

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
2 memo	Rostow to the Pres. re Vietnam C 3 pp. open 2-5-93 NLS 91-374	3/29/67	A
3a memo	re Vietnam open 4-24-92 NLS 91-376 S 1 p.	3/29/67	A
4a report	of Vice President's trip to Europe <i>open 11-17-99</i> S 2 pp. sanitized 2-5-93 NLS 91-374 NLS 99-61	3/31/67	A
7 memo	Rostow to the Pres. re Latin America C 1 p. open 2-5-93 NLS 91-374	3/31/67	A
8 memo	Rostow to the Pres. re UK C 1 p. exempt 3-16-92 NLS 91-374 <i>Open NLS 78-238 4-29-99</i>	3/31/67	A
10a memo	Michael Stewart to the Pres. C 1 p. open 2-5-93 NLS 91-374	3/31/67	A
10b message	re UK C 1 p. "	undated	A
16 memo	Rostow to the Pres. re India " C 2 pp.	3/30/67	A
16a memo	Gaud to the Pres. re India C 6 pp. <i>open 3-4-92 NLS 91-371</i>	3/26/67	A
16b memo	Schultze to the Pres. re India C 2 pp. open 2-5-93 NLS 91-374	3/28/67	A
17a letter	the Pres. to Pres. of El Salvador PCI 1 p. open 2-5-93 NLS 91-374	3/31/67	A
17b letter	Ambassador Duenas to Pres. of El Salvador PCI 2 pp. open 2-5-93 NLS 91-374	3/17/67	A
25a cable	Bonn 11424 " S 2 pp.	3/30/67	A
25b report	of Vice President's trip to Europe <i>Open 11-17-99</i> PCI 3 pp. sanitized 2-5-93 NLS 91-374 NLS 99-61	3/30/67	A
27 memo	Rostow to the Pres. re Latin America C 1 p. open 2-5-93 NLS 91-374	3/30/67	A
27a cable	Montevideo 2405 C 1 p. open 4-24-92 NLS 91-376	3/29/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, Volume 24,
March 16-31, 1967, Box 14

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
29a memo	Rusk to the Pres. re Latin America C 3 pp. open 8-28-92 NLJ 91-376	3/28/67	A
38a cable	USUN 4640 open 4-24-92 NLJ 91-376 S 4 pp.	3/30/67	A
39 memo	Rostow to the Pres. re VP trip S 1 p. open 2-5-93 NLJ 91-374	3/29/67	A
41 memo	Bator to the Pres. re IDA " C 2 pp.	3/29/67	A
42a memo	Rusk and Fowler to the Pres. re IDA C 3 pp. open 8-28-92 NLJ 91-376	3/28/67	A
42c memo	Barr to Rusk and Fowler re IDA C 4 pp.	3/23/67	A
42n letter	Fowler to George Woods C 4 pp.	undated	A
43 memo	Rostow to the Pres. re Vietnam S 1 p. open 2-5-93 NLJ 91-374	3/29/67	A
43a cable	Saigon 21592 S 10 pp. open 4-24-92 NLJ 91-376	3/29/67	A
44 memo	Rostow to the Pres. re USSR C 1 p. open 2-5-93 NLJ 91-374	3/29/67	A
47 memo	Rostow to the Pres. re Vietnam S 1 p. open 2-5-93 NLJ 91-374	3/29/67	A
50 memo	Rostow to the Pres. re balance of payments C 2 pp. open 2-5-93 NLJ 91-374	3/29/67	A
50a letter	Fowler to the Pres. PCI 2 pp.	3/29/67	A
51a	Duplicate of #3a OPEN 10-21-98		
52 memo	Rostow to the Pres. re Vietnam S 1 p. open 8-6-93 NLJ 91-375	3/28/67	A
53a memo	Rostow and Dobrynin to the Pres. re Vietnam C 1 p. (dup. of #14 Sa NSF Name File, Rostow memos) OPEN NLJ 77-169 9-25-98	3/28/67	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
54 memo	<i>open 2-5-93 NLJ 91-374</i> Rostow to the Pres. re Ryukyu Islands C 1 p. <i>[dup. in Diary Backup- 3/29/67]</i>	3/28/67	A
58a cable	Saigon 21516 S 1 p. <i>open 4-24-92 NLJ 91-376</i>	3/28/67	A
60 memo	Rostow to the Pres. re Frei C 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/28/67	A
66 cable	<i>OPEN</i> for VP from Rostow <i>11-17-99 NLJ 99-61</i> S 1 p.	undated	A
67a memo	Helms to the Pres. exempt NLJ 91-374 C 1 p. <i>am 019-014-3</i> exempt 2-9-06 NLJ 99-65 exempt 2-5-01 NLJ 99-65 appeal	3/28/67	A
72 cable	Saigon 21428 S 1 p. <i>open 4-24-92 NLJ 91-376</i>	3/27/67	A
73 memo	Rostow to the Pres. re Ryukyu Islands C 1 p. <i>open 2-5-93 NLJ 91-374</i> <i>[dup. in Diary Backup- 3/29/67]</i>	3/27/67	A
75 cable	CAP67203 re Vietnam S 1 p. <i>open 8-28-92 NLJ 91-376</i>	3/27/67	A
76 memo	Rostow to the Pres. re Cambodia C 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/27/67	A
76a memo	W. Jorden to Rostow re Cambodia C 3 pp. <i>open 2-5-93 NLJ 91-374</i>	3/25/67	A
76b cable	Deptel 161084 to Tokyo C 4 pp. <i>open 8-28-92 NLJ 91-376</i>	3/23/67	A
76c memo	A. Goldschmidt to Rostow " C 1 p.	3/18/67	A
76d memo	A. Goldschmidt re Cambodia " C 2 pp.	undated	A
77 memo	Rostow to the Pres. re Vietnam S 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/27/67	A
80 cable	CAP67200 re Vietnam C 2 pp. <i>open 8-28-92 NLJ 91-376</i>	3/26/67	A
83 memo	Rostow to the Pres. re Vietnam <i>open 2-5-93 NLJ 91-374</i> TS 1 p. <i>DUPE IN FILES OF WWR, Box 3, MTG w/PRES, 3/28/67..</i> <i>Doc #6</i>	3/25/67	A

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83a cable	Saigon 21226 TS 1 p. <i>open 4-24-92 NLJ 91-376</i>	undated	A
84a cable	Deptel 162636 to Moscow S 3 pp.	3/24/67	A
89 memo	Rostow to the Pres. re Afghanistan S 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/25/67	A
91 memo	Rostow to the Pres. re India C 1 p.	3/24/67	A
93 cable	Deptel 162643 to Moscow TS 5 pp. <i>open 4-24-92 NLJ 91-376</i>	3/24/67	A
97 memo	Rostow to the Pres. re Tunisia S 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/24/67	A
98a cable	Seoul 5094. S 2 pp. <i>sanitized 4-24-92 NLJ 91-376</i> [Dup. of #118a + 118b, NSF, C.F., Korea, Vol. IV, Box 255]	3/24/67	A
99a letter	Helms to the Pres. <i>exempt NLJ 91-372</i> S 2 pp. <i>exempt 2-9-00 NLJ 99-65</i> <i>exempt 2-5-01 NLJ 99-65 appeal</i>	3/24/67	A
100 memo	Rostow to the Pres. re Uruguay <i>Open 7/7/00 NLJ 99-69</i> S 1 p. <i>sanitized 8-6-93 NLJ 91-375</i>	3/24/67	A
101 memo	W. Jorden to the Pres. re Vietnam C 6 pp. <i>open 2-5-93 NLJ 91-374</i>	3/24/67	A
105	Duplicate of #101		
108a memo	from CIA to Rostow <i>exempt NLJ 91-372</i> S 1 p. <i>exempt 2-9-00 NLJ 99-65</i> <i>sanitized 2-5-01 NLJ 99-65 appeal</i> [duplicate of #84c, NSF, Country File, "Mexico, Vol. 3," exempt 1978]	3/22/67	A
112 memo	Rostow to the Pres. re Afghanistan S 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/24/67	A
113 memo	Rostow to the Pres. re Germany <i>Sanitized 7/7/00 NLJ 99-69</i> S 2 pp. <i>sanitized 2-5-93 NLJ 91-374</i>	3/23/67	A
116a memo	re Vietnam S 2 pp. <i>sanitized 8-6-93 NLJ 91-375</i> <i>same Sani 7-29-04 NW 05-14, OPEN 10-21-98</i>	3/23/67	A
117 memo	Rostow to the Pres. re Vietnam TS 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/23/67	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
117a memo	Wheeler to the Pres. re Vietnam TS 3 pp. <i>open 3-30-92 NLJ 91-373</i>	3/23/67	A
117b photo	re Vietnam " " S 1 p.	undated	A
117c photo	re Vietnam " " S 1 p.	undated	A
117d photo	re Vietnam " " S 1 p.	undated	A
117e photo	re Vietnam " " S 1 p.	undated	A
118a memo	G. Denney to Sec. State C 4 pp. <i>open 4-24-92 NLJ 91-376</i>	3/22/67	A
119 memo	Rostow to the Pres. re Latin America C 3 pp. <i>open 2-5-93 NLJ 91-374</i>	3/23/67	A
120a message	Prime Minister to the Pres. <i>OPEN 10-21-98</i> S 1 p. <i>exempt 3-16-92 NLJ 91-374</i>	3/23/67	A
121a letter	the Pres. to Chung Hee Park S 3 pp. <i>open 2-5-93 NLJ 91-374</i>	3/23/67	A
122	Duplicate of #121a "		
123a memo	CIA to Rostow <i>sanitized 2-9-00 NLJ 99-65</i> TS 23 pp. <i>more info released 2-5-01 NLJ 99-65 appeal</i> [duplicate of #6a, Internat'l. Meetings & Travel File, "President's Trip to Guam, (Conference) (II)," sanitized 1979]	3/23/67	A
130 memo	Rostow to the Pres. re Vietnam S 1 p. <i>open 2-5-93 NLJ 91-374</i>	3/22/67	A
130a cable	Saigon 20988 S 1 p. <i>open 4-24-92 NLJ 91-374</i>	3/22/67	A
136 memo	Rostow to the Pres. re Cuba <i>Sanitized 7/17/00 NLJ 99-64</i> TSC 1 p. <i>Sanitized 8-6-93 NLJ 91-375</i>	3/22/67	A
137 memo	Rostow to the Pres. re Latin America S 2 pp. <i>Sanitized 8-6-93 NLJ 91-375</i> <i>Sanitized 7/17/00 NLJ 99-64</i> <i>[dup #20, NSF, IMT, "Inter-Amer Summit, Vol. III" Bx 16]</i>	3/22/67	A

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137a cable	Montevideo 2213 C 2 pp. <i>sanitized 4-24-92 NLS 91-376</i> <i>OPEN 10-21-98</i>	3/21/67	A
140a message	the Pres. to Prime Minister S 2 pp. <i>open 2-5-93 NLS 91-374</i>	3/22/67	A
141 memo	Rostow to the Pres. re Thailand C 1 p. <i>sanitized 2-5-93 NLS 91-374</i> <i>OPEN 10-21-98</i>	3/22/67	A
145 memo	Rostow to the Pres. re Vietnam C 2 pp. <i>open 2-5-93 NLS 91-374</i>	3/21/67	A
147 memo	Rostow to the Pres. re Japan C 1 p.	3/21/67	A
148 memo	Rostow to the Pres. re Jordan S 1 p.	3/21/67	A
155 memo	Rostow to the Pres. re Vietnam S 1 p.	3/18/67	A
162 memo	Rostow to the Pres. re Vietnam S 1 p.	3/18/67	A
162a cable	State circular 158034 re Vietnam S 1 p. <i>open 4-24-92 NLS 91-376</i>	3/18/67	A
166b cable	Saigon 20591 <i>open 11-10-99 NLS 99-62</i> S 2 pp. [duplicate of #30b, Internat'l. Meetings & Travel File, "President's Trip to Guam, (Conference)," Box 13, sanitized]	3/17/67	A
167a memo	Henry Owen re youth C 1 p. <i>open 4-24-92 NLS 91-376</i>	undated	A
173a memo	Rostow to the Pres. re Latin America C 1 p. <i>open 2-5-93 NLS 91-374</i>	3/17/67	A
175a cable	re VP's trip to Europe S 2 pp. <i>open 8-28-92 NLS 91-376</i>	undated	A
176 memo	Rostow to the Pres. re USSR TS 1 p. <i>open 2-5-93 NLS 91-374</i>	3/17/67	A
176a cable	to Amembassy Moscow TS 4 pp. <i>open 4-24-92 NLS 91-376</i>	undated	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
178 memo	Rostow to the Pres. re Morocco <i>open 11-17-99</i> S 1 p. sanitized 2-5-93 NLJ 91-374 <i>NLS 99-6</i>	3/16/67	A
180a memo	from Amembassy, Mexico to Sec. State C 2 pp. open 4-24-92 NLJ 91-376	3/15/67	A
182 cable	CAP67155 re Vietnam <i>searched 7/2/00 US 99-64; some serials 2/02 - NLS 019-014-3</i> S 1 p. sanitized 2-5-93 NLJ 91-374	3/16/67	A
191 memo	Rostow to the Pres. re PM Wilson <i>open 4-17-95 NLJ 94-468</i> TS 1 p. exempt 3-16-92 NLJ 91-374 <i>(Dup of #3a, NSF, CF, VN, Sunflower PLUS, Box 256)</i>	3/16/67	A
191a message	PM Wilson to the Pres. S 1 p. exempt 3-16-92 NLJ 91-374 <i>OPEN 3-30-98</i> <i>RAC 19490</i>	3/16/67	A
191b cable	London 6894 <i>exempt 3-16-92 NLJ 91-374</i> TS 3 pp. open 2-1-96 NLJ 95-351 <i>(Dup of #3e, see above)</i>	2/25/67	A
191c report	US Formula <i>open 2-5-93 NLJ 91-374</i> S 1 p.	2/12/67	A

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

HI
Added to file 9-11-91 808

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
11 memo	Rostow to the President - Open 11/6/00 NIS 99-80 S 1p	3/31/67	A
11a memo	Rostow to the Chairman, AEC - Sanitized 11/6/00 NIS 99-80 S 1p	4/3/67	A
11b ltr	Glenn Seaborg to the President - Sanitized 7/5/00 NIS 99-81 S 2 pp	3/24/67	A
11c rpt	Enclosure 1 to #11b - Sanitized 7/5/00 NIS 99-81 S 4 pp	[3/67]	A
11d rpt	Enclosure 2 to #11b - Sanitized 7/5/00 NIS 99-81 S 1 p	[3/67]	A
134 memo	Rostow to the President - S 1 p Sanitized 7/7/00 NIS 99-82	3/22/67	A
134a memo	Rostow to Deputy Secretary of Defense - S 1 p Sanitized 7/7/00 NIS 99-82	n.d.	A
134b memo	Cyrus Vance to the President - S 2 pp Sanitized 7/7/00 NIS 99-83 Sanitized 7.29.04 NW03142	3/21/67	A

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NATIONAL SECURITY FILE, Memos to the President, Rostow, Vol. 24 March 16-31, 1967 Box 14

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OK
Tuesday, March 28, 1967
Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Educational Projects in the Philippines

You proposed that the two projects outlined in the attached memo be held so that a new ambassador might take them along when he goes to the Philippines. Several important elements are involved here that you may wish to consider.

First, these two projects are of great significance to President Marcos' program for improving his educational system. He wants to get started immediately on the school construction program so that additional classrooms will be available for the Fall term. The same is true of the textbook production plan. Delay of a few months will make that impossible.

CHECK
Second, we have a hatful of trouble with Manila right now -- alleged slow delivery of equipment for the 5 engineer battalions (not valid), foot-dragging on the veterans' claims (valid), and the Sangley issue (on which we will stand firm). Delay of the education projects is going to open Marcos up to a drumfire of criticism from his ultra-nationalist critics.

Third, we have other projects in train (assistance to private schools, Mrs. Marcos' cultural center, etc.) which will be coming along in time for inclusion in a new ambassador's baggage.

Finally, there has been something of a communications gap between us and the Filipinos in Manila, and the two proposed projects will help ease things in a healthy way.

I would note, further, that the authorization requested is not to sign a final agreement but rather to negotiate the details of the agreement. If we wish, we can drag things out a bit, though I think this would not be wise if carried too far.

I, therefore, respectfully suggest that you reconsider this matter. You may wish to discuss it with Secretary Rusk.

W. W. Rostow

Att.

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THE WHITE HOUSE

WASHINGTON

Thursday, March 23, 1967

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Special Fund Education Projects for the Philippines

The Special Fund for Education was established under a 1963 amendment to Philippine War Damage legislation. The funds are held by Treasury and now amount to about \$28 million.

You and President Marcos agreed last September to speed up use of the Fund for worthwhile projects. The Philippine Government presented two detailed proposals in December. They are:

(1) Classroom Construction Program

This would make possible construction of 2,700 three-room schools and 6,000 two-room schools (a total of 20,100 classrooms) over an 18-month period at a cost of about \$13 million.

(2) Textbook Production Program

This would permit the Filipinos to produce 3,118,868 elementary and secondary school textbooks over an 18-month period at a cost of about \$2.6 million.

Secretary Rusk, in the attached memorandum, strongly urges support of these two projects. Treasury and the Bureau of the Budget approve the procedures. Congressman Zablocki, who authored the Special Fund legislation, is satisfied with the projects.

President Marcos has taken a strong interest in the two proposals and considers them important for his four-year educational development program. There is no doubt that moving ahead on these two matters will help to improve the atmosphere of U.S. -Philippine relations which have been somewhat strained of late.

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I therefore strongly recommend that you authorize Secretary Rusk to conclude project agreements with the Philippines on these two Special Fund accounts.

Walter W. Rostow

Att.

Authorization granted _____

Disapproved _____

See me _____

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THE SECRETARY OF STATE
WASHINGTON

March 23, 1967

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MEMORANDUM FOR THE PRESIDENT

Subject: Special Fund for Education, Classroom
Construction and Textbook Production
Projects

Recommendation

That you authorize me to conclude project agreements with the Philippine Government for the expenditure of money from the Special Fund for Education (PL 88-94) - the Philippine Education Program account - in support of classroom construction and textbook production in the Philippines.

Approve _____

Disapprove _____

Discussion

The Special Fund for Education, now constituted at about \$28 million and held in Treasury in the Philippine Education Program account, was established by a 1963 amendment to Philippine War Damage legislation. The Fund is to be used as jointly determined by the President of the United States and the President of the Philippines to further educational programs to the mutual advantage of both countries.

We have received and carefully scrutinized detailed project proposals for classroom construction and textbook production presented by the Philippine Government. We believe the two projects meet the criteria for support under Special Fund auspices, and fulfill the requirements of the 1963 legislation.

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Funds for these two projects would be disbursed as needed under the guidelines set forth in the understanding between our two Governments of April 26, 1966. This procedure meets with the approval of the Treasury Department and the Bureau of the Budget staff. Congressman Zablocki, author of the Special Fund legislation, has expressed his satisfaction with the projects. We have also touched base with the Senate Foreign Relations Committee staff on our plans to move ahead on the classroom and textbook projects.

We would expect to commit about \$13 million to the Classroom Construction Program and some \$2.6 million to the Textbook Production Program from the Special Fund over an 18-month period. We are now examining additional Philippine proposals for projects to be funded under the remaining balance of the Special Fund. You authorized conclusion of an agreement with the Philippine Government on Land Reform Education in September 1965. A project of this nature is among those under consideration.

The Philippine Government is particularly anxious to obtain early agreement on the classroom and textbook projects. On March 3, President Marcos personally stressed to Assistant Secretary Bundy the great importance he placed on moving rapidly ahead on these two projects in view of the proximity of the upcoming school year.

In negotiating agreements on these two projects, it is our intention to discuss with the Philippine Government appropriate ways of identifying the classrooms and textbooks as projects jointly approved by the President of the United States and the President of the Republic of the Philippines for financing from the Special Fund for Education.

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Enclosed is a memorandum containing further details on the Classroom Construction and Textbook Production Projects.

A handwritten signature in dark ink, appearing to read "Dean Rusk", with a stylized, cursive script.

Dean Rusk

Enclosure:

Background Memorandum

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BACKGROUND MEMORANDUM

Proposals for Classroom Construction
and Textbook Production Under the
Special Fund for Education

1. An amendment to the Philippine War Damage Legislation of 1962, PL 88-94, approved August 12, 1963, established a fund known as the Special Fund for Education to be used "for the purpose of furthering educational exchange and other educational programs to the mutual advantage of the Republic of the Philippines and the United States in such manner as the Presidents of these two Republics shall from time to time determine." The Special Fund is now constituted at about \$28 million.
2. On April 26, 1966, pursuant to authority granted by the President, the two governments exchanged notes constituting the basis for commencement of negotiations on project proposals for financing under the Special Fund. Under the April 26 understanding, disbursements from the Fund will be made in accordance with a schedule of payments to be mutually agreed upon for each project, and deposited by the United States Government in such banking institutions in the Philippines as may be agreed upon by the two governments. The understanding also calls for a status report on each project to be supported by the Fund which will be furnished periodically by the Philippine Government until the funds authorized by the two governments for the support of the projects have been spent.
3. Following agreement of the two Presidents in the Joint Communique of September 15, 1966 to accelerate Special Fund discussions and to move for rapid implementation of projects, the Marcos Government on December 1, 1966 presented detailed Classroom Construction and Textbook Production proposals for support under the Special Fund.

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4. The Classroom Construction proposal would expend ₱51 million (about \$13 million) over eighteen months in fiscal years 1967 and 1968 to construct 2,700 three-room school buildings and 6,000 two-room school buildings -- a total of 20,100 classrooms for public elementary grades throughout the Philippines. The Special Fund Classroom Construction proposal forms a portion of the Philippine Government's four-year school building program to provide 34,600 schools (91,700 classrooms) by 1970 at a cost of ₱258 million (\$65 million).

5. The Textbook Production proposal would expend ₱10 million (about \$2.6 million) over eighteen months in fiscal years 1967 and 1968 to produce 3,118,868 elementary and secondary level textbooks for public school use throughout the Philippines. This proposal follows a successful project which has produced 22,000,000 textbooks. The Philippine Government estimates current needs at more than 11 million textbooks and expects to embark on further textbook projects on completion of this Special Fund project.

6. The Department, in conjunction with representatives of the Agency for International Development and the Bureau of the Budget, has studied carefully the Classroom and Textbook proposals. We believe these projects represent enduring contributions to Philippine education and fulfill the objectives of the 1963 legislation. Implementation of the Classroom and Textbook projects will result in clear and tangible evidence of the President's personal interest as well as that of the President of the Philippines in Philippine education. For the Classroom and Textbook projects a total of \$15.6 million would be spent over an eighteen-month period.

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7. The issue of war damage claims, and the Special Fund, has been a highly emotional one in US-Philippine relations over the past two decades, particularly during the Macapagal Administration. The Marcos Government, in advancing the Classroom Construction and Textbook Production proposals, has given evidence of a new and more businesslike approach to use of the Special Fund. President Marcos has made it clear that he attaches considerable urgency to meeting his country's needs for classrooms and textbooks and has stressed his hope that financing from the Special Fund for these projects be approved as soon as possible.

March 21, 1967

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~~CONFIDENTIAL~~

Wednesday, March 29, 1967

11:00 am,

2
free file

MR. PRESIDENT:

I had lunch Monday with Nick Katzenbach and John McNaughton to consider the Abbott Washburn proposals for a national committee in support of our policy in Viet Nam.

Early in the discussion two negative aspects of the proposal emerged:

-- While we probably could generate a broadly based, effective continuing group, it could be done only at a sacrifice of some of your freedom of action -- e.g., implied assurance by you that you will not sharply escalate the war against the North. A continuing group would not be worth the candle if, at some stage, we had a batch of noisy resignations.

-- Skepticism that vital regional groups could be organized that would be effective in generating speakers, television programs, literature, statements, etc.

Therefore, we leaned to a one-shot (or two-shot) widely based statement of support; for example, one this spring, a second in the fall.

The recommendation that emerged was based on these four principles:

First, the enterprise should be organized at some distance from the Government; that is, we might indicate that we thought it a helpful idea and be available to provide material, but the job of organization would have to be done by private citizens.

Second, a "middle position" on Viet Nam should be drafted, designed to gather the support of a maximum proportion of the population. That position should be something like this.

It is natural that a democracy like ours should debate the day-to-day tactics of a commitment as complex as that of the U. S. in South Viet Nam. It is important, however, that those mounting the aggression against South Viet Nam should be under no illusion as to what the vast majority of Americans believe and the commitment they are prepared to support.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 91-374

By ju, NARA, Date 1-29-93

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

We reject the view of those who would urge the full military power of the United States to be applied against the cities and population of North Viet Nam; we reject equally those who would find one excuse or another for withdrawing from our commitment and letting the aggression succeed.

We support the use of American power for these purposes:

-- to reinstall and make effective the Geneva Accords of 1954 and 1962.

-- to create conditions which will permit the people of South Viet Nam to decide their destiny, without armed interference by any outside power.

We, therefore, support and will continue to support to the limit our fighting men in Viet Nam and our fighting allies who are equally committed to these limited and decent objectives.

We support the President in his pursuit of an honorable peace which conforms to these principles.

(Attached is a draft open letter done by Nick Katzenbach.)

Third, we believe that the committee should be organized to gain maximum support among leaders throughout the country for this position on a bipartisan basis, reaching away from the kinds of names on the list submitted, to include educators, minority groups, labor leaders, etc., who would accept some such statement.

Finally, we should leave the question of the organization of regional information groups up to the committee.

In short, we concluded that it might be helpful if a group of this kind could publicly throw its weight behind the key elements in your policy in an early public statement to be repeated, perhaps, in another six months: it might well help at home, in the non-Communist world, and in Hanoi.

(In the course of lunch, the idea also arose of getting the key potential Presidential candidates all signed on to some such statement of principles and commitment -- perhaps after Labor Day.)

~~CONFIDENTIAL~~

CONFIDENTIAL

-3-

If you agree with this view, we might convey it informally to Abbott Washburn. He could go about organizing from there. You may have in mind a better initial contact than Washburn. He has the time, interest, and Republican contacts to work that side of the street. I suspect we would wish to marry him up with a knowledgeable Democrat with better ties to minority groups, educators, etc.

W. W. R.

2a

NOTE:

Mr. President:

I have reservations about the first paragraph on page 2;
and I believe something simpler and crisper than our 14 points
should be used as a statement of the consensus (bottom p. 2).

W. W. R.

ROUGH SKETCH OF AN OPEN LETTER:

Dear Mr. President:

We write as citizens who have not always agreed with everything the
United States has done or said about Viet-Nam, and who are not likely to do
so in the future.

But we write, in the form of an open letter, because the time has surely
arrived for open letters to mean something more than criticism -- often
extreme criticism -- of our government.

We write in an open letter because we are troubled by the distorting
appearance of the fact that much attention is given to relatively little dissent.

We write in an open letter because we believe we speak for a very
large portion of America and will be joined by other Americans like us.

Our views do not square with those at either outer margin of criticism.

We seek neither to abandon our commitment in Viet-Nam nor to
"bomb them back into the Stone Age."

We are neither "hawks" nor "doves."

We are citizens who recognize that you are no less troubled than any of
us by the war in Viet-Nam and that you are no less committed than any citizen
to the goals of peace, freedom and honor.

We cannot call forth the wide patriotic rectitude of other times when American soldiers went abroad to fight for freedom. Viet-Nam is too remote, this war too complex for bands, posters, and easy public understanding. But there are things we can do:

1. We pledge our most urgent support for your continued efforts to seek an honorable peace, however pugnacious the replies from the North. Before even such sustained efforts can be fruitful, Hanoi's leaders must be persuaded of our firmness -- that of the American government and the American people. It is our hope that this expression of support will add in some small measure toward providing that persuasion.

2. For the same reason, we are convinced that your firm but restrained military policies offer the best chance of bringing a fair peace to Viet-Nam. Senator Brooke spoke aptly on March 26 when he said, "If we show strength within the confines of a limited war... I believe Hanoi will come to the peace table sooner than at any other time."

3. We support the limited aims of the United States in Viet-Nam, as stated with clarity in the Fourteen Points. (Footnoted or used as a box insert in ad).

4. We support the effort of the United States and our allies in the military measures they have been forced to take to assist the

South Vietnamese people. To abandon them now, as they approach the election of their own President and legislature would nullify both their sacrifices and our own.

Whether our course is wise, only historians can one day tell us. Whether we are united in our cause, however, is something only we can answer. As for us, Mr. President, you have our support.

Sincerely,

(This letter will be delivered to President Johnson in Washington by the sponsors. If you wish your name to appear with theirs, sign this page and mail to _____).

3

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

Wednesday, March 29,
7:45 P.M. 1967

Mr. President:

Secretary Rusk's report of Ambassador Goldberg's conversation with Secretary General U Thant was based on the attached summary of a telephone report from New York. The full memorandum of the conversation is not yet ready but will be available by morning.

Bromley Smith

DECLASSIFIED
E.O. 12356 Sec. 3.1(b)
White House Guidelines, Feb. 24, 1933
E. kg, NARA, Date 4-15-91

~~SECRET-EXDIS~~

March 29, 1967

SUBJECT: Hanoi Reply to U Thant's Latest Viet-Nam Peace Proposal

Ambassador Goldberg talked to U Thant today about Hanoi's reply to the Secretary General's latest proposal. The Secretary General said the reply was delivered through Moscow.

The first point of the reply indicated that Hanoi had apparently thought that U Thant would not deliver his proposal to any other party until after Hanoi had replied to him. This was a misunderstanding: U Thant believes that he was told in Rangoon not to make the proposal public before Hanoi made a reply.

The second point made in the reply was that the first step proposed by U Thant (a stand-still truce) equated the aggressor and the victim of aggression and was advantageous to the United States. Hanoi made no comment on the second and third steps proposed by U Thant.

The third point in the reply was an expression of thanks for U Thant's interest in and desire for peace, and an appreciation of his motives. The Secretary General's interpretation of this is that Hanoi does not want him to carry on his efforts. He noted that this is the first written reply Hanoi has ever made to him.

The fourth point was the one made publicly that the U.N. has nothing to do with the Viet-Nam problem.

Ralph Bunche believes that the tone of the reply is friendly.

The U.N. interpretation is that nothing further can be done now, and that things must be allowed to settle down for several months. Ambassador Goldberg agrees.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-376
By lig NARA, Date 4-6-92

~~SECRET-EXDIS~~

W.W.R.

~~Top~~
2 (copy)

~~SECRET~~
EXDIS

Friday, March 31, 1967
4:20 p.m.

Mr. President:

Attached is a summary of the
Vice President's March 29 talk with
Willy Brandt. We will have more from
Germany next week when the Vice
President returns to Bonn for talks with
Kiesinger.

W. W. Rostow

Attachment: a/s

SECRET/EXDIS

LSE:mst

DECLASSIFIED
E.O. 12958, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 4-15-91

March 31, 1967

Report II

HIGHLIGHTS OF THE VICE PRESIDENT'S TRIP TO EUROPE

Conversation with Willy Brandt (March 29)

Kennedy Round and Food Aid

The Vice President:

- If Kennedy Round fails it will set in motion forces demanding troop cutbacks, reductions in foreign aid, etc.
- The Johnson Administration willing to put its full weight behind Congressional revision of the American Selling Price, but can do so only if Kennedy Round results are satisfactory.
- Asked for German food aid support.

Brandt:

- It is difficult to convince the German Cabinet that food aid important.
- Cabinet also skeptical over additional aid to India "despite the joint efforts of Eugene Rostow, Ambassador McGhee and Vice Chancellor Brandt."

Britain and The Common Market

Brandt:

- Germans concerned that British efforts to get into the EEC not lose momentum during the summer.
- Germans will meet with Wilson and George Brown next week and will recommend that they: (1) make firm decision to enter Europe; (2) continue bilateral talks with EEC members through the summer; (3) begin serious talks with EEC this fall.

The USSR and East-West Relations

The Vice President:

- Always has believed that there should be no adjustments in NATO forces without mutual adjustments in the East. That is why he is against the Mansfield Resolution.
- Perhaps it would be possible for a troop thin-out in the West to come first, if the Russians would agree to follow with a thin-out of their own.
- The President will pursue a cautious but constructive policy toward the East, using trade as the principal tie even though economic benefits may be limited.

4a

Brandt:

- Puzzled by recent Soviet attacks on West Germany. Clearly
- they decided sometime late last December to change their approach to a harder line.

- By the end of 1967 West Germany expects to have diplomatic relations with Hungary, Bulgaria and Yugoslavia. There is a possibility of relations with Czechoslovakia, but the Poles will be more difficult.

- It would be "unfortunate" if the U.S. publicly supports West German initiatives toward the East, but private U.S. contacts with the Soviets might be helpful.

- West Germany will stick to non-recognition of East Germany, but is prepared to "go far beyond" present policy by increasing the exchange of goods and people.

Non-Proliferation Treaty

The Vice President:

- Draft Treaty in no way hinders civilian development of nuclear energy.

- U.S. ready to help Germans in access to nuclear fuel for peaceful purposes. Once safeguards agreed upon a future fuel supply can be ensured.

- It might be possible to include something in preamble to the Treaty that would guarantee free access to nuclear technology for peaceful uses.

Brandt:

- Hoped the Germans do not appear too difficult on NPT. A lot of the public concern in Germany is "from people who don't know what they are talking about."

- Not only the Germans are worried. The Japanese and Italians (particularly Saragat) have been very critical of the Treaty.

- Germans will soon send a note to the Soviets suggesting a new paragraph in NPT on peaceful uses of atomic energy. Will also suggest that USSR consider peaceful cooperation with West Germany in the nuclear field.

March 31, 1967

Mr. President:

This is a friendly message of
greeting to ECAFE on its
twentieth anniversary. I
recommend approval.

~~W. W. Rostow~~
2. profile

W. W. Rostow

Approve /

Disapprove

Speak to me

WWR:ND:gg

Presidential Message to ECAFE

I congratulate the Economic Commission for Asia and the Far East (ECAFE) on its twentieth anniversary. Under able leadership ECAFE has achieved remarkable progress in promoting economic cooperation for development in its first two decades.

I have been privileged to pay two personal visits to ECAFE in Bangkok. On my first visit -- in 1961 -- I was told of the Commission's plans for the region's development -- plans for its rivers, for its natural resources, for its transportation network. When I returned last year, many of these plans had become reality. They are now solid examples of international cooperation. The most recent achievement to which we all point with pride is the establishment of the Asian Development Bank.

ECAFE plays a unique role as a major dynamic force in the economic and social development of this vast region. The United States will continue to support its efforts to achieve a better life for the peoples of Asia. *Great tasks* ~~Vast work~~ lies ahead. I feel certain the

Commission will measure up to its tasks.

Therefore, while saluting ECAFE's first twenty years of achievement, I express my hope and confidence to you for a great future.

* * * * *

6

Friday, March 31, 1967

1:45 pm

MR. PRESIDENT:

Notes for Jess Cook on successes and failures in pacification

1. In the past pacification efforts have been frustrated because:

(1) The overall military situation forced the Vietnamese and ourselves to deal with the main force units. We must remember that the Communists almost succeeded in winning Viet Nam two years ago; and we had to use almost everything we had to deal with the main force units until recently.

(2) The ARVN were not trained for small unit security operations: they were trained primarily for conventional and large-scale counter-guerrilla operations.

(3) The Vietnamese government, overwhelmed by its instabilities and administrative weaknesses, never developed the cadres necessary to go out and stay in the villages to protect them and to build up economic, social, and political life in the countryside.

(4) Finally, the U.S. military and civilian services in Viet Nam in the past worked separately on a conventional military/AID basis so that our impact in the countryside was not as effective as it otherwise could be.

2. The reason we are more optimistic now is because all four of these weaknesses are being remedied:

-- We and the Vietnamese have a margin of military resources to turn to the pacification effort while still dealing with the thrusts of the main force and North Vietnamese units;

-- Fifty ARVN battalions have already been assigned to support for pacification; and there will be more assigned during this year. Moreover, they are being trained to develop the proper attitudes towards the people in the villages.

-- With our help the Vietnamese trained during 1966 25,000 revolutionary development cadres; an additional 35,000 will be trained in 1967. Although they are uneven in quality, on the whole they are doing the job. How well they are doing is attested by the fact that they are a

prime target for attack by the Viet Cong.

-- Finally, we are well on the way to gearing our military and civil assets in Viet Nam to support the whole effort.

3. The whole pacification effort this year will be, in our view, greatly strengthened if, as we hope, the Vietnamese carry through their elections so that the people throughout the country feel they have a legitimate constitutional government which represents them.

W. W. R.

~~CONFIDENTIAL~~

7
Friday, March 31, 1967
12:45 p. m.

Profile

MR. PRESIDENT:

Linc Gordon reports as follows:

1. The Brazilian Ambassador is guest of honor at a dinner tonight. However, he plans to take Braniff flight 501, arriving San Antonio 4:22 a.m. after dinner. (It would be nice if someone from the White House staff could meet him at San Antonio and get him to his hotel room.)

His wife is a quite serious heart case. She must spend mornings very quietly at home. However, if a plane were going out to San Antonio tomorrow afternoon, she would be pleased to join her husband.

2. Garcia Godoy is coming. His wife is authentically ill -- not diplomatically -- and will not come.

3. Linc Gordon has learned that George Meany is in a state about the Summit on two grounds:

-- There is no language in support of free trade unions in the proposed Summit documents. Linc is getting to him to assure him that final drafts have not been made and we will make an effort to introduce such language.

-- The absence from your delegation of a Labor representative. George Meany would like to go.

There is some threat of an AFL-CIO outburst on these two issues Monday -- which might be awkward.

4. Linc Gordon suggests you may wish to consider again whether labor, business, agriculture and education representatives from outside might come along.

W. W. R.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-374
By fw, NARA, Date 1-29-93

Pres file

~~CONFIDENTIAL~~

Friday, March 31, 1967 -- 12:25 p. m.

Mr. President:

Michael Stewart came in to report the following.

On 9 February Bertrand Russell wrote to Prime Minister Wilson protesting a British ruling that no visas will be granted to foreign participants in the proposed war crimes tribunal.

On March 14 the Prime Minister responded strongly supporting the decision to deny visas.

Stewart believes this will make the holding of the war crimes tribunal impossible. Sweden, France and Switzerland have already turned it down.

The Prime Minister is anxious that this exchange of correspondence not leak, unless Bertrand Russell leaks it. With respect to Schoenman, about whom I spoke to the British Ambassador some time ago, Michael Stewart reports that his visa is not likely to come up for extension soon; they are keeping a close watch on him to see if they can establish grounds for expulsion; but, without such grounds, action against him would raise more opposition than the benefit we all might get.

I am not distributing this information beyond you.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-238
By is, NARA Date 4-27-99

W. W. Rostow

WWRostow:rlh

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Friday, March 31, 1967
3:45 p. m.

9
Pres file

MR. PRESIDENT:

You asked a simple question: Who owned the oil tanker Torrey Canyon?

The attached draft cable (not sent) indicates the answer is not simple; and may make many lawyers rich for many years.

It's something like this:

- The ship was sub-chartered by British Petroleum;
- from the Pacific Coast Transport Co., reportedly holding a time charter;
- from the Barracuda Tanker Co., the owner, a Liberian corporation with a Bermuda address;
- with the Union Oil Co. of California somewhere heavily in the background, Barracuda apparently formed to finance construction of the ship to meet Union's requirements, with Union insignia on the stack. Pacific Coast Transport is not owned or controlled by Union; but Union is clearly nervous.

W. W. R.

~~CONFIDENTIAL~~

DECLASSIFIED
Authentic, *State Dec 12/21/77*
By *ms/ny*, NARA, Date *4/22/81*

~~CONFIDENTIAL~~

Ambassy LONDON

~~XXXXXXXXXXXXXXXXXXXX~~

STATE

~~XXXXXXXXXXXXXXXXXXXX~~ ~~XXXXXXXXXXXX~~

SUBJECT: Torrey Canyon

*Not sent as
of 11:00 AM
on 3/30/67*

1. For your background info only: TC disaster presents extremely complex legal situation, including some novel legal questions. Department's information regarding facts of case is not complete; however we now see following issues:

- a. Liability of BP ^{Inter-Insurer} (We understand BP is only single voyage sub-charterer and as such not responsible for seaworthiness of vessel or actions of captain or crew. Thus, BP is probably not RPT not subject to liability.)
- b. Liability of charterer. (TC chartered, reportedly on time charter, to Pacific Coast Transport Co. If charter is time, Pacific Coast would not be liable for damage.)
- c. Liability of Owner. (We understand TC owned by Barracuda Tanker Corp., Liberian corporation with Bermuda address. Barracuda in turn owned by U.S. shareholders. If charter to Pacific Coast is not bareboat, but time, owners probably liable for ship-to-shore damage, i.e. fouling or unseaworthiness of beaches, if negligence/causing breakup can be proved. Under U.S.

L/E:MBelman:ma 3/30/67

5501

L/E:MBelman

E/MA - Mr. Miller (draft)
White House - Mr. C. Johnson

EUR - Mr. Springsteen
MARAD - Mr. Davis

EUR/BNI - Mr. Goldstein

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DECLASSIFIED

Authority State Dec 1/24/78
By any/ny, NARA, Date 4/22/91

2

Ambassy LONDON, Ambassy ROME

~~CONFIDENTIAL~~

Admiralty law, liability does arise for this kind of damage. Probably same true under UK law.)

d. Ability of Owner to Pay Damages. (Barracuda may be one-ship corporation with no other assets. In this case, only asset to proceed against would be insurance.)

e. Liability of Insurer. (We understand TC covered by both hull and liability insurance. There may be other insurance payable. We understand hull insured for \$16.5 million -- 60 percent U.S. insurance companies; 40 percent written in London. Liability insurance amounts to \$2.5 million -- carried in London).

f. Liability of Union Oil. (Union Oil claims it has no direct connection with owners Barracuda. According to officer of Union, ship was time chartered by Barracuda to Pacific Coast Transport Company, which operated vessel essentially to meet transport requirements of Union Oil. Pacific Coast Transport not owned or controlled by Union. However, Barracuda apparently was formed to finance construction of ship to meet Union requirement and Union insignia was on stack.

Union officials explain great concern re vessel not owned by Union^{then} (e.g. despatch of Vice President to England) as due to close association of company with ship and wish on this account to do everything they could. We believe this web of corporate responsibilities difficult or impossible to untangle and no legal judgment on Union's potential liability possible/)
at this time

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

g. Limitation of Liability. (Section 503 of UK Merchant Shipping Act of 1924, as amended, provides limitation of liability unless owner puts to sea an unseaworthy ship. ~~Unincompetent captain:~~ As we read law, approx. limit for property damage is/U.S. \$67 per ton, or, in case of ~~ETNA~~ T.C., nearly \$8 million.

h. Liability of Salvor. (Salvor not generally liable except for additional damage its actions may cause. In this case we are unaware of anything done by Dutch salvors that increased oil damage.)

2. All of these are sticky legal issues, the resolution of which will depend a good deal on investigations into the facts. A final legal analysis on many of these points must await final court decisions in UK. Moreover, full statement of facts is almost certainly still to come. Therefore, Washington believes no public reference should be made to legal questions by US officials.

~~Washington gives rise to no implication that USG concerned about its
American company's legal liability for disaster.~~

END

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Pres file

Friday, March 31, 1967
3:05 p.m.

Mr. President:

Herewith Prime Minister Wilson's
reply to your offer to help in the oil business.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By RG, NARA, Date 4-15-91

~~CONFIDENTIAL~~

10a



BRITISH EMBASSY,
WASHINGTON, D.C.

31 March, 1967

Dear Mr. President,

I have been asked by the Prime Minister
--- to pass to you the enclosed reply to your
kind message.

Yours sincerely
Michael Stewart.

(Michael Stewart)
(Chargé d'Affaires a.i.)

The President
of the United States of America

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-374
By ju, NARA, Date 1-29-93

~~CONFIDENTIAL~~

106

TEXT OF MESSAGE

Thank you most sincerely for your very kind message which I have passed on to the people in the areas damaged and threatened by the floating oil. We are all most grateful for your generous offer of help, and our people are in close touch with yours to see what can best be done.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-374
By ju, NARA, Date 1-29-93

~~CONFIDENTIAL~~

~~SECRET~~

~~RESTRICTED DATA~~

11
Pres file
Friday, March 31, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Fourth Quarter FY 1967 Underground Nuclear Test Program (LATCHKEY IV)

The Atomic Energy Commission has submitted for your approval the AEC underground nuclear tests proposed for the fourth quarter underground nuclear test program (LATCHKEY IV). This program has been reviewed by the agencies represented on your Review Committee on Underground Nuclear Tests and they have no objection to your approval of the recommended AEC Program, which consists of 13 AEC tests and one DOD test.

I recommend that you authorize the AEC to go ahead with its proposed program. If you agree, I will sign the attached memorandum to Chairman Seaborg.

W. W. ROSTOW

_____ Approved

_____ Disapproved

_____ See me

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 99-80
By cb, NARA Date 10-19-00

~~SECRET-RESTRICTED DATA~~

11a

SANITIZED
E.O. 12958, Sec. 3.6
NLJ 99-80
By CB, NARA Date 10-19-00

~~SECRET~~
~~RESTRICTED DATA~~

April 3, 1967

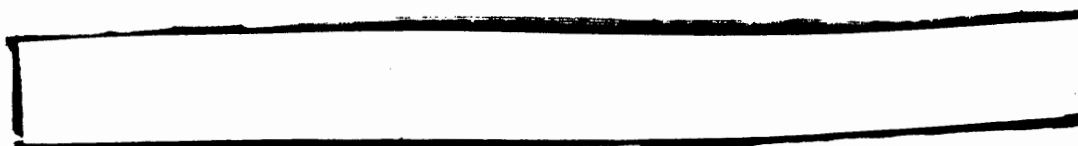
MEMORANDUM FOR THE CHAIRMAN,
U. S. ATOMIC ENERGY COMMISSION

SUBJECT: Fourth Quarter FY 1967 Underground Nuclear
Test Program (LATCHKEY IV)

Reference is made to the request contained in your letter to the President of March 24, 1967, on behalf of the Atomic Energy Commission for approval of the underground nuclear tests planned for execution in the fourth quarter of FY 1967 (LATCHKEY IV).

The testing program proposed in your letter, which consists of 13 tests sponsored by the Atomic Energy Commission and one DOD experiment, is approved.

6.1(a)



W. W. Rostow

~~SECRET-RESTRICTED DATA~~



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

MAR 24 1967

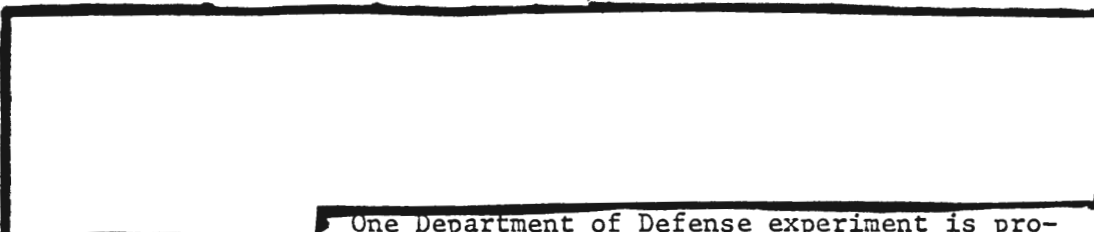
116
SANITIZED
E.O. 12958, Sec. 3.6
NLJ 99-81
By CB, NARA Date 6-30-00

This document consists of 2 pages
No. 1 of 24 Copies, Series A

Dear Mr. President:

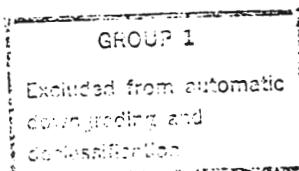
The purpose of this letter is to present for your approval the underground nuclear test program planned for execution in the fourth quarter of FY 1967. This program has been designated LATCHKEY IV.

The LATCHKEY III test program has proceeded essentially as planned. Programmatic difficulties, however, have resulted in deferral of the HEILMAN, SWITCH, EFFENDI and FAWN experiments. These events are included in the program proposed for the fourth quarter. One of the approved tests, OAKLAND, is currently scheduled for execution late in the third quarter. If any delay is encountered, that event will slip into the fourth quarter. For this reason it has been included in the proposed LATCHKEY IV program.



One Department of Defense experiment is proposed for the fourth quarter program. A description of these experiments is provided in Enclosure 1.

Each of the tests described in Enclosure 1 is designed to be fully contained. All events will be subject to the thorough review of the agencies concerned and will be executed only with the expectation that they can be conducted within the requirements and constraints of the limited test ban treaty.



~~SECRET~~


~~RESTRICTED DATA~~
~~GROUP 1~~

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


~~SECRET~~

- 2 -

6.1(a)

 A proposed authorization to expend these materials and conduct the fourth quarter test program is provided in Enclosure 2.

Respectfully yours,



Chairman

The President
The White House

Enclosures:

1. Cy 1A LATCHKEY IV Test Program
2. Cy 1A Draft Endorsement

~~SECRET~~

~~SECRET~~

This document consists of 4 pages
No. 1 of 22 Copies, Series A

LATCHKEY IV TEST PROGRAM

AEC Tests

a. Reliability

SANITIZED
E.O. 12958, Sec. 3.6
NLJ 99-81
By CG, NARA Date 6-30-00

<u>Device</u> <u>(Sponsor)</u>	<u>Estimated</u> <u>Yield (KT)</u>	<u>Event</u> <u>Name</u>	<u>Approximate</u> <u>Date</u>
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6.1(a)

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b. Penetration Capability

<u>Device</u> <u>(Sponsor)</u>	<u>Estimated</u> <u>Yield (KT)</u>	<u>Event</u> <u>Name</u>	<u>Approximate</u> <u>Date</u>
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6.1(a)

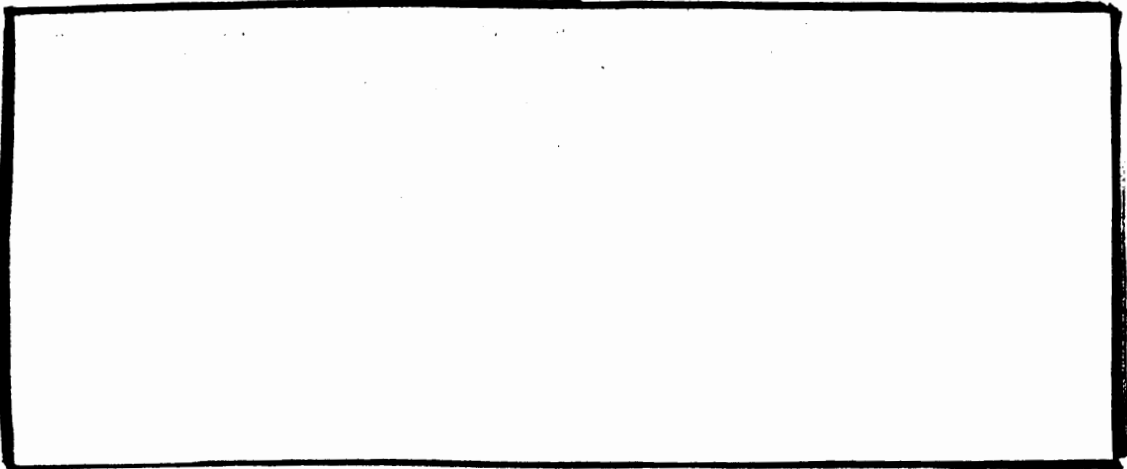
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GROUP 1
Excluded from automatic
downgrading and
declassification

~~SECRET~~

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Enclosure 1
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an unauthorized person is prohibited.

6.1(a)



c. Tailored Outputs

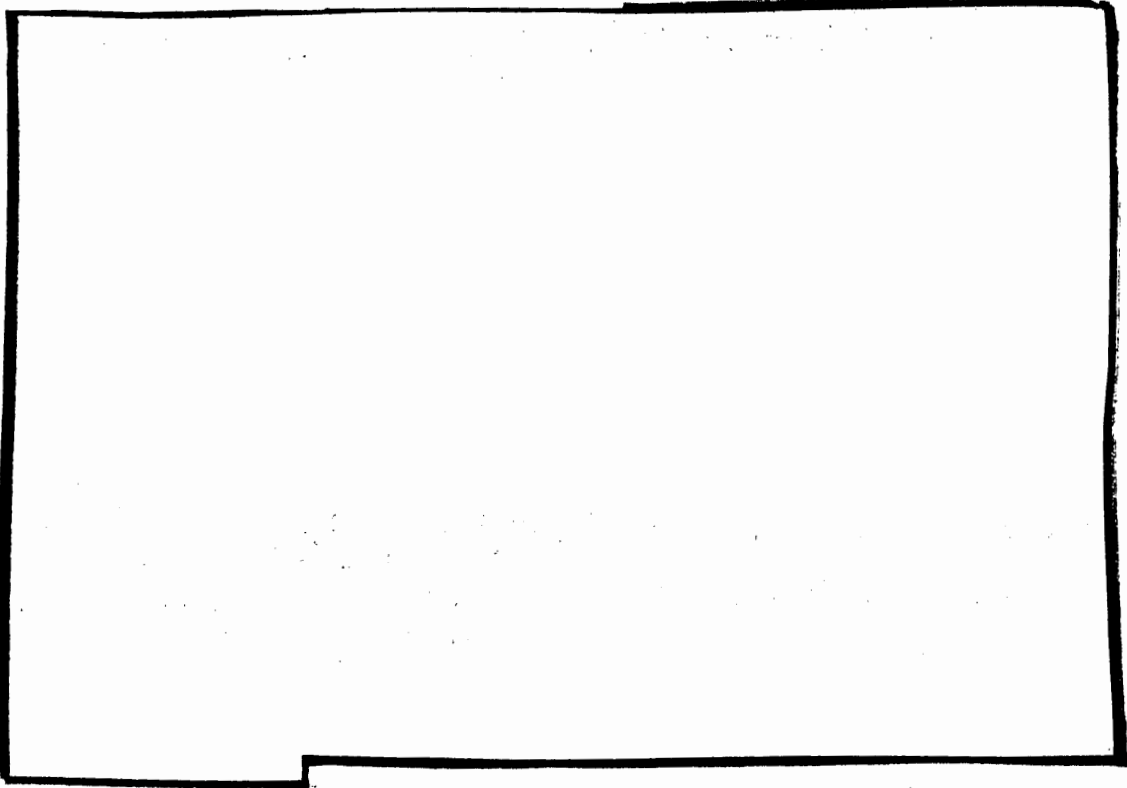
Device
(Sponsor)

Estimated
Yield (KT)

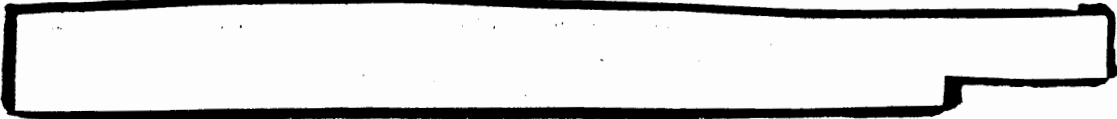
Event
Name

Approximate
Date

6.1(a)



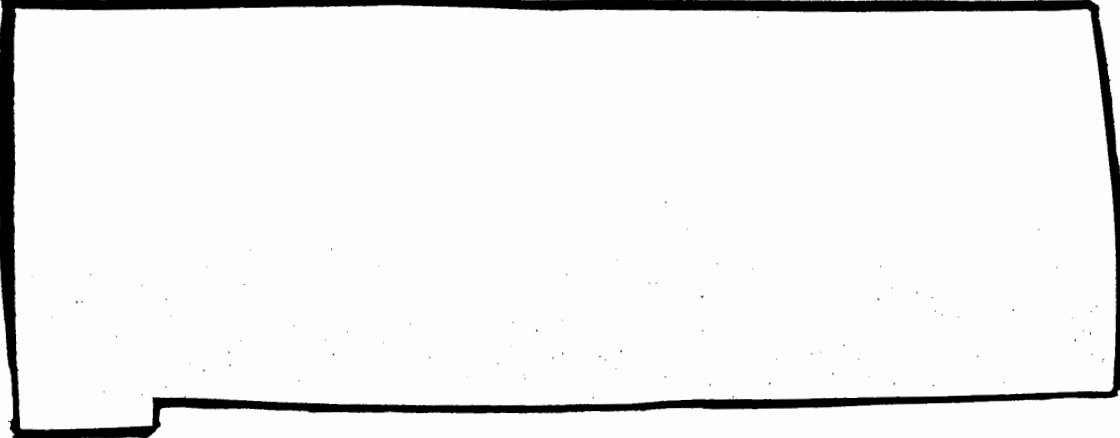
~~SECRET~~



6.1(a)

d. Primary/Single Stage

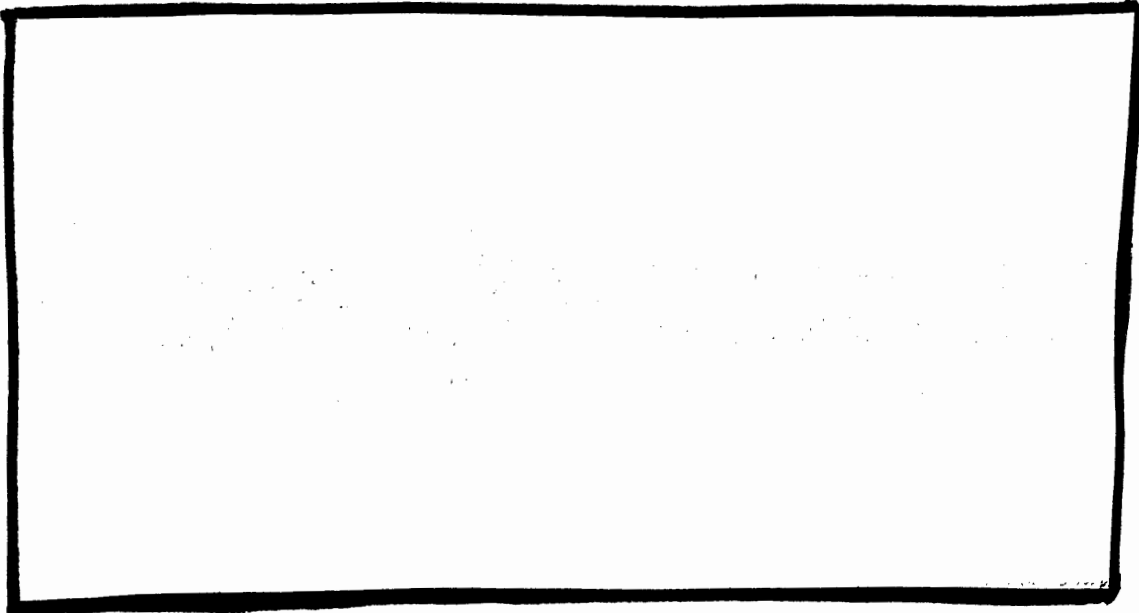
<u>Device</u> <u>(Sponsor)</u>	<u>Estimated</u> <u>Yield (KT)</u>	<u>Event</u> <u>Name</u>	<u>Approximate</u> <u>Date</u>
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6.1(a)

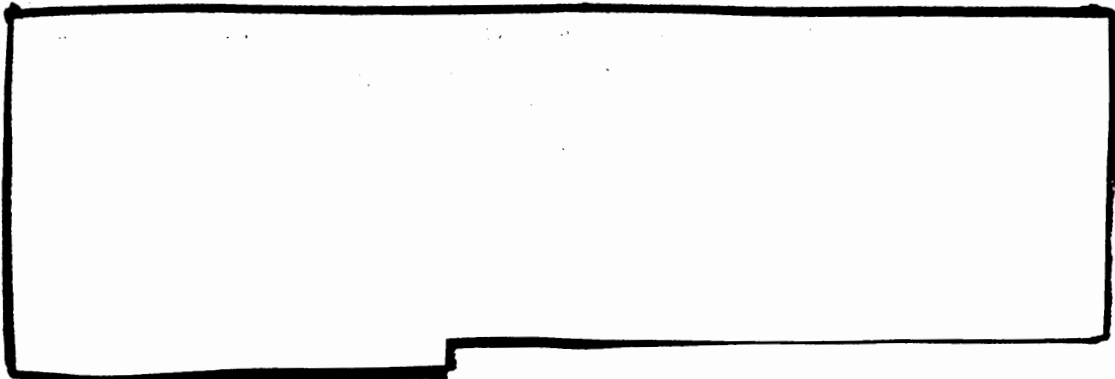
e. Advanced Technology

<u>Device</u> <u>(Sponsor)</u>	<u>Estimated</u> <u>Yield (KT)</u>	<u>Event</u> <u>Name</u>	<u>Approximate</u> <u>Date</u>
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6.1(a)

~~SECRET~~



6.1(a)

f. PLOWSHARE Tests

<u>Device</u> <u>(Sponsor)</u>	<u>Event</u> <u>Name</u>	<u>Approximate</u> <u>Date</u>
[REDACTED]	SWITCH	June

6.1(a)

The objective of the experiments in this category is to further the peaceful uses of nuclear explosives.

SWITCH is a continuation in the series of tests to develop a clean explosive for PLOWSHARE cratering applications.

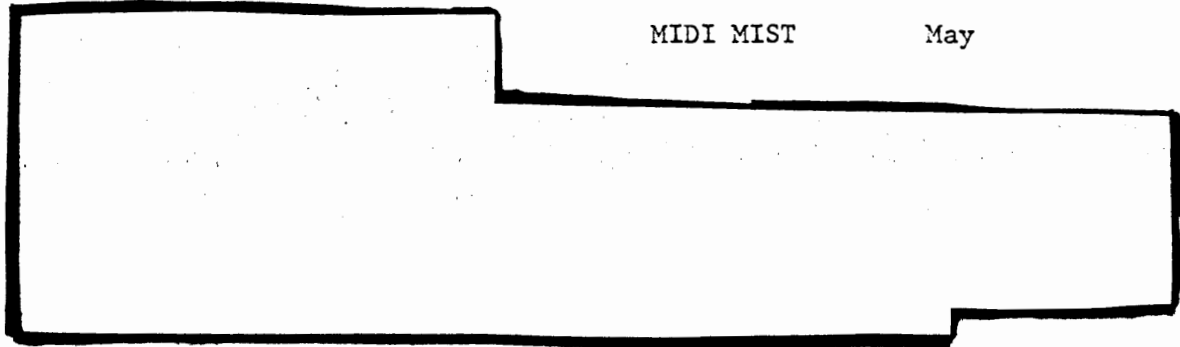
6.1(a)



DOD Tests

<u>Device</u> <u>(Sponsor)</u>	<u>Estimated</u> <u>Yield (KT)</u>	<u>Event</u> <u>Name</u>	<u>Approximate</u> <u>Date</u>
[REDACTED]		MIDI MIST	May

6.1(a)



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~~SECRET~~

11a
This document consists of 1 pages
No. 1 of 22 Copies, Series A

DRAFT ENDORSEMENT

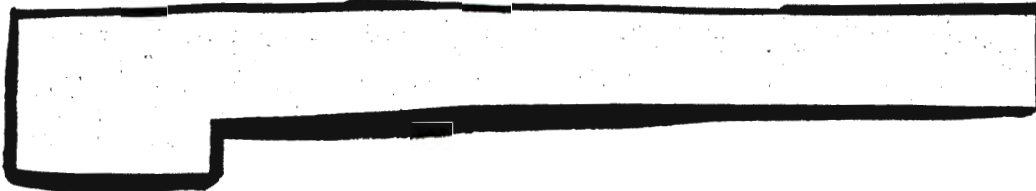
SANITIZED
E.O. 12958, Sec. 3.6
NLJ 99-81
By cb, NARA Date 6-30-00

Memorandum for

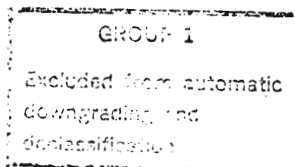
Chairman, Atomic Energy Commission

I hereby approve the conduct during the fourth quarter, FY 1967 of
13 Atomic Energy Commission tests and 1 Department of Defense test
as described in your letter of _____.

6.1(a)



The President



Enclosure 2

~~SECRET~~

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

Friday, March 31, 1967
4:30 p.m.

MR. PRESIDENT:

This contains:

- more on our propaganda success with the U Thant proposals;
- hopeful speculation, despite State Dept. disclaimers, on our trade position at the Latin American Summit (B - 1);
- generally good notices (B - 5) on the George Ball mission to Korea.

W. W. R.

Attachment

USIA Worldwide treatment of current issues wk ending 3/31/67)

13

Pres file

Friday, March 31, 1967 -- 2:00 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U.S. Centennial Gift to Canada

Attached are two albums of photographs of our 100th birthday gift to Canada -- an elaborate piece of Steuben glass. Called the "Great Ring of Canada," it has crystal plaques etched with the coat of arms of each Canadian province and territory. (It cost about \$100,000, but the cost to the U.S. Government will not exceed \$5,000.)

Following your instructions (attached), we explored May 23-25 for your visit to EXPO '67 in Montreal; the Canadians agreed to those dates. If you do decide to go to the exhibition, you may want to unveil the gift at our pavilion on May 25 (United States National Day).

Alternatively, we could arrange an unveiling ceremony in Washington for late April. (LIFE magazine plans to do a story on the "Great Ring" after it is presented. If you are willing to participate in the unveiling -- either here or at EXPO '67 -- they may decide to make it their cover story.)

However we handle the unveiling, it would be a nice gesture for you to send the two attached albums to Prime Minister Pearson after we present the gift.

W. W. Rostow

I will unveil gift at EXPO '67 on May 25_____

I will unveil gift at Washington ceremony in April_____

Don't plan on my participation in unveiling_____

Speak to me_____

THE WHITE HOUSE

WASHINGTON

November 29, 1966

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Presidential Visit to Canada in May 1967.

At Tab A is a memorandum from Secretary Rusk that asks you to accept a Canadian invitation (at Tab D) to visit Ottawa and Montreal, and "EXPO 67" -- the Exhibition celebrating the 100th anniversary of Canadian confederation. The Exhibition will run from April 28 to October 27.

The Secretary thinks that:

- it is important that you go (I had Ben Read check this personally);
- May 23-25 would be a good time (you could unveil our birthday gift to Canada, which will be on display at the Exhibition);
- we should reply as soon as possible, particularly if you are thinking of going during the spring rather than the summer or fall. The Canadians have a nasty scheduling problem. They are trying to work in Queen Elizabeth (late June), the Shah (early June), de Gaulle (July), etc., and want to avoid treading on eminent toes.

I am aware this touches on the question of a possible European trip. One possibility would be for you to go through Canada at the beginning or end of such a trip.

~~Choices:~~ (1) We can send a letter of acceptance (Tab B), without giving dates. This is what the Secretary recommends. However, he would also like to explore May 23-25 with the Canadians; (2) If you prefer not to decide now, at Tab C is a noncommittal reply that promises a definite answer as soon as possible.

Follow your own judgment & tell for
Francis M. Bator

(Tab 3)
Send letter of acceptance, but do not suggest date ☒

(Tab B)
Send letter of acceptance and have Rusk explore May 23-25 ☒

Send noncommittal letter (Tab C) and come back for definite answer by _____

~~CONFIDENTIAL~~

DECLASSIFIED

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

White House Guidelines Feb. 24, 1993

By My, NARA, Date 4/23/91

15 b
~~CONFIDENTIAL~~

APPROVED REPLY

Dear Governor General:

Thank you for your cordial invitation to Mrs. Johnson and me to pay a visit to Ottawa and to attend the Universal and International Exhibition at Montreal during the One Hundredth Anniversary of Canada's Confederation.

We accept with pleasure and look forward to visiting old friends at a very important moment in the history of your country.

Lyndon B. Johnson

DECLASSIFIED
E.O. 12956, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By RG, NARA, Date 4-23-91

~~1. Sup.~~
2. Press file

March 31, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Prime Minister Maiwandwal at the Press Club

Last evening Howard Wriggins expressed to Maiwandwal in a reception line our concern that his answers to questions at the Press Club would be misconstrued. Howard discussed the problem at greater length with his principal aide, Farhadi.

Farhadi said the Press Club questions appeared to be becoming increasingly aggressive, Maiwandwal felt he was being trapped, and lost his temper. He realized he had made a mistake and will be careful to avoid such reactions next time. According to Farhadi, he will try to stick to language calling for a cessation of hostilities in both north and south and avoid giving an opinion on whether stopping the bombing first would make peace moves easier. (He has been told three times by the North Vietnamese that it would be, and as an Asian far from Vietnam and close to the Soviet Union, this seems plausible.)

He is in a difficult spot because his critics at home charge him with being too pro-American; so we can't expect too much from him in public. But Howard will be in touch while he's in the hospital and make our points again.

Ambassador Neumann reports that after his session at the Press Club, he talked with Senators Morse, Carlson, Cooper, Case, Symington, Hickenlooper and Dominick. According to Neumann, Senator Symington asked some very tough questions about Vietnam, and his responses were very balanced. So, maybe this was a temporary aberration, or once having made the point in public, he doesn't have to make it again to meet his own political problems.

W. W. Rostow

Friday, March 31, 1967
8:30 a.m.

Pres. file

Mr. President:

Herewith the materials
Amb. Goldberg made available to
Mainwandwal at your direction.

W. W. Rostow



1030
15a

THE REPRESENTATIVE
OF THE
UNITED STATES OF AMERICA
TO THE
UNITED NATIONS

March 28, 1967

MEMORANDUM FOR THE PRESIDENT
The White House

SUBJECT: Information Regarding U. S. Efforts
to Obtain UN Action on Vietnam

As you requested, I have just sent to the Prime Minister of Afghanistan the attached brief summary of the efforts we have made to obtain UN action on the Vietnam problem, and the outcome of those efforts.

Arthur J. Goldberg
per BWP

Arthur J. Goldberg

U.S. EFFORTS TO OBTAIN UN ACTION ON VIETNAM

The following is a summary of the major U. S. efforts to obtain UN action on Vietnam, and the responses thereto.

I. RESORT TO SECURITY COUNCIL: 1964

On August 4, 1964, the United States requested an urgent meeting of the Council to consider the situation created by North Vietnamese torpedo boat attacks on UN destroyers in international waters. When the Council met, it agreed to invite both North and South Vietnam to participate in the discussions. Whereas South Vietnam offered the Council its "full cooperation", North Vietnam not only refused the Council's invitation but also rejected UN competence to consider the question of Vietnam and declared that any decision by the Council would be null and void. Largely as a result of this attitude, the Council adjourned after only two meetings without taking further action.

II. SEEKING A UN CONTRIBUTION TO PEACE IN VIETNAM

Despite this experience, the United States continued to seek ways whereby the United Nations could contribute to peace in Vietnam. At his speech to the United Nations Commemorative Session in San Francisco on June 25, 1965, the President called upon "...this gathering of nations of the world to use all their influence, individually and collectively, to bring to the tables those who seem determined to make war. We will support your efforts...".

The President recalled this statement in a letter to the Secretary General on July 28, 1965. In his first official communication to the Security Council, on July 30, 1965, Ambassador Goldberg noted that the responsibility to persist in the search for peace weighed especially upon members of the Council. He expressed the

hope that Council members "will somehow find the means to respond effectively to the challenge raised by the present state of affairs in Southeast Asia." He also gave an assurance that the United States stands ready "to collaborate unconditionally with members of the Security Council in the search for an acceptable formula to restore peace and security" in Southeast Asia.

In his general debate speech to the UN General Assembly on September 23, 1965 Ambassador Goldberg reaffirmed our willingness to enter into unconditional discussions looking toward a peaceful settlement. He declared that "...we have asked the members of the United Nations, individually and collectively, to use their influence to help bring about such discussions. We have asked the members of the Security Council and the Secretary General to help get negotiations started."

On October 1, in another speech, Ambassador Goldberg appealed to members of the United Nations to use all their "ingenuity, wisdom and influence" to join in the search for peace.

III. THE SECRETARY GENERAL'S PROPOSALS OF AUGUST 1965

In August 1965 the Secretary General presented to Ambassador Goldberg, as well as to other parties directly involved in Vietnam, a memorandum containing certain proposals on Vietnam. The United States made a forthcoming reply to this proposal. The correspondence has not been published.

IV. RESORT TO THE SECURITY COUNCIL: 1966

On January 31, 1966 the United States again requested an urgent meeting of the Council to consider the situation in Vietnam. The Council met to consider the question of Vietnam on February 1 and 2. After considerable debate, during which inscription of the item on the Security Council's agenda met with strong resistance, the Council voted 9 in favor, 2 opposed (USSR, Bulgaria), with 4 abstentions (France, Mali, Nigeria, Uganda) to inscribe the item. This bare majority was possible only on the

informal understanding that the Council, instead of proceeding immediately to a substantive debate, would adjourn for consultations. The results of the consultations were summarized by the Council's President in late February. He noted three main points:

a. It was "impossible to reach agreement on a proper course of action for the Council to follow";

b. There was "a general feeling" that no further debate should be held at the time; and

c. There was a "certain degree of common feeling" on two points: concern and anxiety over the continuation of hostilities and a strong desire for their early cessation; and a feeling that an end to the conflict should be sought "through negotiations in an appropriate forum in order to work out the implementation of the Geneva Accords."

Even this mild letter from the President of the Council gave rise to objections by the USSR, Bulgaria, France and Mali.

V. ECONOMIC AND SOCIAL COUNCIL, JULY 1966

On July 7, 1966 Ambassador Goldberg, responding to a Soviet attack on U. S. policy in Vietnam, described U. S. efforts to obtain a just and peaceful solution and concluded: "...we would hope that, in the proper political forums of the UN, concrete steps could be taken, with the cooperation of the Soviet Union - which we would welcome - to bring this matter to the negotiating table where it ought to be and where a fair and just settlement can be reached."

VI. THE GENERAL ASSEMBLY AND VIETNAM, 1966

Although Vietnam was not on the agenda of the 21st General Assembly (September-December 1966), the conflict was extensively discussed in the general debate. The U.S. statement, delivered by Ambassador Goldberg on

September 22, contained a statement of U. S. views regarding a peaceful settlement in Vietnam. The Ambassador stated that the United States: (1) was prepared to stop bombing North Vietnam "the moment we are assured, privately or otherwise, that this step will be answered promptly by a corresponding and appropriate de-escalation on the other side"; (2) stood ready "to withdraw its forces as others withdraw theirs" and favored "international machinery...to ensure effective supervision of the withdrawal"; and (3) as President Johnson has said, did not consider the question of the place of the Viet Cong in negotiations "an insurmountable problem."

He continued: "The only workable formula for a settlement will be one which is just to the basic interests of all who are involved. In this spirit, we welcome discussion of this question either in the Security Council, where the United States itself has raised the matter, or here in the General Assembly, and we are fully prepared to take part in any such discussion. We earnestly solicit the further initiative of any organ, including the Secretary General, or any Member of the United Nations whose influence can help in this cause. Every Member has a responsibility to exercise its power and influence for peace; and the greater its power and influence, the greater is this responsibility."

Nearly every other general debate statement also touched upon Vietnam. The statements by the Eastern Europeans again demonstrated the continuing opposition of the Communist states to any United Nations involvement in Vietnam. Among the statements made by non-communist members in the general debate, only a few expressed the view that the United Nations could play any immediate role in bringing about negotiations or a cessation of hostilities in Vietnam.

In his closing speech to the Assembly on December 20, General Assembly President Pazhwak (Afghanistan) also touched upon Vietnam. After stating his view that "it is obvious the United Nations cannot intervene in any way in the war in Vietnam," Pazhwak made a personal

appeal to all the parties directly involved to declare "...not only a statement of their positions with reservations but also as a commitment to all the nations of the world and to humanity as a whole their unconditional willingness to seek only a peaceful solution and their readiness to establish appropriate contacts for discussions about the terms of negotiations."

Ambassador Goldberg issued a statement the following day welcoming this appeal and "affirming strongly the unconditional willingness of the United States to seek a peaceful settlement and to engage in discussions to this end."

There was no response to the President's appeal from other members of the United Nations, or other parties to the conflict.

VII. VIETNAM AND THE SECRETARY GENERAL

In the face of the unwillingness of two permanent members of the Security Council (the USSR and France) to take formal action in the Council, we encouraged the Secretary General to take steps to bring about discussions which could lead to a mutual cessation of hostilities in Vietnam, requesting him to "take whatever steps you consider necessary to bring about the necessary discussions which could lead to such a cease-fire" and pledging the full cooperation of the United States Government.

We also welcomed the Secretary General's suggestion of an extended cease-fire in Vietnam; expressed our belief that the temporary truces already arranged for the holidays offered opportunities for initiatives in this regard; and stated that such a cease-fire would obviously include a cessation of the bombing of North Vietnam, as well as an end to all hostilities and organized violence in South Vietnam. In a letter to the Secretary General of December 31, 1966, Ambassador Goldberg stated that the U. S. is "ready to order a prior end to all bombing of North Vietnam the moment there is

an assurance, private or otherwise, that there would be a reciprocal response toward peace from North Vietnam". Ambassador Goldberg reiterated his hope that the Secretary General would use every means at his disposal to determine "what tangible response there would be from North Vietnam in the wake of such a prior step toward peace on our part." The United States, he concluded, was heartened by the Secretary General's assurance that he would continue to explore every avenue toward a peaceful settlement in Vietnam.

VIII. NEW PROPOSAL BY THE SECRETARY GENERAL, MARCH 1967

On March 14, 1967, the Secretary General presented to the parties directly involved in Vietnam, including the United States, a three-step proposal - a proposal made public by the Secretary General at a press conference on March 28.

In his March 14 Aide Memoire, the Secretary General said he:

"...has now in mind proposals envisaging three steps: (a) a general stand-still truce; (b) preliminary talks; (c) reconvening of the Geneva Conference. In the view of the Secretary General, a halt to all military activities by all sides is a practical necessity if useful negotiations are to be undertaken. Since the Secretary General's three-point plan has not been accepted by the parties, he believes that a general stand-still truce by all parties to the conflict is now the only course which could lead to fruitful negotiations."

An interim reply to the Secretary General's proposal was delivered by Ambassador Goldberg on March 15, and the definitive U. S. reply was given to the Secretary General by Ambassador Goldberg on March 18.

The U. S. reply of March 18, after recalling approaches made to Hanoi over a period of months to end

the conflict in Vietnam, stated:

"...the United States accepts the three-step proposal in the Aide Memoire of the Secretary General of 14 March 1967 envisaging: (a) a general stand-still truce; (b) preliminary talks; (c) reconvening of the Geneva Conference.

"The United States believes it would be desirable and contributory to serious negotiations if an effective cessation of hostilities, as the first element in the three-point proposal, could be promptly negotiated.

"It would, therefore, be essential that the details of such a general cessation of hostilities be discussed directly by both sides, or through the Secretary General, the Geneva Conference Co-Chairmen or otherwise as may be agreed. The United States is prepared to enter into such discussions immediately and constructively.

"The United States is also prepared to take the next steps in any of the forms suggested by the Secretary General to enter into preliminary talks leading to agreement as to the modalities for reconvening of the Geneva Conference.

"Of course, the Government of South Vietnam will have to be appropriately involved throughout this entire process. The interests and views of our allies would also have to be taken fully into account.

"The United States again expressed its appreciation to the Secretary General for his untiring efforts to help bring about a peaceful settlement and an end to the conflict in Vietnam."

The full text of this reply is attached.

150

DEPARTMENT OF STATE

MARCH 28, 1967

FOR THE PRESS

NO. 69

TEXT OF UNITED STATES REPLY, DATED MARCH 18, 1967, TO UNITED NATIONS SECRETARY GENERAL U THANT'S AIDE MEMOIRE ON VIET-NAM

As the Secretary General knows, the United States and other Governments have, over many months, approached Hanoi, both publicly and privately, with proposals to end the conflict in Viet-Nam. To date, all such efforts have been rebuffed. The Government of North Viet-Nam has refused to agree to discussions without pre-conditions or to take reciprocal actions leading toward a cessation of hostilities.

For this reason, the Government of the United States would be most interested in learning whether Hanoi is willing to enter into such discussions or to take reciprocal actions leading to peace in Viet-Nam. The United States has been, and remains willing to enter into discussions without pre-conditions with Hanoi at any time.

To this end, the United States accepts the three-step proposal in the aide memoire of the Secretary General of March 14, 1967 envisaging: (a) A general stand-still truce; (b) preliminary talks; (c) reconvening of the Geneva Conference.

The United States believes it would be desirable and contributory to serious negotiations if an effective cessation of hostilities, as the first element in the three-point proposal, could be promptly negotiated.

It would, therefore, be essential that the details of such a general cessation of hostilities be discussed directly by both sides, or through the Secretary General, the Geneva Conference Co-Chairmen or otherwise as may be agreed. The United States is prepared to enter into such discussions immediately and constructively.

The United States is also prepared to take the next steps in any of the forms suggested by the Secretary General to enter into preliminary talks leading to agreement as to the modalities for reconvening of the Geneva Conference.

Of course, the Government of South Viet-Nam will have to be appropriately involved throughout this entire process. The interests and views of our allies would also have to be taken fully into account.

The United States again expresses its appreciation to the Secretary General for his untiring efforts to help bring about a peaceful settlement and an end to the conflict in Viet-Nam.

* * *

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-374
By , NARA, Date 1-29-93

Mr. Rostow

16

[Handwritten signature]
2. Pres file

~~CONFIDENTIAL~~

March 30, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Instructions for Our Delegation to the India Consortium

George Woods' consortium meets 4 April (a) to nail down matching food aid from other donors, and (b) to round up enough additional general economic aid to keep India's import liberalization program going until the consortium's October pledging session.

Agriculture will top the agenda, but Woods will also use the meeting to keep up our end of the broad economic bargain he and Mehta made last spring with your backing. Woods concludes that the Indians have stuck to the terms of that deal, and meeting his targets is essential to keeping it alive.

That general economic program plays an important role in the success of agricultural reform. It's essential to India's buying or producing its agricultural requirements, but it's also important to the politics of reforming the agricultural system. Mrs. Gandhi's new government faces hard bargaining with recalcitrant states to get them to go along with reasonable food-sharing programs. Her leverage comes from having outside resources to allocate to best developmental and political advantage and from her ability to produce the results consortium aid promises.

Woods' main goal at this meeting -- apart from rounding up matching food contributions -- is to make a breakthrough in softening the terms of other donors' aid. This beginning attack on India's debt burden is crucial to forcing others to share the aid burden more fairly. If we don't soon solve that problem, India will be repaying some donors more than it gets in new aid, and our aid will just go to pay India's European creditors.

The attached memos from Schultze and Gaud spell out a two-step strategy which includes a \$33 - 48 million non-project Ex-Im loan on newly flexible terms and the offer of an early \$50 million AID non-project loan (from FY 1967 funds) against our FY 1968 program. Gaud would come back to you before determining the size of that overall pledge and our share next fall.

What they are asking you for now is authority to make these two limited offers. Since we've already made our big food offer, we're

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

proposing just enough more in strategic forms to improve our leverage on both the Bank and other donors. Gene will lead our delegation and is fully aware of your overall objectives. We think this will give him enough to negotiate with.

I recommend you use Schultze's memo (attached) as your decision document, since it details our conditions.

W. W. Rostow

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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

MAR 26 1967

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The India Aid Consortium Meeting

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-371
By *ing*, NARA, Date 3-2-92

The India Consortium will meet on April 4. The meeting will be concerned with two basic issues:

- India's program to expand food production and her requirements for food aid.
- India's progress in carrying out the reform program discussed with the World Bank last year and aid requirements to sustain this effort.

Economic Reforms and Prospects

The World Bank has just concluded an intensive appraisal of India's economy, economic policies, and plans and prospects for the Fourth Five Year Plan which extends to 1971. The World Bank in its careful four-volume report concludes, and we agree:

- India has initiated the reforms we urged last year and these are a sound basis for achieving economic growth objectives despite the fact that their impact to date has been obscured by two years of successive drought.
- India needs to improve further its performance in carrying out new policies and self-help measures to carry forward the import liberalization program, expand exports, improve incentives for private investment, and strengthen the family planning program.
- India has dramatically changed course in agriculture for the better -- in policy, in administrative drive, and in budget priority -- and this sector is now receiving the emphasis which the World Bank and we believe essential.
- Given continuation by India in the new policy directions agricultural and industrial output and aggregate income will grow toward self-sufficiency at a faster rate than the past five years, assuming needed outside economic aid can be mobilized.

~~CONFIDENTIAL~~

Aid Requirements

The April 4 meeting will examine India's requirements for both food and other economic assistance during the coming Indian fiscal year.

The World Bank supports the U.S. assessment that 10 million tons of grain is the minimum import need this year. Your offer of an additional 3 million - if appropriately matched, would in the Bank's judgment fill the need. We shall stress that failure to meet India's critical food import needs for this year would undermine economic progress and cause serious human suffering. It is in the interest of all developed countries, particularly members of the India Aid Consortium, to prevent this from happening. The large magnitude of India's food import needs will require multilateral sharing of the cost. And, because time is a critical factor, rapid action by all countries involved is very important.

The Bank studies also lead them to estimate that \$900 million of program assistance from the Consortium will be needed to continue the support of the on-going economic reform program. Thus the World Bank concludes that new commitments needed are: \$190 million to match the U.S. food offer, and \$900 million of program assistance -- a total of \$1,090 million.

Although the April meeting is not to be a pledging session, matching food aid pledges must be sought; time is critical on food aid. Furthermore the World Bank, within its estimate of the requirement for the year (\$1,090 million), has identified an immediate foreign exchange requirement of matching food aid, debt relief and other urgent import needs which should be mobilized at the earliest possible date and which is estimated at \$320 million. Since it is important that this requirement not be deferred until the pledging session which is to be called in October, the World Bank will urge the Consortium in the April meeting to act on the immediate needs. We endorse the World Bank's assessment of the full year requirement and concur in the Bank's judgment that some action must be taken now. The fact that India's fiscal year begins April 1 also supports the need for early action.

Against the immediate target need of \$320 million, we expect some \$70 million in food from food exporting countries. This leaves a net early foreign exchange requirement of \$250 million to be raised. Tables I and II summarize these calculations.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

A further objective of the April 4 meeting concerns the form as well as the amount of new aid. The matching food aid if it is given in the form of fertilizer, farm machinery, and other agricultural and supporting inputs, will permit India to buy grain for cash on the world market if this aid is timely and on terms such that it will free foreign exchange that otherwise would be used to purchase these agricultural inputs in the coming year. If enough such aid cannot be given on appropriate terms, then debt relief may be the only means of achieving this objective at present since it could relieve India of cash payments on debt which can be diverted to cash food purchases. Other steps can be taken by donors -- particularly those who have excessively tied their aid to specific industries or commodities -- to free resources for food purchases.

Consortium Strategy

The first step is to get Consortium recognition that food aid is additional and must not undercut the necessary support for India's continuing economic reform program.

To get the \$250 million of immediately needed food and program aid and to deal with the problem of inflexibility in the form of aid, the World Bank intends to call on the Consortium countries to give aid in the form of debt relief, additional contributions of food and food-related assistance, as well as to improve the flexibility of aid practices.

In order to dramatize the need for action now the World Bank contemplates offering a program loan of great flexibility in an amount equal to debt payments due it from India provided others follow suit. Principal due the Bank is about \$55 million in the coming year. We do not know whether the World Bank will also cover the additional \$30 million of interest payments due it from India. The Bank is reluctant to do so and, depending on the general response, it may not be necessary.

The World Bank will also stress the imperative need to get a marked improvement in terms of aid and to agree on an early approach to solution of India's long term debt problem.

Our role should be one of support to the World Bank on debt relief and the improvement in aid. Progress on both is needed to reach the food matching target, to enable India to buy food, and to maintain momentum on India's reform program until further aid can be mobilized later in the year. Importantly also, both of the approaches proposed by the Bank may improve prospects for U.S. commercial exports to India.

~~CONFIDENTIAL~~

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4

The price of helping the World Bank put this strategy through would not be great. We can gain important leverage for the strategy if we are able to make a conditional offer of an early tranche of program aid, subject to parallel action by others, in recognition that some early assistance is needed since the Indian fiscal year will have already begun. The amount we propose would be drawn from the current year appropriation and is a minor fraction of the amount budgeted. We would have a still stronger hand at Paris if we were able to announce willingness of the Export-Import Bank to follow the World Bank's lead with respect to a flexible program loan in an amount related to debt payments due from India. The Export-Import Bank is prepared to do so, subject to World Bank action, commensurate action by the Consortium generally, and your assent. Ex-Im principal payments from India in the coming year are about \$33 million and interest is a further \$15 million.

Recommendations:

1. That we support the World Bank strategy and declare the willingness of the Export-Import Bank to offer a flexible program loan related to debt due from India, providing others take commensurate action. This may be essential for achievement of the food matching target.
2. That we announce our intention to commit in the near future a first tranche program loan from funds this fiscal year in the amount of \$50 million. We would condition this offer on others either making similar loans or declaring now that their loans, when made, would be retroactive to the beginning of the Indian fiscal year -- April 1. This action will give impetus to mobilizing immediately required resources beyond the food matching target.
3. That we make both of the above firmly conditional upon the group reaching the food matching target and the immediate \$320 million foreign exchange target of which it is a part.

Approve _____

Disapprove _____

The Departments of State and Treasury join me in making these recommendations. The Department of Agriculture and the Export-Import Bank concur to those actions pertinent to their responsibilities.

/s/ William S. Gaud

William S. Gaud

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

TABLE I

India's Balance of Payments
(\$ millions)

	<u>1966/67</u>	<u>1967/68</u>
<u>Imports</u>	3100	3445
<u>Exports</u>	<u>1962</u>	<u>1785</u>
<u>Trade Balance</u>	-1938	-1660
Less: Other Payments	-487	-966
<u>Overall Deficit</u>	<u>-2025</u>	<u>-2226</u>
<u>Financing</u>		
Food Aid		
Already committed	607	176
Proposed	-	380
Program Aid Disbursements		
Already committed	513	575
Proposed	-	400
Project Aid Disbursements	660	695
BF Financing	187	-
Total	<u>1967</u>	<u>2226</u>
Change in Reserves	-58	

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

TABLE II

INDIA'S FREE FOREIGN EXCHANGE REQUIREMENT
($\$$ Millions)

	<u>1966/67</u>	<u>1967/68</u>
<u>Export Earnings</u>	1247	1415
<u>IF Financing</u>	<u>187</u>	<u>---</u>
Total freely available	1434	1415
LESS:		
<u>Imports from non-aid countries or not otherwise covered by aid financing</u>	-1149	-1296
<u>Debt Service and other payments</u>	<u>- 343</u>	<u>- 439</u>
DEFICIT	- 58	- 320
Change in reserves	58	---
Expected Food in kind	<u>---</u>	<u>70</u>
GAP*	---	- 250

* To be met by cash, debt or newly flexible aid practices which result quickly in freeing foreign exchange.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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

MAR 28 1967

MEMORANDUM FOR THE PRESIDENT

Subject: India Aid Consortium Meeting

In the attached memorandum, Bill Gaud seeks your approval of a proposed U. S. negotiating position at the meeting of the World Bank-sponsored India Aid Consortium in Paris next Tuesday. In order of priority, the objectives of the meeting are:

- . to obtain commitments from others to match our food aid offer,
- . to obtain a general improvement in the terms and conditions of aid,
- . to obtain commitments for the early availability of some aid toward the World Bank's FY 1968 aid target for India.

The formal consortium pledging session will not take place until October, when we will know more about India's requirements and more countries will have 1968 funds in hand.

Food Aid

The U. S. has indicated its willingness to provide an additional three million tons of food grains, valued at \$190 million, to India if it is matched by contributions of food, cash, debt relief, agricultural inputs, or other suitable types of assistance from other countries. So far, we have obtained commitments of about \$70 million in food from non-Consortium countries and Canada. Thus, the first order of business at the meeting will be to obtain the remaining \$120 million from other Consortium countries.

Improved Aid Terms and Conditions

The World Bank estimates a need for approximately \$320 million in "flexible" foreign aid from donor countries to meet India's FY 1968 general import requirements. The \$190 million food matching will free Indian foreign exchange holdings for needed imports, leaving a requirement for an additional \$130 million in aid on more flexible terms.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 91-374

By gW, NARA, Date 1-29-93

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

The World Bank has agreed to take the lead in this effort by providing \$55-\$85 million in newly flexible money to offset Indian debt repayments due it this year. Harold Linder has indicated that the Export-Import Bank is willing to make a loan of \$33-\$48 million on more flexible terms than in the past provided (1) that the World Bank goes first and (2) that other countries follow suit so that we are sure that this contribution will bring the total of improved aid to at least \$320 million.

I recommend that you approve this Ex-Im commitment of \$33-\$48 million on the conditions proposed.

Approve _____ ✓

Disapprove _____

Early Commitments

Gaud requests your authorization for the U. S. to make a general statement regarding the early availability of a portion of our AID money conditioned on early commitments by others. Some early commitment of funds by the Consortium is desirable to reinforce India's commitment to the economic reforms she undertook last summer, to indicate support for the new government, and to ensure that India receives promptly enough assistance to carry her through her new fiscal year (which begins Saturday) until the October pledging session.

AID has agreed to make the offer even more general than stated in the Gaud memorandum by offering only to consider an early tranche of our unspecified total 1968 program loan in an amount up to \$50 million if (a) the food matching target and the improved aid target are met first and (b) others contribute an appropriate amount. AID has also agreed to seek your specific approval before committing any of this money after we see what others are willing to do.

I recommend that you authorize this negotiating stance on the conditions outlined above.

Approve _____ ✓

Disapprove _____

Balance of Payments

Secretary Fowler concurs in these recommendations. The proposed actions are designed to have a minimal impact on our balance of payments.

(signed) Charles L. Schultze
Charles L. Schultze
Director

Attachment

~~CONFIDENTIAL~~

1. copy
2. Profile

Thursday - March 30, 1967

Mr. President:

This is the time of the year when our Latin American friends begin hitting us for favored treatment on the allocation of sugar deficits.

President Rivera of El Salvador has written you (Tab B) asking for special consideration. State's polite, non-committal reply is at Tab A. I recommend that you sign it.

W. W. Rostow

Attachments

Tab A -- Suggested letter to President of El Salvador

Tab B -- Letter from President Rivera.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-374
By fw, NARA, Date 1-29-93

March 31, 1967

Dear Mr. President:

I have carefully considered your letter of March 17, 1967, forwarded by Ambassador de Clairmont Duenas, concerning a special allocation of sugar deficits to El Salvador.

I am very much aware of the problems now confronting your chief export products, including sugar, and I can appreciate your interest in obtaining a substantial United States deficit allocation to help maintain your country's export earnings and keep its sugar industry solvent. I can well understand that for El Salvador, and for all countries heavily dependent on sugar, this is a serious matter. In this connection, we have received requests for special treatment in reallocation of sugar deficits from a large number of countries this year. I assure you that all such requests will be carefully reviewed in our attempt to reach a sound decision on the problem of equitable allocation of deficits.

Sincerely,

LBJ

His Excellency
Julio Adalberto Rivera
President of the Republic of El Salvador
San Salvador.

LBJ/WGBowdler:mm
March 30, 1967

EMBASSY OF EL SALVADOR

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Washington

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 91-374

March 17, 1967

Excellency: By ju, NARA, Date 2-9-93

I have the honor to transmit to Your Excellency a message addressed to His Excellency Lyndon B. Johnson, President of the United States of America, by Colonel Julio Adalberto Rivera, President of the Republic of El Salvador, which reads as follows:

"Please transmit the following message. His Excellency President Lyndon B. Johnson. I respectfully request your valued cooperation in solving the serious sugar problem now being faced by our country. In 1962, my country successfully initiated a dynamic economic development plan based on increased agricultural production and with emphasis on solving the social problems, chiefly education and health. This plan also includes strengthening of the democratic system, which culminated in the complete success obtained in the elections for President and Vice President of the Republic, held March 5, 1967. Our economic and social development plans, however, have been impeded by the serious problems now confronting our chief export products, coffee, cotton, and sugar, which will also tend to aggravate even further the serious balance of payments problem. In the case of sugar, every year our country has filled the quota assigned to it on the United States market. Our

sugar surpluses have been constantly increasing until at present they total 50,000 tons, or 40% of production. This is about to force us to have to make a drastic cut in the area planted in sugar cane, which will cause serious injury to the small producers and will bring unemployment to many thousands of workers in the rural area.

"Specifically, I request your valued cooperation so that, under the sugar act, in application of the discretionary powers granted to you thereunder, and in view of the fact that Puerto Rico and several other countries will have a deficit in their sugar quota, our country be assigned a quota that will enable us to resolve the present sugar crisis.

"Thanking you for your attention, I remain, with highest esteem, Julio Adalberto Rivera, President of El Salvador."

I shall be very grateful if Your Excellency will inform His Excellency Lyndon B. Johnson, President of the United States of America, of the above message and, in the name of Colonel Julio Adalberto Rivera, President of the Republic of El Salvador, I thank you for whatever attention this letter may receive.

[s] R. de Clairmont Dueñas

Ramón de Clairmont Dueñas

Ambassador

[Embassy stamp]

~~1. map.~~
2. Press file

March 30, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Some movie shots of your talks with President Sunay

In reviewing USIA films on state visits, my staff reports that the total impression is one of ceremony, dinners, parades, etc. Old-fashioned protocol predominates. A businesslike approach to modern problems does not come through.

One way to avoid this would be to include some footage of the visitor and yourself in your office talking together, on matters of state. A sound track would not be needed.

We are asking Oke to use his new silent movie camera as well as his still cameras during your discussions with President Sunay. This would avoid having to set up a special time or bringing in USIA camera men. But it would make it possible to include the USIA film to be shown in Turkey shots of you and Sunay in serious, businesslike talk.

W. W. Rostow

Let Oke use his film camera in business session ✓

Keep to usual stills _____

See me _____

Thursday, March 30, 1967
12:30 p. m.

MEMORANDUM FOR THE PRESIDENT

THROUGH: Mr. Marvin Watson

SUBJECT: State Department Senior Seminar Graduation

Last June you received the graduating class of the State Department's Senior Seminar in the Rose Garden in a half-hour ceremony attended by the 25 graduates, their wives, and Representatives and Senators from their places of birth. You spoke for a few minutes and then handed out the diplomas. TV cameramen and reporters were present.

The State Department is requesting that you receive this year's graduates in the period June 1 - 13 for a similar ceremony.

Last year's meeting gave you an opportunity to make clear that Foreign Service Officers are your personal representatives, and a repetition this year would be valuable.

If you prefer to spend less time, you could limit your participation to joining the group for a photograph.

No real harm would be done if you skipped the ceremony this year.

W. W. R.

_____ Schedule ceremony similar to last year's

_____ Arrange for group photograph only

✓ _____ Skip ceremony this year

_____ See me

*I can't do this each year
L.*

Pres file

LIMITED OFFICIAL USE Thursday - March 30, 1967

Mr. President:

The cable traffic from Latin America this morning carries four items which will be of special interest to you:

Argentina

At a press conference on March 28, Foreign Minister Costa Mendez said:

"Argentina was never part of the group which complained about the sum that President Johnson asked from Congress. Argentina neither judged nor protested because it believes that setting of the amount of aid is a matter in which United States competence is absolute." (Tab A).

Brazil

President Costa e Silva at a luncheon of the Commercial Confederation of Brazil quoted your statement to him to the effect that the Presidential office brings some periods of satisfaction but more of disappointment. He stressed your point that the people can be relied upon to understand one's mistakes; they will forgive mistakes, but will not forgive indifference. The audience of about 200, including the Vice President, Cabinet members and Congressional leaders, broke into applause, which was intensified when Costa e Silva asserted that he did not intend to be indifferent to the needs of the people. (Tab B).

Honduras

The Minister of Economy who represented President Lopez at the Montevideo talks described the initial disappointment of the Latinos with your March 13 message and how this changed to lively optimism for the future with recognition of the United States effort after Linc Gordon's presentation of what the message represented for you.

Ambassador Jova comments that the Honduran Minister's optimism toward the Summit seems sincere. He adds that this is noteworthy in view of the generally reserved attitude towards the Summit prevalent here during the past six months. The Minister's increased confidence in the Summit concept has also been reflected in President Lopez,¹ who seems now to share the sense of purpose and to be genuinely looking forward to the Summit which he previously appeared to regard as merely a chore of office. (Tab C).

Guatemala

President Mendez Montenegro, in a press interview on March 22, endorsed the Latin American Common Market concept, saying that it is essential to survival and will be the main theme of the Summit. On US-Latin American relations he commented that "while we want better understanding from the United States, we know that in the long run we can only advance by our own efforts, which we hope to add to the efforts of all Latin America". On the Summit he said:

"It is my desire to dialogue with other Chiefs of State and in harmony seek concrete solutions to our problems. We have previously expressed our disinterest in lyrical pronouncements or general statements." (Tab D).

W. W. Rostow

Attachments

Tab A , B, C, D.

Pres file

Thursday, March 30, 1967
4:00 p.m.

Mr. President:

The attached USIA report shows that we have done pretty well with our response to U Thant's peace plan; and that Europe is interested but a little uncertain still about the meaning and effectiveness of the Vice President's trip. His time in Bonn will, of course, be critical to the outcome; and we cannot yet make a firm assessment.

W. W. Rostow

Worldwide Treatment of Current Issues
March 29, 1967

WWRostow:rlh

Pres file

Thursday, March 30, 1967

Mr. President:

Here, in handier form, are the items
on Sec. Rusk's charts.

I now have those charts in my office, if
you want them.

W. W. Rostow

SELECTED THIRD PARTY VIETNAM PEACE EFFORTS
SINCE 1964

INITIATIVES BY OTHER NATIONS

1. April 1, 1965 - Seventeen non-aligned nations appeal
2. June, 1965 - Commonwealth Prime Ministers initiative
3. July, 1965 - Davies Mission (U. K.)
4. August, 1965 - Indian-Yugoslav Proposal
5. December, 1965 - U. K. 12-Nation appeal
6. December, 1965 - Cambodian Proposal for ICC expansion
7. June, 1966 - Ronning Mission (Canada)
8. August 6, 1966 - Asian Conference initiative
9. October 6, 1966 - British Six Point Plan
10. October 25, 1966 - Manila Communique
11. December 30, 1966 - British Proposal for cessation
of hostilities

UNITED NATIONS INITIATIVES

1. August 7, 1964 - UN Security Council invitation to Hanoi
2. April 7, 1965 - UN Secretary General peace efforts
3. August 31, 1966 - UN Secretary General Proposal

INITIATIVES BY LEADING PERSONALITIES

1. April, 1965 - Indian President Radhakrishnan's
2. December, 1965 - Pope Paul VI Appeal
3. February 8, 1967 - Pope Paul VI Appeal

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SELECTED U. S. VIETNAM PEACE EFFORTS SINCE 1964

1. 1964-present Continuous bilateral contacts with world capitals,
including Communist governments
2. April 7, 1965 President Johnson's Johns Hopkins University Speech
3. Bombing Pauses
May 12-17, 1965 - 5 days
December 24, 1965 - January 30, 1966 - 37 days -
U. S. peace efforts communicated with 115 govern-
ments, including visits by 6 Presidential envoys
to 34 capitals
February 7-13, 1967 - 6 days
4. July 28, 1965 President's Letter to U Thant
5. July 30, 1965 Ambassador Goldberg's Letter to President on UN
Security Council
6. Sep. 22, 1966 Ambassador Goldberg's General Assembly Address
7. Dec. 19, 1966 Ambassador Goldberg's Letter to U Thant
8. Feb. 8, 1967 President's Letter to Pope Paul
9. At present U. S. Resolution Pending before UN Security Council
Submitted January 31, 1966

Pres file

Thursday, March 30, 1967 -- 5:50 p.m.

Mr. President:

General Abrams is in Viet Nam visiting troops.

On present plans he will be back next Wednesday, April 5.

W. W. Rostow

~~WWR~~
Pres file

Thursday, March 30, 1967 - 12 noon

Mr. President:

Attached is a brief acknowledgment
of President Senghor's message of sympathy
on the death of our Ambassador to Senegal,
William Rivkin.

W. W. Rostow

Approved ✓

Disapproved _____

Speak to me _____

W EKH/vmr

Proposed Presidential Message to President of Senegal

Dear Mr. President:

All of us were deeply touched by your thoughtful message of sympathy on the occasion of Ambassador Rivkin's death. Mrs. Rivkin, members of her family, and the Ambassador's many friends and colleagues in the United States join me in expressing heartfelt thanks.

As you know, the Ambassador was buried on March 22 in the National Cemetery at Arlington, with honors befitting a distinguished public servant whose energetic dedication and devotion to duty will long be remembered by everyone who knew him.

Sincerely,

~~SECRET~~
NODIS

Thursday, March 30, 1968
4:05 p.m.

25
Pres file

Mr. President:

Herewith summaries of the Vice
President in Geneva and the Netherlands
(March 27-29).

In substance it seems to be going
okay; but the Dutch are good, sensible
folk.

W. W. Rostow

~~SECRET~~
Bonn 11424
Report 1 - Netherlands

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 18, NARA, Date 4-22-91

25a

~~SECRET~~/NODIS

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-374
By fw, NARA, Date 1-29-93

Thursday, March 30, 1967

FOR THE PRESIDENT FROM THE VICE PRESIDENT (Bonn, 11424)

The following is a summary of my visit to Geneva on March 27 and to the Hague on March 28.

Geneva -- I discussed in detail with Ambassador Foster and his delegation the nuclear non-proliferation treaty negotiations. Foster had just returned from visits to major European capitals to consult on possible treaty provisions and answer questions, particularly from the Germans. He explained to me the attitudes toward the treaty in each capital. Foster deeply concerned over the undue delay in tabling treaty due to questioning by Germany and Italy. In my view, he is overly concerned. Questions asked are being effectively answered.

I emphasized your commitment to the conclusion of the treaty, but also explained the necessity of thorough consultation with third countries and NATO before tabling the treaty.

I also met with Ambassador Blumenthal and his Kennedy Round negotiating team. Blumenthal's outlook was one of measured optimism concerning a favorable outcome by April 30 or soon thereafter. I emphasized to the delegation the importance of a grains agreement and of a food aid provision in that agreement. Blumenthal prepared for me a paper outlining in detail the Kennedy Round problems in each capital I shall visit.

Following my meetings with Foster, Blumenthal and their delegations, I made brief press statement outlining our concern that these two negotiations should be successfully concluded. Blumenthal and Foster gave additional briefing to the press.

While in Geneva, I met also with Ambassador Tubby and with the heads of the United Nations Specialized Agencies headquartered in Geneva.

The Hague -- March 28 -- Mrs. Humphrey and I called on Queen Juliana and were warmly received. Ambassador Tyler

~~SECRET~~/NODIS

hosted an intimate and friendly luncheon at the Embassy for officials of the Dutch Government and leaders of the key Dutch political parties. Foreign Minister Luns, at the luncheon, reaffirmed the strongest Dutch support of the NATO Alliance and European unity.

I then met with Deputy Prime Minister and Agricultural Minister Biesheuvel concerning all details of the Kennedy Round. I emphasized our insistence on European policy assuring reasonable access for U. S. farm products and European food aid commitment. Then followed a long and full session with Minister Luns and the principal officers of the Foreign, Defense, and Aid Ministries. The subject matter included NATO, non-proliferation, Kennedy Round, East-West relations, and, at Luns specific request, Vietnam.

The Dutch indicated solid support of the U. S. policies with modified exception of some details on non-proliferation treaty, where the Dutch, as a member of the EEC, are concerned that the Euratom Commission remains in opposition at this point to the IAEA safeguards. The Dutch and low country partners are making an independent survey of the compatibility of Euratom and IAEA safeguards and inspection systems. Luns indicated moderate optimism that the question could be resolved.

Pledged His Support -- Both in meetings and in private discussions, the Dutch indicated support of the U. S. policies in Vietnam and possibility of additional "other war" assistance. They expressed concern, however, over a distorted picture of the war being disseminated by European media primarily as a result of American TV and press reports. Prior to my departure from Washington, the State Department had prepared at my request a detailed documentation of our peace negotiation efforts. Also, they prepared a document on the political, social and economic aspects of the struggle in Vietnam. I left copies of these documents for Dutch officials.

Thus far, my reception at all points has been warm and friendly. Good European press reaction. I have held no question-and-answer type press conferences.

Yesterday in Bonn, I met with U. S. Chiefs of Mission. I believe participation has been helpful. I had excellent, informative meeting with Willy Brandt. Detailed cables enroute on this and earlier meetings.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 30, 1967

25-b

Report I

HIGHLIGHTS OF THE VICE PRESIDENT'S TRIP TO EUROPE

The Netherlands (March 28-29, 1967)

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 99-61
By is, NARA Date 10-30-99

Kennedy Round

The Vice President:

- Of great importance to U.S., but protectionist pressures are growing and it will probably be impossible to get the Trade Expansion Act (TEA) extended past June 30.
- We are worried about the grains agreement. U.S. must have access to Common Market.
- U.S. believes Common Market countries should make a substantial food aid commitment. U.S. should not carry this burden alone.

The Dutch:

- U.S. cannot be expected to extend the TEA deadline.
- There have been hopeful developments in the past month. Dutch are "cautiously optimistic" that negotiations will succeed.
- Dutch actively support UK entrance to EEC.

Non-Proliferation Treaty

The Vice President:

- Italians, Germans and Japanese worry about NPT effects on their civilian technology, but our experience is that peaceful "spin-off" from nuclear weapons very limited and very expensive.
- We hope that our new safeguards language will make it possible to reconcile problem of EURATOM vs. IAEA inspection.

The Dutch:

- Initial reaction to new U.S. proposals favorable.
- But, as members of EURATOM, can only sign the ^{NPT}~~Treaty~~ with the agreement of the EURATOM Commission. Their advice, so far, is negative.
- French have absolutely refused to consider changes in the EURATOM Treaty and have threatened to paralyze the organization if NPT safeguards are accepted.

- Treaty language must be found to bridge the gap between EURATOM and IAEA. The Benelux countries are now working on this.
- Crucial issue is whether Germans will sign. If they don't, neither will the Russians, and there will be no Treaty.
- There is some fear in the Netherlands that NPT will hinder peaceful nuclear technology development. These fears are fed by U.S. "extreme reluctance" to help the Dutch build a nuclear submarine.

NATO

The Vice President:

- The President is under strong pressure at home to withdraw troops. But he is prepared to keep the U.S. commitment. We will take no unilateral action that will weaken NATO.
- If we were to reduce troop strength in Europe it would be done only in consultation with our Allies.
- At an "appropriate time" the results of the Trilateral talks will be discussed in the North Atlantic Council.

Southeast Asia

The Vice President:

- It is the firm will of the U.S. to continue its present Southeast Asian policy.
- We will apply only the power needed to achieve limited objectives. Hanoi knows it cannot win in Vietnam, but thinks it can win in Washington.
- The President's letter to Ho Chi Minh demonstrates our honest desire for negotiations.
- Reviewed benefits to the people of Vietnam from new medical and educational programs. It is in this area that the Dutch can help. They have already done a great deal and we hope for "more of the same."

The Dutch:

- The President's letter to Ho Chi Minh was "dignified" and "most effective."

- Bulk of Dutch stand behind U.S. on Vietnam, but critical minority growing.
- Widespread tendency in Holland to believe that Hanoi is ready to negotiate as soon as the bombing stops. The U.S. must constantly emphasize its willingness to negotiate on acceptable conditions. The Ho-President letter exchange ~~had been~~ ^{was} helpful on this.
- Will continue their present aid projects in Vietnam. There has been some trouble in the past in carrying out these projects because of the weakness of the Ky regime. As a result, the Dutch have gradually transferred their aid to multilateral channels.

* * * * *

Press coverage was good, with all major newspapers carrying front-page stories or photographs of the Vice President and Mrs. Humphrey.

24

Thursday, March 30, 1967
12:30 p. m.

Pres file

MEMORANDUM FOR THE PRESIDENT

THROUGH: Mr. Marvin Watson

SUBJECT: State Department Senior Seminar Graduation

Last June you received the graduating class of the State Department's Senior Seminar in the Rose Garden in a half-hour ceremony attended by the 25 graduates, their wives, and Representatives and Senators from their places of birth. You spoke for a few minutes and then handed out the diplomas. TV cameramen and reporters were present.

The State Department is requesting that you receive this year's graduates in the period June 1 - 13 for a similar ceremony.

Last year's meeting gave you an opportunity to make clear that Foreign Service Officers are your personal representatives, and a repetition this year would be valuable.

If you prefer to spend less time, you could limit your participation to joining the group for a photograph.

No real harm would be done if you skipped the ceremony this year.

W. W. R.

_____ Schedule ceremony similar to last year's

_____ Arrange for group photograph only

_____ Skip ceremony this year

_____ See me

27

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-374
By ju, NARA, Date 1-29-93

Pres file

~~CONFIDENTIAL~~

Thursday - March 30, 1967

Mr. President:

I think you will be interested in the attached report describing the Uruguayan Foreign Minister's conversation with the Soviet Ambassador about the importance of welcoming and supporting the Summit meeting.

W. W. Rostow

Attachment

~~CONFIDENTIAL~~

27a

REPORT FROM AMBASSADOR HOYT IN MONTEVIDEO (cable no. 2405,
March 29, 1967)

~~CONFIDENTIAL~~

SUBJECT: The Summit: Uruguayan Government's efforts to
counter Communist anti-Summit activities

1. Foreign Minister Luisi recounted to the Deputy Chief of Mission at some length a conversation he had with Soviet Ambassador Kosolovsky this afternoon, whom he had called in
2. Luisi said he told the Soviet Ambassador that the Government of Uruguay hoped that all sectors of the Uruguayan people, including labor, students, press, would warmly welcome and support the Summit meeting. He added that he felt certain that all of Uruguay's friends would have the same attitude, and that their future relations would, of course, be influenced by their behavior toward the meeting.
3. Luisi had added that he had been greatly impressed during his visit to Moscow by the warmth, orderliness, and friendliness of the Russian people toward all foreigners regardless of ideology, and that he would be pleased if he could say after the Summit that Uruguay was "a little Russia" in that respect.
4. Luisi clearly felt the conversation with Ambassador Kosolovsky was a desirable action, useful in at least reducing the scope of anti-Summit activities by Uruguayan labor and student organizations, although the Russian Ambassador made no comment whatsoever.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-376
By ing NARA. Date 4-6-92

~~CONFIDENTIAL~~

Pres file

Thursday - March 30, 1967

Mr. President:

I know that you are disappointed at Latin American reaction to your March 13 message on the Summit.

Your colleagues have not spoken out as they should.

The press in Uruguay picked up the stupid grumblings of second and third echelon members of delegations to the Montevideo negotiations.

But the picture is not all black. You got some good press in important media, as reflected in the attached CIA compilation.

W. W. Rostow

Attachment

21 March 1967

Latin American Press Reactions to President Johnson's Proposal

1. Two important daily newspapers of Panama City, El Expreso on 17 and 20 March and La Prensa on 20 March, fully endorsed President Johnson's public statement and proposal to augment American aid to the Alliance for Progress. El Expreso summed up its endorsement on the 20th with the statement "These funds (the \$1.5 billion) are in addition to those of the Alliance for Progress ... and constitute one of the greatest commitments of aid to date ... The equitable and rational distribution of the United State aid can signify a halt to filo-Castrista penetration." La Prensa of 20 March said "The United States, through its President ... has manifested its marked interest and irrevocable decision to augment its aid to Latin America without strings nor prior pressures."

* 2. El Mercurio, by far the largest, most important and serious newspaper in Santiago, Chile, editorialized on 20 March as follows: "Johnson has expressed through his proposal the interest of the U. S. Government in strengthening long-established interamerican ties. The increase is significant in itself, for one supposes that were it not for war in Viet Nam the amount would be higher. The conference will be noted historically as beginning of a new phase in hemispheric relations. The Johnson administration has demonstrated an acceptance of the idea that continental development should be sought through better treatment for Latin products in world commerce and through Latin economic integration, meaning creation of common market ... Conference preparations ... have occurred during the resurgence of terrorism and guerrilla activity on part Latin Communists directed from Havana. The conference cannot help but take this new threat into account ..."

3. Colombia's most prominent daily newspaper, El Tiempo of Bogota, commented in its editorial of 18 March entitled "Give and Take of Aid" that Colombia hopes that the U. S. Congress will be disposed to approve Johnson's request for aid. La Republica, another major Bogota daily, carried an article on 20 March praising Dean Rusk's testimony before the U. S. Senate which emphasized the great importance which the Johnson administration attaches to the summit conference. The article quoted Rusk's statement reaffirming "the determination of the American people to walk shoulder to shoulder with Latin American countries toward the new era which will be presaged by the decision to be taken at Punta del Este." The newspaper also expresses hope that Johnson's resolution requesting an increase in aid will be approved. Most Bogota papers headlined the AP story datelined Washington 17 March to the effect that President Johnson was virtually assured of the support of the House and Senate in obtaining significant additional financing to carry out the integration of Latin America.

4. In O Estado de Sao Paulo, of Sao Paulo, Brazil, which is not only that city's major newspaper but perhaps the most important and widely distributed paper in the country, the 16 March international commentary discussed the upcoming summit conference as follows: "What is being attempted is a new revitalization of the Alliance for Progress and a new psychological impact at Punta del Este. That is why President Johnson has, in anticipation of the conference, asked for authorization from the North American congress to commit himself to an increase in aid to the Alliance of 1.5 billion dollars during the next five years ... This outside aid would complement, of course, our own vigorous efforts." In a later edition of O Estado de Sao Paulo on 18 March the international commentary mentioned Punta del Este again within the context of the need for new Latin American collective security measures in view of the intensifying Cuban aggression in Venezuela, Colombia and other countries.

5. The international commentary on 18 March of the Zaporiti news service of Buenos Aires, which is quoted by several dozen regional newspapers of Argentina, discussed the Johnson proposal

in an article entitled "Interest in America regarding the U. S. Senate's Resolution." The article as received by Reuters and Associated Press says in part, "Cablegraphic messages arriving in Buenos Aires today contain declarations of support to the project of President Johnson to increase aid to Latin America by 1.5 billion dollars. These expressions of support come from both the business and labor sectors." The Zaporiti international commentary of 19 March entitled "America has Confidence in the Continental Brotherhood," singles out President Johnson's proposal as a sign that the U. S. as well as Latin America remains concerned with the continent's fate..

6. In addition to the above press commentary in several major papers of the continent, a spot check of radio commentary revealed very favorable reactions to President Johnson's proposal in broadcasts over Radio Splendid, Rivadavia and Portena of Buenos Aires on 18-19 March, over Radio Portales, Agricultura, Corporacion and Cooperativa Vitalicia, all major stations in Santiago, Chile on 20 March, in three successive programs by Venezuelan radio commentator Felix Martinez Suarez during 17-20 March over Radio Tropical (nationwide hookup) and Radio Libertad of Caracas, Venezuela..

~~CONFIDENTIAL~~

Thursday - March 30, 1967

Pres file

Mr. President

I endorse the recommendation made by Secretary Rusk in the attached memorandum. It is something which you can announce at the Summit in the trade field where the Latins will be pushing hard and we have little to offer. The funding represents no problems. AID and Treasury are on board.

W. W. Rostow

Approve _____

Disapprove _____

Speak to me _____.

Attachment

Memorandum for President
from Secretary Rusk

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By RG, NARA, Date 4-22-91

~~CONFIDENTIAL~~

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29a

THE SECRETARY OF STATE
WASHINGTON

March 28, 1967

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-374
By ig NARA, Date 8-24-92

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Summit Proposal: U.S. Loan to a Coffee
Diversification and Development Fund

Recommendation:

Subject to a favorable reception being encountered in consultation with a few key congressional leaders you make the following proposal at the Summit meeting: That the U.S. (a) will make a one-shot loan of \$15 million to the proposed International Coffee Diversification and Development Fund on the condition that the coffee producing countries agree to contribute \$30-50 million per year over the next five years; and (b) will lend up to \$15 million more to match contributions by other coffee consuming members of the International Coffee Agreement.

Approve _____

Disapprove _____

Discussion:

Three-fourths of the world's coffee is produced in Latin America; the rest in Africa. Coffee is Latin America's largest single earner of foreign exchange. The Latin Americans see the International Coffee Agreement as a major element in our trade relations with them and at the Summit will wish to discuss ways of improving its operation. They are concerned because coffee prices have begun to weaken; if this trend is not reversed, they could lose as much as \$200 million a year in coffee earnings.

The Agreement has helped to stabilize coffee prices but it is under pressure because of continued over-production. This results in a waste of agricultural resources and is at the root of current market difficulties. Stability in coffee will not come until this problem is solved.

We have urged the coffee producing countries to impose a special levy on their coffee sales and use the money to set up an International Fund under the Coffee Agreement to promote

~~CONFIDENTIAL~~

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- 2 -

diversification away from surplus coffee production. They are presently considering a proposal which over five years would put aside \$250 million for such purposes. We have also urged that the Fund be administered by the International Bank. This would assure good lending standards and coordinate the use of such funds with the broad development programs of the Bank and donor countries. Perhaps most important, the Fund would help producing countries take the unpopular decisions at home necessary to cut back their surplus coffee production.

Progress on setting up the Fund has been slow because the approach is new and each producing country hesitates to move in this direction unless all do. A Presidential offer at the Summit to lend money to the Fund could be decisive in getting the project under way. The establishment of the Fund will lend a developmental cast to the Coffee Agreement and should be of invaluable help in the very difficult task of getting the Agreement through Congress, when it comes up for renewal next year.

From the U.S. point of view this use of funds would fit in with the Congressional desire for greater use of multilateral aid channels. It would more than meet our usual self-help conditions since the bulk of the money would come from the producing countries. Furthermore, this use of funds for agricultural diversification supports our aim of increasing food production in the developing countries and carries out the agricultural development objectives in the Joint Resolution for the Summit.

Bill Gaud and Linc Gordon support the proposal. Most of the financing will come from Alliance for Progress Funds you previously approved. Room will be found in other existing programs for the remainder. We intend to limit use of our loan to procurement in the countries contributing to the Fund on the pattern of our subscription to the Asian Development Bank. Treasury concurs in the proposal.

Since no additional financing is sought and the proposal meets the agricultural modernization and trade objectives of the Joint Resolution on the Summit, I believe we need consult with only a few key Congressional leaders to ensure that there is no unfavorable reaction in the Congress.

~~CONFIDENTIAL~~

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- 3 -

This is one of the few proposals we can make at the Summit in the sensitive field of trade. The cost is small and the potential returns very large. It is a unique and promising initiative for bringing together our trade and development objectives.

Dean Rusk

Dean Rusk

~~CONFIDENTIAL~~

Pres file

Thursday - March 30, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Visit to the Ranch by Latin American Ambassadors

I know that you look upon this visit as a social event rather than a working session.

Nevertheless, I thought it might be useful for you to have on hand a talking points paper on the Summit (Tab A) and some remarks for the barbecue (Tab B).

W. W. Rostow

Attachments

Tabs A and B.

3.

Talking Points

1. The Summit is a test of the proposition that the Alliance for Progress is largely a Latin American enterprise in which the United States is a junior partner.
2. What your countries decide on economic integration, multi-national projects, improvement of education and agricultural modernization will set the pace of the Alliance for the next decade.
3. These decisions represent -- as Foreign Minister Carrillo Flores said at Buenos Aires -- the most important steps taken by Latin America since independence.
4. United States support for the Alliance will continue. I have asked the Congress for a 20% increase for the next five years. The matter is in their hands.
5. If the decisions taken at Punta del Este are to be effective, two things must happen:
 - the Presidents must work together and drive for prompt implementation of the decisions within their own countries;
 - the people must come to feel that the decisions have a direct bearing on their lives and put their energy and enthusiasm behind them.
6. The Alliance has accomplished much in six years, but it has still not generated the popular *mystique* which gives it grass roots drive.
7. This drive cannot be generated from outside -- it must come from the leaders within each country.
8. At Punta del Este the Presidents must take major political decisions. Not the least of these is to return home to project a sense of commitment and enthusiasm for participation at all levels in the development process.

It is a ~~very great~~ pleasure for Mrs. Johnson and me to welcome all of you ~~here~~ to this ranch. We all see each other in Washington, but greeting you here has a special meaning for us. This is our home. Our roots are here. Our own personal dreams are part of this land. When we welcome you here, we do so not only as allies, which we surely are--but as good friends.

We are all aware that there is a special significance to our gathering here now. In just a few days I will be meeting with your presidents at Punta del Este.

When the American states assembled there before, six years ago, history recorded it as a memorable meeting.

And, truly, few events in the annals of our hemisphere offered more hope to all our people than did the signing there of the charter for the Alliance for Progress. For with that signing, our nations decided as one that together we would banish from this hemisphere, which is our common home, the ancient evils which have impeded the progress of our peoples and our societies.

We are returning to Punta del Este to reaffirm the commitment we made there then--to renew the hope--to re-kindle the promise that was made.

For me, I will make the journey with the memory of this weekend with you warm in my mind.

Our own friendship, I believe, symbolizes that larger alliance of which we are all a part.

I ask you ~~tonight~~ to join me in toasting the future of that Alliance--and the success of the trip ahead.

Handcarried
to Mr. Wilson

31

Thursday, March 30, 1967
5:30 p.m.

MR. PRESIDENT:

Bill Jorden has produced this interesting account of 31 peace initiatives and Hanoi's response.

The U. S. position is noted at the end.

It's not in red, white, and blue, but I think this is a more useful and substantive layout than any we have yet seen.

Should we proceed to get it on a chart? Or we could reproduce it and pass it out in its present form.

W. W. R.

Attachment

101

SOME U.S. EFFORTS TO ACHIEVE PEACE IN VIET-NAM

<u>DATE</u>	<u>INITIATIVE</u>	<u>HANOI'S RESPONSE</u>
1. 1961-1967	Repeated contacts with other governments and individuals, Communist and non-Communist, to encourage peace negotiations	Hanoi's "Four Points" provide the only sound basis for a peaceful settlement
2. April 7, 1965	President Johnson's speech at Johns Hopkins University -- "we remain ready...for unconditional negotiations."	U.S. talk of peace only conceals its warlike acts
3. May 12-17, 1965	No bombing of North Viet-Nam	A "trick"
4. July 28, 1965	President's letter to U Thant -- asked Secretary General to continue efforts to promote peace	Hanoi has said repeatedly the UN has no role in Viet-Nam
5. July 30, 1965	Ambassador Goldberg's letter to President of the UN Security Council -- U.S. will continue to help defend SVN -- U.S. will continue to assist economic and social development in SEAsia -- U.S. will continue to explore all avenues to peace -- U.S. ready to work with UN Security Council and its members in search for a formula for peace in SEAsia	(See 4, above)
6. Dec. 24, 1965 - Jan. 30, 1966	37-day pause in bombing of NVN	Another "trick"

<u>DATE</u>	<u>INITIATIVES</u>	<u>HANOI'S RESPONSE</u>
7. Jan. 31, 1966	U.S. resolution in UN Security Council -- urged arrangement of a conference of "appropriate interested governments" to help insure application of 1954 and 1962 Geneva Agreements -- offered full U.S. cooperation (resolution still pending)	No UN action because of Hanoi's opposition
8. Sept. 22, 1966	Amb. Goldberg speech at UN -- U.S. ready to stop bombing when assured this step will be "answered promptly by a corresponding and appropriate de-escalation on the other side. "	Hanoi has never admitted any involvement in South Viet-Nam
9. Dec. 19, 1966	Amb. Goldberg's letter to U Thant -- asked UN Secretary General to take steps necessary to bring about discussions which could lead to a ceasefire	
10. Feb. 7-13, 1967	6-day pause in bombing of NVN	Another "trick"
11. Feb. 7, 1967	President Johnson letter to Ho Chi Minh -- offered to end bombing of NVN and augmentation of U.S. forces in South if infiltration from NVN ended -- proposed extension of Tet truce through negotiations between NVN and SVN -- suggested diplomatic talks in secret -- asked for any NVN suggestions	Ho's reply called for an end to bombing "definitively and uncon- ditionally;" demanded U.S. forces leave SVN and called for recognition of the Liberation Front. Talks <u>could</u> occur if all attacks against NVN were halted.

DATE

INITIATIVES

HANOI'S RESPONSE

12. Feb. 8, 1967

President's letter to Pope Paul

-- declared we are ready to talk
unconditionally

-- we are ready to discuss "balanced
reduction in military activity"

Ho Chi Minh letter to the Pope
repeated Hanoi's insistence on
an end to bombing of the North
and on its Four-Point settlement.

SOME EFFORTS BY THIRD PARTIES TO ACHIEVE PEACE IN VIET-NAM

<u>UNITED NATIONS</u> <u>DATE</u>	<u>INITIATIVES</u>	<u>HANOI'S RESPONSE</u>
1. Aug. 7, 1964	UN Security Council invited both North Viet-Nam and South Viet-Nam to take part in SC discussions of the Viet-Nam problem	Hanoi rejected the invitation
2. April 7, 1965	UN Secretary General proposed to visit Hanoi and other capitals to discuss prospects for peace	Pham Van Dong said UN intervention was "inappropriate;" Peking said U Thant should "spare himself the trouble"
3. Aug. 31, 1966	U Thant suggested three-point proposal -- end bombing of NVN -- mutual reduction of hostilities -- negotiations	Hanoi welcomed first point; found second "obviously negative" and the third "unsatisfactory"
<u>OTHER NATIONS</u>		
1. April 1, 1965	17 non-aligned nations appealed for peace -- called for negotiations with preconditions	Hanoi found the proposal "inappropriate"
2. June 1965	Commonwealth Prime Ministers proposed a special mission to visit capitals of all involved in Viet-Nam to explore chance for a peace conference	Hanoi announced it would not receive the Wilson mission; called the offer a "swindle"
3. July 1965	Harold Davies (a Minister of British Gov.) visited Hanoi to encourage acceptance of the Commonwealth Ministers proposal	Hanoi refused to accept the mission

<u>DATE</u>	<u>INITIATIVES</u>	<u>HANOI'S RESPONSE</u>
4. Aug. 1, 1965	India and Yugoslavia called for a conference of parties concerned; urged an end to bombing of NVN	No response from Hanoi
5. Dec. 9, 1965	UK issued a 12-nation appeal for an end to the fighting and a negotiated peace	On Dec. 17, Hanoi said it "categorically rejects all British plans and proposals made under the pretense of peace."
6. December 1965	Prince Sihanouk asked for expansion of ICC activities in Cambodia, including supervision of the Cambodia-Viet-Nam border	No response from the Soviet Union as Co-Chairman of the Geneva Agreement
7. June 1966	Canadian diplomat Ronning visited Hanoi to discuss possibilities of peace	Hanoi authorities were totally negative as regards any response on their part to a halt in the bombing of NVN. Hanoi repeated its insistence on its Four Points
8. Aug. 6, 1966	Thailand, Malaysia and the Philippines called for an Asian peace appeal and a peace conference.	Hanoi called the idea "a cheap farce"
9. Oct. 6, 1966	British Foreign Secretary Brown proposed a six-point plan for peace, including a peace conference, an end to bombing of NVN and to the introduction of new forces and supplies by both the U.S. and NVN.	Hanoi "sternly rebuffed" the Brown proposal; called it a "rehash" of U.S. proposals.

<u>DATE</u>	<u>INITIATIVES</u>	<u>HANOI'S RESPONSE</u>
10. Oct. 25, 1966	Manila Communique pledged allied forces would withdraw from SVN "as the other side withdraws its forces to the North, ceases infiltration, and the level of violence thus subsides." Withdrawal would be within six months.	Hanoi denounced the Manila proposal as "a demand for our people to lay down their arms."
11. Dec. 30, 1966	British proposed a three-way meeting (SVN, NVN, U.S.) to arrange a halt to the fighting.	Hanoi denounced the proposal.
<u>LEADING PERSONALITIES</u>		
1. April 1965	Indian President Radhakrishnan suggested an end to the fighting and policing of the arrangement by an Afro-Asian force.	Hanoi said the proposal was "at complete variance with the spirit and basic principles" of the Geneva Agreements.
2. Dec. 19, 1965	Pope Paul appealed for a truce and asked all parties to move toward negotiations.	Ho Chi Minh told the Pope that talk about unconditional negotiations was a U.S. "maneuver" to conceal aggression.
3. Aug. 31, 1966	UN Secretary General U Thant reiterated his 3-point proposal: (a) halt bombing; (b) scale down the fighting; (c) enter into discussions.	AMVN spokesman said his government "rejects all intervention by the United Nations in the Viet-Nam affair."
4. Feb. 8, 1967	Pope Paul expressed hope the Tet Truce might open the way to negotiations.	Ho's answer repeated Hanoi's demand for an end to the bombing of NVN.

<u>DATE</u>	<u>INITIATIVES</u>	<u>HANOI'S RESPONSE</u>
5. March 15, 1967	U Thant proposed: a general ceasefire, preliminary talks, and reconvening of the Geneva Conference	Hanoi rejected the proposal.

(Note: The United States either accepted each of the above initiatives by third parties or expressed its readiness to discuss the details of the proposals seriously and promptly. Hanoi rejected all of the proposals.)

Pres file

Thursday, March 30, 1967 -- 5:10 p.m.

Mr. President:

With respect to the questions that Mr. Edgar Ansil Mowrer will raise with you at 5:30 p.m. today.

1. Korea 1951 -- Viet Nam today. In April and May 1951 we won decisive defensive victories at the 38th parallel which led to a protracted and costly truce negotiation. The situation differs in Viet Nam because a guerrilla war is slower moving than a war on a fixed front. There is evidence that the rates of attrition being imposed on the Communists are hurting; but we have had nothing yet as decisive as the 1951 battles with the Chinese Communists in Korea. Moreover, of course, we do not have a formal negotiating situation. On the other hand, it is probably true, as it was by the end of May 1951, that the Communists have already decided they cannot win a straight military victory; and their thoughts are focussed on using military power to produce the most favorable possible political result -- with their eyes on the will and political capacity of the people of the U.S.

2. European attitudes. It is clear that nationalism still has strong roots in the countries of Europe; and, given their history, this is understandable. On the other hand, the nature of modern military and civil technology and the nature of the problems we all face in the world, are likely to lead, with the passage of time, towards increased European unity and increased cooperation across the Atlantic. The road may be long and slow and sometimes frustrating; but, whether we consider problems of defense or technology or great world issues like the food-population problem, it is clear that the old-fashioned nation-state cannot cope with them.

3. Bridgebuilding. It should be understood that our policy, as enunciated, for example, in my speech of October 7 on Europe, is one in which we continue to support Western European unity and the Atlantic partnership as the base from which we work to the East. If it turns out that we can move fast with the East, well and good. If, as you suggest, there is little solid to build upon, we maintain the vitality and unity of the West until a better day comes.

W. W. Rostow

WWRostow:rlh

THE WHITE HOUSE
WASHINGTON

Thursday, March 30, 1967
6:30 p.m.

MR. PRESIDENT:

Ted Van Dyk called in to say the throwing of paint at the Vice President in Rome was a "very minor incident." They believe the U.S. press present will down-play it.*

The thrower is a known Italian Communist.

Six other demonstrators were arrested, including a New Yorker named Blum.

Bonn went "very well."

W. R.

* Let's see!

Thursday, March 30, 1967
6:30 p. m.

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W. W. R.

cc: George Christian
S/S for the Secretary and Mr. McCloskey

* Let's see!

Thur Marvin Watson
(he has copy)

35

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Thursday, March 30, 1967 -- 4:45 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Italian Reception in Honor of the 10th Anniversary of the
Treaties of Rome (6 to 8 p.m., March 30)

I understand that you may go to the reception that Ambassador and Mrs. Fenoaltea are giving this evening to celebrate the 10th anniversary of the signing of the Treaties of Rome (which set up the European Common Market and the European Atomic Energy Community).

The Italians expect some 350 people to show up. Chiefs of the major diplomatic missions, the Supreme Court, the Cabinet and a number of Members of Congress have been invited. Secretary Rusk will be there, as will Senators Mansfield, Gore, Pastore, Pell, Javits, Hatfield and Cooper.

It is unlikely that Fenoaltea will ask you to speak, but a suggested draft is attached on the off chance that he might.

Walt Rostow

SUGGESTED REMARKS

ITALIAN RECEPTION IN HONOR OF THE TENTH ANNIVERSARY OF THE
TREATIES OF ROME

Mrs. Johnson and I are very happy that we can be with you tonight as you celebrate the 10th anniversary of the signing of the Treaties of Rome.

We Americans have always admired builders. We know it took great courage and wisdom to build the European Common Market and EURATOM into what they are today. We know how deep are the changes that European integration has brought and will bring. We know, too, the great contribution that integration has made to the peace, prosperity and security of the Atlantic Community.

The United States understands the importance of European integration. I believe we have acted wisely in encouraging it. We seek no satellite. We fear no equal. We welcome the prospect of a powerful and independent European partner in Atlantic and world affairs.

The past decade of achievement marks the beginning rather than the end of a great endeavor. All Americans join me in wishing the European Communities success in the years to come.

Thursday, March 30, 1967 -- 9:25 a.m.

Mr. President:

A further report from Juan Trippe who asked that this information be held very tight indeed.

He has produced for Stu Symington a speech designed gracefully to turn around from opposition to support for the SST. It was drafted by, of all people, Archie MacLeish, and apparently is quite an eloquent job. He cannot guarantee Stu will deliver it, but he has more confidence than the last time he saw me.

Meanwhile, Senator Russell says that he will go with Stu Symington on this issue.

W. W. Rostow

WWRostow:rlm

Pres file

Thursday, March 30, 1967 -- 12:30 p.m.

Mr. President:

Bill Bundy's talk to the Harvard-Yale group in Washington was off the cuff. The ground rules required that no notes be taken and the talk not be taped.

When he returns from the Caribbean -- where he now is -- I shall ask him to outline the way he went about it.

W. W. Rostow

WWRostow:rlh

Pres file

~~SECRET/EXDIS~~

Thursday, March 30, 1967
9:30 a.m.

Mr. President:

Here is the full text of
Amb. Goldberg's account of his
talk yesterday with U Thant.

W. W. Rostow

USUN 4640

~~SECRET/EXDIS~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Goldfiles, Feb. 24, 1983
By ef, NARA, Date 4-15-91

~~SECRET/EXDIS~~

Thursday, March 30, 1967

TEXT OF CABLE FROM AMBASSADOR GOLDBERG (USUN, 4640)

I saw the Secretary General this Noon to talk over the release of his proposals and our reply yesterday and to ascertain the nature of the North Vietnamese reply. Bunche and Pedersen were present.

The Secretary General said he had decided to release the texts yesterday morning after the press had reported the Hanoi reaction and in light of the inevitability of continued speculation on its contents. He noted I had agreed this would be acceptable when Bunche had told me about it on the telephone yesterday morning. I said I agreed that in the circumstances he had no choice and thought the North Vietnamese could not take exception to what he had done.

The Secretary General said he had been guarded in his answers to questions about the North Vietnamese reply and in his general answers in the press conference because he wanted to protect his future utility. Consequently, he did not want to be critical about the Hanoi position. I expressed the view the dust would now have to settle for awhile. The Secretary General agreed.

The Secretary General said he had one request to make of us, that was that we not play up too much that we had accepted his proposal and Hanoi had rejected it. In particular he did not want "friends in Moscow," who were of course informed throughout, to be embarrassed. He hoped we would feel that our public statements yesterday were sufficient and that we would not have to say much more at this point.

I told him we had always thought progress could best be made through private contacts and agreed on the desirability of preserving his own capabilities. I noted, however, that we had public relations problems of our own and that it was necessary for

~~SECRET/EXDIS~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-376
By 118 NARA. Date 4-6-92

our people to understand the situation. In this connection, I read him reports from several foreign correspondents which had been received by our USIA officers. The reports stated Narasimhan had been consulted last night by them about the Secretary General's reaction to the U. S. reply and that Narasimhan had told them on a background basis that the Secretary General considered our reply to be negative.

The Secretary General said he would look into the matter. No such statement had been authorized. In his statement yesterday, he had refused to characterize any replies and this was the position he intended to maintain. He had been asked by his press officer, in connection with normal press briefing for today, what he should say on this point. The Secretary General had told him to stand strictly on his refusal yesterday to characterize the replies.

I told the Secretary General I had also been approached by a number of correspondents who wished further background information and had been considering talking to them, but in light of the Secretary General's comments about the undesirability of further discussion at this point would not do so.

I then asked the Secretary General whether he could give me any information on the contents of Hanoi's reply. The Secretary General said the reply had come through Moscow. (He did not say when he had received it but we assume from the co-lateral information about his contacts with Fedorenko that he had received either a preliminary or definitive reply by Friday.) He said it was the first time in three years he had received a written reply from Hanoi. He also stated the reply had been friendly in tone throughout.

The Secretary General said Hanoi's first point was a complaint that he had told them in Rangoon he would not make his proposals public before he got the North Vietnamese reply. Bunche interjected to say that in context this statement seemed to mean they felt the Secretary General had told them he would not give the proposal to the U. S. before he had received their views. The Secretary General said there seemed to have been a complete misunderstanding. He had given no assurances that he would not give the proposals to the U. S. He noted, however, that the direct statement in their reply related to assurances he would not publicize the

proposals before receiving their reply. Of course he had not done so. He thought perhaps part of the reason for Hanoi's reaction was because of the announcement about the Secretary General's plan from Saigon and Saigon's statement several days ago that they had made proposals for direct talks to Hanoi. I noted that what Saigon had said about the Secretary General's plan appeared to have been inadvertent.

The Secretary General said Hanoi's second point was that his first step equated the aggressor and victim of aggression and that it was "advantageous to us." They had not commented on his second and third steps.

Hanoi's third point was to thank him for his interest and his desire for peace and to say they appreciated his motivation. The Secretary General noted this was a very friendly paragraph but his interpretation was that they did not want him to carry on.

The fourth Hanoi point was that the U. N. had nothing to do with Vietnam.

I told the Secretary General we thought no one ought to be advantaged or disadvantaged by a ceasefire. That was why we thought it would be advisable to have preliminary talks through him or directly or in some other form. If Hanoi was so disposed, we would be glad to carry on a dialogue through the Secretary General to assure no one was advantaged or disadvantaged by a ceasefire. The Secretary General then added that Hanoi had also commented he had made his proposals while the U. S. was escalating the war.

I replied that if they had the Guam meeting in mind, the Secretary General should know that the meeting did not deal substantially with military matters and that the basic purpose was to introduce our new diplomatic team to the Saigon leadership. I also noted we had made a special effort to reply to the Secretary General's proposals before the Guam meeting so as to indicate they were not connected.

The Secretary General then said he thought we should know he had received information on Tuesday, March 21, from a source close to Moscow that the U. S. S. R. and China had settled the problem of transportation of supplies to North Vietnam. He said the source was reliable but it was difficult to get confirmation and that Fedorenko had had no information.

I told the Secretary General we had also had a recent report of unknown reliability that he should know about, i. e. , that there had been a great disposition in Hanoi to respond more affirmatively to the concept of negotiations but that Peking had intervened and threatened a coup in Hanoi if they accepted such proposals. The Secretary General said he thought this was possible. He noted that Colonel Lau in Rangoon had stressed Hanoi's historical independence and determination to maintain it.

I also asked the Secretary General whether he had any information on the degree to which Hanoi was dependent on China for its supplies. I told him some of our reports indicated 70 percent of their outside supplies came from China. The Secretary General said he had no independent information. He understood heavy arms generally came from the U. S. S. R. but small arms and rice came from China. I indicated that if the source of supplies was a problem in Hanoi's posture this was something that could be talked about as well.

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E.O. 12356, Sec. 3.4

NLJ 91-374

By pw, NARA, Date 1-29-93~~SECRET~~

Wednesday, March 29, 1967 -- 11:15 a.m.

Mr. President:

Here is what I sent to the Vice President:

"As seen from here the course of wisdom is to avoid initiating discussions of Viet Nam and keep that issue minimized in press and TV handling of your trip. Apparently there are some anxious to portray your visit to Europe as a running Chautauqua-type debate on Viet Nam; for example, Sandy Vanocur."

And this is his reply:

"Unable to understand your message. There has been no public discussion of Viet Nam anywhere with one exception in general comments to U.S. Embassy personnel, Geneva, and then only in broad context of American postwar foreign policy and its commitment to UN Charter. Reference to Viet Nam has been at minimum in private conferences in response to questions from government officials. Have not held any press conferences nor public statement on Viet Nam. No Chautauqua performance on my part."

A half hour ago Ted Van Dyk called me to reassure us that the Vice President was only counter-punching on Viet Nam -- and then only in private in response to governmental questions. On my part, I told him that we were not reacting to what the Vice President had said but simply warning the party on how the press and TV were playing the trip. I read him some of the Vanocur text.

Ted said the message was fully understood.

W. W. Rostow

WWRostow:rln

Pres file

March 29, 1967

Mr. President:

Attached is a long information memorandum from Orville Freeman on the status of agriculture in the Kennedy Round. It does not call for any Presidential decisions now. Orville just wants to get on record with you that the trends in Geneva may pose all of us with some difficult problems.

He points out that we have most of our first team, including John Schnittker, in Geneva this week to begin the final stage of the negotiations. This will probably involve three week-long sessions spread over the next six weeks. We will give you a full run-down of the issues and choices well before we get to the point of decision. Of course, Orville will be heavily engaged in arriving at the recommendations.

15/Walt
W. W. Rostow

EKH:djw:3/29/67



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON

March 28, 1967

MEMORANDUM

To: The President

From: Orville L. Freeman
Secretary of Agriculture

A handwritten signature in cursive script, reading "Orville L. Freeman", is written over the printed name of the Secretary of Agriculture.

Subject: Final phase of the Kennedy Round trade negotiations

This is to alert you to Kennedy Round developments of the agricultural front as we approach the final deadline.

You will recall our discussions more than a year ago on strategy for making offers on non-grain agricultural products in the Kennedy Round. According to the rules adopted for the industry negotiations, offers were to be made with a minimum of exceptions, and with cuts up to 50 percent in existing tariffs.

Other countries were not following this procedure when the time came to make agricultural offers in late 1965. In particular, we knew that the European Economic Community would make virtually no offers in agriculture and that many important countries like Canada and Australia would withhold their offers until very late in the negotiations.

At that time I wanted to put in a limited list of offers on non-grain agricultural products, and a list of tentative offers to become available as other countries made offers. Governor Herter and the Department of State argued strongly that the U.S. should make maximum offers on agricultural products in the hope that this would induce other countries to follow suit during the negotiations. The latter is the course of action you directed.

It was agreed at the time that in the event non-grain offers of other countries were not up to our standard, the U.S. would withdraw offers as necessary. It was understood that massive withdrawals would be called for if other countries failed to significantly strengthen the agricultural offers made up to that time.

The European Economic Community to date has made extremely limited offers on her agricultural imports from the U.S. We have made offers on practically all our agricultural imports from the EEC. A similar situation prevails with many other countries. The discrepancy is not so great but there has been little forward movement by countries outside the EEC in the last year.

A strong negotiating team has gone to Geneva this week following consultations in Washington last week. Ambassadors Roth and Blumenthal, Under Secretary Schnittker, and officials and staff from all Departments involved from Washington are there. They will make an effort to get other countries, particularly the EEC, to improve their agricultural offers and to settle issues remaining in the industrial area, which Ambassador Roth has called to your attention from time to time. Some of these may be as intractable as the agricultural issues.

We face the possibility that the tariff cuts offered, particularly by the EEC, will be so small that they will not represent "a substantial reduction in agricultural trade barriers." Nonetheless, I would recommend that the U.S. accept a modest bargain in agriculture if the European Economic Community makes a reasonable effort. But the effort she has made so far can only be described as "token". Offers made by some other countries so far aren't much better.

Grains are the other important area where we will have difficult decisions to make very shortly. Tariffs are not the main protective device for trade in grains around the world. Hence the grain negotiations have been conducted on another basis. All the major trading importers and exporters have agreed to negotiate:

- (a) on the level of world trading prices
- (b) on access to importer markets, and
- (c) on multilateral sharing of the world's food aid burden.

With respect to (a), we are making progress toward raising the range of prices within which world wheat trade will be conducted. Last September the U.S., Canada, Australia, and Argentina agreed as a starting position, to propose a 40¢ increase in the minimum and maximum levels of world trading prices for wheat. It was clearly understood on all sides that this was a negotiating stance -- not a rigid and final position. You will recall that Prime Minister Holt discussed wheat prices with you in Australia last October.

Australia in a note to the U.S. has now taken the position that we must achieve this level of increase.

Actually, U.S. negotiators agreed with Canadian and Australian negotiators in Geneva two weeks ago that 40¢ was no longer tenable. Hence, last week's note from Minister McEwen of Australia was superseded in advance by his own negotiators. I mention this only because our efforts to negotiate a realistic price increase in Geneva this week and next may lead the Australians or the Canadians to communicate directly with the President to insist on an unrealistic price increase.

With regard to (b) the question of access to importer markets, it is now fairly clear that the European Economic Community and the United Kingdom will not provide the exporting countries satisfactory access assurances. By "satisfactory" I mean that exporting countries will be assured of a grain market at least as big as in a recent representative period, with a clear commitment that exporters will share in the growth of importer markets. Such a formula is what we follow where beef imports into the U.S. are concerned.

If in the end, the EEC and the U.K. will not provide us satisfactory access assurances, we must face the question of a grains arrangement in the Kennedy Round without the key trade expansion provision. This will be a tough one for me. A strong case can be made economically and politically that a grains arrangement is not worth completing if it does not include access -- the major feature of trade benefit to the United States.

Obviously we must bring back to the U.S. and particularly to the U.S. Senate a grains arrangement (a treaty) which we can defend as a good one. It would be catastrophic to go before the Senate Foreign Relations Committee and say that "Although exporting countries have been putting 17 million tons of grain into the European Economic Community in recent years, we are now asking the Senate to ratify a treaty which assures us that we will be able to put only 13 million tons into that market each year until 1971." Maybe we could get away with it if we had worthwhile commitments on points (a) and (c), but I doubt it.

However, I personally question whether a grains arrangement without access is worth completing. I will have a specific recommendation at the proper time on this question. All of this is terribly difficult, because if the U.S. stops negotiating on grains, countries like Canada or Australia may begin to withdraw from the negotiations and this would start an unraveling process that may terminate the entire negotiation.

The third central element of the grain negotiation is multi-lateral food assistance. There the President and the U.S. are clearly on record. We will do everything possible to get some clear commitments from other nations to help us carry this burden. This becomes increasingly important as it seems clear that the demands for food aid in the LDC's will grow very much greater for many years to come until agricultural progress in those nations can catch up to and pass population growth.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Mr. Rusk 41
Pres file

~~CONFIDENTIAL~~

Wednesday, March 29, 1967 - 6:00 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Replenishment of the International Development Association (IDA)

You will recall instructing Secretaries Rusk and Fowler to do a careful survey of Congressional opinion before you made up your mind about our position on new money for IDA -- the World Bank's soft-loan window. Their joint report is at Tab A. On the basis of a full canvass of the leadership, the House Banking and Currency Committee (which has jurisdiction over IDA), and the Senate Foreign Relations Committee, Rusk and Fowler recommend you approve the replenishment scheme proposed in February. This would involve U.S. contributions of \$240 million in FY 1969, \$320 million in FY 1970, and \$400 million in FY 1971. (These amounts compare with our current annual contributions of \$104 million.)

Specifics

Joe Barr's detailed nose-count of the two Committees is at Tab B. He concludes that on the one hand we would have no trouble getting overwhelming Committee support for a simple extension of the present level of contributions. (But this would force IDA to cut back sharply on its lending, which has been partially funded from other temporary sources.) On the other hand, we would be beaten badly if we proposed an immediate escalation to \$400 million a year as George Woods has urged. On balance, Joe believes that with a strong effort we can carry these Committees on the three-step formula recommended above. He would expect the House Banking and Currency Committee vote to come out 18-23 for and 10-15 against. In the Senate Foreign Relations Committee, he would predict 11-15 for and 4-8 against. He sums up his findings with Dirksen's comment that the proposed numbers are "in the ball park" and that, assuming balance of payments safeguards, the program is "saleable".

Joe's notes on each of the interviews are at Tab C. You may want to glance through them.

Other Development Banks

Because the same Committees will handle our requests for the Inter-American Bank (part of your Summit package) and the Asian Bank (announced in your State of the Union speech), Joe also took soundings on those, as well as doing a little talking about the African Bank. The reaction on all three was generally good. The Asian Bank is still popular, and the Inter-American

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E.O. 12356, Sec. 3.4

NIJ 91-374

~~CONFIDENTIAL~~

By fw, NARA, Date 1-29-93

CONFIDENTIAL

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Bank seems to be maintaining its support. The idea of a contribution to the African Bank was also well received.

Therefore, the Rusk-Fowler memorandum also asks you to approve a legislative schedule for the Inter-American and Asian Banks. We would send up the Inter-American Bank proposal about May 1, the Asian Bank bill about May 15, and aim for June 1 for IDA. It is too early to settle on a date for the African Bank; we will have a better measure of Congressional sentiment when Joe Barr and his delegation get back from Africa.

Procedure

If you approve the IDA recommendation, the next step is to instruct Fowler -- the U. S. Governor of IDA -- to tell Woods that we are prepared to go ahead with a replenishment scheme involving the above amounts on condition of (1) a reduction of our share from 42 to 40% or less, and (2) a system of balance of payments safeguards which will guarantee no dollar or gold drain as a result of these contributions until at least 1972. These terms are spelled out in detail in the draft Fowler-Woods letter at Tab D. The text is agreed upon by your advisers.

As you know, the odds are long on Woods getting the Europeans to come up with their 60% on anything like this scale. It would involve a quadrupling of their contributions over three years. Thus, we will probably be back to you with another, smaller proposition when Woods has done his negotiating. In any event, we would, of course, come back to you before any legislation were actually proposed.

Recommendation

Walt and I strongly second the Rusk-Fowler recommendation, as do Bill Gaud and Charlie Schultze. IDA is by far the most effective means of extracting aid money from the Europeans on reasonable terms. It squeezes \$1.50 from them for every dollar we contribute. We should press them for all the traffic will bear.

Francis M. Bator

with doubts
IDA
Approve proposed replenishment formula. Fowler
may send letter at Tab D to Woods ☒

Disapprove ☐

Speak to me ☐

3/20/67 ret'd from Pres.
Approve Legislative Schedule ☒
Disapprove ☐
Speak to me ☐

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E.O. 12356, Sec. 3.4
NLJ 91-376
By ijg, NARA, Date 8-24-92

~~CONFIDENTIAL~~

March 28, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Congressional Reaction on IDA and Regional Banks

Attached as Annex "A" is a copy of the report of an inter-agency task force headed by Under Secretary Barr on the Congressional soundings you instructed us to take regarding the legislative outlook for IDA and other international financial institutions. On the basis of these soundings, we recommend the following:

1. Timing of Presentations. We believe that technical developments will work out so that the Inter-American Bank legislation will be ready first -- sometime about May 1. By that time we may be able to release additional highway funds and other domestic expenditures that we currently have blocked, and this should remove the greatest cause of opposition to increases in overseas commitments. The Asian Bank proposal should be ready around May 15. We would aim for June 1 on the IDA replenishment, or as soon thereafter as George Woods can complete his negotiations with other countries. As explained below, we do not think a target can be fixed yet for legislation on the African Bank. In addition to the authorizing legislation on these items, we would seek appropriations this year for IDB and the Asian Development Bank, and for the last of the IDA installments under the old authority.

2. IDA Replenishment. We recommend that you authorize the Secretary of the Treasury, as U.S. Governor of the World Bank, to inform George Woods that the Executive Branch would be prepared to recommend to the Congress the following schedule of commitments to IDA for the United States:

<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>
(millions of dollars)		
240	320	400

~~CONFIDENTIAL~~

cont./

~~CONFIDENTIAL~~

-2-

This would permit an over-all increase in IDA resources by \$600 million in FY 1969; \$800 million in FY 1970; and \$1 billion in FY 1971. Our proposal to Mr. Woods would be subject to the following conditions:

A. Balance of payments protective devices along the lines described in a memorandum to you, dated December 31, 1966, and in the attached draft letter to Mr. Woods (Annex B). We have been working out such protective devices with the Bank to ensure that our commitments are consistent with our balance-of-payments policy.

B. A U.S. share of 40 percent or less of the contributions of the developed world, not including the contributions to IDA by the Bank itself out of Bank earnings. (This is a slight reduction in our current share of contributions. We would expect it to be achieved by increasing the number of countries participating in IDA replenishment.)

Whether we would ultimately have a request for funds at the level shown above would depend on whether or not the Europeans are prepared to put up their share. We will not know this until George Woods has tried out our figures on them. Similarly, we do not know how popular the balance-of-payments devices may be with the Europeans, and some may try to relate them to the size of their contributions, but we believe them to be essential for Congressional success.

3. African Bank. Under Secretary Barr made a limited and cautious probe of Congressional sentiment on U.S. contribution to an African Bank Special Fund. The almost uniform response from Senators Aiken, Pell and Sparkman was that because of the unstable African political situation, we should be very careful in extending bilateral aid commitments to African countries. We cannot ignore Africa, however, so they felt that a small U.S. commitment -- in the area of \$10 - \$15 million a year -- to join in a multilateral concessional-loan fund to be administered by the African Bank had merit.

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cont./

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-3-

As you know, during the recess Under Secretary Barr is to lead a Congressional group -- largely from the House Banking and Currency Committee -- on an inspection of IDA projects in Africa. They plan to stop as well at the African Bank's headquarters in Abidjan, Ivory Coast. From the reaction of the Committee members to their exposure to the Bank, we will be in a better position to make a preliminary judgment on what might be feasible with the Congress this year on African Bank legislation, with a more detailed sounding about June.

RECOMMENDATIONS: 1. Approve the general outline of the legislative schedule described in Section 1.

2. Authorize Secretary Fowler to advise George Woods on IDA replenishment in accordance with Section 2 above.

Attachments

Dean Rusk

Secretary of State

Henry H. Fowler

Secretary of the Treasury

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1. 2

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THE UNDER SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

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42e
March 1, 1967

MEMORANDUM OF CONVERSATION WITH SENATOR MANSFIELD

IDA

Senator Mansfield was sympathetic with the aims of IDA but was concerned about the very large jump in the level of funding. He said flatly that we could not get to the \$400 million level proposed by George Woods. He cautioned me that this could be difficult but he would give his wholehearted support. He also cautioned me that we must be prepared to meet Senator Symington's objections on the balance of payments impact.

IADB

The proposed funding level and some provision for an economic integration fund did not concern him. He thought this would be all right.

Asian Bank

This is the operation in which he was extremely interested. He questioned me in detail about the staffing of the Bank with the view in mind that the Bank could be an important instrument through which we could channel funds for the reconstruction of South Vietnam and potentially North Vietnam. I informed him that in our opinion we had a superb management setup in the Bank and I am supplying him with a list of the Directors of the Bank and their backgrounds.

We discussed the urgency of the ADB issue, and he believes that we should get a proposal up quickly, even though all the details are not worked out as completely as we would like.

Senator Mansfield was enormously pleased with the progress they are making on the Consular Treaty and very high in his praise of the President's courage in attacking this issue squarely. He was almost equally pleased with the House action on the ExIm Bank, but he asked me to check the news release that we had denied some sort of assistance to Cambodia.

J. W. Barr
Joseph W. Barr

March 21, 1967

MEMORANDUM OF CONVERSATION

Under Secretary Barr met with Senator Dirksen on March 20 and described the IDA proposal. He reminded Senator Dirksen that Mr. Woods had proposed to the membership of the Bank that IDA contributions be stepped up to \$1 billion a year level for the replenishment which will require authorizing legislation this year. Mr. Barr informed Senator Dirksen that we had taken the position that it was not possible to get this amount of money from the Congress and that it was also not possible to get this sort of contribution from the other developed nations.

Senator Dirksen said, "You are absolutely right. What figure would you suggest?" Mr. Barr replied that we had given Mr. Woods a tentative counterproposal of \$240 million as the U.S. share for FY 1969, \$320 million for FY 1970, \$400 million for FY 1971. Mr. Barr also informed Senator Dirksen that we were urging President Woods to reduce our present share of 41.6 percent to a level under 40 percent. Mr. Barr also described our proposals for offsetting the balance of payments impact. Senator Dirksen said that these proposals were crucially important to him and to Senator Symington. Mr. Barr said that he was aware of the Senators' concern and felt that the Bank would be much more cooperative because of the strong feelings that Senators Dirksen and Symington had expressed on the record.

Senator Dirksen concluded the interview by stating Mr. Barr could inform the President that he thought the program was "sale-able", the numbers were "in the ballpark", and that he was gratified that we were attempting to meet his express concern over the balance of payments impact of any U.S. contribution to IDA.

(signed) J. R. Barr

JWB:ms

CONVERSATION WITH MEMBERS OF THE SENATE
FOREIGN RELATIONS COMMITTEE

Chairman Fulbright enthusiastically endorsed the multi-lateral plan of IDA, the IADB, the Asian Bank, and was not concerned about the expenditure level. He reminded us that we must take care of Senator Symington's concern about balance of payments.

Senator Gore stated that he had always supported these institutions in the past. He believes strongly in the multi-lateral approach to development problems. He was concerned that additional commitments would be hard to vote for while domestic expenditures were under severe restraint. He also warned us about the balance of payments argument advanced by Senator Symington. He concluded by stating that he would probably support some level of commitment.

Senator Sparkman enthusiastically supported all three proposals. He was especially warm in his approval of the Asian Bank as he had put forward the same suggestion as early as 1957. He again mentioned Senator Symington and the balance of payments.

Senator Carlson indicated a somewhat neutral attitude, but had no strong opposition. He was especially attracted to the proposals to emphasize agricultural development that ran through the new discussions in IDA, IADB, and the Asian Bank. He gave me a copy of an "international extension service" concept for an international system of county agents which he had recently developed. It seems eminently sensible to me and I have forwarded it to our people for appropriate consideration. He also mentioned his concern over balance of payments and indicated that he wanted to question

Secretary Fowler closely on this subject when we come up before the Finance Committee on the Interest Equalization Tax.

Senator Lausche could not be described as enthusiastic,

but here again he liked the multilateral approach but was

concerned about the level of expenditures. He also mentioned

the balance of payments question, and was dubious whether the "

"TRYING" ~~"trying"~~ procedures were as effective as we often indicated.

Senator Williams (Delaware). As he always does, ~~he~~

refused to speculate until he had had an opportunity to review

a paper that he requested from us. In a subsequent private

conversation with me, he indicated that he liked the concept

of multilateral aid, he worried about the expenditure level,

and he again raised the balance of payments issue.

Senator Hickenlooper was well-informed and sympathetic on

the concept of multilateral assistance. He would like to

reduce our share, but appreciates the fact that this is one way of getting some degree of burden-sharing from the rest of the world. Senator Hickenlooper echoed Senator Carlson's comments on the importance of emphasizing agricultural development and he seemed pleased that the institutions in question were moving in this direction. He expressed reservations about the expenditure level proposed.

Senator Aiken is an enthusiastic supporter of all three institutions -- especially the Asian Bank. He raised the question why American firms were not attempting to expand ~~and~~ their trade more vigorously in Asia and insisted that we could get our Asian Bank contribution back in no time if American industry spent more effort in Asia. He liked the concept of moving the Mekong development operation into the Asian Bank because he was disturbed about the denial of

assistance on the Cambodian dam. He is especially enthusiastic about economic integration of Latin America and believes that the Latin American issue is the most important issue of the three.

Senator McCarthy is an enthusiastic supporter of multi-lateral assistance. He is not concerned about the expenditure level, he is not concerned about balance of payments impact, and insists that we should sell all our gold to anyone stupid enough to buy it. He asked if the President were taking any Members of Congress along on the Latin American Summit Conference. I replied that I did not know but would indicate his interest to the White House.

Senator Clark enthusiastically supports all three institutions. He is not concerned about the expenditure level, but insisted that we establish balance of payments safeguards on the IDA contribution.

He intends to introduce a companion bill to the Reuss measure asking for 400 million a year x

Senator Symington. Under Secretary Katzenbach accompanied me on this appointment and Senator Symington raised hell for about an hour. He is terribly concerned about the balance of payments posture of the United States. He insists that we are grievously overextended and at the mercy of our European creditors. He is equally concerned about the level of our domestic expenditures and an erosion of confidence in fixed income obligations (bonds and life insurance policies). We finally agreed that we would separate the two issues and that I would send to Senator Symington the proposals that we had developed to guard the United States against an adverse impact from our IDA commitments. I informed him that we had spent months formulating and debating these proposals because ^{we} were aware of his concern. I informed him that in my opinion we had gone a long way to meeting his objections and that he

should get impartial judgments on our proposals and the validity of our contention that they nearly extinguished balance of payments danger. He did admit that this is the only way that he knew to get the rest of the developed world to share this burden with us. He was especially bitter about our European troop commitments; insisted that Mr. McCloy was not impartial; he insisted that we were left holding the bag all over the world -- Europe, Taiwan, Korea, and now Southeast Asia. Although Senator Symington was quite worked up, he was fully aware of the fact that we respect his opinion; we share his concern over balance of payments; but that we believe that we can meet his objections and hopefully demonstrate that we can afford this commitment level. We broke up on a very friendly note.

Senator Cooper endorses the multilateral aid principle.

He^{is} especially enthusiastic about the Asian Bank. Because of his experience as Ambassador to India he is very sympathetic with the efforts IDA is making in India and Pakistan.

Senator Pell also is well-informed and highly approving of the manner in which the international financial institutions operate. He believes that the proposed expenditure level is feasible. He also mentioned the balance of payments objections sure to be raised by Senator Symington.

I'll see Senators Church, etc. the early part of next week.

March 21, 1967

MEMORANDUM OF CONVERSATION

Secretary Fowler, Under Secretary Katzenbach, and Under Secretary Barr visited with Senator Morse on the International Development Association replenishment on March 10. Secretary Fowler opened the conversation by telling Senator Morse that he was quite well aware of the objections which the Senator voiced at the time of the last IDA replenishment and his concern over the operations of the international financial institutions.

Secretary Fowler informed Senator Morse that since April 1965, when he took office as Secretary of the Treasury, he had been working in an attempt to meet the objections which Senator Morse had raised -- especially in the area of balance of payments impact.

Senator Morse remarked that he is aware of the effort that the Secretary had made; he knew of the difficulties the Secretary faced; but that because of these efforts he now felt that there was a good chance for a meeting of the minds in the Senate Foreign Relations Committee.

Secretary Fowler explained the IDA proposal in general terms, and Senator Morse gave the distinct impression that he could support this program.

(Signed) J. W. Barr

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MEMORANDUM OF CONVERSATION

Speaker McCormack

The Speaker warned that this international financial legislation is always difficult and reminded me of the IDA re-committal in 1964. He insisted that we should have significant Republican help but also indicated that he felt it was possible.

Chairman Patman

Under Secretary Barr discussed IDA, IADB, and the Asian Bank with Chairman Patman. The Chairman indicated that his interests were not in this international area and that he would be governed by the recommendations of the subcommittee headed by Mr. Reuss.

March 23, 1967

Memorandum of Conversation with Congressman Gerald Ford

March 15, 1967

Under Secretary Barr and Mr. Livingston Merchant visited with Congressman Ford on March 15 to discuss IDA. Mr. Barr explained the general program to Congressman Ford, emphasizing that this had been a Republican program which had been extremely well-administered. Congressman Ford indicated that he knew and understood the history of the program; that he sympathized with the objectives; but that he hoped the U.S. share could be cut back even further. He was reluctant to commit himself to a precise series of numbers but said that the numbers we are talking about did not sound unreasonable if the U.S. share could be cut and if he could be assured of balance of payments safeguards.

Joseph W. Barr



THE UNDER SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

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March 2, 1967

MEMORANDUM OF CONVERSATIONS

February 27, 1967

Congressman Widnall

(House Banking and Currency Committee):

Mr. Widnall raised relatively few questions, but did indicate his view that the U.S. contribution to the ADB should be in proportion to its share of convertible currencies -- which would give a share of about 30%. He said that any increased authorization for IDA, IADB or ADB would be difficult to obtain this year in view of the make-up of the House, although he did not think this would be a partisan problem. He said he would help in every way that he possibly could.

Mr. Orman Fink

(Minority Staff Member,
House Banking and Currency Committee):

Mr. Fink said that he wished to obtain more information as to IDA's distribution of funds in its past loans. He thought that the Committee would carefully scrutinize any request for an increased authorization for foreign lending in view of the budget reductions on some of the popular domestic programs. He was pleased that IDA and IADB would not require appropriations until 1969. He said that Mr. Black probably would be closely questioned about the agricultural program for the ADB.

Joseph W. Barr

March 2, 1967

MEMORANDUM TO THE UNDER SECRETARY:

From: Joseph L. Spilman ✓
Samuel M. Jones

The following is a summary of our contacts with Members of the House Banking and Currency Committee concerning the proposal for IDA. Generally, the Members contacted are in favor of the \$600 million-\$800 million-\$1 billion proposal and they had not been upset by the fact that we are suggesting an appropriation increase for FY 1969 which is more than 100 per cent greater than FY 1967 and FY 1968.

1. Multer. No problem at all; always has supported the programs.
2. Barrett. No problem at all.
3. Sullivan. Her only concern is for expenditures at a time when we are cutting back elsewhere; glad that appropriations are not required until FY 1969 for IDA and IADB.
4. Stephens. Generally noncommittal on what he thought should be the U.S. commitment to IDA. He was not shocked by the figures (more than 100 per cent increase) but feels that it would be difficult to get passed if the President continues to pursue the tax bill and if the President continues to say nothing about the need for economy. He also thinks we will need to justify the expenditure, presumably by demonstrating the success of existing projects.
5. Gonzalez. Said that he is 100 per cent for the figures I gave him, the size of which did not shock him; said that we will have to substantiate the expenditures with the Congress.
6. Minish. Will support the program.
7. Rees. Prefers multilateral extensions of credit as opposed to foreign aid and is 100 per cent for the maximum \$1 billion figure cited.
8. Bevill. Would not commit himself and I did not ask him for any indication of his feelings since he is a freshman.

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	
Surname						
Initials						

9. Widnall. Raised few questions but expressed the thought that an increased authorization in any area would be most difficult this year in view of the make-up of the House. He did not think that IDA, IADB or the ADB would raise any partisan problem. He promised to help in every way that he possibly could.

10. Brock. His only concern is expenditures this year; will try to be charitable, however; generally favors the program.

11. Clawson. Dislikes foreign aid and to a lesser extent, soft loans, although he seems to fully understand IDA and its relationship with the World Bank. Notwithstanding his general opposition, he said he is somewhat open-minded, wants to be convinced and would thoroughly examine IDA's programs and needs.

12. Johnson. No trouble at all with IDA or IADB; wants it to be clear that the ADB appropriation is a loan and not a giveaway.

13. Brown, Gary. Freshman; is not ready to commit himself completely but when in Michigan State Senate was always a supporter of legislation to stimulate exports; feels that this type of legislation (IDA, IADB, ADB) will help to stimulate exports.

14. Moorhead. Sees no problem with the dollar amount requested but believes that it is most important that we reduce the percentage of our commitment, if only by 1 or 2 per cent; said that he could not stress the importance of reducing the percentage to the 30 per cent range enough.

15. Lloyd. No preconceived notion in this area, generally prefers the multilateral approach and sees no reason why he could not support this type of legislation, although he would like to take a look at the type of loans that the agencies make.

16. Bingham. (per AA) Is all in favor of increased IDA replenishment and the numbers of \$240 million, \$320 million and \$400 million are satisfactory to him; we can count fully on his support all the way down the line.

17. Fino. Would not commit himself but wants the bank to show in hearings (1) that loss experience has been low on previous loans; (2) solid accomplishments to date; and (3) that U.S. money is engendering self-help.

Supports the idea of multilateral lending; against foreign aid on the part of the U.S. and generally supports redirecting our efforts to international lending agencies, such as IDA.

Is my judgment that he will not impede the legislation and will go along with the majority.

18. Annunzio. He said " he will support the maximum, why don't we try it."

19. Ashley. Only Member contacted thus far who has focused on the percentage increase over FY 1968, but thinks \$240 million for FY 1969, with the subsequent yearly increases, may be "feasible."

20. Kyros. Multilateral approach to foreign aid appeals to him; sees no objection to our plans with regard to IDA, IADB and ADB; wants to be more thoroughly briefed on their activities.

21. Halpern. Shouldn't be a partisan issue on any of these items; thinks we should be well briefed for questions on the floor pointing out the benefits of this type of foreign aid; thinks there will be no trouble in the Committee on any of the items but expects H.R. Gross and those of his philosophy to take their typical attitude.

22. Wylie. General briefing; no commitment sought.

23. Blackburn. General briefing; generally opposed to foreign aid and will look at multilateral extension of credit carefully.

24. Hanna. He is very much in favor of multilateral extension of credit, but he thinks it needs substantiation. He is concerned about the tentative amounts we are requesting because of (1) the cost of Viet Nam, and (2) our deficit. But for these, he does not think we would have any trouble obtaining the maximums. He emphasized that the percentage of our participation in IDA must not increase and it would be very helpful if it decreased.

25. Stanton. Although he said he was generally in favor of the extension of multilateral credit, he remained extremely noncommittal on IDA.

26. Gettys. Although he continually is opposed to foreign aid, he thinks that the multilateral approach offers the best solution since it means that other countries will be forced to contribute to the development of the less developed countries. He doesn't see any real problems as long as we present a case for the need of legislation and emphasize the fact that in these programs there is reasonable expectation of repayment of the loans to the lending agency.

We have completed contacting the Banking and Currency Committee, except for Congressmen Galifianakis, St. Germain, and Williams of Pennsylvania, who are out of town.

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-374
By ju, NARA, Date 1-29-93

Pres file

~~SECRET~~

Wednesday, March 29, 1967
5:45 p. m.

Mr. President:

Herewith Lodge's weekly telegram -- mainly a political analysis. The most interesting item is on page 9: for the fourth week running the Chieu Hoi total is over 1,000 -- this time an all-time high of 1,198. This is getting interesting.

Also, on page 10 there is a decline in the price of rice and the retail price index in Saigon.

W. W. Rostow

Saigon 21592

~~SECRET~~

43a

~~SECRET/NODIS~~

Wednesday, March 29, 1967

FOR THE PRESIDENT FROM LODGE (Saigon, 21592)

Herewith my weekly telegram:

A. Guam Aftermath

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-376
By ing NARA. Date 4-6-92

Following are excerpts from generally favorable Vietnamese press comment on the Guam meeting:

A. "From Thoi Luan (The Commentator):

"Guam Conference

"The most important thing from our viewpoint is that the United States do not overlook our role in the Vietnam conflict... and the Vietnamese delegates are proud to sit at the (Guam) conference table to exchange views on the Vietnam situation. The stubborn Communists denounced the Guam Conference for its alleged purpose of escalating the war. In fact, they deliberately rejected any offer of negotiations and continued to infiltrate southward more men and ammunitions. There is then no choice but to oppose their aggression and their policy of conquest."

B. From Song (Life):

"Guam Conference and U.S. New Policy

"In the past days, the general consensus was that the Guam meeting might lead to another rung of the escalation ladder... On the other hand, the Viet Cong protested against another escalation move of the United States they attributed to the Conference... One may conclude that the situation is tense on both sides. Despite the fact that both Generals Ky and Thieu declared together at Guam they are ready to open negotiations with the Communists, and that President Johnson made clear U Thant's

~~SECRET/NODIS~~

latest proposal will be given full consideration, it is felt that only some faint rays of sun have appeared on the cloudy sky. Everybody expects the war to get fiercer than ever, and if this was true all the responsibility would rest on the Communists' shoulder."

Following are excerpts from the Chinese press:

A. Tan Van-Khoai Bao (Chinese Daily) terms the joint communique as "illustrative of the constant U.S. - Vietnamese determination and cooperative efforts towards the radical wiping out of the Communist North Vietnamese aggression." The Daily adds that "the proclamation of the Vietnamese Constitution has also been a matter of concern to the U.S. - Vietnamese leaders whose only wish is to see war-torn Vietnam step into the right path towards freedom and prosperity."

B. Luan Dan Mai, another Chinese Daily, asserts that "not only has the Guam meeting made momentous decisions on matters military, but heed has also been paid to the no less important pacification project."

The presence of Thieu and Ky and statements by major conference participants seem to have stemmed most of the pre-conference concern that the U.S. might engage in unilateral negotiations with Hanoi and the NLF to the detriment of South Vietnam. Some editorialists are hopeful that progress in the "other war" will speed up as a result of Guam.

Others are suspicious of the national reconciliation program and urge that there be no thought given to recognition of the NLF or formation of a coalition government, although Tu Do dissented and called the national reconciliation program "a bold move only a victor can afford."

B. Local Elections

The forthcoming village-hamlet elections in Vietnam will be a much more stringent test of the Government of Vietnam's ability to keep order than were the elections last September. Then

there was one election on one day and then all was over. The village-hamlet elections will be held in 961 villages and 4,578 hamlets with a total population of about 5,000,000 and will be spread over nine to ten weeks -- which greatly complicates the job of protecting the voter and the candidates.

Already, there are many threats to frighten people out of running. We think the risk is worth taking, partly because the Government of Vietnam also thinks so and partly because of our conviction that the war is not really won until durable local political institutions are created under which police and economic and social programs can be conducted -- institutions which are durable because there is momentum behind them, which makes them self-perpetuating, just as local government is in the United States. This is still the crux.

Preliminary reports indicate that there will be enough candidates in most areas to insure that the voter has a real choice. We estimate that the ratio of candidates to officers nation-wide will be more than 3 to 2. (If there are, for example, 18 or 19 candidates for a 12-member village council, the voter has a real choice.)

Most candidates are said to be respectable persons, of average educational level and ability. Women are said to make up about ten percent of the candidates in the field.

In the areas where the threat of Viet Cong terror is great, it is hard to find candidates. Officials sometimes have to "encourage" people to run in these places. On the other hand, where security is good, there are usually plenty of candidates volunteering with some enthusiasm.

We have reports of house-to-house visits by Viet Cong armed propagandists who promise violent reprisals against those who participate in the elections. Elected officials are in greater danger after the elections than before and during. One proposal is to train them in the use of firearms and issue weapons to them.

In some respects these elections could be as important as the coming Presidential election. In the villages and hamlets --

where Revolutionary Development will succeed or fail -- each voter will be getting the chance to participate directly in the choice of officials whom he will know and see frequently. The performance of those officials will have a direct and very observable effect on the voter's everyday life. Village councillors and village Hamlet Chiefs so elected should, in general, be more responsible to the desires of the voters than appointed officials have proved to be in the past. They may also have more authority when they deal with higher levels of government.

C. National Elections

Probably both Thieu and Ky would like to be the military candidate for President. Thieu was recently quoted in the official Vietnam press as saying, "If the people have confidence in me and the Army proposes me as a candidate for the Presidency, I will reflect on it and make a decision later, but never would I present my candidacy voluntarily." Ky is reliably reported to be actively seeking support in many places. He makes public appearances calculated to win support; for example, he presided several days ago over a ceremony granting ownership certificates to 200 drivers of the little three-wheel lambretta buses which are common here.

On the civilian side, it appears that Tan Van Huong's campaign is well underway. His campaign manager, former Minister of Youth Vo Long Trieu, is preparing speeches and position papers for Huong, trying to round up help from various factions, and planning to launch a newspaper in support of Huong's candidacy. Trieu hopes to put together a "front" composed of southern dissidents, southern Catholics, the movement for the renaissance of the South, central Dai Viets, and the "old school boys" organization now headed by retired General Tran Van Don.

Phan Khac Suu is also reported to be trying to put together a "front" of various factions. His running mate will almost certainly be Dr. Phan Quang Dan.

Thus, the field of Presidential candidates now appears to have three main choices: The military candidate; Huong; and Suu. Ha Thuc Ky and some others may also run for President, but this appears less and less likely.

As regards elections for the legislature, we have some reports that members of the People's Army Council may be putting together lists for the senatorial elections. There are a number of able and well-known people in the Council, most of them civilians. While they have sometimes taken the Government to task, they have for the most part cooperated in a very constructive way with the Directorate. Thus, it might be a good thing if they formed one or more lists to contest the senatorial elections.

It is worth noting that the Armed Forces Council has set elections for the Lower House only one month after the Presidential elections. It is only during this period, between the Presidential elections and the formation of a new legislature, that the Constitution vests the Constitutional Convention with full legislative powers. As this period is now to be only one month long -- and as many of the Deputies in the Constitutional Convention will want to run for the Lower House and so will be occupied with their own campaigns -- there is little likelihood that the Constitutional Convention will write much legislation other than that which it is specifically authorized to enact before the Presidential election, i. e., electoral laws, a press law, a political party law, and laws setting up the Inspectorate and the Supreme Court.

D. Constitution

Thieu and Ky met strong resistance to their efforts to secure Armed Forces Council approval of the Constitution. Many of the 47 top officers in that body objected to what they referred to as the "imbalance" between the branches of the government, meaning that they think the legislature is too powerful and the Executive not strong enough. They also were most reluctant to agree to the compromise on transitional provisions which Ky arranged just before coming to the Guam Conference.

I noted at Guam that the legislature has more power with regard to the Executive than the U. S. Congress has and that this could be a very effective argument at home in dispelling the talk about a military "dictatorship" in Saigon. Dictatorships are not made by increasing the power of the legislature. I came to Vietnam in the summer of '65 with the idea that the President should have the power to dissolve the legislature. I soon realized, however,

however, that the memory of the abuse of the police power by Nhu during the latter days of the Diem regime made such an all-powerful executive quite impossible. It ran so against the current state of feeling that it would have been imprudent to insist on it.

To their credit, Thieu and Ky stood together and argued down the opposition. Thieu in particular might have tried to further his own Presidential ambitions by catering to opponents of the Constitution, but did not do so. It required two votes -- the first one in the morning session going against military acceptance of the Constitution. After "some music and some drink" at lunch, and a great deal of hard reasoning by Thieu and Ky, the Council voted approval.

While a good case can be made that the President is not strong enough, I think a forceful President working with a reasonable majority in the legislature should have no great difficulty in governing the nation under this Constitution. The belief of other officers that so-called "civilian politicians" cannot be trusted to play any large role in running the nation has merit because these civilians are not real "politicians" as we understand the word, but survivors from conspiracies against the French and Diem.

That Thieu and Ky were able to overcome this resistance is a welcome sign of political responsibility and maturity among the top officers in the Vietnamese military establishment. It is also another welcome indication of their discipline and unity. It is significant that the Armed Forces Council coupled its acceptance of the Constitution with a formal statement of continuing support for the Directorate. Without the unity and discipline of the military, the relative political stability which has prevailed here for the past 21 months would not have occurred. I trust it will continue.

The official account of the March 27 meeting of the Armed Forces Council noted that the Constitution was rejected on the first ballot, and objections to the Constitution among the Council members were specified, particularly their objection

to "the fact that the Constituent Assembly will remain in office to assume legislative power." Thus, those who opposed the Constitution are on record. Moreover, they have, in effect, publicly put the Constitutional Convention on notice that it should tread lightly.

In a few days the Constitutional Convention will turn to the work of drafting an electoral law. Later it will write legislation governing political parties, a press law, and the laws setting up the Inspectorate and the Supreme Court. The Constitution does not specify the exact relationship between the Directorate and the Convention during this period. If the Directorate is not satisfied with the work of the Convention on this legislation, it may seek to amend the legislation by decree as was done with the work of the Electoral Law Drafting Committee. The Convention will certainly object to any such procedure. Thus, the good will and cooperation between the Government and the Convention which produced the Constitution may again be put to the test in the near future.

E. An Quang Buddhists

Precise intentions of the militant An Quang Buddhists regarding the elections are unclear, but it is certain that they desire the removal of the Ky Government. They are currently active in a variety of efforts to generate political unrest, using the desire for peace and the old charge that the Government is trying to destroy Buddhism as their major themes.

In Hue they recently tried to organize anti-Government strikes and demonstrations under the banner of the so-called Yellow Dragon Party. Lacking the military and civil servant support they had last year, they proved completely unable to generate any popular upheaval. There were no strikes or demonstrations, and local authorities say they can continue to handle the militants as long as they have support from the central authorities.

In Saigon the An Quang clique is now trying to use "peace" to regain some of their lost prestige and popular following. On March 4, they addressed letters to a number of world figures

calling for a cease-fire on the occasion of Buddha's birthday, May 23. If they succeed in getting such a cease-fire, they reportedly intend actually to try to put forward Tri Quang as a mediator. The An Quang group has also tried to provoke "anti-Buddhists" incidents by organizing religious marches without a permit.

So far the Government's policy of dealing firmly with illegal or violent acts while at the same time moving steadily toward Constitutional Government has effectively blunted the militant effort to revive the "struggle" movement. The Buddhists remain fragmented, with little or no ability to generate any mass support for an anti-Government campaign. Outlook, therefore, is that the militant An Quang group will take no part in the elections other than to denounce them as a fraud, while there is some reason to believe that the Tam Chau moderates will support Government-approved candidates.

F. U.S. Court Martial Jurisdiction

The newspaper Hoa Binh welcomed the Mission communique on U.S. jurisdiction. "The Americans in Vietnam have shown their goodwill in annulling Order 190-1 issued... on behalf of Ambassador Lodge and General Westmoreland... It proves the Americans have good sense and know where Vietnamese interest and American honor lie."

G. Rockets in Saigon?

The use for rockets by the Viet Cong introduces a new element because the rocket is just as easy to hide and as easy to move around as a mortar, and yet the damage is much greater. I do not believe that Saigon is "ringed" with rockets, as UPI says, but I do believe it is just as easy to hide them nearby and fire them into the city as has happened several times with mortars. If they do this, the casualties and the damage will be much greater. I continue to think that our biggest security in Saigon is the knowledge which the Viet Cong have that we can retaliate against the populated center of Hanoi.

H. Chieu Hoi

Chieu Hoi returnees for the week ending March 11 totaled 1,198, an all-time high. For the week ending March 18, the total was 1,004. These figures can be compared with the previous three weeks' totals: 616, 1,108, 1,168. Last year at this time, only 422 came in. The total to date this year is 8,559, an average of 778 per week. The 1967 total is also 42.2 percent of last year's total of 20,242. The returnees this week included 675 military personnel and 285 political cadre.

A recent report calculates that the average Chieu Hoi returnee has heard at least one Chiue Hoi loudspeaker appeal and has read a minimum of five leaflets. The leaflets are often quite effective, judging from returnee statements. Appealing to relatives has also been effective, according to this report. Another intelligence reports says Viet Cong Commanders sometimes refuse leave to areas where U. S. forces are in control for fear they may succumb to U. S. "espionage and psychological warfare." Still another report shows that a unit of the North Vietnam Army was exposed to four Allied leaflets when they were infiltrating into South Vietnam in the first half of 1966. A leaflet which showed a dead North Vietnam soldier on the Plei Me Battlefield and had a text which warned that others would meet the same fate effectively slowed the infiltration pace of this unit.

I. Vietnamese Killed

During the week ending March 18, the Viet Cong killed 83 Vietnamese civilians, wounded 128, and kidnapped 75. For the week ending March 25, the figures are 56 killed, 76 wounded, and 81 kidnapped. The dead for the past two weeks include three Hamlet Chiefs, 13 Revolutionary Development workers, seven police (including one District Police Chief), 7 Chieu Hoi returnees, and one village council candidate.

The number of Viet Cong killed set two successive records in the past two weeks. Last week the figure was 2,709; this week it was 2,774.

J. Economic

Since March 10, rice prices have steadily declined. With this decline plus a supply of frozen pork which was put on the market March 20, the Retail Price Index has dropped to 261. This can be compared with last week's all-time high of 284 and the pre-TET high of 276. However, it is still up three percent over the level of one month ago.

During the same period, prices of imports rose. The USAID Index for imports now stands at 226. This compares with 221 last week and 213 the week before last.

The capable and well-known Governor of the National Bank, Nguyen Huu Hanh, was sworn in as Minister of Economy and Finance on March 18. He brought with him as his Deputy Pham Kim Ngoc; we also understand that Luu Van Tinh will, in effect, be supervising fiscal policy under Hanh. This new team should improve the management of economic affairs.

Under an agreement signed March 19, the U. S. agreed to finance the importation of 330,000 tons of fertilizer with an approximate value of \$40 million to meet requirements through February 28, 1968. The sole Government of Vietnam-designated importer will sell fertilizer wholesale to any distributor, FOB port terminal warehouse, on an equal basis as to price, credit and delivery terms. The wholesale price of urea will be 9 piasters per kilo until September 1; and retail price will be 11 piasters. After September 1, when fertilizer supplies are expected to be more plentiful, the retail prices will be subject to free market competition. USAID will continue to support refugee and new life development projects with fertilizer on a grant basis not exceeding 2.5 million dollars in value.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-374
By ju, NARA, Date 1-29-93

44
To Pres file

CONFIDENTIAL

March 29, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Route Amendment in US-USSR Air Agreement

The Department of State and other interested agencies would like to offer the Soviet Union an amendment of our Civil Air Agreement to allow Pan American and Aeroflot to pick up passengers in Western Europe en route between New York and Moscow. Our purpose is to enable Pan American to maintain a profitable service, as the non-stop New York-Moscow run may not have enough traffic. This intermediate stop would be helpful, but not essential, as Pan American is willing to operate a non-stop service and take its chances on the profits.

The only possible drawback anyone can think of is this: If we agree with the Soviets for an intermediate stop in Amsterdam or Paris, the Soviets would then turn to the Dutch or French to get their agreement to land. In such negotiations, the Soviets might conceivably ask for a package which would also include transit rights to Cuba. In this way our amendment might conceivably have the effect of touching off a process of negotiation which could produce an undesirable result. The experts believe, however, that our actions in this regard will have only a very marginal effect one way or another on the Cuban possibility. Therefore they believe we should go ahead.

I recommend you authorize the State Department to proceed with negotiations for a route amendment.

W. W. Rostow

Approved _____

Disapproved _____

Speak to me _____

WWR:ND:gg

CONFIDENTIAL

Chow

CONFIDENTIAL

Wednesday, March 29, 1967
5:40 p. m.

Mr. President:

Herewith Al Jenkins comments on some of the deeper consequences of the Red Guard period -- and its failure -- on the Chinese Communist educational system and the long-run attitudes of the youth.

W. W. Rostow

CONFIDENTIAL

DECLASSIFIED

Authority 7809 85-261

By ag/ing NARA, Date 4/19/91

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

452
March 29, 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Youth and the Educational System in Communist China

China is having trouble with its educational system. Many teachers who were targets of the Cultural Revolution are not returning to their classrooms, because of fear of further trouble and because of the inroads on their authority made by previous humiliations. Reports from some areas indicate that many students are also reluctant to return to work after a year's vacation and the excitements of travel and revolutionary struggle.

Older students are worried because there are still no job assignments for them. There are simply not enough jobs appropriate to their training. Students fear that many of them face the prospect of being sent to farms in the rugged Northwest or a fate equally horrendous.

As in other fields, directives from the leadership are contradictory. On the one hand students are cautioned that their attitude toward teachers in schools must be "correct," and, on the other, they are told that struggle must continue until domination of schools by "bourgeois intellectuals" is brought to an end.

The new educational curriculum is probably one of the subjects of discussion and controversy at the Central Committee working meeting believed to be going on in Peking now. The educational system is to be changed into one "suitable to Mao Tse-tung's thought." Terms of education are to be shortened, both content and teaching methods are to be altered, and, particularly, Western influences eradicated. The means of accomplishing this have not yet been announced. Meanwhile, military training and political indoctrination appear to occupy the students' time.

There is certain to be widespread disappointment and resentment among students that they were first egged on to excesses in the Cultural Revolution and are now blamed for those excesses. For the first decade of the regime many students probably had credible expectations that they would play a major role in the anticipated great march of an expanding new China. Their longer term hopes have not been adequately realized, and the letdown from the recent exuberant period of Red Guard ascendancy must leave them frustrated and wondering.

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Authority 714 85-261
By sp/imp, NARA, Date 4-19-91

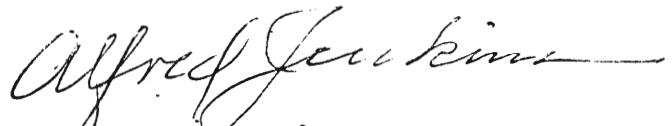
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In addition to the generalized malaise of the generation gap, the vascillating and conflicting orders from above, and worries about future job prospects, students have learned as a result of the Cultural Revolution some interesting lessons about the nature of authority in their country. They have learned that it is, in fact, possible to pull down first secretaries, kick out mayors and humiliate school authorities. And they are probably attempting to digest the significance of the assertions that so much of what has been done in the name of authority over the past 17 years has not been right.

They have learned some revelatory economic lessons, too. An estimated 50 million students travelled extensively throughout the country for eight months. These travels have shown rural youths that the cities live far better than the countryside and that, specifically, the families of workers in industry fare much better than the families of farmers. Many of them witnessed at first hand the spontaneous spread of "economism" (material incentives), and some were the temporary beneficiaries of this phenomenon.

At long last even Madame Mao has joined Chou En-lai in asking the Red Guards to be more orderly. This puts a finishing touch on the revolution's Halfway House halt. Chinese youth are certain to be heard from again. It is far less certain that when they next move it will be in the direction recently pointed by the Mao-Lin faction. For now, they are confused and divided.


Alfred Jenkins

cc: Mr. Jorden
Mr. Ropa

CONFIDENTIAL

45

Pres file

Wednesday, March 29, 1967 -- 9:40 a.m.

Mr. President:

The note I sent you about going to the Ranch related to the possibility you suggested for last week end.

Elsbeth and I are pleased to join the Latin American party this coming week end.

W. W. Rostow

WWRostow:rlh

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-374
By fw, NARA, Date 1-29-93

47

For file

~~SECRET~~

Wednesday, March 29, 1967 - 9:10 a.m.

Mr. President:

Following is Lodge's answer to your request that they play it cool about unmade decisions.

"Eyes only the President.

"We will, of course, continue to play it cool and discourage all speculation.

"Nothing could be more important than for you to be able quietly and thoughtfully to deliberate. I shall do everything possible to that end."

W. W. Rostow

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48

Meeting With the President
5:00 p.m., Wednesday, March 29, 1967

AGENDA

1. Lodge's 21226. The President

The thought foremost in Lodge's mind, as he prepares to leave, is the need to turn the Vietnamese forces into "a first-class counter-guerrilla force." He believes Abrams is the man to do the job.

2. CIA Report. Sec. Rusk

Sec. Rusk has some observations he wants to make on this occasion.

3. The Barrier. Sec. Rusk and Sec. McNamara

Sec. Rusk wishes that you be informed as we move forward on this project.

4. Non-Proliferation. Sec. Rusk

Situation report on consultations.

5. ABM Negotiations. Sec. Rusk

Sec. McNamara thought a situation report would be useful.

6. NATO Nuclear Committee. Sec. McNamara

Sec. McNamara wishes to report forthcoming meeting in Washington, which will center on the role of host country veto over the use of nuclear weapons.

7. Educational Projects in the Philippines. Sec. Rusk

If Marcos is to have classrooms and text books available for the fall term, we must move promptly.

8. Staff Work on Cease Fire. W. W. Rostow

I should like to underline the need for us to work systematically with the Vietnamese to be seriously prepared for cease-fire negotiations should, by any small chance, the other side respond. The issues are complex. They intimately involve the military. They also intimately involve the Vietnamese. I do not believe we can afford simply to count on Hanoi's unwillingness to negotiate.

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DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 109, NARA, Date 4-23-91

~~SECRET~~

-2-

9. Latin American Strategy: The Senate. The President

101 India-Pak Military Policy. Sec. Rusk

I believe Sec. Rusk is ready to present his proposals.

11. Other.

W. W. Rostow

WWRostow:rlh

~~SECRET~~

49

Pres file

~~CONFIDENTIAL~~

Wednesday, March 29, 1967
5:40 p.m.

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Herewith Al Jenkins comments on some of the deeper consequences of the Red Guard period -- and its failure -- on the Chinese Communist educational system and the long-run attitudes of the youth.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED

Authority MLG 85-261
By ag/ep, NARA, Date 4-19-91

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

March 29, 1967

MEMORANDUM FOR MR. ROSTOW

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Authority 749 85-261
By 18/1p, NARA, Date 4-19-91

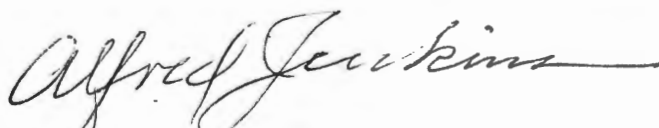
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In addition to the generalized malaise of the generation gap, the vascillating and conflicting orders from above, and worries about future job prospects, students have learned as a result of the Cultural Revolution some interesting lessons about the nature of authority in their country. They have learned that it is, in fact, possible to pull down first secretaries, kick out mayors and humiliate school authorities. And they are probably attempting to digest the significance of the assertions that so much of what has been done in the name of authority over the past 17 years has not been right.

They have learned some revelatory economic lessons, too. An estimated 50 million students travelled extensively throughout the country for eight months. These travels have shown rural youths that the cities live far better than the countryside and that, specifically, the families of workers in industry fare much better than the families of farmers. Many of them witnessed at first hand the spontaneous spread of "economism" (material incentives), and some were the temporary beneficiaries of this phenomenon.

At long last even Madame Mao has joined Chou En-lai in asking the Red Guards to be more orderly. This puts a finishing touch on the revolution's Halfway House halt. Chinese youth are certain to be heard from again. It is far less certain that when they next move it will be in the direction recently pointed by the Mao-Lin faction. For now, they are confused and divided.


Alfred Jenkins

cc: Mr. Jorden
Mr. Ropa

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