly Vietnamese point of view, there is much to be said for Ky's idea. It avoids a fight between the military and it avoids the multiplicity of candidates. Such a meeting could also lay the base for a truly national political party.

12. There is the danger, and indeed the probability, that candidates not so named would declare the meeting rigged against them. Some groups, such as the Southern Renaissance Movement and the An Quang Buddhists, would probably refuse to participate.

13. After reflection, I think it best not to discourage Ky from going ahead with his effort to try to get a broad consensus of group leaders in favor of a government slate, thus rallying the widest possible support for the ticket. But other groups should be free to enter their candidates. This might tend to avoid the dangers noted in paragraph 12.

14. The winner might not have a respectable majority of the vote. Provision for a runoff election is therefore worthy of careful study, but it is certainly true that the Vietnamese electorate already faces a confusing number of elections in a short period, and Ky may be right in feeling that a runoff is not a good solution.

15. Undoubtedly a scenario pleasing to American opinion would be an election here which was really close and in which two sets of strong candidates (with some insignificant splinter candidates) battled it out as happened in the United States in 1960 (although not in 1964).

~~SECRET~~

~~SECRET~~

- 3 -

16. At this distance that looks like the most unlikely of all the hypothetical situations.

17. I believe, therefore, that both in Saigon and in Washington we who are connected with Viet Nam ought to try by every practical means to educate our fellow citizens to the idea that a U. S. type election simply cannot be expected.

18. As regards your question on Huong-Ky combination, I would say that I am prepared to accept the favorable things which are said about Huong. Because he is so little in Saigon, he is the one prominent man whom I do not know in spite of assiduously going to every function where I might have bumped into him. I cannot help wondering sometimes about his relationships with the military when he was Prime Minister. But I can see no other civilian who is taken seriously and while I would be quite happy with Tran Van Do as a sort of figurehead President, or even Tran Van Don, I recognize as a realist that the Vietnamese in general do not agree.

19. The formation of a Huong-Ky ticket appears at best to be an outside possibility simply because, at this reading, it seems doubtful that Ky would consent to run on such a slate. It is worth noting that such a slate has actually been proposed by Huong's campaign manager, Vo Long Trieu. Trieu recently told an Embassy officer that he suggested such a combination to Ky on Feb 5. According to Trieu, Ky was noncommittal. Trieu admitted that persons close to both Ky and Huong would oppose the combination and that it would be difficult to "marry" Ky and Huong.

20. As regards your paragraph 9 on "substantive issues," I do not visualize this campaign being marked by debates on such questions of public policy as negotiations or anti-Americanism -- if the election were held today.

21. As regards negotiations, public opinion here does not understand our system of separation of powers and does not realize that Senators who urge putting the NLF into the GVN do not speak for the U. S. Government. It is possible, therefore, that the Vietnamese public will get the feeling of despair which comes if they think they are being left out of decisions which affect them vitally. This is one reason for always telling the GVN of things which we plan to do which will become public anyway. It is better to tell them at the cost of disagreement than it is not to tell them and have them find out.

~~SECRET~~

~~SECRET~~

-4-

22. Anti-Americanism is always a danger but really believe that the measures which we began a year and half ago are taking hold. With a few inevitable exceptions, notably in Nha Trang and Vung Tau, American troops will, broadly speaking, be out of the centers of population. In Saigon it is expected that the American military population will drop from 18,000 to 6,500 by the end of 1967, truly a spectacular and constructive event.

23. In general, this is a country in which words mean very little. The people are cynical and hardbitten and they're great ones for watching the action. We in America like "campaign promises" and resounding declarations but that doesn't go very well here.

Lodge

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

February 20, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed \$7.5 million Program Loan for Ceylon

AID is requesting approval of a program loan of \$7.5-million as part of our share of a World Bank program of \$50 million assistance to the Senanayake Government in Ceylon.

In contrast with its predecessor, the Senanayake Government is pro-West, has cooperated with the IMF and World Bank, seeks Western private investment, and is seriously attempting to overcome the economic mess it inherited. Instead of criticising us, it has been generally constructive internationally. Last fall it carefully dampened down Buddhist agitation against our policies in Vietnam.

Last year we committed \$7.5 million in a loan and \$4.5 million in PL 480. The World Bank has reviewed their policies, particularly their efforts to reduce costly subsidies to rice consumers, to improve the climate for investment, and to step up food production. The Bank finds these and other steps reasonable.

As Charlie Schultze points out, Ceylon's road to development will be a long one. This year, for example, economic progress has been hampered by a sharp drop in the world price for tea and the continued slippage in the price of rubber, two of their three main exports. Nevertheless, the Bank is hopeful for the long run and this Government is far preferable to what might come if economic failure forces a premature change of government.

~~All the other donors~~ - Australia, Canada, France, Germany and the U.K. -- ~~have already committed~~ their share of the Bank's program.

~~All this loan would be spent in the U.S.~~ Charlie Schultze and Joe Barr approve this loan as presented by Bill Gaud.

Approved ✓

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

*Walt* Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-323  
By *WJG*, NARA, Date 11-18-93

~~CONFIDENTIAL~~



80a

~~CONFIDENTIAL~~

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

FEB 18 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Program Loan to Ceylon

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-323  
By if, NARA, Date 11-18-93

Attached is a memorandum from AID Administrator Gaud requesting that you authorize a \$7.5 million program loan to Ceylon.

We give aid to Ceylon jointly with other donors, under the sponsorship of the World Bank.

- Last year we gave \$12 million toward a \$50 million target (\$7.5 million loan; \$4.5 million P. L. 480).
- In a meeting held by the World Bank last May another \$50 million was proposed for this year.
- The requested \$7.5 million loan, together with a P. L. 480 program now under consideration, would constitute our share of this second \$50 million.
- All other donors--Australia, Canada, France, Germany, Japan, and the U. K.--have already committed their shares.

The principal justification for this loan is the U. S. interest in continuing to support the pro-Western government of Dudley Senanayake, who defeated the anti-U. S. coalition headed by Mrs. Bandaranaike early in 1965. The Government's survival depends in large part upon Senanayake's success in easing Ceylon's economic problems, one of the most critical of which is the need for foreign exchange. External assistance will buy time for him to consolidate his fragile economic and political situation.

Since our assistance to Ceylon is considered a temporary effort, there is no AID Mission there. As a result, we are not in a strong position to form independent opinions of Ceylon's economic performance and prospects. Instead, we rely heavily on the judgments of the World Bank, which appear fundamentally sound.

The Government of Ceylon has made commendable progress in facing up to and beginning to address the political and economic problems it inherited

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

as a result of the short-sighted policies of its predecessor. As Gaud explains, these policies stifled investment through tax, price, and import measures which encouraged consumption at the expense of public and private savings.

The road to economic self-sufficiency for Ceylon is likely to be a long and winding one. Several of the promising steps taken last year may be partially offset by backsliding. But the Senanayake Government seems to be headed in the right direction. It has undertaken measures to:

- improve the environment for private investment through tax incentives and the establishment of sensible priorities;
- develop and follow an import program which restrains consumption imports--but falling prices for Ceylon's exports mean that a serious foreign exchange shortage will still remain;
- reduce the expensive rice subsidy;
- increase agricultural production, largely through the increased use of fertilizer.

Balance of Payments

This loan would be spent entirely on the purchase of U. S. goods and services. Secretary Fowler agrees that its impact on the U. S. balance of payments would be minimal.

Recommendation

I recommend that you authorize the proposed \$7.5 million program loan to Ceylon.

*J. W. San  
J. W. San*

*Charles L. Schultze*  
Charles L. Schultze  
Director

Attachment

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

~~CONFIDENTIAL~~

806

~~CONFIDENTIAL~~

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

OFFICE OF  
THE ADMINISTRATOR

FEB 9 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Program Loan to Ceylon

Action Proposed: We propose to lend \$7.5 million to the Government of Ceylon for the purchase of commodities and consulting services from United States suppliers.

Development loan assistance to Ceylon has been under consideration since last spring. Just prior to the World Bank-sponsored aid-to-Ceylon meeting held in London on May 19, 1966, Prime Minister Dudley Senanayake made a direct appeal to you for emergency assistance. You replied that in association with other donors, we would consider Ceylon's needs and try to do our part to help carry out whatever plans were made, subject of course to U.S. Congressional approval. We attended the meeting and indicated a willingness to consider assistance of the same kind and magnitude as previously offered in FY 1966; therefore, it is generally understood by Ceylon, the Bank, and others that, given the authorization to do so, A.I.D. would supply a new program loan in the order of \$7.5 million and P.L. 480 commodities of an approximately similar amount in FY 1967.

Subsequently, your determination of January 5, 1967 on the number of countries eligible for development loans (Presidential Determination No. 67-14) included Ceylon for the express purpose of making a loan to Ceylon. In my testimony before the Senate Foreign Relations Committee in support of your determination, no objection or question was raised concerning the loan to Ceylon which was discussed in my prepared statement.

The proposed loan would be a part of the United States contribution to the IBRD-sponsored combined effort of donors to raise \$50 million to help Ceylon through a difficult transitional period and permit it to resume an investment level essential to its future economic development. Ceylon has been caught in a downward trend in the prices of its traditional exports for some years. At the same time, Ceylon's former government pursued taxation and price policies designed to redistribute income. These measures shielded the mass of the people from a decline in living standards but stifled investment. Consumption rose while capital invest-

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-320  
By *ing* NARA, Date 3-2-92

~~CONFIDENTIAL~~

- 2 -

ment fell as maintenance and investment imports were choked off. The present Government has taken steps to reform its economy but the shortage of foreign exchange reserves constitutes a major constraint on the full utilization of existing capacity and on the resumption of an adequate investment level.

U.S. Interest: The major U.S. interest in Ceylon is to support the pro-Western Government of Prime Minister Senanayake which came into power in March of 1965 by defeating the Marxist/Leftist coalition headed by Mrs. Bandaranaike. The Senanayake Government, while maintaining a "non-aligned" position officially, has taken forthright action to improve relations with the West, particularly the United States, and has resolved amicably a number of problems, i.e., the oil compensation dispute and the moratorium on remittances of profits and dividends. Events have proven the present Government is one with which we can work. The current outlook is that the Government could fall or not be re-elected unless it can improve economic conditions. Replacement by another Marxist/Leftist coalition would be severely inimical to U.S. interests. Continued United States support will help Ceylon keep its democratic system and allow it to follow its moderate, neutralist foreign policy.

Self-Help Actions: During its relatively short tenure, the Government has brought the country's basic economic, political and sociological problems into the open and tried to find solutions for them. It has slowed the trend of the previous government towards state socialism and has published a White Paper encouraging private and foreign investment. For the first time a party representing the Tamil minority is included in the Government. Steps have been taken to meet certain demands of this minority, for example, a Language Act which permits a greater use of the Tamil language. The Government has succeeded also in restoring an unusual degree of tranquility in the field of labor relations.

On the economic side, the Government is committed to containing the food subsidies at the 1965/1966 level and recently announced that the subsidized rice ration would be cut in half. These measures will result in further foreign exchange and budgetary savings. Reduction of the food subsidy was one of the major recommendations of both the IBRD and the IMF. A Planning Ministry has been established and is concentrating on rationalizing economic policies and making better use of investment resources.

Self-Help Commitments: Ceylon through successive Standby Agreements with the IMF in 1965 and 1966 and a continuing arrangement with the IBRD has committed itself to financial stabilization and economic policy reorientation. Specifically, Ceylon has agreed to limit domestic monetary expansion, contain and reduce the cost of food subsidies, reduce welfare expenditures, improve the pricing policies of government

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

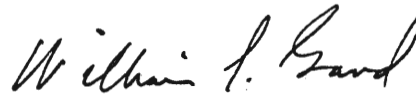
- 3 -

industrial corporations, develop realistic import taxes, limit the inflationary financing of the budget deficit, establish a planning organization to rationalize the allocation of resources for development and encourage private sector investment. Ceylon's self-help progress has improved.

The U.S. examines the reports of the IBRD and information received from the Embassy and A.I.D. Affairs Officer in Ceylon and satisfies itself as to the adequacy of the Government's progress in meeting these self-help commitments.

Balance of Payments Considerations: This loan will be utilized for the purchase of goods and services from private firms in the United States. The commodities eligible for financing under the loan are largely additional to the usual U.S. commercial exports.

Recommendation: I recommend that you approve an authorization for a \$7.5 million program loan to the Government of Ceylon.



William S. Gaud

~~CONFIDENTIAL~~



DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-322

By ing, NARA, Date 12-2-92

Monday, February 20, 1967

11:45 a.m.

~~TOP SECRET~~

MR. PRESIDENT:

I have reflected over the week-end on where we are in Viet Nam and where we ought to go. I forward these thoughts now because I won't be here for the Wednesday meeting.

Here, bare-boned, are my conclusions and order of priority.

1. Keep pouring it on in the South. Nothing is better than the kind of successful operations we have had in the past few days -- notably the good and (at last) well-publicized operations of the South Vietnamese. Westy must stretch his capabilities and, even, take risks to keep forward momentum. The most fundamental Communist question affecting their policy judgments is: "What is the situation on the ground?"

2. Pacification and Opening of Roads. This is where we must be able to show real obvious progress in the next 3 - 6 months. We'll have to await Bob Komer's return before knowing how to get a handle on it.

3. Bombing the North. As you know, I am for applying more weight. I won't go into detail here, but I believe it should be applied step-by-step, not convulsively. They should feel in Hanoi the sheriff is coming steadily down the road for them, not that we are in a spasm of anxiety or desperation.

4. The Russians. We should keep in steady frank conversation with them -- here as well as Moscow. Apparently, Tommy did not make crystal clear that we no longer feel bound by the 10-mile circle. That should now be done by Nick or by me. We should tell them that we are not talking with the Chinese beyond Warsaw (which they monitor). We should tell them politely that since they can't deliver Hanoi on a sensible deal, we'll have to do it; although all channels remain open.

5. Negotiations. We should stop projecting an atmosphere of great anxiety about negotiations to Hanoi -- a kind of "you call me" posture is about right.

6. Politics in South Viet Nam. This is the sleeper for 1967 if it comes out right. The critical issue is increasingly this: Westy and Lodge should take Thieu up on a mountain and let him see what a grand role he could play if he took over the Vietnamese military and modernized them for the long pull while keeping unity and backing the constitutional process. Ky looks to me the more likely politician for the next phase; but it may matter that Thieu

~~TOP SECRET~~

~~TOP SECRET~~

-2-

2/20/67

know he will have all kinds of U. S. support if he undertakes the critical backstop military job. This conversation can wait until Bob Komer gives us his picture of the lay of the land.

When the Ky-Thieu matter is settled -- and the sooner the better -- then we can really go to work to encourage them to organize solidly a military-civil coalition; a national program; a consolidation of political parties into a great big national party; an election with maximum turn-out; a forthcoming amnesty position; and all the rest.

Because it doesn't involve hardware and much money, this is the dimension we tend to neglect; but doing it well may make all the difference to whether we get a settlement this year.

W. W. R.

~~TOP SECRET~~



~~CONFIDENTIAL~~

Monday, February 20, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Our Ambassador to Indonesia

Ambassador Marshall Green has been home on leave for a month. He leaves for Djakarta Wednesday morning. I think you would find it interesting and useful to see him, even if briefly, before he departs.

Marshall is one of the brighter and more able career Foreign Service Officers. He has dealt with a very tough situation with great skill and finesse.

When he first went to Djakarta, in late summer of 1965, it looked as though he and the entire US establishment might be thrown out at any time. Then came the abortive communist coup and the successful counter-coup by the Indonesian military. Since then, our relations in Djakarta have steadily improved. But, we face a rough road ahead as the Indonesians try to rebuild their country.

Marshall could give you a quick but thorough outline of the problems we now face. It would, of course, strengthen his hand in dealing with the new Indonesian leaders if he could tell them of your genuine interest in their country and its future.

W. W. Rostow

Arrange Appointment with Marvin Watson \_\_\_\_\_

Make No Appointment \_\_\_\_\_

See Me \_\_\_\_\_

DECLASSIFIED  
Authority State Ex 3-8-79  
By Ag/esp, NARA, Date 3-25-91

~~CONFIDENTIAL~~

Monday, Feb. 20, 1967  
10:00 a. m.

*Pres file 84*

MR. PRESIDENT:

The one paragraph summary of this document will interest you.

We still have a number of sensitive spots to watch -- notably Panama -- but the Latin American scene is quieter than it has been for ten years.

W. W. R.

~~SECRET~~ attachment (Spec Memo No. 1-67 17 Feb 67 "Latin American Insurgencies Revisited")

## THE WHITE HOUSE

WASHINGTON

~~SECRET~~

Monday, February 20, 1967

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Affairs Summary

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 91-323  
By 123, NARA, Date 11-18-93

1. Yemen

The State Department is generally sympathetic to Ambassador Battle's proposal that the US mediate the UAR-Saudi dispute in Yemen. However, they want to give Kuwait one more chance to get discussions started without our involvement. We have told Embassy Cairo to urge the UAR to respond to Kuwait's offer of mediation. If this falls through, State will send a proposal for your approval in launching US mediation.

2. Latin American Summit

The Venezuelan Foreign Minister has told Secretary Rusk he was optimistic about developing a Summit agenda. However, he stressed that the Summit would have to produce important commitments so that the meeting would present to the world a picture of true Hemispheric solidarity. The Secretary reiterated that we were not trying to push the Latin Americans into the Summit. He said it would be important for such a meeting to strongly reinforce the Alliance for Progress.

3. Epidemic in Communist China

We have heard scattered radio reports indicating that meningitis and encephalitis epidemics have broken out in a number of provinces. Red Guards have been warned to avoid crowds to prevent the spread of disease.

4. South Vietnamese Electoral Law

We have urged Embassy Saigon to encourage the Vietnamese to work out a electoral system that would require a substantial plurality for the elections of representatives to the legislature. The purpose is to ensure that no candidate is elected by a small minority, something that would also prevent the possible election of Viet Cong supported candidates.

~~SECRET~~

~~SECRET~~

- 2 -

5. French Arms Sales

We have a report the French are trying to boost sales of French armaments. Last year they sold \$560 million -- 20% of all heavy equipment exported from France.

The report says the French are going to drop their previous policy of not selling arms to Communist countries. This apparently involves only small arms at present. The only apparent need for small arms by the Communists is for re-export. Foreign policy considerations and financial problems may hamper some sales -- for example, to Israel, India, and Indonesia. Israeli sales would irritate the Arab world; India and Indonesia both have credit problems.

6. Indian Food

The PL 480 agreement was signed in New Delhi today. It meets the requirements of new legislation on agricultural targets, self-help, etc. We also have an unwritten understanding with the Indians which would seem to take care of Congressman Poage regarding over-production of cotton.

W. W. Rostow

~~SECRET~~

Monday, Feb. 20, 1967  
9:30 a.m.

85  
*Pres. file*

MR. PRESIDENT:

We have, in principle, offered Moscow inspection of a strategic weapons agreement by unilateral (national) means.

**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 99-51**  
**By CG, NARA Date 6-30-00**

This important intelligence estimate states what we could and could not estimate by such means -- mainly, satellite photography and electronic intelligence.

It is, on the whole, positive, but has caveats which will inevitably be picked up by those who oppose such an agreement -- if we ever get close to one.

W. W. R.

~~TOP SECRET~~ attachment 

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

86

*Pres file*

**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 99-51**  
**By cb, NARA Date 6-30-00**

~~SECRET~~-- EYES ONLY

Saturday, February 18, 1967  
9:00 a.m.

Mr. President:

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

Herewith the records in our minutes of meetings of the 303 Committee (and its predecessor group, 5410 Committee)

Those present at the meetings are noted.

You should know that the basic work of the 303 Committee is to examine new programs; although, in the period I have been here, I have asked for reexamination of certain programs when current issues arose.

Clark Clifford's committee may be more deeply engaged in studying the whole of the CIA program; although I am not sure about this.

W. W. Rostow

~~SECRET~~-- EYES ONLY

WWRostow:rlm



86a

~~SECRET-EYES ONLY~~

14 FEB 1967

[REDACTED]

Chronology of Briefings of 303 Committee on Youth and Student Activities

a. 25 February 1959 Minutes

"The DCI pointed out to the Group that there are a number of Agency programs under way which began before the approval of NSC 5412/2 and thus the establishment of the Special Group."

Members present were: Christian Herter, Gordon Gray, Mr. Irwin, Allen Dulles, [REDACTED]

25x1A

b. 4 March 1959 Minutes

"The DCI showed the Group the summary of actions approved by it since its inception. Mr. Dulles repeated what he had said at last week's meeting to the effect that this summary represents only the individual actions taken by the Special Group and that some of them have since been incorporated in continuing CIA programs." (We do have the summary referred to here; it does not include

25x1A

[REDACTED]

Members present were: Christian Herter, Gordon Gray, Mr. Irwin, Allen Dulles

c. 14 February 1961 Minutes

25x1A

"Mr. Dulles, assisted by [REDACTED] then summarized for the benefit of the new members of the Special Group the specific actions taken by the predecessor group during the past year, and also a list of significant projects which antedate the beginning of 1960 and which it is planned to continue." (We do have the list mentioned; it includes [REDACTED])

25x1A

Members present were: Messrs. McNamara, Gilpatric, Bowles, Bundy, Dulles, Gen. Cabell, [REDACTED]

d. 24 August 1961 Paper read by the Special Group reviewing CA Operations

[REDACTED]

25x1A

PRESERVATION COPY

SANITIZED  
Authority NLS 019-013-2-3  
by 90, NARA, Date 12-10-01

~~SECRET-EYES ONLY~~

-2-

25X1C

[REDACTED]

Members present at 31 August 1961 meeting were: General Taylor, Mr. Johnson, Mr. Dulles, General Lansdale

e. 12 December 1963 Minutes

"Mr. McCone stated that he agreed, and in addition to the continuing reviews made inside CIA and with the State Department, he had reviewed all of the covert action programs twice with higher authority. Mr. Alexis Johnson also affirmed that constant reviewing was being done in the Department of State and that he was satisfied with the importance and necessity of the covert action activities currently undertaken by CIA." (We have the briefing outline used by the DDP on covert political action and PM projects. Mr. [REDACTED] covered "all other covert action" but no outline is available.

25X1A

Members present were: Mr. Bundy, Mr. Johnson, Mr. Gilpatric, and Mr. McCone. Present from Bureau of the Budget were Mr. Gordon, Mr. Staats, 25X1A Mr. Hansen and Mr. Amory. Present from CIA were Mr. Helms, [REDACTED]

25X1A

f. 30 October 1964 Minutes

25X1C

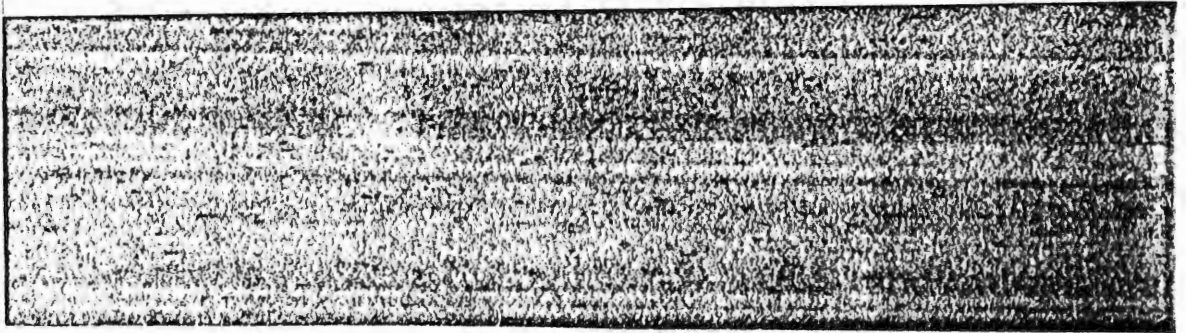
[REDACTED]

~~SECRET-EYES ONLY~~

~~SECRET - EYES ONLY~~

-3-

25X1C

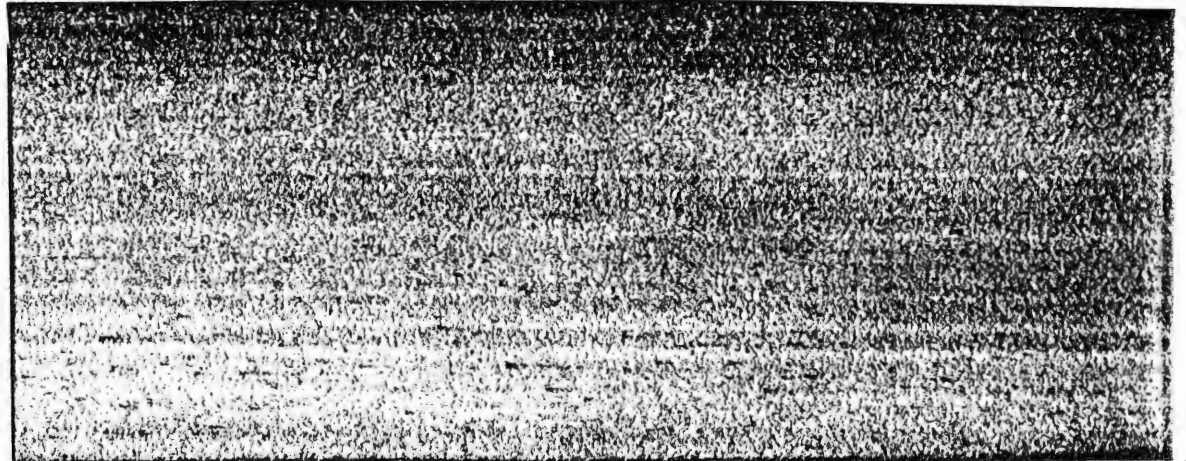


Members present were: Mr. Bundy, Ambassador Thompson, Mr. Vance, Mr. McCone and [REDACTED]

g. 3 December 1964 Minutes

25X1A

25X1C



Members present were: Mr. Bundy, Ambassador Thompson, Mr. McNaughton, and Mr. McCone

~~SECRET - EYES ONLY~~

87

Saturday, February 18, 1967  
3:50 p. m.

Mr. President:

Herewith a helpful item in  
tomorrow's The New York Times  
Magazine -- of all places -- sent  
over by Nick in advance.

W. W. Rostow

Article referred to is: Bertrand Russell: Prosecutor, Judge and Jury,  
by Bernard Levin

WWRostow:rlh

872

DEPARTMENT OF STATE  
WASHINGTON

February 17, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

This coming Sunday's (February 19) New York Times Magazine carries a long, highly critical article on the Bertrand Russell "war crimes" campaign, written by British journalist Bernard Levin, the theme of which is indicated by the following quotation: "(Russell) has turned into a full-time purveyor of political garbage indistinguishable from the routine products of the Soviet machine .... (and) sunk to defending--not just denying or minimizing, but actively defending--the atrocities of the Viet Cong in Vietnam." We provided background material for this article, a copy of which is attached.

A week ago the Pakistan Government publicly disavowed the Russell "war crimes tribunal". Earlier four African Heads of State (Haile Selassie, Sekou Toure, Kaunda, and Nyerere) and President Radakrishnan of India issued personal statements dissociating themselves from this campaign. In each case this was the result of careful approaches by our Embassies.

In recent weeks "investigating teams" of the Russell group have been gathering "evidence" of U.S. "war crimes" in North Vietnam. The "tribunal" has said it plans to meet in March, in Paris. The French Government has made it clear they would not be welcome. Two other possible meeting sites, England and Sweden, have taken similar attitudes. In light of this governmental hostility (in part the result of approaches by our Embassies) a spokesman for the group a few days ago said the "tribunal" might meet on a ship at sea, and not until July.

We are continuing to keep an eye on their activities.

  
ACTING SECRETARY

~~CONFIDENTIAL~~

DECLASSIFIED  
Authority State la 4-28-78  
By rg/pech, NARA, Date 3-25-97

THE WHITE HOUSE  
WASHINGTON

February 18, 1967

Mr. President:

Here is the State Department's report on Senator Eastland's trip to Latin America. The three countries visited report a successful visit.

  
W. A. Rostow



852

~~SECRET~~

## SENATOR EASTLAND'S TRIP TO LATIN AMERICA

Our Embassies in Lima, Santiago, Buenos Aires, and Rio de Janeiro were requested to assist Senator Eastland and his party and to report on the programs prepared for him. The three posts he decided to visit reported the trip to be a successful one. The following is a summary of the attached cables:

Peru - Lima reported that the Ambassador met the Senator and his party at the airport and that, after a full Embassy briefing, the group had lunch with the Ambassador and Mrs. Jones at the Embassy residence. The party visited the National Agrarian University, a local cotton plantation and a sugar plantation.

Chile - In Santiago Senator Eastland's program included visits to a cattle ranch, an agricultural experiment station, a seaside resort, sightseeing and dinner with the Ambassador. A more detailed report from the Embassy is in the mail.

Argentina - The Senator received a briefing from the Embassy and was a luncheon guest of the Ambassador. He visited a large ranch, but a tentative plan to go out the following day was cancelled because of a mild indisposition on the Senator's part.

Brazil - The trip to Brazil was cancelled by the Senator because of emergency conditions in Rio de Janeiro caused by floods.

### Attachments:

1. Telegram 3501 from Lima (EXDIS)
2. Telegram 2743 from Santiago (EXDIS)
3. Telegram 2992 from Buenos Aires (EXDIS)
4. Airgram 595 from Buenos Aires
5. Telegram 7945 from Rio de Janeiro (EXDIS)

~~SECRET~~

Downgraded at 12-year intervals,  
not automatically declassified.

**DECLASSIFIED**

Authority 760 87-232

By 14/10/91, NARA, Date 3-26-91

**PRESERVATION COPY**

INCOMING TELEGRAM *Department of State*

800

~~SECRET~~

24

41  
Action

88

Info

VZCZCESD389VV LMA020  
RR RUEHC  
DE RUESLM 3501 0281646  
ZNY SSSSS  
R 281633Z JAN 67  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC  
STATE GRNC  
BT  
~~SECRET~~ LIMA 3501

024637  
1967 JAN 28 PM 12 38

EXDIS

REFERENCE: STATE'S 118837

FOR SECRETARY FROM AMBASSADOR

1. PLEASE ASSURE PRESIDENT THAT SENATOR EASTLAND AND PARTY LEFT LIMA THIS MORNING APPARENTLY WELL-PLEASED WITH THEIR VISIT HERE. I MET SENATOR AT AIRPORT ON HIS ARRIVAL JANUARY 25 AND SAW HIM ABOARD HIS PLANE TO CHILE THIS MORNING. EASTLAND PARTY HAD LUNCH WITH MY WIFE AND ME AT RESIDENCE FIRST DAY THEIR LIMA SOJOURN FOLLOWING UNCLASSIFIED BUT FULL EMBASSY BRIEFING. OTHER ACTIVITIES INCLUDED VISIT TO NATIONAL AGRARIAN UNIVERSITY AND LOCAL COTTON PLANTATION OUTSKIRTS LIMA AND TO GRACE & CO SUGAR PLANTATION PARAMONGA.

2. ON SEVERAL OCCASIONS SENATOR EXPRESSED APPRECIATION FOR PROGRAM, EMBASSY ASSISTANCE, AND MADE COMPLIMENTARY REMARKS ABOUT QUALITY MY STAFF. JONES  
BT

~~SECRET~~

DECLASSIFIED

Authority 714 87-232

By Ag/isp, NARA, Date 3-26-91

PRESERVATION COPY

INCOMING TELEGRAM *Department of State*

882

LIMITED OFFICIAL USE

81  
Action

55

Info

MINNVZCZCESAD09NAA896  
RR RUEHC  
DE RUESNA 2743 0372100  
ZNY CCCCC  
R 062059Z FEB 67  
FM AMEMBASSY SANTIAGO  
TO SECSTATE WASHDC  
STATE GRNC  
BT

005377

1967 FEB 6 PM 4 40

LIMITED OFFICIAL USE SANTIAGO 2743

ENDIS

REF: STATE 130899

1. SENATOR EASTLAND PARTY'S PROGRAM INCLUDED VISITS CATTLE SPREAD NEAR SANTIAGO, AG EXPERIMENT STATION, SEASIDE RESORT, SIGHTSEEING, DINNER AT RESIDENCE.

2. HAVING KNOWN SENATOR EASTLAND PREVIOUSLY, I AND APPRENTLY HE, FOUND EVENING PLEASANT. CONVERSATION WAS TO THE POINT AND INTERESTING. HE TOLD ME PRINCIPAL PURPOSE HIS TRIP NOT REALIZED HERE BUT HOPED IT MIGHT BE FURTHER ON.

3. WE BELIEVE VISIT GENERALLY SATISFACTORY, HOWEVER. AIRGRAM WITH DETAILS FOLLOWS. DUNGAN  
BT

LIMITED OFFICIAL USE

PRESERVATION COPY

TELEGRAM *Department of State*

88d

~~SECRET~~

NNNVZCZCESB568VV BAA1"0

RR RUEHC

DE RUESBA 2992 0392242

ENY SSSSS

R 082210Z FEB 67

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC

STATE GRNC

BT

SECRET BUENOS AIRES 2992

1967 FEB 8 PM 6 47

07686

EXDIS

REF: STATE 130899

SEE A-595. ALL WENT WELL. MARTIN

BT

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 91-325  
By ig, NARA, Date 11-7-91

~~SECRET~~

IN/ACTION	
REP	AF
EUR	FE
CU	INR
P	IO
FBO	AID
COM	FRD
LAB	TAR
XMB	AIR
CIA	NAVY
USIA	NSA

DEPARTMENT OF STATE  
**AIRGRAM**

LEG 7 Eastland  
FOR RM USE ONLY

595 NO. UNCLASSIFIED HANDLING INDICATOR

TO : DEPARTMENT OF STATE  
RECEIVED  
FEB 12 1 52 PM 1967  
POL-7

FROM : Amembassy, BUENOS AIRES DATE: February 11, 1967

SUBJECT : Codel Eastland

REF : State 120095 Circular January 17

1. U.S. Senator James O. Eastland of Mississippi visited in Argentina from February 1 to February 5. On a private trip, he was accompanied by his wife, his son Woods Eastland, and two friends also accompanied by their wives, Mr. D. A. Biglane and Mr. James E. Sheppard, all of Mississippi.
2. Senator Eastland had expressed a wish to see some ranches and a trip was set up on February 3 to a large ranch in southern Cordoba province. A tentative plan to go out again the following day was cancelled due to a mild indisposition on the part of the Senator.
3. The Senator received a briefing from Embassy officers and, with his party, was a luncheon guest of the Ambassador.
4. The group returned directly to the U.S. on February 5 (the Senator's son on February 4), having cancelled a planned visit to Brazil due to unsettled conditions resulting from the floods.
5. Senator Eastland was complimentary of the Embassy staffs at the various stops on his trip, and expressed appreciation for the courtesies extended to him.

MARTIN

UNCLASSIFIED

FOR DEPT. USE ONLY  
☒ In ☐ Out

FORM 4-62 DS-323  
by: PAS  
JC Dodson:ejb  
Contents and Classification Approved by:

INCOMING TELEGRAM *Department of State*

88f

~~SECRET~~

SS NNNNVZCZCESB212SUA923

RR RUEHC

DE RUESUA 7945 0351800

ZNY SSSSS

R 041755Z FEB 67

FM AMEMBASSY RIO DE JANEIRO

TO SECSTATE WASHDC

STATE GRNC

BT

~~SECRET~~ RIO DE JANEIRO 7945

004337

1967 FEB 4 PM 1 16

FOR THE SECRETARY

EXDIS

IN VIEW EMERGENCY CONDITIONS RIO/ (POWER RATIONING, UNCERTAIN  
WATER SUPPLY AND POLLUTED BEACHES) SENATOR AND PARTY DECIDED FOREGO  
VISIT TO BRAZIL THIS TRIP. SANTIAGO'S 2663 REPORTS SENATOR'S DECISION  
AND CONVEYS HIS APPRECIATION RIO AND SAO PAULO FOR ASSISTANCE  
THEY RENDERED IN MAKING PREPARATIONS FOR VISIT. RAINE.  
BT

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 91-325  
By sig, NARA, Date 11-7-91

~~SECRET~~



Saturday, February 18, 1967 -- 5:00 p.m.

Mr. President:

I put your questions to Nick who will respond, because he is collecting all the data in any case on foundations.

Nick is 100% sure that the source of the leak is Patman, derived mainly from 1965 tax returns. With a few clues, it is apparently easy to sort out which foundations are CIA-linked.

W. W. Rostow

WWRostow:rlh

**Saturday, February 18, 1967  
4:30 p. m.**

**Mr. President:**

**In response to your query to me  
about the cotton industry, Ed Hamilton  
filed this rather encouraging report.**

**W. W. Rostow**

**WWRostow:rln**

## THE WHITE HOUSE

WASHINGTON

Saturday, February 18, 1967; 1:30 PM

WWR:

**Subject:** Cotton yarn situation

**You asked to be filled in on the current state of the cotton yarn market, pursuant to a distress call from the Hill.**

**Cotton yarn is one of the products most affected by Vietnam requirements. Overall, 1966 was a boom year for the industry, featuring a 300 million-pound (about 6%) surge in demand. Needs were so great and domestic productive capacity so fully utilized that we agreed to a number of one-shot increases in yarn import quotas. However, the market weakened noticeably in December and January. Prices dropped, order backlogs decreased, mill work weeks were cut (though usually only from six days to five), and there were some Christmas layoffs of as long as a week.**

**Though current numbers are not yet available, industry people seem to think that the trough bottomed in January, and that we are now in a mild upswing. The Government is watching the situation carefully, and making no more quota exceptions. In addition we are actively negotiating for restraints on imports from Mexico, the only major supplier not covered by the Long-Term Textile Arrangement. The specifics are as follows:**

- 1. Yarn availabilities during 1966 totaled about 4.7 billion pounds, of which about 100 million pounds were imported. Domestic production was up more than 100 million pounds over 1965, and supplied the bulk of the 300 million-pound growth in demand.**
- 2. Mostly because of the one-shot allowances mentioned above, imports nearly quadrupled in 1966 (from 24 million pounds to about 100 million). A great deal came from Mexico; the other major foreign supplier is Brazil.**
- 3. It is generally agreed that this rise in imports was necessary if military requirements were to be met, because U.S. productive capacity was stretched to the maximum.**
- 4. Sales and prices fell off sharply in December and January. Mill consumption fell from the 1966 peak of 37,500 bales a day in October to 36,100 bales in December (though still well above the 35,000 bales a day consumed in October 1965). It is not clear what factors influenced this softening. The industry cites a general weakening in textiles, tight money, inventory reduction, import competition, and earlier overstocking in fear of future price increases.**

5. Imports also dropped sharply in the last quarter of 1966, from 11 million pounds in July to less than 7 million in December. (They still ran well above 1965, however.)
6. The Interagency Textile Administrative Committee (ITAC) has kept close tabs on the situation through its monthly meetings with the Management-Labor Textile Advisory Committee, and through a special meeting with people from the yarn industry on January 25. As a result, ITAC is granting no further one-shot allowances and we are pushing ahead with the Mexican negotiations.
7. The trade press and spokesmen for the textile industry now indicate that things have begun to look up:
  - Thursday's Daily News Record contains a generally optimistic report.
  - The America's Textile Reporter noted on February 9 that yarn sales seem to be on the upswing and spinners and selling agents are convinced the price decline has ended. (Prices in the first week of February were still about 3¢ a pound below 1966 highs.)
  - W. J. Erwin, board chairman of Dan River Mills and President of the American Textile Manufacturers Institute said in a speech Thursday that the industry seems to be recovering nicely after a necessary period of adjustment following several years of sustained growth.

I think the Erwin statement is precisely correct. And that impression is confirmed when one looks at such statistics as Dan River's recent balance sheet -- sales up 14% in 1966, earnings up more than 11%.



Ed Hamilton

February 18, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Business Executives Reaction to State Department  
Conference

Many of the 455 business executives who attended the State Department's Foreign Policy Conference last month have recorded their enthusiastic reaction in letters to you and to Secretary Rusk.

Attached is a State Summary of the Conference, including extracts from letters sent to the Secretary.

At Tab A is a draft reply which could be used to answer the letters addressed to you.

W. W. Rostow

\_\_\_\_\_ Draft OK

\_\_\_\_\_ See Me

WWR:BKS:amc

\_\_\_\_\_ Sec Rusk acknowledge on my behalf

\_\_\_\_\_ Walt Rostow acknowledge on my behalf

Saturday, February 18, 1967  
6:45 p.m.

Mr. President:

In addition to the attached proposal for you to respond to others who attended the National Foreign Policy Conference for Business Executives -- and wrote positively about the occasion -- Mr. Jerry Finkelstein of Struthers Wells Corporation offered to put up \$25,000 to establish a school to train diplomats.

George Reedy telephoned me about this man, his enthusiasm, and his offer.

The attached proposed reply takes into account this offer and puts him into the hands of George Allen to discuss how ~~we~~ <sup>he</sup> might proceed.

W. W. Rostow

*2/20/67  
Jake Jacobsen said  
President asked that Mr Rostow  
contact George Reedy - George Reedy  
to put Finkelstein in touch with  
George Allen.*

WWRostow:rlh



92a

Dear Mr. Finkelstein:

Thank you for your generous offer to assist in the development of competent, experienced, knowledgeable American diplomats, an objective which is of great importance to all Americans.

I have asked Ambassador George Allen, one of our most distinguished career diplomats, who is Director of the Foreign Service Institute, to get directly in touch with you.

The Foreign Service Institute has responsibility for developing training programs for the Department of State and other U.S. Government agencies with personnel abroad, with the obvious exception of certain military and other specialized training. From his own deep experience in foreign affairs, his high standing in the American business community, and his present responsibilities for the development of competent personnel in the field of foreign affairs, I am confident that he is the person indicated to work with you on your thoughtful and generous idea.

May I also take this opportunity to express my personal appreciation to you and to all the business leaders who took time from pressing schedules for the meeting at the State Department on January 30. I have been pleased to hear that the conference contributed to developing a deeper understanding of our foreign policy at this critical time.

Sincerely,

*not used*

Mr. Jerry Finkelstein  
Chairman of the Board and President  
Struthers Wells Corporation  
630 Fifth Avenue  
New York, New York

LBJ:State Dept:WWR:rlh

Saturday, February 18, 1967  
12:40 p. m.

Mr. President:

After full clearance with Sec. Rusk, Sec. McNamara, and the Bureaus in the Department of State, this is my proposed shooting script for the 23d of February at Leeds.

W. W. Rostow

WWRostow:rlh

Release time 5:30 p.m. GMT, 12:30 p.m. EST, 23 February 1967

93a

Sir Montague Burton Lecture  
by W. W. Rostow  
The University of Leeds, Leeds, England  
23 February 1967

The Great Transition: Tasks of the First and Second Postwar Generations

I.

In his State of the Union address on January 10 of this year, President Johnson said: "We are in the midst of a great transition: from narrow nationalism to international partnership; from the harsh spirit of the Cold War to the hopeful spirit of common humanity on a troubled and threatened planet."

It is this theme that I should like to elaborate today, by looking backward over the two postwar decades and looking forward to the agenda which is emerging for the next generation.

History is rarely clean-cut in its lines of demarcation. Wars, revolutions, and other traumatic events do leave their mark on the calendar; but their clarity is sometimes illusory, distorting the timing of more profound changes they reflect. Nevertheless, I believe we are now -- potentially -- in a true watershed period. We can make some shape out of the major experiences through which we all have passed since 1945. We can define some of the dangers, challenges, and possibilities which are beginning to grip the world community and which will increasingly engage it in the years ahead.

To elaborate this theme, I have chosen to review the evolution of international affairs under four major headings -- each of which represents

a dimension of our common, central task -- the building of a viable world order.

First, aggression: that is, deterring or dealing with efforts to alter the territorial or political status quo by one form or another of violence applied across international frontiers.

Second, economic and social progress in the world community as a whole and in the developing regions, in particular.

Third, international organization which has assumed not merely global forms, through the U.N. and related institutions, but also (as Churchill foresaw) developed increasing vitality in the various regions.

Fourth, reconciliation -- the search for and the discovery of areas of agreement across ancient and recent barriers so as to reduce the dangers of conflict, to give to the world community a growing framework of unity and order, and to fulfill the injunctions of Article I of the United Nations Charter.

I shall try briefly to examine how each of these four continuing strands of policy and experience have evolved in the past twenty years, and suggest the tasks which will confront us in the days ahead.

## II.

### The Problem of Aggression

The postwar world was shaped by two quite arbitrary processes. First, there emerged de facto or de jure lines of demarcation between the Communist and non-Communist worlds. These lines resulted principally from the disposition of military forces at the end of the Second World War; although they were also affected by events in the early postwar years --

notably, Stalin's consolidation of his position in Eastern Europe and the Chinese Communist victory on the mainland.

Second, a series of new states emerged from the process of decolonization. Most of these were the product of colonial history; but in the Indian subcontinent, the Middle East, Southeast Asia, and elsewhere, the birth of new nations produced new lines on the map.

A great deal of the first postwar generation's history consists of efforts to frustrate those who sought to alter these international boundaries by force: Communists because they felt that they had the historical right and duty to move their power forward beyond them; certain new nations because they felt a sense of grievance over the lines which had emerged. And at certain points the two efforts interwove, as Communists acted to exploit post-colonial ambitions, frictions, and discontents.

### III.

#### Three Phases of Communist Aggression

The postwar Communist offensive had a certain shape and rhythm. There was Stalin's thrust of 1946-51, in association with Mao, from 1949; Khrushchev's of 1958-62; finally, the offensive conducted over the past four years by Mao and those who accepted his activist doctrines and policies with respect to so-called "wars of national liberation."

Starting in early 1946, Stalin consolidated into Communist states the countries of Eastern Europe where Soviet troop positions provided leverage,

while pressing hard against Iran, Greece, Turkey; then via the Communist parties in Italy and France. His effort reached its climax in the Berlin blockade of 1948-49.

The West responded with the Truman Doctrine, the Marshall Plan, and the creation of NATO. A stalemate developed after the success of the Berlin airlift in 1949.

As this duel in the West proceeded, Stalin, working through the Cominform, launched an offensive in the East, which can roughly be dated from Zhdanov's speech of September 1947. It involved guerrilla warfare in Indochina, Burma, Malaya, Indonesia, and the Philippines. And after the Chinese Communists came to power in November 1949, the offensive in Asia reached its climax in the invasion of South Korea. It ended in May 1951 with the successful United Nations defense at the 38th parallel against a massive assault by the Chinese Communists; although costly fighting continued for two further painful years.

From the opening of truce talks in the summer of 1951 to the launching of the first Soviet Sputnik in October 1957, there emerged what passes in postwar history as a relatively quiet interval. It was, of course, interrupted by the Suez and Hungarian crises in 1956; but these resulted less from the tensions of the Cold War than from the dynamics of change within the non-Communist world and within the Communist bloc, respectively.

During this time, the Soviet Union was mainly engaged in its post-Stalin

redistributions: political, economic, and military.

Meanwhile, Communist China turned primarily to tasks of domestic development. Only in Indochina did local conditions favor major Communist momentum; but the North Vietnamese settled in 1954 for half the victory they had sought.

Khrushchev's domestic changes represented a significant softening of Stalin's harsh regime -- and for Soviet citizens, historic gains. His foreign policy style, too, was different and, in its way, more flexible. Nevertheless, considerable ambitions remained embedded in Moscow's foreign policy.

And with the launching of Sputnik, a new phase of attempted Communist expansion got under way.

Khrushchev had consolidated by that time unambiguous control over the machinery of the Soviet government as well as over the Communist Party. He looked to the exploitation of two new facts on the world scene: first, the emerging Soviet capacity to deliver thermonuclear weapons over long distances as a means of forcing the West to make limited diplomatic concessions; second, the marked acceleration of nationalism and modernization in Asia, the Middle East, Africa, and Latin America, yielding an environment of endemic turbulence on those continents.

It was in this post-Sputnik period that Moscow laid down its ultimatum on Berlin; the Communist Party in Hanoi announced it would undertake



to revive guerrilla warfare in South Vietnam; Castro took over in Cuba; and Soviet military and economic aid arrangements were extended to increase their leverage not only in the Middle East, where the process had begun earlier, but also in Indonesia and elsewhere. It was then that Mao announced: "The East Wind is prevailing over the West Wind," and, in that spirit, initiated in 1958 the crisis in the Taiwan Straits.

There was a good deal of opportunistic enterprise in all this rather than a majestic grand design; but it was clearly a phase of Communist confidence and attempted forward movement.

In 1961-62, Khrushchev's offensive was met by the West as a whole at Berlin; and a further dramatic test of nuclear blackmail was faced down in the Cuba missile crisis by President Kennedy. For the time being, at least, that latter crisis answered a question which had greatly engaged Khrushchev: whether the Free World would surrender vital interests through diplomacy under the threat of nuclear war.

The answer to the second question -- concerning the ability of the West to avoid successful Communist exploitation of the inherent vulnerability of the developing area -- had to be given at many points by many devices:

-- in Laos, by an evident determination to frustrate a Communist takeover, yielding the Geneva Accords of 1962;

-- in Vietnam, by President Kennedy's decision in December 1961 to enlarge our support for the South Vietnamese;

-- in Africa, by the whole cast of European and American approaches.

to the new African nations; and, in particular, support for the United Nations effort in the Congo;

-- in Latin America, by the isolation of Castro's Cuba.

By the end of the Cuba missile crisis in the autumn of 1962, the momentum had largely drained out of Khrushchev's post-Sputnik offensive; but Moscow's move towards moderation, symbolized by the negotiation of the atmospheric test ban treaty in 1963, had no echo in Peiping.

The Sino-Soviet split was gravely aggravated after the Cuba missile crisis and became increasingly overt as recriminations were exchanged and inter-party documents revealed.

The Chinese Communists sought to seize the leadership of the Communist movement, notably in the developing areas, and to unite it with the radical nationalists of Asia and Africa. They thrust hard against Soviet influence within Communist parties on every continent, fragmenting some of them; sought to bring Castro aboard; moved boldly, overplaying their hand in Africa; probably played some role in triggering the attempted Communist takeover in Indonesia; and postured aggressively during the Indo/Pak war of 1965. As a result of the problems they created, the Afro-Asian conference at Algiers in 1965 never materialized.

At one point after another this Chinese Communist offensive in the developing world fell apart, leaving the war in Viet Nam perhaps the last major stand of Mao's doctrine of guerrilla warfare.

There is a certain historical legitimacy in this outcome.

For the better part of a decade, an important aspect of the struggle within the Communist movement between the Soviet Union and Communist China had focused on the appropriate method for Communist parties to seize power. The Soviet Union had argued that the transit of frontiers with arms and men should be kept to a minimum and the effort to seize power should be primarily internal. They argued that it was the essence of "wars of national liberation" to expand Communist power without causing major confrontation with the United States and other major powers. The Chinese Communists defended a higher risk policy; but they were militarily cautious themselves. Nevertheless, they urged others to accept the risks of confrontation with United States and Western strength against which the Soviet Union warned.

Although Hanoi's effort to take over Laos and South Viet Nam proceeded from impulses which were substantially independent of Communist China, its technique constituted an important test of whether Mao's method would work even under the optimum circumstances provided by the history of the area. As General Giap has made clear, Hanoi is (1) conscious of this link: "South Viet Nam is the model of the national liberation movement in our time . . . if the special warfare that the United States imperialists are testing in South Viet Nam is overcome, this means that it can be defeated everywhere in the world. "

(1) Quoted from Studies on Viet Nam, Department of External Affairs, Canberra, Australia, August 1965, p.23. Minister of Defense Giap made the statement on the tenth anniversary of the Geneva Agreement of 1954 (July 19, at Nhan Dan).

IV.

These Communist efforts to extend their power and influence beyond the truce lines of the Cold War interwove, as I suggested earlier, with a second set of problems: the dissatisfaction of various ex-colonial nations with the frontiers -- and other arrangements -- which had emerged from the passing of colonialism. The list is long of conflicts based on real or believed grievances of this kind: the Arab/Israeli dispute; Suez; Somali/Ethiopia; Algeria/Morocco; Kashmir; West Irian; the Indonesian confrontation of Malaysia; Cyprus, etc. In addition, older quarrels were exacerbated by the mood of rising nationalism which swept the developing world; for example, Peru/Ecuador, Thailand/Cambodia. The Communist powers sought to exploit a number of these conflicts in order to expand their leverage in the developing world via diplomacy, subversion, arms and economic aid agreements. But their roots mainly lay in an extension of anti-colonial attitudes and doctrines from the days of struggle to the early years of independence: in a continuity of policy from rebellion to governmental policy. It seemed easier for some leaders of the new nations to create a sense of nationhood by continuing to evoke the rhetoric and methods of anti-colonialism -- and xenophobic nationalism -- than to turn immediately to the more mundane concepts and tasks demanded for the successful building of a viable nation.

V.

Looking back over this whole sequence, certain general observations are possible.

First, the postwar international boundaries and truce lines have proved remarkably resistant to efforts to alter them by force. In this first postwar generation the non-Communist powers did not achieve a peaceful world community under law. But we did maintain the minimum condition for building such a community; namely, that aggression not be successful. And through persistent effort in the United Nations we have de-fused many small crises and choked off many episodes of violence which could have provoked major conflict.

Second, as the two postwar decades ended, some of the aggressive, romantic revolutionaries -- Communist and non-Communist -- were passing from the scene, or entering a phase of protracted frustration -- for the time being, at least. We have been dealing with leaders obsessed by ambitious maps of their region (or of the world) which they tried to bring to reality: from Mao's map of the area where China has, in the remote or recent past, wielded power or influence, to Nkrumah's vision of a united black Africa led from Accra; from Castro's vision of the Andes as the Sierra Maestra of South America to Ho's image of the former French colonial empire in Asia run from Hanoi. Each has confronted both other people's nationalism -- at the expense of which these maps would be fulfilled --

as well as a more general resistance to changes in the territorial or political status quo by external violence. Resistance to the achievement of these visions, combined with the growing demand of people throughout the world for economic and social progress, has eroded both ideological and nationalist aggressive romanticism.

One sees this in the Soviet Union and throughout Eastern Europe; it is a central issue in the struggle within mainland China. This is the essence of the pragmatic tide rising through the developing nations, supplanting the slogans derived from Lenin's Imperialism and the struggle against colonialism, with the more austere rhetoric of economic and social development. A new generation is emerging, sceptical of the expansionist and geo-political concepts and visions that engaged their elders.

In an interesting leader of January 14, 1967 -- The Last Revolution -- The Economist recently advanced the proposition that the end of Mao would be the end of a line of romantic revolutionaries reaching back to 1789.  
(2)  
I would put the proposition this way.

There have been three major types of war in modern history: colonial wars; wars of regional aggression; and massive wars to alter the Eurasian balance of power -- the latter attempted by industrially mature powers. In the first postwar generation we have had to deal with the threat of the latter, as undertaken by Stalin and Khrushchev, under inhibitions set by the nuclear age. But we have also seen a good many acts

(2) For an elaboration of this theme, see The Stages of Economic Growth, Cambridge, 1960, pp. 107 ff.

of regional aggression arising "from the dilemmas and the exuberance of newly formed national states, as they looked backward to past humiliation and forward to new opportunity, while confronting the choices open to them in the early stages of modernization. " Despite their global pretensions, I would place Mao's efforts in the latter category.

Given the rhythm of modernization, with vast continents entering the early stages of modernization after the Second World War, it is natural that we should have seen a phase of regional aggression. From the record of history we should be in reasonably good heart about this phase. For these early, limited external adventures, associated with late pre-conditions or early take-off periods, appear generally to have given way to a phase of absorption in the adventure of modernizing the economy and the society as a whole. But, as I shall later emphasize, this underlying hopeful trend is potential, not inevitable; and it could be transitory.

If these aggressive impulses have diminished in the technologically mature Soviet Union, and in most of the less developed nations, we should be able to go forward in the generation ahead from the frustration of aggression and the absence of major hostilities toward settlement, reconciliation, and cooperation. This, surely, should be the object of policy in Asia, the Middle East, and Africa; and, as it is already the object of policy in the West with respect to the Soviet Union, Eastern Europe, and mainland China.



VI.

We have had to allocate in the first postwar generation an enormous amount of our energy, talents, and resources to the frustration of aggression and the avoidance of major war. Despite this environment of tension and, to some extent, because of it, the world community has also launched programs of economic and social development on an international basis which are truly revolutionary when compared to what was done during the inter-war years or deeper in the past.

We began, of course, with the Marshall Plan and Western Europe. So quickly did Western Europe respond that -- although the job was by no means completed -- minds were beginning to turn to more systematic efforts in the developing areas in the winter of 1948-49; for example, at the United Nations General Assembly meeting in Paris. President Truman's Point Four proposal in January 1949 was an important benchmark in this transition. In the United States a Presidential commission was working to systematize and enlarge this turn in policy, when the attack was made in June 1950 on South Korea. The Korean War both postponed a focusing of public attention and resources on the problems of development and, through a sharp rise in raw material prices, appeared to postpone somewhat its urgency.

It was in the post-Korea phase that thought and policy began to crystallize around the problem of accelerating economic growth in developing nations.

In the early 1950's the best work on development by the United States was done in places in which we had major security commitments; for example, Turkey, Taiwan, and Korea. The substantial and sustained assistance provided for security purposes was gradually put to good advantage in terms of development. But towards the end of the 1950's, doctrines took hold and institutions emerged aimed at development itself -- outside a narrow security context; notably, the Development Loan Fund, the Inter-American Bank, the Wise Men's study of India and Pakistan for the World Bank, and the creation of the World Bank's soft loan window, the International Development Association.

Evidently, the United States was not alone in this transition. As colonies moved towards independence, the metropolitan powers began to provide systematic aid to the new nations for which they formerly had borne a direct responsibility. The Colombo Plan organization was set up, for example, as early as 1950.

But only in the first half of the 1960's did the world community begin to bring development policy towards the center of the stage: with the consortia arrangements of the World Bank for India and Pakistan; the Alliance for Progress; and a variety of other international consultative institutions. In the United States this transition assumed -- putting aside Viet Nam -- the form of a shift from military to economic support, and from generalized supporting assistance to purposeful development aid.

Economic assistance of nations other than the U.S. rose by 18% from  
\*  
1960 to 1965.

This barely noticed expansion in the multilateral machinery and resources available for support of developing nations was accompanied by a learning process within those nations which has been quite dramatic. One after another success story in development emerged in the sense that nations learned the trick of generating sustained and reasonably balanced growth at rates which substantially outstripped population increase. The list is now quite long: Greece, Turkey, Israel, Korea, Taiwan, Thailand, Malaysia, Pakistan, Iran, Turkey, and nations in Latin America containing perhaps three-quarters of the population of that continent.

The problems of development are, of course, by no means solved. Large parts of Africa, for example, have not yet developed the human and physical infrastructure and sufficient political unity required for a sustained take-off. And in each of the other developing regions some countries have not yet established the necessary and sufficient conditions -- economic and political -- for take-off.

Finally, India, with 500 million human beings, is not yet stably on the road to sustained growth. But many of the prerequisites exist and, beneath the surface of the present political and agricultural situation, important new elements of agricultural and industrial vitality give solid grounds for hope.

---

\*As measured by the Development Assistance Committee of the OECD.

In general, we have made great but uneven progress thus far in the 1960's. Many of the old contentious debates have subsided as men perceived their irrelevance; for example, arguments concerning private versus public enterprise, industry versus agriculture. They have given way to a pragmatic synthesis. New concepts, working methods, and institutions have emerged which should permit vigorous growth in the developing nations in the generation ahead.

But a lion stands in the path: the food-population problem. The solution to this problem will certainly be central to the agenda of the coming generation.

The elementary facts are these. If present trends continue, the world's population will grow from some 3.4 billion today to about 4.5 billion by 1980. Nearly three-fourths of this tremendous expansion will be in the population of the developing world. Population control measures instituted over this period could damp this increase somewhat; but they could have a profound effect by the year 2000. To feed this increased population at existing levels of consumption -- and allowing for the impact of urbanization and income increases on effective food demand -- will require an annual rate of increase<sup>(3)</sup> of at least 4% of food production in the developing world. The overwhelming portion of this increase will have to be met from increased production in the developing world. The average rate of increase in food production over the past five years has been only slightly over 2%. To avoid mass starvation -- in President Johnson's phrase -- "to help bring our most basic human account into balance" -- the whole world community will have

(3) This includes an income effect on food demand accompanying a 4% increase in GNP.

to apply to its solution every device at its command. Moreover, sometime during the coming generation, mainland China will have to acknowledge more fully and act on the proposition that agriculture and population control is its fundamental problem; and it may need the help of the world community to avoid mass starvation.

As work on development moved forward, a parallel and related evolution occurred in cooperation among the industrialized nations. The OEEC, which managed European revival, was converted to the OECD in 1961, embracing Japan in 1964. It gradually became a forum for examining the economic relations among the more advanced states, generating a spirit of acknowledged interdependence among the industrialized nations which has also suffused monetary and trade policy in such world organizations as the IMF and GATT.

Much in postwar security policy was rooted in a consciousness of our tragic common failure to stop aggression in time during the 1930's. Similarly, postwar economic policy reflected the memory of the nationalistic policies which converted the recession after 1929 into a convulsive global catastrophe.

We have clearly done better in international economic policy during the first postwar generation than we did during the inter-war years, although at least three major matters remain on the agenda for the years ahead:

-- an international aid policy, geared to self-help measures, but sufficiently expanded in scale to permit high and steady rates of growth in those developing nations prepared to take the necessary parallel domestic action.

-- a satisfactory international monetary system which recognizes and relates problems of liquidity to problems of international capital sources and movements and the realities of the balance of payments adjustment process.

-- a reconciliation of agricultural policies in the light of the overwhelming fact of the food-population problem, and the adoption and support for voluntary programs of population control in the developing world.

-- a satisfactory trade policy embracing the legitimate interests of developed and developing nations.

## VII.

### International Organization: The Movement Towards Regionalism

The tasks of economic cooperation have combined with a movement towards organized interdependence in the world community -- especially in regional groups -- whose roots go deeper than economics. The nations of the Western Hemisphere had successfully pressed for a formal recognition of its regional grouping at the United Nations Charter Conference in San Francisco in 1945; but the postwar movement towards regionalism began,  
(4)  
of course, in Western Europe.

---

(4) Although regionalism as an active political and economic force outside Western Europe has gathered momentum only in the 1960's, it was foreshadowed by the creation of the regional economic commissions of the United Nations: the Economic Commission for Europe (1947); Asia and the Far East (1947); for Latin America (1948); Africa (1958).

Essentially, the movement towards Western European unity recognized three facts:

-- As many Western European leaders looked ahead, starting from the devastation of the Second World War and the acute dependence on the United States of the postwar days, they reached out for a method of organization which would give them a larger voice in their own destiny.

-- They perceived, however, that in military, economic, and other matters, a measure of interdependence with the United States would be required for the indefinite future; and

-- They accepted the fact that the nation-state -- even nation-states of 50 million commanding the best in modern science and technology -- could not deal effectively either with the United States as a partner or with the scale of the problems which were emerging on the world scene, whether East-West or North-South.

Western European regionalism was conceived by Europeans as a method for solving this three-sided dilemma. And it had the steady support of the United States which in 1947 made -- and has sustained -- a conscious decision that a strong, unified Western Europe was more in its long-run interest than fragmented but less capable European partners.

In the first postwar generation, Western European unity moved forward substantially, goaded by the Soviet threat but inhibited by an understandable reluctance to surrender deeply rooted national concepts. Today -- despite



evident and grave problems -- that movement is still alive and active despite the rising sense of security since the Berlin and Cuba missile crises of 1961 and 1962. And, as one contemplates the agenda for the coming generation, as nearly as it can now be defined, the case remains valid, strengthened by evidence that it is difficult to absorb and apply certain types of new technology without investments in research and development and markets beyond the reach of nations of 50 million. Western Europe is unlikely to make the maximum contribution that it could make to the tasks of security, human welfare, reconciliation, and institution-building in the world community unless it continues to move towards unity.

Meanwhile, in the course of the 1960's, forces similar to those which have initiated economic regionalism in Western Europe began to take hold in others parts of the world, notably in Latin America and, most recently, in Asia.

Latin American unity is an old dream -- dating from the days of Bolivar. It has taken on a new vitality as Latin Americans have moved from the first stage of their industrialization, focused on the production of consumers' goods in substitution for imports, to growth centered on medium and heavy industry. In terms of stages of growth, the more advanced countries of Latin America -- Mexico, the southern regions of Brazil, and Argentina, for example -- are emerging from take-off and moving toward technological maturity. In Mexico, at least, that transition has been successfully made;

although throughout Latin America, industrialization is hobbled by an overly protective system which has diminished competition, efficiency, and full utilization of capacity. Powerful vested interests are embedded in those national protective systems.

But as the Latin Americans move into industries of higher and more sophisticated technology, they are beginning to try to overcome this heritage of take-off. They feel acutely the constriction of national markets and the irrationality of building steel, automobile, chemical, and other industries on a national basis. They are also being pushed towards economic integration by an awareness that their traditional exports are unlikely to earn the foreign exchange needed for their further development; that they must cultivate industrial exports; but at the present time they must go through a transitional stage of regional protectionism before they can emerge with competitive efficiency on the world scene.

Meanwhile, the Central American Common Market has demonstrated that countries at a much earlier stage of development can profit greatly from a common market arrangement -- a lesson worth the serious attention of Africa, the Middle East, and Southeast Asia.

Finally, the Latin Americans are beginning to look inward from the coastal cities, which have historically been the basis for their modernization. They are beginning to recognize expanding needs and possibilities for international collaboration in developing the inner frontiers of South America.

These convergent and palpable economic forces making for economic cooperation and integration are supported by a sense -- not unlike that which continues to motivate the European unity movement -- that in the world of the present and the future, the voice of Latin America will be strengthened to the extent that Latin Americans can find common ground and common policies.

It is natural, therefore, that the currently discussed meeting of the Presidents of the American Republics should focus primary attention on economic integration and multi-national projects.

In Western Europe and Latin America those pressing towards unified action could build on a substantially common tradition. But in Asia, history offered a less promising initial base. Nevertheless, we have seen in the past two years a quite remarkable surge of regional enterprise in Asia.

From South Korea to Australia, from Japan to Singapore, there are solid and particular national reasons why the nations of Asia and the Pacific should begin to group together in mutual support. These underlying considerations were strengthened by the American commitment of major forces in Viet Nam in 1965 which has given to the region confidence that it has a future to design.

As in Europe and Latin America, the initial expression of this movement has been in the form of economic institutions: the rapid negotiation of the Asian Development Bank; the new vitality of the Mekong Committee;

gatherings to survey the possibilities of regional action in education, agriculture, etc. It remains to be seen how the encouraging political impulses which underlay the Asian and Pacific Council in Seoul and the Association of Southeast Asia will evolve.

In Africa, too, where regional cooperation has existed in some regions, such as East Africa, one can detect other beginnings, at least, of the same mixture of economic and political impulses that have led to regionalism elsewhere. The Organization of African Unity has existed since May 1963. Despite political schisms -- regional and ideological -- it undertook to deal with two substantial African disputes -- Somalia/Ethiopia and Morocco/Algeria -- thus avoiding the intervention of extra-African powers. On the economic side, the African Development Bank has been launched and sub-regional economic communities are being formed in Eastern and West Africa as a result of planning by the ECA. Most of Africa, as noted earlier, is in a pre-industrial stage, building slowly the pre-conditions for take-off. It makes good sense to try to create the essential physical and institutional infrastructure, in this pliant early phase of development, on a regional and sub-regional basis. This was a major consideration that led to the reshaping of the American aid program to Africa over the past year to give greater emphasis to multinational cooperation.

As the evolution of the movement towards Western European unity indicates, the building of regionalism is a long, slow process. At every stage

the case for moving forward must overcome the inherent attraction and inertia of staying with familiar national modes of operation. Moreover, regionalism is no substitute for building solid national structures. Nevertheless, the next generation is likely to see real, if irregular, progress towards regional cooperation, because the political and economic impulses which underlie it are compelling. Regional cooperation -- within a framework of global collective security and common efforts in development -- is likely to grow, as it must, if the desires of men and governments to take a larger hand in their own destiny are to be reconciled with the inadequacies of the nation-state on the one hand, and the imperatives of interdependence on the other.

For the United States, this move towards regionalism has a particular meaning. We were drawn into world responsibility after the Second World War by the need to fill certain vacuums of power. The cost of not helping in Greece, Turkey, Western Europe, Korea, and elsewhere, was self-evident; and it was judged, case by case, to outweigh the burden of engagement. But postwar America was not interested in building a network of satellites. It looked forward eagerly to the earliest time when other nations could stand on their own feet and deal with us as partners in as safe and orderly and progressive a world community as we all could achieve.

Regionalism -- in Western Europe and elsewhere -- has thus commended itself to the United States as a way of permitting us to shift away from the disproportionate bilateral relations inherent in a large power working with smaller powers.

We see in regionalism a way not of returning to isolation, but of leaving the nations of the various regions to do as much for themselves as they can -- and more with the passage of time -- while preserving the ties of interdependence where they are judged on both sides to be in the common interest.

#### VIII.

##### Reconciliation

The central lesson we have drawn from our experience -- and from the whole sweep of events since 1914 -- is that our main task is the organization of a durable peace. We tend, looking back, to share Churchill's judgment of the Second World War as "unnecessary." We are conscious that, in a nuclear age, the human race cannot afford another world war. Therefore, whatever the frustrations and difficulties, we are committed to look beyond the non-Communist islands of security, progress, and order, to a settlement of the Cold War itself and the shaping of something like a true global community.

The first condition for such a community is, I would say again, that alterations of the international status quo by force not be permitted to succeed. The status quo is, of course, not sacrosanct. It is always changing.

And in the past two decades it has altered in major ways through changes within nations and by international agreement. We now have, for example, a fairly promising prospect before us in relations between the Soviet Union and Eastern Europe on the one hand, and the West on the other. But we shall forget at our peril that this prospect was created mainly by the strength and unity of the West when confronted by the challenges of Stalin and Khrushchev.

Looking ahead, we can define one aspect of the challenge of the next generation as this: whether we can, in this time span, solve the three problems which, from the early postwar years onward, have virtually defined the Cold War:

- ending the division of Germany and Europe;

- preventing further nuclear proliferation and damping the arms race in strategic nuclear weapons systems between the United States and the Soviet Union;

- bringing mainland China into a normal relation to the world community.

In different ways, each of these issues is now active.

There is a growing consensus in the West that our task with respect to the Soviet Union and Eastern Europe is to make the most of the forces of moderation which have emerged since 1953 -- and, especially, since the Cuba missile crisis -- and gradually to create an environment in which the East/West confrontation is so reduced that the problem of Germany can be peacefully resolved.



No one can now perceive the time or the shape of such a resolution. But there is a common will to create an environment in which the major unresolved questions of the Cold War in Europe can be settled. Underlying this process is a dilution, at least, of the Communist commitment that they must help impose their doctrines on others; the rising tide of national and regional assertiveness in both Eastern and Western Europe; and the washing away, under the tests of performance, of the Communist conviction that their systems for organizing society are inherently superior to those of the West.

The process will not move forward automatically. It could easily be disrupted if the West fragmented and presented opportunities for renewed pressure from the East; but right now it is in at least slow motion with virtually universal support in the West.

Whereas the moment of truth in East/West relations, centering on a resolution of the German problem, may not come upon us for some time, we face in the months ahead an urgent and critical question with respect to the nuclear arms race.

We are all actively trying to find the terms for a non-proliferation agreement; and the emergence of an anti-ballistic missile defense for Moscow has posed for the United States and the Soviet Union the question of whether the nuclear arms race shall be brought under control or go into a vast and expensive round of escalation on both sides with respect to both offensive and defensive weapons.

The two issues are partially linked. It may well be argued that it will be more difficult for the non-nuclear powers to accept a non-proliferation agreement if its context is believed to be a heightening of the bilateral arms race in strategic systems between the United States and the Soviet Union. And there will be other searching questions raised by the non-nuclear-weapons states in the current meeting of the Eighteen Nation Disarmament Conference at Geneva and beyond which require response.

But if we fail to create a world of non-proliferation, the result would not merely be more national nuclear systems and the instabilities that might accompany such a situation, but also a fragmenting of political relations within the non-Communist world. But if we should succeed -- as we must try very hard to do -- the world community will be drawn closer together.

What is at stake, therefore, in the discussions and negotiations that are upon us in these days, are issues which will set much of the framework for the organization of the world community over the next generation.

In Communist China, we are seeing one of the great dramas of modern history. The Long March veterans -- who worked for more than thirty years in what appeared to be remarkable unity -- have now split and are engaged in an open struggle for power. Beneath the surface

of the struggle for power is a debate on policy between revolutionary romantics and pragmatists. The resolution of this debate will shape mainland policy and Communist China's relations for many years ahead.

This judgment reaches back to the nature and roots of the Chinese crisis. It is clear that after their remarkable victory in 1949, Chinese Communist leaders made two grandiose errors.

First, they set in motion a pattern of economic development focused on heavy industry and the modernization of their armed forces which was historically inappropriate. They behaved as if they were at a stage similar to Stalin's Soviet Union of 1930; in fact, they were closer to that of Japan near the turn of the century. Like Japan at that time, they needed to develop in modern China -- as a foundation for industrialization -- an agricultural system based on strong peasant incentives, combined with the massive application of chemical fertilizers. They chose collectivization and inadequate investment in agriculture. Despite some shift in recent years toward a higher priority for agriculture, the result is a food-population position which is incompatible with rapid economic development.

Second, they chose to move out onto the Asian and world scene with objectives that disregarded the realities of power in the world arena.

They sought an expansion of control and influence beyond their capacity; and they failed.

In the face of these failures, the future of Chinese domestic and foreign policy are evidently now at stake as well as the future of the leaders engaged.

No one can confidently predict the timing and the sequence of the outcome. There is a decent hope, however, that soon or late, a mainland China will emerge which will accept as its primary task the modernization of the life of the nation and accept also the proposition that the international frontiers of the region shall not be changed by the use of force.

So far as the United States is concerned, President Johnson has made clear on a number of occasions that we look forward to that day and to welcoming that kind of mainland China into the community of nations.

## IX.

What I have asserted thus far is that the tasks of the second postwar generation may consist in:

First, moving from the mere frustration of aggression to a phase of settlement, reconciliation, and cooperation with respect to endemic disputes arising either with Communist regimes or between non-Communist states;

Second, moving forward in the tasks of growth in the developing regions, and especially coming to grips -- as a world community -- with the food-population problem;

Third, carrying forward, refining, and consolidating the movements towards regionalism -- in Western Europe and elsewhere, as well as in global cooperative enterprises in the fields of aid, trade, money, and in various technical fields which lend themselves best to universal effort;

Fourth, moving towards a liquidation of key issues of the Cold War in Europe, and towards arms control, while working to bring a more moderate Communist China into a normal relationship to Asia and the world.

Taken together they offer expanding scope for the United Nations in the years ahead. In the past two decades, the U.N. has contributed to each major dimension of international policy; but the inherent schisms and conflicts of those years often by-passed the U.N. or permitted it only a secondary or marginal role. If we can move forward on the agenda I have outlined, the U.N. may begin more nearly to fulfill the functions envisaged for it in 1945.

Having held up this challenging but essentially hopeful vision of what may lie ahead, I would now wish to underline a general proposition: (5)

"On occasion it may be proper to regard the course of history as inevitable, ex post; but not ex ante."

There was nothing inevitable about what we achieved in the first postwar generation: the revival of Western Europe; the preservation of freedom in Turkey, Greece, and West Berlin; the saving of South Korea and Malaya; the Alliance for Progress; the removal of Soviet missiles from Cuba;

---

(5) British Economy of the Nineteenth Century, Oxford, 1948, p. 143.

and all the rest. These enterprises took brave -- and often visionary -- men and women of many nations. They did not rely on inevitable historical trends: they shaped historical possibilities by their commitment.

Nor were our failures over these years inevitable -- explicable, as always, but not inevitable.

And there is no inevitability built into the projection I have outlined for the second postwar generation -- only possibilities. And these constructive possibilities will not be made good unless we work as hard at them as we have worked in the past twenty years on a somewhat different agenda.

It would, in fact, not be difficult: surveying the forces at work within Western Europe; in East-West relations; in the dynamics of the developing regions; in the forces at play within Communist China -- to project a quite different prospect: a prospect not of progressive movement towards order and reconciliation and progress, but towards disruption, fragmentation, mass hunger, and renewed danger.

For example, the great hopes for progress in East-West relations depend on the maintenance of an adequate, flexible, and integrated defense system in the West, as well as on an imaginative and creative approach to the East. There is no reason to believe that a failure of the West to stay together might not tempt Moscow again towards adventure.



Similarly, a failure of the Vietnamese and their allies to see through the engagement to an honorable peace could destroy the emerging foundation for confidence and regional cooperation in Asia, with further adverse consequences on every continent.

X.

I have said little thus far about the American position on Viet Nam because I wished to expose one American's view of the broad tasks of foreign policy that lie before us all. President Johnson is conducting a policy which, in fact, is already at grips with many of what I have called second-generation tasks. I come from a government which, contrary to a widespread view, is not overwhelmed and obsessed by the problem of Viet Nam.

On the other hand, we are confident that what we are seeking to accomplish in Viet Nam is right and essential if we are to move successfully through the great transition.

We are honoring a treaty which committed us to "act to meet the common danger" in the face of "aggression by means of armed attack" in the treaty area. And this commitment is also being honored by Australia, New Zealand, the Philippines, and Thailand -- as well as by the remarkable action of South Korea, which was not bound by treaty in this matter.

We are also dealing with the gross and systematic violation of an agreement, signed in 1962, which committed all parties, including



Hanoi, to withdraw their military forces from Laos; to refrain from reintroducing such forces; and to refrain from using the territory of Laos for interference in the internal affairs of other countries.

We are also encouraged by the efforts of the people of South Viet Nam to make a transition to orderly constitutional government of the kind which the people of South Korea have accomplished with such notable success since 1961.

And we are answering, as we have had to answer on other occasions, the question: Are the word and commitment of the United States reliable? For the United States cannot be faithful to its alliances in the Atlantic and unfaithful to its alliances in the Pacific.

I know that some of the younger generation in the United States -- and, I daresay, in Great Britain -- believe that we in the American Government are old-fashioned in our approach to Viet Nam. It is true that we recall often the lessons of the 1930's; we recall experiences in Greece and Berlin and Korea which are not part of the living memory of those now in universities. That is, I think, because our experience has forced us to contemplate the chaos since 1914 and the reality of the task of building a durable peace. A new generation will, of course, decide what in its experience is to be remembered and set its own goals and priorities.

But in the perspective I have presented tonight, what is old-fashioned about Viet Nam is the effort by the leaders in Hanoi to make their lifelong dream of achieving control over Southeast Asia come to reality by the use of force.

It is their concept of "wars of national liberation" that is old-fashioned. It is being overtaken not merely by the resistance of the seven nations fighting there, but also by history and by increasingly pervasive attitudes of pragmatism and moderation.

History, I deeply believe, will show in Southeast Asia, as it has displayed in many other parts of the world, that the international status quo cannot be altered by use of external force. That demonstration is costing the lives of many South Vietnamese, Americans, Koreans, Australians, and others who understand the danger to them of permitting a change in the territorial or political status quo by external violence -- who cherish the right of self-determination for themselves and for others.

If the argument I have laid before you is correct -- and if we have the common will to hold together and get on with the job -- the struggle in Viet Nam might be the last great confrontation of the post-war era.

If the Cuba missile crisis was the Gettysburg of the Cold War, Viet Nam could be the Wilderness; for, indeed, the Cold War has been a kind of global civil conflict. Viet Nam could be made the closing of one chapter in modern history and the opening of another.

## XI.

As befits a world in transition, then, we in the American government, under President Johnson's leadership, are dealing with elements from the old agenda while doing what we can to define, grip, and move forward the new agenda.

President Johnson is honoring a Treaty placed before the Senate by President Eisenhower in 1954 and overwhelmingly approved. He is insisting on compliance with an international agreement made in Geneva in 1962, by the Administration of President Kennedy. But his thrust is forward. He has placed before the Congress a Space Treaty; proposals to expand East-West trade; to create the Asian Development Bank; a Consular Convention with the Soviet Union; a request for a resolution to multilateralize the American contribution to a sustained effort to win the race between food supplies and population increase.

It is clearly his hope to be able to present to the Senate a non-proliferation agreement; and we are prepared to put our best and most constructive minds to work in negotiations to head off, if possible, another major round in the arms race in strategic nuclear weapons.

In all this we are conscious that there is little we can accomplish by ourselves. The nation-state -- whatever its size and resources -- cannot solve the vast problems now before us or foreseeable. Nor is this any longer a bi-polar world, despite the continued disproportionate concentration of nuclear power in the United States and the Soviet Union. The dynamics of the lively first postwar generation has yielded a world arena of diverse nations determined to take a hand in their own destiny.

We shall achieve arrangements of authentic partnership -- based on mutual respect and acknowledgment of interdependence -- or we shall not deal successfully with the new agenda.

America is now -- and, I believe -- will continue to be, ready to play its proper role in such partnerships.

I concluded my last survey of American foreign policy from a British University platform twenty years ago with this injunction from  
(6)  
one of our poets:

"One thought ever at the fore --

That in the Divine Ship, the World, breasting Time and Space,

All peoples of the globe together sail, sail the same voyage,

Are bound to the same destination. "

That, I believe, will remain the spirit of America's foreign policy in the generation ahead.

###

---

(6) The American Diplomatic Revolution, Oxford, 1948, p. 24