

WWR
~~1 copy~~
2 Pres file

Thursday, May 18, 1967

MEMORANDUM FOR THE PRESIDENT

The State Department has been holding informal discussions with the Italians about a broad agreement for cooperation in scientific activities. The Italians started the talks because they are interested in strengthening their bilateral relationships with us on these matters and we have responded because of certain attractions we can see in having a broad "umbrella" agreement with them that would serve both scientific and foreign policy purposes.

Last November Professor Vincenzo Caglioti, the President of the National Research Council of Italy, and some of his associates visited Washington and a specific draft agreement was discussed. However, it was agreed that signing should be deferred until specific projects could also be announced.

Several collaborative projects are now ready for initiation and final preparations are being made to conclude the agreement. Present planning is for an agreement to be signed in Washington early in June with the Under Secretary of State and Dr. Hornig signing for the U. S., and Leopoldo Rubinacci, the Italian Minister for Coordination of Science and Technology, signing for Italy. It is also contemplated that certain members of Congress will be participating in the signing ceremony.

This sort of "umbrella" agreement, not restricted to specific fields of science nor to specific agencies or institutions, represents for the U. S. an innovation in the conduct of international science relations. Copies are enclosed of the draft agreement and the guidelines developed for the Executive Agency that will coordinate this program on the U. S. side (it is intended that the National Science Foundation serve as the U. S. Executive Agency). Both the draft agreement and the guidelines have been favorably reviewed by the Federal Council for Science and Technology.

Because of your strong interest in maximizing international cooperation in scientific matters, the State Department would like to determine the extent of your interest in associating the White House with the signature of this agreement. In view of the fact that this may be the first of a number of

similar agreements to be signed with other countries, and the current demands on your time, I recommend that the ceremony not be held at the White House but that an appropriate Presidential greeting to the signers might be prepared for release at the ceremony at the State Department.

W. W. Rostow

Approve



5/23/67

Disapprove

See me

An Agreement for a Cooperative
Program in Science
Between the United States of America
and Italy

The Government of the United States of America and the Government of Italy recognize that cooperation and collaboration among scientists of their respective countries will advance to their mutual benefit the state of science in their two countries, that such cooperation and collaboration serves to advance the frontiers of science on a world wide basis to the general benefit of mankind, and that such cooperation and collaboration promotes and strengthens the bonds of friendship and understanding between the individuals concerned and the peoples of the two countries.

In the interests of the benefits accruing to their countries and to mankind generally, the Government of the United States of America and the Government of Italy agree as follows:

1. The two Governments will undertake a broad program of scientific cooperation for peaceful purposes.
2. The aim of the program will be to encourage cooperation between the scientists of the two countries and to provide additional opportunities for them to exchange ideas,

skills and techniques, to attack problems of particular mutual interest, to work together in unique environments and to utilize special facilities.

3. The cooperative program may include, to the extent the parties agree thereon, the following types of activities: exchange of scientists, pursuit of joint research projects and consultation or convening of joint seminars to exchange information and to discuss and plan cooperative efforts. Each activity under this program will involve participation by scientists of both countries and will require approval by appropriate agencies of both Governments.

4. The two Governments will seek, as occasion and opportunity permit, to place on a multilateral basis the scientific cooperation envisaged by this agreement. In addition, the two Governments will undertake to promote participation by agencies or scientists of other countries wherever appropriate in the projects initiated under this Agreement.

5. Each Government will designate an "Executive Agency" which shall be responsible for coordinating the implementation of its side of the program. For the Government of the United

States, this agency shall be the National Science Foundation, and for the Government of Italy, this agency shall be _____. These agencies will work closely together on carrying out this program.

6. The Executive Agency on each side will insure that detailed arrangements for any joint activities conducted under this program will be made by the agencies most directly involved.

7. Each Government shall normally bear the costs of discharging its respective responsibilities under this Agreement, including the costs of its participating scientists; in exceptional cases the costs shall be borne as may be mutually agreed in an arrangement made for a particular joint activity.

8. Scientific information derived from the cooperative activities undertaken under this Agreement shall be made available to the world scientific community through customary channels and in accordance with the normal procedures of the participating agencies.

9. The obligations of the two Governments under the Agreement shall be subject to the availability of appropriated funds.

10. The two Governments shall jointly review the program of cooperation from time to time as may be mutually agreed.

11. Nothing in this Agreement shall be construed to prejudice other arrangements for scientific cooperation between the two countries.

12. This Agreement shall enter into force upon signature and shall remain in force for five years unless extended by mutual agreement.

November 19, 1966

936

GUIDELINES FOR THE EXECUTIVE AGENCY
FOR THE U.S.-ITALY PROGRAM

1. The Executive Agency serves as the U.S. coordinator for implementation of the U.S.-Italy program of scientific cooperation, subject to the foreign policy guidance of the Department of State. It cooperates with all Federal agencies participating in the program as described in more detail below.
2. The Executive Agency is the channel of communication with its Italian counterpart (designated by the Government of Italy) concerning scientific and administrative aspects of the program and the establishment of individual cooperative arrangements within the program. Communications of a formal, government-to-government nature will continue to be handled through normal diplomatic channels.
3. It is intended that this program will not substitute for existing and future associations and relationships (e.g., in atomic energy, space, and biomedical research) between agencies and scientists of the two countries for the development and execution of cooperative scientific projects. The Executive Agency will encourage the development of such associations and of an environment that promotes further cooperative ventures.
4. The program is based on the understanding that both sides must approve any cooperative arrangements to be made within it. The Executive Agency acts for the U.S. in approving proposed projects. In the case of projects requiring implementation or funding by other U.S. Government agencies, arrangements with the Italian executive agency will be made in coordination with the U.S. agencies most directly concerned. The inclusion of any project in the program will require concurrence of the Executive Agency, and the implementing and funding agencies.
5. The Executive Agency encourages other agencies and scientists outside the government to develop proposals for appropriate cooperative activities, and may itself initiate ideas for such activities.
6. The Executive Agency is responsible for ensuring that each proposal for a cooperative arrangement receives appropriate review on the U.S. side, including consideration of scientific merit, feasibility, funding and appropriateness of the activity for inclusion within the program and appropriateness to the agencies concerned. Review shall be carried out by the Executive Agency and by other U.S. agencies, as appropriate, at the request of the Executive Agency.

7. Arrangements with their Italian counterparts for specific projects under the program will be made by the U.S. implementing and funding agencies. Each activity, once established as a part of the program, shall be monitored by the Executive Agency to assure that it is being carried forward in conformity with the spirit of the program as a whole. However, the implementing and funding agencies shall administer the projects in accordance with their normal procedures, augmented by such reports as may be required by the Executive Agency.
8. The Executive Agency is expected to keep abreast of other U.S. Government scientific activities with Italy, in view of their possible bearing on this program.
9. The Executive Agency shall prepare at least annually a report on all activities within the program evaluating its progress and prospects, and should circulate it to all interested U.S. agencies.

Approved at the January 31, 1967 Meeting of the Federal Council for Science and Technology.

Thursday, May 18, 1967

Mr. President:

Sec. Rusk informs me that Sen. Aiken would like very much not to go to Canada again. He has just returned from EXPO 67.

Sec. Rusk suggests Sen. Hickenlooper as an alternative.

Sec. Rusk has just informed me that Sen. Sparkman accepts.

W. W. Rostow

Sen. Hickenlooper ✓

Other _____

See me _____

5/18/67
yes, that's good
I'd rather Aiken
not go - That's
better
LBJ - ASDR
11:30 AM
5/18/67

WWRostow:rlh

205
1-2-
May 18, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Departure Telegram to Vice President Yen

Attached is a suggested telegram from you to Vice President Yen upon his departure from the United States.

In addition to usual pleasantries, it states your feeling that talks during his visit were most useful.

I recommend that you approve this message.

W. W. Rostow

Approve _____

Disapprove _____

See me _____

UNCLASSIFIED

PRIORITY -- TO BE SENT AFTER 12:01 AM MAY 25

His Excellency Yen Chia-kan
Vice President and Prime Minister
of the Republic of China
% U.S. Chief of Protocol
Royal Hawaiian Hotel
Honolulu, Hawaii

(Deliver by 7:00 a.m. May 25 Honolulu Time)

Dear Mr. Vice President:

As you leave our country, Mrs. Johnson and I send with you and Mrs. Yen our hope that you have had a rewarding stay in the United States and our wish that you have a safe and enjoyable homeward journey.

I feel that our talks were most useful. They contributed to a deeper understanding of the problems our countries face together. I believe also that they showed ways in which we can strengthen our cooperation in working toward peace.

We are delighted that you were able to visit America these past weeks and are especially pleased to have met with you personally in Washington.

On your return to Taipei, please convey our warm good wishes to President Chiang Kai-shek and Madame Chiang.

Lyndon B. Johnson

END

Thursday, May 18, 1967

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Suggested Reply to President Chiang

Attached is a suggested letter from you to President Chiang Kai-shek, in answer to Chiang's letter delivered to you by Vice President Yen. It expresses your appreciation for the opportunity to consult with Yen, sends your best wishes and expresses your thanks for the gifts to you and Mrs. Johnson from President and Madame Chiang.

I recommend that you sign the letter.

W. W. Rostow

AJenkins:mm

Dear Mr. President:

Thank you very much for your letter which Vice President Yen delivered to me.

I greatly appreciated the opportunity to consult with Vice President Yen during his visit to Washington. I was especially pleased to be able to hear directly from him your thoughts on the situation on the Chinese mainland. As you note in your letter, current developments on the mainland will have an important bearing on the future of Asia, and it is very desirable that our governments continue to exchange views on the subject at the highest level.

Vice President Yen will bring you in person my warm best wishes, but I take this opportunity to tell you again of the high value I place on our friendship and on our continuing to work together as friends for our countries' common goals.

It was very kind of you and Madame Chiang to send with the Vice President the gifts for Mrs. Johnson and me. Mrs. Johnson is delighted to have the beautiful jade bottle, and both of us will always treasure the handsome pair of antique equestrian statues.

Sincerely,

His Excellency
Chiang Kai-shek
President of the Republic of China
Taipei

LBJ:AJenkins:mm:5/18/67

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-19

By WJ, NARA, Date 7-26-94

~~CONFIDENTIAL~~

Thursday - May 18, 1967

97
Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Appointment with Jorge Frei Tomorrow

Jorge Frei is dropping in to see you at your invitation. The visit is a courtesy to him and President Frei.

Young Frei is in the United States under the sponsorship of "Operation Amigo". This is a private program, backed by the Copley, Knight and Scripps Howard newspapers and headquartered in Miami, Florida. The program -- which has been in operation for five years -- is designed to bring young Latin Americans to spend 2-3 weeks in the United States and to send young Americans to Latin America.

Frei is a second year chemistry student at the Catholic University of Chile. I understand that he does not share his father's interest in politics, and tends to be quiet and retiring. Ralph Dungan characterizes him as bright but unsure of himself and still looking for his niche in life. He does not speak English, but we will provide an interpreter (Don Barnes).

In your talk you might:

- Express your pleasure at meeting his father in Punta del Este and his younger brother.
- Mention that you had hoped that Lynda Bird -- who was in Chile last week -- could have talked with him, but she is out of town.
- Ask about his trip around the United States and his impressions.
- Refer to his special interest in soccer and the fact that this spring a National Professional Soccer League has been formed in the US for the first time with many players from Latin America.
- Mention your understanding that his father will probably not be able to make his postponed trip to Washington until the fall and express the hope that he will do so then.

~~CONFIDENTIAL~~

If you get into the political arena, a message worth getting across to him which he could carry back to his father is:

- Your interest in the success of President Frei's economic and social program and your understanding of the political difficulties he runs into from the Right and Left in trying to carry it out.
- The importance of moving forward with the progressive program regardless of party lines and the need to build a broad consensus around the program.

W. W. Rostow

~~CONFIDENTIAL~~

Thursday, May 18, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Farewell Call by Japanese Ambassador

Japanese Ambassador Ryuji Takeuchi (TAH-KAY-OO-CHEE) leaves for Japan May 25 following his service here since 1963. The State Department has recommended that you agree to receive him for a farewell call. They believe he has been most effective in contributing to good relations between the United States and Japan, and that he will continue to be a positive influence in this regard though he will be retiring from the Foreign Service.

I would add that this gesture would be a sign of our regard for the Japanese and for Japan as the strongest non-communist nation in Asia. It would be a useful thing to do if you can spare the time, which need not be long.

The Ambassador will be in Washington from May 20 until his departure on the 25th. I would suggest the 22nd or 23rd.

Biographic data are attached.

W. W. Rostow

Att.

Arrange appointment _____

No appointment _____

See me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 41-470
By 06, NARA, Date 7-24-95

~~CONFIDENTIAL~~

98a

~~CONFIDENTIAL~~

Ryuji TAKEUCHI
Ambassador to the United States

Ryuji Takeuchi has been Japanese Ambassador to the United States since April 1963. A veteran diplomat who has frequently participated in international conferences, he is one of the leading economic experts in the Japanese Foreign Ministry and an authority on international trade. Takeuchi, who has been known as a strong advocate of close U. S. -Japan relationships, has had considerable contact with Americans. He has been described for many years as closely associated with and strongly influenced by former Prime Minister Shigeru Yoshida. Takeuchi has been described as unusually blunt and outspoken for a Japanese, with a manner which at times has appeared rather arrogant. He is apparently aware that he has been criticized for his outspoken manner, but commented to the United States Ambassador in January 1961 that he hoped for equal frankness in return and that he strongly believed in the closest possible cooperation between Japan and the United States.

Takeuchi was born May 1, 1903 in Peking, the son of a Vice President of the Yokohama Specie Bank. He was graduated from the Tokyo Imperial University Law School in 1927 and entered the Japanese foreign service in the same year. He served before World War II in London, Shanghai, Moscow and Berlin. In 1942 Takeuchi was sent to Moscow as First Secretary of Embassy and remained in this position until 1944, when he returned to Japan for another assignment in the Foreign Ministry. During the next seven years Takeuchi served in positions within Japan, finally as International Trade Administrator in the Ministry of International Trade and Industry (1949-51). In 1950, he was sent to the United States to handle trade negotiations and participated in preparations for the San Francisco Peace Conference; and in 1951 he was assigned to head the Japanese Government Overseas Agency in this country. With the establishment of diplomatic relations between the United States and Japan in 1952, Takeuchi was named Charge d'Affaires and later Minister of the Japanese Embassy in Washington. He was recalled to Japan in 1954 to head the European and American Affairs Bureau of the Foreign

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E.O. 12958, Sec. 3.6

NLJ 99-163

By is, NARA Date 1-7-00

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2.

Ministry. In 1955, he was named Ambassador to Belgium and concurrently Minister to Luxembourg, and in 1957 he was assigned as Ambassador to West Germany. In December 1960 he was recalled from Bonn to assume the post of Vice Minister of Foreign Affairs, which he retained until 1963.

Takeuchi speaks fluent English, French, Russian, and German.

May 12, 1967

~~CONFIDENTIAL~~

99

Over file

~~CONFIDENTIAL~~

Thursday - May 18, 1967

Mr. President:

You have agreed to receive Jorge Frei -- son of the Chilean President -- tomorrow (Friday, May 19) at 12:15 p.m.

Young Frei will be in town with one of his "Operation Arnigo" sponsors, Stewart Morrison of Miami, Florida. They are both staying with Ambassador Tomic.

Is it your wish to see Frei alone or with the Ambassador and Morrison?

I recommend that at least Ambassador Tomic accompany him. I gather young Frei is somewhat unsure of himself and nervous about the appointment. He would like to have his Ambassador with him. Morrison's presence is not necessary, but since he represents the Copley, Knight and Scripps Howard papers which sponsors the project, you may get some additional mileage by inviting him to come along.

W. W. Rostow

Prefer to see Frei alone _____

Invite Tomic to accompany _____

Invite Tomic and Morrison to accompany _____

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E.O. 12958, Sec. 5.4(b)

White House Guidelines, Feb. 24, 1983

By kg, NARA, Date 6-3-91

cc - Jim Jones

~~CONFIDENTIAL~~

100

Wednesday, May 17, 1967 -- 7:00 p.m.

Mr. President:

Sec. Rusk reports that Sen. Mansfield cannot go to Canada on May 25. He has an unbreakable speaking engagement in California.

Sec. Rusk will be getting in touch with Sen. Aiken.

Sec. Rusk seeks your guidance on alternative to Sen. Mansfield and recommends Sen. Sparkman.

W. W. Rostow

Sen. Sparkman ✓

Other _____

See me _____

WWRostow:rlh

101

~~100p~~
2. Pres file

Wednesday, May 17, 1967, 6:00 p.m.

Mr. President:

Attached is a memo from Secretary Rusk recommending that you agree to see Dutch Foreign Minister Luns for 20-30 minutes on May 22 or 23.

I realize that these calls are a burden, but the Secretary is right in arguing that it would be useful for you to see Luns before the EEC Summit in Rome.

Francis M. Bator

Marvin to set up appointment for

May 22 ☒ or May 23 ☐ 12 noon

No ☐

Speak to me ☐

I agree.
1/5/Walt

FMB:LSE:mst

1270
10/a

THE SECRETARY OF STATE
WASHINGTON

May 17, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Request for Appointment for Netherlands
Foreign Minister Luns

Recommendation

That you receive Netherlands Foreign Minister Joseph Luns for a 20-30 minute call on May 22 or 23.

Approve _____ Disapprove _____

Discussion

Joseph Luns, Foreign Minister of the Netherlands, will be in Washington May 22 and until mid-afternoon on May 23 after accompanying Queen Juliana on her state visit to Canada. As Dutch Foreign Minister for the past fifteen years, Luns is one of the leading figures in European foreign affairs and has my highest respect and confidence. I recall your particular personal pleasure in talking with him on his last visit here in February, 1966.

Mr. Luns has asked to pay his respects to you during his visit here.

In forwarding Mr. Luns' request, the Dutch Embassy noted that he will be present at the Rome Summit Meeting of the Common Market countries on May 29-30. I believe that this makes it an opportune time for you to review our Atlantic and European policies with him, for the Netherlands has traditionally represented most clearly those forces in Europe seeking an outward-looking and unified Europe prepared to cooperate in the Atlantic Alliance. I also believe that a call on you by Mr. Luns would be a graceful reciprocal gesture for the recent warm and impressive reception of the Vice President by Queen Juliana and the Netherlands Government.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-474
By ju, NARA, Date 5-19-92

Dean Rusk

Dean Rusk

CONFIDENTIAL

102

~~1. Sing~~
2. Pres file

Wednesday, May 17, 1967 -- 5:55 pm

5/25/67 - still in
Pres. file

Mr. President:

The attached package from Charlie Schultze on food aid management has been cleared with all your senior advisers. It is self-explanatory.

I think the procedure worked out here is excellent. My staff will, of course, cooperate with the Budget Bureau in every possible way.

If you approve, we need your signature on the Executive Order at Tab B and the memorandum at Tab C.

W. W. Rostow

rewritten by W. W. Rostow:rlh

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

1868
102a
1-Hamilton 9/17
2-Ret.

MAY 16 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Administration of Food Aid

I have now checked with Freeman, Katzenbach, and Gaud on the arrangements for administering the food aid program, which you approved on the basis of my memorandum of April 21 (Tab A). Specifically, they have agreed to the Executive Order and the accompanying memorandum from you.

The Executive Order assigning responsibilities to specific agencies for carrying out the many and varied provisions of the Food Aid Act is attached for your signature (Tab B). The specifics of the order have previously been cleared with the major agencies involved, including the Justice Department.

Also attached for signature is the memorandum to the principal agency heads involved (Tab C).

I recommend you sign the attached Executive Order and Memorandum.

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

Attachments

APR 21 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Administration of Food Aid

At your request, I have considered and discussed with you alternative proposals for administering the Food-for-Freedom program. Two main alternatives emerge.

You could appoint a well-known person as a Special Assistant in the White House. However, in the past, we have had little success with similar arrangements. In 1954, President Eisenhower appointed Clarence Francis, former President of General Foods, as his special advisor and chairman of an interagency committee on P. L. 480 matters. President Kennedy appointed George McGovern and later Dick Reuter as Director of the Food-for-Peace program, a function you transferred to the Secretary of State in October 1965. It would probably be difficult to attract a man to this specialized job who could deal effectively with Cabinet officers. Even if we find the right man, he would require time to learn the job and to build the necessary staff.

These considerations lead me to propose the following:

I. You could designate me as your agent to do a tougher review of the self-help and budgetary aspects of the food aid program. There would be four parts to this job:

1. We would continue the new commitments process, where all proposed sales agreements are submitted through the Budget Bureau and Rostow for your approval.
2. We would submit new commitments to you for both P. L. 480 and A.I.B. for the same country at the same time, wherever feasible, to make best use of U. S. resources and to get the most bargaining leverage on our aid.
3. We will establish an early warning information system, in cooperation with other agencies, to keep you better informed of agreements before they get to the final stage. A sample is attached (Tab A).
4. At budget time, we will give the same kind of intensive review to food aid, country by country, as we now give to dollar aid.

II. We propose to drop the first Executive Order setting up both the Cabinet level War on Hunger Policy Committee, and its Executive Committee. However, because food aid is such a key instrument of foreign policy, we still need to fix responsibility for coordinating the food and economic assistance programs, country by country, in the context of U. S. foreign policy.

This could be done simply through a memorandum from you, such as the one attached (Tab B), instructing the Secretary of State to perform this role. This instruction would parallel your general directive in National Security Action Memorandum No. 341, of March 2, 1966, to direct, coordinate and supervise interdepartmental activities of the U. S. Government overseas. The memorandum would leave to the Secretary the establishment of a committee to assist him in the coordination process.

III. We need the second Executive Order making specific delegations to the Secretaries of Agriculture, State and Treasury and the Budget Director (Tab C). Technically, we are now operating under the outdated 1961 Executive Order signed by President Eisenhower. That Executive Order does not cover the new responsibilities added in last year's law, such as applying the more stringent self-help criteria and effecting the transition from soft currency to dollar sales. In addition, there are a host of technical operating responsibilities which need to be handled by operating agencies, such as Agriculture and State.

The proposed order assigns responsibilities to specific agencies for carrying out the many and varied provisions of the Act. It is necessary to orderly administration in an area which is frequently the subject of Congressional and CIO inquiry. I do not believe you should retain the authority and take the heat in a number of these technical, and occasionally controversial matters.

I have not discussed this proposal with Freeman, Katzenbach or Gaud. If you approve, I will check it with them before resubmitting the memorandum and the Executive Order for final approval.

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

Attachments

Approve my proposal for check out _____

Approve White House Special Assistant _____

See me _____

102 c

EXECUTIVE ORDER

PROVIDING FOR THE ADMINISTRATION OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

By virtue of the authority vested in me by section 301 of Title 3 of the United States Code, and as President of the United States, it is ordered as follows:

PART I - ASSIGNMENT OF RESPONSIBILITIES TO AGENCIES

Sec. 101. Department of Agriculture. (a) Except as otherwise provided in this order, the functions conferred upon the President by Title I of the Agricultural Trade Development and Assistance Act of 1954 are delegated to the Secretary of Agriculture.

(b) The functions conferred upon the President by sections 103(c) and 103(i) of the Act shall be exercised by the Secretary of Agriculture with the concurrence of the Secretary of State.

(c) Except as otherwise provided in this order, the Secretary of Agriculture shall perform such functions as may be necessary in the carrying out of agreements referred to in section 101 of the Act.

(d) The Department of Agriculture shall transmit to the Senate and House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof the reports required by the provisions of paragraph (5) of the Act of August 13, 1957, 71 Stat. 345 (7 U.S.C. 1704a).

Sec. 102. Department of State. (a) The functions of negotiating and entering into agreements with friendly countries, conferred upon the President by section 101 of the Act, are delegated to the Secretary of State.

(b) The functions conferred upon the President by sections 103(j), 103(l), and 103(m) of the Act, and by Title II of the Act, are delegated to the Secretary of State.

(c) The function of determining countries which are friendly to the United States, conferred upon the President by section 103(d)

of the Act, is delegated to the Secretary of State.

(d) The functions conferred upon the President by sections 103(a), 103(b), 103(h), 103(k), and 109(a) of the Act are delegated to the Secretary of State and shall be exercised with the concurrence of the Secretary of Agriculture.

(e) The Secretary of State shall have responsibility for the utilization of excess currencies under the last proviso to section 104 of the Act and for assuring compliance with the requirements of section 106(b) of the Act, but with respect to the use of such currencies for agricultural development under that proviso of section 104, he shall act after consultation with the Secretary of Agriculture.

(f) The provisions of Part II of Executive Order No. 10893 of November 8, 1960, are extended and made applicable to United States agencies and personnel concerned with the administration in foreign countries of the functions provided for in the Act.

(g) All functions under the Act, however vested, delegated, or assigned, shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States as such policy relates to such functions.

Sec. 103. Joint Delegation. The function conferred upon the President by section 103(g) of the Act is delegated to the Secretary of Agriculture and the Secretary of State, to be performed by them jointly.

Sec. 104. Department of the Treasury. (a) The administration on behalf of the United States of the credit provisions of agreements entered into pursuant to Title I of the Act (including the receiving of payments under such agreements) shall be performed by the Secretary of the Treasury, or by such other agency or agencies as may be designated by the Secretary of the Treasury.

(b) The functions conferred upon the President by the final sentence of section 105 of the Act are delegated to the Secretary of the Treasury, who shall act after consultation with the Director

of the Bureau of the Budget.

Sec. 105. Foreign Currencies. (a)(1) Foreign currencies which accrue under Title I of the Act may be used for the purposes set forth in section 104 of the Act in amounts consonant with applicable provisions of law and of sales agreements and loan agreements. Except as may be inconsistent with such laws or agreements, priority shall be accorded to the use of such currencies for purposes for which appropriated funds or other funds are available to reimburse the Commodity Credit Corporation. To such extent as he may deem necessary, the Director of the Bureau of the Budget shall fix the amounts of such currencies which may be used for the purposes set forth in section 104 of the Act. The Director shall notify the Secretary of the Treasury with respect to any amounts so fixed.

(2) The function of waiving the applicability of section 1415 of the Supplemental Appropriation Act, 1953 (31 U.S.C. 724), conferred upon the President by paragraph (2) of the first proviso following section 104(j) of the Act, is delegated to the Secretary of State in respect of section 104(f) of the Act and to the Director of the Bureau of the Budget in all other respects.

(3) The functions conferred upon the President by paragraph (4) of the first proviso following section 104(j) of the Act are delegated to the Secretary of State.

(4) The function of determining what manner of use other than loans is in the national interest of the United States, conferred upon the President by section 104(f) of the Act, is delegated to the Secretary of State, who shall act after consultation with the Director of the Bureau of the Budget and, in cases involving agricultural development, after consultation with the Secretary of Agriculture.

(5) The functions of establishing procedures and of determining the qualification of local agencies to administer the activities set forth in section 104(h) of the Act, conferred upon the

President by that section of the Act, are delegated to the Secretary of State.

(b) The Secretary of the Treasury is authorized to prescribe regulations governing the purchase, custody, deposit, transfer, and sale of foreign currencies received under the Act.

(c) The purposes described in the lettered paragraphs of section 104 of the Act shall be carried out, with foreign currencies made available in consonance with law and the provisions of this order, as follows:

(1) Those under section 104(a) of the Act, by the respective agencies of the Government having authority to pay United States obligations abroad.

(2) Those under sections 104(b)(1) and 104(i) of the Act, by the Department of Agriculture.

(3) Those under section 104(b)(2) of the Act, by the Department of State.

(4) Those under section 104(b)(3) of the Act as follows:
 (i) those with respect to collecting, collating, translating, abstracting, and disseminating scientific and technological information, by the National Science Foundation, and by such other agency or agencies as the Director of the Bureau of the Budget may designate, (ii) those with respect to programs of cultural and educational development, family planning, health, nutrition, and sanitation, by the Department of State or the Smithsonian Institution, as those agencies shall agree, and by such other agency or agencies as the Director of the Bureau of the Budget may designate, (iii) all others, by such agency or agencies as the Director of the Bureau of the Budget may designate.

(5) Those under section 104(b)(4) of the Act, by the Department of State and by such other agency or agencies as the Secretary of State may designate.

(6) Those under section 104(b)(5) of the Act, by the

Librarian of Congress.

(7) Those under section 104(c) of the Act, by the Department of Defense, or the Department of State, as those agencies shall agree, or, in the absence of agreement, as the Director of the Bureau of the Budget shall determine.

(8) Those under section 104(d), 104(e), 104(f), 104(g), and 104(h) of the Act, by the Department of State.

(9) Those under section 104(j) of the Act, by the Department of the Treasury in cooperation with the Department of State.

(d) The function of making reports to Congress conferred upon the President by the last sentence of section 104 of the Act, is delegated to the Secretary of the Treasury, who shall act after consultation with the Director of the Bureau of the Budget.

(e) In negotiating international agreements in pursuance of the Act, the Secretary of State shall avoid restrictions which would limit the application of normal budgetary and appropriation controls to the use of those foreign currencies accruing under Title I of the Act which are to be available for operations of United States Government agencies.

Sec. 106. Reservation of Functions to the President. There are reserved to the President the functions of making findings or determinations regarding the national interest of the United States, conferred upon him by section 103(d)(3) and 103(d)(4) of the Act, the functions of making findings conferred upon him by the last sentence of section 103(d) of the Act, and the functions conferred upon him by sections 109(c), 403 and 408 of the Act.

PART II - GENERAL PROVISIONS

Sec. 201. Definitions. As used in this order, the term "Act" and the term "Agricultural Trade Development and Assistance Act of 1954" mean the Agricultural Trade Development and Assistance Act of 1954 as amended from time to time, and include, except

as may be inappropriate, provisions thereof amending other laws.

Sec. 202. References. Except as may for any reason be inappropriate:

(a) References in this order or in any other Executive order to (1) the Act, (2) any other act which relates to the subject of Parts I and II of this order, or (3) any provisions thereof, shall be deemed to mean the Act, such other acts, or provisions thereof, respectively, as amended from time to time.

(b) References in any prior Executive order not superseded by this order to any provisions of any Executive order so superseded shall hereafter be deemed to be references to the corresponding provisions, if any, of this order.

(c) References in this order or in any other Executive order to this order or to any provision of this order shall be deemed to include references thereto, respectively, as amended from time to time.

Sec. 203. Superseding and Savings Provisions. (a) Executive Order No. 10900 of January 5, 1961, as amended by Executive Orders No. 10915 of January 24, 1961, No. 10972 of November 3, 1961, No. 11036 of July 11, 1962, and section 403 of No. 11051 of September 27, 1962, is hereby superseded except to the extent necessary to carry out such agreements (or parts thereof) entered into under the Act prior to January 1, 1967, as are not governed by the provisions of the Act of November 11, 1966 (Public Law 89-808).

(b) Executive Order No. 11252 of October 20, 1965, is hereby revoked.

(c) Except to the extent that they may be inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions made, issued or entered into with respect to

any functions affected by this order and not revoked, superseded, or otherwise made inapplicable before the date of this order, shall continue in full force and effect until amended, modified or terminated by appropriate authority.

THE WHITE HOUSE

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF THE TREASURY
THE ADMINISTRATOR OF THE AGENCY FOR
INTERNATIONAL DEVELOPMENT
THE DIRECTOR OF THE BUREAU OF THE BUDGET

To provide for the administration of the Food for Freedom program, I have issued a new Executive Order assigning certain responsibilities under the Agricultural Trade Development and Assistance Act of 1954, as amended, to the Secretary of State, the Secretary of Agriculture, the Secretary of the Treasury, the Director of the Bureau of the Budget and other agency and department heads.

In carrying out this program, it is essential that food aid and economic assistance are fully coordinated in each country to make best use of both resources and to ensure effective self-help efforts. I have asked the Secretary of State, in consultation with the Secretary of Agriculture, the Administrator of AID, the Director of the Bureau of the Budget, and officials of other agencies as appropriate, to coordinate the assistance provided under this Act and related programs under the Foreign Assistance Act in the context of our foreign policy.

To supplement existing procedures, I have asked the Budget Director, in cooperation with the heads of agencies involved, to develop an information system to keep me informed on the progress of the War on Hunger. In addition, I have asked him to develop procedures to ensure integration of food aid and economic assistance programs in the programming and budgeting process.

DRAFT PRESS RELEASE

President Johnson today issued an Executive Order providing for the administration of new food aid legislation enacted late last year. In delegating the functions vested in the President by that legislation, commonly known as P. L. 480, the Executive Order facilitates the effective operation of United States food aid programs. These programs, along with economic development programs under the Foreign Assistance Act, are key elements of our participation in the War on Hunger.

The administrative arrangements in the new order incorporate the 1966 amendments to P. L. 480. They are similar to those established in Executive Order No. 10900, which is superseded by the Order issued today.

The Secretary of State continues to have responsibility for negotiating and entering into food aid agreements with friendly countries and for overall foreign policy supervision and control of the program.

The Secretary of Agriculture continues to have responsibility for carrying out those agreements and for all of the Presidential functions not specifically delegated to other Government agencies.

In recognition of the close relationship which existed between domestic agricultural policy and foreign policy in the conduct of the P. L. 480 program, the Executive Order delegates several key new responsibilities -- including reviewing self-help performance by recipient countries, encouraging countries to produce food crops, and ensuring transition from sales of agricultural commodities for foreign currencies to sales for dollars -- to

the Secretary of State or the Secretary of Agriculture acting with the concurrence of the other.

Responsibility for the control and use of foreign currencies available under the terms of the Act, and for other functions in the law, are delegated to the Treasury Department, the Budget Bureau, and other Government agencies.

In a memorandum accompanying the Executive Order, the President instructed the Secretary of State to coordinate the assistance provided under P. L. 480 and related programs under the Foreign Assistance Act. In this task the Secretary is to consult with the Secretary of Agriculture, the Administrator of the Agency for International Development, the Director of the Bureau of the Budget, and other officials as appropriate. The President also instructed the Director of the Bureau of the Budget to develop an information system to keep the President informed on the progress of the War on Hunger and to develop procedures to ensure that food aid and economic assistance programs are integrated in the programming and budgeting process.

~~TOP SECRET~~

Wednesday, May 17, 1967
5:08 p.m.

Mr. President:

I thought you would wish to have
close to hand these materials on
Operation HICKORY that kicks off at
about 8:00 p.m. tonight our time.

W. W. Rostow

TOP SECRET

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-470
By CB, NARA, Date 7-24-95

~~TOP SECRET -- EYES ONLY~~

~~1. Stop~~
2. Pres file

Wednesday, May 17, 1967
11:40 a.m.

Mr. President:

In response to your interest in pushing Ky towards an approach to the NLF, there is attached:

-- State's cable 192044, May 10, for Bunker from Bundy, which we inspired from here.

-- My back channel message of May 13 to Bunker.

-- Bunker's back channel reply to me, of May 17.

I do believe we owe Ellsworth a chance to let this new position in Saigon unfold rather than our forcing a crisis over it, in a matter of days.

W. W. Rostow

~~TOP SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-470
By cb, NARA, Date 7-24-95

WWRostow:rlh

OUTGOING TELEGRAM Department of State

192044

INDICATE: ☐ COLLECT
☐ CHARGE TO

~~SECRET~~

80

Origin

55

Info:

ACTION: Amembassy SAIGON PRIORITY

STATE 192044

EXDIS

FOR BUNKER FROM BUNDY

MAY 10 8 47 PM '67

1. FBIS is relaying to you separately full text of an interesting interview between a Czech correspondent and Wilfred Burchett, apparently held in Cambodia, and originally put out by the Prague Domestic Service on May 6.
2. It has long been my personal hunch that Burchett's speaking from Phnom Penh may have special significance in reflecting NLF views and tactics. This may be especially true since his copy, or an interview such as this, do not play directly to Hanoi or the NLF, so that it is possible that things may be said that the NLF is not telling to its elements as a whole.
3. As to substance, we here were particularly struck, in the para referring to a coalition government, by the language that this could include "even such as were represented in the government of Ngo Dinh Diem and governments which followed."

WP Bundy 5/10/67	Tel. Ext: 4235	Telegraphic transmission and classification approved
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William P. Bundy

White House - Mr. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.6

~~SECRET~~

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WITHOUT THE AUTHORIZATION
OF THE EXECUTIVE SECRETARY

NLJ/RAC 99-89
By CBM, NARA Date 5-15-01

FORM DS-322

~~SECRET~~

This language is at variance with most ~~NLF~~ NLF pronouncements as recently as March or April, which categorically exclude the "KyTThieu clique" or other terms such as "American puppets." Our research indicates that a closely similar formula to the present interview did appear in another Burchett story from Phnom Penh last September, in which he quoted Nguyen Huu Tho directly to this same effect.

4. Nonetheless, the fact that the formula is now reiterated, on the Burchett frequency, may have some significance. It could, of course, be in part a response to possible ~~effects~~ ^{effects} within the NLF of the GVN reconciliation proclamation. It could be an attempt to put the most liberal face on the NLF position, and of course it is still within the context of a "coalition" in which the NLF would be specifically represented, and which we suppose is as anathema to the GVN as ever and with good reason.

5. Taking all factors into account, we do feel that the statement should at least be called to the attention of appropriate senior GVN people, as part of our continuing ~~effort~~ ^{effort} to focus them on the possibilities of dealing at least with some individuals in the NLF and even key leaders, bringing them ~~under~~ over at some point with at least personal security and political freedom, possibly a job, and even freedom to operate politically/^{under the Constitution} within some kind of party framework without a

~~SECRET~~

~~SECRET~~

Communist or NLF label.

6. We recognize that the last possibility is one we have not repeat not suggested to the GVN, and it may be that we should think further about it before mentioning it to them. I think you know that CAS has devised some interesting ideas on this to serve as defection bait.

7. More broadly, the whole question of GVN dealing with the NLF is getting an increasing airing here, including Governor Romney's statement yesterday advocating direct negotiation between the GVN and the NLF, while ruling out a coalition. Some sign of GVN progress would be welcome from this standpoint. The greatest gap in our articulated peace position is the answer to the question: With whom should the NLF negotiate? The proper answer is of course with Saigon under the Constitution. But the basic point is that a Saigon initiative at this time makes great sense if only in the initial terms of inducing defections.

GP-3

END

RUSK

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WITHOUT THE AUTHORIZATION
OF THE EXECUTIVE SECRETARY

~~SECRET~~

~~TOP SECRET~~

1040
EYES ONLY

..... 1967 MAY 13 21 11

0 130018Z ZYH
FM WHITE HOUSE WASH DC
TO AMEMBASSY SAIGON

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-470
By CB, NARA, Date 7-24-95

~~TOP SECRET~~ VIA CAS CHANNEL CAP67421
LITERALLY EYES ONLY FOR AMBASSADOR BUNKER FROM WALT ROSTOW

YOU SHOULD KNOW THE PRESIDENT WISHES ROCKY STONE'S OPERATION AND THE LINE OF APPROACH SUGGESTED IN BILL BUNDY'S 192044 TO YOU PRESSED AS HARD AND AS FAST AS YOU JUDGE PRODUCTIVE. AS SOON AS KY AND HIS GOVERNMENT CAN SEE THE WISDOM OF IT, HE WOULD LIKE THEM TO STATE THEIR WILLINGNESS TO TALK TO THE NLF WITHIN THE FRAME OF THE CONSTITUTION -- OR ON ANY OTHER SAFE BASIS. NO ONE HERE WANTS OR IS LOOKING FOR A SELL-OUT BY KY. BUT THERE ARE CERTAIN ADVANTAGES HERE AND POSSIBLE ADVANTAGES THERE -- SUBJECT TO YOUR ASSESSMENT -- IN HAVING THIS MATTER CLEAR AND ON THE RECORD.

AS I READ THE POPE'S FATIMA APPEAL FOR PEACE TODAY, IT STRUCK ME THAT IT MIGHT PROVIDE KY WITH A FOUNDATION FOR A MOVING APPEAL TO THE VC TO GIVE UP "PROJECTS OF DESTRUCTION AND OF DEATH, OF REVOLUTION AND OF SUPPRESSION AND THINK RATHER OF PROJECTS OF MUTUAL STRENGTHENING AND OF SOLID COLLABORATION." THAT IS HARMONIOUS WITH KY'S HONOLULU APPEAL TO THE VC AND OTHER RECONCILIATION STATEMENTS.

BUT AGAIN -- I AM MERELY INFORMING YOU OF AN ATTITUDE HERE. ONLY YOU -- IN CONSULTATION WITH VIETNAMESE -- CAN JUDGE WHAT SPECIFIC MOVES AND THEIR TIMING MAKE SENSE.

~~TOP SECRET~~

EYES ONLY

PRESERVATION COPY

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TO WHITE HOUSE

ZEM

FOLLOWING RECEIVED FROM SAIGON

~~SECRET~~ EYES ONLY 170417Z

FM AMB BUNKER 6735

TO THE WHITE HOUSE EYES ONLY FOR ROSTOW

I HAVE BEEN GIVING A GREAT DEAL OF THOUGHT TO THE LINE OF APPROACH SUGGESTED IN BILL BUNDY'S 192044 AND THE OPERATION BEING PLANNED AND EXECUTED BY ROCKY STONE. THEY TOUCH, OF COURSE, ON THE VERY HEART OF THE ISSUE INVOLVED IN THE POLITICAL PROCESS HERE IN VIET-NAM AND I BELIEVE THAT THEY MUST THEREFORE BE PURSUED WITH GREAT CARE AND A KEEN SENSE OF JUDGMENT AND TIMING. IF THESE ISSUES ARE MIS-HANDLED THE RESULT CAN BE TO SHAKE THE CONFIDENCE OF KY AND HIS PRINCIPAL SUPPORTERS IN OUR BASIC INTENTIONS HERE AND POSSIBLY TO UNDERMINE THE POLITICAL DEVELOPMENT IN VIET-NAM WHICH IS STILL IN A DELICATE STAGE OF INFANCY.

AS YOU KNOW, THE ISSUANCE OF THE NATIONAL RECONCILIATION PROCLAMATION WAS THE CULMINATION OF AN EXTREMELY DIFFICULT AND CONTROVERSIAL PROCESS HERE, AND ITS IMPLEMENTATION WILL BE EQUALLY SO. COMING IN THE MIDDLE OF THE PRE-ELECTORAL CAMPAIGN PERIOD THIS ISSUE RAISES ESPECIALLY SENSITIVE QUESTIONS FOR THE SO-CALLED MILITARY CANDIDATE AS WELL AS THE OTHER CANDIDATES. THERE WILL BE OPPORTUNITIES IN THE FUTURE, FOR EXAMPLE BY TRAN VAN DO AND TRAN VAN TUYEN AT THE GENEVA PACEM IN TERRIS CONFERENCE, FOR THE GVN TO MAKE STATEMENTS ALONG THE GENERAL LINES DESIRED AND WE WILL TRY TO ENCOURAGE THEM. DO IS AS A MATTER OF FACT THINKING IN TERMS OF STATING PUBLICLY THE GVN'S WILLINGNESS TO TALK WITH NLF REPRESENTATIVE, EITHER PUBLICLY OR PRIVATELY. WHILE HE HAS NOT CLEARED THIS IDEA AS YET WITHIN THE GVN, IT REPRESENTS A CLEAR WILLINGNESS TO SPEAK OUT WHICH WE WILL SEEK TO ENCOURAGE. YOU SHOULD BEAR IN MIND, HOWEVER, THAT DO HAS ALWAYS BEEN AHEAD OF HIS COLLEAGUES ON THIS ISSUE.

I UNDERSTAND FULLY THE FEELING AT HOME ON THIS MATTER AND APPRECIATE

THE DISCRETION DESCRIBED IN THE LAST PARAGRAPH OF YOUR MESSAGE, I.E., TO JUDGE WHAT IS AND IS NOT PRACTICABLE IN THE LIGHT OF THE ACTUAL SITUATION HERE AND IN CONSULTATION WITH THE VIETNAMESE, WHO IN THE END MUST ASSUME RESPONSIBILITY FOR SUCH STATEMENTS AND ACTIONS. I WILL OF COURSE PRESS THIS MATTER WHEN AND AS I FIND OPPORTUNITIES, AND AS RAPIDLY AND PERSISTENTLY AS I DEEM PRACTICABLE, BUT I WOULD COUNSEL PATIENCE AND UNDERSTANDING OF THE DIFFICULTIES IT POSES DURING THE POLITICALLY SENSITIVE PERIOD AHEAD IN VIET-NAM.

350

SANITIZED

Authority NLT 019-016-2-8
By SP, NARA, Date 12-14-01

NNNN

~~SECRET~~
EYES ONLY

~~SECRET~~

Wednesday, May 17, 1967
11:30 a.m.

MR. PRESIDENT:

Herewith three items, perhaps related -- but we shall only know when Dobrynin returns.

Pres file

1. A flat Soviet statement that they have not decided to put in surface-to-surface missiles, with a remarkably candid statement of the difficulties and dangers they would confront.

2. Two Eastern European noises relating:

- a bombing stand-down;
- a DMZ arrangement;
- negotiations.

This is sufficiently interesting for me to feel we should make no commitments to stand down Hanoi-Haiphong bombing until it is probed.

W. W. R.

~~SECRET & CONFIDENTIAL~~ attachments
(USUN 5231; Sofia 1071; Prague 1065)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-470
By cb, NARA, Date 7-24-95

INCOMING TELEGRAM Department of State

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1967 MAY 10 PM 5 39

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~~SECRET~~ USUN 5231

LIMDIS

VIEINAM: SOV MISSILES

FOCHINE, SOV UNSEC OFFICIAL WITH KNOWN KGB BACKGROUND, EXPRESSED CONCERN TO MISOFF, DURING CONVERSATION MAY 10 ON OTHER SUBJECTS, ABOUT DECISIONS WHICH SOV GOVT MAY FACE ON SUPPLYING SURFACE-TO-SURFACE MISSILES TO DRV. WHEN ASKED WHETHER SOV GOVT ACTUALLY FACED WITH SUCH DECISIONS AT PRESENT, FOCHEINE REPLIED WITH SOME AUTHORITY, "NO, NOT YET." MISOFF THEN ASKED WHETHER SOVS EXPECTED EARLY DRV REQUEST FOR SURFACE-TO-SURFACE MISSILES. FOCHEINE SAID THIS WAS DEFINITE POSSIBILITY AND THAT IT WOULD BE HARD

PAGE TWO RUEHDT 5231 ~~SECRET~~
REQUEST TO TURN DOWN SINCE SOVS DID NOT WISH APPEAR BE UNFORTHCOMING IN SUPPORT BELEAGUERED SOCIALIST STATE. ON OTHER HAND, WHEN MISOFF REMARKED HE PRESUMED SOVS WOULD RATHER NOT BE FACED WITH SUCH DECISION, HE HEARTILY AGREED. SAID PROBLEMS OF SHIPMENT CONCEALMENT AND POSITIONING OF SUCH MISSILES WOULD BE LARGE, NOT TO SPEAK OF PROBLEMS FOR TARGETTING AND USE. WHEN MISOFF REMARKED HE ASSUMED SOV PERSONNEL WOULD HAVE TO HANDLE SUCH WEAPONS, FOCHEINE DEMURRED AND SAID NORTH VIETNAMESE HAD HAD TWO OR THREE YEARS TRAINING ON SURFACE-TO-AIR MISSILES AND ESSENTIALLY SAME TECHNOLOGY APPLICABLE.

COMMENT: IT IS CLEAR FROM OTHER CONTACTS WITH HIM THAT HE IS PULLING OUT THIS INFO DELIBERATELY BUT THIS IS MOST DETAILED COMMENT WE HAVE RECEIVED FROM HIM.

GP-3.

GOLDBERG

~~SECRET~~

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 99-163

By id, NARA Date 1-7-00

BATOR
BOWDEER
BUDGET
DAVIS
GINSBURGH
HAMILTON
JESSUP
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FILE COPY

INCOMING TELEGRAM Department of State

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FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC PRIORITY

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~~SECRET~~ PRAGUE 1965

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EYES ONLY HARRIMAN

1967 MAY 16 PM 1 47

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DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 97-98

By us, NARA Date 3-3-98

Rostow 2

1. HENRY KISSINGER ASKED ME TO PASS FOLLOWING TO YOU.

2. AT MARIENBAD "PUGWASH" CONFERENCE HE TALKED TO ANTONIN SNEJDAREK, DIRECTOR OF CZECHOSLOVAK INSTITUTE FOR POLITICAL AND ECONOMIC AFFAIRS WHO WE KNOW IS CLOSELY ASSOCIATED WITH CENTRAL COMMITTEE CIRCLES. SNEJDAREK SAID IT WAS UNREALISTIC TO EXPECT HANOI TO STOP INFILTRATION BEFORE US STOPPED BOMBING. HE CLAIMED TO KNOW THAT BOMBING WAS ~~HURTING NORTH VIETNAMESE~~. ON BASIS OF INFORMATION AVAILABLE TO HIM HE BELIEVED HANOI WOULD BE READY FOR ARRANGEMENT WHEREBY CESSATION OF BOMBING COULD BE LINKED WITH INITIATION OF TALKS WHICH COULD LEAD TO A STANDSTILL ON CEASE-FIRE. BOTH SIDES WOULD REMAIN IN PLACE BUT NORTH VIETNAMESE WOULD STOP INFILTRATION IN CONNECTION THEREWITH. SNEJDAREK THOUGHT IT SIGNIFICANT NORTH VIETNAMESE HAD NOT FORMALLY REJECTED CANADIAN PROPOSAL.

3. IN DISCUSSING POSSIBLE ESCALATION SNEJDAREK IN REPLY TO QUESTION GAVE IT AS HIS PERSONAL REPEAT PERSONAL OPINION THAT BOMBING OF HAIPONG WOULD NOT REPEAT NOT PROVOKE CRITICAL SOVIET MILITARY REACTION ALTHOUGH IT WOULD RAISE PROPAGANDA TEMPERATURE.

4. SNEJDAREK SAID NORTH VIETNAMESE REPRESENTATION HERE IS INEFFECTUAL, CZECHS APPARENTLY RELYING ON OTHER UN-NAMED SOURCES.

5. KISSINGER CAN BE REACHED IN PARIS AND WILL BE RETURNING TO WASHINGTON IN ABOUT TEN DAYS.

GP-1

BEAM

BT

~~SECRET~~

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WITHOUT THE AUTHORIZATION
OF THE EXECUTIVE SECRETARY

~~CONFIDENTIAL~~

MAY 8 8 30 AM '67

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1967 MAY 8 AM 4 12

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FM AMEMBASSY SOFIA
TO SECSTATE WASHDC
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BT

~~CONFIDENTIAL~~ SOFIA 1071

MAY 6

LIMDIS

SUBJECT: VIETNAM

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLI 97-98

By us, NARA Date 3-3-98

LEATOR
BOWLER
BUDGET
GUTHRIE
GUTHRIE
HAMILTON
JESSUP
JOHNSON
KEENE
KOMER
MOYERS
TAYLOR
KRIGGINS

1. IN PRIVATE CONVERSATION AT JAPANESE RECEPTION YESTERDAY EVENING FOREIGN MINISTER BASHEV STARTED OFF IMMEDIATELY AND WENT ON AT SOME LENGTH RE CESSATION OF BOMBING OF NORTH VIETNAM AS TRIGGER TO NEGOTIATIONS.

2. HE REITERATED THAT HE WAS SPEAKING PERSONALLY AND WITHOUT INSTRUCTIONS, BUT CLEARLY FELT NO HESITANCY IN EXPRESSING HIS VIEWS. CLEAR DISTINCTION WAS MADE BETWEEN BOMBING OF NORTH VIETNAM AND ALL KINDS OF ACTIONS IN SOUTH (WITH SOME IMPLICATION OF ACKNOWLEDGMENT OF NVN INTERVENTION AS COUNTERPART TO US PRESENCE).

3. HE ASKED ME TO BELIEVE HIM WHEN HE SAID HE WAS IN POSSESSION FACTUAL INFORMATION THAT MADE HIM CERTAIN A CESSATION WOULD RESULT IN NEGOTIATIONS.

PAGE RUFKVCX 961 ~~CONFIDENTIAL~~

4. PROBED ABOUT MEANING OF OFTEN-USED PHRASE "UNCONDITIONAL CESSATION," HE ACKNOWLEDGED THAT ONE SIDE COULD NOT BE EXPECTED TO PROMISE "PERMANENT CESSATION" IN ADVANCE OF DISCUSSIONS AND SAID THAT IF NEGOTIATIONS WERE STARTED AND PROVED FRUITLESS, IT WOULD REST WITH THE GOVERNMENTS CONCERNED TO DRAW THEIR OWN CONCLUSIONS AND COME TO THEIR OWN DECISIONS AS TO FUTURE COURSES OF ACTION.

5. WHEN I SUGGESTED THAT BUDDHIST HOLIDAYS MIGHT PROVE OCCASION TO TEST HIS BELIEF, BASHEV SAID THAT WOULD NOT DO. CESSATION OF BOMBING APPARENTLY WOULD HAVE TO BE UNCONNECTED WITH OTHER ARRANGEMENTS.

6. WHILE HE PROFESSED TO BELIEVE THAT NORTH VIETNAMESE MILITARY ACTION IN SOUTH, IF NOT NONEXISTENT, WAS AT LEAST MINIMAL, HE EXPRESSED ASSURANCE THAT ANY SUCH ACTION INCLUDING ANYTHING IN DEMILITARIZED ZONE COULD BE GUARANTEED NOT RPT NOT TO TAKE PLACE DURING NEGOTIATIONS OF WHICH HE WAS SO SURE.

7. FOUR AND FIVE POINTS, HE SAID, WERE MATTER FOR NEGOTIATIONS

~~CONFIDENTIAL~~

RECEIVED
H. S. C.

INCOMING TELEGRAM

LIMDL

MAY 12 8 37 AM '67

CORRECTION ISSUED:
5/11/67-fr-2301M
CONTROL: 6519

-2- SOFIA 1071, 061100Z MAY 67-CORRECTED PAGE 2.

THEMSELVES AND NOT RPT NOT PRECONDITION TO SAME.

8. HE INVITED ME TO VISIT HIM FOR MORE EXTENDED CONVERSATION IN ABOUT TEN DAYS -- AFTER "DELEGATION" (INCLUDING BREZHNEV) WILL HAVE DEPARTED.

PAGE 3 RUFKVCX 987 ~~CONFIDENTIAL~~

9. COMMENT: ENTIRE CONVERSATION WAS WITHOUT ACRIMONY, BUT BASHEV OBVIOUSLY WANTED TO BE TAKEN SERIOUSLY. WHILE THERE IS NO CONCRETE BASIS FOR BELIEVING BULGARIANS HAVE ANY MANDATE TO SPEAK FOR MOSCOW -- OR HANOI -- GIVEN SOFI'S TRADITIONAL ALLEGIANCE TO AND CONFORMITY WITH KREMLIN (AND HAVING IN MIND ZHIVKOV'S OPENER ALONG SIMILAR LINES LAST FALL), IT WOULD SEEM WORTHWHILE TO TAKE ADVANTAGE OF BASHEV'S OFFER TO AMPLIFY.

10. WOULD APPRECIATE ANY SUGGESTIONS DEPT. MAY WISH TO MAKE WHICH WOULD HELP CAUSE HIM CLARIFY -- TO EXTENT HE CAN -- ATTITUDES OF HANOI RE: NEGOTIATIONS.

MCSWEENEY

GP-3

Note: Message delayed in transmission.

~~CONFIDENTIAL~~

Pres file

Wednesday
May 17, 1967 -- 11:15 a.m.

Mr. President:

I explained to Sec. Rusk your general attitude on the Clark-Church, etc. initiative to Hanoi. He fully understands.

He wished you to know that he in no way approved the statement. It was showed to him beforehand to get an answer to this question: Would it cut across or damage any initiative now under way? His involvement was simply to answer that question, no. It is his understanding with Church that in his press conference he will not commit the Secretary of State beyond that point.

Sec. Rusk will play it in low key from here on out.

W. W. Rostow

Wednesday, May 17, 1967 - 11:15 AM

2. Pres file

Mr. President:

In the attached, Messrs. Freeman and Gaud request your authority to negotiate a P. L. 480 sale of \$1.3 million worth of flour and tobacco to Iceland. Charlie Schultze's memorandum is a good summary of the proposal.

I join in the recommendation that you approve. Our bases in Iceland are of considerable use to us, the country is following decent economic policies, and the proposed terms represent a step toward commercial sales (these terms are unusually stiff for P. L. 480 agreements).

W. W. Rostow

Approve ✓

Disapprove

Speak to me

Ed Hamilton - vmr

1352
~~CONFIDENTIAL~~

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

107a
APR 20 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed P. L. 480 Agreement with Iceland

In the attached memo, Orville Freeman and Bill Gaud request your authority to negotiate a \$1.3 million sales agreement with Iceland to provide 3,700 tons of flour and 388 tons of tobacco and tobacco products. Terms are relatively hard: payment will be in dollars, 5% down, 19 years, 25% first installment.

This agreement is in large part a quid pro quo for our important military installations there. In accordance with our belief that concessionary sales should gradually be tapered off, this agreement is tougher and substantially smaller than last year's sale of \$2.2 million.

- . A five percent down payment requirement has been added.
- . Corn, included last year and requested again this year, has been deleted.

The funds generated under the sale are used for revenue producing projects, with over half going into agricultural development.

I recommend that you authorize negotiation of the proposed agreement.

This small agreement came through to process before your Saturday instruction to me to accompany future P. L. 480 recommendations with data on the recipient's purchase of U. S. farm commodities. We are taking steps to get such data for new agreements.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-470
By cb, NARA, Date 7-24-95

Charles L. Schultze
Charles L. Schultze
Director

Attachment

Approve _____

Disapprove _____

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PRESERVATION COPY

~~CONFIDENTIAL~~

107-b

APR 10 1967

To: The President

DECLASSIFIED

E.O. 12356, Sec. 3.4

Subject: Public Law 480 Program with Iceland

NLJ 91-473
By ing NARA, Date 3-2-92

We recommend that you authorize us to negotiate with Iceland a PL 480 dollar credit sales agreement for approximately 3,700 tons of wheat flour and 338 tons of tobacco and tobacco products of which the total current market value is \$1,263,000 (including certain ocean transportation costs). The proposed terms are payment of 5 percent on delivery and the balance over 19 years at $4\frac{1}{2}$ percent interest with a first annual installment of 25 percent of the principal. The Department of State concurs in this recommendation.

Need for Program

The proposed agreement is based upon Iceland's commodity requirements, and budgetary and political consideration for calendar year 1967. It represents a sizeable decrease from the previous \$2.2 million program.

The original request for PL 480 commodities from the Government of Iceland requested commodities, including corn, valued at \$2.2 million. We have not included corn in this present proposal, both as it is unlikely that an Icelandic market for U.S. corn can be developed (due to transportation costs) and as we believe that concessionary sales to Iceland should continue to be gradually tapered off.

The Icelandic Government will use the proceeds of the sale of these commodities for economic development purposes.

American interests in Iceland are dominated by the strategic military location of the island in the North Atlantic. Iceland is a charter member of NATO, although it has no military forces, and its rent-free contribution of NATO base areas (manned exclusively by U.S. military personnel) is highly important to the U.S. and NATO defense efforts. Our small PL 480 program is one of the few gestures we are able to make in appreciation of the excellent state of base relations.

Self-Help Efforts

In recent years, with Government guidance and assistance, substantial agricultural progress has been made in Iceland. In 1966 over 55 percent of the PL 480 generated funds were devoted directly or indirectly (rural electrification) to agricultural development

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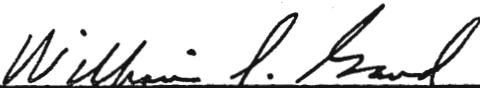
purposes. About 23 percent, or \$20.6 million, of the 1966 Icelandic budgetary resources were directed toward agricultural projects, and the figure for 1967 will be about the same.

The proposed sales agreement will state the following self-help measures which Iceland will undertake:

- (1) Continue its effort to improve the agricultural sector with emphasis on crops suitable to the climate and land, and
- (2) Continue the improvement in the storage and distribution of agricultural commodities.

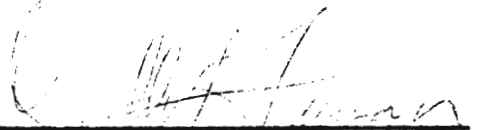
Recommendation

That you authorize us to proceed with the PL 480 sales agreement as described above.



Administrator

Agency for International Development



Secretary

Department of Agriculture

Approve: _____

Disapprove: _____

~~CONFIDENTIAL~~

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Wednesday, May 17, 1967 -- 11:30 a.m.

Mr. President:

Herewith a most thoughtful paper by Hal Saunders whom I am raising to senior status on the Middle East when Howard Wriggins goes to Columbia this summer. In fact, Hal Saunders has done our work on the Middle East for some time.

I sent Hal out to the area. He summarizes his reflections on that trip, in the form of this analysis of "The President's Stake in the Middle East."

W. W. Rostow

~~SECRET~~

WWRostow:rlh

DECLASSIFIED
E.O. 12958, Sec. 3.4(b)
White House C-111111, Feb. 24, 1983
By reg, NARA, Date 5-16-91

~~SECRET~~

May 16, 1967

MEMORANDUM FOR WWR

SUBJECT: The President's Stake in the Middle East

I. I went to the Middle East with this question: Why should the President care about the Middle East? I've been up and down US interests in the Middle East many times. But this time I set out to decide what President Johnson's interests are, given the goals that are closest to his heart. I came back with these thoughts:

A. He has more than the usual stake in peace for two quite personal reasons:

--Especially while we are engaged in Vietnam, we want to spare him the political--and the human--burden of having to commit American forces in the Middle East too.

--The "war of national liberation" as a technique has come to the Middle East--on Israel's borders and now in South Arabia. President Johnson in Vietnam has invested much of himself in demonstrating that we will not tolerate this brand of aggression. His friends in the Middle East are asking how he can stand against terrorist attackers in Vietnam and not in Israel or South Arabia? We must find a way to contain them or risk losing the respect the President has won for his courage in Vietnam.

B. He has a political need as well as a personal desire to maintain a warm relationship with Israel. His friends in Israel see Arab terrorism as the greatest threat to their security today.

C. In his effort to keep the dollar sound, he has a substantial balance of payments interest in the Arab states. The Middle East is the one part of Afro-Asia where we're solidly in the black. Our economists estimate that the balance in our favor runs \$400-500 million yearly. Against a worldwide deficit of \$1.4 billion, that's significant.

D. He has a stake in arms limitation. Israel must maintain qualitative superiority. But beyond that, the President is deeply committed to nuclear non-proliferation. The main hurdle in the Middle East is Israel. Before signing an NPT, Israel may want assurance from the US and USSR that major arms suppliers will keep the lid on the Arab arms inventory while the conventional balance is still in Israel's favor.

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- 2 -

In addition to his stake in the NPT, he is under increasing pressure on the Hill not to feed arms races and to reach an understanding with Moscow.

E. He has a stake in economic development and social justice. This will influence fewer US voters than the other issues, but it will influence how the world judges his Presidency. He has said that the Great Society is his foreign policy. We know how earnestly he means that. Many people around the world judge him a great President because he shows America's concern for them as individuals. In the Middle East, he can be proud of our role in the many constructive things going on there. But on the political front we are cast only on the side of the remaining monarchies--the side of "Zionism, imperialism and reaction." One issue in particular overrides all others--the failure of over a million Palestine refugees to win "recognition of their rights." In their eyes, the President has compromised his own creed of justice by bowing to "Zionist pressure" and failing to force Israel to meet its obligations.

II. Some of these interests are contradictory. The only way we have managed to protect them all at the same time is via a policy of friendship for all and refusing to choose sides. That policy has been remarkably successful when we consider the sharp animosities we've had to work around. But that policy will be severely tested in 1967-68. It is no longer certain that it--at least as we have balanced it in the recent past--is feasible or can serve the President's interests.

What hits the visitor to the Middle East hardest today are the deepening political cleavages. First, there is the widening gulf among the Arabs themselves, between the moderate (Saudi Arabia, Jordan, Lebanon) and the pro-Nasser states. Second, the Arab-Israeli issue is heating up again. Third, there are the states who are making a good job of development and those whose political systems still seem unable to cope. This year, the pressures forcing us to choose sides--to abandon our past policy--are greater than at any time in this decade. How the Johnson Administration responds will affect each of the President's interests.

Each Middle Eastern leadership group states the problem differently, but it all adds up to mounting pressure on us to choose sides:

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A. In Egypt, Foreign Minister Riad told me bluntly, "You are working against us everywhere in the Middle East. You have chosen sides." No amount of logic or argument will break this strong web of suspicion among the political leaders. One is almost forced to agree with many of our Israeli and Arab friends that the only language Nasser understands is firmness backed by unmistakable military power and the willingness to apply it. Nowhere in the Arab world is there cooler calculation that now is not the time to take on Israel. But Nasser sees clearer sailing in South Arabia and may stop there only if met by force.

While this Egyptian suspicion makes Nasser all but impossible to work with, the visitor comes away convinced that nowhere else in the Middle East--save Israel--is there such a potential modern power to reckon with. If Egypt ever gets over revolutionary phobias and inferiority complexes, its 30 million people, its economic inheritance, its drive to lead, its pride of achievement and its military power make it unquestionably the Arab power. One could even go so far as to say that the UAR and Israel together or separately hold the key to the future of the Middle East. This is why I cannot believe it would serve the President's interests to break with Nasser.

B. In Saudi Arabia, King Faisal's main concerns are Nasser's foothold in Yemen and fear that he will expand this by moving into South Arabia when the British pull out. For Faisal, Nasser is the agent of Communism and is out to topple moderate regimes throughout the area. Our failure to oppose a Nasserist takeover in Aden would be in Faisal's eyes our failure to oppose the advance of Communism in the Middle East and would cast doubt on the reliability of our commitment to preserve Saudi integrity. Faisal backs our stand in Vietnam and could not understand our hesitation to oppose openly the beginnings of terrorism in Saudi Arabia. He feels no one can trust Nasser and that our policy of trying to build a bridge to him has completely failed.

C. In Jordan, King Hussein told me that the breach between Arab moderates and Nasser is complete. Hussein says this more in sorrow than in anger because he admits there was a time when he himself believed Jordan must back Nasser to the hilt. But Nasser has failed to live up to his responsibilities. Wasfi Tell, former PM and still a power behind the throne, told me bluntly, "It's time for you to choose sides." He believes that radicalism is on the wane and that Nasser will have to adopt more moderate policies or be replaced. In their eyes, Nasser's brand of revolution and "progressiveism" is a dead wave of the past--not the wave of the future. These Jordanian

leaders believe that our interests lie with the moderates. They feel we're wrong if we think we can still build a bridge to Nasser. Only by taking a firm stand against him can we halt the spread of subversion, buy time for the Arabs to learn to accept Israel (they were remarkably frank about this) and create an atmosphere conducive to development.

D. Among the Palestinians on Jordan's West Bank, there is no sign of resignation to loss of their homes in Israel. "Don't make the mistake of thinking that time will solve the refugee problem," I was told over and over. "We have been wronged. America must acknowledge that our rights have been violated. President Johnson is a just man; he will help." From among the bitterest of these refugees the Palestine Liberation Army recruits its ranks and the Fatah terrorist group sends its saboteurs into Israel. But even the prosperous ones who have jobs in the fast-growing Jordanian economy say they will never forget and will look to the President for justice.

E. Syrian officials are quite frank to say privately that their strategy is to make life in Israel so dangerous by their terrorism that new immigration will cease and people will even begin to leave Israel. At the same time, officially they disclaim responsibility for the terrorists. They hold us responsible for Israel's every move and believe--somewhat inconsistently--that the "Zionists exercise a veto over the President's policy."

F. In Israel, Prime Minister Eshkol told me of the agony he suffers--not to mention the political pressures--when terrorists' mines take Israeli lives. They believe that limited use of force may be the only way to stop terrorism. They can't see why we should disagree. Chief of Staff Rabin as well as top officials in the Foreign Office argue that the US and the USSR have drawn the de facto limits of Communist expansion in Europe, Northeast Asia, Latin America and now in Southeast Asia. The time has come, they say, to draw the line in the Middle East. The Soviets are mounting a new offensive and must be stopped in their tracks. They see South Arabia as the potential turning point.

Curiously, while they believe Nasser and the Soviets are working hand in hand in South Arabia, they admit that he has been the most restrained of the Arab leaders against them. They doubt we could buy him off from his main objectives today--which are largely directed against other Arabs--but no one took issue with our trying to maintain some kind of foot in the Cairo door.

III. What this adds up to is great pressure on us to join a confrontation with Nasser and prediction that the US will lose its stature in the area if we refuse and fail to stop him, the USSR and the liberation armies. Against this is the almost unanimous feeling of our people in the area that, prickly as Nasser is, we're better off talking than fighting and we're better off working in Cairo than slamming the door.

The problem, then, is to call a halt to aggression without open confrontation or appeasement. Our success--and our success in protecting all of the President's contradictory interests--will depend on two separate sets of decisions through the rest of this year: (1) How we deal with Nasser. (2) What we do in Aden.

The great temptation--greater even now than when I was in Cairo before the current mess in Yemen--is to conclude with our friends that Nasser is a lost cause and throw in the sponge on trying to deal with him. But the question to answer is whether the President's interests will be better served by an open showdown or by trying to find some basis for cooperation. We will be looking at this in greater detail in the next few weeks, decision-by-decision, but my own conclusion--even after extensive talks in Cairo, Saudi Arabia, Aden, Jordan, Israel, and London--is that we can't afford to give up on the UAR.

So in my book, working out a scenario for putting our relations with Nasser back in perspective is the first item on our agenda. Wheat is a dead issue for the moment now that Nasser has withdrawn his request, and we couldn't do much anyway in the wake of his recent speeches and humiliation of our people in Yemen. But there are other less conspicuous ways for us to be economically helpful. The main problem, however, is to break down the web of suspicion in Cairo that we are actively working to unseat Nasser's regime. In the end, this can only be done at the top political levels--and even then success isn't assured.

The second problem is whether we stand by and allow a pro-Nasser element to take over in South Arabia and Aden as the British pull out. Even the British in Aden and London, I found, are not optimistic about their ability to avoid chaos. This is one of the most emotion-charged issues in the Labour Party and Parliament, and the Wilson government is determined to pull out on schedule. However, it has shown new flexibility in the last few weeks, and the President may want to press Wilson to stick with it during their talk next month. Our NSC meeting on 24 May will deal with this problem in more detail.


Hal Saunders

~~CONFIDENTIAL~~

Pres file

Wednesday, May 17, 1967
10:15 a.m.

Mr. President:

Herewith two more items -- this
time from a UK source -- of pressure
in Hanoi.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 6-3-81

109b

~~CONFIDENTIAL~~ -- NOFORN

From Hanoi to Foreign Office, 12 May 1967, Telegram number 309

Ministry of Foreign Affairs have told North Vietnamese employed by Foreign Missions that shortages will continue and that they must (a) become accustomed to smoked meat and fish, (b) learn use of flour, (c) live off Missions as far as possible.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By ju, NARA, Date 7-26-99

~~CONFIDENTIAL~~

Pres file

Wednesday, May 17, 1967
9:25 a.m.

Mr. President:

In the light of my memorandum to you of May 12, attached (Tab B), herewith is a suggested list of press guests (Tab A) for the Holt dinner, gotten up by Bill Jorden and cleared with George Christian.

W. W. Rostow

WWRostow:rlm

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5/13/67
110a

THE WHITE HOUSE
WASHINGTON

Mr Rostow talked
with Mrs Johnson
on telephone

Friday, May 12, 1967 -- 4:50 p.m.

Mr. President:

I recommend press and communications leaders from all over the country be invited for Holt's dinner, because we need to have it said over and over again that our commitment to Viet Nam has been critical to the birth of the promising New Asia that is emerging.

We're going to need this theme in a big way in 1968. And no one is more credible than Holt in putting it across.

✓
Add Press ☒ *OK for me*

Keep it private ☐ *W. Rostow*

See me ☐ *Holt has already
been made up
told to Mrs J
about your thoughts
C*

Monday, May 15, 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Dinner for Holt

In response to your request, my suggestions for useful guests from the press for the dinner are:

1. Roy M. Fisher
Editor, Chicago Daily News

(An influential paper with a large circulation area in the Illinois-Wisconsin-Indiana area. Wobbly on Viet Nam. Fisher is influential on editorial policy; also writes a weekly column.)

2. Hugh Downs
TODAY Show, NBC

(Reaches the largest daytime audience on TV. Goes in strongly for interviews of news figures. More attention to Asia would be healthy.)

3. Walter Cronkite*
CBS News

(The most heavily watched news show on CBS. Cronkite is intelligent. Needs to be reminded that there is more in Asia than Viet Nam.)

4. Thomas Vail
Publisher and Editor
Cleveland Plain Dealer

(The most influential paper in Ohio. Too narrow an outlook. Getting to Vail, opening his eyes to Asia, would pay dividends.)

5. Mike O'Neil
Assistant Managing Editor
New York Daily News

(Biggest circulation in New York. Too much focused on the military side of the war -- "bombing them back to the Stone Age." Any attention to broader issues and to Asia as a whole would be useful. O'Neil's influence is strong and rising.)

*Cronkite was recently here for the reception for White House Fellows and was invited, but had to regret, dinner in February for the King of Morocco. But, still, he's important for this.

Washington based Australian writers:

**Mr. and Mrs. Roy McCartney
Melbourne Age**

**Miss Margaret Jones
Sydney Morning Herald**

William J. Jorden

Wednesday, May 17, 1967
9:15 a. m.

111

MR. PRESIDENT:

Addendum to talking points for Belgian Vice
Prime Minister at 1:00 p. m. today:

-- Congratulate Belgian government on its
initiative in launching the NATO study of
future political tasks: the Hormel study,
associated with the Belgian Foreign Minister;
and solicit his views on what NATO countries
can do in the field of political consultation.

W. W. R.

~~CONFIDENTIAL~~

DECLASSIFIED
Authority NSC ltr 8-18-81
By rs/jip, NARA, Date 5-22-91

112
Pres file

Wednesday, May 17, 1967 -- 9:15 a.m.

Mr. President:

This is simply to put on paper what I told you last night.

David Ginsburg called to suggest that:

- We not wait for a visitor to inform the Israelis of our package.
- The channel for communications be normal diplomatic channel -- he suggested Luke Battle to the Israeli Ambassador.

Both he and Abe Feinberg agree that there is double embarrassment in the communication of U. S. Government decisions through private citizens. We have evidence that the Israelis would prefer to get information of this kind through regular diplomatic channels.

As you will have noted, the two Americans are now out of Yemen; and there is a moment -- perhaps no more than that -- of relative quiet on the Israeli-Syrian frontier.

I will be checking today as to whether a very prompt visit of the Vice President to the Middle East would make sense -- or threaten to put him in the middle of a hurricane.

W. W. Rostow

Indication of your decision is required on the table, in the third column, attached to my memorandum to you of May 8, 1967.

P.S. I have now checked with State. The view there is that the Israeli-Syrian situation is still so uncertain that they would recommend against injecting the Vice President into the Middle East at this time.
WWRostow:rlh

W. W. R.

~~CONFIDENTIAL~~

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113
Wednesday, May 17, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting with John Gronouski (12:15 p.m., Thursday)
May 18, 1967

John Gronouski would like to talk about:

The Poles and Vietnam.

- Gronouski believes the Poles can play a useful role, and wants to discuss whether we should make them a channel in the future.
- He has some comments on the Hightower story.

East-West issues before the Congress. Gronouski has already talked to some Congressmen and will talk to many more.

- Gronouski wants to urge you to push the East-West Trade bill.
- He is convinced that it is good politics to maintain the double thrust of bridge building in Eastern Europe and our action in South East Asia.
- He also wants to talk about appropriations for our new English-language program in Poland, the sharp cut in cultural exchange appropriations, and the Informational Media Guaranty bill (enabling us to continue to sell American books, newspapers and films in Poland for zlotys).

I will be standing by.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-470
By cb, NARA, Date 7-24-95

Francis M. Bator

FMB:ND:gg

~~SECRET~~

Mr. Rostow 114

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-470
By CB, NARA, Date 7-24-95

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May 17, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting with the Shah

You have already agreed to one office meeting with the Shah after his 5 p. m. arrival on 12 June, and you are having dinner with him that evening. However, the Shah is anxious to budget a second meeting with you the next day.

Normally, I would stand firm against a second meeting on any but a State visit. However, in this case there is a great deal to talk about. Moreover, the Shah is a person you can talk seriously with. We have invited him over here primarily to convince him that you are deeply aware of the great changes taking place in the Middle East as they concern him, and I think it would be worth going along with him.

We could arrange to keep the second meeting off the schedule so it would not create a formal precedent for later visitors, though it would become known. I am sure the Iranians would go along with this.

The alternative is to wait and see how things go at the first talk and schedule a second meeting then if you want. To carry this off, we should probably be in a position to suggest to the Iranians now that we wait and let you and the Shah decide. This tack seems attractive, but if you're likely to agree to a second meeting, we'd probably gain by scheduling it informally now.

W. W. Rostow

Approve second meeting ✓

Tell them we'll wait and see _____

Disapprove _____

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-470
By cb, NARA, Date 7-24-95

Mr. Rostow

115

Pres. file

~~SECRET~~

May 17, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: This Year's Military Sales to Iran

Secretaries Rusk and McNamara recommend that you approve the second \$50 million slice of the \$200 million military sales credit for Iran that you approved in May 1966. They would like to get word to the Shah before he leaves on 22 May for a series of State visits that will bring him here 12 June. This credit will finance the second squadron of F-4's that you approved last August.

When you approved the \$200 million planning figure a year ago, we were concerned that this might be more than Iran's economy could safely take on. We therefore insisted that each slice be subject to your review and instructed Ambassador Meyer that he and the Iranians should thoroughly review Iran's economic situation before recommending release of further installments.

One of our motives was simply to force the Iranian economists and politicians themselves to look hard at their allocation of resources between defense and development. We think this device has paid off. The Iranians have improved their management of foreign exchange reserves, and their economic homework for this year's review was much better than last year.

Meyer concludes that Iran can handle this additional purchase safely. He does not believe it will cut into the capital investment necessary to keep the growth rate up to at least 7%. The World Bank and Ex-Im have done their own studies and independently reach the same conclusion.

We do not want to be over-optimistic. Therefore, Secretary Rusk recommends that, in informing the Shah of your decision, Meyer reiterate our continuing concern that the Shah keep military expenditures within bounds and keep his military purchases from the Soviet Union to a bare minimum.

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Secretary Rusk for political reasons recommends a slightly concessional 5% rate with 8-year repayment (compared with the normal Ex-Im rate of 5.5% over 8 years). Treasury has gone along. The only cost to us is that Defense must set aside an additional \$3.7 million in its sales fund. This will be freed again as Iran repays, so the only "real" cost is about \$1-1/5 million in lost interest. In view of our extensive intelligence facilities in Iran and the relationship we are trying to maintain with the Shah, I think this is justified.

We are concerned, of course, about increased arms levels in the Middle East. However, we recognize that the Shah has genuine worries about an eventual threat from radical Arab forces in the Persian Gulf area as the British presence diminishes. This will be very much on his mind when he talks with you in June. While we would hate to see him go overboard, we have already argued him down from much higher levels of purchases and believe we have struck the best balance we can. We would rather have him buying from us under some control than buying wildly elsewhere.

Treasury, AID and Budget have participated in the coordination of this recommendation, I recommend you approve.

W. W. Rostow

Approve ✓

See me

~~SECRET~~

THE SECRETARY OF STATE
WASHINGTON

May 12, 1967

115a/1826
1.5.1
2. Ret
DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By ju, NARA, Date 4-26-99

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Approval of New Military Sales
Credit for Iran

Recommendation:

With the concurrence of the Secretary of Defense, I recommend that you approve the second \$50 million increment of our military sales credit to Iran under the planning figure approved by you in May 1966.

Approve _____ Disapprove _____

Discussion:

In May 1966, you approved in principle a new military sales credit to Iran. The amount of \$200 million in annual increments of \$50 million through FY 1970 was set as a planning figure. Simultaneously, you approved the first \$50 million increment and stated that each subsequent annual increment should be released only with your approval and after a determination that such increment would be feasible in the light of Iran's economic position.

The proposed second \$50 million increment would not impose undue strains on Iran's economy, which is growing rapidly. Iran's creditworthiness is confirmed by the World Bank and the EximBank. A problem exists, however, in the rapid growth of her military expenditures. They are projected to rise from 6.4% of GNP this year to 9.1% in 1972-73. In informing the Shah of the availability of our credit, our Ambassador would therefore be instructed to state that we remain concerned at the steadily increasing demands of the military on Iran's resources, both domestic and foreign. The Ambassador would stress that we believe economic development is the best assurance of security.

~~SECRET~~

GROUP 3

Downgraded at 12-year intervals;
not automatically declassified

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- 2 -

The terms of the credit would correspond to those approved by you (i.e. between 5 and 6% interest, repayable by FY 1976). Our negotiators would be authorized initially to offer 5½% but to go to 5%, repayable in eight years. As EximBank terms for such credits are 5½% and seven years, the more liberal terms would contain a concessional element, not for economic reasons, but in order to help maintain our special relationship with Iran which serves our vital national security interests.

The credit would finance a second squadron of 16 F-4 aircraft. The sale of this squadron to Iran was approved by you, and the Shah was informed, in August 1966.

The enclosed "Presidential Approval of Military Sales Credit for Iran" sets forth the rationale supporting the above recommendation.

Dean Rusk

Dean Rusk

Enclosure:

"Presidential Approval of Military
Sales Credit for Iran"

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PRESIDENTIAL APPROVAL OF
MILITARY SALES CREDIT FOR IRAN

Introduction

In May 1966 the President approved a commitment under which the United States is to provide to the Government of Iran not to exceed \$200 million of new credit for the purchase of US military equipment during FY 1967-70. The new credit is to carry an interest rate averaging between 5 and 6 per cent and to be repaid within ten years from the date of the agreement. At the same time, the President determined that this credit should be made available in annual increments of \$50 million. In approving the first \$50 million increment, he requested that each subsequent annual increment should be released only with his approval and after a determination that such increments would in each case be feasible in the light of Iran's economic position. There follows a statement in support of Presidential approval of the second annual \$50 million increment on terms which, while concessional, are within the limits established by the President.

1. Purpose of Second Increment.

The second \$50 million increment is to finance a second squadron of 16 F-4 aircraft, with related support equipment and training, to be supplied for delivery to Iran beginning in 1969. The President approved the sale of this second squadron in the summer of 1966, and at the President's request, Deputy Assistant Secretary of Defense Townsend Hoopes informed the Shah of Iran of this approval on August 10, 1966.

2. Political Justification.

Having already assured the Shah that we would sell a second squadron of F-4 aircraft to Iran, our not doing so would cause a major crisis in our relations which could cause serious harm to our interests in Iran.

SECRET

GROUP 3

Downgraded at 12-year intervals,
not automatically declassified

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-474
By ju, NARA, Date 5-19-92

3. Military Justification.

While believing that the threat of overt Soviet aggression against Iran has declined in recent years, the Shah has become increasingly concerned over possible radical Arab, Nasser-inspired threats to Iran from the south. Southern Iran is not only the site of Iran's oil industry but is also an area in which Iran has mounted a major industrialization program and where a large Arab minority lives. The Shah has become convinced that Iran must have sufficient military strength in this area to deter radical Arab aggression of any kind, and he is particularly concerned about Iran's air defenses in the light of the possession by the UAR and Iraq of almost 200 MIG-21's as well as sizable numbers of other advanced aircraft. Iran is obtaining surface-to-air missiles from the UK, anti-aircraft guns from the USSR, and supersonic fighters as well as aircraft-warning and control systems from the US. The second squadron of 16 F-4 aircraft is a vital part of the Shah's plan for the defense of southern Iran.

4. Military Purchases from Third Countries.

In the past year, the Government of Iran has concluded two agreements, one with the UK and one with the USSR, for the purchase of military equipment for its armed forces. From the UK, Iran is purchasing a re-fitted destroyer, four corvettes, 6 hovercraft, and 270 short-range Tigercat surface-to-air missiles. The total value of this equipment is \$60-70 million, and the UK has offered credits repayable in 7-11 years at interest rates which appear to contain a small concessional element. From the USSR, Iran is purchasing 300 armored personnel carriers, 680 anti-aircraft guns, and 4000 trucks and jeeps. The value of the equipment is about \$110 million, and the USSR has offered credits which will be repaid in goods, mostly natural gas which is otherwise flared, over 8 years at an interest rate of 2½ per cent.

These purchases are consistent with our understanding of Iran's intentions when we agreed in the spring and summer of 1966 to make available additional military credits, up to \$200 million, and to sell Iran two squadrons of F-4 aircraft. The Iranian Government decided

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GROUP 3

to buy naval vessels from the UK following our unwillingness to sell a destroyer to meet what the Iranians consider is a real security threat in the Persian Gulf. We refused to sell a destroyer in the full knowledge that the Iranians would turn to the British. Iran also decided to buy British missiles and Soviet anti-aircraft guns instead of the more expensive Hawk system or Soviet SAM's whose purchase would have had undesirable repercussions on Iran's relations with us. The remainder of the purchase from the USSR appears designed partly as a demonstration of Iranian independence from the United States, an act which has assisted the Shah's efforts to undermine Communist propaganda against his regime. The Shah has given us categorical assurances that he will not purchase sophisticated weapons from the USSR, and the relatively few Soviet military technicians who will go to Iran will not have access to installations where sophisticated US equipment is located.

The British credit would appear to be well within Iran's capacity for undertaking additional debt (see section 5 below). As the Soviet credit is repayable almost entirely in natural gas for which no other market exists, it has little if any effect on Iran's credit position. There is no evidence that Iran is considering the purchase of any substantial amounts of additional military equipment from the United States or other countries at this time, except that negotiations are in process with Germany for a \$36 million credit to cover the modernization of Iran's arsenal and with the UK for Hovercraft worth \$15-20 million.

5. Creditworthiness

The IBRD, the Export-Import Bank and the Embassy and AID Mission in Tehran all believe that Iran is creditworthy. Even if the US extends the full amount of the projected \$400 million of military sales credits, Iran will have the capacity to take on substantial additional foreign debt.

6. Economic Feasibility

Iran's GNP has grown at a rate in excess of 8 per cent in real terms in the past two years and seems likely to continue to grow at about this rate for the next few

years. Prices have been stable. Although inflationary pressures exist and are likely to increase as the economy grows, the IBRD and the Embassy and AID Mission in Tehran are convinced that the Iranian authorities will keep their house in order so as to prevent serious inflation or balance-of-payments difficulties in the years ahead.

Iran's expenditures for security (military and police) have increased sharply in recent years. These increases have not, however, caused a reduction in the proportion of resources devoted to fixed capital investment; in fact, government capital expenditures have been rising faster, relative to GNP and total expenditures, than have security expenditures. The increases in military expenditures have been caused by the desire of the Iranian Government to modernize its armed forces in the light of what it considers a threat to Iran's security in the south and southwest of the country. The security budget has also been used to finance civic action programs and other programs contributing to economic development and social reform and welfare in rural Iran.

7. Credit Terms

What is at issue in considering the terms for military sales credits for Iran is our special relationship with Iran. This relationship provides the United States with many tangible assets. These include vitally important strategic communications and intelligence facilities, whose importance and size are likely to increase as a result of a loss of facilities in Turkey and Pakistan and the possibility of further such losses in the future. In this connection, additional intelligence-collection activities for Iran are already under consideration, and one is currently being implemented. Likewise we obtain from Iran overflight privileges whose importance has been increasing as such privileges have become less easily obtainable from other Middle Eastern countries. We have too few defense assets in the region of the type furnished us by Iran; in the light of the shaky security situation elsewhere in the region, we need to conserve those facilities and arrangements which we have.

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GROUP 3

Less tangible but nevertheless important is the opportunity our close relations with Iran provides us for influencing Iranian development in the direction of a stable, independent and prosperous country. With our help, Iran has made impressive progress in these respects. In recent years, the stability of her internal political system has been buttressed, her economy has been developing rapidly, and she has played a useful role in such regional matters as the Pak-Afghan dispute. At the same time, Iran has demonstrated her fundamental attachment to her alliance with the United States by contributing a medical team to our efforts in Viet Nam.

While attempting in recent years to maintain our special relationship with Iran and to continue to reap the benefits of this relationship, we have taken a series of steps which have caused many Iranians, including the Shah, to question how much importance we attach to our alliance with Iran. These steps have included charging full prices and commercial credit terms for military equipment, phasing down our grant military assistance, subjecting Iran to our controls on overseas private American investment and the interest equalization tax, and ending AID assistance. We have taken these steps despite the fact that Iran is still an underdeveloped country, with a per capita GNP of \$250, and that she is making strenuous efforts to help herself through programs of economic development and social reform. Moreover, as our support for these development efforts has been reduced and our influence has declined, the Soviets have been making considerable progress in increasing their influence in Iran with the aim of further reducing and eventually eliminating our presence. Credits for economic and military assistance, at $2\frac{1}{2}$ per cent interest and barter terms, are the principal Soviet tool.

Given Iran's importance to us, the recent trends in our and Soviet policies for Iran, and Iran's self-help efforts, we need to remind the Iranians from time to time that they too can derive tangible benefits from our relationship. The most effective area for concessions, politically and psychologically and in the absence of possibilities for assistance from AID, is in the terms

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for our military assistance credits. By providing concessional terms, we can demonstrate to the Shah that we attach real importance to our special relationship with Iran. If we were not to offer some concessional element, we would clearly risk signalling the Iranians that we regard them as just another customer, thereby risking the gradual erosion not only of our interests in Iran but also of our ability to influence the course of Iranian development and to minimize Soviet intrusions into Iran.

To accomplish the desired political-psychological purpose the concession need not be large. What is required is tangible evidence that the United States continues to care about its special relationship with Iran. An interest rate of 5 per cent and a term of 8 years, as compared with the Export-Import Bank terms for military credits of $5\frac{1}{2}$ per cent and 7 years, should suffice. Such terms would be consistent with the President's decision last year. The interest rate would be one-half per cent lower than the $5\frac{1}{2}$ per cent rate on the first \$50 million increment approved last year, although 1 per cent higher than the 4 per cent rate on the final, \$61 million increment also approved last year of the first \$200 million military sales credit. The term would be one year shorter than the term agreed to last year in order to stay within the final repayment date of FY 1976 approved by the President.

To reduce the interest rate one-half per cent below the EximBank rate, DOD would have to commit \$5.0 million of sales account funds. (The term can be extended one year beyond the EximBank term without cost.) DOD must also, in all cases involving the use of EximBank funds for military credits, guarantee the EximBank portion. If the terms are to be 5 per cent DOD would have to commit \$11.2 million of its funds to guarantee the EximBank credit. If there is to be no concessional element in the terms, DOD's commitment for the guarantee would be \$12.5 million. In sum, therefore, DOD would have to commit an additional \$3.7 million of its funds in order to provide the proposed concessional element in the terms (i.e., \$5.0 million less the \$1.3 million "saved" in guarantee funds). These funds would become available to DOD again as Iran repaid the credit.

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Viewed more broadly, the "real" cost to the US of the $\frac{1}{2}\%$ interest rate concession would be of the order of \$1 to $1\frac{1}{2}$ million lost interest, depending on the actual disbursement and repayment schedules.

8. Presentation to the Shah

Our Ambassador in Tehran should be instructed to make two points to the Shah while conveying our willingness to provide an additional \$50 million of military credit to Iran. He should be instructed to congratulate the Shah on Iran's impressive economic progress and to state our hope that the Shah will continue to keep military expenditures within bounds and to place primary reliance for Iran's security and stability on economic development and social reform. Secondly, he should be instructed to reiterate the points made in the President's letter to the Shah of July 20, 1966 that Iran's military sales agreement with the Soviet Union does cause us concern because (1) we do not believe that the Soviets are interested in the stability of the area; (2) it confuses our Congress and people concerning Iran's intentions; and (3) we must protect sensitive American equipment from Soviet military technicians.

The credit terms would not be revealed to the Iranians until the credit negotiations take place, and our negotiators will be authorized initially to offer an interest rate of $5\frac{1}{2}\%$.

Mr. Rostow

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*1. [unclear]
2. Pres file*

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

May 17, 1967

SUBJECT: Israeli Desalting

I would like to suggest breaking loose one purely technical element of the Israeli aid package this week--updating the feasibility study on the desalting project. The Israelis have decided that, since they are slipping their target date from 1972 to 1975, they can economically use a larger power plant than originally planned as the other half of the dual purpose desalting plant.

No matter what we do, updating this study will be the logical next step. I do not think going ahead would in any way prejudice your appointment of Bunker's successor or be unfair to him. This is a necessary technical job which will take about four months, so we really ought to get it going.

The reason for asking your approval today is that five of the six members of the joint US-Israel panel on the desalting study will be in town next week for the "Water for Peace" conference. It would make a lot of sense for them to agree on the terms of reference for the updating study while they are all together here.

The cost is only \$20,000. The Israelis will pay their share, and we already have money set aside for our part.

W. W. Rostow

Approve ✓

See me

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-470
By cb, NARA, Date 7-24-95

~~SECRET~~

~~SECRET~~

Wednesday - May 17, 1967

~~Long~~
2. Profile

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Mr. President:

Herewith the latest joint CIA-DIA estimate on the Soviet military presence in Cuba. It reports no build-up.

W. W. Rostow

Attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-471
By lig, NARA, Date 12-10-92

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OCI No. 1226/67

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
16 May 1967

SANITIZED
E.O. 12958, Sec. 3.6
NLJ / RAC 99-89
By cbm, NARA Date 5/5-01

MEMORANDUM FOR: Director, Central Intelligence
Director, Defense Intelligence Agency

SUBJECT : Joint CIA-DIA Team Report on the
Military Posture in Cuba as It
Pertains to Strategic Weapons

1. Since the CIA-DIA Team Report of 18 April 1967, we have received no intelligence which changes our conclusions that there are no strategic weapons or nuclear warheads in Cuba.

2.



1.5(b)(c)
3.4(b)(1)

3. A report in a New Hampshire newspaper claiming that "two new Russian submarine bases" are being built "at Santa Clara and French Key" has been investigated and found to be groundless. No submarine bases are being built in Cuba and no Soviet submarines operate out of Cuban ports.

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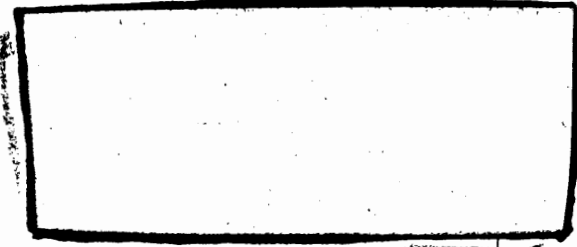
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4. Columnists Robert S. Allen and Paul Scott recently used grossly inflated statistics of Communist bloc shipping to Cuba to suggest that another Soviet military buildup is in progress on the island. While there has been a slight increase in bloc shipping to Cuba, this reflects the magnitude of Cuban dependence on the USSR and Eastern Europe for supplies. About 90% of Cuba's imports are now carried on Communist flag vessels. Soviet military deliveries, which have increased since last September, are designed to replace worn out and destroyed materiel and to update Cuban inventories. Only two items not previously noted in Cuba, the MIG-21FL and the 200-mm multiple rocket launcher, were included in these shipments. There is no evidence to support the allegation that a Soviet military buildup is in progress in Cuba.

5. There will be a special meeting soon to assess the recent [redacted] report concerning the alleged presence of strategic missiles in Cuba. [redacted]

1.5(b),(c)
3.4(b)(1)



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DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 99-165
By , NARA Date 1-7-00

~~SECRET~~

May 17, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Urgent Message to Eshkol

We had hoped yesterday that tension in the Israel-Syria-UAR triangle was dropping after an ostentatious Egyptian show of putting its forces around Cairo on alert. Last night, however, we and the Israelis learned that the Egyptians have moved forces into the Sinai. Now they have moved forces in front of the UN Emergency Force on the Israel-UAR border and all but ordered it to withdraw.

The UAR's brinksmanship stems from two causes: (1) The Syrians are feeding Cairo erroneous reports of Israeli mobilization to strike Syria. Regrettably, some pretty militant public threats from Israel by Eshkol and others have lent credibility to the Syrian reports. (2) Nasser probably feels his prestige would suffer irreparably if he failed a third time to come to the aid of an Arab nation attacked by Israel. Moderates like Hussein have raked him over the coals for not coming to Jordan's aid in November or to Syria's when Israel shot down 6 of its MIG's last month.

In this highly charged atmosphere, it's probably impossible for Israel to get away with a limited retaliatory strike for the next terrorist attack from Syria. But the Syrians may try harder than ever by turning loose the terrorists either to force Israel to eat crow by taking further sabotage attacks without reacting or to drag them and the UAR into a fight. Eshkol may even decide that Egypt's move to the border pushes him too far.

Secretary Rusk personally recommends the attached message to Eshkol urging him not to put a match to this fuse. A week ago, I would have counseled closing our eyes if Eshkol had decided to lash back at the Syrians. We just don't have an alternative way to handle these terrorist raids that are becoming more and more sophisticated. Unfortunately, however, his own public threats seem to have deprived him of the flexibility to make a limited attack today.

I have worked with State to make this message as sympathetic as possible while trying still to strengthen Eshkol's hand against his hawks. Arthur Goldberg is aware of the Secretary's proposal and approves. We will follow events closely to be sure the message isn't overtaken by events before delivery.

Approve ✓
See me

W. W. Rostow

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May 17, 1967

Message to Prime Minister Eshkol:

"Dear Mr. Prime Minister:

I am following very closely the tense situation in the Near East and am deeply concerned about the maintenance of peace in that area. We have made known our concern in Damascus and Cairo and are working closely with other countries in the United Nations. Our efforts will continue.

I know that you and your people are having your patience tried to the limits by continuing incidents along your border. In this situation, I would like to emphasize in the strongest terms the need to avoid any action on your side which would add further to the violence and tension in your area. I urge the closest consultation between you and your principal friends. I am sure you will understand that I cannot accept any responsibilities on behalf of the United States for situations which arise as the result of actions on which we are not consulted.

With personal regards,

Sincerely,

Lyndon B. Johnson"

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Authority NSC LEX 2/12/81 (NLJ 81-101)

By sg/llw, NARA, Date 5-20-91

~~SECRET~~

Pres. file

~~SECRET~~

Wednesday - May 17, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Venezuelan Case Against Cuba

The Venezuelan Foreign Minister yesterday announced President Leon's decision to call for a Meeting of Foreign Ministers (MFM) to consider the problem of Cuban support for guerrilla movements in the hemisphere. The Venezuelans have as yet taken no formal action in the OAS. Their OAS Ambassador has been recalled to Caracas. We assume that he will return with orders to ask the OAS Council to convoke an MFM.

Yesterday Ambassador Bernbaum spoke with President Leon and Foreign Minister Iribarren. He found them both concerned over what further meaningful action can be taken to punish Castro short of use of armed force against Cuban territory. Bernbaum's reports are attached.

You will recall that the 1964 MFM approved mandatory sanctions: break in diplomatic relations and suspension of trade and sea transportation. All have complied except Mexico.

State is taking a look at possible additional measures:

Through the MFM

1. A strong condemnation of the Castro regime.
2. An OAS blacklist of trading and shipping entities and vessels which engage in significant transactions with Cuba.
3. Authorization for OAS member states, acting individually and collectively, to stop and search Cuban flag ships (or ships without flag) in the Caribbean suspected of acting as mother ships for Cuban-sponsored infiltration teams.

Outside the MFM

1. Prevail upon Mexico to comply with the 1964 MFM decision and break all diplomatic and economic ties with Cuba.
2. The United States and Latin American countries having relations with the Soviet Union to impress upon the Soviets the gravity of continued promotion of subversion by Castro.

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The blacklist and stop-and-search measures raise many serious problems which need careful analysis before we sign on. State is engaged in this analysis.

In the meantime -- as you will see from Bernbaum's cable -- we continue to help the Venezuelans as you promised President Leoni we would.

W. W. Rostow

Attachments

Messages from Ambassador Bernbaum
in Caracas (6069 and 6070).

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DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 99-163

By is, NARA Date 1-7-00

Message (no. 6070) from Ambassador Bernbaum in Caracas,
dated May 17, 1967

SUBJECT: Venezuelan Initiative on Cuban Intervention
(reference: Caracas's 6069)

1. I saw President Leoni tonight at his request following my talk with Foreign Minister Iribarren. He displayed a much stronger, pragmatic, and more positive approach to the Cuban problem. Clearly exercised over the insolence and irresponsibility of the Cuban attitude, he said that he felt frustrated over the Venezuelan Government's inability to do anything commensurate with the gravity of the situation. Cuba, he said, is armed beyond the retaliatory capability of any country in this hemisphere other than the United States.

2. Leoni then noted that Castro is making hay in Latin America, with no foreseeable possibility of stopping him. He said guerrillas are active throughout the continent: in Venezuela, in Guatemala, in Colombia, in Ecuador, and even in Peru, although the Government of Peru will not admit it. He referred to the May 8 landing in Venezuela and said that the Cubans, if they wanted to, could have landed 100 men. There is no way Venezuela or any other country in the hemisphere can stop such incursions without US action. Venezuela and other OAS countries are at the mercy of Castro's whims. Unfortunately, the OAS countries must depend on the US shield at a time when the US is committed in Vietnam and unable, because of the dangers involved, to retaliate appropriately or to offer adequate protection. He said that Venezuela is arming itself to the extent possible to cope with the immediate guerrilla problem, but adequate measures to patrol and defend itself against incursions are beyond the nation's physical and financial capabilities.

3. President Leoni recognized the usefulness of the OAS resolutions, but he felt they were impotent unless accompanied by measures, whether open or behind the scenes, to make the process truly painful for Cuba and the Soviet Union. Following an extended discussion of possible measures, Leoni reduced his ideas to the following proposals, the success of which would depend heavily on US participation:

(a) He hoped the Department would find it possible to call in the Soviet Ambassador to impress on him the gravity and danger of Cuban provocation and to exercise pressure to get the USSR to intervene positively with Castro. At the same time, Venezuela would let the Soviets know categorically that diplomatic or other

relations can not be considered while the USSR continues to help make it feasible for Castro to support guerrilla operations.

(b) He hoped the United States Government would support a program of retaliation against shipping lines doing business with Cuba through encouragement boycotts by US unions. With Venezuelan unions doing the same, and with those of a few other countries, including Panama, also participating, shipping lines concerned could easily be brought to their knees. Similarly, Leoni felt that a program of blacklisting firms giving credits to or otherwise doing business with Cuba would be effective and desirable. I made it clear, as had Ambassador Sol Linowitz, that this was only an idea under discussion in Washington and was not as yet a policy which we could implement.

4. President Leoni was not able to define whether he wanted the US Government to take the lead in these measures or to follow the lead of the Government of Venezuela. He thought that this could be determined during the process of consultations. In any case, Leoni felt the far from productive response of the many countries with which the Venezuelan Government had thus far consulted indicated that United States support would be required in pushing these countries toward action. I gained the impression that Leoni had been thinking about these points for some time and that he had in mind a letter to President Johnson on the subject. He welcomed the opportunity offered by my departure for Washington at the end of this week to put his ideas before the Department.

DECLASSIFIED
E.O. 12958, Sec. 3.6

NLJ 99-163

~~CONFIDENTIAL~~

By js, NARA Date 1-7-00

Message from Ambassador Bernbaum in Caracas (no. 6069),
dated May 17, 1967

1. The Foreign Minister told me this afternoon that the Government of Venezuela has decided to invoke Articles 39 and 40 of the OAS Charter, convoking a Meeting of Foreign Ministers of consultation to consider Cuban armed intervention in Venezuela's internal affairs. He emphasized the importance of that meeting being held at the Foreign Ministers level.

2. The Government of Venezuela wishes the OAS members to "consider the situation created by the determined Cuban intervention against American countries in general", and to arrive at appropriate measures to put an end to this situation. The Foreign Minister added, "It is essential for all other American republics, in common effort, to adopt measures to meet the general situation created by Castro's Cuba." He emphasized that the Venezuelan Government "has a flexible approach to the problem and has an open mind on whether patrolling Caribbean waters, economic blockade and a black list policy are feasible.

3. The Foreign Minister, in answer to my question regarding the possibility of co-sponsorship of condemnatory resolution, said that Guatemala, Colombia and Bolivia would join with the Government of Venezuela in making the presentation. Panama, Peru and Chile have also been invited to be co-sponsors but they made no commitment to do so yet.

4. During the course of the conversation I passed on to the Foreign Minister the substance of the Department's telegrams 192936 and 194602. I told him that the Embassy expected to receive additional ideas from the Department in the next few days. He expressed appreciation for the Department's views, and commented that in many respects they coincided with those of the Venezuelan Government. He said at this point that if new ideas were developed and the consensus was that a stronger approach to the Cuban problem was advisable, Article 6 of the Rio Treaty could be invoked and a concurrent meeting of the Ministers called for the purpose of initiating a stronger course of action.

5. I referred to President Johnson's conversation at the Summit with Dr. Leoni in which President Johnson said that we are ready to join with Venezuela in a new condemnation of Cuba. I said I was authorized to reiterate that pledge. The Foreign Minister thanked me and stated that U.S. support is essential and probably would be decisive.

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6. The Foreign Minister emphasized that the Government of Venezuela had reached its decision to take the case to the OAS first, rather than the United Nations, because the time has come for the hemisphere nations, as a body, to adopt a common policy. After the OAS takes its action, he said, it should then jointly present the matter to the Security Council.

7. Comment:

In my conversation with Foreign Minister Iribarren on this matter, I was impressed by his acceptance of many common points, which I am convinced is the result of sustained dialogue on the Cuban problem both at the OAS in Washington and here in Caracas. Any further recommendations on this matter will be useful and appreciated by the Venezuelan Government.

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THE WHITE HOUSE
WASHINGTON

Tuesday, May 16, 1967, 7:15 p.m.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-470
By cb, NARA, Date 7-24-95~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting with Belgian Vice Prime Minister
Willy de Clercq, 1:00 p.m., Wednesday, May 17

Belgian Vice Prime Minister -- and Minister of the Budget -- Willy de Clercq (pronounced de Klairk) will call on you briefly at 1:00 p.m. tomorrow. (He comes to Washington from EXPO '67.)

De Clercq is strongly pro-American. He is the youngest (39) Vice Prime Minister in Belgian history, and has been in politics since the early 50's. He was a Fulbright grantee, and speaks adequate English. (A short biographic sketch is attached.)

Talking Points

- The Vice President's trip. Would like to thank the Belgian Government for its gracious reception of Vice President Humphrey. The Vice President has told me of his meeting with the King and Queen, and of the Government's understanding and support for the U.S. and its policies.
- NATO. We very much admire and appreciate Belgium's willingness to stand up and be counted during the NATO crisis.
- Belgian readiness to accept the North Atlantic Council and SHAPE was a generous move which helped immensely in solving NATO's relocation problems.
- I understand that relocation is going smoothly, and hope that if any problems develop they can be resolved to everyone's satisfaction.
- The Congo. We both want to see political and economic stability in the Congo.
- We particularly appreciate Belgium's willingness to continue to provide aid and technicians, despite some hard knocks from the Congolese.

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-- The Lighter Side. I understand that you are the first Belgian Fulbright grantee ever to reach Cabinet rank. I hope that the time you spent here had something to do with your rapid rise. (The Fulbright exchange is an idea of the Senator's with which I heartily agree.)

You may also want to ask de Clercq for his impressions of EXPO '67.

* * *

De Clercq will be accompanied by Belgian Ambassador Scheyven and State's France/Benelux Country Director, Bob Anderson. Walt will be there from your staff. (I'll be at the Overseas Press Club giving a speech on Europe. This is a long-standing engagement which you approved.)


Francis M. Bator

1. ~~copy~~
2. Pres file

~~Confidential~~

Tuesday - May 16, 1967

Mr. President:

This is a report from Secretary Rusk on follow-up action on your bilateral talks at Punta del Este.

I have sent you separate memos on most of the points covered in the reports. Aspects which I have not covered are marked in red.

W. W. Rostow

Attachment:

Rusk to President memo
of May 15.

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

White House Guidelines, Feb. 24, 1983

By Ag, NARA, Date 5-9-91

THE SECRETARY OF STATE
WASHINGTON

May 15, 1967

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12/a
DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-474
By 1-8, NARA, Date 10-13-92

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Progress Report on Implementation of
Commitments Made in Bilateral Discus-
sions at Punta del Este.

I sent you on May 4 a report on implementation of multilateral commitments at the Summit. This report covers all commitments made during the bilateral conversations at the Punta del Este Summit Meeting.

1. Dominican Republic. In keeping with your assurance to President Balaguer that his request for a larger sugar quota from the Puerto Rican and Philippine shortfalls would be given sympathetic consideration once the amount of the shortfalls was known, I have sent a memorandum to you recommending that the Dominican Republic be given a special allocation from these shortfalls. This special allocation would increase the Dominican quota to 590,000 tons, compared with the 600,000 President Balaguer has requested. We believe it desirable to indicate, by giving somewhat less than the amount requested, the need for accelerating modernization of the Dominican sugar industry and our intent to phase out any special quota preference for the Dominican Republic.

With regard to the request for financing of dam projects, assistance for the Valdesia Dam is included in the projected AID programs for FYs '69 and '70. Studies are proceeding on the fiscal and technical feasibility of this project. If the Valdesia Dam does prove feasible, other dams on the Nizao River may also be practical.

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Downgraded at 12-year intervals;
not automatically declassified.

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The Department has been reviewing President Balaguer's request for preferential treatment of Dominican vegetables in the United States and a memorandum was sent to the White House on May 4.

2. Ecuador. We are making a detailed review of problems that have arisen between AID and Ecuador in connection with development loans and grants over the recent past. I expect to submit a report to you this week.

3. Panama. Foreign Minister Eleta arrived May 8 to assume personal direction of the Panamanian negotiating team. The negotiating sessions resumed on May 10. Eleta agreed to Ambassador Anderson's suggestion that the compensation question be taken up first and discussed until agreement is reached. He promised to present a new Panamanian proposal on compensation promptly.

4. Paraguay. The Department, AID and several other interested agencies are studying the fourteen requests made in President Stroessner's memorandum to you. Because of the number and variety of questions raised by the Paraguayan President, we expect some weeks' delay before a complete report can be submitted.

5. Trinidad and Tobago. We have held consultations with the Trinidad and Tobago Embassy here and with Trans World Airlines regarding the possibility of an American line buying out the BOAC interests in the Trinidad and Tobago-based British West Indies Airlines. TWA is holding discussions with BWIA representatives in New York. A report of our talks was sent to the White House on May 5 and we are continuing to pursue the question actively. We also understand that Caribair (Puerto Rico-based) has been having discussions with the Trinidad and Tobago Government in Port-of-Spain.

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-3-

6. Venezuela. A special Department of Defense team visited Caracas in late April to confer with Venezuelan officials regarding the military equipment requested by President Leoni for counterinsurgency operations. It was agreed that the United States would sell the equipment desired and almost all deliveries will be made as desired by Venezuela. Of the \$3.5 million total involved, approximately \$2 million will be met under the existing FY '66 credit agreement and the remaining \$1.5 million will be paid in cash. Venezuelan defense officials have expressed their deepest satisfaction at the rapid and effective U.S. response.

To assist the Venezuelan Government in its consideration of appropriate initiatives it might take in the OAS on Cuban subversion, the Department is completing preparation of specific suggestions on OAS procedures and substantive actions which Venezuela might propose.

Assistant Secretaries Moore (Interior) and Solomon met with Canadian representatives on April 17 and informed them of the U.S. desire to reach a firm understanding on the growth rate of Canadian oil imports, and, pending that, our inability to approve any new pipelines from Canada. The Canadians indicated that they wished to study the problem before resuming talks.

The Department of Interior has called for open hearings from May 22-24 to allow discussion on the entire oil imports program, including asphalt measures. The investigation by the Office of Emergency Planning of the national security implications of treatment of asphalt and asphaltic crudes under the oil imports program was initiated April 17.

The Department of Health, Education and Welfare has established an inter-agency committee, with representation from the Department of State, to study air pollution, including the impact of U.S. air pollution regulations on imports of residual fuel oils. The committee has begun its work.

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~~CONFIDENTIAL~~

-4-

The reports we have received of both public and private assessments of the Summit by the Latin American officials concerned indicate that the Presidents were especially pleased with the bilateral discussions. We shall move forward as rapidly as possible to comply with the commitments made during these talks and I will continue to keep you informed of the progress made.



Dean Rusk

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo. 1/30/95, State Dept. Guidelines
By fw, NAKA, Date 4-27-99

122
Mr. Rostow

1. strip
2. Pres file

~~CONFIDENTIAL~~

May 16, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: \$30.5 million Project Loan for Turkey

Here is an outstanding example of how we are using our aid in Turkey to induce a turnaround in Turkish economic policy.

Prime Minister Demirel is trying to chip away at Turkey's strong tradition of state-run enterprises because they're smothered with bureaucracy and are highly uncompetitive. Turkish industry must become more efficient if Turkey is to boost export earnings and eventually move into the Common Market. Turkey will also have to develop a larger private capital market to finance the necessary expansion of private enterprise.

This project (\$30.5 million loan) for developing copper deposits was originally conceived as a state-run enterprise. However, Demirel agreed to charter a new private Turkish corporation instead. Our money will go through the Turkish Government to it, and the Government will transfer to the company the mining rights and processing facilities from some of its own principal copper ore properties. The equity underwriting will be the largest in Turkish history--a sharp boost for the capital market. Demirel is fighting substantial opposition from his own bureaucracy. Our quick approval will strengthen his hand.

I talked with Jim Grant, our AID Director in Turkey yesterday. He paints an encouraging picture of the extent to which economic growth is catching hold in Turkey. He showed me pictures of how the Mexican wheat seeds that have been so successful in Pakistan and India are capturing the farmers' attention in Turkey too. According to him, Demirel is running a good economic show.

Attached are Bill Gaud's proposal and endorsements by Charles Schultze and Secretary Fowler. I recommend you approve.

Approve ✓

Disapprove _____

W. W. Rostow

~~CONFIDENTIAL~~

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

MEMORANDUM FOR THE PRESIDENT

Subject: Project Loan Assistance to Turkey

In the attached memorandum, Bill Gaud requests your approval of a \$30.5 million loan to the Government of Turkey. This will then be re-lent to a new private Turkish corporation for a copper mining and smelting complex on the Black Sea coast.

When this project was first proposed to AID by the Turks several years ago it was proposed as an entirely government undertaking. In line with AID's strategy in Turkey of encouraging the growth of private enterprise in the heavily state-controlled mining and industrial sector, Dave Bell made 49% private ownership a minimum condition of AID financing. Under AID's persistent urging the pragmatic Demirel government has finally agreed to give private enterprise the majority control (51%).

This is a real breakthrough in a traditionally government controlled sector. Additionally -

- The project will provide \$33 million per year in foreign exchange.
- The underwriting and sale of shares to the public will help develop the private capital market.

I recommend that you authorize this important private sector loan. Secretary Fowler agrees that this loan will have a minimal impact on our balance of payments.

Attachment

Approve _____

Disapprove _____

122 b

LIMITED OFFICIAL USE

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

OFFICE OF
THE ADMINISTRATOR

MAY 4 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Project Loan Assistance to Turkey

I am requesting authorization for a development loan of \$30.5 million to the Government of Turkey which will be re-lent to a new private Turkish corporation. The loan will finance the development of selected copper deposits on the Black Sea coast, construction of a copper smelter at Samsun and related facilities.

In January you approved the pledging and subsequent signing of a program loan to Turkey of up to \$65 million. At that time we indicated our expectation of also making project loans of approximately \$55 million during FY 1967. In addition to this loan, three other project loans totalling approximately \$24 million are under consideration.

Self-Help

The rapid increase in Turkish exports, which is essential if the goal of eliminating the need for concessional assistance by 1973 is to be reached, is largely dependent on the development of Turkey's mineral resources. For over two years we have been discussing with the Government of Turkey the need to take a more liberal approach to the development of its natural resources by permitting a broader participation of private industry.

This project represents the culmination of these efforts. It is a significant breakthrough in the development of the Turkish private sector and clear evidence of the pragmatic approach of the Demirel Government in areas which for ideological reasons had been considered an exclusive responsibility of the state. Strong political and bureaucratic opposition to this project has already developed and Etibank, the State Economic Enterprise responsible for the development of Turkey's mineral resources and implementation of this project, has been subjected to intense pressure. Demirel, however, continues to give it his complete support.

LIMITED OFFICIAL USE
DECONTROL FOLLOWING MAY 4, 1972

LIMITED OFFICIAL USE

-2-

The project will provide significant foreign exchange benefits - net annual foreign exchange benefits are estimated to exceed \$33 million (approximately 7% of current export earnings); the company will be 51% owned by the Turkish private sector; and the equity underwriting (\$15 million) for this project, which is the largest in Turkish history, will give a significant stimulus to the development of a private capital market.

The Government of Turkey has agreed to transfer the mining rights and processing facilities of some of its principal copper ore properties on the Black Sea coast to the new company and authorized Etibank to become a minority stockholder in this private company.

U. S. Balance of Payments Considerations

All of the proceeds of this loan will be used to purchase goods and services from the U. S. Since Turkey normally purchases the bulk of its mining equipment from Europe, A.I.D. financing is likely to lead to additional U. S. exports and may help develop a market for U. S. mining equipment.

Recommendation

This loan has been examined thoroughly by A.I.D. and recommended for approval by the Interagency Development Loan Committee. I, therefore, recommend your approval.

William S. Gaud
acting for
William S. Gaud

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W.W.R. 123

1. ~~ansp~~
2. Pres file

May 15, 1967; 7:45 PM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Invitation to Italian President Saragat to Visit You in September.

At Tab A, for your approval, is an invitation for President Saragat to visit you this September. (You have already approved Secretary Rusk's recommendation for an informal September visit.)

A personal message would greatly please Saragat, who has long hoped for an invitation. If you approve, Reinhardt will tell Saragat that you are thinking in terms of a one-day visit sometime between September 18-20.

Francis M. Bator

Approve invitation ✓

No

Speak to me

1032

DRAFT MESSAGE TO ITALIAN PRESIDENT SARAGAT

Dear Mr. President:

I understand that you plan to travel to Canada in September. It would be a special pleasure for me if you could come to Washington for an informal visit before you continue on to the Far East. This would give us an opportunity to discuss problems of concern to our two countries, and to exchange views on the great international issues of the day.

If this would be possible for you, I suggest that we ask Ambassadors Fenoaltea and Reinhardt to work out a mutually satisfactory date.

With warm best wishes,

Sincerely,

~~CONFIDENTIAL~~

Tuesday, May 16, 1967 -- 5:15 p.m.

Mr. President:

We have been holding the attached message to former Chancellor Erhard until you could get an opinion from Secretary Rusk about the protocol problems that might arise if Erhard spent the night at the White House.

You did not rule on Sec. Rusk's negative judgment (attached Tab A).

In addition, there is some thought the Erhard invitation should follow your decision on an invitation to Kiesinger (Tab B).

Therefore, we need guidance:

- Approve Kiesinger invitation _____
invitation to Erhard
- Hold/awaiting Kiesinger decision _____
- Send Erhard invitation, including invitation to stay at
White House _____
- Send Erhard invitation without reference to staying at
White House _____
- See me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-470
By CB, NARA, Date 7-24-95

W. W. Rostow

WWRostow:rlh

~~CONFIDENTIAL~~

75 ^{type} ~~Sept~~ to Ranch 124a
May 4, 1967

FROM WALT ROSTOW

TO THE PRESIDENT

SUBJECT: Erhard's Visit to Washington

Secretary Rusk thinks it would be fine for you to give a luncheon for former Chancellor Erhard during his visit to Washington. The best date would be Thursday, July 13. However, July 14 would be acceptable.

I recommend that you plan the luncheon for July 13 and approve the following draft message informing the former Chancellor.

Dear Mr. Chancellor:

I was delighted to hear that you are coming to the United States in connection with the 150th Anniversary of the University of Michigan. I hope you will have lunch with me on July 13. I look forward to seeing you in Washington.

Sincerely,

12-4-67

THE WHITE HOUSE
~~CONFIDENTIAL~~ WASHINGTON

F
S

Thursday, May 11, 1967
3:55 p.m.

Mr. President:

J

Herewith Sec. Rusk presents his
response to the question you raised
about Erhard's visit with you.

Walt Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By My, NARA, Date 5-28-91

1746
124c

THE SECRETARY OF STATE
WASHINGTON

May 10, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE HONORABLE
WALT W. ROSTOW

On balance, I would advise against the President's asking Ludwig Erhard to spend the night in the White House prior to his luncheon. It might create sensitivities with Kiesinger and it could also raise problems of precedent for other personalities such as Wilson, Holt, or anyone who would feel some pressure toward demonstrating that they have a very close relationship with the President.

Dean Rusk

Dean Rusk

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-474
By sig, NARA, Date 10-13-92

~~CONFIDENTIAL~~

THE SECRETARY OF STATE
WASHINGTON

124d

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-474
By WJ, NARA, Date 10-13-92

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Kiesinger Visit

Recommendation:

That you approve the attached text of a message inviting Chancellor Kiesinger to the United States.

Approve _____ Disapprove _____

Discussion:

On April 26, immediately after your meeting with Chancellor Kiesinger, you told a mixed group composed of Kiesinger's staff and your own that: 1) you had invited the Chancellor and Mrs. Kiesinger to come to Washington when they could; 2) you would follow this matter up in the next few weeks; and 3) an announcement would be made.

I enclose a suggested message inviting the Kiesingers and proposing that the Chancellor accept a date late in June, or in September. The suggested message invites the Chancellor and Mrs. Kiesinger to Washington, and following that, as a special mark of favor, to the Ranch.

I suggest the visit to Washington because the Germans will welcome the official character this would give the visit. The addition of a trip to the Ranch would add an important personal touch that would have favorable results with Kiesinger himself as well as with the German public.

~~CONFIDENTIAL~~

Declassified following January 1, 1968

~~CONFIDENTIAL~~

-2-

Your message would be sent to Ambassador McGhee who would explain, on delivery, that simultaneous announcements would be made in both capitals once a mutually satisfactory date was agreed, but that until then, both parties would confine themselves to press statements that arrangements were going forward.

Dean Rusk

Enclosure:

Suggested message to Kiesinger

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~~CONFIDENTIAL~~

DEPARTMENT OF STATE

Suggested Telegram

LIMDIS

ACTION: Amembassy BONN

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-474
By 1-8, NARA, Date 10-14-92

Ambassador should deliver following message to Chancellor Kiesinger from President. Notify Department, to pass White House, after delivery has been made.

Begin Text:

Dear Mr. Chancellor:

I was grateful for the opportunity to discuss with you our common concerns. I am sure we agree that such discussions are most worthwhile, indeed essential, to the healthy and vital relationship between our two countries which has existed in the past and which we both want to see continued and strengthened.

You will recall that during our last talk I told you that Mrs. Johnson and I would be delighted to welcome you to Washington. We would be especially pleased if you could come and see us in Washington and at our ranch as well. May I suggest that you and Mrs. Kiesinger

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~~CONFIDENTIAL~~

-2-

consider June 20-22 as the approximate time for your arrival here? If this is inconvenient, perhaps you would find a date in early September better. If you could let me know what dates would suit you during these periods, I am sure that between us we can find a few days that would be convenient to everyone. America would welcome both of you warmly, Mr. Chancellor. Mrs. Johnson and I look forward to your visit with pleasure.

Sincerely,

Lyndon B. Johnson

End Text.

When you make delivery, explain to Chancellor's office that President hopes replies to press questions about Chancellor's visit to United States can be confined to general statements that arrangements are being made, until visit date actually agreed. White House suggests simultaneous Bonn-Washington announcement when agreement on timing reached.

~~CONFIDENTIAL~~

Pres file

~~SECRET~~-- NODIS

Tuesday, May 16, 1967
11:05 p. m.

Mr. President:

Herewith Sec. Rusk urgently seeks clearance for:

-- Tabling on Thursday in Geneva a draft non-proliferation treaty with Article III on safeguards left blank, due to the differences between the position of the Soviet Union and NATO; and

-- To advise the Germans that we urge postponement of the duration issue until we see whether the other issues in contention can be cleared out and to avoid having the Germans out in front.

Sec. Rusk will probably wish to raise this at lunch today.

W. W. Rostow

~~TOP~~
~~SECRET~~-- NODIS

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-470
By cb, NARA, Date 7-24-95

cc: Mr. Bator
Mr. Keeny

WWRostow:rlh

~~SECRET/NODIS~~
THE SECRETARY OF STATE
WASHINGTON

1845
125a

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed Tabling of a Non-Proliferation
Treaty at the ENDC

The Federal Republic of Germany has objected to our proposal to table a Non-Proliferation Treaty jointly with the U.S.S.R. with the safeguards Article (Article III) left blank subject to further U.S.-Soviet efforts to achieve a joint proposal. They take the position that this might result in a safeguards Article which is harmful to the interests of EURATOM. They also propose that we introduce a U.S. draft which would include our safeguards Article, with an additional clause to make clear that inspectors are to be drawn only from countries accepting safeguards inspections on their territory, and with certain other additions to the text which has been shown the Soviets.

On Sunday the Germans, acting on instructions from the Foreign Minister, changed the emphasis on this approach to indicate that, although their basic position is that they still favored tabling two separate complete drafts, they would accept as a fall-back the tabling of a joint draft with Article III left blank, provided we assured them

(1) that we would obtain an understanding with the Co-chairman that we would attempt to negotiate out an Article III privately, and

(2) that if the subject of Article III was nevertheless raised in the Plenary, the U.S. would state that it considered an Article III like that which we have been discussing with the FRG as an essential condition for Western approval.

GROUP 1.
Excluded from automatic
downgrading and
declassification.

~~SECRET/NODIS~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-474
By ing, NARA, Date 10-13-92

~~SECRET/NODIS~~

-2-

In this fall-back position the Germans are now, in effect, asking that if, as is most likely, the Soviets won't at this time accept the German-preferred Article III and we table a joint draft with a blank Article III, the U.S. would in any future discussion of safeguards in Geneva become the spokesman for the German position.

The fact that the Germans are backing off from their opposition to the tabling of a joint draft with Article III blank is in itself an encouraging sign. I believe a decision to table a separate U.S. draft treaty now would seriously jeopardize the prospect of achieving U.S. - Soviet agreement on a treaty. It would leave the Soviets free to introduce -- or reintroduce -- various ideas of their own which we and the FRG would find unacceptable. It is most unlikely that any worthwhile treaty could be concluded in the absence of U.S. - Soviet agreement.

Nor can we object to the first of their conditions, namely that the U.S. would obtain an understanding with the Soviets that we would attempt to negotiate out an Article III privately and that multilateral discussion at the Conference of safeguards would be suspended pending availability of language protecting EURATOM interests to which the Soviets could agree.

My recommendation is that, if the Soviets will agree to this procedure -- as I believe they may -- we proceed to table a jointly-recommended draft in the ENDC with Article III, safeguards, initially left blank.

I have considerable difficulty with the second German condition. The German condition is based on a realistic assumption; it is certain that the Indians and others among the Eight will take an initial position that a safeguards Article should apply to the peaceful activities of all countries, both those which do and those which do not have nuclear weapons. We can accept this, but it will put great pressure on the Russians who will reject it.

There is no reason that this discussion should be to our disadvantage. The United States need not assume the responsibility for the fact that the ENDC is not considering such an Article. We are justified in making it quite clear that it is the continuing

~~SECRET/NODIS~~

~~SECRET/NODIS~~

-3-

refusal of the U.S.S.R. to accept safeguards on its territory that prevents acceptance of a non-discriminatory article. We can use this position as a basis for establishing a consensus at the ENDC in support of the position recommended by the FRG that IAEA inspectors are to be drawn only from countries accepting inspectors on their territories.

It is not clear that this tactical advantage would extend to obtaining general support for the relationship between regional inspection systems (in particular, EURATOM) and IAEA which the FRG has in mind. We should make every effort to reach agreement on this point and we should tell the Germans that we will do so. However, we should not now lose all flexibility on this subject by promising that it will be our current draft of Article III or nothing. We should rather indicate to the Germans that if we fail to obtain agreement on this approach, we would have to reassess the entire safeguards issue if it continues to stand in the way of an otherwise worthwhile treaty. We should indicate that we will do so through full NATO consultation and taking into account the views of all our allies. We should point out that the purpose of this negotiation is not to impose a treaty on anyone but to reach a treaty which all governments can accept in good spirit. This will involve extended negotiations in the period ahead which will be carried on in full consultation with our allies both in NAC and in capitals. We will expect the Western Four in the ENDC to be fully alert to protect the interests of NATO.

The further point made by Minister von Lilienfeld on behalf of Chancellor Kiesinger to Walt Rostow was for a treaty of limited duration. The suggestion was that the treaty should either be limited to a period of 20 years or signatories should be able to accede for a limited period. The Italians have suggested an even shorter duration clause and I believe that other key countries will also want to limit the treaty's duration.

It is most unlikely, however, that we could, at this time, negotiate a limited duration clause with the Soviets who would see it as the result of German pressure. This problem would be eased with the Soviets if it became clear that it was being raised by other countries. Moreover, the question of duration

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is closely linked with the amendment, review, and withdrawal provisions that are finally agreed upon. We, therefore, believe we should defer consideration of the duration issue until such time as we can see that a meaningful treaty is taking shape. If, as we expect, a number of other governments raise the duration issue, we ought to be prepared to think seriously about a treaty of limited duration provided it is long enough to accomplish the purpose of the treaty. We should not indicate to other governments anything specific on this subject at this time but rather indicate our willingness to consider all relevant questions with respect to the treaty, including the question of duration, in consultation with other governments and our own Joint Committee on Atomic Energy.

I recommend that you authorize me to convey these views to the FRG and, while recognizing the Chancellor's political problems, to indicate that the possibility of achieving a mutually satisfactory resolution is increased if the idea of a treaty of limited duration does not appear to be a German initiative.



Dean Rusk

~~SECRET/NODIS~~

126

Pres file

~~TOP SECRET~~ -- NODIS

Tuesday, May 16, 1967
10:55 a. m.

Mr. President:

Herewith Gov. Harriman
proposes we go now to the Russians
and tell them of our bombing plans,
expressing our "expectation" that
they will influence Hanoi to negotiate.

W. W. Rostow

~~TOP SECRET~~ -- NODIS

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-470
By CS, NARA, Date 7-24-95

WWRostow:rlh

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126a

DEPARTMENT OF STATE
AMBASSADOR AT LARGE

~~DECLASSIFIED~~

~~TOP SECRET - NODIS~~

May 15, 1967

MEMORANDUM FOR THE PRESIDENT AND THE SECRETARY

Subject: Negotiations - Soviet Union

Since my return to Washington, I have had a chance to catch up with my reading, and I understand bombing proposal "C" is in the process of being accepted. There is no doubt in my mind that this decision is wise and now gives an opportunity for political action.

The first step, I believe, should be to get word to the Soviets of this decision at once. They are evidently going through some "agonizing reappraisal" as indicated by the delay in Dobrynin's return. In their debate I would guess that the hard liners are pressing those, probably led by Kosygin, who favor a softer action. A decision, once made and conveyed to the United States through Dobrynin, would be difficult for Moscow to reverse.

I am therefore convinced and strongly urge that Tommy be immediately instructed to seek a meeting with the highest official available, preferably Gromyko or at least Kuznetsov, to inform the Soviets in confidence of our decision, and to indicate that we expect the Soviets to use their influence to move Hanoi towards negotiations. On the other hand, if a quick decision can be made, it might be more effective to convey the decision through a letter from the President to Kosygin.

I can understand the temptation to wait for the Secretary's talk with Dobrynin, but to me the disadvantages far outweigh any possible advantage. We must assume that in the absence of an approach by us the Soviet decision will be a hard line, at least as far as Vietnam is concerned.

If we inform Moscow directly or indirectly through our actions, after they have given us their hard line, it would reinforce the Moscow hard liners in their belief that toughness

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with

E.O. 12356, Sec. 3.4

NLJ

91-474

~~TOP SECRET - NODIS~~

By ijg, NARA, Date 12-13-92

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~~TOP SECRET - NODIS~~

- 2 -

with the U.S. will get results, and thus weaken the position of those who incline toward finding accommodation.

It may be well to recall that conciliatory initiatives on our part have in the past produced effective results in dealing with the Kremlin. For example, President Kennedy's conciliatory American University speech made possible the agreement on a limited test ban within six weeks. On the other hand, it is well to bear in mind Tommy's comment in his May 8th letter to Gene Rostow that "If there is one thing I have learned about this place it is they react badly to threats."

I feel I can say with some assurance that the Soviets react to a well-concealed mailed fist in the background, but that agreements can usually best be reached in an atmosphere of trying to find a common ground in as friendly a manner as conditions permit. At times one has to be brutally tough, though we must always give the Soviets a way out. At others, results can best be achieved by attempting to find areas of mutual self interest. In my judgment, Vietnam is in the latter category.

There is much at stake in the way in which we deal with Moscow. We should exploit the division between Moscow and Peking, and avoid actions that tend to bring them together. In any event, the only way a settlement in Vietnam can be reached in the near future would be through Moscow's influence.


W. Averell Harriman

~~TOP SECRET - NODIS~~