

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[1 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
1 memo	Rostow to the Pres. re Czechoslovakia S 1 p. exempt NLS 92-84 Exempt 2-13-01 NLS 00-50	6/30/67	A
1a memo (dup of #68a Czech, Vol 1, Box 179)	Deputy Director of Plans to Director, CIA S 2 pp. exempt 1-15-93 NLS 92-87 Exempt NLS 97-155 (12/97) Exempt 2-13-01 NLS 00-49	6/30/67	A
1b report (dup of #68a see above)	Intelligence Information Special Report S 11 pp. exempt 1-15-93 NLS 92-87 NLS 00-49 Exempt NLS 97-155 (12/97)	6/30/67	A
2 memo	Rostow to the Pres. S 1 p. open 4-28-95 NLS 92-84	6/30/67	A
2a memo	William Leonhart to the Pres. S 1 p. sanitized 4-28-95 NLS 92-84 Sanitized 11/6/00 NLS/PAC 00-64	6/30/67	A
2c memo	William Leonhart to the Pres. S 1 p. sanitized 4-28-95 NLS 92-84 Sanitized 11/6/00 NLS/PAC 00-64	5/17/67	A
4 cable	CAP 67619 re Germany open 3-25-94 NLS 92-85 S 1 p. Dup. of # 00, NSF, CF, Germany, Vol 13	6/30/67	A
5 cable	CAP 67620 re Middle East open 3-25-94 NLS 92-85 C 1 p. dup of # 113, NSF, CF, Middle East, Vol 7	6/30/67	A
8 cable	CAP 67615 re Middle East open 3-25-94 NLS 92-85 C 2 pp. dup of # 113, NSF, CF, Middle East, Vol 7	6/30/67	A
9 cable	CAP 67617 re Vietnam open 7-6-92 NLS 92-89 S 3 pp.	6/30/67	A
10 cable	CAP 67611 re Germany " S 2 pp.	6/30/67	A
12a memo	Henry Cabot Lodge to the Pres. " C 3 pp.	6/30/67	A
13a message	Kiesinger to the Pres. PCI 2 pp. open 3-25-94 NLS 92-85	undated	A
15 cable	CAP 67613 re Germany sanitized 3-25-94 NLS 92-85 open 6-10-97 C 2 pp. dup. of # 113, NSF, CF, Germany, Vol 13	6/30/67	A
16 cable	CAP 67610 re Middle East S 3 pp. open 1-25-96 NLS 95-249 exempt NLS 92-85 (possible dup of # 113/113a, NSF Country File, Middle East Crisis, Vol. 7)	6/30/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[2 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
18 cable	CAP 67609 re Vietnam <i>open 11-22-99 AAC 00016104</i> S 2 pp. [duplicate of #102a, NSF, Country File, "Vietnam 1G(1) Elections 6/1 - 8/12/67;" sanitized NLJ 90-262]	6/30/67	A
19 cable	CAP 67608 re Vietnam S 2 pp. <i>open 7-6-92 NLJ 92-89</i>	6/30/67	A
20 memo	Rostow to the Pres. re Vietnam S 2 pp. <i>exempt NLJ 92-84</i> <i>sanitized 11/6/00 NLS 112AC 0064</i>	6/30/67	A
21 memo	Rostow to the Pres. re Middle East S 1 p. <i>open 3-25-94 NLJ 92-85</i>	6/30/67	A
22 memo	Rostow to the Pres. [near duplicate of #20] S 2 pp. <i>exempt NLJ 92-84</i>	6/30/67	A
28 cable	CAP 67596 re Vietnam S 2 pp. <i>sanitized 3-25-94 NLJ 92-85</i> <i>sanitized 11/6/00 NLS 112AC 00-64</i>	6/29/67	A
29 cable	CAP 67595 re Vietnam TS 2 pp. <i>open 7-6-93 NLJ 92-86</i>	6/29/67	A
36a memo	Director, CIA to the Pres. S 3 pp. <i>exempt 1-15-93 NLJ 92-87</i> <i>exempt NLJ 09-018-1</i>	6/28/67	A
38 memo	Rostow to the Pres. re Middle East <i>open 4-28-95 NLJ 92-84</i> S 1 p. <i>Dup of #168, NSF, CF, mid East, Vol 7, Bx 109</i>	6/28/67	A
40 memo	Rostow to the Pres. re Venezuela C 1 p. <i>open 3-25-94 NLJ 92-85</i>	6/28/67	A
40a cable	Caracas 6765 <i>open 7-6-92 NLJ 92-89</i> C 1 p.	6/23/67	A
41a memo	Symington to the Pres. <i>open 4-2-93 NLJ 92-89</i> C 4 pp. [duplicate of #1a, NSF, Country File, "USSR, Hollybush III," Box 229]	6/27/67	A
42a cable	London 10724 <i>open 4-2-93 NLJ 92-89</i> S 1 p.	6/28/67	A
44 memo	Rostow to the Pres. re Vietnam C 1 p. <i>open 3-25-94 NLJ 92-85</i>	6/28/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[3 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
47 memo	Rostow to the Pres. re Vietnam S 1 p. exempt NLJ 92-84 <i>Sanitized 11/6/00 NSI/RAC 00-64</i>	6/28/67	A
47a cable	Intelligence Information Cable S 4 pp. exempt 1-15-93 NLJ 92-87; exempt NLJ 019-018-1	6/27/67	A
48 memo	Rostow to the Pres. re Middle East S 1 p. exempt NLJ 92-84 (dup. # 149, NSF, Middle East Crisis, Vol 7) <i>Sanitized 11/6/00 NSI/RAC 00-64</i>	6/28/67	A
48a cable	Intelligence Information Cable S 4 pp. exempt 1-15-93 NLJ 92-87 (dup. # 149a, above) <i>exempt NLJ 019-018-1</i>	6/27/67	A
51 memo	Rostow to the Pres. re Uruguay C 1 p. <i>open</i> 3-25-94 NLJ 92-85	6/28/67	A
51a memo	Schultze to the Pres. " " C 2 pp.	6/24/67	A
51b memo	Gaud to the Pres. C 7 pp. <i>open</i> 2-5-93 NLJ 92-90	6/15/67	A
52 memo	McGeorge Bundy to the Pres. re Middle East <i>open</i> 11-22-99 Sanitized 3-25-94 NLJ 92-85 S 1 p. (dup. of # 238, NSF, CF, Middle East Crisis, Vol 7, Bx 110)	6/28/67	A
53 memo	Rostow to the Pres. re Kuwait <i>open</i> 3-25-94 NLJ 92-85 S 1 p. (dup. of # 236d, see above)	6/28/67	A
53a letter	Pres. to ruler of Kuwait <i>open</i> 3-25-94 NLJ 92-85 S 1 p. (dup. of # 236b, see above)	6/15/67	A
54 memo	Bundy to the Pres. re Kuwait <i>open</i> 3-25-94 NLJ 92-85 S 1 p. (dup. of # 238a, NSF, CF, Middle East Crisis, Vol 7, Bx 110)	6/28/67	A
54a memo	Katzenbach to the Pres. re Kuwait S 2 pp. <i>open</i> 7-6-92 NLJ 92-89	6/27/67	A
54b	duplicate of #53a <i>open</i> 11-22-99 NLJ 92-85		
55	duplicate of #52 <i>open</i> 11-22-99		
58 memo	Rostow to the Pres. re Middle East S 1 p. <i>open</i> 6-11-92 NLJ 91-140	6/27/67	A
62a report	re NSAM 341 C 1 p. <i>open</i> 3-25-94 NLJ 92-85	6/27/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[4 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
62b memo	Rostow to the Pres. C 1 p. <i>open 3-25-94 NLS 92-85</i>	5/20/67	A
62c memo	Taylor to the Pres. re NSAM 341 C 2 pp.	5/17/67	A
65 memo	Rostow to the Pres. re Vietnam C 1 p. <i>sanitized 4-28-95 NLS 92-84</i> <i>sanitized 11/6/00 NLS/PLC 00-64</i>	6/27/67	A
65a cable	Intelligence Information Cable C 2 pp. <i>sanitized 1-21-00 NLS 92-87</i> <i>sanitized 1-15-93 NLS 92-87</i> <i>NLS 98-186</i>	6/26/67	A
66 memo	Rostow to the Pres. re Middle East C 2 pp. <i>open 3-25-94 NLS 92-85</i>	6/27/67	A
67 memo	Rostow to the Pres. re Central America C 1 p. <i>open 3-25-94 NLS 92-85</i>	6/27/67	A
75 memo	Rostow to the Pres. re Lebanon C 1 p. <i>open 3-25-94 NLS 92-85</i>	6/27/67	A
75a memo	AID and Agriculture to the Pres. C 3 pp. <i>open 2-5-93 NLS 92-10</i>	undated	A
76a report	Meeting with Kiesinger PCI 9 pp. <i>open 3-25-94 NLS 92-85</i>	6/19/67	A
77 memo	Rostow to the Pres. re Honduras C 1 p. <i>open 3-25-94 NLS 92-85</i>	6/27/67	A
78 memo	Rostow to the Pres. re Chile <i>open 3-25-94 NLS 92-85</i> C 1 p. (Dup of #88a NSF, CF, Chile, Vol 4)	6/27/67	A
78a memo	Schultze to the Pres. <i>open 3-25-94 NLS 92-85</i> C 2 pp. (Dup of #88a, NSF CF, Chile, Vol 4)	6/24/67	A
78b memo	Gaud to the Pres. C 5 pp. <i>open 2-5-93 NLS 92-90</i>	6/16/67	A
81a cable	Bunker to Sec. State S 3 pp. <i>exempt NLS 92-89; exempt NLS 019-018-1</i>	6/26/67	A
88 memo	Rostow to the Pres. re Vietnam S 1 p. <i>open 4-28-95 NLS 92-84</i>	6/26/67	A
92 memo	Rostow to the Pres. re USS Liberty S 1 p. <i>open 7-6-93 NLS 92-86</i>	6/26/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[5 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
94a memo	Katzenbach to the Pres. re Romania S 2 pp. open 4-2-93 NLS 92-89	6/26/67	A
94b report	Talking Paper " C 6 pp.	6/67	A
94c biography	Ion Gheorge Maurer S 1 p. open 1-15-93 NLS 92-87	undated	A
94d biography	Corneliu Manescu " C 1 p.	undated	A
97a	duplicate of #102 open 11-22-99 NLS 92-86		
97b message	to Wilson, Moro, Kiesinger open 7-6-93 S 1 p. NLS 92-86	6/24/67	A
98 memo	Rostow to the Pres. re Thailand " S 2 pp.	6/26/67	A
100 memo	Rostow to the Pres. re Turkey " C 1 p.	6/26/67	A
102 message	Pres. to Prime Minister " C 1 p.	6/26/67	A
105 memo	Rostow to the Pres. re King Hussein " C 1 p.	6/26/67	A
113 cable	CAP 67579 re Middle East open 11-22-99 S 2 pp. exempt 8-18-92 NLS 92-86 (dup. # 256, NSF, County, Fed, Middle East Encl, Vol. 7)	6/24/67	A
114 cable	CAP 67578 re Middle East open 7-6-93 NLS 92-86 S 3 pp.	6/24/67	A
116	duplicate of #113 exempt 8-18-92 NLS 92-86 open 11-22-99		
117 cable	CAP 67571 open 7-6-93 NLS 92-86 C 1 p.	6/24/67	A
119 memo	Rostow to the Pres. re Middle East " C 2 pp.	6/24/67	A
120 memo	Rostow to the Pres. re Middle East " S 1 p.	6/24/67	A
120a draft	Proposed Presidential Statement open 12-10-91 PCI 2 pp.	undated	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[6 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
122 memo	Rostow to the Pres. re Middle East TS 1 p. open 4-28-95 NLJ 92-84	6/24/67	A
124	duplicate of #97b open 7-6-93 NLJ 92-86		
127 memo	Rostow to the Pres. re Panama C 2 pp. open 7-6-93 NLJ 92-86	6/23/67	A
129 memo	Rostow to the Pres. re Bolivia S 2 pp. sanitized 2-26-93 NLJ 91-32 same sanitization 5-15-92 RAC 001-205-2-44 and NLJ 00-50 sanitized 2-13-01 NLJ 00-50	6/23/67	A
130 memo	Rostow to the Pres. re Romania C 1 p. open 7-6-93 NLJ 92-86	6/23/67	A
132 memo	Rostow to the Pres. re USSR TS 2 pp. open 6-1-92 NLJ 91-14 [duplicate of #22, NSF, Country File, "USSR, Hollybush II," Box 229]	6/22/67	A
133 memo	Rostow to the Pres. TS 1 p. open 7-6-93 NLJ 92-86	6/22/67	A
133a cable	from Prime Minister Wilson to the Pres. ^{Open 4/20/00} TS 2 pp. exempt 8-16-92 NLJ 92-86 ^{NS 00-53}	6/22/67	A
138 memo	Rostow to the Pres. re Vietnam TS 1 p. open 7-6-93 NLJ 92-86	6/22/67	A
138a cable	from CINCPAC re Vietnam TS 6 pp. open 6-1-92 NLJ 92-88	6/22/67	A
138b map	Vietnam open 6-1-92 NLJ 92-88 C 1 p.	undated	A
143	duplicate of #132 open 7-25-94 NLJ 91-14		
144 memo	Rostow to the Pres. re Panama C 2 pp. open 7-6-93 NLJ 92-86 [duplicate of #121, NSF, Country File, "Panama, Volume 9"]	6/22/67	A
146a cable	Saigon 28493 open 11-22-99 RAC 11120 S 11 pp. [duplicate of #3a, NSF, Country File, Vietnam, "8B(1)[A]," Box 104; sanitized 1983]	6/21/67	A
148a cable	USUN 5841 open 7-6-92 NLJ 92-89 S 2 pp.	6/22/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[7 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
150 memo	McGeorge Bundy to the Pres. re Middle East S 2 pp. <i>sanitized 6-1-92 NLJ 91-14</i> [duplicate of #20, NSF, Country File, "USSR, Hollybush II," Box 230] <i>open 7-6-93 NLJ 92-86</i>	6/22/67	A
151 memo	Rostow to the Pres. re Morocco C 1 p. <i>open 7-6-93 NLJ 92-86</i>	6/22/67	A
151a memo	Schultze to the Pres. " C 1 p.	5/15/67	A
151b memo	Gaud and Freeman to the Pres. <i>open 2-5-93 NLJ 92-90</i> C 1 p.	4/18/67	A
151c memo	Gaud and Schnittker to the Pres. " C 3 pp.	2/2/67	A
153 memo	Rostow to the Pres. re Morocco <i>open 11-22-99</i> S 1 p. exempt 8-18-92 NLJ 92-86	6/22/67	A
153a memo	Katzenbach to the Pres. C 2 pp. <i>open 4-2-93 NLJ 92-89</i>	6/22/67	A
155 memo	Bator to the Pres. <i>open 12-10-91</i> RCI 2 pp.	6/21/67	A
155a memo	Katzenbach to the Pres. C 1 p. <i>open 4-2-93 NLJ 92-89</i>	undated	A
155b report	re meeting with Moro and Fanfani " C 2 pp.	6/67	A
155c biography	Prime Minister Aldo Moro S 1 p. <i>open 11-5-93 NLJ 92-87</i>	undated	A
155d biography	Minister Amintore Fanfani " S 2 pp.	undated	A
157 memo	Rostow to the Pres. re Kosygin S 3 pp. <i>open 6-1-92 NLJ 91-14</i> [duplicate of #33, NSF, Country File, "USSR, Hollybush II," Box 229] <i>ALSO FILES OF WWR, BOX 11, "TRIP TO SOVIET UNION" doc. #126</i>	6/21/67	A
162 memo	Rostow to the Pres. <i>open 2-13-01</i> S 1 p. [duplicate of #110, NSF, Country File, "USSR, Hollybush," Box 229; exempted NLJ 90-176]	6/21/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[8810]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
162a cable	Sanitized 7/26/00 NLS 00-52 re Kosygin Duplicate of #32, "USSR Hollybush II," Box 230 S 1 p. Sanitized NLS 90-174	6/21/67	A
162b memo	phone message Duplicate of #32a USSR Hollybush II "Box 230 PCI 1 p. exempted NLS 90-175 Open 2-13-01	6/21/67	A
162c report	Briefing Note Sanitized 227-03 NLS PAC 00-66 S 2 pp. exempt NLS 92-89	6/21/67	A
163a memo	Rostow to the Pres. re Panama exempt 8-18-92 NLS 92-86 S 1 p. OPEN 3/12/00 NLS 00-48 [duplicate of #123, NSF, Country File, "Panama, Volume 9"]	6/21/67	A
163b report	on Panama Exempt 7/26/00 NLS 00-52 S 1 p. exempt 7-30-93 NLS 92-83 [duplicate of #123b, NSF, Country File, "Panama, Volume 9"]	6/20/67	A
164a memo	Arthur McCafferty to Rostow PCI 1 p. exempt 8-18-92 NLS 92-86 OPEN 3/12/00 NLS 00-48	6/21/67	A
165 memo	Rostow to the Pres. PCI 1 p. exempt 8-18-92 NLS 92-86 Open 4/20/00 NLS 00-53	6/21/67	A
165a cable	Paris 20454 exempt NLS 92-89 S 4 pp. Open 3/31/00 NLS 00-51	6/21/67	A
165b cable	Paris 20456 exempt NLS 92-89 S 1 p. Open 3/31/00 NLS 00-51	6/21/67	A
165c cable	re Paris 20454 exempt NLS 92-89 PCI 2 pp. Open 3/31/00 NLS 00-51	6/18/67	A
167 memo	Rostow to the Pres. Open 11-22-99 PCI 1 p. exempt 8-18-92 NLS 92-86 (dup. #267, NSF Country File, Middle East Crisis, Vol. 7)	6/21/67	A
168 memo	Rostow to the Pres. PCI 1 p. Sanitized 4-28-95 NLS 92-84 Sanitized 6/16/00 NLS PAC 00-64	6/21/67	A
168a cable	Intelligence Information Cable S 3 pp. Sanitized 1-15-93 NLS 92-87 Sanitized 6/18/02 more info NLS PAC 00-65	6/21/67	A
168b cable	Intelligence Information Cable S 4 pp. Exempt 1-15-93 NLS 92-87 Exempt NLS 019-018-1	6/21/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[90610]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
169 memo	same categorization NS-02 Sanitized 11/6/00 100% FDC 00-09 Rostow to the Pres. Sanitized 4-28-95 NLJ 92-84 S 1 p. (dup of #268, NSF, CF, Middle East Crisis, Vol 7, Bx 110)	6/21/67	A
169a cable	Jidda 5467 exempt NLJ 92-89 open 11-22-99 C 3 pp. (dup of #268b, see above)	6/20/67	A
169b cable	London 10503 exempt NLJ 92-89 open 3/21/00 NLJ 00-51 S 4 pp. (dup of #268d + e, see above)	6/20/67	A
169c cable	Saigon 28409 open 7-6-92 NLJ 92-89 S 3 pp. [duplicate of #114, NSF, Country File, Vietnam, "1G(1) 6/1 - 8/12/67," Box 65]	6/20/67	A
169d cable	Intelligence Information Cable open per NLJ 00-51 S 3 pp. Sanitized 1-15-93 NLJ 92-87; (dup of #268i, NSF, CF, Middle East, Vol 7, Bx 110) 6/19/67	6/19/67	A
169e cable	Intelligence Information Cable C 3 pp. exempt 1-15-93 NLJ 92-87; exempt by OR 1018-1 (dup let #268j, see above) 6/19/67	6/19/67	A
170a cable	USUN 5809 open 7-6-92 C 4 pp. NLJ 92-89 6/21/67	6/21/67	A
173 memo	Rostow to the Pres. re PM Pearson TS 1 p. open 7-6-93 NLJ 92-86 6/21/67	6/21/67	A
173a draft	message to Prime Minister Pearson " TS 1 p. undated	undated	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 32,
June 21 - 30, 1967," Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[10 of 10]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#39 memo	Rostow to the President 4:15 p.m. <i>open 11-22-99</i> 1 p. <i>"C" closing removed per J.W. 11-18-99</i>	6/28/67	C
#39b memo	Bill Bowdler to Rostow <i>open 11-22-99</i> 2 pp <i>"C" closing removed per J.W. 11-18-99</i>	6/27/67	C
#2b memo	Charles Schultze to the President - Secret 2 pp <i>Exempt 2-13-01 NSJ/RAC 00-69 exempt</i>	6/29/67 RAC 5/03	A
<i>17</i> #7 cable	Rostow to the President - TS 1 p <i>exempt RAC 5/03</i>	6/30/67	A
#30 cable	Walt Rostow to the President, 2:05 p.m. - TS 1p <i>annexed 4/13/03 NSJ/RAC 00-71</i>	6/29/67	A
#49 memo	Walt Rostow to the President, 10:00 a.m. - TS 1 p <i>annexed 4/13/03 NSJ/RAC 00-71</i>	6/28/67	A
#92 transcript	re U.S.S. <u>Liberty</u> - TS 39 pp <i>(dup of #176, NSF, CF, Mid East, Vol 7, Bx 109)</i>	6/14-15/67	A
<i>17</i> #17 cable	CAP 67612 Rostow to the President TS 1 p. <i>Exempt 2-13-01 NSJ/RAC 00-70</i>	6/30/67	A

FILE LOCATION

NATIONAL SECURITY FILE, Memos to the President, Walt Rostow, Volume 32, June 21-30, 1967
Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

11 of 11

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
68 memo	Rostow to the President - S 1 p <i>Exempt 7-29-04 NLJ 04-60</i>	6/27/67	A
68a memo	Rostow to the Deputy Secretary of Defense - S 1 p <i>Exempt 7-29-04 NLJ 04-60</i>	6/29/67	A
68b memo	Cyrus Vance to the President - S 2 pp <i>Exempt 6-22-04 NLJ 04-61</i>	6/24/67	A
69 memo	Rostow to the President - <i>Dep. #20, NSF, Subj. File, UK, vol. 1, Box 34</i> S 2 pp <i>Sanitized 3-14-05 NLJ 04-60</i>	6/27/67	A
69a memo	Rostow to the Secretary of Defense - <i>Dep. #2, NSF, Subj. File, UK, vol. 1, Box 34</i> S 1 p <i>Sanitized 3-14-05 NLJ 04-60</i>	6/29/67	A
70 memo	Rostow to the President - S 1 p <i>Sanitized 7-29-04 NLJ 04-60</i>	6/27/67	A
70a memo	Rostow to the Deputy Secretary of Defense - S 1 p <i>Sanitized 7-29-04 NLJ 04-60</i>	6/29/67	A
70b memo	Cyrus Vance to the President - S 1 p <i>Exempt 6-22-04 NLJ 04-61</i>	6/26/67	A
70c rpt	re Italy - S 1 p	n.d.	A
71 memo	Rostow to the President - S 1 p <i>Sanitized 3-14-05 NLJ 04-60</i>	6/27/67	A
71a memo	Rostow to the Deputy Secretary of Defense - S 1 p <i>Sanitized 3-14-05 NLJ 04-60</i>	6/29/67	A

FILE LOCATION

NATIONAL Security File, Memos to the President, Rostow, Volume 32, June 21-30, 1967, Box 18

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
 (B) Closed by statute or by the agency which originated the document.
 (C) Closed in accordance with restrictions contained in the donor's deed of gift.

~~SECRET~~

Friday, June 30, 1967
2:05 p.m.

Mr. President:

Herewith Bill Leonhart reports
the somewhat tangled state of
financing for Revolutionary Develop-
ment and what Schultze and Helms
propose to do.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 92-84
By rip, NARA, Date 4-18-95

MEMORANDUM

Copy 3 of 3 copies

THE WHITE HOUSE
WASHINGTON

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-64
By cb NARA Date 10-23-00 2a

~~SECRET~~

June 30, 1967

1. *encl*
2. *Pres file*

MEMORANDUM FOR THE PRESIDENT

1. Financing RD Teams in Vietnam. Charlie Schultze memorandum (attached) reports that the effort to continue black budget funding through FY-68 has succeeded only for the first three quarters. House Appropriations has reduced CIA's request [REDACTED] and continues to press for an early shift from CIA to overt financing in FY-68. Background remains as stated in my memorandum to you of May 17 (attached).

2. Schultze and Helms will appeal next week--Congressional deadline is July 17. If they are unsuccessful, we will need a formula to maintain FY-68 scheduled RD team build-up and program momentum. I concur in their proposal for fourth-quarter DOD financing which would leave CIA operational control intact. DOD has agreed to this interim arrangement.

3. A more permanent solution will have to be found for FY-69. I propose to get field views in Saigon next week and will work with BOB to develop recommendations for your FY-69 decisions.

William Leonhart
William Leonhart

Enclosures:

Schultze memo 6/29/67
Leonhart memo 5/17/67.

cc: Walt Rostow

~~SECRET~~

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

READ 5-18-67 10000

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

May 17, 1967

MEMORANDUM FOR THE PRESIDENT

1. CIA Financing of Revolutionary Development Teams. BOB has relayed Congressional questions on the continued inclusion of RD team costs in the FY 68 "black budget." Senator Russell is particularly concerned over its size and reportedly favors RD funding by DOD or AID. (We understand Senator Jackson has similar views.)

2. At present there are about 35,000 RD workers active in 59-man teams. Annual training output is 23,000. [REDACTED]
[REDACTED] CIA has funded and managed throughout.

3. I told BOB that we would actively explore alternatives to develop recommendations for your FY 69 budget decisions, but believed present arrangements should continue in FY 68. Reasons:

-- The new pacification organization needs more time to shake down.

-- All other Washington support arrangements are continuing unchanged.

-- Neither DOD nor AID is geared up to manage the RD teams which should not lose momentum.

-- We expect CIA to try new ways this year to maximize RD numbers and impact (examples: RF/PF companies may replace the 33 riflemen in the 59-man teams, thus stretching RD cadre three times as far -- or small RD leadership elements may be attached to local civil-military teams).

-- We want to give the new team opportunity to send you its views on the forward design and management of the RD effort.

4. BOB and CIA concur. Unless you see objection, BOB will urge continued CIA funding for FY 68, as previously recommended, and Charlie Schultze and Dick Helms will be ready to discuss the matter with the sub-committees involved.

OK on this track ✓ *by all means - C*

No _____

See me _____

William Leonhart
William Leonhart

cc: Walt Rostow

~~SECRET~~

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

LIMITED OFFICIAL USE

SENT
WHCA

EEA191
OO WTE10
DE WTE 1338

1967 JUN 30 23 42

67 JUN 30 PM 7:52

FRIDAY

3

FROM WALT ROSTOW
TO THE PRESIDENT
CITE WH70364

LIMITED OFFICIAL USE

JUNE 30, 1967

SUBJECT: THE SITUATION IN NEW YORK, 5:00 PM, JUNE 30.

THE LATIN AMERICANS HAVE TABLED THEIR RESOLUTION WITH 18
LATIN AMERICAN SPONSORS -- WHICH IS PRETTY GOOD.

PAZHWAH HAS JUST SET THE SCHEDULE WHICH WILL BE AS FOLLOWS:

-- THOSE WHO SPEAK TO THE YUGOSLAV RESOLUTION SHOULD DO SO
NOW.

-- NOON ON SATURDAY IS THE DEADLINE FOR ANY FURTHER
RESOLUTIONS. 11:00 AM SUNDAY IS THE DEADLINE FOR ANY
AMENDMENTS.

-- MONDAY MORNING THERE WILL BE VOTING ON PRIORITY FOR
THE YUGOSLAV RESOLUTION AND THE RESOLUTION ITSELF. (WE DO
NOT EXPECT TO CONTEST PRIORITY.)

-- FOLLOWING VOTING ON THE YUGOSLAV RESOLUTION, THERE
WILL BE EXPLANATIONS OF VOTE AND THEN THE ASSEMBLY WILL
TURN TO THE LATIN AMERICAN DRAFT.

AS YOU KNOW, ABSTENTIONS DON'T COUNT, SO WE MUST GET HALF
AS MANY VOTES AS THE OTHER SIDE TO HAVE A BLOCKING THIRD.
ESTIMATES OF THE OTHER SIDE'S STRENGTH RUN AT 60 TO 65.
ASSUMING THE 18 LATIN AMERICANS HOLD FIRM AND VOTE AGAINST
THE YUGOSLAV RESOLUTION, WE MIGHT ADD AN ESTIMATED 10 OR
A DOZEN NATO COUNTRIES, AUSTRALIA, NEW ZEALAND, NATIONALIST
CHINA, A FEW FRENCH AFRICANS, SOUTH AFRICA, ISRAEL AND A
HANDFUL OF ENGLISH-SPEAKING AFRICANS AND ASIANS TO PRODUCE
THE NECESSARY THIRD. THIS WILL, OF COURSE, BE THE CRUCIAL
TEST OF STRENGTH.

DTG 302308Z JUNE 67

LIMITED OFFICIAL USE

PRESERVATION COPY

EEA186
OO WTE10
DE WTE 1335

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67619

~~SECRET~~ EXDIS

JUNE 30, 1967

WITH RESPECT TO THE FINAL PARAGRAPH IN THE FOLLOWING,
GEORGE VON LILIENFELD CALLED FROM THE GERMAN EMBASSY TO
SAY THAT THE CHANCELLOR WOULD LIKE TO COME ABOUT MID-JULY
IF THAT WERE CONVENIENT TO YOU. HE SEES DE GAULLE JULY 12-13.

1. WITH FURTHER REFERENCE TO THE REQUEST MADE BY THE CHANCELLOR
TODAY FOR A POSTPONEMENT OF HIS VISIT TO WASHINGTON,
I AM CONVINCED IN LIGHT OF ALL THE EVIDENCE AVAILABLE
THAT THE CHANCELLOR IS BEING HONEST WITH US IN STATING HIS
REASON, AND IN LIGHT OF HIS POSITION I CONSIDER HE REALLY
HAS NO ALTERNATIVE. AN INFORMANT WITHIN THE CHANCERY, ON WHOM
WE RELY, HAS TOLD US THAT THIS IS THE CASE AND THAT THE
CHANCELLOR DID NOT MAKE HIS DECISION UNTIL 11:00 A.M. TODAY.

2. WE HAVE HAD AMPLE EVIDENCE THAT THE GOVERNMENT MIGHT BE
BUILDING UP TO A CRISIS ON MEDIUM-FINANCE PLANNING. KNIEPER,
IN HIS CALL ON ME THIS MORNING, TOLD ME THAT THE CHANCELLOR LAST
EVENING FACED A VERY OBSTREPEROUS CABINET. THEY KILLED THE
FINANCE PLANNING RECOMMENDATIONS OF THE CABINET SUB-COMMITTEE
AND WERE ACTUALLY SHOUTING AT EACH OTHER IN DISUNITY.
WHEN THE CHANCELLOR RAISED THE QUESTION OF HIS VISIT THEY
WERE IN NO MOOD TO DELAY CONSIDERATION OF THIS MATTER.
THE CHANCELLOR FEELS THAT THE MEETING SCHEDULED FOR THE
6TH WILL NOT RESULT IN A DECISION, WILL GO OVER TO THE 7TH
AND PERHAPS INTO SUBSEQUENT DAYS. IN THE MEANTIME NOT ONLY THE
GOVERNMENT BUT THE GERMAN ECONOMIC COMMUNITY HAS COME TO A VIRTUAL
STANDSTILL AWAITING THE OUTCOME. THE CHANCELLOR FEARS THAT IF HE
WENT TO AMERICA THE SITUATION WOULD GET OUT OF HAND, AND THAT HE
MIGHT NOT BE ABLE TO REESTABLISH ORDER EVEN WITHIN HIS OWN
PARTY, MUCH LESS THE COALITION. HE FEELS THAT HE MUST BE PRESENT
DURING THE NEXT FEW DAYS FOR CHRISTIAN DEMOCRATIC UNION/
CHRISTIAN SOCIALIST UNION FRAKTION MEETINGS, IN ORDER
TO PRESENT A COMMON FRONT IN THE CABINET. KNIEPER, WHO
INSISTED THAT HE CALL ON ME RATHER THAN I CALL ON HIM, SAID
BRANDT HAD WANTED TO SEND STATE SECRETARY SCHUETZ WITH HIM BUT HE
WAS OUT OF TOWN. KNIEPER HIMSELF WAS OBVIOUSLY NERVOUS AND UPSET.

3. KNIEPER SAID THAT THE CHANCELLOR HOPES THE PRESIDENT WILL FIND
A SUITABLE DATE SOONER RATHER THAN LATER. HE COMMENTED THAT THERE
MAY BE SPECULATION THAT THE CHANCELLOR WANTED TO MEET FIRST
WITH DE GAULLE, HOWEVER, HE COULD ASSURE ME THAT THIS WAS
NOT THE CASE.

DTG: 302144Z JUNE 1967

EXDIS

PRESERVATION COPY

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-85
By ju, NARA, Date 3-11-94

1967 JUN 30 22 32

67 JUN 30 PM 6:37
FRIDAY

SENT
RECEIVED
WHCA

~~CONFIDENTIAL~~ 5

1967 JUN 30 23 28

EEA189
OO WTE10
DE WTE 1336

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67620

DECLASSIFIED
E.O. 12356, Sec. 3.4

NJ 92-85

By , NARA, Date 3-11-94

for file

1967 JUN 30 PM 7:41

FRIDAY

~~CONFIDENTIAL~~

JUNE 30, 1967

HEREWITH TOMMY THOMPSON'S ASSESSMENT OF A KEY QUESTION, WILL THE RUSSIANS BACK A FULL FLEDGED RESUMPTION OF A MIDDLE EAST ARMS RACE. HIS ANSWER: PROBABLY NOT, BUT THEY MAY GO IN MUCH DEEPER WITH MILITARY ADVISERS IF THE EGYPTIANS LET THEM. THE FRENCH AND TURKISH MILITARY ATTACHES IN MOSCOW REPORT TO US TODAY IN THE SAME VEIN.

1. WITH MARSHAL ZAKHAROV'S VISIT IN CAIRO NOW WELL INTO ITS SECOND WEEK, IT SEEMS REASONABLY CLEAR SOVIETS STILL HAVE IMPORTANT UNFINISHED MILITARY BUSINESS WITH UNITED ARAB REPUBLIC (UAR).

2. WHILE AVAILABLE INFORMATION INDICATES SOVIETS ALREADY ENGAGED IN MAJOR EFFORT TO REBUILD AND REEQUIP BADLY MAULED UAR FORCES, IT IS STILL UNCLEAR, AT LEAST ON BASIS INFORMATION WE HAVE, WHAT SOVIETS HAVE IN MIND IN TERMS OF FUTURE UAR MILITARY POSTURE.

3. GIVEN PREVIOUS COMMITMENTS TO ARABS, AS WELL AS THEIR PRESENT POLITICAL STANCE AND OPPORTUNITIES IN MIDDLE EAST, SOVIETS UNDER PRESSURE TO PROVIDE UAR WITH RESPECTABLE FORCE, SUBSTANTIAL ENOUGH TO WARD OFF FUTURE ISRAELI ATTACKS. LESS LIKELY, IN OUR VIEW, IS SOVIET READINESS TO BUILD EGYPTIAN FORCES INTO FIRST CLASS FIGHTING MACHINE THAT MIGHT ENCOURAGE FURTHER ARAB ADVENTURE AND RISK ANOTHER MAJOR ARAB-ISRAELI MILITARY CONFRONTATION IN NEAR FUTURE.

4. BUT WHATEVER AGREEMENT IS REACHED ON FUTURE SIZE AND SHAPE OF EGYPTIAN FORCES, AND SOVIET CONTRIBUTION THERETO, THERE IS FURTHER AND PERHAPS MORE SIGNIFICANT DEVELOPMENT ON HORIZON--PROSPECT OF PERMANENT SOVIET PRESENCE IN UAR.

5. WHILE WE CANNOT ASSESS RELIABILITY REPORTS CONTAINED IN REFERENCE TELEGRAM, THEIR SUBSTANCE SEEMS PLAUSIBLE. HAVING GOTTEN FINGERS BURNED IN LATEST ISRAELI-ARAB CONFLAGRATION, IT WOULD NOT BE SURPRISING IF SOVIETS SOUGHT MORE EFFECTIVE CONTROL OVER UAR MILITARY SITUATION THAN THEY HAD BEFORE, BOTH IN TERMS USE OF EQUIPMENT AND DETERRENCE OF AGGRESSION FROM EITHER SIDE OF UAR-ISRAELI BORDER. IN BROADER CONTEXT, IT SEEMS TO US TEMPTATION MUST BE EXTREMELY STRONG, PARTICULARLY AMONG SOVIET MILITARY STRATEGISTS, TO EXPLOIT PRESENT OPPORTUNITIES TO GAIN MAJOR TOE HOLD IN NORTH AFRICA. THIS WOULD NOT ONLY PERMIT SOVIETS TO CONSOLIDATE MORE EFFECTIVELY THEIR POSITION IN ARAB WORLD; IT WOULD ALSO IMPROVE THEIR MILITARY POSITION IN EASTERN MEDITERRANEAN VIS-A-VIS AMERICAN PRESENCE THERE.

6. CENTRAL QUESTION HOWEVER IS WHETHER NASSER SUFFICIENTLY DESPERATE AT THIS JUNCTURE TO ACCEPT SUCH AN ARRANGEMENT, LONG RANGE IMPLICATIONS OF WHICH MUST BE CLEAR TO HIM AND WHICH IN PAST HE CONSISTENTLY RESISTED.
THOMPSON.

DTG 302143Z JUNE 67

PRESERVATION COPY

~~CONFIDENTIAL~~

SENT
WHCA

1967 JUN 30 21 15

6
'67 JUN 30 PM 5:47

FRIDAY

EEA180
OO WTE10
DE WTE 1330

FROM WALT ROSTOW
TO THE PRESIDENT
CITE WH70355

UNCLAS

JUNE 30, 1967

STATE DEPARTMENT HAS SUGGESTED THE FOLLOWING
LANGUAGE BE USED TO REPLY TO FOURTH OF JULY MESSAGES
FROM FOREIGN GOVERNMENTS.

TEXT:

ON BEHALF OF THE PEOPLE AND GOVERNMENT OF THE
UNITED STATES, I THANK YOU FOR YOUR GOOD WISHES ON THE
OCCASION OF THE 191ST ANNIVERSARY OF THE INDEPENDENCE OF
THE UNITED STATES OF AMERICA.

SINCERELY,

LYNDON B. JOHNSON

END TEXT.

IF YOU APPROVE, THIS REPLY WILL BE SENT BY THE
STATE DEPARTMENT. WE WOULD EXCEPT MESSAGES FROM THE SOVIET
UNION, GERMANY, ITALY, FRANCE, AND SOUTH VIETNAM, WHICH, I
FEEL, WE MIGHT WANT TO LOOK AT HERE IN THE WHITE HOUSE IN THE
EVENT THERE IS SOME SPECIAL LANGUAGE IN THEIR GREETINGS WHICH
WOULD NECESSITATE A WARMER REPLY FROM YOU.

DTG 302005Z JUN 67

PRESERVATION COPY

SENT
WHICA

1967 JUN 30 20 53-

67 JUN 30 PM 5:02

FRIDAY

EEA179
PP WTE10
DE WTE 1324

FROM WALT ROSTOW
TO THE PRESIDENT
CITE WH70351

UNCLAS

JUNE 30, 1967

I HAVE LOOKED INTO THE POLIO EPIDEMIC IN NICARAGUA WHICH THE DEAN OF THE DIPLOMATIC CORPS DESCRIBED TO YOU DURING THE "EL WEEKEND" RECEPTION.

THERE HAVE BEEN SOME 182 CASES REPORTED, WITH 22 FATALITIES.

THROUGH THE AMERICAN RED CROSS AND THE AMBASSADOR'S DISASTER RELIEF FUND WE HAVE HELPED OBTAIN SERUM AND IRON LUNGS.

IT WOULD BE A NICE GESTURE FOR YOU TO SEND THE FOLLOWING SUGGESTED MESSAGE TO SOMOZA:

"MR. PRESIDENT:

AMBASSADOR SEVILLA SACASA HAS INFORMED ME OF THE SERIOUS POLIO EPIDEMIC WHICH HAS BROKEN OUT IN NICARAGUA, PARTICULARLY IN YOUR CAPITAL CITY.

I KNOW HOW TRAGIC A DISEASE THIS IS. I UNDERSTAND THAT CHARGE D'AFFAIRES ENGLE HAS BEEN WORKING CLOSELY WITH NICARAGUAN AUTHORITIES IN OBTAINING IRON LUNGS FOR THE VICTIMS AND VACCINE FOR INNOCULATION PROGRAMS.

I WANT YOU AND THE NICARAGUAN PEOPLE TO KNOW OF MY CONCERN AND SYMPATHY FOR THOSE WHO HAVE BEEN STRICKEN.

LYNDON B. JOHNSON"

DTG: 301935Z JUN 67

GROUPS 200 INI 200

PRESERVATION COPY

~~CONFIDENTIAL~~

SENT
WHICA

EEA173
OO WTE10
DE WTE 1321

1967 JUN 30 20 02

Pres file

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67615

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-85

By *ju*, NARA, Date *3-11-94*

~~CONFIDENTIAL~~

HEREWITH THE SITUATION IN NEW YORK AS OF 12:00 NOON, JUNE 30, 1967

THE LATIN AMERICANS ARE AGREED ON A TEXT WHICH FOLLOWS.
AT THE MOMENT THEY ARE IRONING OUT SPONSORSHIP AND EXPECT
TO INTRODUCE THEIR RESOLUTION THIS AFTERNOON.

GENERAL ASSEMBLY PRESIDENT PAZHWAQ "IN HIS PERSONAL CAPACITY"
HAS SUGGESTED CERTAIN CHANGES IN THE YUGOSLAV DRAFT.
(THIS IS PROBABLY A RESULT OF HUSSEIN'S INITIATIVE WHICH
HE DISCUSSED WITH BILL BUFFUM YESTERDAY. AS IT IS EMBARRASSING
FOR THE ARABS TO BREAK DOWN IN PUBLIC, PAZHWAQ IS PROBABLY
DOING THEM THIS SERVICE.) PAZHWAQ'S CHANGES WOULD BE: (1) THE
INSERTION OF A REFERENCE IN THE PREAMBLE TO ARTICLES II
AND III OF THE CHARTER. (THIS WOULD BE AN OBLIQUE ACKNOWLEDGMENT
OF THE EXISTENCE OF ISRAEL AS A STATE.); (2) DROPPING THE
EXPLICIT REFERENCE TO THE ARMISTICE LINE IN CONNECTION WITH
WITHDRAWAL; AND (3) A REQUEST TO THE SECURITY COUNCIL
IMMEDIATELY FOLLOWING WITHDRAWAL, URGENTLY TO CONSIDER, IN
ACCORDANCE WITH THE CHARTER, ALL THE SPECIFICS OF THE PROBLEM --
LEGAL, POLITICAL AND HUMANITARIAN -- WITH A VIEW TOWARDS
DIPLOMATIC ACTION TO FIND A SOLUTION UNDER UN AUSPICES
(APPROXIMATELY RENDERING -- NOT VERBATIM TEXT).

LORD CARRADON TALKED WITH PAZHWAQ THIS MORNING AND PAZHWAQ
SEEMS WELL-DISPOSED TO POSTPONE VOTING UNTIL MONDAY.

IN SHORT, THE SITUATION IS STILL FLUID AND THERE HAS, AS YET,
BEEN NO CRYSTALLIZATION AROUND A SIMPLE WITHDRAWAL RESOLUTION.

67 JUN 30 PM 4:16

FRIDAY

PRESERVATION COPY

LATIN AMERICAN DRAFT RESOLUTION

THE GENERAL ASSEMBLY,

CONSIDERING THAT THE PRESERVATION OF PEACE IS AN UNAVOIDABLE OBLIGATION OF ALL MEMBER STATES AND CONSEQUENTLY THEY SHOULD ABSTAIN FROM THE USE OF FORCE IN THE INTERNATIONAL ORDER,

CONSIDERING ALSO, THAT THE CEASE-FIRE ORDER ISSUED BY THE SECURITY COUNCIL AND ACCEPTED BY THE STATE OF ISRAEL AND BY THE STATES OF JORDAN, SYRIA AND UNITED ARAB REPUBLIC, IS A FIRST STEP TO REACH FAIR PEACE IN THE MIDDLE EAST, WHICH SHOULD BE CONFIRMED BY OTHER MEANS THAT THE ORGANIZATION MIGHT ADOPT AND THE PARTIES ENFORCE,

I. CALLS URGENTLY UPON;

- A. ISRAEL TO WITHDRAW ALL ITS FORCES FROM ALL ITS TERRITORIES OF JORDAN, SYRIA AND UNITED ARAB REPUBLIC, WHICH IT HAS OCCUPIED AS A RESULT OF THE RECENT CONFLICT;**
- B. TO THE PARTIES IN CONFLICT TO PUT AN END TO THE STATE OF BELLIGERENCE TO ENDEAVOR TO ESTABLISH A COEXISTENCE BASED ON GOOD NEIGHBORLINESS AND TO RESORT IN EVERY CASE TO THE PROCEDURES OF PACIFIC SETTLEMENT SPECIFIED IN THE CHARTER;**

II. REITERATES THE CONVICTION THAT NO STABLE INTERNATIONAL ORDER CAN BE BASED ON THE THREAT OR THE USE OF FORCE, AND DECLARES THAT THE VALIDITY OF OCCUPATION OR ACQUISITION OF TERRITORIES BY SUCH MEANS SHOULD NOT BE RECOGNIZED;

III. REQUESTS THE SECURITY COUNCIL TO CONTINUE WITH A SENSE OF URGENCY THE CONSIDERATION OF THE SITUATION IN THE MIDDLE EAST, COOPERATING DIRECTLY WITH THE PARTIES AND RELYING ON THE PRESENCE OF THE UN IN ORDER TO CARRY OUT THE PROVISIONS OF OPERATIVE PARAGRAPH TO GUARANTEE THE FREEDOM OF TRANSIT THROUGHOUT THE INTERNATIONAL WATERWAYS OF THE REGION TO OBTAIN AN ADEQUATE AND COMPLETE SOLUTION TO THE PROBLEM OF REFUGEES AND TO GUARANTEE THE INVIOABILITY OF THE TERRITORY AND POLITICAL INDEPENDENCE OF THE STATES OF THE REGION, INCLUDING TO THIS EFFECT THE ESTABLISHMENT OF DEMILITARIZED ZONES;

IV. REAFFIRMS AS IN PREVIOUS RECOMMENDATIONS THE DESIRABILITY OF ESTABLISHING AN INTERNATIONAL REGIME FOR THE CITY OF JERUSALEM, WHICH SHOULD BE CONSIDERED BY THE GENERAL ASSEMBLY AT ITS XXII SESSION.

DTG: 301756Z JUN 67

~~**CONFIDENTIAL**~~

PRESERVATION COPY

~~SECRET~~ 9

SENT
WHCA

1967 JUN 30 22 04

EEA183
OO WTE10
DE WTE 1329

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67617

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-89
By ing NARA, Date 7-2-92

Pres file

67 JUN 30 PM 6:12

FRIDAY

~~SECRET~~

HEREWITH THE FIRST OF DAILY VIET-NAM SITREPS WHICH WILL
COME TO YOU.

JUNE 30, 1967

SITUATION REPORT ON VIET-NAM

THE FACTS

THE MAJOR DEVELOPMENTS ARE FULLY REPORTED IN SAIGON 29140, 29227, AND 29258 (ALL OF WHICH YOU HAVE.) IN ESSENCE, THE DIRECTORATE HAS ANNOUNCED THAT THIEU AND KY WILL RUN ON THE SAME SLATE AS PRESIDENTIAL AND VICE PRESIDENTIAL CANDIDATES, RESPECTIVELY. THE NECESSARY PAPERS WERE FILED LAST NIGHT TO MEET THE DEADLINE OF MIDNIGHT (NOON TODAY OUR TIME). AS OF THAT TIME, 19 PRESIDENTIAL SLATES HAD BEEN FILED, BUT NOT ALL ARE LIKELY TO REMAIN IN THE RACE.

THE REPORTING CABLES FULLY DESCRIBE THE HEATED AND EMOTIONAL NATURE OF THE DIRECTORATE MEETINGS ON JUNE 29 AND JUNE 30. APPARENTLY THE JUNE 29 MEETING VIRTUALLY CONCLUDED THAT THIEU SHOULD YIELD, BUT THE JUNE 30 MEETING CAME OUT THE OTHER WAY, AND KY FINALLY ACCEPTED THE SECOND POSITION, WE NOTE PARTICULARLY BUNKER'S REPORT, FROM KY, THAT IN THE END THIEU ABSOLUTELY REFUSED TO WITHDRAW, SO THAT KY YIELDED ON THE CONDITION THAT HE COULD NAME THE CABINET AND RETAIN CONTROL OVER THE ARMED FORCES, IF THIS IS IN FACT PART OF THE DEAL, IT MAY REFLECT PRESENT POWER REALITIES, BUT IT IS INCONSISTENT WITH THE LETTER AND SPIRIT OF THE CONSTITUTION AS TO THE POWERS OF THE PRESIDENT, AND IT IS THE KIND OF DEAL THAT COULD EASILY COME UNSTUCK IN A CRUNCH.

PRESERVATION COPY

~~SECRET~~

A SECOND MAJOR DEVELOPMENT IS THAT PRESIDENTIAL CANDIDACY PAPERS HAVE BEEN FILED IN BEHALF OF BIG MINH, WITH THE PRESS PRESENT. THIS IS AGAINST A BACKGROUND OF RELIABLE REPORTS THAT THE DIRECTORATE, INCLUDING THIEU AND KY, IS UNITED THAT MINH SHALL NOT RETURN FROM BANGKOK. THIS UNIFIED POSITION HAS BEEN REAFFIRMED OVER THE PAST 48 HOURS, AND THERE ARE INDICATIONS THAT THE DIRECTORATE IS TAKING STEPS TO PREVENT HIS LEAVING BANGKOK FOR SAIGON. IT IS WORTH NOTING THAT THEY DID THIS ONCE BEFORE, TO THE POINT OF THREATENING TO SHOOT DOWN ANY PLANE CARRYING HIM.

IMPLICATIONS OF THE THIEU/KY DEAL

ON THE ONE HAND, IF THE DEAL STICKS, IT COULD REMOVE THE CRITICAL DANGER OF SERIOUS MILITARY DIVISIONS. ON THE OTHER HAND, AS BUNKER HAS ALREADY POINTED OUT, IT TURNS THE ELECTION INTO A "MILITARY VERSUS CIVILIAN" RACE, WITH A NEW SET OF PROBLEMS.

MOREOVER, WE SEE AN IMMEDIATE DANGER THAT KY'S SUPPORTERS MAY NOT ACCEPT HIS STEPPING DOWN AND MAY PUT THE HEAT ON HIM OR TAKE SOME DISRUPTIVE ACTION THEMSELVES. AT THE VERY LEAST, THERE IS A MAJOR PROBLEM OF BRINGING TOGETHER THOSE WHO HAVE BEEN WORKING HARD FOR THE TWO MEN, AND WHOSE FEELINGS HAVE BECOME VERY BITTER. IT MAY BE THAT THIS PROBLEM WILL BE EASED BY THE MAJOR POWER THAT KY GETS UNDER THE DEAL, AND KY DOES SEEM FOR THE MOMENT TO HAVE CONSIDERABLE SUPPORT AND RESPECT FROM THE GENERALS FOR HIS MAGNANIMOUS ACTION. HOWEVER, THE REACTIONS IN THE MILITARY ESTABLISHMENT WILL NEED CAREFUL WATCHING, PARTICULARLY IN THE NEXT FEW DAYS.

A SECOND PROBLEM IS THE REACTION OF THE CIVILIAN CANDIDATES. THIEU AS TOP MAN EASES THE NORTHERN/SOUTHERN ISSUE SIGNIFICANTLY, BUT THE TOP CIVILIAN CANDIDATES MAY NOW CREATE A MILITARY/CIVILIAN ISSUE AND BE LOOKING PARTICULARLY HARD FOR ANY SIGN THAT THE UNITED STATES IS BACKING THE MILITARY CANDIDATES. OUR PRESS STATEMENT OF TODAY WAS AIMED IN PART AT THIS DANGER, BUT BUNKER AND THE MISSION WILL BE ON A TIGHT SPOT IN THE NEXT FEW DAYS AND INDEED FROM NOW ON.

THIRDLY, THERE IS THE EFFECT OF THE DEAL ON THE HONESTY OF THE ELECTIONS. THIEU HAD CULTIVATED HIS IMAGE AS A STRONG ADVOCATE OF FAIR AND HONEST ELECTIONS, AND IT HAS BEEN APPARENT IN RECENT DAYS THAT KY HAD LOST GROUND BY THE MANY REPORTS OF UNFAIR PRACTICES BY HIS SUPPORTERS. KY HIMSELF HAD ACTED TO REDUCE THE POWERS AND FUNCTIONS OF GENERAL LOAN, AND IT APPEARS -- ALTHOUGH WE LACK FINAL CONFIRMATION -- THAT LOAN HAS BEEN REMOVED FROM ONE OF HIS TWO MAJOR JOBS, THE MILITARY SECURITY ONE, LEAVING HIM WITH THE POLICE. ALL THIS COULD BE TO THE GOOD. HOWEVER, THIEU AND KY BETWEEN THEM NOW HAVE THE ENTIRE GOVERNMENT MACHINE AT THEIR DISPOSAL, AND ONE OF OUR FIRST ACTIONS SHOULD BE TO PRESS THEM HARD TO SEE THAT IT IS NOT PUT TO IMPROPER USE.

~~SECRET~~

PRESERVATION COPY

ON THE BIG MINH MATTER, WE HAVE NO CLEAR READING FROM SAIGON WHETHER THERE WILL BE MUCH PUBLIC OUTCRY IF THE GENERALS PERSIST IN KEEPING HIM OUT. THIS COULD BE A TIME BOMB, AND HIS EXCLUSION COULD BE USED BY THE CIVILIAN CANDIDATES AS WELL AS THE FOREIGN PRESS.

~~SECRET~~

FINALLY, THE PRESS MAY INTERPRET THE THIEU/KY DEAL AS MEANING THAT THE ELECTION IS NOW A SURE THING AND WILL MEAN ONLY A CONTINUATION OF THE STATUS QUO. THE THIEU/KY TICKET COULD BE GOOD FROM THE STANDPOINT OF MILITARY UNITY, BUT IT LACKS MILITARY/CIVILIAN BALANCE. EARLY ASSURANCE THAT A THIEU/KY GOVERNMENT, IF ELECTED, WOULD TAKE CIVILIANS INTO KEY POSITIONS AND ALLOW THE NATIONAL ASSEMBLY TO PLAY A GENUINE ROLE COULD BE OF THE GREATEST IMPORTANCE. SIMILARLY, THE PLATFORM PUT FORWARD BY THE NEW TICKET SHOULD HAVE THE STAMP OF REFORM AND CHANGE TO THE MAXIMUM DEGREE POSSIBLE.

ACTIONS FOR THE DAY

WE SEE NO MAJOR ACTION THAT WE SHOULD INSTRUCT BUNKER TO TAKE. HE BELIEVES, AS DO WE, THAT WE SHOULD NOT GET INVOLVED IN THE BIG MINH ISSUE. RATHER, THE MISSION JOB IN THE NEXT FEW DAYS SEEMS TO BE TO MAKE CONTACT FULLY WITH ALL THE TOP CANDIDATES, WITH AN EYE TO THE DANGERS NOTED ABOVE. IN PARTICULAR, BUNKER SHOULD CERTAINLY GET AFTER BOTH THIEU AND KY NOT TO CONGRATULATE THEM BUT TO STRESS THE IMPORTANCE OF CONTINUED MILITARY UNITY, HONEST ELECTIONS, CIVILIAN PARTICIPATION, AND A GOOD PROGRAM. WE WILL BE INSTRUCTING HIM ACCORDINGLY.

DTG: 302001Z JUN 67

GROUPS 1040 IMI 1040

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

10

SENT
WHCA

1967 JUN 30 17 22

Pres file

EEA 164
OO WTE 10
DE WTE 1313

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67611

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-89

By *sig* NARA Date 7-2-92

1967 JUN 30 PM 1:27

FRIDAY

~~SECRET LINDIS~~

JUNE 30, 1967

FOR THE PRESIDENT

FROM WALT ROSTOW

HERewith GEORGE MCGHEE'S FLASH MESSAGE OF WHICH I INFORMED
JIM JONES BY TELEPHONE.

1. STATE SECRETARY KNIEPER HAS JUST CALLED ON ME URGENTLY TO ADVISE OF THE CHANCELLOR'S DECISION, WHICH HE HAS TAKEN ONLY AFTER MOST PAINFUL AND SEARCHING DELIBERATIONS, THAT HE MUST ASK THE PRESIDENT FOR A DELAY ON HIS VISIT TO WASHINGTON SCHEDULED FOR JULY 7-8. THE CHANCELLOR'S REASONS AS PRESENTED TO ME BY KNIEPER ARE AS FOLLOWS: "BECAUSE OF THE EXTREMELY SERIOUS FINANCIAL SITUATION OF THE FEDERAL GOVERNMENT THE FEDERAL CHANCELLOR FINDS HIMSELF IN AN UNEXPECTEDLY DIFFICULT PARLIAMENTARY POSITION. THE PARLIAMENTARY GROUPS OF THE COALITION PARTIES DECIDED LAST NIGHT TO HAVE MEETINGS OF THE PARLIAMENTARY GROUPS ON JULY 6 AND PROBABLY ON JULY 7 ON THE WHOLE SUBJECT OF FINANCE PLANNING, FOLLOWING THE CABINET MEETINGS OF JULY 4 AND 5. IT IS INTENDED TO TAKE BASIC DECISIONS DURING THE MEETINGS OF THE PARLIAMENTARY GROUPS ON THE POSITION TO BE TAKEN BY THE GREAT MAJORITY OF THE BUNDESTAG. IN HIS CAPACITY AS CHAIRMAN OF THE CHRISTIAN DEMOCRATIC UNION AS WELL, THE CHANCELLOR HAS REASON TO FEAR THAT IN HIS ABSENCE A CRISIS MAY ARISE WHICH COULD ENDANGER THE CONTINUATION OF THE COALITION GOVERNMENT. THE SAME APPLIES TO THE MINISTER FOR FOREIGN AFFAIRS IN HIS CAPACITY AS CHAIRMAN OF THE SOCIAL DEMOCRATIC PARTY AFTER CAREFUL CONSIDERATION THE CHANCELLOR CAME TO THE CONCLUSION THAT -- HOWEVER EMBARRASSING THIS MAY BE -- HE WOULD HAVE TO ASK THE PRESIDENT OF THE UNITED STATES TO AGREE TO A SHORT POSTPONEMENT OF HIS TRIP TO THE US. THE CHANCELLOR ATTACHES THE GREATEST IMPORTANCE TO AN EARLY MEETING WITH THE PRESIDENT OF THE US AND IS AVAILABLE FROM JULY 15 AT ANY DATE CONVENIENT TO THE PRESIDENT."

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

2. COMMENT: I AM CONVINCED THAT THE CHANCELLOR HAS TAKEN THIS DECISION EXTREMELY RELUCTANTLY, AND THAT IT IS BASED ENTIRELY ON THE ACUTE SITUATION IN WHICH HE FINDS HIMSELF IN CONNECTION WITH THE CURRENT FINANCIAL PLANNING NEGOTIATION WHICH, AS HE SAYS, ACTUALLY ENDANGERS THE CONTINUATION OF HIS COALITION GOVT. THE MEMBERS OF THE CABINET REFUSED TO ACCEDE TO HIS REQUEST TO DELAY THE JULY 6-7 MEETINGS PENDING HIS VISIT TO WASHINGTON. HE HAS DISCUSSED THE MATTER WITH VICE CHANCELLOR BRANDT WHO AGREES THAT THE WASHINGTON MEETING MUST BE POSTPONED. UNDER THE CIRCUMSTANCES, I FEEL THAT WE HAVE NO ALTERNATIVE BUT TO ACCEPT THE POSTPONEMENT WITH GOOD GRACE AND TO ATTEMPT TO REINSTATE THE VISIT AT THE EARLIEST POSSIBLE DATE.

3. IN THIS CONNECTION KNIEPER AND I DISCUSSED A POSSIBLE FORM OF PUBLIC ANNOUNCEMENT TO BE MADE BY BOTH SIDES. SOMETHING ALONG THE FOLLOWING LINES HE BELIEVES, WOULD BE AGREEABLE TO THE CHANCELLOR: "BECAUSE OF THE CABINET NEGOTIATIONS CURRENTLY IN PROGRESS IN BONN ON THE SUBJECT OF MEDIUM-FINANCE PLANNING, CHANCELLOR KIESINGER HAS SUGGESTED TO PRESIDENT JOHNSON THE POSTPONEMENT OF HIS PLANNED VISIT TO WASHINGTON ON JULY 7-8. THE PRESIDENT FULLY UNDERSTOOD THE POSITION OF THE CHANCELLOR AND IT WAS AGREED BY BOTH THAT EXPLORATIONS WOULD BE IMMEDIATELY UNDERTAKEN TO FIND THE EARLIEST POSSIBLE SATISFACTORY SUBSTITUTE DATE." IT WOULD BE APPRECIATED IF THE STATE DEPARTMENT COULD ADVISE WHETHER THIS IS AGREEABLE, OR WHETHER SOME ALTERNATIVE FORMULATION IS DESIRED, AS WELL AS THE EARLIEST POSSIBLE TIME IN WHICH IT COULD BE ANNOUNCED ON BOTH SIDES. THE CHANCELLOR IS EXTREMELY ANXIOUS THAT THERE BE NO PRESS LEAK BEFORE THIS CAN BE ACCOMPLISHED. FURTHER COMMENT WILL FOLLOW

DTG: 30/1603Z JUN 67

~~SECRET~~

GPS: 700 IMI 700

PRESERVATION COPY

Pres file

LOU

Friday - June 30, 1967
3:30 pm

Mr. President:

Herewith a memo from Secretary Rusk recommending that you receive during the latter half of July the first group of Benito Juarez Scholars (45 young men and women) to come to the United States.

You will recall that you and President Diaz Ordaz set up the Lincoln-Juarez Scholar Program during your April 1966 trip to Mexico City.

W. W. Rostow

Approve ☒

Disapprove ☐

Speak to me ☐.

Attachment

Rusk memo of 6/29/67.

LOU

Friday, June 30, 1967
8:45 p. m.

12

MR. PRESIDENT:

Herewith Cabot Lodge reports his quiet briefing work as Ambassador-at-Large and recommends (pp. 2 - 3) the creation of a bipartisan citizens' committee in support of your Viet Nam policy.

W. W. R.

~~CONFIDENTIAL~~ attachment

Pres file

~~CONFIDENTIAL~~

12a

DEPARTMENT OF STATE
AMBASSADOR AT LARGE
WASHINGTON

June 30, 1967

Dear Mr. President:

1. Herewith a list of background briefings which I have conducted, pursuant to your instructions to me, since going to work as Ambassador-at-Large:

International Law Society
George Washington University

Lunch, Hedley Donovan and
James A. Linen of Time Inc., N.Y.

Marc Ullman, "L'Express" (France)

Charles Murphy, "Fortune"

Tom Wicker, "New York Times"

White House Fellows

Atlantic Council

Senator Dirksen

"Bull Elephants" (administrative
assistants of Republican Senators and
Congressmen; 230 were present)
Rayburn Building

Upon personal request of
Senator Hugh Scott, TV interview
with him and Senator Joseph Clark;
"Your Senators' Report"
(estimated audience of 10 million)

The President
The White House

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-89

By lig NARA. Date 7-2-92

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

Senior Officers Special Warfare
Orientation Course, JFK Center,
Fort Bragg, N. C. (of whom 200 were
en route to Viet-Nam to advise in
revamping of ARVN.)

Overseas Writers Club

American Foreign Service Association

Senator Milton Young

Foreign Policy Association, N.Y.

2. As you directed, I called on General Eisenhower in Gettysburg on June 29 and gave him the latest information which Mr. Rostow had given me on Soviet Middle East Arms Policy. General Eisenhower discussed the Viet-Nam war, but did not say anything about it which he did not say before. He thought the aim of and justification for the war were "perfect."

3. I intend to brief, on a background basis, the leading educators of the San Francisco Bay area at a lunch in San Francisco in July. Also some 12 to 1500 members and guests at the Bohemian Club meeting in California the next day--a group which, I believe, includes many "opinion makers."

4. Those to whom I have spoken so far are intelligent, influential and public spirited above the average. Two generalizations are justified: they are not very well informed about our accomplishments in Viet-Nam and about the true nature of the problem there. Once this last is explained to them, they appear to become strong supporters of what we are doing.

5. This raises the question of whether a citizens' organization should not be formed to meet all the arguments which are made and which it is difficult, if not impossible, for Government officials to handle adequately. In

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3

World War II, there was "The Committee to Defend America By Aiding the Allies." Possibly the creation of a "Committee to Preserve Peace by Resisting Aggression" is worthy of study.

6. I plan to make some on-the-record speeches (in addition to television) in the Fall.

7. I am calling individually to extend thanks to each of the Senators who made speeches when the Senate was considering its resolution of April 5 concerning my work in Viet-Nam.

8. In addition to the above, I have given advice within the Department on Viet-Nam and the Mideast crisis and have handled a large correspondence relating to Viet-Nam.

With warm and respectful regard,

Faithfully yours,

Camt L.

Henry Cabot Lodge

~~CONFIDENTIAL~~

(on the wire to Ranc...)

June 30, 1967

12

FOR THE PRESIDENT FROM WALT ROSTOW

Herewith Chancellor Kiesinger explains in person his problems
and his hope for an early meeting with you.

Pres file

~~In English, the message reads as follows:~~

13.2

Dear Mr. President:

I profoundly regret that an unexpected development of the parliamentary situation in Bonn has put me into a difficult position. During the next week my Government will have to make its most important decision on finance and economic policy for the coming years. Because of the economic recession in Germany this decision cannot be postponed. I had hoped that it would not be necessary to put this decision before the two parliamentary party groups of the coalition immediately after the decision of the cabinet, so that Mr. Brandt and I would have been able to come to Washing-

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-85
By ju, NARA, Date 3-11-94

-9-

ton immediately afterwards. Yesterday, however, the chairmen of the two coalition party groups in the Bundestag have informed me and the Vice Chancellor that in view of the difficult nature of the problem they feel it indispensable that the party groups be asked to consider the question immediately after the decision of the cabinet, e.g. on July 6th and 7th before the parliamentary recess. They fear that otherwise the uncertainty and the concern of the public about the position of the parliament regarding the decisions of the Government would increase and thus possibly accelerate the recession. Furthermore they fear that unless the parliamentary groups decide on their position quickly, the influence of pressure groups and interested organizations could endanger their unity which will be very difficult to achieve anyhow. During these difficult negotiations in which the respective parliamentary groups will first have to agree among themselves and then with each other the presence of the two party leaders is absolutely necessary. For this reason, Mr. Brandt as well as myself have come to the conclusion that we should propose to you a short postponement of our visit. I regret that I had to make such a proposal so shortly before the agreed date, but I hope that you, Mr. President, with your great experience in parliamentary affairs, will understand our difficult position. Please rest assured that we would not have made this proposal if we were not absolutely convinced of its necessity. I therefore would like to ask for your indulgence and understanding, and I hope that it will be possible to agree soon upon a new near date for our meeting.

Very sincerely yours,

Kiesinger

Chancellor of the Federal Republic of Germany".

Friday, June 30, 1967
5:50 p. m.

Pres file

Mr. President:

Herewith evidence that our boy has
gotten off to a good start.

W. W. Rostow

WWR
FBI 14a
WS.



DEPARTMENT OF STATE
WASHINGTON

June 29, 1967

MEMORANDUM FOR WILLIAM G. BOWDLER
WHITE HOUSE


SUBJECT: Assistant Secretary Oliver in Chile.

The public response was outstanding to Assistant Secretary Oliver's visit to Chile to head the U.S. delegation at the ministerial discussions of the IA-ECOSOC fifth annual reunion. He held three press conferences, two being given in Spanish with both Latin American and American correspondents present--the third was a breakfast with the U.S. correspondents only. He also was interviewed on a half-hour "meet the press"-type TV program, and visited an Alliance housing development, where he was photographed.

The first press conference the day after his arrival was in the form of introducing him to the Latin Americans. Earlier, differences had developed between the Americans and the Latin Americans regarding interpretation of stated U.S. commitments at Punta del Este concerning the timing of U.S. aid on integration problems. Ambassador Oliver settled the issue for the Latins by expressing his sympathy for the Latin Americans' stand and said he was sure a solution satisfactory to all would be worked out before the end of the meeting.

His charm and wit captured the newsmen and their reporting in the main reflected this. An example of this is contained in the following extract of an article appearing in the principal newspaper of Chile, El Mercurio of Santiago, for June 24: "The arrival of Covey T. Oliver produced the thaw in relations between the U.S. delegation and those of Latin America that had turned tense in the final days over 'semantic difficulties' and the different interpretations of identical texts. Upon opening the morning session of the conference, Oliver took his place and began by assuring that his government had been supporting with energy and absolute good faith

the pledges made at Punta del Este . . . Oliver, a jovial and good natured man, had won the good will of the Latin Americans in a few hours, converting himself into the 'good guy' as in the motion pictures . . ."


Robert M. Sayre
Deputy Assistant Secretary
Bureau of Inter-American Affairs

~~CONFIDENTIAL~~

RECEIVED
WHCA

67 JUN 30 18 11

EEA167
OO WTE10
DE WTE 1315

FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: CAP67613

~~CONFIDENTIAL~~

JUNE 30, 1967

FOR THE PRESIDENT
FROM WALT ROSTOW

HEREWITH AN INTERESTING REPORT FROM A RELIABLE FRIEND ON
KIESINGER'S CURRENT ATTITUDES. IT IS RELEVANT EVEN THOUGH
THE VISIT IS POSTPONED.

IT CHECKS WITH OTHER INFORMATION.

AS YOU PREDICTED, HE IS FINDING THE LIMITS OF THE TIE TO
PARIS AND LEARNING WHERE POWER REALLY IS. DE GAULLE'S MIDDLE EAST
PERFORMANCE AND YOUR TALKS WITH KOSYGIN GREATLY HELPED.

MEMORANDUM OF CONVERSATION

WALTHER CASPER TELEPHONED ME THIS MORNING FROM FRANKFURT TO
REPORT THE FOLLOWING.

1. LAST NIGHT HE HAD DINNER WITH CHANCELLOR KIESINGER AND
SEVERAL MEMBERS OF THE CABINET, INCLUDING STRAUSS AND GUTENBERG.

2. THE CHANCELLOR, IN THE PRESENCE OF OTHERS, SAID HE HOPED
HIS TALKS IN WASHINGTON WOULD CONTINUE IN THE SAME STYLE AS THOSE HE
HAD WITH THE PRESIDENT IN BONN. IN PARTICULAR, HE HOPED THEY WOULD
CONTINUE TO BUILD ON THE UNIQUE UNDERSTANDING THAT WAS ACHIEVED
THEN; DISCUSS PROBLEMS AS PARTNERS; THINK ABOUT THEM TOGETHER;
AND THEN ACT TOGETHER.

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By cl, NARA, Date 6-10-99

PRESERVATION COPY

3. CASPER REPORTED THERE IS A MARKED EVOLUTION IN KIESINGER'S ATTITUDES OVER THE PAST WEEKS WITH RESPECT TO HIS APPROACH TO EUROPEAN AND ATLANTIC MATTERS. THESE ARE RELATED TO WHAT HAPPENED DURING THE MIDDLE EAST CRISIS BUT ALSO TO OTHER MATTERS. (CASPER DID NOT ONCE MENTION DE GAULLE BUT THIS IS OBVIOUSLY WHAT HE WAS TALKING ABOUT.)

~~CONFIDENTIAL~~

4. IN PARTICULAR, KIESINGER IS NOW PREPARED:

-- TO BE MUCH MORE OUTSPOKEN FOR SUPPORT OF THE BRITISH ENTRANCE INTO THE COMMON MARKET;

-- TO BACK AN INTEGRATED NATO EVEN MORE FIRMLY THAN IN THE PAST; AND

-- TO ASSERT EVEN MORE THAN IN THE PAST THE CRITICAL IMPORTANCE OF GERMANY'S AND EUROPE'S RELATIONS WITH THE U.S.

5. HE LOOKS FORWARD TO LEISURELY PERSONAL DISCUSSIONS WITH THE PRESIDENT AND TO THE DEVELOPMENT BETWEEN THEM OF A STABLE PARTNERSHIP RELATIONSHIP. OUT OF THIS THEY COULD COME TO UNDERSTAND EACH OTHER'S PROBLEMS; AND, ALTHOUGH IMMEDIATE ACTION TO MEET EACH OTHER'S NEEDS MAY NOT ALWAYS BE POSSIBLE, IT IS HIS INTENTION -- MUCH MORE CLEARLY THAN IT WAS A FEW MONTHS AGO -- TO ALIGN BONN'S POLICY WITH THAT OF THE U.S.

6. CASPER COMMENTED THAT THIS MARKED EVOLUTION IN KIESINGER'S THINKING REPRESENTED A MATURING OF HIS INSIGHT INTO THE REAL INTERESTS OF GERMANY AND REPRESENTS A GREAT OPPORTUNITY FOR BOTH COUNTRIES.

W. W. ROSTOW

DTG: 30/1604Z JUN 67

GPS: 400 IMI 400

~~CONFIDENTIAL~~

L2

PRESERVATION COPY

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 95-244
By ijg, NARA, Date 1-9-96

~~SECRET~~

SENT
WHICA

EEA16600 WTE 10
DE WTE 1312

1967 JUN 30 18 01

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67610

Pres file
JUN 30 PM 2:01
FRIDAY

~~SECRET~~ EXDIS USUN 5985

HEREWITH HUSSEIN TRIES TO RECONCILE ARAB SIMPLE WITHDRAWAL
RESOLUTION WITH NON-BELLIGERENCE. IT PROBABLY WON'T WORK
BUT IT DEMONSTRATES HIS SERIOUSNESS OF INTENT.

HUSSEIN APPROACH ON GENERAL ASSEMBLY RESOLUTION

DURING DINNER WHICH HE WAS HOSTING FOR DEPARTING
JAPAN AMBASSADOR MATSUI, GOLDBERG RECEIVED CALL FROM BUNDY
INDICATING KING HUSSEIN WISHED CONSULT US URGENTLY ON
NON-ALIGNED RESOLUTION CALLING FOR WITHDRAWAL ISRAELI FORCES.
SINCE HE COULD NOT LEAVE, GOLDBERG SENT BUFFUM TO WALDORF WHO
WAS RECEIVED IMMEDIATELY BY KING ACCOMPANIED ONLY BY
CHIEF PROTOCOL RAFAI.

KING SAID HE HAD BEEN MEETING DURING EVENING WITH OTHER
ARAB LEADERS. BASED ON THESE DISCUSSIONS, HE SAID HE WAS
GREATLY CONCERNED THAT IF NON-ALIGNED RESOLUTION FAILS, THIS WOULD
PLAY INTO HANDS OF EXTREMISTS. CONCLUSION THAT WOULD BE
DRAWN, HE ARGUED, WOULD BE THAT UN OFFERS NO HOPE FOR ARAB
CASE AND THAT THERE WOULD BE STRONG TENDENCY TO LOOK OUT-
SIDE UN FOR SOLUTION, GIVING COMMUNISTS READY-MADE OPPORTUNITY
TO EXPLOIT. HE SAID HE KNEW WE WERE WORKING AGAINST THIS
RESOLUTION, THAT ITS CHANCES OF ADOPTION WERE NARROW AND
HOPED WE COULD FIND WAY TO MODIFY OUR POSITION SO THAT IT
WOULD BE PERMITTED TO PASS.

RAFAI SOUGHT TO MAINTAIN THAT SINCE RESOLUTION CONTAINED PARA
CALLING FOR ULTIMATE SECURITY COUNCIL CONSIDERATION OF OTHER
ASPECTS OF PROBLEM THIS SHOULD HELP MEET OUT CONCERN ABOUT ISSUES
RELATED TO WITHDRAWAL OF ISRAELI FORCES.

BUFFUM SAID HE WISHED TO INFORM KING FRANKLY THAT WE WERE
IN FACT SOLIDLY OPPOSED TO NON-ALIGNED RESOLUTION SINCE IT WAS
UNREALISTIC AND WOULD NOT BE IMPLEMENTED BY ISRAEL. IN
OUR VIEW, WITHDRAWAL ISSUE, WHICH IS IMPORTANT PRINCIPLE
THAT WE SUPPORT, IS INTIMATELY RELATED TO ANOTHER EQUALLY
FUNDAMENTAL ISSUE, NAMELY, TERMINATION OF BELLIGERENCE.
US DID NOT CONSIDER IT REASONABLE TO EXPECT A STATE WHICH
COMMANDED A MILITARILY SUPERIOR POSITION IN WARTIME
WOULD ABANDON THAT POSITION WHILE ITS OPPONENTS CONTINUED
TO SAY THAT THE WAR GOES ON. PRONOUNCEMENTS BY CERTAIN ARAB
LEADERS THAT ISRAEL HAS NO RIGHT TO EXIST AND THAT THEY ARE
INTENT ON ISRAEL'S DESTRUCTION MAKES IT OBVIOUSLY IMPOSSIBLE
FOR ISRAEL TO WITHDRAW.

~~SECRET~~

PRESERVATION COPY

AT SAME TIME, BUFFUM SAID WE RECOGNIZED ARAB STATES CAN PROBABLY NOT ISSUE FORMAL RENUNCIATION OF STATE OF BELLIGERENCY, NOR WOULD THEY BE LIKELY TO SIT DOWN IN THE SAME ROOM AND NEGOTIATE WITH ISRAELIS. JUDGING FROM MANY GENERAL DEBATE STATEMENTS, LARGE NUMBER OF DELEGATIONS SHARED THIS VIEW. IT SEEMED TO US THAT A PRACTICAL WAY TO GET AT THE PROBLEM WOULD BE TO HAVE THE UN DESPATCH A SPECIAL ENVISSARY TO THE AREA AND SEEK TO WORK OUT AGREED ARRANGEMENTS WITH THE STATES CONCERNED WHICH WOULD RESULT IN WITHDRAWAL OF ISRAELI FORCES. BUFFUM INDICATED THAT NUMBER OF UN DELEGATIONS, ACCORDING TO OUR INFORMATION, WERE DEVELOPING A THIRD PARTY RESOLUTION WHICH WOULD REFLECT THE FOREGOING CONCEPTS.

KING DID NOT DEMUR AT ANY OF THESE POINTS. HE SAID THAT HE RECOGNIZED ISRAEL WOULD NOT WITHDRAW TROOPS IMMEDIATELY UPON ADOPTION OF NON-ALIGNED RESOLUTION, BUT HE FELT THAT ONCE THIS PRINCIPLE ESTABLISHED PRIVATE ARRANGEMENTS COULD BE WORKED OUT SATISFYING ISRAEL'S SECURITY REQUIREMENTS PERMITTING IT TO WITHDRAW.

BUFFUM RESPONDED THAT WE DID NOT READ SITUATION THIS WAY; THAT WE CONSIDERED EQUITABLE APPROACH WOULD BE TO MENTION BOTH WITHDRAWAL AND TERMINATION OF BELLIGERENCE AND LET UN REPRESENTATIVE PROCEED TO WORK OUT THE DETAILS.

HUSSEIN THEN SUGGESTED WE SUBMIT OUR IDEAS AS AMENDMENTS TO NON-ALIGNED RESOLUTION. BUFFUM REPLIED THAT WE HAD ALREADY MADE THESE SAME POINTS IN PREVIOUS DISCUSSIONS WITH SOME OF SPONSORS, PARTICULARLY INDIANS, AND THEY HAD NOT BEEN ACCEPTED. IT WAS CLEAR TO US, HE SAID, THAT NECESSARY 2/3RDS VOTE TO SECURE ADOPTION OF AMENDMENTS COULD NOT BE OBTAINED OVER ARAB OBJECTIONS. ACCORDINGLY, BUFFUM SUGGESTED, IF KING CONSIDERED THESE POINTS LEGITIMATE, MOST EFFECTIVE WAY THEY COULD BE INCORPORATED WOULD BE FOR JORDAN TO PROPOSE THEM TO ITS ARAB COLLEAGUES PRIVATELY. BUFFUM SAID ARABS HAD COME TO LOOK ON OUR APPROACH AS PRO-ISRAELI AND THAT JORDAN ITSELF OBVIOUSLY IN FAR BETTER POSITION TO ADVANCE THESE IDEAS IF IT REALLY INTERESTED.

HUSSEIN ACKNOWLEDGED THIS WAS TRUE AND SAID HE WOULD BE IN TOUCH WITH HIS ARAB COLLEAGUES TO SEE IF REVISION OF RESOLUTION COULD BE OBTAINED TO MEET OUR VIEWS. HE ASKED THAT WE USE OUR INFLUENCE NOT TO HAVE OTHER TEXTS INTRODUCED TOMORROW UNTIL WE HAD CONSULTED WITH JORDANIAN DELEGATE FIRST. BUFFUM AGREED. KING EXPRESSED APPRECIATION FOR CONSULTATION.

LATE EVENING, RAFAI CALLED BUFFUM TO SAY FIRST CONTACTS
ALREADY UNDERTAKEN WITH OTHER ARABS AND LOOKED PROMISING.
HE SAID KING WAS DETERMINED TO USE HIS NEWLY-WON STATUS IN
ARAB WORLD FOR CONSTRUCTIVE PURPOSES. HE FELT, BASED ON FIRST
DISCUSSIONS, THAT REVISED TEXT WOULD GO IN WHICH INCLUDED
PROVISION FOR UN REPRESENTATION AND WHICH WOULD MAKE "APPROPRIATE
REFERENCES" TO UN CHARTER. BUFFUM SAID THAT EXACT LANGUAGE
WOULD BE DETERMINING FACTOR AND THAT WE ATTACHED GREAT IMPORTANCE
TO EQUATING TERMINATION OF BELLIGERENCY WITH WITHDRAWAL OF
FORCES. BUFFUM ADDED THAT IF JORDAN DESIRED OUR AFFIRMATIVE
VOTE IT SHOULD PROVIDE US TEXT BEFORE IT IS TABLED AND NOT
PRESENT US WITH FAIT ACCOMPLI AS NON-ALIGNED MEMBERS HAD DONE.
RAFAI SAID THIS COULD BE WORKED OUT WITH JORDANIAN DELEGATION
TOMORROW AND EXPRESSED HOPE THAT AT LEAST TEXT WOULD BE IMPROVED
SUBSTANTIALLY ENOUGH SO THAT WE WOULD NO LONGER HAVE TO OPPOSE
IT, EVEN THOUGH WE MIGHT DECIDE TO ABSTAIN.

RAFAI ASKED THAT WE NOT RPT NOT REVEAL TOMORROW
MORNING THAT WE HAD ADVANCE INDICATION WHAT CHANGES WERE BEING
CONSIDERED IN NON-ALIGNED TEXT.

GOLDBERG

DTG 301539Z JUN 1967

P GPS 1120 IMI 1120

PRESERVATION COPY

~~SECRET~~

RECEIVED
WHCA

1967 JUN 30 17 23

EEA 163
OO WTE 10
DE WTE 1311

FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: CAP67609

~~SECRET~~ EXD IS

DECLASSIFIED

Authority RAC 00616104

By fw/mg, NARA, Date 11-8-99

JUNE 30, 1967

FOR THE PRESIDENT
FROM WALT ROSTOW

SO THAT YOU HAVE A FEELING FOR HOW THE "SOLUTION" IN SAIGON
EVOLVED HERE IS AN INTERIM REPORT.

SAIGON 29140

1. WE HAVE NOW OBTAINED PRELIMINARY REPORTS ON A MARATHON MEETING OF PARTS OR ALL OF THE ARMED FORCES COUNCIL JUNE 29. MEETING CONTINUED UNTIL ABOUT MIDNIGHT LAST NIGHT AND IS RESUMING THIS MORNING.
2. A RELIABLE SOURCE WHO WAS PRESENT AT YESTERDAY'S MEETING AND AT THE MEETING OF THE GENERALS THE PRECEDING NIGHT CONFIRMED THAT THESE MEETINGS WERE DEVOTED ALMOST EXCLUSIVELY TO THE QUESTION OF THE "POSITIONS OF THE TWO GENERALS". IT HAS BEEN CONFIRMED THAT THE JUNE 29 DECISION ON BIG MINH, WHICH HAS NOW BEEN ANNOUNCED, WAS FINAL AND THAT HE WOULD NOT BE PERMITTED TO RETURN TO RUN FOR THE PRESIDENCY.
3. THE REPORT OF THE MEETING OF THE MILITARY MEMBERS OF THE DIRECTORATE THE NIGHT OF JUNE 28 WAS, ACCORDING TO OUR PRESENT SOURCE, A MUCH STORMIER AND MORE EMOTIONAL SESSION THAN WAS REPORTED BY THE CAS SOURCE MENTIONED IN SAIGON 29152. IN THE COURSE OF THE MEETING THIEU WAS SAID TO HAVE BROKEN DOWN AND WEPT. AT ONE POINT KY REPORTEDLY MADE AN OFFER IN THE HEAT OF THE DISCUSSION TO STEP DOWN.

~~SECRET~~

PRESERVATION COPY

Pres file
JUN 30 PM 1:26
FRIDAY

18

4. THE MEETINGS ON JUNE 29 WERE ORIGINALLY IN THE BROADER BODY OF THE ARMED FORCES COUNCIL BUT IT APPEARS THAT SOME OF THE DISCUSSIONS WERE AMONG A MORE RESTRICTED NUMBER OF GENERALS, PRESUMABLY THE MILITARY MEMBERS OF THE DIRECTORATE. IN ANY CASE, THESE SESSIONS WERE DEVOTED PRIMARILY TO ATTEMPTING TO FIND A SOLUTION ON THE CANDIDACY QUESTION WHICH COULD BE ACCEPTED BY BOTH THIEU AND KY AND WHICH COULD BE APPROVED BY THE OTHER LEADING GENERALS. IT APPEARS FROM OUR ACCOUNT THAT MUCH OF THE DISCUSSION CENTERED ON WHAT COULD BE WORKED OUT FOR THIEU ON THE ASSUMPTION THAT HE WOULD STEP ASIDE AS PRESIDENTIAL CANDIDATE. THE SOLUTION THAT REPORTEDLY WAS EMERGING TOWARDS MIDNIGHT LAST NIGHT WAS FOR THIEU TO ASSUME THE POSITION AS CHIEF OF THE JOINT GENERAL STAFF, (JGS), AND POSSIBLY ALSO THE THE DEFENSE MINISTRY, IF KY WERE ELECTED AS PRESIDENT. GENERAL CAO VAN VIEN WAS APPARENTLY PREPARED TO STEP ASIDE FOR THIS PURPOSE. ANOTHER POSSIBILITY WAS FOR THIEU TO TAKE OVER ONLY AS CHIEF JGS WITH VIEN REMAINING AS DEFENSE MINISTER, BUT IT WAS RECOGNIZED THAT THIS MIGHT POSE "PRESTIGE" PROBLEMS FOR THIEU SINCE VIEN WOULD BE TECHNICALLY HIS SUPERIOR. ACCORDING TO OUR ACCOUNT THE MATTER WAS LEFT MORE OR LESS AT THIS POINT, SUBJECT TO FURTHER DISCUSSION TODAY.

~~SECRET~~

5. A SOURCE IN THE PRIME MINISTER'S OFFICE TOLD US THIS MORNING THAT THERE WAS NO TRUTH IN THE RUMOR THAT KY MIGHT STEP DOWN AND ADDED THAT THERE WOULD BE A PRESS CONFERENCE FOLLOWING THIS MORNING'S MEETING (AS OF 11 A.M. THE MEETING HAD NOT YET STARTED).

6. WE HAD A REPORT FROM ANOTHER SOURCE WHO WAS NOT PRESENT AT THE MILITARY MEETINGS BUT WHO HAS BEEN A KY SUPPORTER, THAT THERE WAS DISCUSSION IN THE COURSE OF THE MEETING YESTERDAY AS TO WHETHER PRIME MINISTER KY SHOULD STEP DOWN FROM HIS OFFICE DURING THE PERIOD PRIOR TO THE ELECTIONS. ANOTHER UNCONFIRMED REPORT THIS MORNING, FROM OPPOSITION SOURCES, IS WHAT A CARETAKER GOVERNMENT WITH GENERAL P. K. CHIEU (NOW IN SEOUL) AS CHIEF OF STATE WOULD BE ESTABLISHED FOR THIS INTERIM PERIOD. WE HAVE NO SUPPORTING EVIDENCE OF THIS AND KY'S SENIOR ADVISOR, TRUONG THAI TON, TENDED TO DISCOUNT IT AND SAID HE UNDERSTOOD THE MEETINGS WERE DIRECTED AT REVOLVING THE CANDIDACY QUESTION.

6. COMMENT: THE ONLY THING THAT SEEMS CLEAR FROM ALL THESE CONFLICTING REPORTS IS THAT NOTHING WAS FINALLY DECIDED LAST NIGHT ALTHOUGH THE LINES OF A POSSIBLE SOLUTION MIGHT HAVE BEGUN TO EMERGE. AT LEAST THERE SEEMS TO BE EVIDENCE THAT THE RESPONSIBLE MEMBERS OF THE DIRECTORATE ARE MAKING SOME EFFORT TO COME TO GRIPS WITH THE PROBLEM. WE WILL REPORT ADDITIONAL INFO AS IT BECOMES AVAILABLE TODAY.

BUNKER

DTG: 30/1519Z JUN 67

~~SECRET~~

143

GPS: 650 IMI 650

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

SENT
WHCA

1967 JUN 30 15 51

EEA160
OO WIE10
DE WIE 1307

FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: CAP67608

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 92-89

By ing NARA, Date 7-2-92

19
67 JUN 30 AM 11:54

FRIDAY

~~SECRET~~

JUNE 30, 1967

FOR THE PRESIDENT
FROM WALT ROSTOW

HERE IS HOW THEY APPEAR TO HAVE WORKED IT OUT IN THEIR SMOKE-FILLED ROOM.

SECRET SAIGON 29258

1. I HAVE JUST SEEN THE PRIME MINISTER AND GENERAL WESTMORELAND HAS JUST TALKED WITH GENERAL CAO VAN VIEN. AS A RESULT OF THESE TWO CONVERSATIONS, WE HAVE WHAT APPEARS TO BE A FAIRLY RELIABLE PICTURE OF THE VERY INTERESTING DEVELOPMENTS THAT HAVE TRANSPIRED IN THE LAST 48 HOURS.

2. KY SAID HE WISHED TO GIVE ME A VERY FRANK ACCOUNT OF WHAT HAD HAPPENED. HE DECLARED THAT FOR TWO DAYS AND TWO NIGHTS THE 50 OR 60 OFFICERS IN THE ARMED FORCES COUNCIL HAD TRIED TO PERSUADE THIEU TO DROP HIS CANDIDACY AND AGREE TO BECOME DEFENSE MINISTER AND CHIEF JOINT GENERAL STAFF (JGS) IF KY'S TICKET WERE ELECTED. KY SAID THESE SESSIONS WERE EXTREMELY EMOTIONAL WITH MANY OF THE GENERALS IN TEARS, BUT WITH A DEEP COMMON OBJECTIVE THAT THE ARMED FORCES MUST FIND A WAY TO UNITE AND TO AVOID THE DIVISIONS THAT WERE TEARING THEM APART. FINALLY, AT ONE O'CLOCK THIS MORNING, THIEU AGREED TO THIS SOLUTION AND IT WAS LEFT THAT THE FINAL ARRANGEMENTS WOULD BE WORKED OUT AT A MEETING THIS MORNING.

3. AT THAT MEETING, THIEU SAID HE HAD CHANGED HIS MIND AND HAD DECIDED THAT HE WOULD RESIGN AND RUN FOR PRESIDENT AS A PRIVATE CITIZEN. KY THEN DECLARED THAT THE ARMED FORCES CANNOT HAVE TWO CANDIDATES, THAT MILITARY UNITY CAME ABOVE EVERYTHING ELSE, AND THAT THEY HAD GIVEN AN ABSOLUTE COMMITMENT TO THIS EFFECT AT GUAM TO PRESIDENT JOHNSON. HE THEN TOLD THEM THAT HE WOULD RETIRE FROM THE RACE AND RETURN TO THE AIR FORCE. THE OTHER GENERALS SAID THAT THIEU ALONE COULD NOT WIN THE ELECTION AND THAT THEY MUST RUN TOGETHER. KY SAID HE FINALLY AGREED TO THEIR PLEAS, BUT HE LAID DOWN THE CONDITIONS THAT HE WOULD HAVE THE RIGHT TO NAME THE CABINET AND TO CONTROL THE ARMED FORCES. THESE CONDITIONS WERE ACCEPTED BY ALL CONCERNED. KY COMMENTED TO ME IN THIS CONNECTION THAT WITH THIS AGREEMENT HE (KY) COULD NOW MOVE AHEAD IMMEDIATELY TO IMPROVE THE MORALE AND EFFECTIVENESS OF THE FORCES.

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

4. VIEN CONFIRMED KY'S ACCOUNT IN HIS CONVERSATION WITH WEST-MORELAND. VIEN SAID THAT THE CORPS COMMANDERS HAD CARRIED THE DEBATE AS THEY HAD INSISTED THAT THE ARMED FORCES COULD NOT BE HELD TOGETHER IF THERE WERE TWO CANDIDACIES. THE FINAL DECISION WAS REACHED BEFORE LUNCH TODAY AMONG THE TOP GENERALS, AND THE DIVISION COMMANDERS WERE INFORMED AFTER LUNCH, THE DIVISION COMMANDERS CHEERED. VIEN AGREED THAT IT WOULD NOW BE BOTH POSSIBLE AND DESIRABLE TO STEP UP MILITARY OPERATIONS DURING THE PRE-ELECTION PERIOD AND THIS WOULD BE HELPFUL IN KEEPING THE MILITARY SEPARATED FROM THE ELECTORAL PROCESS.

5. VIEN PRAISED KY'S BEHAVIOR DURING THE MEETINGS AND SAID THAT THE SOLUTION COULD NOT HAVE BEEN REACHED IF HE HAD NOT DONE WHAT HE DID. KY TOLD ME THAT AFTER THE MEETING GENERAL VINH LOC, A VERY PROUD MAN, HAD SAID THAT HE NEVER USED THE WORD "ADMIRE", BUT THAT HE NOW WISHED TO SAY THAT HE ADMIRER WHAT KY HAD SAID AND DONE. I TOLD KY THAT I ALSO ADMIRER HIS ATTITUDE AND CONGRATULATED HIM ON WHAT HE HAD DONE.

6. WE HAVE LEARNED THAT IN A BACKGROUNDER TO A FEW FOREIGN NEWSMEN LATE THIS AFTERNOON GENERAL THANG DESCRIBED THE FOREGOING IN VERY GENERAL TERMS, GIVING KY FULL CREDIT FOR THE MOVE TO RUN AS VICE PRESIDENT. THANG ADDED THAT THERE WAS NEVER ANY QUESTION OF A CARETAKER GOVERNMENT. HE BELIEVES THAT THIEU AND KY WILL REALLY WORK TOGETHER AGAIN AS THEY HAVE IN THE PAST. VIEN ALSO TOLD WESTMORELAND THIS. THANG ADDED THAT THE GENERALS ARE VERY HAPPY AT THE SOLUTION AND SEE AN END TO THE DANGER OF A MILITARY SPLIT. THANG EXPRESSED HIS ADMIRATION FOR KY'S SACRIFICE AND PATRIOTISM.

7. IN HIS CONVERSATION WITH ME KY SAID THAT THE DECISION NOT TO PERMIT BIG MINH TO RETURN BEFORE SEPTEMBER 3 WAS FINAL. HE ADDED THAT IF MINH WERE ADMITTED THEN OTHER GENERALS SUCH AS KHANH AND THI WOULD HAVE TO BE LET BACK. THANG CONFIRMED THIS DECISION IN HIS BACKGROUNDER.

8. COMMENT. I BELIEVE KY DESERVES FULL CREDIT FOR HIS ATTITUDE AND FOR HIS WILLINGNESS TO STEP ASIDE IN THE FACE OF THIEU'S INTRANSIGENCE. I'M SURE THAT HIS STANDING AMONG THE MILITARY HAS BEEN GREATLY ENHANCED.

9. THERE ARE CERTAIN OBVIOUS PROBLEMS CREATED BY THIS COMPROMISE SOLUTION, BUT IT SHOULD SERVE TO END THE GROWING TENSIONS WITHIN THE MILITARY AND STABILIZE TO SOME DEGREE WHAT WAS BECOMING A DANGEROUSLY FLUID SITUATION. WE WILL COMMENT FURTHER ON THESE MATTERS TOMORROW. IT WILL NOW BECOME THE MILITARY VERSUS THE CIVILIANS AND WE ARE ALREADY GIVING THOUGHT AS TO HOW WE SHOULD MEET THIS PROBLEM AND WILL BE SENDING YOU OUR THOUGHTS SHORTLY.

BUNKER

~~SECRET~~

DIG: 30/1426Z JUN 67

22

GPS: 770 IMI 770

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-64
By CB, NARA Date 10-23-00

20

Friday, June 30, 1967

FOR THE PRESIDENT
FROM WALT ROSTOW

a CIA message which gives

Herewith a fairly solid report on the situation
and attitudes in Hanoi.

*Pres file
sent to Rostow
via wire
CAP 67607*

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

Begin text:

Whereas the North Vietnamese proclaim a readiness to fight "twenty years" if necessary and express confidence in ultimate victory, Soviet and other Bloc officials in Hanoi are very discouraged, see no way that Hanoi can win, and feel the problem must be brought to negotiations if the complete destruction of North Vietnam is to be avoided.

American bombing is accurate and effective, and civilian damage in Hanoi has been slight. The main Hanoi railroad workshops are completely destroyed. The Hanoi Power Stations are also destroyed. The Soviets are supplying a great quantity of generators for auxiliary power.

Bloc officials in Hanoi are completely uninformed concerning American prisoners-of-war. The North Vietnamese hold information on this subject tightly and will not discuss it even with the Soviets.

Air defense is based upon SA-2 missiles, and there has been no introduction of more sophisticated surface-to-air missiles or other new or special weapons. Originally the Chinese had serviced

radar facilities, but the lack of, and inability to achieve, coordination between Chinese radarmen and Soviet advisors at the missile sites made air defense ineffective. The Soviets have since taken over the radar installations with a great increase in anti-aircraft effectiveness. Both radar and anti-aircraft installations are operated by the North Vietnamese, but supervision by the Soviet advisor is close. The density and efficiency of the anti-aircraft defenses of Hanoi and Haiphong is impressive.

About 2,000 Soviet advisors are assigned to North Vietnam. Large numbers of Chinese are also there, including many assigned to repairing and maintaining railroads. Relations between the Soviets and Chinese are non-existent, and the Vietnamese play each side for what they can get. The Vietnamese tend, however, to favor the Soviets, firstly because they are North Vietnam's principal supporters, and secondly because the Vietnamese fear the "Cultural Revolution."

Thirty percent of the materiel from Soviet and Bloc countries destined for North Vietnam by all means (rail, air and sea) is being destroyed enroute. The Soviets are the principal source, supplying about 55 percent of all aid to North Vietnam. The Chinese supply about 15 or 20 percent, and the remainder is divided more or less equally among Soviet Bloc states. Hungary and East Germany are the principal Bloc suppliers of trucks and road equipment. Poland supplies artillery and ammunition. There are ten to twelve trains a month which carry these supplies, and the trip takes about ten days now that the Chinese have ceased interfering with transshipments. Trains within North Vietnam, however, are virtually limited to nighttime travel and are seriously disrupted by air action. Recent Soviet aid deliveries included some 2,000 World War II "Katyusha" rockets (truck-carried rocket tubes used as an infantry weapon).

Food rationing in North Vietnam is at the rate of 150 grams of meat per month and up to ten kilograms of rice, depending upon the type of labor employed.

The call-up for military service in North Vietnam has been extended to those men born in 1951, i. e., the 16-year-old class.

~~SECRET~~

Mr. Rostow

21

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-85
By JW, NARA, Date 3-11-94

~~SECRET~~

June ³⁰~~29~~, 1967

*sent to Ranch
via wire*

FOR: THE PRESIDENT

FROM: Walt Rostow

2. Pres file

Among the papers I assume you took with you is a memo from Mac Bundy on military aid policy in the Middle East. It covered a Special Committee paper recommending several exceptions in our present ban in order to stay in business with our moderate Arab friends.

If possible, it is important to have your thoughts on several items in that paper by the end of Friday because of the end of the fiscal year. Those items that could be funded with FY 67 money are: (1) the sale of a C-130 to Saudi Arabia; (2) the \$9.9 million weapons maintenance and repair program in Saudi Arabia; (3) the \$44 million credit sale for Morocco.

The other element of urgency--though not a fiscal year problem--is that all Israeli military aid continues in suspense until your decision. Evron asked me about this today, but after their move on Jerusalem you may be in no hurry.

W. W. Rostow

Approve Mac Bundy's memo _____

Approve above 3 fiscal year items; call me about the rest ✓

Call me _____

~~SECRET~~

23

THE WHITE HOUSE

WASHINGTON

June 30, 1967

Pres file

Dear Covey:

I am pleased that you have accepted the hard job of Assistant Secretary of State and United States Coordinator of the Alliance for Progress.

It is particularly appropriate that you assume these positions as the Hemisphere begins the major task of implementing the decisions taken by the American Presidents at Punta del Este on April 14. These decisions broaden and deepen the scope of the Alliance for Progress and present a particularly challenging responsibility. Your position will be demanding. You are to coordinate and direct all policies and programs of the United States Government, political, military, economic, social and cultural, relating to Latin America. You will also work closely with the Congress and private groups and institutions. It is immensely important to the United States that you succeed, and you will have my full support in carrying out your assignments.

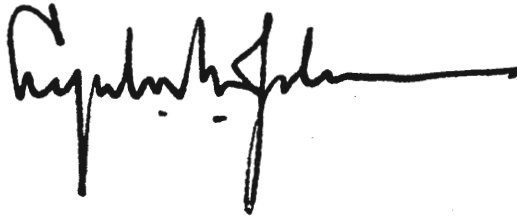
We have accomplished much to date under the Alliance, and your predecessors were excellent. But there is far more still to do. I was deeply satisfied that my colleagues at Punta del Este were so fully agreed as to the problems and possibilities of the Hemisphere and so committed to their countries doing a major part of what must be done to achieve the goals of the Alliance. I want the United States to give them the helping hand they need. I am pleased that we have had strong bipartisan support in the Congress for our efforts in the past, and I am confident that this will continue to be the case.

I have been impressed with the high effectiveness of the combined State-AID Bureau in carrying out our Alliance for

PRESERVATION COPY

Progress responsibilities, most recently as it prepared the groundwork for the major new initiatives taken at the Summit Conference. The first-rate staff support demonstrated to me once more the soundness of the policy-making and administrative arrangements worked out in 1964. As I indicated during our recent conversation, I want these arrangements continued and strengthened.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard L. Good", with a long horizontal flourish extending to the right.

Honorable Covey T. Oliver
Assistant Secretary of State
Department of State
Washington, D. C.

PRESERVATION COPY

23a

Wednesday, June 7, 1967
6:20 p.m.

Mr. President:

Herewith Covey Oliver's
draft letter giving him his mandate --
a draft which you requested of him.

W. W. Rostow

Dear Covey:

I am pleased that you have accepted the hard job of Assistant Secretary of State and United States Coordinator of the Alliance for Progress.

It is particularly appropriate that you assume these positions as the Hemisphere begins the major task of implementing the decisions taken by the American Presidents at Punta del Este on April 14. These decisions broaden and deepen the scope of the Alliance for Progress and present a particularly challenging responsibility. Your position will be demanding. You are to coordinate and direct the work of many governmental agencies and to work closely with the Congress and private groups and institutions. It is immensely important to the United States that you succeed, and you will have my full support in carrying out your assignments.

We have accomplished much to date under the Alliance, and your predecessors were excellent. But there is far more still to do. I was deeply satisfied that my colleagues at Punta del Este were so fully agreed as to the problems and possibilities of the Hemisphere and so committed to their countries doing a major part of what must be done to achieve the goals of the Alliance. I want the United States to give them the helping hand they need. I am pleased that we have had strong bipartisan support in the Congress for our efforts in the past, and I am confident that this will continue to be the case.

I have been impressed with the high effectiveness of the combined State-AID Bureau in carrying out the Alliance for Progress, most recently as it prepared the groundwork for the major new initiatives taken at the Summit Conference. This first-rate staff support there demonstrates to me once more the soundness of the administrative arrangements worked out in 1964.

Sincerely,

Honorable Covey T. Oliver
Assistant Secretary of State
Department of State
Washington, D. C.

not used

LBJ:CTO:WWR:rlh

24
1
SENT
WHICA

EEA140
OO WTE10
DE WTE 1286

1967 JUN 29 21 45

FROM WALT POSTON
TO THE PRESIDENT
CITE WH70331

UNCLASSIFIED

JUNE 29, 1967

ATOMIC ENERGY COMMISSION IS MAKING THE FOLLOWING ANNOUNCEMENT
THIS AFTERNOON.

A NUCLEAR TEST OF LOW YIELD WAS CONDUCTED UNDERGROUND
TODAY BY THE ATOMIC ENERGY COMMISSION AT ITS NEVADA TEST SITE.

THERE WAS A SMALL RELEASE OF RADIOACTIVITY. WHILE
MOST OF THIS RADIOACTIVITY WAS DEPOSITED WITHIN THE TEST
SITE, VERY LOW LEVELS OF RADIOACTIVITY HAVE BEEN DETECTED
ON THE GROUND NEAR THE SITE. THE HIGHEST OF THESE WAS .7
MILLIROENTGENS PER HOUR IN AN UNPOPULATED AREA ABOUT THREE
MILES FROM THE BOUNDARY OF THE GOVERNMENT-CONTROLLED PRESERVATION.
THIS READING DROPPED TO NEAR BACKGROUND LEVELS WITHIN AN HOUR.
THIS LEVEL OF RADIOACTIVITY PRESENTS NO HEALTH HAZARD.

DTG: 292119Z JUNE 1967

THURSDAY
67 JUN 29 PM 5:47
PRESERVATION COPY

25
SENT
WHCA

1967 JUN 29 20 53

FEA136
OO WIE12
DE WIE 1281

FROM WALT ROSTOW
TO THE PRESIDENT
CITE WH70327

UNCLASSIFIED

(ON THE WIRE TO RANCH *(taken out)*)

67 JUN 29 PM 4:57

THURSDAY

JUNE 29, 1967

HEREWITH AS REQUESTED A DRAFT REPLY TO DREW FEARSON'S LATEST. THE PROPOSAL ON HAITI TO WHICH HE REFERRED WAS A PERSONAL IDEA OF GALLO PLAZA. WE SUPPORTED IT. MOPA WAS AGAINST. THE FINAL JUDGMENT WAS WE COULD NOT GET IT THROUGH THE ORGANIZATION OF AMERICAN STATES COMMUNIC. THE BUDGET BUREAU ECONOMISTS HAD NOTHING TO DO WITH IT.

"DEAR DREW:

YOU SHOULD KNOW THAT ALL DEPARTMENTS OF THE GOVERNMENT HAVE BEEN WORKING FOR SOME TIME ON CONTINGENCY PLANS FOR HAITI, AT MY DIRECTION.

WE DON'T KNOW WHAT WILL HAPPEN. CONTINGENCY PLANNING IS NO GUARANTEE THAT ALL WILL GO WELL. BUT WHATEVER HAPPENS WE SHALL, AT LEAST, NOT BE THE VICTIMS OF ABSENT-MINDEDNESS.

I'M GLAD YOU THINK WELL OF COVEY OLIVER. I HAVE KNOWN HIM A LONG TIME AND HAVE GREAT CONFIDENCE IN HIM.

SINCERELY,

LBJ"

DTG: 291915Z JUNE 1967

PRESERVATION COPY

on way to nancy

29, 1967

26

FOR THE PRESIDENT FROM WALT ROSTOW

Herewith as requested a draft reply to Drew Pearson's latest.

The proposal on Haiti to which he referred was a personal idea of Gallo Plaza.

We supported it. Mora was against. The final judgment was we could not get it through the OAS Commies. The Budget Bureau economists had nothing to do with it.

"Dear Drew:

You should know that all departments of the government have been working for some time on contingency plans for Haiti, at my direction.

We don't know what will happen. Contingency planning is no guarantee that all will go well. But whatever happens we shall, at least, not be the victims of absent-mindedness.

I'm glad you think well of Covey Oliver. I have known him a long time and have great confidence in him.

Sincerely,

LBJ⁷¹

27

SEAT
RECEIVED
WHCA

1967 JUN 29 20 50

ZCZCEEA135
FF WTE10
DE WTE1278

FROM WALT ROSTOW
TO THE PRESIDENT
CITE WH70325

WELAS

JUNE 29, 1967

OGDEN REID CALLED AGAIN. HE WISHED YOU TO KNOW HOW GREATLY HE
ADMIRER YOUR HANDLING OF THE SUMMIT. HE BELIEVES IT STRENGTHENED BOTH
THE NATION AND THE PRESIDENT.

HE STILL WANTS VERY MUCH TO SEE YOU AT YOUR CONVENIENCE.

DTG 291805Z JUN 67

PRESERVATION COPY

~~SECRET~~

28

SENT
WHCA

1967 JUN 29 20 47

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-64
By CB, NARA Date 10-23-00

SEA134
OO WTE10
DE WTE 1277

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67596

~~SECRET~~

JUNE 29, 1967

67 JUN 29 PM 4:49

THURSDAY

FOR THE PRESIDENT

FROM WALT ROSTOW

WE CHECKED SAIGON BY TELEPHONE ON THE ASSOCIATED PRESS STORY OF
CONFLICT AMONG THE MILITARY AND MILITARY MOVEMENTS SUGGESTING
A COUP ATTEMPT.

SAIGON SAID THERE WAS NO BASIS FOR THE STORY.

STATE HAS DENIED AS YOU WILL SEE ON TICKER.

THE FOLLOWING CABLE IS THE BEST ACCOUNT WE HAVE ON THE
MILITARY MEETINGS OF THE 28TH.

WESTY IS SEEING VIEN TO GET A MORE AUTHORITATIVE ACCOUNT.

12958

(U)11-2546 ~~SECRET~~ SAIGON 29152

1. WE HAVE RECEIVED REPORT [REDACTED]
RELATING TO RECENT TOP-LEVEL GOVERNMENT OF VIET NAM MILITARY MEETINGS
ON THE SUBJECT OF BIG MINH'S RETURN AND THE UNITY OF THE ARMED
FORCES. [REDACTED]

2. THE REPORT OF THE FIRST MEETING OF THE MILITARY MEMBERS OF
THE DIRECTORATE ON JUNE 27 WAS CONFIRMED. THERE WAS AGREEMENT NOT
TO PERMIT BIG MINH'S RETURN AND TO SEND GENERALS VIEN AND LA
TO BANGKOK TO INFORM MINH. GENERAL CHIEU INITIALLY OPPOSED THE
DECISION ON CONSTITUTIONAL GROUNDS BUT ACCEDED TO THE VIEWS OF THE
OTHER GENERALS.

~~SECRET~~

PRESERVATION COPY

3. GENERALS VIEN AND LA RETURNED JUNE 28 FROM BANGKOK AND A 5-HOUR MEETING WAS HELD LAST NIGHT TO DISCUSS THE MATTER FURTHER. THE TWO GENERALS REPORTED THAT BIG MINH WAS DETERMINED TO RETURN AND REFUSED TO ACCEPT THE DECISION CONVEYED TO HIM. THE ORIGINAL DECISION AGAINST HIS RETURN WAS REAFFIRMED LAST NIGHT, HOWEVER, AND THE DECISION WAS UNANIMOUS. (COMMENT: PRESUMABLY CERTAIN MEASURES HAVE ALSO BEEN TAKEN TO ASSURE THAT BIG MINH IS NOT ABLE TO EFFECT HIS RETURN BY HIMSELF.)

~~SECRET~~

4. DURING THE MEETING LAST NIGHT THE OTHER GENERALS FORCED THIEU AND KY TO DISCUSS THEIR CANDIDACIES AND THE QUESTION OF UNITY OF THE ARMED FORCES.

THIEU SAID THAT HE HAD NO PROSPECT OF WINNING, HAD NO ORGANIZATION OR MEANS OR PROGRAM, BUT THAT IT HAD BECOME A MATTER OF HONOR AND PRESTIGE AND HE HAD NO CHOICE BUT TO RUN. HE CITED HIS GRIEVANCES CONVERGING THE LAST TWO YEARS, SAYING THAT HE HAD BEEN PUSHED ASIDE FROM THE MAIN STREAM OF GOVERNMENT DECISIONS, HAD BEEN KEPT OUT OF THE PUBLIC LIMELIGHT, AND MORE RECENTLY HAD EVEN HAD HIS STATEMENTS CENSORED. REPORTEDLY, KY EXPRESSED HIS REGRET AT THE MISUNDERSTANDING AND APOLOGIZED TO GENERAL THIEU FOR THE ACTIONS TAKEN BY SOME OF HIS SUBORDINATES. ACCORDING TO THE SOURCE, THIS EXCHANGE BETWEEN THIEU AND KY CLEARED THE AIR SOMEWHAT AND WAS A GREAT RELIEF TO THE OTHER GENERAL PRESENT WHO HAD BEEN INCREASINGLY FEELING THE STRAIN OF THE THIEU-KY RIVALRY.

EO 12958

3.4(b)(1)>25Yrs

(C)

5. THERE WAS A MEETING ON THE MORNING OF JUNE 28 OF THE ARMY OF THE REPUBLIC OF VIET NAM DIVISION COMMANDERS, APPARENTLY ONE OF A SERIES HELD PERIODICALLY AMONG THEM. AT THE MEETING THERE WAS A FULL DISCUSSION OF THE PROBLEM OF DIVISION WITHIN THE MILITARY AND THE NECESSITY TO AVOID MILITARY INVOLVEMENT IN THE ELECTION PROCESS. IT WAS AGREED THAT THE DIVISION COMMANDERS AND THEIR SUBORDINATE COMMANDERS SHOULD IN NO WAY BECOME INVOLVED IN THE CAMPAIGNS BY THIEU AND KY.

6. COMMENT: THIS SERIES OF MEETING AMONG THE TOP GENERALS AND THE DIVISION COMMANDERS IS REASSURING AND APPEARS TO REFLECT A GENERAL AWARENESS OF THE DANGERS OF DIVISION WITHIN THE MILITARY ARISING FROM THE ELECTORAL PROCESS.

IT SEEMS THAT THERE HAS BEEN SOME CLEARING OF THE AIR AND PROBABLY SOME PROGRESS IN THE DIRECTION OF STERILIZING THE MILITARY FROM THE ELECTORAL PROCESS. IF THIS REPORT IS ACCURATE, IT WILL AFFORD A USEFUL BASIS FOR DISCUSSIONS WITH THIEU AND KY FOLLOWING UP MY LUNCHEON WITH THEM ON JUNE 19

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

(C)

BUNKER

DTG: 291825Z JUNE 1967

~~SECRET~~

PRESERVATION COPY

~~TOP SECRET~~

SENT
WHCA

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 92-86
By wp, NARA, Date 6-14-93 1967 JUN 29 20 02

EEA132
OO WTE10
DE WTE 1275

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAF67595

~~TOP SECRET~~

FOR THE PRESIDENT FROM WALT ROSTOW

JUNE 29, 1967

HEREWITH BUNKER'S RESPONSE TO THE CABLE ABOUT WHICH YOU INQUIRED.

BUNKER PROPOSES:

1. TO HAVE WESTY FIND OUT FROM VIEN WHAT HAPPENED AT THE DIRECTORY MEETING AND THE SESSION OF DIVISION COMMANDERS ON JUNE 28.

2. THEN EXECUTE THE INSTRUCTION ON THE BASIS OF SEPARATE TALKS WITH THIEU AND KY.

~~TOP SECRET~~ SAIGON 29167

1. I FULLY UNDERSTAND THE CONCERN EXPRESSED IN REFERENCE TELEGRAM REGARDING THE RELATED MATTERS OF THE THIEU-KY RIVALRY, MILITARY UNITY AND THE ELECTORAL PROCESSES, AND THEIR POTENTIAL EFFECT ON AMERICAN OPINION. I HAVE DISCUSSED THESE PROBLEMS WITH LOCKE AND WESTMORELAND AND WE ARE FULLY AGREED ON THE FOLLOWING VIEWS.

2. DEPT WILL HAVE SEEN SAIGON 29152 REPORTING ON THE SERIES OF HIGH LEVEL GOVERNMENT OF VIETNAM MILITARY MEETINGS OF THE PAST TWO DAYS HAVE BEEN DISCUSSING VARIOUS ASPECTS OF THIS PROBLEM AND THE ADDITIONAL COMPLICATING FACTOR OF BIG MINH'S PUBLIC ENTRY ON THE STAGE. WE UNDERSTAND THAT THERE ARE FURTHER MEETINGS GOING ON TODAY. I THINK THE REPORTS OF THE MEETING OF THE DIVISION COMMANDERS ON JULY 23 AND OF THE DIRECTORATE MEETING THAT

EVENING ARE ENCOURAGING IN THAT THEY INDICATE GROWING AWARENESS OF THE NEED TO WORK OUT A SOLUTION AND SOME MOVEMENT IN THAT DIRECTION. THIS IS A DELICATE AND COMPLICATED PROCESS INVOLVING TYPICALLY ASIAN QUESTIONS OF "FACE" AND PRESTIGE. OUR ROLE IN IT CAN BE CRITICALLY IMPORTANT IN HELPING TO LEAD THE WAY TO A SOLUTION OR CONVERSELY IN INJECTING FACTORS WHICH MAKE IT MORE DIFFICULT TO FIND A MUTUALLY ACCEPTABLE ANSWER. IT IS FOR THIS REASON THAT WE HAVE BEEN TRYING TO LEAD THEM ALONG TO WORK OUT THEIR OWN SOLUTIONS. IF WE CAN DO THIS, IT WILL BE GOOD FOR THEM, AND GOOD FOR US. I HAVE AN INSTINCTIVE FEELING THAT THERE IS ALREADY SOME MEASURABLE PROGRESS TOWARDS REMOVING THE MILITARY FROM DIRECT INVOLVEMENT IN THE ELECTORAL PROCESS. OUR JUNE 19 LUNCHEON SEEMS TO HAVE BEEN HELPFUL AND ITS EFFECT AS WELL AS GENERAL CAO VAN VIAN'S EFFORTS ON THE SUBJECT ARE BEING FELT. OUR OBJECTIVE AT THE MOMENT SHOULD BE TO KEEP THIS PROCESS GOING AND TO AVOID MOVES WHICH MIGHT BE COUNTERPRODUCTIVE. WE SHOULD, OF COURSE, BE PREPARED TO MOVE IN IF A SERIOUS IMPASSE SEEMS TO BE DEVELOPING.

3. WITH THE FOREGOING AS BACKGROUND, WE BELIEVE THAT OUR FIRST EFFORT SHOULD BE TO GET A CLEAR AND AUTHORITATIVE VIEW OF WHERE THINGS STAND TODAY. TO THIS END WESTMORELAND WILL SEE VIEN EITHER THIS EVENING OR TOMORROW MORNING. HE IS THE RESPONSIBLE MILITARY AUTHORITY, IS PROBABLY THE MOST DISINTERESTED AND APOITICAL OF THE KEY GENERALS, AND WE BELIEVE HE IS GENUINELY SEEKING THE SORT OF SOLUTION WE WANT.

4. FOLLOWING THIS SOUNDING WE WILL CONSIDER WHAT IS THE BEST NEXT MOVE. IT IS OUR JUDGEMENT THAT A MEETING OF ALL THREE OF US WITH THIEU AND KY TOGETHER MIGHT ONLY FREEZE THE SITUATION UNDESIRABLY AND PUT ONE OR THE OTHER IN A POSITION WHERE HIS FACE OR PRESTIGE BECOME IRREVOCABLY INVOLVED. (THIS APPEARS TO BE THE CHIEF FACTOR BEHIND THIEU'S PRESENT STUBBORN INSISTENCE ON RUNNING FOR THE PRESIDENCY DESPITE HIS OWN FEELING THAT HE WILL LOSE.) IT WOULD ALSO INEVITABLY ATTRACT PUBLIC ATTENTION AND THAT AT A MOMENT WHEN THE CITY IS RIFE WITH RUMORS AND SPECULATION AS THE JUNE 30 DEADLINE FOR FILING DRAWS NEAR AND AS THE STORIES OF BIG MINH'S MOVE CIRCULATE IN A VARIETY OF FORMS.

5. BECAUSE OF SIMILAR CONSIDERATIONS, BELIEVE WE SHOULD GIVE FURTHER CONSIDERATION ALSO TO THE DESIRABILITY OF ALL THREE OF US SEEING THIEU AND KY SEPARATELY OR WHETHER I SHOULD SEE THEM ALONE. DEPENDING ON VIEN'S COMMENTS AND REACTIONS, WE SHOULD THEN CONSIDER WHEN AND HOW TO SEE THIEU AND KY, SEPARATELY, TO DISCUSS THE SITUATION AND TO CONVEY THE ESSENCE OF THE PRESIDENT'S CONCERN EXPRESSED IN REFERENCE TELEGRAM. I WOULD HOPE THAT THE PROCESSES ALREADY AT WORK MAY BY THEN SUGGEST THE WAY IN WHICH OUR COMMON OBJECTIVES ON THIS KEY QUESTION CAN BEST BE ACHIEVED.

BUNKER

DTG 291825Z JUNE 1967

~~TOP SECRET~~

~~TOP SECRET~~SENT
WHCA

1967 JUN 29 18 44

67 JUN 29 PM 2:48

THURSDAY

EEA131
OO WTE12
DE WTE 1275FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67594~~TOP SECRET~~ SENSITIVE

FOR THE PRESIDENT FROM WALT ROSTOW

THURSDAY, JUNE 29, 1967 -- 2:05 P.M.

WE HAVE INTERCEPTED MESSAGES FROM TWO SOVIET VESSELS IN THE HAIPHONG HARBOR REPORTING THAT THEY WERE DAMAGED IN AN AMERICAN AIR RAID ON THE HARBOR AREA AT APPROXIMATELY 5:00 A.M. WASHINGTON TIME THIS MORNING.

THE ONE VESSEL, MIKHAIL FRUNZE, REPORTED THAT A BOMB HAD FALLEN ON HER DECK. A LIFE BOAT AND THE HATCH OF THE MACHINERY COMPARTMENT WERE RIDDLED WITH HOLES. THE VESSEL REPORTED NO PERSONNEL CASUALTIES.

A SECOND SOVIET VESSEL, THE DMITRIJ GULIA, REPORTED THAT BOMBS HAD FALLEN SOME 10 TO 20 METERS FROM HER AND BOMB FRAGMENTS HAD LANDED ON THE DECK. THERE WERE NO INDICATIONS OF PERSONNEL CASUALTIES.

[REDACTED]

1.5cc)
3.4(b)(1), (3)

SECRETARIES RUSK AND MCNAMARA, UNDER SECRETARY MATZENBACH AND GENERAL WHEELER ARE WORKING OUT THE ACTIONS TO BE TAKEN, INCLUDING WHAT WE WOULD SAY IN THE EVENT THE SOVIETS MAKE IT PUBLIC.

U.S. AIRCRAFT ON AN ARMED RECONNAISSANCE MISSION WERE SCHEDULED TO BE IN THIS AREA AT APPROXIMATELY THIS TIME. WE ARE WAITING FOR MORE DETAILS FROM THE FIELD AFTER DEBRIEFING OF THE PILOTS.

DTG 291825Z JUN 67

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-71
By cbm, NARA, Date 3-17-03

~~TOP SECRET~~

PRESERVATION COPY

June 29, 1967

FOR THE PRESIDENT

FROM WALT ROSTOW

Ogden Reid called again. He wished you to know how greatly he admired your handling of the Summit. He believes it strengthened both the nation and the President.

He still wants very much to see you at your convenience.

EEA129
OO WTE17
DE WTE 1272

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67592

~~CONFIDENTIAL~~

FOR THE PRESIDENT FROM WALT ROSTOW

JUNE 29, 1967

COL. FIDEL SANCHEZ, WHOM YOU MET AT PUNTA DEL ESTE, WILL BE INAUGURATED AS PRESIDENT OF EL SALVADOR ON SATURDAY, JULY 1.

I REQUEST APPROVAL TO SEND HIM THIS MESSAGE ON YOUR BEHALF:

"HIS EXCELLENCY
FIDEL SANCHEZ HERNANDEZ
PRESIDENT OF THE REPUBLIC OF EL SALVADOR
SAN SALVADOR

AS YOU ASSUME THE HIGHEST OFFICE OF YOUR COUNTRY, I
EXTEND WARMEST CONGRATULATIONS AND WISH YOU EVERY
SUCCESS. I LOOK FORWARD TO MAINTAINING THE CLOSE TIES
WHICH HAVE UNITED OUR TWO COUNTRIES. AT PUNTA DEL
ESTE WE AGREED ON WAYS TO MAKE OUR ALLIANCE FOR
PROGRESS A MORE EFFECTIVE INSTRUMENT FOR BRINGING A
LARGER MEASURE OF PROSPERITY TO THE PEOPLES OF LATIN
AMERICA. YOU MAY COUNT ON MY CONTINUED COLLABORA-
TION IN THIS GREAT EFFORT."

APPROVE-----
DISAPPROVE-----
SPEAK TO ME-----

~~CONFIDENTIAL~~

DTG 291730Z JUNE 1967

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 7-9-91

PRESERVATION COPY

MENT
WHICA

1967 JUN 29 17 57
18 05

~~CONFIDENTIAL~~

67 JUN 29 PM 2:11

THURSDAY

Thursday, June 29, 1967
1:40 p.m.

33
~~1. sup~~
2. Pres file

Mr. President:

Herewith a draft reply to Frel,
which you requested.

W. W. Rostow

33a

June 29, 1967

Dear Mr. President:

I was pleased to receive from Ambassador Tomic your letter of May 22 concerning the visit of your son.

I greatly enjoyed meeting Jorge and having a chance to chat with him. He is a credit to his distinguished father.

I came away from our conversation feeling he represents the dynamic, forward-looking generation in whose hands the future of Latin America rests. It was of such young men and women I thought when I addressed a passage of my plenary talk at Punta del Este to the youth.

It was most thoughtful of you to write.

Sincerely,

15/ Lyndon B. Johnson

His Excellency
Eduardo Frei Montalva
President of the Republic of Chile
Santiago

LBJ:WGB:WWR:mz

Write President Frei a nice letter and tell him
we enjoyed his son and he is a great credit to him.

LBJ:mary s
6@26-67
10:35pm

MEMORANDUM

30
THE WHITE HOUSE

WASHINGTON

33c

Monday - June 26, 1967 -
5:30 pm

Mr. President:

Ambassador Tomic today delivered the attached letter from President Frei expressing deep appreciation for your having taken the time to receive his son Jorge.

Brouley Smith
for W. W. Rostow

Attachment

T R A N S L A T I O N

EMBAJADA DE CHILE

My dear Mr. President:

I wish to express my gratitude to you for having received my son Jorge. I should not have wished to bother you, taking your so important time in an audience of this nature. I am really embarrassed that it occurred. Naturally, I profoundly appreciate your gesture. It is not only I who have appreciated it, but in Chile, public opinion has esteemed it as a very great distinction for our country.

My son has returned very grateful and moved by the fact of having been able to meet you and to have been received in so affectionate a manner, which went beyond anything he might have expected.

Believe me, Mr. President, that for my son this will be a very extraordinary memory for his whole life, which reveals on your part a great kindness and a wish to show your sympathy for Chilean youth.

Once more I recall the magnificent memory of our interview at Punta del Este.

Accept, Mr. President, the affectionate greetings of,

EDUARDO FREI

The President
The White House
Washington, D.C.

~~SECRET~~

Thursday, June 29, 1967
10:05 a.m.

Pres file

Mr. President:

Herewith Amb. Bunker's mid-year summary. The priorities are clear: the task is to move on them.

W. W. Rostow

Suzon 29059

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By *kg*, NARA, Date *6-25-91*

34a

SECRET/NODIS

Wednesday, June 28, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon, 29059)

Herewith my ninth weekly telegram:

A. General

The half-way mark in 1967 coinciding as it does with the completion of two years of the present government and with the approaching elections may mark a good time to attempt to cast up a balance sheet of developments here. We shall be doing this in detail during the visit of Secretary McNamara and Under Secretary Katzenbach next week. This is obviously a difficult and complicated undertaking involving many questions of judgment and some imponderables. I thought it might be worth while, however, if I were to attempt a summary of the more important elements relative to the present situation and prospects ahead as I and others here see them.

The military situation has greatly improved. The North Vietnamese Army has not won a single major victory in the South, on the contrary has suffered even heavier losses on the battlefield. At home, much of their infrastructure has been damaged or destroyed, half of their aircraft destroyed, an estimated half million people diverted to repair of war damage, and the movement of men and supplies made infinitely more difficult. Food shortages have developed. It seems apparent that physically and materially the country has been badly hurt.

By contrast, South Vietnam has made substantial progress in a good many ways. On the political front, there has been a stable government for two years, a Constituent Assembly has been elected, a Constitution drafted and promulgated, village and hamlet elections held and Presidential and Congressional elections scheduled for September and October.

~~SECRET/NODIS~~

DECLASSIFIED
Authority NLT/CBS 10
By ng/lis, NARA, Date 7-8-91

Inflationary pressures are severe, but these have been kept under reasonably good control. While prices have gone up, food supplies are ample.

Vietnamese Armed Forces are being steadily improved and in many instances have turned in excellent performances.

Pacification is gaining some momentum.

Defections to the Government of Vietnam under the Chieu Hoi program are running at nearly twice the 1966 rate.

There are other aspects of the picture, however, which must be considered. While the enemy offensive has been blunted, it has not been eliminated. Infiltration continues from the North at an estimated rate of 6,500 a month. Hanoi's determination does not seem to have been seriously affected by the severe physical punishment it has taken. Indeed, there is one school of thought which holds that North Vietnam is determined to continue the struggle with the expectation that we will eventually tire of carrying the heavy burden involved in our effort. There is apparently no present indication of Hanoi's desire to enter into negotiations. And it seems quite possible that the Soviets and Communist China may have some kind of open end commitment to keep North Vietnam supplied with weapons and materiel.

On the South Vietnamese side, there are also problems.

With two military Presidential candidates, there is danger that the Armed Forces will become politically involved and diverted from the essential task of fighting the war.

As far as the electoral process itself is concerned, Ky's arbitrary use of censorship and General Loan's activities have been subject to widespread criticism. Serious doubt has been cast on the possibility of holding honest elections.

Although the ARVN/Regional Forces/Popular Forces have been greatly improved, there is still a long way to go. Leadership, ability to cope with guerrilla warfare, and security are areas in which there are still substantial deficiencies.

This is especially true of the ARVN/Regional Forces/Popular Forces involvement in the pacification program. The crux of the program is adequate Vietnamese motivation and involvement, for pacification in the final analysis must be done by the Vietnamese. No matter how efficient the organization of our role in pacification may be, without Vietnamese carrying the main burden, the program cannot succeed.

This is true not only of pacification but of all the other aspects of the effort here -- military, economic, political, and social. Lack of involvement and motivation are evident in the apathy, inertia, widespread corruption and incompetence one finds in many areas of the civil administration.

In this connection, I believe that we lack adequate means of finding out what the Vietnamese people are really thinking and what their aspirations are. There is no fully adequate opinion-taking organization here, such as we had in the Dominican situation. I believe this is a serious deficiency for we ought to know more about what the Vietnamese are thinking, especially the 55 percent to 60 percent of the population which lives outside of the cities. However, from soundings throughout the country, security and social justice, especially getting rid of corruption, seem to be highest on the list. There is obviously great deficiency in both.

While there is much work still to be done on many counts and many obstacles to overcome, it seems to me that we should continue to concentrate on our main priority objectives. I believe these to be:

A. A vigorous, imaginative and flexible prosecution of the war within acceptable limits. Here, as I have stated previously in another telegram, it seems to me that the crux of our military problem is how to choke off North Vietnamese infiltration. I believe ways can be found to do this effectively and that we should pursue this matter with the utmost urgency.

B. Through free and honest elections establishment of a broadly-based, stable, functioning Constitutional Government. It will require constant vigilance on our part to see that electoral procedures are kept free and honest; and that the fact of their being

so is credible. There is fortunately evidence now that our pressures on Ky in this respect are beginning to have some effect.

C. An expedited pacification program which will win the allegiance of the Vietnamese people including the Viet Cong, and which offers them the opportunity to become part of the social fabric of the country.

D. Reorientation of the mission of the Vietnamese Armed Forces and their revitalization with increased emphasis on improvement and quality.

E. The optimum use of available manpower. This study is already under way under Ambassador Locke. We have discussed some of the problems including the need of mobilization after the elections with Thieu and Ky. We have found them both receptive and understanding of the need to move ahead on this vitally important matter.

F. Economic stability and development. Economic stability will depend on our ability to restrain the inflationary pressures. Economic development is an essential means to political progress especially as it affects the more than half of the Vietnamese who live in the villages and the hamlets. Production can be increased through imaginative and carefully conceived programs, despite the war. Looking to the longer run, it seems to me that the work of the Lilienthal group in planning long-range economic development is both important and hopeful. I doubt if there is any better political weapon than involving the Vietnamese people in their own development, to let the people themselves plan and carry out activities through which they can increase their incomes and improve their lives.

There is obviously much work still to do. Balancing out the pluses and minuses, however, I find none of the latter insuperable. The Vietnamese are intelligent, hard-working, and if properly guided, encouraged and well-led can perform effectively. I believe that we are making steady progress and are gradually achieving our aims in Vietnam. If we stick with it and reinforce the success already achieved, I am confident that we shall come out very well in the end.

B. Political

I am glad to be able to report that Prime Minister Ky is taking some actions to counter the impression the coming elections will not be fair and free.

In talking to the press on June 22 and 23, Ky stressed his intention to provide equal facilities for all candidates. He said that he will reserve seats for them on all Air Vietnam flights so that they can get about the country freely during the campaign. He also said that he plans to call all of the candidates together on July 1 so that they can discuss their campaign needs.

On June 26 the Government released to the press the text of an order to Corps Commanders, Province Chiefs and Mayors concerning the conduct of the elections. The order says in part that the authorities must concentrate on carrying out a democratic election "in freedom, fairness and legality." Earlier, on June 22, the Saigon radio carried the text of a speech by General Thang in which Thang urged a graduating class of Revolutionary Development cadre to work for absolutely fair and free elections.

Today, Ky opened a four-day seminar on the elections which will be attended by all Province Chiefs, Mayors, and other officials who will be involved in the conduct of the elections. He took up the three themes of getting the vote out, assuring security for the elections, and providing for free and impartial elections.

I believe that Ky's actions are in part a response to my expressions of concern to him that the elections be conducted fairly. I have impressed on him the fact that newspaper stories about a rigged election create serious problems for us at home, and that pressure from the foreign press was mounting; and that truly free elections are essential if the new government is to enjoy the confidence of the Vietnamese people and thus have the political strength to deal effectively with Communist political attacks.

Ky's efforts are also a reaction to domestic pressures. Whatever his motive, Thieu has spoken out strongly on the need for clean elections. Probably encouraged by Thieu's remarks, the National Assembly on June 24 released a resolution

calling on the government to abolish censorship and observe the basic guarantees of freedom of expression written into the Constitution. The Assembly resolution was the product of a spirited debate which revolved around the question of freedom of the press during the election period. In the Government's own appointed advisory body, the Peoples Army Council, the question of the conduct of the elections was debated on June 24. One member presented a list of recommendations designed to insure clean elections. His proposals included a request for U.N. observers, abolition of censorship, and heavy penalties for officials involved in election fraud.

Ky's statements are welcome but are in themselves not sufficient. While he has improved the government image somewhat, I doubt that he has yet persuaded many Vietnamese or foreign reporters that he will really carry out a free and honest election. The test will be what he does rather than what he says. Much will depend on how well his promise of equal facilities is carried out. The role of General Loan and the Police will also be very important in determining the final Vietnamese estimate of this election.

I will be watching developments in this area very closely, and we will continue to study ways in which the honesty of the elections can be both insured and demonstrated. We will continue to press the government to take the necessary measures. I should add that, although the crucial tests remain ahead, I believe the public airing of this issue represents progress. Ky has made public commitments and all parties have faced the issue squarely. There is public Vietnamese pressure on the government to conduct fair elections, and that kind of pressure is probably at least as effective as anything we can say to Ky.

Both Thieu and Ky announced their Vice Presidential running mates this week. Thieu will run with Trinh Quoc Khanh, one of the leaders of a Hoa Hao splinter group. Ky has chosen the Chairman of the Peoples Army Council (PAC), Nguyen Van Loc, as his Vice Presidential candidate.

Khanh is a 54-year old Southerner, who has been involved with several political groups, including the pro-"struggle"

Front of All Religions. 'He has not been politically prominent or successful to date and probably will bring very little strength to Thieu's ticket.

As Chairman of the PAC and a well-known lawyer, the 45-year old Loc is somewhat more distinguished than Khanh, but probably does not have much more voter appeal. He has no significant political following. He is a Southerner from the Delta and was educated in Paris.

Not only Thieu and Ky but also Ha Thuc Ky and Tran Van Huong have surprised us by their choice of at least relatively weak running mates. Of the major candidates, only Phan Khac Suu can be said to have materially strengthened his Presidential bid by his choice of a Vice Presidential candidate. Critics of the military candidates are already saying that they were unable to persuade any more attractive leaders to run with them. The fact that Ha Thuc Ky and Tran Van Huong have done no better suggests to me, however, that the office itself is not very attractive. The Constitution provides the Vice President with no very important functions, and in the case of the death of the President, the Vice President succeeds to the office only until new elections can be held.

Thieu and Huong both filed for the election this week, but Prime Minister Ky has not yet done so. We now have a total of nine tickets formally in the race, with the prospect of at least a few more filing before the deadline of June 30. While some will likely withdraw before the election, it now appears that there will be as many as a dozen Presidential candidates on the ballot. I am afraid that this abundance of candidates increases the chances of the winner having a rather unimpressive percent of the total vote cast.

I learned yesterday that Big Minh, the General who overthrew Diem and served briefly as Chief of State after the 1963 coup d'etat, has announced in Bangkok that he wants to run for President. According to the report we have, Big Minh held a press conference in which he complained that he is being denied his Constitutional right to return to Vietnam and enter the Presidential race. General Pham Xuam told an Embassy officer that some of

the Generals held a meeting yesterday morning to discuss what would be done about Big Minh's request for permission to return to Vietnam. According to Chieu, both Thieu and Ky voted against allowing Big Minh to come home.

Big Minh's return could become a hot issue if any of the major candidates decided to support his request. The reaction of the principal civilian candidates is not yet known. While Thieu might see some possible advantage in his return, Thieu and Ky probably both consider him a major threat to their own ambitions. Big Minh's return would, in my opinion, be likely to further divide and confuse the military at a time when there is already a threat of serious divisions among them. There are, of course, Constitutional and other factors involved and we will be giving them consideration in terms of our own position.

While the Presidential race holds the center of the stage, there is also feverish activity to put together Senate lists. If the caliber of Vice Presidential candidates is rather disappointing, there is plenty of political sparkle among the Senatorial contenders. As of yesterday, six Senate lists had filed (there are ten candidates on each list), and we know of a large number of other slates in process of formation. Included are leaders such as retired General Tran Van Don (formerly Minister of Defense and one of the leading generals who overthrew Diem), Foreign Minister Tran Van Do, civilian Directorate member Tran Van An, Saigon Mayor Van Van Cua, Industry Minister La Thanh Nghe, Diem's Minister of Defense Tran Trung Dung, leading economist Vu Quoc Thuc (who is working with Lilienthal), and Diem's Assembly Chairman Tran Van Lam. A number of leading Assembly Deputies are also in the race, including the leader of the largest bloc, Le Phuoc Sang. One list is composed entirely of Saigon journalists.

Foreign Minister Do was asked to run with Thieu for the office of Vice President, and at one point he seemed likely to agree. He also seemed to be on the verge of resigning from the Government, since he has been increasingly outspoken against Ky. Yesterday, however, he informed us that he has decided to run for the Senate and will remain in the government until the election. Do has cooperated very closely with us in the past, and he is widely respected senior leader whose resignation would have created political as well as administrative problems for Ky. I am sure Secretary

Rusk's warm personal message to him must have influenced him significantly in his final decision. I hope his decision to stay on in the government until the election is final.

An encouraging development this week was the successful convening of a Montagnard congress to draft the statute particulier (a decree providing special rights and privileges for this backward minority group). The Congress was the result of a May 2 agreement between the rebel Fulro tribal leader Y Bham and the Second Corps Commander Vinh Loc. In that agreement, Y Bham promised to bring his several thousand armed men out of exile in Cambodia and cooperate with the Government against the Viet Cong once the statute was written and promulgated.

Although Y Bham did not participate in the Congress himself, he designated a ten-man Fulro delegation. The leader of the delegation served as the Vice Chairman of the drafting committee and signed the draft statute on behalf of the Fulro delegation. Once the statute is promulgated (and Vinh Loc told an Embassy officer that Ky has promised to promulgate it "at once"), Y Bham should come out of exile. (We are not certain he will do so, but there is now good reason to hope he will.)

Ky presided over the closing ceremony of the Congress and made a quite effective bid for the Montagnard vote in the process. He told the over 200 delegates, mostly Montagnards, that he agreed with their recommendations and would carry them out. He also promised to raise the level of the Special Commissariat for Highland Affairs (the Montagnard office in the central government) to the level of a Ministry. There are some hints that Ky intends to make the rebel leader Y Bham the Minister for Montagnard Affairs, a further gesture that would not only win Montagnard votes, but would also go far to bridge the political differences between the Montagnards and the government.

Probably the most important factor in recent progress toward a political resolution of the Fulro problem and increased impetus on Montagnard welfare is the coming elections. Ky's bid for the Montagnard vote has almost certainly moved the government to take the necessary measures in this field much more rapidly than would otherwise have been the case. This is one of the side benefits of a democratic system which Vietnam is beginning to feel.

There has been no progress this week toward a resolution of the Thieu-Ky rivalry. Our senior advisors to the Corps Commanders report that the Commanders are deeply concerned by this problem and its effect on military unity. They seem to feel that the matter will be resolved, however, and I suppose that it may still be possible for Ky and Thieu to work out their differences in a face-to-face encounter. I am not sanguine of this, however. While continuing to press for such a resolution, I also intend to concentrate on minimizing the effects of the Thieu-Ky split on the government and the military establishment.

The Assembly is now working on the Electoral Law for the Lower House, and the Deputies have voted to hold the Lower House elections on November 5. The date favored by the Directorate was early October, and there was some discussion of October 15. As we saw in the case of the Senate and Presidential elections, the question of the date is not necessarily final after the Assembly has voted, however.

Although the coming elections dominated the news this week, it was second as a subject of editorial comment to the Red Chinese hydrogen bomb. Tieng Van speculated on the reasons for the test: to prove that the Red Chinese nuclear area is still under Mao's control; to raise its prestige in Arab countries "at the moment Russia betrays them and works with the U. S. to settle the Mid-East hostilities"; and to reassure Ho that he can count on the support of a nuclear arsenal.

Thoi The was in general agreement with this view, and added that it provided "good reason for U. S. hawks to push for an all-out confrontation with Peking before it becomes a nuclear power and threatens world peace. "

Tan Van Khoai Bao (a Chinese daily) drew a parallel between Mao's exhausting the nation's resources to join the nuclear club with Emperor Hsin Hsh Huang's efforts to build the Great Wall, and saw a "toughening of the Red Chinese attitude toward both the U. S. and the U. S. S. R. "

The press also took up editorially the issue of censorship. In one of the most open, sharpest attacks against censorship, Dan Chung pointed its finger at Major Tran Van An,

Director of the Information Ministry Press Service, for insinuating that a paper can obtain ample newsprint "if the journalists comply with his directives." The paper called this a "brazen attitude," said Major An does not deserve to hold the job he does, and that he is misapplying the press policy advocated by Prime Minister Ky.

Referring to a recent statement by Premier Ky that he couldn't be exercising press censorship because he allows clandestine papers to circulate, To Do said that this type of paper is a phenomenon of underdeveloped countries which lack press freedom. The best way to stifle these clandestine papers, Tu Do continued, is not to apprehend the editors but to have a free press so that the calumnies and irresponsible rumors spread by the illegal press will be denounced by well-informed public opinion.

C. Economic

For the third week the Saigon Retail Price Index showed a slight decline, dropping during this reporting period from 269 to 267. This is one percent below the level of one month ago and 18.5 percent above the level at the beginning of the year. Imported commodities moved up slightly, from 219 to 220. In the First Corps, Viet Cong harassment of Route One caused continued shortages of kerosenes and gasoline in Hue.

Chief of State Thieu signed a decree effecting reforms in corporation tax collection. The decree places corporations on a "pay as you go" basis and provides for an accelerated schedule of payment.

D. Administration

On June 12, Prime Minister Ky issued a decree establishing a Central Management Office which will be responsible directly to the Prime Minister. The office was created to provide leadership to all government agencies in management improvement efforts and systems-analyses services. It should prove especially important in the transition from military to civilian government.

Nine senior Government of Vietnam officials have been assigned to the office and then are scheduled to visit Asian countries and/or the U.S. to observe similar set-ups.

Our public administration advisors report that a management survey program was recently conducted by the Central Committee for administrative improvement at the office of the Prime Minister. It resulted in a 60 percent reduction in mail flow to the Prime Minister with the concurrent abolishment of 20 positions, the increased use and relocation of the Central Library, and the establishment of the position of Press Secretary to the Prime Minister. Other actions included the establishment of: a Special Assistant to the Prime Minister for Public Administration, a Bureau of Coordination and Review at the Prime Minister's office, twelve sub-committees for administrative improvement within various Ministries, and direct advisors in the Prime Minister's office to the Minister of Justice and the Secretaries for War Veterans, Health, Education, and Civil Service, and the Special Commissioner for Administration.

E. Chieu Hoi

The number of returnees remained low this week as compared with the early part of the year. The total for the week of June 11 - 17 was 474. This may be compared with 373 for the same period last year. The total to date for 1967 is 17,134; last year at this time the total stood at 9,252.

Our Chieu Hoi personnel believe that the drop in returnees from the impressive level of February and March is due in part to reduced military activity and in part to the approach of the elections. In the past, major political events have caused a reduction in the number of returnees. In the case of elections, this is because of administrative slowdowns when government personnel are concentrating on election work and also because of a "wait-and-see" reaction by the Viet Cong.

F. Vietnamese Killed

During the week ending June 24, the enemy killed 47 Vietnamese civilians, wounded 89 and kidnapped 135. The dead

included 2 National Police officers, 13 Revolutionary Development workers, 2 Village Chiefs, and 2 Hamlet Chiefs.

Limited Official Use

Thursday - June 29, 1967

Mr. President:

Col. Fidel Sanchez, whom you met at Punta del Este, will be inaugurated as President of El Salvador on Saturday, July 1.

I request approval to send him this message on your behalf:

"His Excellency
Fidel Sanchez Hernandez
President of the Republic of El Salvador
San Salvador

As you assume the highest office of your country, I extend warmest congratulations and wish you every success. I look forward to maintaining the close ties which have united our two countries. At Punta del Este we agreed on ways to make our Alliance for Progress a more effective instrument for bringing a larger measure of prosperity to the peoples of Latin America. You may count on my continued collaboration in this great effort."

W. W. Rostow

Approve

☒ 6/29/67

Disapprove

☐

Speak to me

☐

Limited Official Use

~~SECRET~~

Wednesday, June 28, 1967
7:00 p.m.

Mr. President:

Herewith an assessment of changing sentiments by American Jews towards the Israeli position. You will be able to make a better assessment of this than I; but there may be something in it.

W. W. Rostow

~~SECRET~~

WWRostow:rlm

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24,
By ry NARA, Date 6-25-81

Wednesday, June 28, 1967
4:25 p.m.

Mr. President:

You will be interested in this
comment from the London Daily Mail
on your Summit meeting at Hollybush.

W. W. Rostow

37

Pres file

The Daily Mail considers that the latest Summit Meeting was more valuable than the encounters which President Eisenhower and President Kennedy had with Khrushchev. The paper writes: the Johnson-Kosygin encounter has clearly been quite different. For a start, President Johnson was keenly aware of the pitfalls attendant on summitry, and: (1) that meetings like these do not themselves make peace; (2) this Summit was unique in taking place during a worldwide crisis -- the Middle East, Vietnam, and the Chinese H-bomb gave an urgency to the dialogue which was notably absent from earlier encounters; (3) and most important, the two men appear to have understood each other. They are both extremely hardheaded gentlemen, a conjunction by no means to be found at all previous Summits.

~~SECRET~~

Wednesday, June 28, 1967
4:20 p.m.

Pres file

Mr. President:

This is the CIA assessment we asked for on the question of whether Soviet Union is trying to negotiate military bases in the Middle East, summarized on the first page.

The paper argues against the proposition.

W. W. Rostow

~~SECRET~~

Cy 1

27 June 1967

No. 0665/67

Special Assessments on the Middle East Situation
Soviet Military Bases in the Middle East

WWRostow:rlh

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 92-84
By ijp, NARA, Date 4-18-95

CONFIDENTIAL

Wednesday, June 28, 1967
4:15 p.m.

Mr. President:

Herewith an extremely careful and fair-minded note by Bill Bowdler, done after considerable quiet exploration.

He recommends, on the basis of Ben Stephansky's lack of executive ability, that he would do better in one of the smaller posts in the Caribbean than in Santiago, Chile.

From my personal knowledge of Gen, I would tend to agree.

Moreover, we badly need some good imaginative men in the Caribbean in the time ahead.

W. W. Rostow

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE
PROCESSING. CANCELLED PER E.O. 12958,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAY 13, 1983.

BY h2 CN 7-9-91

WWRostow:rlh

Walt

39a

Get back to me on this.

LBJ

June 17

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~ - PERSONAL

Tuesday - June 27, 1967

NOTE FOR WALT ROSTOW

You asked me for an assessment of Ben Stephansky as a candidate for the Ambassadorship to Chile.

For some 15 years prior to entering the State Department in 1956, Ben worked in federal and state government and academic life, specializing in labor economics. From 1952 to 1957 he served as Labor Attache in Mexico City where he did an outstanding job.

In 1957 he returned to the Department to take over the ARA Labor Advisor post. He stayed until 1960, when he was detailed to Brookings. His performance as Labor Advisor to the Bureau was also of high quality.

In June 1961, President Kennedy appointed him as Ambassador to Bolivia. I understand that this appointment was largely the result of the intervention of high officials of the labor movement. Ben remained in La Paz until January 1964.

As Chief of Mission, he seems to have done well in his relations with the Bolivians but poorly in his relations with his own staff. The verdict of the Foreign Service inspectors was that he lacked executive ability. He operated as a one-man show, delegating little authority, failing to keep his senior men informed, and neglecting to give his junior officers a sense of participation and team work.

Following the Bolivian assignment, Ben returned to the Department where he served as ARA Deputy Assistant Secretary for Social and Labor Affairs, until he joined the Puerto Rico Commission. This was pretty much of a non-job established to take care of him.

Everything I have been able to gather on Ben's work with the Puerto Rico Commission shows that he did a first-class job. John Macy's file on him also reflects this.

On the basis of his ability to get along with Latinos, political orientation, language ability, and negotiating skill, Ben could handle the job in Chile. But the record leaves me in doubt about his ability to cope effectively with the larger executive responsibilities flowing from a bigger embassy and mission in Santiago and the more complex relationships with the

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 13526,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR 13, 1993

BY 18 ON 7-9-91

CONFIDENTIAL - PERSONAL

-2-

Frei Government.

I find that State is considering Ben for the smaller posts at Jamaica or Trinidad where our Ambassadors are scheduled to be replaced in the near future. He has broad knowledge of the Caribbean. There is a big job to be done in moving the former British colonies back toward the path of Federation. I think Ben would be good at this, and his talents better tailored to the responsibilities he would face.

WGB
WGBowdler

(Typed in original only)

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

39c

June 16, 1967

MEMORANDUM FOR

The President

- Some months ago I wrote you a memo suggesting that Ben Stephansky be given a serious embassy in Latin America (as distinguished from a playpen such as Barbados or Jamaica).

Obviously, the appointment of a new Assistant Secretary was a precondition for any such assignment. But in the meantime Stephansky, who has been trimming his fingernails in some sinecure--which as a born worker he hates--has begun seriously to consider leaving government service. (He shares my view that the worst possible fate is to be bored to death.)

Now that Chile has opened up, and you have an Assistant Secretary, I would urge that Ben be given very serious consideration for Santiago.

I know that both Harry and Jim Rowe share my evaluation of Stephansky.

J.P.L.
John P. Roche

Rec'd
6-16-67
12:05pm

Rowan get
back to the
President on this

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-85
By JW, NARA, Date 3-11-94

40

~~CONFIDENTIAL~~

Wednesday, June 28, 1967
3:55 p.m.

Per file

Mr. President:

The capture of 16 Communist terrorists in Caracas, reported in the attached cable, is good news; although it does not justify complacency about the threat to Venezuela.

W. W. Rostow

Caracas 6765

~~CONFIDENTIAL~~

WWRostow:rlh

~~CONFIDENTIAL~~

FYI

20339 WB

1967 JUNE 23 PM 5 35

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-89

By *ig* NARA Date 7-2-92

90

Action

ARA

VZCZCE SB388E XX845R SA441

RR RUEHC RULPAL

DE RUESRS 6765 1742013

ZNY CCCCC

Info

R 232007Z JUN 67

FM AMEMBASSY CARACAS

SS

TO RUEHC/SECSTATE WASHDC

GPM

INFO RULPAL/USC INCSO

SP

RUESBG/AMEMBASSY BOGOTA

SC

RUESSD/AMEMBASSY SANTO DOMINGO

SAH

RUESJO/AMEMBASSY SAN JOSE

L

RUESLM/AMEMBASSY LIMA

H

STATE GRNC

P

BT

USIA

~~CONFIDENTIAL~~ CARACAS 6765

NSC

INR

CLA

NSA

DOD

NIC

AID

PC

RSR

RSC

1. MINISTRY OF INTERIOR PRESS CONFERENCE LAST NIGHT REVEALED DETAILS OF POLICE CAPTURE OF 16 COMMUNIST TERRORISTS IN CARACAS ACCOMPLISHED THIS WEEK. LEADERS OF GROUP HAD ESTABLISHED TERRORIST RECORDS. IMPRESSIVE VOLUME OF WEAPONS, FALN PROPAGANDA AND DOCUMENTS SIGNED BY HARD-LINE DISSIDENT LEADER DOUGLAS BRAVO AS RECENTLY AS JUNE 6 WERE ALSO TAKEN. GOV OFFICIALS JUBILANT OVER SUCCESSFUL ACTION AND ARE SPEAKING OF IT AS DECISIVE BLOW TO TERRORIST MOVEMENT. ACTION COMMENCED WITH ARRESTS TERRORIST LEADER RAUL CHIRINOS AND HIS CHILEAN GIRLFRIEND. FROM THEM DIGEPOL ACQUIRED LEADS WHICH LED TO ARREST OF SEVERAL MORE WHO IN TURN PROVIDED INFORMATION WHICH CULMINATED IN TOTAL OF 16 CAPTURES.

2. WITH RECENT SUCCESSFUL ARREST MIR TERRORIST LEADERS AMERICO MARTIN AND LEONET CANALES JUNE 9, AND DIMINUTION COMMUNIST VIOLENCE OVER PAST TWO MONTHS, THERE IS WIDE-SPREAD TENDENCY TO ASSUME END OF COMMUNIST INSURGENCY MAY BE IN SIGHT. OUR OWN TENTATIVE ESTIMATE IS THAT BADLY SPLIT COMMUNIST MOVEMENT IS DELIBERATELY DISENGAGING FROM ANY INITIATIVES IN EFFORT TO REBUILD ITS CAPABILITY. THIS ACTION IS COMPOUNDED BY FACT HEAVY RAINS HAVE NOW BEGUN; BACHILLER MOUNTAIN AREA AND YARACUY THEATER OF OPERATIONS VIRTUALLY UNINHABITABLE IN RAINY SEASON. FORMER AREA, FOR EXAMPLE, HAS SIMILAR SEASONAL PATTERN OF GUERRILLA ACTIVITY GOING BACK OVER PAST FIVE YEARS. POLICE AUTHORITIES HERE AGREE THAT LIKELIHOOD INCREASED URBAN TERRORISM IS NOW ENHANCED BY RETURN OF SIGNIFICANT NUMBER GUERRILLAS FROM THE MOUNTAINS TO CARACAS DURING THIS PERIOD AND POLICE HAVE STEPPED UP PREVENTIVE ARRESTS, ETC. THUS, WHILE SUCCESSES HAVE BEEN SCORED, IT IS CLEARLY PREMATURE TO INTERPRET THIS AS A FUNDAMENTAL DEFEAT FOR TERRORIST THREAT.

GP-3

BERNBAUM

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Wednesday, June 28, 1967
1:18 p.m.

Mr. President:

Herewith Jim Symington's lively
account of Kosygin's visit to Niagara
Falls.

W. W. Rostow

~~CONFIDENTIAL~~

41
Pres file

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 6-25-91

~~CONFIDENTIAL~~

41a

THE CHIEF OF PROTOCOL
DEPARTMENT OF STATE
WASHINGTON

June 27, 1967

MEMORANDUM FOR: THE PRESIDENT
The White House

Subject: Kosygin Visit to Niagara Falls

Following my conversation with Marvin Watson late Friday night, I made arrangements to escort Chairman Kosygin, his daughter and some 50 colleagues to Niagara Falls in a Presidential aircraft, departing JFK, 9 a.m., Saturday, June 24.

Throughout the visit, Chairman Kosygin and his colleagues appeared relaxed and pleased.

The Chairman took a great interest in the aircraft and examined it from nose to tail. He chose to sit with him in the Presidential compartment: (1) Prime Minister Joseph Lenart of Czechoslovakia (facing him), (2) Gromyko, (3) the Prime Minister of Mongolia, (4) the Prime Minister of Byelorussia, and (5) the Prime Minister of the Ukraine.

Before they boarded I took occasion to remove from the magazines beside the Chairman's chair, two which headlined pornography and violence in the United States and one which headlined "Russia Real Loser in Mid-East War."

Nevertheless, the officials were greatly amused by the magazines, particularly advertisements featuring women's dainties. They also minutely examined a cigarette package commenting favorably on the neat cellophane wrapping.

The stewards did an excellent job, and the Premier and his colleagues took advantage of the offered refreshments, particularly beer.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-89

~~CONFIDENTIAL~~ By kip, NARA, Date 3-23-93

~~CONFIDENTIAL~~

- 2 -

I talked at length with Mrs. Gvishiani whose naturalness and interest in all things made her, as I know Mrs. Johnson learned Sunday, a most pleasant person to be with.

We were met at Niagara Falls by Mayor E. Dent Lackey, a not very modest man with the voice of a bull frog and sentiments to match.

In the Chairman's car on the way to the Falls were his daughter, Gromyko, Ambassador Dobrynin, the Mayor and myself. The Chairman was particularly interested in employment and industry in the area and asked if he could see a power plant. The Mayor said that he could arrange it, whereupon the Chairman hit me lightly on the back and said that the State Department had not offered him such an opportunity. I replied that we had hoped to emphasize the romantic aspects of the Falls and that we certainly would welcome the Mayor's offer to show the more practical aspects. The Chairman then asked if the water were clean. The Mayor pointed out that it was polluted by waste from the growing industries in the area. The Chairman said that this was a shame and that something should be done about it. I said the Chairman apparently did in fact have an interest in the romantic aspects of the Falls. The Chairman again hit me on the shoulder and laughed, "True! One must strike a balance."

Passing the Carborundum plant, Mayor Lackey said that he had been the public relations director for the plant. The Chairman inquired what a public relations director did, and Gromyko broke in to say, much to everyone's amusement, "He is like a foreign minister."

Arriving at the Falls, the Chairman was taken up the great elevator to see them from that vantage point and then boarded the Maid of the Mist for the water tour. I think he and the entire party enjoyed the experience greatly, the churning water and spray being a welcome change from the heat.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 3 -

The Chairman then posed for pictures in a park overlooking the Falls and was obviously delighted with the warm and spontaneous greetings he received from hundreds of tourists. There was not one unpleasant incident. We then visited the power plant on the way to lunch.

On entering the power plant the Chairman was shown a huge mural by Thomas Harte Benton depicting the discovery of Canada by Father Marquette who is shown majestically holding out a cross while soldiers gather behind him. The Chairman commented with a straight face, "Everything with cross and gun."

The luncheon itself, at a restaurant called John's Flaming Hearth, also went very well. The guests were shown appropriate hand gestures for describing to the waiters whether they wished beef steak or lobster.

I was resigned to the inevitability of remarks by the Mayor but his ineptness in this regard exceeded my expectations. Explaining loudly that we were a "capitalist" society he handed out little money clips showing a symbol of the Falls. So far, so bad. Then he fell into that rare euphoria that occasionally overtakes local officials in the company of eminent public men. He found himself on an international stage, and felt up to the part. So, congratulating the Chairman on his talks with you, he made this startling observation:

"I can tell you, Mr. Chairman, speaking as a private citizen, a good many people in this country are running well ahead of their government in seeking peace."

Fortunately, by this time, the Mayor had given convincing evidence of the fact that he spoke for himself alone, and that not very well, and the sober countenances of the Russian party following the above-quoted remark encouraged me to believe that the Mayor's opinions on subjects of world importance were not closely weighed by the visitors.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 4 -

The Chairman responded with a few polite remarks and toasted not only the Mayor but also, "The Chief of Protocol who keeps us on schedule." By eliminating one unnecessary hotel stop we did, in fact, return to the airport for a nearly on time departure of 2 p.m. and returned to JFK. The Chairman appeared very happy with the trip and grateful to you for the courtesies extended.

In conversation with the Chairman at lunch, I told him of my former work with Food For Peace and of your Food Panel's recent sobering report. He said that Russia gave much food away--"more than the United States"--a startling inaccuracy uttered with such simplicity that it made me wonder if self delusion--not necessarily hypocrisy--didn't affect his judgment in other even more immediate matters.



James W. Symington

~~CONFIDENTIAL~~

~~SECRET~~

Pres file

Wednesday, June 28, 1967
1:10 p.m.

Mr. President:

Herewith a message from Moro
in response to your second report on
the Summit meeting.

W. W. Rostow

London 10724

~~SECRET~~

rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By ry, NARA, Date 6-25-91

~~SECRET~~ NODIS

RECEIVED
VHCA

42a

NODIS FOLLOWS

1967 JUN 28 14 56

EHB430
PR RUEHEX
DE RUEHC 23911 1791455
ZNY SSSSS ZFH2
P 281040Z JUN 67
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 7301
STATE GRNC
BT
~~SECRET~~ LONDON 10724

Rostow

NODIS

STATE 216449

1. PLEASE DELIVER SOONEST FOLLOWING MESSAGE DATED JUNE 27, 1967,
FROM PRIME MINISTER MORO TO THE PRESIDENT:

2. QUOTE: MR. PRESIDENT, I THANK YOU VERY MUCH FOR YOUR
SECOND MESSAGE. I ALSO AM CONVINCED THAT THESE MEETINGS
ARE USEFUL AND THAT IT IS NECESSARY TO WAIT WITH PATIENCE
AND WITHOUT TOO MANY ILLUSIONS FOR THE LONG-RUN RESULTS.

PAGE 2 RUDTCR 10724 ~~SECRET~~

3. WITH HEARTFELT WISHES FOR YOUR HIGH AND DIFFICULT TASK,
I RENEW TO YOU, MR. PRESIDENT, MY WARM AND SINCERE REGARDS.
YOURS, ALDO MORO. UNQUOTE.

4. ORIGINAL TEXT BEING POUCHED.

5. REQUEST DEPARTMENT REPEAT ABOVE TEL TO ROME. BRUCE
BT

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 92-89

By ing, NARA, Date 3-23-93

~~SECRET~~ NODIS

NNNN

Pres. file

Wednesday, June 28, 1967 -- 12:00 noon

Mr. President:

Bob Anderson says Sen. Morse is with him all the way on the Treaty. Told him Anderson "did a wonderful job."

W. W. Rostow

44

Wednesday, June 28, 1967
10:30 a. m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

Pres file

For what it's worth:

1. My gut feeling is that Hanoi is moving towards negotiations.
2. Critical to its decision is whether we have the domestic and international base to give Westy his 200,000 extra men. If we don't, they may sweat us out an extra year or so.
3. Therefore, we should firmly proceed down the track you outlined to the King of Thailand yesterday.
4. Without being too noisy about it we should keep the heat on the transport facilities around Hanoi and especially the transport links between Haiphong and the other ports and Hanoi. We've found something of a bottleneck there.
5. If this view is right, we may never have to use the 200,000 men -- just as we never had to conduct the great offensive of 1919 or actually invade Japan at the end of 1945.
6. The Soviet performance in the Middle East and Kosygin's talks at Hollybush have strengthened your position in Hanoi.

W. W. R.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-85
By JD, NARA, Date 3-11-94

~~CONFIDENTIAL~~

~~W. W. R.~~
45
1. ~~msg~~
2. Pres file

Wednesday, June 28, 1967, 10:20 a.m.

Mr. President:

Attached, for your approval, is a brief message to outgoing President Aden of Somali. He has been a good friend and a moderating influence, and he will continue to be a major figure in Somali politics.

You have already sent a congratulatory message to the new President, so no protocol problems are involved.

W. W. Rostow

Approve ✓

Disapprove

Speak to me

WWR:EKH:mst

452

PROPOSED MESSAGE TO OUTGOING PRESIDENT ADEN OF SOMALI

Dear Mr. President:

As you successfully complete your service as the first President of the Somali Republic, I should like to express my appreciation and the appreciation of the American people for all your efforts in maintaining friendly relations between our two Governments.

My best personal wishes for your future health and happiness.

Sincerely

Lyndon B. Johnson

**His Excellency
Abdullah Osman Aden
Somali Republic**

Wednesday, June 28, 1967
10:15 a.m.

46
Pres. file

Mr. President:

Alice Longworth, knowing of our Panama treaty negotiations, dug from her father's writings the attached quotation about treaties.

At the minimum, it is nice to have but, conceivably, at some point in the debate when the shades of Teddy Roosevelt are evoked, it might be worth using.

I told Bob Anderson about it and will send him a copy to keep handy in dealing with his Republican friends.

W. W. Rostow

WWRostow:rlh

46

June 27th (1967)

Dear Walt -

Here's the bit I spoke of - "No treaties, whether between
civilized nations or not, can ever be regarded as binding in perpetuity;
with changing conditions circumstances may arise which render it
not only expedient, but imperative and honorable, to abrogate them."
Page 274, Volume Two of The Winning of the West, Memorial Edition.

Ever Yrs,

/s/ Alice Longworth

June 27th

466

2009 MASSACHUSETTS AVENUE
WASHINGTON, D. C. 20036

Dear Walter-

Here's the LIT D-poke B-

- " No treaties, whether between civilized nations or not, can ever be regarded as binding in perpetuity; with changing conditions circumstances may arise which render it not only expedient, but imperative and honorable, to abrogate them. Page 274, Volume Two of The Winning of the West, Memorial Edition.

Yrs

Allen Longworth

~~SECRET~~

Wednesday, June 28, 1967
10:10 a.m.

Mr. President:

Here is another straw in the wind about changing Hanoi attitudes towards negotiations with us. This fellow says they don't even want the Russians in the act.

W. W. Rostow

[REDACTED]

~~SECRET~~

WW Rostow:rla

47
Pres file

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-64
By CB, NARA Date 10-23-00

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

48

~~SECRET~~

Wed., June 28, 1967
10:05 a.m.

MR. PRESIDENT:

Herewith a fascinating tale of how the Soviets kept the UAR from jumping off against Israel at 0500 local time, June 5, 1967!

Worth reading.

W. W. R.

~~SECRET~~ attachment



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

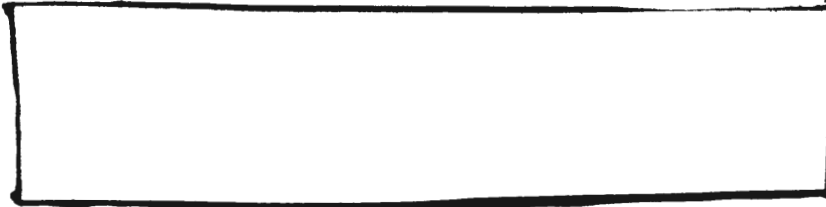
Pres file
SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-64
By cb, NARA Date 10-23-00

Wed., June 28, 1967
10:00 a.m.

~~TOP SECRET~~

MR. PRESIDENT:

There are two intercepts here you should read:
one for enlightenment, the other for simple
pleasure.



1.5(c)
3.4(b)(1),(3)

W. W. R.

~~TOP SECRET~~ attachment

(Dipsum 5259 WH-1, 27 June 67)

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-71
By clm, NARA, Date 3-17-03

June 28, 1967

50
to [unclear]

Dear General:

This is just an initial word of acknowledgment to your thoughtful and constructive letter about the proper scale of our informational programs.

I shall study it and discuss its recommendation with my colleagues.

As you point out, it is a very odd fact that we cannot get from the Congress what is needed in this field at a time when our interests and responsibilities in the world make it so obviously important that we be understood.

Thank you so much for bringing the matter to my attention. I shall be in touch with you about it on the first occasion convenient for us both.

Sincerely,

(S)

General Dwight D. Eisenhower
Gettysburg,
Pennsylvania 17325

LBJ:WWR:mz

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-85
By ju, NARA, Date 3-11-94

51

Pres file

~~CONFIDENTIAL~~

Wednesday - June 28, 1967

Mr. President:

In the attached memoranda Bill Gaud requests your approval to negotiate a \$15 million agriculture sector loan with Uruguay.

Our ability to negotiate such a loan now comes at a critically important time:

- President Gestido under the new constitutional system has the authority and purpose to resolve Uruguay's serious economic problems.
- These problems were brought on by a decade of drift and unwise policies by weak collegiate governments which built up the income of the urban sector at the expense of the rural sector.
- Uruguay's productive capacity is in agriculture and the solution to the problems must begin with modernization of policies and practices in this sector.

The conditions accompanying the loan require specific actions by the Uruguayan Government to remove the major disincentives to investment and production in agriculture. President Gestido has indicated willingness to take hard self-help measures. We have every reason to think that our conditions will be acceptable to his economic team and to him. In addition to the conditions, our negotiating position calls for release of loan funds in four tranches, each based on a prior review of performance.

Covey Oliver, Joe Fowler and Charlie Schultze have reviewed the loan package and recommend approval. I concur.

W. W. Rostow

Attachment

Approve ____

Disapprove ____

See me ____.

~~CONFIDENTIAL~~

2478
51a
~~CONFIDENTIAL~~

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

JUN 24 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Uruguay Agricultural Sector Loan

On the recommendation of Linc Gordon and Ambassador Hoyt, Bill Gaud has requested your approval to negotiate a \$15 million agriculture sector loan with Uruguay. The funds will be used to import equipment and supplies and to finance credit programs designed to increase agricultural production. Signature of the loan agreement and first release of funds would not take place until Uruguay meets specified self-help criteria.

Although Uruguay has one of the highest per capita incomes in Latin America -- over \$500 -- and one of the lowest population growth rates -- 1.3% --, it has been undergoing a decade of economic deterioration and spiraling inflation. Past governments have followed fiscal and monetary policies which transferred income from the rural sector to the urban sector to build up industry and support a growing bureaucracy. However, most of Uruguay's productive capacity is in agriculture. Inefficient taxes, incentive-destroying price controls, and an overvalued exchange rate have been a disincentive to farmers and livestock producers. Agricultural production - the key to sustained economic growth in Uruguay - has stagnated.

Gordon and Gaud believe that the new President, Oscar Gestido, whose position has been strengthened by a recent constitutional reform, has the power and the resolve to put Uruguay's economic house in order. Gestido has indicated his firm intention to take the difficult self-help measures that his predecessors were unwilling or unable to take. The proposed loan would be conditioned on specific actions to remove the major disincentives to investment and production in agriculture:

- elimination of the export retention tax on wool and meat, Uruguay's principal foreign exchange earning commodities, and initiation of an efficient land taxation system
- an adequate price support policy for farm products

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-85

By JW, NARA, Date 3-11-94

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

- passage of important agricultural bills that have been stalled in the Uruguayan Congress

In addition, the loan would be conditioned upon completion of an IMF standby agreement, to be negotiated in July. It will require a unified and flexible exchange rate and strict monetary and fiscal performance to combat inflation and stimulate exports.

Balance of Payments

C/L
THT This loan will be used to purchase goods and services in the United States. Secretary Fowler agrees that the procedures to be used for procurement under this loan will minimize the impact on our balance of payments. X

While AID plans to negotiate this loan in July, Gaud may choose to authorize it this month, if necessary, to reduce any year-end unobligated balances.

I recommend that you approve negotiation of this loan.

Charles L. Schultz

Charles L. Schultz
Director

Attachment

Approve _____

Disapprove _____

~~CONFIDENTIAL~~

516

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

OFFICE OF
THE ADMINISTRATOR

JUN 15 1967

CONFIDENTIAL

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-90
By fw, NARA, Date 1-29-93

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Agricultural Sector Loan for Uruguay

On the recommendation of Assistant Secretary Gordon and Ambassador Hoyt, I am requesting your authorization to begin negotiations now with the Government of Uruguay for an agricultural sector loan of \$15 million. Signature and public announcement of the loan and the first disbursement would take place as soon as Uruguay meets the self-help criteria and other conditions precedent agreed to during the negotiations.

Uruguay's wealth lies in its potential agricultural and livestock productive capacity. For a variety of reasons described below, Uruguay has not in recent decades fully utilized this potential. In fact, agricultural production has stagnated. Before the proposed AID loan is signed Uruguay must take a number of urgent self-help measures aimed at stimulating agricultural and livestock production. The most important of these is passage of legislation which will substitute a tax on productive capacity of farm lands for the present system of export taxes on wool and meat. Legislation encompassing these measures has just been presented to the Uruguayan Congress and its passage by August seems likely.

Of equal importance is the maintenance of a unified and fluctuating exchange rate in order to avoid the over-valuation of the peso which has acted to depress production

GROUP 3

Downgraded at 12-year intervals;
not automatically declassified.

~~CONFIDENTIAL~~

for export. Since the IMF would require action in the area of exchange rate policy as a part of a standby, we will insist that an IMF standby agreement be negotiated prior to signing the proposed loan agreement. Various other bills affecting the agricultural sector have been pending before the Uruguayan Congress for several years. While we would ask as an initial negotiating position that these also be passed prior to signature of the loan, we would in any event insist that such legislation be passed before the end of calendar 1967 and prior to release of subsequent tranches of the loan in 1968.

The timing of this loan is particularly opportune. On March 1 there went into effect a major constitutional reform by which the weak and unwieldy nine-man executive council was replaced by a single president who enjoys considerably greater powers than the predecessor council. The newly elected President, Oscar Gestido, holds wide popular appeal and is sincerely dedicated to ending Uruguay's decade-long period of economic deterioration and spiraling inflation. The governing party has a majority, if slim, in both houses of Congress. President Gestido, addressing the nation on April 4 in his first major policy statement since assuming office, emphasized his firm intention of taking the measures necessary to put Uruguay's economic house in order. As an integral part of its stabilization-development effort, the new government intends to improve the foreign exchange earning capacity of the country through stimulation of and assistance to the agricultural sector.

To carry out these programs, the President has selected his Cabinet Ministers, and especially his economic team, with care. The team has prepared emergency legislation comprising inter alia measures for new and increased taxes, establishing a mechanism for setting price and wage guidelines, introducing a system of land and farm income taxes aimed at stimulating farm production, eliminating by 1968 export retention taxes on wool and meat, and increasing public investment in the agricultural sector. To help it prepare and carry out a financial program, the government has made known its intention to enter into a new standby agreement with the IMF, to go into effect in July 1967.

Uruguay has one of the highest per capita incomes in Latin America--over \$500--and one of the lowest population growth rates--1.3 percent per year. It is also a rich agricultural country for production not only of meat and wool, but of temperate zone grain products. Yet per capita income has been declining over the past decade. Past governments have followed policies of transferring income from the rural to the urban sector to help build up rather inefficient industry and to support a growing bureaucracy. To enforce this income transfer, consumer prices of agricultural products have been held down and agricultural production has been taxed in a manner which has had the effect of penalizing the most efficient producers.

In recent years, inflation has been fed by a combination of budget deficits, easy credit policies and wage push. In 1965 inflation reached 85 percent, was dampened to 50 percent in 1966, but may be expected to rise again in 1967 because most anti-inflationary measures will be in effect only in the latter part of the year.

In the past, the United States aid program has been unable to make a major contribution to Uruguay's economic recovery because successive Uruguayan governments have not had either the will or the ability to confront the country's most pressing problems with a sustained and coordinated program. I believe that this situation has changed. The new Uruguayan government now has a strengthened constitutional framework and the evident determination to give its program for stabilization and development a real chance of success.

At the same time Uruguayan authorities recognize that continued economic deterioration can only serve to threaten Uruguay's traditional democracy and lead increasingly to the possibility that Uruguayans will turn to extremist solutions if answers cannot be found within the existing democratic framework. The Communists already dominate organized labor and Marxism strongly influences students and intellectuals.

In sum, the present moment offers an ideal opportunity for decisive action on some of Uruguay's most pressing economic problems. This opportunity and the evident will of the new

government to take urgent self-help actions, combined with the well-directed resources of the international lending agencies, can be of major importance in putting Uruguay back on the road to economic growth.

How the Loan Responds to the Needs of Agriculture

The loan which I am proposing is calculated to be a major influence in this process. It would stimulate agricultural production directly in the short run, and at the same time support the current Uruguayan stabilization effort.

The Uruguayan Budget and Planning Office has calculated that while the long-range effort must be made in livestock, which provides 85 to 90 percent of Uruguay's normal exports, the short-term effort should be made in those areas where a quick response and exportable surpluses can be achieved--annual crops that are already proven such as wheat, linseed, sunflower and malt barley. To an important extent the loan will directly promote production of these products by the provision of credit to farmers for imported equipment and on-farm improvements and by requiring the passage of legislation aimed at providing technical services to farmers.

At the same time, however, the loan would assist the longer range effort in the livestock field. The changes in the export tax system on wool and meat, and reform of the system of taxation on land and farm income which we would require as conditions will do much to remove the artificial disincentives to production and export of these products. Moreover, a portion of the counterpart of the loan will be used to provide medium-term credit facilities to livestock producers which would complement those long-term credits already available under an IBRD-supported Livestock Program.

Uses of Loan Resources in Agriculture

Between three and five million dollars of the loan will be used for imports from the United States directly related to agricultural production. The precise figure is to be agreed

upon following a realistic determination of the absorptive capacity of the sector for imports which will be truly additional to normal past levels. The remaining ten to twelve million dollars will be used for general imports from the United States.

The entire peso counterpart will be directed to the agricultural sector. The counterpart pesos generated from the agricultural imports are to be used initially to extend medium-term credit to farmers for the purchase of the imported items, and to form a rotating agricultural credit fund to be operated through the facilities of the Bank of the Republic. Of the counterpart from the ten million dollars for general imports, the equivalent of five to seven million dollars will be used for general productive credit to the agro-livestock sector and channeled by the Central Bank through both the commercial banking system and the Bank of the Republic. The remaining counterpart is to be used to finance GOU activities in the agricultural sector, many of which will be additional to those already programmed.

I recognize that the proposed uses of the loan resources have been defined rather broadly. While contact and dialogue with GOU officials have been established in order to ascertain their general plans and priorities, details as to the specific uses of credit and other counterpart must await negotiations.

Self-Help Performance Conditions

a. Directly Related to Agriculture

The performance conditions directly related to agriculture aim at removing the principal disincentives to investment and production in this sector.

We will ask in connection with this loan that the Government of Uruguay pass a number of important laws aimed at stimulating agricultural production. These measures, including a seed certification bill, forestry bill, and tenancy reform bill, have been pending before the Uruguayan Congress for a number of years. We will also seek an adequate price support

policy for farm products. We will require Uruguay to free the export market for Uruguay's principal foreign exchange earning commodities, wool and meat, from the arbitrary tax retention system which has acted to promote disrupting speculation and discourage export production. In addition, after taking into account the content of the emergency legislation, we will ask specific steps to be taken to initiate an adequate system of land taxation as an additional incentive to production. Legislative measures relating to the retention system and the land tax must be passed prior to signature of the loan.

These latter conditions are not designed to halt or to reverse the transfer of income from the rural to urban sectors, but rather to change the structure of the transfer so that the mechanism will act as an incentive rather than a disincentive to agricultural production.

b. General Conditions

The successful completion of an IMF standby agreement, to include inter alia provision for a unified and flexible exchange rate, will be a pre-condition for this loan. To be consistent with the needs of stabilization, the standby financial plan will require strict monetary and fiscal performance. In order to provide for a reasonably balanced budget in 1967, Uruguay must, in addition to controlling carefully current expenditures, make provision for new revenues. To the extent that the new revenues included in the emergency legislation or required through the provisions of a standby agreement do not appear sufficient for the purpose, we will ask for additional tax legislation in our negotiations.

These more general economic performance conditions, while aimed at the broader problems of inflation, will also have an impact on agriculture. For example, a well designed exchange rate policy will provide a powerful stimulus for export production.

Loan Disbursements

The loan will be released in four tranches between July 1967 and June 1968. A review of Uruguayan performance both in the


general area of stabilization and in the specific conditions of the loan agreement will precede each disbursement.

United States Balance of Payments

United States assistance dollars will be used exclusively for the purchase of goods and equipment in the United States. Financial incentives for specified groups of commodities will be agreed on with the Uruguayan authorities which will make AID dollars especially attractive to importers and will improve the opportunities to increase the United States share of the Uruguayan market.

Recommendation

I recommend that, in accordance with the general framework outlined above, you authorize negotiations with Uruguay for an Agricultural Sector Loan of \$15 million out of FY 1968 funds.



William S. Gaud

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By gwm, NARA, Date 11-18-99

Wednesday, June 28, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

THROUGH WALT ROSTOW

SUBJECT: The U. N. General Assembly and the Middle East.

I write this to recommend that you give us general authority to use your name and influence (always with your specific approval when there is a matter of a Presidential message or statement) to get the most favorable possible results from the haggling up there.

I initially thought that this contest did not matter very much, because the Assembly has no real power and no one is going to do what it says in any event. I am coming to think this was not a very bright assessment. The more the weight of the resolution bears against Israel, the bigger the stick the Arabs will have to beat us with.

The brethren in New York can be counted on to do a very good job in the corridors there, but there are many ambassadors up there who follow the crowd unless they are specifically instructed from home. The Chilean UN man was misbehaving badly until he got a good strong message, helpful to us, from Santiago.

So there are going to be a good many countries where we need to make representations at the capital, and I would like our people to be able to say that you yourself are interested in the results and are hopeful that the governments concerned will ^{vote} prepare for a balanced "withdrawal from danger" and not for an unbalanced and ineffective simple withdrawal. I would also like to encourage the Department to send over draft Presidential messages in appropriate cases for your approval.

I should add that all this diplomatic activity ought to be as quiet as possible, and I think it would be unwise for you to get into the battle publicly. That would simply make the Arabs angry in another way. Is this general line acceptable to you?

Yes _____

No _____

Speak to me ✓

6/29/67

McG. B.

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 9285
By fw, NARA, Date 3-11-94

Mr. Rostow 53

Pres file

SECRET

June 28, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Talk with the Kuwaiti Foreign Minister
Wednesday, 28 June, 8:00 p. m.

When Secretary Rusk saw Foreign Minister in New York, he asked to bring you a message from the Ruler of Kuwait in response to yours of 15 June (attached). Your main purpose in seeing him is (a) to receive this message and (b) to give him the feeling that you value our relations with the Arab nations--especially the moderates. I know it's the end of a brutal day for you, but I suggest you make these points:

Formalities:

1. Thank the Foreign Minister for the Amir's message.
2. You value the good relations between our countries and admire the Amir's statesmanship in preserving them despite the pressures on him to break. You are convinced he is right in recognizing that retaliatory measures like cutting off the oil or closing the Suez Canal hurt the Arabs themselves more than us.
3. You appreciate his government's care in protecting American citizens and property during the crisis.

Substance:

4. You would like to make these observations from your day's work:
--You know there are Arab leaders who believe in solving problems with reason and not with propaganda. Your talks today with King Hussein, F. M. Laraki and now with him prove it. The Middle East needs their leadership because only they can bring lasting peace to the area. The US can't impose a settlement. We tried to keep the war from happening--and couldn't. We will help with the peace, but leadership must come from them. (I hope you might give him a little sermon on the regional spirit you found in the Pacific and what it could do in the Middle East.)

W. W. Rostow

SECRET

DECLASSIFIED**E.O. 12356, Sec. 3.4****NLJ 92-85****By , NARA, Date 3-11-94**~~SECRET~~C O P Y

June 15, 1967

Your Highness:

During these difficult days it is important for us to understand one another's views on the rapidly changing situation in the Middle East.

Above all, I want to be sure that Your Highness has no doubt that the United States continues to value its relations with all Arab countries. I regret very much that our formal ties with some of them have been cut, especially since the charges which prompted that break are totally invented. I can assure Your Highness categorically that no US aircraft have been involved in any way against the interests of the Arab countries.

We particularly value the long and friendly relationship between our governments and peoples. Therefore I respect Your Highness' statesmanship, which has helped maintain this relationship throughout this trying period.

We will continue to work for the establishment of peace in the Middle East on the basis of mutual respect and cooperation. I hope the cease-fire can in fact become a first step toward peace and progress for all the peoples of the area and pray that God may grant us all the wisdom and courage to bring this about.

With personal greetings and high regards,

Sincerely,

Lyndon B. Johnson

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 9285
By fw, NARA, Date 3-11-94

Mr. Morris

54

1. Summary
2. Profile

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

June 28, 1967

SUBJECT: An Appointment for the Kuwaiti Foreign Minister

Shortly after the Mid-East fighting ended, you sent the attached message to the Ruler of Kuwait simply to keep a line out to him. He was one of the Arab moderates who refused to break with us and is important in not cutting the flow of oil or nationalizing Western companies.

Now his Foreign Minister, Shaikh Sabah al-Ahmad al-Jabir al-Sabah, wants to deliver a brief reply to you personally. Given the importance of the personal touch in the Arab world, seeing him for 15 minutes would be worth a lot in encouraging the Ruler to stick to his moderate guns.

Nick Katzenbach recommends you see him any time between now and 2 July, when he leaves. I believe it would be useful.

McGeorge Bundy

Approve _____

No time _____

~~SECRET~~

24 75
54a

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-89
By ig NARA Date 7-2-92

DEPARTMENT OF STATE
WASHINGTON

June 27, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Appointment for the Foreign Minister
of Kuwait

Recommendation:

I recommend that you receive the Foreign Minister of Kuwait, Shaikh Sabah al-Ahmad al-Jabir al-Sabah, brother of the Kuwaiti Prime Minister, at a time of your convenience between now and July 2. The Foreign Minister, in New York for the UNGA, has asked to call on you briefly to deliver a reply from his first cousin, the Ruler of Kuwait, to your letter to the Ruler of June 15, a copy of which is enclosed. If you approve, a briefing memorandum with talking points for the meeting will be submitted.

Approve _____ Disapprove _____

Discussion:

While hewing to the Arab line on Israel, Kuwait has nevertheless played a fundamentally constructive role during the recent crisis. The Kuwaiti Government assured us privately in the early days of the crisis that it did not believe UAR charges of American and British participation in the fighting and that it had no intention of breaking relations. Oil production was shut down briefly and shipment of oil to the Continental US and UK remain banned, but full protection was given to installations of the Kuwait Oil Company (half-owned by Gulf Oil) and to American citizens residing in Kuwait. At the Arab Foreign Ministers meeting in Kuwait which immediately preceded the UNGA, Shaikh Sabah as host is understood to have played a moderate and constructive role. A brief meeting with the Foreign

~~SECRET~~

~~SECRET~~

-2-

Minister would give you an opportunity to underscore our hope that Kuwait will continue to play a moderating role in Arab councils during the weeks and months ahead.


Acting Secretary

Enclosure:

Copy of June 15
letter to Amir

~~SECRET~~

~~SECRET~~

546

C O P Y

June 15, 1967

Your Highness:

During these difficult days it is important for us to understand one another's views on the rapidly changing situation in the Middle East.

Above all, I want to be sure that Your Highness has no doubt that the United States continues to value its relations with all Arab countries. I regret very much that our formal ties with some of them have been cut, especially since the charges which prompted that break are totally invented. I can assure Your Highness categorically that no US aircraft have been involved in any way against the interests of the Arab countries.

We particularly value the long and friendly relationship between our governments and peoples. Therefore I respect Your Highness' statesmanship, which has helped maintain this relationship throughout this trying period.

We will continue to work for the establishment of peace in the Middle East on the basis of mutual respect and cooperation. I hope the cease-fire can in fact become a first step toward peace and progress for all the peoples of the area and pray that God may grant us all the wisdom and courage to bring this about.

With personal greetings and high regards,

Sincerely,

Lyndon B. Johnson

DECLASSIFIED

Authority NLS 92-85
By fw/jw, NARA, Date 11-8-99

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Pres file 55

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By *W/ing*, NARA, Date *11-18-99*

Wednesday, June 28, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

THROUGH WALT ROSTOW

SUBJECT: The U. N. General Assembly and the Middle East.

I write this to recommend that you give us general authority to use your name and influence (always with your specific approval when there is a matter of a Presidential message or statement) to get the most favorable possible results from the haggling up there.

I initially thought that this contest did not matter very much, because the Assembly has no real power and no one is going to do what it says in any event. I am coming to think this was not a very bright assessment. The more the weight of the resolution bears against Israel, the bigger the stick the Arabs will have to beat us with.

The brethren in New York can be counted on to do a very good job in the corridors there, but there are many ambassadors up there who follow the crowd unless they are specifically instructed from home. The Chilean UN man was misbehaving badly until he got a good strong message, helpful to us, from Santiago.

So there are going to be a good many countries where we need to make representations at the capital, and I would like our people to be able to say that you yourself are interested in the results and are hopeful that the governments concerned will ^{vote} prepare for a balanced "withdrawal from danger" and not for an unbalanced and ineffective simple withdrawal. I would also like to encourage the Department to send over draft Presidential messages in appropriate cases for your approval.

I should add that all this diplomatic activity ought to be as quiet as possible, and I think it would be unwise for you to get into the battle publicly. That would simply make the Arabs angry in another way. Is this general line acceptable to you?

Yes _____

No _____

Speak to me _____

McG. B.
McG. B.

Agreed

~~SECRET~~

CONFIDENTIAL

June 28, 1967

MEMORANDUM FOR THE PRESIDENT

THROUGH: Walt Rostow

SUBJECT: Press Guidance for Hussein Visit

The attached is not intended for release. We provide it simply as a working base for you and King Hussein to use in laying out the guidelines for George Christian and others in backgrounding the press afterward.

The Jordanians did not want to agree to anything like the attached until the King saw you. However, I suspect they just don't understand the problem George has. We think we've written something that the King can live with, but you can give him a crack at it.

McGeorge Bundy

CONFIDENTIAL

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 13526,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 18, 1983.

BY lg ON 7-18-91

56a

June 28, 1967

SUGGESTED PRESS GUIDANCE FOR THE MEETING
BETWEEN THE PRESIDENT AND KING HUSSEIN OF JORDAN
ON JUNE 28, 1967

The President and His Majesty King Hussein I exchanged views on the problems arising out of the recent hostilities in the Near East.

King Hussein expressed deep concern at the plight of the refugees, thanked the United States for assistance contributed to the refugees and hoped the United States would do its utmost to relieve the suffering. The President noted that the United States had been a major contributor to the support and rehabilitation of the Palestine refugees. He emphasized our acute concern with the welfare of the refugees, both those displaced by the fighting of 1948 and those who have left their homes as a result of the recent hostilities. While noting that the USG had established a \$5 million reserve fund for emergency relief for the refugees, he emphasized the need for a permanent solution to the refugee problem.

Both King Hussein and the President agreed that any resolution of the present crisis must be based on justice and the interest of all parties concerned. King Hussein insisted that a first step must be the withdrawal of Israeli forces back to the boundaries pertaining before June 4. The President referred to the five points which he made in his speech of June 19. He expressed the hope that measures could now be taken to implement these points and arrive at a just

settlement including the withdrawal of the Israeli forces. He described our basic objective as the achievement of a more durable and more stable situation than that existing prior to June 5. He reaffirmed our views on the territorial integrity and political independence of all states.

Both agreed that Jerusalem as a Holy Place for three great religions deserved special attention. Both agreed that there must be appropriate consultation with religious leaders and others who are deeply concerned before any unilateral action is taken on the status of Jerusalem.

The President reaffirmed the deep interest of the United States Government in Jordan and its people. He expressed the hope that the friendly relations between the two countries would be strengthened and informed the King that the United States Government intended to continue its economic assistance to Jordan.

Although there was not an identity of views on all issues, the exchange was of real value.

WWR
21

2. Pre. file

Tuesday, June 27, 1967, 4:30 p.m.

Mr. President:

Attached, for your approval, is
a congratulatory message to the
Governor General of Canada on the 100th
Anniversary of Confederation. (July 1).

Francis M. Bator

Approve ✓ 6/29/67

Disapprove

Speak to me

FMB:LSE:mst

DRAFT MESSAGE TO THE GOVERNOR GENERAL OF CANADA

My countrymen and I extend to you and all Canadians warmest congratulations and best wishes on the centenary of Canada's Confederation.

Canada's concern over the past century -- not only for the progress of its own people -- but for the freedom, security, and welfare of all men, has won the respect of us all.

We are proud to be your neighbors, and proud of the tradition of friendship we share together. As you move into the bright future of a second century we wish you Godspeed.

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 91-140
By ing NARA Date 6-8-92

Chron

Tuesday, June 27, 1967 -- 3:15 p.m.

Mr. President:

Here is one way to introduce your position to Hussein, if you can get him off by himself:

I was unable to prevent Nasser from pushing UNEF aside and closing the Gulf of Aqaba.

I was unable to prevent the Russians from giving the Syrians and the Egyptians inaccurate information in mid-May on Israeli mobilization.

I was unable to prevent you from signing a 5-year pact with Nasser; accepting an Egyptian commander; accepting Iraqi troops in your country; accepting Egyptian commando units to attack Israeli airfields.

I thought I had a promise from Eban and the Israelis that we had at least another week to work out a way of settling the Aqaba question; but I assure you I had not one moment's warning that the war would break out on June 5.

I could not prevent Nasser from telling you that he had achieved great victories on June 5 and that you would have UAR air support; I could not prevent you from attacking Israel.

I could help bring about a cease-fire. There were ways in which I can help bring about peace in the Middle East if there is a will for peace in the Middle East. But I cannot get the Israelis out of the West Bank unless there are serious things that you are prepared to do in return. What those are you probably know better than I.

If I have any advice for you, it is this: Do not rely on any outside force to solve this problem for you; neither the United Nations General Assembly, nor the UAR, nor the Russians, nor the Americans.

But, if you are willing to seek a solution, then there are ways others can help, as intermediaries, with economic resources, with persuasion of the other party, etc.

W. W. Rostow

I am, of course, sending along this note to Mac Bundy so that you can have his comment on this approach.

WWRostow:rlm

~~SECRET~~

*Copied to
the George Bundy*

57

Chron

SECRET

Tuesday, June 27, 1967 -- 3:10 p.m.

Mr. President:

Herewith the briefing book on Hussein,
with Nick Katzenbach's talking paper.

Mac Bundy will be sending along his
own comments.

W. W. Rostow

cy sent Mc B. Bundy

~~**SECRET**~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 129, NARA, Date 6-25-91

60
1. snags -
2. Pres file

Tuesday - June 27, 1967
3:00 pm

Mr. President:

President Robles held a press conference yesterday on the Panama negotiations. He stuck to the agreement not to discuss the contents of the treaties.

Attached is a transcript of the news conference which I think you might wish to read.

W. W. Rostow

Attachment

ROBLES PRESS CONFERENCE

PANAMA CITY TELEVISORA NACIONAL NETWORK IN SPANISH 2330Z 26
JUN 67 P

(PRESS CONFERENCE BY PRESIDENT ROBLES 26 JUNE ON THE TREATY
NEGOTIATIONS--RECORDED.)

(TEXT) I HAVE CALLED THIS PRESS CONFERENCE TO PRESENT A COMMUNIQUE TO YOU WHICH, DUE TO ITS IMPORTANCE, I WANTED TO DELIVER PERSONALLY. IN THIS COMMUNIQUE, I REVEAL THE FACT THAT THE PANAMANIAN AND U.S. NEGOTIATING COMMITTEES HAVE ALREADY REACHED AN ACCORD CONCERNING THE THREE TREATIES: THE TREATY BETWEEN THE REPUBLIC OF PANAMA AND THE UNITED STATES ON THE PANAMA CANAL, THE TREATY BETWEEN THE REPUBLIC OF PANAMA AND THE UNITED STATES CONCERNING THE CONSTRUCTION OF A SEA LEVEL CANAL THAT WILL LINK THE ATLANTIC AND PACIFIC OCEANS, AND A TREATY CONCERNING THE DEFENSE OF THE PANAMA CANAL AND ITS NEUTRALITY.

THESE TREATY DRAFTS WERE DELIVERED TO ME LAST NIGHT (25 JUNE--ED.)
BY THE FOREIGN MINISTER. THEY ARE WRITTEN IN ENGLISH AND WILL HAVE TO BE TRANSLATED INTO SPANISH. SAID TRANSLATION WILL HAVE TO BE COMPARED WITH THE ORIGINAL TEXT IN WASHINGTON. THIS PROCESS WILL TAKE FROM THREE TO FOUR WEEKS. ONCE THIS COMPARISON IS EFFECTED, I WILL PERSONALLY REVEAL ITS CONTENTS TO THE PEOPLE OVER A NATIONWIDE NETWORK MAKING USE OF ALL AVAILABLE MEANS OF COMMUNICATION. THERE ARE ALSO COPIES OF THIS COMMUNIQUE IN ENGLISH FOR THOSE LOCAL PAPERS THAT ARE PUBLISHED IN THE ENGLISH LANGUAGE.

QUESTION: WHAT IS THE PROCEDURE TO BE FOLLOWED BY YOU AS CHIEF OF STATE TO OBTAIN THE APPROVAL OF THE ORGANIZATIONS WITHIN THE PANAMANIAN STATE WHICH HAVE TO DO WITH THIS MATTER?

ROBLES: AS I SAID AWHILE AGO, FIRST THE DOCUMENTS WILL BE TRANSLATED TO THE SPANISH LANGUAGE. THEN THEY WILL BE COMPARED WITH THE ORIGINAL TEXT WRITTEN IN ENGLISH. ONCE THIS IS DONE, I WILL CALL THE FOREIGN RELATIONS COUNCIL FOR A MEETING AT THE PRESIDENTIAL PALACE TO PRESENT THEM WITH COPIES OF EACH OF THESE DOCUMENTS. I WILL ALSO INVITE ALL FORMER PRESIDENTS OF THE REPUBLIC TO A MEETING HERE TO OBTAIN THEIR VIEWPOINTS ON THE ISSUE.

BESIDES THAT, I WILL PREPARE AN EXTENSIVE INFORMATION CAMPAIGN THROUGHOUT THE NATION SO THAT THE PEOPLE WILL KNOW THE EXACT TEXTS OF THESE THREE DOCUMENTS, WHICH ARE MOST IMPORTANT FOR OUR NATIONAL LIFE. ONCE THIS IS DONE, AND IF DEEMED FAVORABLE BY THE DIFFERENT ORGANIZATIONS AND PERSONS--INCLUDING OUR OWN GOVERNMENT--TO THE NATIONAL INTERESTS, AS I PERSONALLY CONSIDER IT, THEN I WILL AUTHORIZE ITS APPROVAL, AND FINALLY, THEY WILL BE SENT TO THE NATIONAL ASSEMBLY FOR RATIFICATION.

1
QUESTION: WILL YOU POSSIBLY HAVE TO CALL A SPECIAL NATIONAL ASSEMBLY SESSION TO CONSIDER THE TREATIES?

ROBLES: I WILL DEFINITELY CALL A SPECIAL SESSION OF THE NATIONAL ASSEMBLY TO CONSIDER THESE THREE DOCUMENTS BEFORE ITS REGULAR PERIOD OF SESSIONS., (October 1)

QUESTION: IS THERE A SPECIAL REASON FOR THE PRESENT TEXTS TO BE WRITTEN ONLY IN THE ENGLISH LANGUAGE?

ROBLES: THE REASON FOR THIS WAS SIMPLY DUE TO THE FACT THAT SINCE THIS PROCESS OF NEGOTIATIONS WAS CARRIED OUT IN THE UNITED STATES AND THE U.S. NEGOTIATORS DID NOT SPEAK SPANISH, WHILE IN TURN, OUR NEGOTIATORS SPOKE ENGLISH PERFECTLY, IT WAS DECIDED TO DISCUSS THEM IN ENGLISH IN ORDER TO EXPEDITE THE NEGOTIATIONS.

QUESTION: WILL THE TREATY DRAFTS BE PRESENTED TO THE NATIONAL ASSEMBLY JUST AS THEY ARE NOW, OR AFTER THEY HAVE BEEN SIGNED BY BOTH GOVERNMENTS?

ROBLES: AFTER THEY HAVE BEEN SIGNED BY BOTH GOVERNMENTS. THAT IS, WE WILL SIGN IF IN PANAMA IF WE CONSIDER IT BEFICIAL TO THE NATIONAL INTERESTS--AND I AM SURE IT WILL BE--AND THEN PASS IT ON TO THE NATIONAL ASSEMBLY. THIS SAME PROCESS WILL BE FOLLOWED BY THE U.S. GOVERNMENT. NOW, I WILL ASK PRESIDENT JOHNSON THAT HE TRY TO HAVE THIS PROCESS CONCLUDED IN HIS COUNTRY AS QUICKLY AS WE ARE GOING TO TRY TO DO IT HERE IN PANAMA IN ORDER TO START DERIVING, WITHOUT DELAY, THE BENEFITS AND PREROGATIVES THESE ACCORDS CONTAIN FOR THE COUNTRY.

QUESTION: IN OTHER WORDS, THE PRESENT TREATY DRAFTS WILL NOT BE DISCUSSED BY THE NATIONAL ASSEMBLY, BUT ONLY ONCE THEY HAVE ALREADY BEEN SIGNED.

ROBLES: THAT IS THE PROCEDURE.

QUESTION: IS THERE ANY INDICATION AS TO MORE OR LESS WHEN THE SIGNING WILL TAKE PLACE?

ROBLES: I WOULD NOT GIVE A SPECIFIC DATE AS TO THE SIGNING OF THE DOCUMENTS. AS I SAID EARLIER, THIS PROCESS WILL TAKE APPROXIMATELY THREE TO FOUR WEEKS. HOWEVER, ONCE THIS PROCESS HAS BEEN COMPLETED, THE DOCUMENTS WILL BE SIGNED BY US WITHOUT DELAY.

ROBLES: AS YOU KNOW, THE FOREIGN RELATIONS COUNCIL IS AN ESTABLISHED ORGANIZATION. AS YOU MUST KNOW, HOWEVER, SOME TIME AGO I MADE AN APPEAL TO THE OPPOSITION TO BECOME A PART OF THE COUNCIL AND OFFERED A SEAT TO THEM, BUT THEY HAVE NEVER ANSWERED ME IN THIS REGARD. THAT IS THE REASON WHY THERE ARE NO OPPOSITION REPRESENTATIVES ON THAT BODY AT PRESENT. I WANT TO EXPLAIN ALSO THAT THE SIGNING OF THESE DOCUMENTS WILL BE SIMULTANEOUS HERE AND IN THE UNITED STATES.

QUESTION: MR. PRESIDENT, I WOULD LIKE TO ADDRESS THIS QUESTION TO YOU AND FOREIGN MINISTER ELETA, BOTH OF WHOM KNOW THE CONTENTS OF THE DOCUMENTS FULLY. ARE YOU SATISFIED WITH WHAT HAS ALREADY BEEN OBTAINED IN THE NEGOTIATIONS?

ROBLES: IF I WERE NOT SATISFIED I WOULD NEVER HAVE CALLED THIS PRESS CONFERENCE, FOR I WOULD HAVE FLATLY REJECTED THE DOCUMENTS.

~~SECRET~~

Luncheon with the President
Tuesday, June 27, 1967, 1:00 p.m.

Agenda

1. Bombing Policy (Sect. McNamara and Under Sect. Katzenbach)
Present situation. Next steps.
2. Political Situation, Saigon (Under Sect. Katzenbach and Sect. McNamara)
Bunker report.
3. Hussein Strategy (McGeorge Bundy, Under Sect. Katzenbach, Sect. McNamara)
4. Sect. McNamara's Trip to Viet Nam (Sect. McNamara)
Timing.
5. Other

W. W. R.

DECLASSIFIED
E.O. 12356 Sec. 3.4(b)
White House Guidelines Feb. 24, 1983
By reg, NARA, Date 6-26-91

62

~~CONFIDENTIAL~~

Tuesday, June 27, 1967
11:55 p.m.

Mr. President:

Herewith the statement you
wanted me to formulate.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 6-26-91

~~CONFIDENTIAL~~

6/27/67 62a

I issued in March 1966 NSAM 341, after a thoroughgoing review of governmental organization in the field of foreign affairs conducted by General Taylor.

My decision was to assign responsibility for the direction, coordination and supervision of overseas interdepartmental activities to the Secretary of State. A key part of that decision was to activate the Senior Inter-departmental Group, which was to be chaired by the Under Secretary of State and to include those at the Under Secretary level from the various departments and from the White House.

The simple fact is that for 15 months now NSAM 341 has not been implemented.

I have felt the lack on many issues; for example, the Middle East, Viet Nam, counterinsurgency problems, ~~and~~ Latin America.

I have come to the conclusion that either the Department of State must now energetically and effectively implement NSAM 341 -- and, especially, make the Senior Interdepartmental Group perform its functions -- or I shall have to organize this kind of leadership and coordination out of the White House.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-85
By fw, NARA, Date 3-11-94

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

Saturday, May 20, 1967 -- 11:40 a.m.

Mr. President:

Herewith Gen. Taylor raises a real and serious problem.

We thought we had it solved with the Schelling appointment -- after great delay. But he's bailed out.

Gene tells me he has recommended Franklin Lindsay for the Schelling job; but action apparently awaits Nick's return.

I believe it essential that Sec. Rusk understand your personal concern that NSAM 341 has not been effectively implemented.

W. Rostow
W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 92-85
By *ju*, NARA, Date *3-11-94*

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

May 17, 1967

62c
DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 9285
By pn, NARA, Date 3-11-94

MEMORANDUM FOR THE PRESIDENT

Subject: Implementation of NSAM-341, dated March 2, 1966

Shortly after my return from Saigon in 1965, you directed me to review all governmental activities in the field of counterinsurgency and to make appropriate recommendations to assure our readiness to cope with other situations similar to that in South Viet-Nam. The principal outcome of this review was the promulgation of NSAM-341 in March, 1966.

The effect of this decision on your part was to assign responsibility for the direction, coordination and supervision of overseas interdepartmental activities to the Secretary of State as your agent who was to be assisted by the Senior Interdepartmental Group (SIG) chaired by the Under Secretary of State and including as members the Deputy Secretary of Defense, the Administrator, AID, Chairman, JCS, Director, USIA, and the Special Assistant to the President for National Security Affairs. The SIG was to absorb the responsibility in the field of counterinsurgency which, since 1962, had been concentrated in the Special Group (CI) and, in addition, was to serve as a focal point for decisions on all important interdepartmental matters arising overseas.

During the past year, I have naturally watched the implementation of this decision with great interest, hoping that the procedures directed by NSAM-341 would bring method and flexibility into the conduct of our overseas business and remove our dependence on the initiative of individual officials or on ad hoc committees which, in the past, have often been improvised to deal with critical overseas issues.

I regret to say that it is my opinion as a bystander that the SIG and the supporting interdepartmental committees at the level of the Assistant Secretaries of State have not fulfilled the hopes which we had for them more than a year ago. Far from being a forum regularly used by senior officials to discharge expeditiously their interrelated overseas problems, the SIG has met with decreasing frequency during the last year. In the last six months of 1966, the SIG met three times and has met only twice in 1967. It is significant that it has taken no part in the conduct of our most serious and complicated overseas operation--Viet-Nam. I find little indication on the agenda of its infrequent meetings of any serious attention to counterinsurgency and matters related to "Wars of Liberation," a task which required almost weekly meetings on the part of the old Special Group (CI). My overall impression is that the intent of NSAM-341 has been only partially fulfilled and that whatever vitality the new system had at the outset is apparently on the decline.

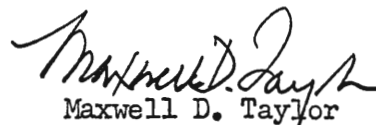
~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

Rather than allow the NSAM concept to die from atrophy as it seems to be doing, I would suggest at least one final look to see whether we should formally abandon it, try again to set it in motion, or seek a better alternative. There are several courses you might consider. (1) One would be to ask the heads of all departments and agencies represented on the SIG to comment to you on the effectiveness of the NSAM-341 concept, the desirability of its retention, and the possibility for improved implementation. (2) Another would be to ask only the Secretary of State to make such a report. (3) A third would be to ask some outsider with government experience to review the situation for you. Personally, I would be inclined to recommend the first course with Walt Rostow charged with getting the views of the SIG members.

I prepared a memorandum for you of this nature in March of this year but withheld it because of information which I had received that Dr. Tom Schelling of Harvard was being sought by State to become an Assistant Secretary with the primary mission of assisting in the implementation of NSAM-341. As I am now informed that Dr. Schelling has declined the position, I would feel remiss in not calling this situation to your attention.


Maxwell D. Taylor

Alternative _____ approved

No action now _____

See me _____

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

Tuesday, June 27, 1967, 11:30 a.m.

Pres. file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Support for the Foreign Aid Bill

Attached is a good progress report on Bill Gaud's effort to keep the Republicans from making it a matter of party discipline to gut the aid bill. Gaud's basic strategy is to get big names -- Eisenhower, Rockefeller, Clay, etc. -- to work on the House minority leadership, while major business figures in each key state lobby with their respective delegations. So far, there has been a fair amount of motion, but no visible payoff. Ford remains committed to a substantial cut; he isn't saying how large.

As an amateur judgment, I think this is fine as far as it goes, but it doesn't go nearly far enough. The bill is scheduled to hit the House floor in the latter part of July. So far as I can determine, no senior State/AID official, including Gaud, has yet had a private session with any of the key Republicans. Yet, I can't remember a year in which the smart money was so gloomy -- not about a simple dollar cut, but about survival of the program. In my opinion, we need to pull out a good many more stops soon if we are to have an aid bill at all.

Besides the President, I am afraid there are only four people in the Administration to whom the Republicans will give any kind of hearing on the importance of aid to foreign policy: Rusk, McNamara, Katzenbach, and Gaud. If we want to weigh in hard, these four people have to do it. Therefore, I would recommend that you:

- Make it clear to Rusk, McNamara and Katzenbach that you are deeply worried about the aid bill and would like them to make special efforts to work on Ford, Laird, Goodell, etc.
- Instruct Gaud to work out with Larry O'Brien a plan of action to make the most effective possible use of the little time remaining. (You might suggest that Bill let Rud Poats run the Agency for the next few weeks while he gives first priority to getting the bill through.)

- Tell Gaud that, whatever else the action plan calls for, it must include immediate personal calls by him on each of the critical Republicans.
- Make it clear that you want frequent reports on contacts made and progress achieved.

I apologize for adding to your burdens by suggesting that you give these instructions personally. I know you have more than enough on your plate, and that the aid bill may already be a dead duck. But any chance we have of a decent bill depends on mobilizing our heaviest artillery quickly. Of course, if you prefer, Walt and I can give it a try in your name.

Francis M. Bator

I have made the calls; you follow up _____

Rostow/Bator make calls ✓ 6/29/67

Do nothing _____

Speak to me _____

OK
W/B

LIMITED OFFICIAL USE

63a

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

June 26, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Public Support for the Foreign Aid Legislation

We have been making a concerted effort to build public support for the pending foreign-aid legislation and to bring that support to the attention of the Congress. In view of the closeness of the vote on recommitment last year in the House of Representatives (193-191), the fact that only four Republicans voted against recommitment, and the number of new Republicans in the House, we have concentrated our efforts on the House Republicans, especially the Leadership. Our principal effort has been on development loans and the Alliance for Progress. These are the most vulnerable items.

Support for the full amount of your appropriation request has been expressed to Gerald Ford by David Rockefeller, by Roger Blough's assistant (R. H. Larry) and by the Washington representatives of Standard Oil of Indiana and Mobil Oil. Rockefeller has also spoken to Goodell.

Thomas Gates and Lucius Clay have undertaken to speak to Ford, Laird and Goodell within the next few days. General Clay has also offered to get a public statement of support from President Eisenhower and to make a public statement of his own.

In addition to approaches to the Leadership, we have attempted to organize direct approaches to the large Republican delegations in the Congress.

New York

Amory Houghton, Corning Glass, has undertaken to contact Goodell, who is his Congressman, as well as a number of other upstate Republican members. Thomas Gates will also help with the New York delegation as will Senator Keating.

Pennsylvania

Gov. Scranton has spoken with all the moderate Republican Congressmen in the State and Roger Blough has promised to speak with several Pennsylvania Republican members. Jack Heinz has telegraphed Congressman Fulton.

LIMITED OFFICIAL USE

- Illinois David Kennedy has spoken with most of the Illinois Republican delegation and the Washington representative of the Standard Oil of Indiana has also expressed his company's interest to the senior members of that delegation. Kennedy has also promised to help with the Ohio and Michigan delegations, and to try to enlist the support of other prominent businessmen in that area such as William Blackie of Caterpillar Tractor and Bill Hewitt of Deere.
- California Rudolph Peterson has undertaken to contact the moderate Republicans in the California delegation. Tex Thornton of Litton Industries will speak with a number of Southern California members. Dan Kimball and Edgar Kaiser are also working with us in California.
- Michigan It is expected that Henry Ford will get in touch with all the Republicans in the Michigan delegation.

There will also be strong support from the Catholic and Protestant Church groups. Archbishop Deardon of Detroit, Chairman of the Conference of Catholic Archbishops of the United States, has offered to have 20 House members whom we have designated contacted personally by their local Bishops.

Furthermore, the National Council of Catholic Women has requested all their local leaders to contact their Congressmen and Senators.

On June 1 the General Board of the National Council of Churches passed a strong resolution in support of more foreign aid. Arthur Flemming, President of the National Council of Churches, has agreed to make a personal presentation of his organization's position to certain members of the Republican House and Senate Leadership, especially Ford and Hickenlooper. He will also assist in enlisting President Eisenhower's support. The National Council of Churches has already started a campaign for letters to Congress from local leaders which Flemming will reinforce at a national meeting of regional National Council of Churches' leaders on June 27.

Up to now we have had no evidence that these activities have had any real impact on the Republican leadership, which still seems of a mind to cut all the Administration's programs including foreign aid.



William S. Gaud

LIMITED OFFICIAL USE

64
Pres file

Tuesday, June 27, 1967
11:30 a.m.

Mr. President:

The first three articles in
this issue of THE ECONOMIST are
worth your reading (pp. 1323-1326).

The well-balanced Viet Nam
article may also be worth your time.
(pp. 1350-1354)

W. W. Rostow

24-30 June 1967 issue

Where the Buck Stops

WHAT Alexei Kosygin needs in the next couple of weeks is the gift of political courage. Mr Kosygin has shown many virtues since he became Russia's prime minister 32 months ago. He is both intelligent and patient, which is a rare combination; he works like a carthorse; he knows in his bones what his country has to do to make itself into a modern society. He is, above all, a decent man: he plainly took little pleasure in the attack on Israel that he felt obliged to deliver in the United Nations on Monday to please his Arab friends. Mr Kosygin is a bit like Clem Attlee. What he needs now is Mr Attlee's courage in ramming the right policies through the opposition of the unseeing doctrinaires around him. Mr Kosygin is being offered by President Johnson a chance to get down to the roots of the Middle East crisis: not just to turn the clock back to the day before the Israeli attack, or the day before Nasser clapped his blockade on Eilat, but to tackle the problem of the Palestine refugees and the final fixing of frontiers. If he wants to, he can widen the talks to include the terms for a settlement in south-east Asia as well. He would almost certainly like to join Mr Johnson in a last desperate attempt to get a non-proliferation treaty signed before it is too late (see page 1325). Mr Kosygin is as bright as they come; he can see that the sort of Russia he is trying to create requires an understanding with the United States in all these matters. The question is whether he can make the conservative fundamentalists who sit around him on the Soviet Union's politburo see it too. The next couple of weeks should show what Mr Kosygin is really made of.

It is up to Mr Kosygin, more than anyone else in Russia. President Podgorny, who has been despatched to see President Nasser, commands no centre of power. Mr Brezhnev cannot be a real driving force for the modernisation of Russia's policies precisely because the centre of power he commands is the communist party. As the party boss, he is bound to reflect the fears of the party apparatchiks, the vested-interest men of contemporary Russia, who see their power being whittled away by a policy of economic reform at home and coexistence abroad. The party functionaries are the clergy of the marxist-leninist church; they are afraid that what is happening in Yugoslavia, and is starting to happen in Czechoslovakia and Hungary and Russia itself, is the disestablishment of their church.

This is why it is up to Mr Kosygin. As prime minister, he can see where the interests of the Russian state diverge

from the claims of party theory. The practical problems of Russia's economists and diplomats and defence planners land on his desk first. This is where the buck stops in Moscow. Mr Kosygin knows that, if he wants to get Russia's economy really humming, he needs ten years of international peace and quiet in which he can expand his trade with the western world and keep his arms budget reasonably low. He knows that Russia's present armed forces are incapable of supporting an expansionist foreign policy in distant parts of the world (see page 1324). Most important of all, he is in a position to grasp the meaning of the two great events of June 1967. He knows that the Middle East war is going to happen again, and very likely start a world war next time, unless Russia and America together tackle the problems that caused this month's war. He knows that China's explosion of an H-bomb is going to set several other countries off on a gadarene rush to make their own nuclear weapons unless Russia and America together can persuade them not to.

Mr Kosygin almost certainly realises that Russia is moving willy-nilly towards a major decision. The uneasy compromise between conservatives and reformers that has been the basis of the Kosygin-Brezhnev coalition since 1964 is no longer workable. It is unworkable because there is no more room for fudging the issues. Fudging in the Middle East would mean trying to patch up Russia's influence in Egypt and Syria without doing anything about the causes of the Arab-Israeli quarrel. But that would mean renewing the Middle East arms race, and waiting to see which side gets the next pre-emptive air strike in first. This is not a compromise; it is letting events drift on to another war. Fudging in Vietnam would mean sending more arms to Ho Chi Minh without persuading him to accept a peace settlement that would leave South Vietnam non-communist. This is not a compromise either: it is letting events roll inexorably to the point where Ho Chi Minh will either throw in the towel or call for the Russians themselves to come in and fight the Americans for him.

Whether they like it or not, Mr Kosygin and Mr Brezhnev are being swept towards the decision they have tried to dodge ever since they displaced Mr Khrushchev in 1964. They can go for an understanding with the United States, which means defining the Russian and western spheres of influence in south-east Asia and the Middle East as clearly as they are already defined in Europe. Or they can go the other way: they can follow the Chinese advice, which is to subordinate everything else to an attempt to expand communist influence in the world.

Mr Khrushchev made his choice, for coexistence, but was then stripped of power. For two and a half years Mr Kosygin and Mr Brezhnev have tried to keep open a middle ground in which they could avoid having to make a choice at all. But now the middle ground is vanishing under their feet.

Mr Johnson and Mr Goldberg seem to grasp this; so does Mr George Brown. The line they have taken this week is the right one. Not only because it makes sense for the Middle East, but also because it invites the Russians to step off their vanishing middle ground in the right direction: in the direction of an agreement with America. Mr Kosygin's speech on Monday did not make it easy for Mr Johnson. He went on insisting that the only thing for the United Nations to talk about was getting the Israelis out of the territory they have occupied; there was barely a hint that the rational thing to do would be to examine the causes of this month's war as well as its effects. It must also be said that some Israelis have not been helping Mr Johnson either. The hard-liners in Israel—men like Mr Ben-Gurion and General Dayan—are saying that their country should hold on to large swathes of the land it has captured no matter what else happens. It would be a disaster if the Russians and the Israelis got stuck for good and all on these extreme positions. It is obvious what would happen. There would be no negotiations. The troops would stay where they are. President Podgorny and Marshal Zakharov, in their Cairo talks, might as well give President Nasser the Russian arms catalogue and invite him to order what he wants. The Israelis would then load up their attack planes again, and the Arabs theirs. The rest of the world would have nothing to do except wait and see which side got its bombers over the other's airfields first.

It would be mad to re-enact the events of the last five weeks all over again. Mr Kosygin can see that. This is why, at the end of the day, he is unlikely to insist on terms that the Israelis are bound to reject. But Mr Johnson can see it too. This is why he took care on Monday to offer the Russians a ladder by which they can climb down from the untenable position they took up in the first shock of the Arabs' defeat. He did this by saying that the United States stood by the territorial integrity of all the states of the Middle East within "recognised boundaries"; and by adding that there will be no real peace until something is done to resettle the Arab refugees left over from the 1948 war. The message for the Israelis is clear. No one in his right mind really expects them to pull their troops back until Israel is made safe from guerrilla attacks, and until its ships are free to use the Gulf of Aqaba and the Suez canal. They are entitled to their rights on these points. But, if they get their rights, they will then have to

give up most of the territory they have captured. There will doubtless have to be a new arrangement for Jerusalem. In various other places the old cease-fire lines obviously need straightening out. Somebody will have to make sure the Gaza strip is not used as a base for terrorists. But that is that.

Mr Johnson is right to remind the Israelis that there are limits to what they can hope to achieve by their victory. He is right to remind them that a permanent peace settlement will have to include a solution of the refugee problem. It is not the Arabs he is chiefly thinking about when he says this. If the Arabs were the only problem, Israel could be left to look after that. He is thinking about the Russians. He is trying to give Mr Kosygin an alternative to the almost certainly fatal policy of supporting the Arab intransigents in a campaign of revenge right up to and over the brink of another war. Mr Kosygin believes that the survival of his government depends on salvaging something from the wreck of its Middle East policy. He is probably correct. But the salvage operation means re-establishing Russia's credit in Cairo and Damascus. It can be done by backing the Arabs' anti-Israel hysteria to the hilt; this is how Mr Kosygin seems to be playing it on the surface. Or it can be done by trying to win back for them, by negotiation, most of the land they have just lost. This is the way Mr Johnson is trying to persuade him to play it. Mr Kosygin knows that he will have to shove the Arabs into some major concessions to get the Israelis to pull their army back. The Arabs won't like making concessions. But Mr Kosygin will probably reckon that it is worth it. He knows that Mr Johnson, for his part, will be pushing the Israelis into a withdrawal some of them won't like. And he may well decide that an exchange of concessions is the only way of keeping some degree of Russian influence in the Arab world without running the risk of a world war.

This is where Mr Kosygin's interests and Mr Johnson's converge. Mr Kosygin wants a relatively peaceful world so that he can get on with the modernisation of Russia. Mr Johnson wants moderate, reform-minded men like Mr Kosygin to stay in power in Moscow. Neither of them is likely to get what he wants if an unsolved crisis in the Middle East is added to the unsolved crisis in Vietnam. Mr Kosygin will either capitulate to those of his colleagues who want to go back to the old cold-war period of Russian policy or, more likely, lose his job. This is why a great deal turns on the ability of these two men to co-operate in imposing a settlement on the Middle East. Mr Johnson has offered the makings of a compromise. Whether the offer is taken up depends on how much courage, and authority, Mr Kosygin can summon up against Russia's iron-bottomed conservatives.

Bears Can't Fly But American eagles can. Russia is discovering what strategic mobility means

It isn't just a little local difficulty that Mr Kosygin finds himself stuck with after the Middle East war. When he decided not to intervene on the Arabs' side he was admitting the central weakness of Russian policy: its lack of strategic mobility. This is the problem that hampers the Russians everywhere outside the heart of the Eurasian land mass. It showed itself with brutal clarity on June 5th. The United States could have intervened to save Israel with the Sixth Fleet in a matter of hours. Even Britain had bases and men within reach, though the British were so frightened of what the Arabs might have done with the sterling they held that they were reluctant to use the forces available to them. But the only weapon Russia had at hand in the Mediterranean was a small and highly vulnerable fleet, without the support or fire-

power of a self-contained striking force, which depended on Turkey's good will in the Dardanelles for its communications. Its only function seems to have been to check that American air power was not used to support the Israelis; it thereby performed an involuntary service to the United States.

Even if Mr Kosygin and Mr Brezhnev had wanted them to, Russia's armed forces were incapable of jumping into action to deal with a crisis a thousand miles from their own frontiers. They had neither the right equipment nor the logistical support. This is not the first time that the Russians' military immobility has let down what looked like a promising line of policy. In the Congo in 1960 the Russians' inability to back up their diplomacy with a physical presence put all the cards into the Americans' hands. In Cuba in 1962 their

attempt to establish a missile base failed partly because they had no way of breaking the American blockade, or stopping American paratroopers seizing the rocket sites, short of going straight to a general nuclear war. Russia lacks the "flexible response" that is the core of Mr McNamara's ideas about strategy. It is a giant that is able to bring its conventional forces to bear on problems immediately within its reach, or to crush opponents with nuclear power; but it is unable to use small mobile forces to further its policies in far-off parts of the world.

There is some evidence that the point has been taken. In the second (1963) edition of *Military Strategy*, a collection of essays edited by Marshal Sokolovsky, writers significantly placed more emphasis on the role of amphibious and air-borne forces than in the first version of the book in 1962. But nobody has proposed cutting down Russia's large continental army in order to form more flexible units that can be whipped around the world as fast as American units can. The Russian steam-roller is still poised to roll into western Europe. A smaller one, presumably on the same model, has been assembled on China's frontier. But the Russian army cannot be transported into the areas far from the periphery of Russia in which the limited operations of the 1960s have taken place and are likely to take place again. It is not only a matter of the right sort of force with the right sort of logistic tail. To intervene far from home needs friendly airfields equipped to receive transport planes. The United States and its allies possess a chain of such staging posts around the world. Russia does not, and one result is that even getting war material through to North Vietnam is a difficult business, heavily dependant on the whims of the Chinese.

In the contest for influence in Africa and Asia the Americans have had the benefit of mobile, easily applied military power. They have, in short, made use of the advantages of sea power. Admiral Mahan, the great theorist of sea power, must be nodding with approval. It remains true even though the mobility which in Mahan's day was gained from sea power is now still more effectively to be found in the air. The Russians have a fleet of long-range transport aircraft: their Antonov-22 is bigger than anything the Americans will have until they get the C-5 into service. But so far the Russians have not used their air fleet to balance the strategic disadvantages of their geographical position. On the contrary: rather than challenge this western monopoly, they have tried to lever the Americans out of their advantage. Their military theorists have stressed the vulnerability of aircraft-carriers, and their diplomats have repeatedly asked for the abolition of all foreign bases. The Russians cannot operate from Cuba;

their earlier Mediterranean base in Albania has gone politically sour; all that they seem to be working on are some small stations in the Red Sea area. They also use Alexandria.

So there is a contradiction between Russia's claim to global influence, and its propagation of an ideology with universal pretensions, and its power to put these ideas into effect. It has never been easy for the Russians to get out on to the world's sea routes; when they think of war, they think of great continental manoeuvres. The Soviet Union possesses a nuclear armoury that balances out the Americans' atomic striking power, and conventional forces that carry a lot of weight around its own frontiers. This is why the Americans are bound to hesitate before they exploit their superiority in other parts of the world to the full; they don't want the Russians to retaliate by exploiting their own local superiority in, say, west Berlin. But the fact is that Russia's slow-moving military power is a symptom of the real (as opposed to the stated) interests of Russian foreign policy. It is significant that the areas in which the Russians show the keenest interest—Germany, Turkey, Iran, the Chinese frontier—are those abutting on Russia itself. The Russians' forward policies in Cuba and the Middle East, Somalia and the Congo look like gambits embarked on for the sake of embarrassing their western opponents. If they turn out to be flops, they can always be abandoned—at least up to the point where a succession of such abandonments starts to endanger Russia's alliances elsewhere in the world. Mr Kosygin must be wondering whether this point has now been reached.

And the flame of revolutionary zeal still flickers. It can still lead Russia into taking up diplomatic positions far in advance of those it is determined really to defend. On these occasions, when things go wrong, there is nothing for it but a rapid retreat. What communists themselves criticise as a "policy of adventurism" seems to be precisely this sort of over-extension. The events in the Middle East have confirmed that Russia's leaders hesitate to carry such operations to the point where they might lead to a major conflict in an area far away from Russia's main preoccupations.

The combination of an offensive ideology with a defensive strategy is apt to produce such diplomatic defeats. To avoid more Cubas and Sinais the Russians will either have to resist the temptation to take on commitments in the third world (which includes encouraging "wars of liberation"), or else acquire the military capacity this sort of policy calls for. This means building aircraft-carriers and acquiring staging posts for airborne troops. It will be a bad omen for east-west relations if there are signs that they have chosen the second way out of their dilemma.

Anyone for Sanity?

How to chill the blood, even in the midsummer heat of a country like India? Here is a recipe. Simply imagine hydrogen bombs in the hands of a neighbour country that is engaged in a bitter quarrel with you, and is also wracked by internal strife that casts doubt on the stability of its government, even on its rulers' powers of rational thought. Since last Saturday, no Indian has needed to use much imagination to conjure up this picture. China is in the grip of uncanny convulsions; last week it carried its feud with India to the point of virtually making hostages of all the Indian diplomats in Peking and their families; now it has successfully tested a hydrogen bomb. Its advances in weaponry have been so rapid as to suggest to many minds that it will soon be quite capable of using such a bomb against handy targets like Delhi and Calcutta.

Where China's H-bomb test and the Middle East war leave the struggle to curb the spread of nuclear arms

At the same time India, which reckons that nuclear arms are not now very far from its own grasp, finds itself being pressed to forswear them by the two mightiest powers in the world—from which it cannot get the joint guarantees it has repeatedly requested against a Chinese nuclear threat. It is scarcely surprising that India is one of the two countries taking part in the Geneva talks on a non-proliferation treaty that have said they could not sign the treaty as it is now projected. The other is Brazil, whose government appears much less concerned with real immediate fears than with considerations of prestige, and perhaps of mere haggling for concessions on quite different matters.

Of course, India's fears, and its nuclear aspirations too, can be and often are expressed in exaggerated terms. For all Peking's wild words, the general prudence of its actions beyond

its own frontiers makes it hard to imagine in what circumstances it would actually use or even threaten to use nuclear arms against an Asian neighbour. Russia may still refuse to join America in providing India with formal joint guarantees, but it is also hard to imagine either of the super-powers standing idly by if India ever was threatened with a Chinese nuclear onslaught. And would India's strained resources ever really permit it to establish anything like a nuclear balance of power with China? It is already being persuasively argued that the very speed of China's nuclear development ought to make India discard all idea of a matching effort, and concentrate on using its negotiating power in the non-proliferation talks to obtain those joint guarantees in which it has lately seemed to show less interest.

But strictly rational reactions cannot be counted on in these matters. Is India's nuclear policy likely to follow more rational lines than those of, say, Britain or France? At Geneva, since the talks there were resumed on May 18th, India and Brazil have been conspicuous in insisting, in defiance of logic, on the right to produce nuclear devices for "peaceful explosions." In practice, Brazil will lose this right if it implements the Latin American nuclear treaty which it helped to conclude in February. But at Geneva Brazil and India have persisted with the claim in the face of compelling arguments voiced both by the Russians and Americans and by such non-nuclear powers as Mexico and Sweden. It was Sweden's delegate who flatly stated "the indisputable fact that any nuclear explosive device might be used as a nuclear weapon."

In any such negotiation, there is bound to be a great deal of bargaining that reflects the distinct interests of each state, and risk that the common interest will go by the board. Shock effects like those of the Middle East war as well as of China's H-bomb test might be expected to remind all concerned of the general peril; but the sad fact seems to be that a really salutary reminder can be administered only by some event even more alarming than either of these two latest ones. Meanwhile, whatever is proposed, the cry of unfair discrimination inevitably goes up in one quarter or another. For it is only too obvious that the only perfectly non-discriminatory approach to nuclear proliferation is to let it go unchecked.

For instance, the Euratom Commission publicly set out on June 16th its flat rejection of any treaty that would "introduce factors of discrimination" among the Six. But to leave this group with its own system of inspection of peaceful nuclear activities, while requiring other non-nuclear states to accept that of the International Atomic Energy Agency, is an unacceptably discriminatory idea not only to the Russians but also to many others such as the Swedes and Japanese. Japan and Canada are among those who further argue that a uniform safeguards system should be applied to the nuclear powers' non-military activities as well as to those of other states. This argument is now accepted in principle by the Americans and

British, but Russia's Geneva negotiator dismissed it as "totally artificial" only a few weeks ago.

In one of the most constructive of the recent statements at Geneva, the Mexican delegate, Sr Castañeda, rubbed home the point that any non-proliferation treaty was bound to be discriminatory in some sense, and that to pursue the search for a perfect balance would mean losing the last chance of getting a treaty at all. He warned other non-nuclear states that they would lose this chance if they insisted that the nuclear powers curb their own "vertical proliferation" before or at the time of the conclusion of a treaty. But he assured them that, once the treaty was signed, the nuclear powers would at once have to agree to reduce their arsenals if they wanted to see it endure. And he also agreed with the Swedes and others that a clause permitting early withdrawals if nuclear disarmament had not got under way would be necessary "to exert pressure on the nuclear powers."

In this respect, a discriminatory treaty could comprise a real balance of obligations. Sr Castañeda added another enlightening point about balancing factors. In general, advanced countries' sharing of know-how with others is still, he pointed out, of a voluntary nature. In the proposed treaty some of this sharing would become a "juridical duty." States that renounced nuclear arms would obtain, in return, a legal right to share the technological benefits resulting from the activities they had forsworn. This could transform the relationships between advanced countries and the rest.

In other respects, too, the conclusion of the treaty could open up new hopes of both economic advance and political stabilisation in every continent. For a vivid idea of what will happen if the treaty is never signed, one need look no further than the grim prospect of another Arab-Israeli clash involving the use of nuclear arms. In itself the treaty would not, admittedly, block off the now disturbing likelihood of a new Russo-American arms race in the field of anti-missiles. The Chinese H-bomb test seems bound to step up the pressure for such a "vertical proliferation" move in both countries. Just a month before it happened, Mr McNamara had already indicated that he might soon accept the need for a "thin" missile defence system, calculated to offer protection against a Chinese but not a Russian attack; and military thinking in Moscow may turn out to be moving on remarkably similar lines.

The flaw in the happy idea of the super-powers guarding themselves against China, while refraining from destabilising their own nuclear balance, is that once a "thin" system had been adopted the pressures for thickening it would inevitably build up all the faster. There is only one thing in sight that could, with luck, avert this prospect: it is the possibility of a non-proliferation treaty being concluded in such a form that, as Sr Castañeda and others have pointed out at Geneva, the super-powers found themselves under real pressure to maintain restraint in order to make the treaty stick.

No Campaign Against Poverty

Once again, Britain's social security system is being distorted; hundreds of millions of pounds are being distributed to those who are not most in need

ON Wednesday the Government published its bill to raise retirement pensions next October in the old indiscriminate way; its effect will be to spread some £158 million a year

tested supplementary benefits. Increases in other insurance benefits and service pensions will add about £85 million a year on top of that. And next month the Government is likely to announce an eventual increase in family allowances

Franco's government would not further exacerbate the situation until the end of the summer, when it would again tighten its squeeze in time to impress the United Nations assembly. Spanish receipts from tourism dipped very slightly in May, for the first time in eight years, and they are more important than ever this year in view of the expected decline in emigrants' remittances. Tension around Gibraltar would do the Costa del Sol no good. But some riposte to the referendum decision is now expected.

It could take the form of tighter restrictions on air traffic. The Anglo-Spanish talks about the restrictions imposed by Spain in mid-May had already ended in

deadlock on June 8th. Britain was expected to resort again to the International Civil Aviation Organisation in Montreal and if necessary to the Hague court too. So far, according to Whitehall, there has been "little or no interference" with civil air traffic. In Spain there is now talk of introducing frequent fighter patrols and even of putting up a barrage balloon or two in the hope that airline pilots would be demoralised and refuse to land at Gibraltar.

Arab support will be sought to dissuade Morocco from supplying Gibraltar with labour and fresh food. This should be forthcoming, in view of General Franco's backing for President Nasser against Israel, which Spain has never recognised. The

influential Catholic Action daily *Ya* insists that Britain is too weak economically to sustain Gibraltar for long against an all-out "siege." And now, it says, is the time to tighten the screw.

Meanwhile the latest figures for merchant shipping using Gibraltar show a sustained increase, and development is still going rapidly ahead—in contrast to recent setbacks encountered in Spain's attempt to improve conditions in the neighbouring Algeciras region. Whatever Madrid does next, it is unlikely to take early steps to reduce any further the daily flow into Gibraltar of Spanish workers for whom the Rock still provides badly needed employment.

THE WORLD

Vietnam



A war that feels different when you're there

BY OUR SPECIAL CORRESPONDENT

One day when the Vietnam war is over, the story goes, a Pulitzer prize will be awarded for the best piece of subjective reporting. Nominations come easily to mind. Much of the writing about Vietnam has been brilliant; the only trouble is that, after one has been there, one wonders which country the authors are talking about.

Yet the crack now current in Saigon is less cynical than it sounds. Rarely in the history of journalism has there been a story which so negates the principles of objective reporting and analysis; and perhaps never has there been a war in which it has been so easy for reporters to lose all sight of the basic issues.

To start with, for 95 per cent of correspondents it is possible to see the war only from one side. True, the Hanoi government does admit a few journalists and observers—but usually persons who can be relied on to take a sympathetic view of the communist case (which is perhaps fair enough as the ethics of public relations go, but is not how the Americans play it). But entry into Vietcong-controlled territory in South Vietnam is, for western correspondents, virtually impossible. This is accepted as perfectly normal by all journalists and is rarely adduced as an argument to refute the communist thesis that the Vietcong is a genuine, popular, "democratic" move-

ment.

The result is that almost every visitor to Vietnam, from the moment of arrival, is "on the American net," and is subjected to the unconscious pressures, preconceptions and occasional brain-washing of Juspao, the Joint US Public Affairs Office, perhaps the most gigantic government PR-juggernaut ever devised. Inevitably, this produces two diametrically opposite results: either a ferocious scepticism which refuses to accept anything the Americans put out, or a helpless acceptance of the daily avalanche of military and political data, which all seems totally unverifiable anyhow.

The reporter's confusion is increased by the presence of hordes of "un-professionals" with an axe to grind, though not all have the candour of Miss Mary McCarthy ("I confess that when I went to Vietnam early in February I was looking for material damaging to the American interest . . ."). Unleash the feminine mind in an imbroglio like Vietnam, compounded

of muddle and pathos, cruelty and confusion, and abounding with a farrago of heart-tugging secondary issues, and it will really go to town.

Then there is the current fashion in western papers for "trendy" reportage. It is "trendy" to report in harrowing detail the scene when an American aircraft hits the wrong target, or to analyse in depth the theatrical protestations of the Buddhists (although at the moment the Buddhists have about as much influence on the political situation as the Convocation of the Church of England has on the policies of 10 Downing Street). It is not "trendy," apparently, to report in detail the slow, faltering progress towards democracy embodied in the current rural elections in the south, or the scene whenever a Vietcong assassination squad executes half a dozen pro-government headmen or teachers (because that would be swallowing American propaganda).

For British correspondents, like this one, who have felt the tang of genuine colonial rebellions a special dilemma arises. It is almost a reflex action to assume that because the British have repeatedly misjudged the nature of nationalist movements in many parts of the world, especially in the 1950s, the Americans must be doing the same in Vietnam today. The British made the mistake of refusing to come to terms soon enough with Kenyatta, Makarios, Banda (Nasser himself if you like) and a pantheon of other nationalist leaders; so it follows that the Americans must be making the same mistake vis-à-vis the leaders of the Vietcong. Seen from London, it is an inviting sophistry, enhanced by the indisputable fact that in the 1945-54 period at least the Vietminh, the progenitor of the Vietcong, did have the characteristics of a genuine (albeit communist-led) anti-colonial movement.

The trouble is that, out in Vietnam, the whole thing just smells differently. No Vietnamese I talked to ever spoke of the Vietcong as if it were *his* movement; they talk about "them." As the demonstrations in Saigon earlier this year showed, a good many Vietnamese relish the opportunity to

burn the Vietcong leaders and Ho Chi Minh in effigy. Did one ever see the Cypriots burning Makarios in effigy in 1955-59, even though many of them disagreed with his tactics? Or Africans doing the same to Kenyatta?

It is too easily overlooked that several large elements in South Vietnam's 15 million people have a built-in aversion to communist rule however much they may (quite rightly) disagree with the Saigon government and democratically squabble among themselves: the 1½ million Roman Catholics, mainly refugees from the north, the Cao Dai and Hoa Hao sects (who number about five million between them), the Chinese merchants of Cholon, and other minority groups.

Then there are the monthly defection figures. True, the desertion rate from the South Vietnamese army is still far too high; but it is significant that the South Vietnamese deserters usually drift home to their families, whereas the Vietcong defectors who come in under the Chieu Hoi "open arms" programme usually make a calculated switch to the government side and are doing so in increasing numbers.

But the surest way of finding out what people really think about the communists is to go into a village which has been raided by the Vietcong the night before. Language may be a barrier; the expressions on the faces tell a lot. Do these people genuinely want the Vietcong in preference to even a rickety, pseudo-democratic regime in Saigon? Do they want the Americans to quit—"because they're causing all the

trouble"? Some people argue that they do. But it's worth having another look at those faces.

The point is worth elaborating, because it is pivotal to the whole controversy. Indeed, it might be argued that the whole left-wing interpretation of the Vietnam war is not progressive enough: it sees the conflict in terms of the pre-1954 situation, and not in terms of 1967.

Before 1954 there was a straight colonial war in Vietnam. After that South Vietnam became a country in its own right, with at least as much independence from outside powers as North Vietnam had. The second Vietnam war is about which system is to rule in Saigon. It is a conflict of the post-colonial period. And in the past 13 years a great many Vietnamese have tasted communist rule, and a lot of water and blood has flowed under the bridge. There is no reason to believe that the estimate of 50,000 civilians murdered or kidnapped by the communists since 1954 is exaggerated. The case for the American presence in defence of the South Vietnamese was summed up succinctly by *The Guardian* on June 6th:

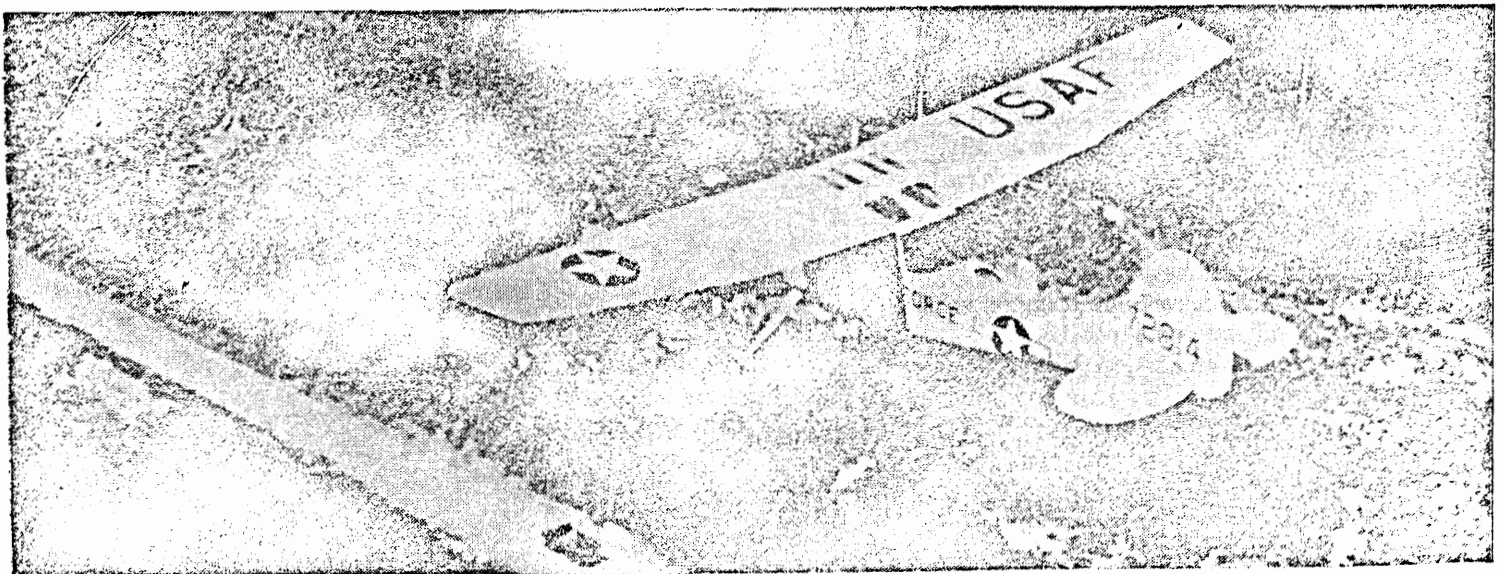
It is a mistake . . . to assume too readily that people in South Vietnam would prefer communist rule to an extension of the security that American operations have brought to many of the populated areas. The Vietnamese have been through a terrible experience and their sufferings are not finished. It does not follow, however, that the shortest route to a peaceful life is by allowing the Vietcong to take over.

Trying to hit the target

So much for the Americans' presence. But what about their methods—are they going about things the right way? At this point the mind reels, and the eardrums are bruised with the babel of conflicting opinions.

When one watches the Americans in action, one is reminded of the memorable dictum of the colonel in "The Tea-house

of the August Moon"—"I'll teach you people democracy even if I have to shoot you in the process." In so many glaring ways the American effort is both ineffectual and elephantine. There is the bewildering proliferation of overlapping agencies and programmes, all of them no doubt competing with each other for the kudos, and the



Who would want to go spotting in one of these?

budgetary benefits, which can be bestowed by their masters in Washington. There is (or has been) Macv and Oco, Usaid, Usom and Juspao, not to mention Cacs and Vats, and New Life and Self-Help—and, as a bonus, Civil Affairs and Civil Action (which are not to be confused): the American penchant for over-organisation turned into a nightmarish extravaganza, in the heart of the jungle. The story goes of one observer who arrived, had a look at it for 48 hours, decided the whole thing was a nonsense, and quit.

Then there are the ubiquitous whiz-kids and CIA men, out to carve quick reputations for themselves and too often insensitive to Asian history and mentality; the endless, inevitable squabbles between the soldiers and the civilians; the hamstringing effect of the 12-month posting rule, which means that for a good part of their stint the individual soldiers are ineffectual (for the first few months they are settling in, during the last couple of months they are thinking of getting home). Above all, there is the presumptuousness which goes along with the inherent American sense of omnipotence. Although at every turn officials stress that they are in Vietnam only to "assist" the Vietnamese, when it gets down to brass tacks they (usually unintentionally) give the impression that they are running the show—whether the show be a major operation or a demonstration in water-melon husbandry.

Human nature being what it is, these defects are probably inseparable from a vast operation of this kind. And in fairness it should be said that, in addition to the whiz-kids, there are a great many balanced, perceptive Americans who fully realise that their methods are defective, and that the situation will never be resolved by brute force alone. Paradoxically, one of the encouraging things about the American effort is that there is a disparity between what officials say publicly, and what they say privately. The former statements, often for domestic consumption, are over-optimistic; the private off-the-record briefings often reflect a shrewd appreciation of the true situation and the difficulties still to be encountered.

These are generalisations. What of the more particular allegations levelled against the Americans? First, the bombing. It is part of the through-the-looking-glass distortion of the outside view of the war that the bombing transcends all else in importance. In Vietnam, it seems just one more element in an unending tribulation; people have been getting killed for so long that it does not seem to matter greatly whether death comes from a bomb or a bullet, a gun or a grenade.

There are two separate issues which, like everything in Vietnam, have become hopelessly confused. How ruthless is the bombing? How far is it militarily effective? The testimony of most correspondents who have flown on American air strikes is that the pilots take immense pains to pin-point their targets and in particular to avoid hitting civilians. When one is sitting in a slow-moving Forward Air Control

reconnaissance plane awaiting "ground clearance" from a local Vietnamese official—nervously asking the pilot as he circles the Vietcong target what-the-hell-he's-hanging-around-for—one cannot suppress the thought that the vast battalion of well-meaning clergymen, university dons and theatrical luminaries who are falling over themselves to sign full-page denunciations of American "atrocities" may be, to put it mildly, somewhat misinformed.

If one cross-examines the Yankee Station pilots who have carried out the bulk of the raids on North Vietnam (an exercise which Mr Harrison Salisbury neglected in his appraisal of the bombing of the north) this impression is strengthened. No doubt some of the bombs do hit civilian buildings; but if there is any evidence that they are deliberately aimed at civilian targets the pilots are ruthlessly carpeted. (And, as one Yankee Station pilot put it, "After Dresden who are you British to talk?") In sum: it is hard to escape the conclusion that the international furor over bombing atrocities is a nonsense.

Whether the military gains achieved by the bombing of North Vietnam outweigh the political disadvantages is, however, another matter. Despite the relentless pounding of installations and supply routes, arms and equipment continue to filter through from the north to the communist units in the south. Inevitably, the Americans retort that, but for the bombing, the flow would be infinitely greater; and it is perhaps significant that the Vietcong is now concentrating its main military effort in the First Corps area—in the northern part of South Vietnam, below the demilitarised zone—where its supply lines are shortest. But the more serious argument against the bombing is that it may be stiffening rather than undermining North Vietnam's will to

resist. From information that percolates through, by way of the International Control Commission and other sources, this is at least arguable. And the Americans have now lost over 2,000 aircraft—planes and helicopters—in the past 2½ years, nearly 600 of them over the north.

There may be no short-cuts; no alternative to the hard, bitter, bloody slog that has characterised the recent fighting in Quang Tin and other provinces south of the demilitarised zone, where large Vietcong and North Vietnamese regular forces are now concentrated. The Americans' weekly casualty list for the seven days ending May 28th was their highest of the war (313 dead and 2,616 wounded)—and it is too easily forgotten that the South Vietnamese casualties, including assassinations by terrorists, are always a good bit higher.

Why Hanoi persists in committing its troops to open engagements is a mystery. Prestige considerations may play a small part, but it is more likely that Ho Chi Minh and his lieutenants are desperately anxious to maintain their supply routes through Laos, and also to bog down thousands of the best American troops in the intractable terrain of the central highlands. One important fact that has emerged from recently captured documents is that the Vietcong command, under its North Vietnamese supremo, General Thanh, regularly sends back to Hanoi wildly exaggerated estimates of American casualties from the open encounters. In some cases the number of dead has been multiplied about 20 times. The allied figures of communist dead are obviously pretty high too, but not as far out as that. The Hanoi government is receiving a distorted picture of the progress of war, which may have led it to dangerous miscalculations, and may still do.

How do you keep the pacifiers alive?

One humanitarian side-effect of the present concentration of the war in the northern provinces is that there is less bloodshed in the much more densely populated south, particularly in the Mekong delta. Paradoxically, this may suit both sides. The Americans are spared the opprobrium of having to embroil innocent civilians in their operations; while the Vietcong feel they can achieve their objectives in the south better by psychological warfare and terrorism—and by trying to paralyse the joint American-Vietnamese programme of pacification or "Revolutionary Development." Unfortunately, this is all too easy for them to do.

There are two basic axioms about pacification which need to be stressed at the outset: first, that it needs to be implemented as far as possible by the Vietnamese (and other Asians) rather than the Americans; and, second, that it may take ten to fifteen years for any real, long-term success to be assured. The first of these points is acknowledged by the Americans, freely; the second, privately. Within the last month an important development has taken place.

Control of the American side of the programme has been taken out of civilian hands and given to the commander-in-chief, General Westmoreland. The logic behind this decision is that pacification can never work unless there is guaranteed security—and this implies a military participation. The telescoping of military and civilian operations also means that a lot of the administrative bickering should cease. Many observers believe that the new system will operate more effectively than the last; but it may make the American troops look increasingly like an army of occupation, an impression they have always tried to avoid.

Over the last nine months (and American officials argue that only last autumn did pacification really get under way) the whole programme has been a curious hotch-potch of whiz-kidery, preconceived theory and painstaking trial-and-error pragmatism—with, it is fair to add, a good dash of honest endeavour and American idealism thrown in. Some of the best results have been achieved by unpretentious units like the

budgetary benefits, which can be bestowed by their masters in Washington. There is (or has been) Macv and Oco, Usaid, Usom and Juspao, not to mention Cacs and Vats, and New Life and Self-Help—and, as a bonus, Civil Affairs and Civil Action (which are not to be confused): the American penchant for over-organisation turned into a nightmarish extravaganza, in the heart of the jungle. The story goes of one observer who arrived, had a look at it for 48 hours, decided the whole thing was a nonsense, and quit.

Then there are the ubiquitous whiz-kids and CIA men, out to carve quick reputations for themselves and too often insensitive to Asian history and mentality; the endless, inevitable squabbles between the soldiers and the civilians; the hamstringing effect of the 12-month posting rule, which means that for a good part of their stint the individual soldiers are ineffectual (for the first few months they are settling in, during the last couple of months they are thinking of getting home). Above all, there is the presumptuousness which goes along with the inherent American sense of omnipotence. Although at every turn officials stress that they are in Vietnam only to "assist" the Vietnamese, when it gets down to brass tacks they (usually unintentionally) give the impression that they are running the show—whether the show be a major operation or a demonstration in water-melon husbandry.

Human nature being what it is, these defects are probably inseparable from a vast operation of this kind. And in fairness it should be said that, in addition to the whiz-kids, there are a great many balanced, perceptive Americans who fully realise that their methods are defective, and that the situation will never be resolved by brute force alone. Paradoxically, one of the encouraging things about the American effort is that there is a disparity between what officials say publicly, and what they say privately. The former statements, often for domestic consumption, are over-optimistic; the private off-the-record briefings often reflect a shrewd appreciation of the true situation and the difficulties still to be encountered.

These are generalisations. What of the more particular allegations levelled against the Americans? First, the bombing. It is part of the through-the-looking-glass distortion of the outside view of the war that the bombing transcends all else in importance. In Vietnam, it seems just one more element in an unending tribulation; people have been getting killed for so long that it does not seem to matter greatly whether death comes from a bomb or a bullet, a gun or a grenade.

There are two separate issues which, like everything in Vietnam, have become hopelessly confused. How ruthless is the bombing? How far is it militarily effective? The testimony of most correspondents who have flown on American air strikes is that the pilots take immense pains to pin-point their targets and in particular to avoid hitting civilians. When one is sitting in a slow-moving Forward Air Control

reconnaissance plane awaiting "ground clearance" from a local Vietnamese official—nervously asking the pilot as he circles the Vietcong target what-the-hell-he's-hanging-around-for—one cannot suppress the thought that the vast battalion of well-meaning clergymen, university dons and theatrical luminaries who are falling over themselves to sign full-page denunciations of American "atrocities" may be, to put it mildly, somewhat misinformed.

If one cross-examines the Yankee Station pilots who have carried out the bulk of the raids on North Vietnam (an exercise which Mr Harrison Salisbury neglected in his appraisal of the bombing of the north) this impression is strengthened. No doubt some of the bombs do hit civilian buildings; but if there is any evidence that they are deliberately aimed at civilian targets the pilots are ruthlessly carpeted. (And, as one Yankee Station pilot put it, "After Dresden who are you British to talk?") In sum: it is hard to escape the conclusion that the international furor over bombing atrocities is a nonsense.

Whether the military gains achieved by the bombing of North Vietnam outweigh the political disadvantages is, however, another matter. Despite the relentless pounding of installations and supply routes, arms and equipment continue to filter through from the north to the communist units in the south. Inevitably, the Americans retort that, but for the bombing, the flow would be infinitely greater; and it is perhaps significant that the Vietcong is now concentrating its main military effort in the First Corps area—in the northern part of South Vietnam, below the demilitarised zone—where its supply lines are shortest. But the more serious argument against the bombing is that it may be stiffening rather than undermining North Vietnam's will to

resist. From information that percolates through, by way of the International Control Commission and other sources, this is at least arguable. And the Americans have now lost over 2,000 aircraft—planes and helicopters—in the past 2½ years, nearly 600 of them over the north.

There may be no short-cuts; no alternative to the hard, bitter, bloody slog that has characterised the recent fighting in Quang Tin and other provinces south of the demilitarised zone, where large Vietcong and North Vietnamese regular forces are now concentrated. The Americans' weekly casualty list for the seven days ending May 28th was their highest of the war (313 dead and 2,616 wounded)—and it is too easily forgotten that the South Vietnamese casualties, including assassinations by terrorists, are always a good bit higher.

Why Hanoi persists in committing its troops to open engagements is a mystery. Prestige considerations may play a small part, but it is more likely that Ho Chi Minh and his lieutenants are desperately anxious to maintain their supply routes through Laos, and also to bog down thousands of the best American troops in the intractable terrain of the central highlands. One important fact that has emerged from recently captured documents is that the Vietcong command, under its North Vietnamese supremo, General Thanh, regularly sends back to Hanoi wildly exaggerated estimates of American casualties from the open encounters. In some cases the number of dead has been multiplied about 20 times. The allied figures of communist dead are obviously pretty high too, but not as far out as that. The Hanoi government is receiving a distorted picture of the progress of war, which may have led it to dangerous miscalculations, and may still do.

How do you keep the pacifiers alive?

One humanitarian side-effect of the present concentration of the war in the northern provinces is that there is less bloodshed in the much more densely populated south, particularly in the Mekong delta. Paradoxically, this may suit both sides. The Americans are spared the opprobrium of having to embroil innocent civilians in their operations; while the Vietcong feel they can achieve their objectives in the south better by psychological warfare and terrorism—and by trying to paralyse the joint American-Vietnamese programme of pacification or "Revolutionary Development." Unfortunately, this is all too easy for them to do.

There are two basic axioms about pacification which need to be stressed at the outset: first, that it needs to be implemented as far as possible by the Vietnamese (and other Asians) rather than the Americans; and, second, that it may take ten to fifteen years for any real, long-term success to be assured. The first of these points is acknowledged by the Americans, freely; the second, privately. Within the last month an important development has taken place.

Control of the American side of the programme has been taken out of civilian hands and given to the commander-in-chief, General Westmoreland. The logic behind this decision is that pacification can never work unless there is guaranteed security—and this implies a military participation. The telescoping of military and civilian operations also means that a lot of the administrative bickering should cease. Many observers believe that the new system will operate more effectively than the last; but it may make the American troops look increasingly like an army of occupation, an impression they have always tried to avoid.

Over the last nine months (and American officials argue that only last autumn did pacification really get under way) the whole programme has been a curious hotch-potch of whiz-kidery, preconceived theory and painstaking trial-and-error pragmatism—with, it is fair to add, a good dash of honest endeavour and American idealism thrown in. Some of the best results have been achieved by unpretentious units like the

marines' "Combined Action Companies" in the First Corps area, where small detachments of selected American troops live with South Vietnamese troops at key points in various hamlets, providing both a physical sense of protection from the Vietcong and all manner of improvised assistance in the daily chores of rural life.

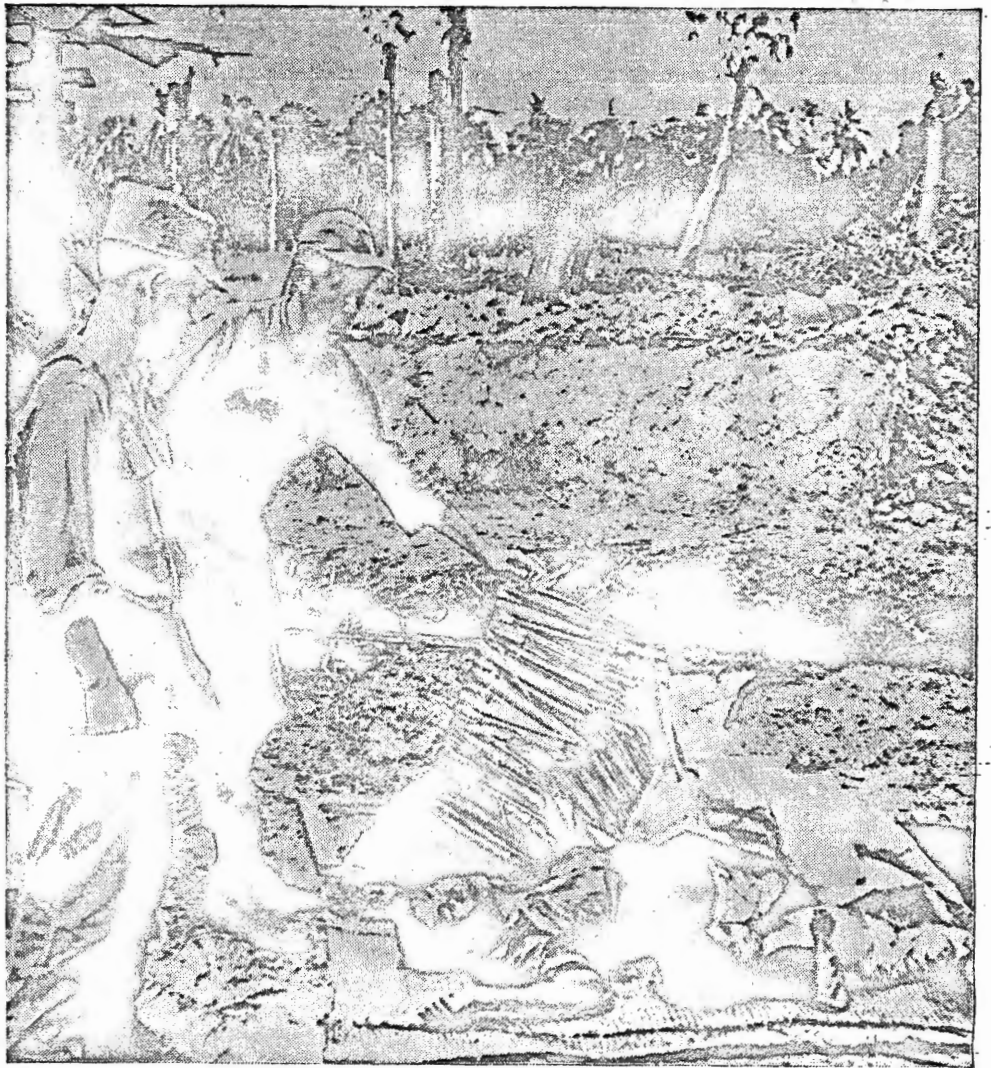
How far the more ambitious 59-member Revolutionary Development cadres are making an impact is hard to judge. In theory it is splendid—trying to beat the communists at their own game. But in many areas the cadres are haunted by the bogey of insecurity; and to recruit people of the right calibre is difficult. This shows up in all fields of Vietnamese administration; so many of the people of integrity and intelligence have already been bumped off by the Vietcong.

Little daily incidents vividly focus the issues. Visiting one of the more "secure" (always a relative term in Vietnam) hamlets in Phu Yen province, your correspondent was given a most impressive rundown of what Revolutionary Development had done in the previous twelve months: there was medical aid, educational facilities, care of refugees, care of the Chieu Hoi defectors, animal husbandry, and so forth. Here at last seemed to be an oasis of security and progress. Then, in a most matter-of-fact aside, a young American official casually remarked, "Of course, the local police chief and his girl friend got assassinated the other night just a mile or two from our headquarters."

A visit to an RD cadre at a village near Hué—suggested by the Americans as a place where a fair amount of pacification progress was taking place in "difficult" conditions—was even more macabre. A village headman and five of the leading villagers had been put up against a wall and shot by the communists a few hours before: the whole hamlet was made to watch.

Multiply this kind of thing a thousand times and one has a not-too-distorted picture of the realities of Vietnam; live with it long enough and defeatism inevitably creeps in. The Americans, many people argue, are simply fighting an unwinnable war. But the Americans are by now so committed morally and materially to defending the South Vietnamese that to pull out would be an appalling dereliction of their responsibilities, apart from what it would do to the Americans themselves. The situation would look more soluble if there were genuinely democratic elements within the Vietcong with whom the Americans and the Saigon government could deal. Unfortunately, there is no one in the National Liberation Front who comes within miles of the stature of even an Asnag or a Mackawee in Aden. All the available evidence suggests that the Vietcong is as tightly controlled by Hanoi as ever.

Much will depend on what happens in Saigon politics in the coming months. Marshal Ky has vowed that, if given the chance, he will seriously try to clean up corruption, which has long been a golden propaganda point for the communists. We'll see. More concretely, the first phase of the rural elections—to choose village and



After a Vietcong raid

hamlet councils—has just been completed, reasonably satisfactorily. The poll fluctuated between 60 and 84 per cent, despite a sustained Vietcong intimidation campaign directed against both candidates and voters. The slow restoration of grassroots democracy may help in a small way to generate an atmosphere of confidence for the more important elections for the presidency and the new national assembly, to be held in the autumn.

It now seems certain that both Marshal Ky and General Thieu, the head of state, will run for the presidency—plus about eight civilian candidates. Superficially, this may look like a robust, democratic free-for-all, but in the context of Vietnam's recent history it is all slightly ominous. Nothing is more important than that, for the time being, the generals should hang together; otherwise they may hang separately, and a lot of civilians with them. Realistically, the best upshot that can be hoped for in South Vietnam is a semi-democratic regime with a strong executive. In brass tacks, this may imply the paramountcy of the soldiers over the civilians, but there is no reason why plenty of civilians should not be included in the government. To talk about a coalition with the communists, as some western observers do, is totally unrealistic. Can those two groups of people be expected to co-operate around a cabinet

table after years spent in trying to kill each other?

Any attempt to draw the strands of the Vietnam situation together into a meaningful pattern is presumptuous. At times the Americans seem to have embarked on a crash programme not merely to establish democracy, but to extirpate original sin. One cannot but wonder whether the Americans, with their taste for quick results, can maintain the momentum of their present effort. In Ho Chi Minh's own words, "The Americans don't like long, inconclusive wars, and this is going to be a long, inconclusive war." What happens if, by this time next year, the hard, bitter slog has not produced more dramatically successful results? But for all the contradictions, for all the corruption and confusion, the bicycles and the bar-girls, there is in Saigon an underlying sense of something important being decided. The basic issue is that the people of South Vietnam should be allowed to live in relative freedom and security, to pursue prosperity in their own way. The many critics of American policy—not least the Secretary-General of the United Nations, who would do well to refrain from partisan pronouncements based on inadequate personal knowledge—should seriously ask themselves how this is to be permanently achieved. By letting the South Vietnamese be taken over by the Vietcong?

65

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 06-64
By CB, NARA Date 10-23-00

~~CONFIDENTIAL~~

Tuesday, June 27, 1967
11:20 a.m.

Pres file

Mr. President:

Herewith another ground
report on the somewhat uneasy life
of Hanoi under current bombing.

W. W. Rostow



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

~~CONFIDENTIAL~~

65a

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

ROUTINE

IN -98240

PAGE 1 OF 2 PAGES

STATE/INR	DIA	NMCC/MC	(SECDEF	JCS	ARMY	NAVY	AIR)	CIA/NMCC	NIC	NSA	OCR	SDO	AID
EXO, DDI									USIA	ONE	ORR	DCS	CGS

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

GROUP 1
Excluded from automatic
downgrading and
declassification

THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

261623Z

CITE

~~CONFIDENTIAL~~

DIST 26 JUNE 1967

EO 12958

3.4(b)(1)-25Yrs
(C)

COUNTRY: NORTH VIETNAM

DOI: MID-JUNE 1967

Rostow

SUBJECT: PRESIDENT HO CHI MINH'S NARROW ESCAPE FROM A 10 JUNE
AIR ATTACK ON HANOI; DISRUPTIONS IN HANOI CAUSED BY
RECENT BOMBARDMENTS.

ACQ:

SOURCE:

EO 12958

3.4(b)(1)-25Yrs
(C)

1.

NORTH VIETNAMESE PRESIDENT HO CHI MINH NARROWLY ESCAPED DEATH
DURING AN AMERICAN AIR STRIKE AGAINST HANOI ON 10 JUNE.

EO 12958

3.4(b)(1)-25Yrs
(C)

HO AND HIS ADVISORS WERE AT A HEADQUARTERS

~~CONFIDENTIAL~~

EO 12958

3.4(b)(1)-25Yrs
(C)

SANITIZED

E.O. 12958, Sec. 3.6

NLJ 98-186

By *is*, NARA Date *1-6-00*

~~CONFIDENTIAL~~
(classification) (dissem controls)

FACILITY IN THE HEART OF HANOI, "THE CONSEIL" WHEN THE AMERICANS ATTACKED AND WERE JUST ABLE TO REACH AN UNDERGROUND TUNNEL COMPLEX BENEATH THE CONSEIL BEFORE BOMBS STRUCK IT. [REDACTED] THE NORTH VIETNAMESE GOVERNMENT WOULD NOT BE REDEPLOYED TO A SAFER LOCATION, [REDACTED] THE [REDACTED] GOVERNMENT WOULD RE-MAIN IN RESIDENCE AT HANOI.

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

2.

[REDACTED] A MAJOR THERMAL POWER FACILITY LOCATED IN THE CENTER OF THE HANOI HAD BEEN DESTROYED AND [REDACTED] THERE WAS NOW NO ELECTRICITY THROUGHOUT THE CITY. [REDACTED] THE AIR ATTACKS HAD ALSO CAUSED SERIOUS DISRUPTIONS TO COMMUNICATIONS

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

[REDACTED] AMERICAN AIR ATTACKS HAD ALSO CAUSED AN ALMOST COMPLETE STOPPAGE OF WORK IN THE CITY BECAUSE OF THE CONSTANT AIR RAID ALERS. [REDACTED] HOWEVER, [REDACTED] MORALE WAS HIGH AND [REDACTED] EVERYONE SUPPORTED THE GOVERNMENT.

3. [REDACTED] DISSEM. STATE ARMY NAVY AIR CINCPAC PACFLT ARPAC PACAF [REDACTED]

REPORT CLASS ~~CONFIDENTIAL~~EO 12958
3.4(b)(1)-25Yrs
(C)~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Tues .y, June 27, 1967 66
11:00 a.m.

MR. PRESIDENT:

Bob Anderson called to report the following.

1. He has gone over the Panama Treaty with General Eisenhower. He is 100% for it. Bob reported to the General his recommendation to you that General Eisenhower be present for the signing. General Eisenhower said that he would accept.
2. Both General Eisenhower and Nelson Rockefeller agreed to permit Bob Anderson to tell Republican Senators and Congressmen that they were both 100% for the treaty.
3. Bob recommends that we generate positive statements from Senators Mansfield, Hale Boggs, etc.

Get Manatos and Barefoot Sanders to do this _____

No _____

See me _____
4. Anderson will be working on the Republican side of the Senate and the House to generate such statements.
5. Bob has been seeing various moderate Arabs in New York on an informal basis. He believes the visit to you of King Hussein is extremely important, and you should find a way to give him something which would strengthen the hand of the moderates. I asked him what. He said he wasn't sure. I suggested something in the field of refugees, and the need for Israel not to push the refugees out of the West Bank, as well as the need for all to help them find their feet. He said that might be it.
6. He also spoke to the Iraqi Foreign Minister Pachachi, whom you met. Bob asked him if the moderate Arabs could rally around the following propositions:

- Recognition of the right of all nations in the Middle East to live;
- Non-belligerence;
- A return of occupied territories;
- A refugee settlement.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 9285
By pw, NARA, Date 3-11-94

6/27/67

(We noted that a state of non-belligerence would withdraw the legal basis for closing Aqaba and the Suez Canal.)

Pachachi said it sounded as if it might be all right, but could he see it on paper. Bob has informed Sect. Rusk. I shall tell Mac and have him follow up to see if the collective judgment is that such a piece of paper should be generated and passed to Pachachi via Anderson.

W. W. R.

cc: Mr George Bundy

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 9285
By W, NARA, Date 3-11-94

67
L. R. P.
2. P. R. file

~~CONFIDENTIAL~~

Tuesday - June 27, 1967

Mr. President:

Herewith a memorandum from Bill Gaud asking your authorization to lend \$20 million to the Central American Bank for Economic Integration (CABEI). Covey Oliver, Joe Fowler and Charlie Schultze recommend approval.

The loan will be used by CABEI to finance road projects of the Central American regional highway network. This is in line with the Punta del Este decisions on multinational projects which will promote the physical integration of Latin America.

Our \$20 million will be matched by \$5 million from the Central Americans. This will increase their ratio of contribution to CABEI from the former level of 5:1 to 4:1. As conditions of the loan, the Central Americans will be required to:

- increase road user taxes to finance improved road maintenance, and
- remove unreasonable administrative delays at border crossings.

I am satisfied that AID has worked out satisfactory arrangements with the World and Inter-American Banks for full coordination of their lending activities to CABEI and the individual governments.

The Central American Common Market, of which CABEI is part, is one of our success stories. It continues to perform well and deserves our support. I recommend approval.

W. W. Rostow

Approve ☒

Disapprove ☐

See me ☐

Attachment

~~CONFIDENTIAL~~

67

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

JUN 24 1967

MEMORANDUM FOR THE PRESIDENT

Subject: \$20 Million Loan to the Central American Bank for
Economic Integration (CABEI)

Bill Gaud has asked you to approve a \$20 million loan to the Central American Bank for Economic Integration (CABEI). Gaud and Linc Gordon believe this is a good regional institution which deserves our continued support, particularly in light of the recent Latin American Summit Meeting.

The Central American nations have had a remarkable record of self-help. They have made great progress in establishing a Common Market and other regional institutions. Virtually all tariffs between the five member countries have been eliminated, and a common external tariff has been established. A regional monetary clearing house has been created. Since 1960, when the Central American nations agreed on integration,

- trade within the region increased sixfold,
- the overall rate of economic growth exceeded 6% annually.

The proposed loan would be earmarked for the Bank's Fund for Economic Integration to finance road projects which are part of the Central American regional highway network. As conditions of the loan, the member countries will be required to

- increase road user taxes to finance improved maintenance of the highway network,
- eliminate unreasonable administrative delays in border crossings.

CABEI's lending program will be coordinated with the World Bank, which also finances transportation projects in Central America. CABEI's projects are selected on the basis of regional rather than individual country priorities. To encourage this regional approach, AID no longer provides bilateral assistance for road projects to the Central American nations.

The Bank's Fund for Integration was created in 1965 with an AID loan of \$35 million and an initial contribution of \$7 million from the member countries. Last January, the IDB contributed \$15 million, matched by an additional \$3 million from the Central Americans. The proposed \$20 million AID loan will be matched by \$5 million from the member countries, increasing the Central Americans' contribution from 20% to 25%.

The funds available to the Fund for Integration will be fully committed to key regional highway projects within a few months. The proposed loan will permit the Bank to continue to make commitments from the Fund at least into early 1968.

Gaud may recommend a further AID loan to CABEL next fiscal year at the time the Bank requires additional funds. To further promote regional integration, however, future loans would be directed towards multi-national projects such as regional grain storage systems, telecommunications, power, ports and waterways, as well as roads.

Balance of Payments

The funds provided under this loan will be used for purchases of goods and services in the United States. Secretary Fowler agrees that the Special Letter of Credit and other procedures to be used for procurement will minimize the impact on our balance of payments.

I recommend that you approve this loan.

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

Attachment

Approve _____

Disapprove _____

676

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

JUN 21 1967

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed A.I.D. Loan to the Central American
Bank for Economic Integration (CABEI).

I recommend that you authorize me to proceed with a loan of \$20,000,000 to the Central American Bank for Economic Integration (CABEI) to be earmarked for the "Central American Fund for Economic Integration" which finances regional infrastructure projects. CABEI is an international public development bank created in 1961 by the five member governments of the Central American Common Market.

The proposed loan will represent prompt United States follow-up action to the decisions of the recent meeting of Chiefs of State of the Hemisphere, at which the Latin American Presidents committed their countries to move towards a Latin America-wide Common Market. The Central American Common Market constitutes a model for the Latin America-wide integration process and the Integration Fund is a proven mechanism for financing multi-national projects in support of economic integration.

The Project

The proposed A.I.D. loan will enable the Central American Integration Fund to expand its lending activity. The Fund was created in 1965 on the basis of an initial \$7,000,000 contribution by the member countries of the Central American Common Market and a \$35,000,000 A.I.D. loan signed by you and the President of CABEI in a ceremony on July 29, 1965. The Fund's resources were later increased through a \$15,000,000 Inter-American Development Bank loan granted in January 1967 (including \$3,500,000 in Canadian funds administered by the IDB) matched by an additional \$3,000,000 input by the member countries.

The 1965 A.I.D. loan as well as the original Central American contribution have been fully committed for key regional highway construction projects. The IDB loan and the supporting funds from member countries have also been almost entirely allocated to such projects. Some of the regional highways are already under construction; others are now fully engineered with bids on construction proceeding as scheduled.

Substantial additional resources are needed to complete the regional highway network during the next few years and to make a start in carrying out other multi-national projects such as electrical interconnections, telecommunications, ports and waterways and regional grain storage systems. Feasibility studies have been completed or are underway for many of these projects, which have an estimated total cost in excess of \$200,000,000. Some of these projects may eventually be financed by the IDB and the IBRD, as well as by the Fund itself.

CABEI has requested an A.I.D. loan of \$50,000,000 and the member countries have agreed to contribute to the Fund a further \$10,000,000 over a five-year period. After careful review of the Fund's existing resources and the likely rate of commitment and sub-obligations, I am recommending that you authorize me to negotiate a \$20,000,000 loan at this time to be supported by \$5,000,000 of the member countries' new contribution. Such a level of funding should enable CABEI to make commitments for regional infrastructure at an adequate rate during the next few months. At the same time, it will enable us to keep under close review the progress of this young regional bank in planning and execution of its projects. Depending on CABEI's and the member countries' performance under the terms of this loan and on general conditions in the area, I may recommend a further A.I.D. loan to the Integration Fund at some later date, to be supported by the remainder of the contribution which the member countries are committed to make in the course of the next five years.

Self-Help

The efforts which the five Central American countries have made since 1960 to establish a common market and to create regional institutions in support of the integration movement form a remarkable record of self-help. Most significant has been the elimination of virtually all tariffs on trade between these countries and the establishment of a common external tariff involving substantial surrender of sovereignty. In this respect, the Central American Common Market is years ahead of the rest of Latin America. In addition, the Central American countries have started to lay the basis for the eventual unification of their monetary systems through the

creation of a Central American clearing house and have increasingly substituted regional for unilateral action with respect to exchange, trade and monetary policies.

The Central American countries have mobilized and pooled sizable resources for multi-national purposes through CABEI. They have committed themselves to make \$32,500,000 available to the Bank (including the Integration Fund) of which \$16,500,000 has already been paid in. This increasing Central American support to CABEI will make it possible to reduce the ratio of A.I.D.'s to member country contributions from 5 to 1 to 4 to 1. Moreover, the Central American countries will be asked as a condition of this loan to increase user taxes and vehicle license fees so that improved maintenance systems for all roads in Central America can be developed. A further condition of the proposed loan will require the countries to eliminate all unreasonable administrative border crossing delays and to reduce the time of transit trade.

United States Interest

A major objective of the U. S. Government in Central America is acceleration of the economic integration of the five countries which comprise it. Thus far the integration process has been dramatically successful. As a result of the elimination of tariffs, trade between the five member countries of the Central American Common Market has increased from \$31,000,000 in 1960 to an estimated \$176,000,000 in 1966. This has doubtlessly contributed to the relatively rapid rate of increase in Central American per capita income, to greater net exports and the growing variety of goods available.

In the long run a socially and economically unified Central America will be far more viable than five small, stagnant economies and is likely to be both a better trade partner and a more stable ally for the United States. The successful continuation of the Central American integration process depends to a very important extent on the creation of adequate regional transport and communication facilities between these countries. The Integration Fund makes a vital contribution by financing such projects with the allocation of funds based on regional rather than individual country needs. Thus, of the initial Fund resources, more than one-third was allocated to Honduras not because it is the poorest of the five countries, but because its inadequate infrastructure was the greatest impediment to regional integration. It should be noted that the member countries contribute equally to the Fund which finances 100 percent of the cost of regional infrastructure projects.

Balance of Payments

At least 75 percent of the proposed equipment and services financed by this loan will be directly procured in the United States. In addition, there will be considerable off-the-shelf procurement of spare parts, tools, etc. of U. S. manufactured items purchased with the balance of the loan. For these reasons, we consider the adverse balance of payments impact of this loan to be minimal.

William S. Gaud

William S. Gaud

~~SECRET~~

~~RESTRICTED DATA~~

Pres file 69

JUN 27 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: [REDACTED]

b.1
(a)

[REDACTED]

b.1
(a)

The Department of Defense recommends that it be given immediate authority to [REDACTED]

[REDACTED] DOD advises that the [REDACTED] will be installed in the [REDACTED] and that this work should be completed by February 1968. Defense points out that the [REDACTED]

3.3
(b)(2)
(5)(6)

[REDACTED]

b.1
(a)

SANITIZED

E.O. 13292, Sec. 3.5

NLJ 04-60

By *us*, NARA, Date *2-9-05*

~~SECRET~~

~~RESTRICTED DATA~~

~~SECRET~~
~~RESTRICTED DATA~~

[REDACTED] In
addition, DOD points out that perhaps more important than the embar-
rassment is the consideration that we should maximize support of [REDACTED]
[REDACTED] which,
obviously, do not require [REDACTED] Since
this is the initial increment of [REDACTED] in the [REDACTED]
[REDACTED]

6.1
(a)

3.3
(b)(5)
(6)

The Deputy Secretary of Defense affirms his view and that of the Joint Chiefs of Staff that they are convinced that it is in our best interest to proceed with this dispersal at this time.

If you concur in their recommendation I will sign the attached memorandum to the Secretary of Defense.

14
W. W. Rostow

Approve _____

Disapprove _____

See me _____

cc: Francis Bator
Spurgeon Keeny

CEJ:em

~~SECRET~~
~~RESTRICTED DATA~~

~~SECRET~~

~~RESTRICTED DATA~~

WWR
69a

JUN 29 1967

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: [REDACTED]

6.1
(a)

[REDACTED]

6.1
(a)

It is noted that these [REDACTED]

6.1(a)

[REDACTED] will start November 1967 with the expectation that they will all be installed by February 1968.

3.3
(b)(2)
(5)(b)

[REDACTED]

/s/ WWR
W. W. Rostow

cc: Spurgeon Kenny

CEJ:em

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 04-60
By us, NARA, Date 2-9-05

~~SECRET~~
~~RESTRICTED DATA~~

~~SECRET~~
~~RESTRICTED DATA~~

Tuesday, June 27, 1967

Pres file *WWR*
70

MEMORANDUM FOR THE PRESIDENT

SUBJECT:

b.1(a)

Your approval is recommended. If you approve I will sign the attached memorandum for the Deputy Secretary of Defense.

Approve ✓

Disapprove

See me

W. W. Rostow

cc: Spurgeon Keeny

CEJ:em

~~SECRET~~
~~RESTRICTED DATA~~

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 04-60
By SJ, NARA, Date 5-24-04

WWR

70a

~~SECRET~~

~~RESTRICTED DATA~~

JUN 29 1967

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

SUBJECT:

b.1(a)

/s/ WWR Rostow

W. W. Rostow

~~SECRET~~

~~RESTRICTED DATA~~

CC: Spurgeon Keeny
CEJ:em

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 04-60
By Sj, NARA, Date 5-24-04

~~SECRET~~
~~RESTRICTED DATA~~

WWK
Pringle
71
Tuesday, June 27, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: [REDACTED]

3.3
(b)(2)
(5)(6)

[REDACTED]

6.1
(a)

[REDACTED]

6.1
(a)

All other custodial, personnel, and security arrangements required to support [REDACTED]

Approval of this request will not require any [REDACTED]

3.3(b)
(5)(6)

[REDACTED] in NSAM 334.

Your approval is recommended. If you approve I will sign the attached memorandum for the Deputy Secretary of Defense.

W. W. Rostow

Approve _____

Disapprove _____

See Me _____

~~SECRET~~
~~RESTRICTED DATA~~

cc: Spurgeon Keeny

CEJ:em

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 04.60
By iw, NARA, Date 2-9-05

UWR
71a

~~SECRET~~
~~RESTRICTED DATA~~

JUN 29 1967

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

SUBJECT: [REDACTED]

[REDACTED]

The requested authority has been approved with the understanding that [REDACTED] under this authority are programmed for [REDACTED] in accordance with NSAM 160.

Approval of this request will not require any increase in the [REDACTED] in [REDACTED] NSAM 334.

/s/ W W Rostow
W. W. Rostow

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 04-60
By isa, NARA, Date 2-9-05

~~SECRET~~
~~RESTRICTED DATA~~

cc: Spurgeon Keeny

MEMORANDUM FOR MARVIN WATSON

June 27, 1967

SUBJECT: Luncheon for King Hussein

The President has agreed to a small working luncheon for King Hussein on Wednesday, 28 June.

My recommendation for the guest list would be as follows, but I would appreciate your checking with the President:

- ✓ Under Secretary Katzenbach (Secretary Rusk will be hosting a lunch for the Thai King and Queen.)
- ✓ Secretary McNamara
- ✓ McGeorge Bundy
- ✓ Walt Rostow
- ✓ Findley Burns, the President's Ambassador to Hussein

Mac Bundy's notion and mine is to keep it as small as possible since, at present count, there will only be four Jordanians--King Hussein, Foreign Minister Ahmad Tugan, Major General Amir Khammash (chief of staff) and Jordanian Ambassador in Washington, Farhan Shubeilat.

However, ~~other possibilities~~ would include George Christian, Gene Rostow and Bill Macomber (former US Ambassador in Jordan who knows the King intimately and has performed two special missions to him since November).

Since this is strictly a working session, I anticipate no formal arrival statement and no formal toast at lunch. However, we will provide a paper on press guidance for the President and Hussein to approve for George Christian.

The King has asked--and we strongly recommend--that he have an opportunity for a private talk alone with the President. There are things he will want to say that he can't say in front of any other Jordanian.

W. W. Rostow

~~CONFIDENTIAL~~

FOR THE PRESIDENT FROM BATOR VIA ROSTOV.

W.W.R.
22

The following are Secretary Rusk's recommendations on Kiesinger visit schedule:

Friday, July 7

(Kiesinger will arrive Andrews at 5:00 PM on the 6th; Willy Brandt later that evening. The Germans have asked that we not schedule anything with you until they are both here.)

- 11:30 AM. Welcoming ceremony (military honors)
- 12 noon. Chancellor with President, advisors in Cabinet Room
- 1:40 PM. President and Chancellor meet with press for about 20 minutes. (Rusk will give lunch for Kiesinger at 2:00 PM.)
- 8:00 PM. White House dinner.

Saturday, July 8

- 10:00 AM. Second Presidential meeting with Kiesinger. (He is scheduled to attend a private lunch at 1:00 PM.)

Kiesinger will spend Sunday (the 9th) with his daughter and son-in-law, and leave for Bonn on Monday morning.

Approve _____

Change as follows _____

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By Ag, NARA, Date 6-27-91

W. W. Rostow

74

June 27, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Loan to Pakistan for Diesel Locomotives- \$15 million

Bill Gaud is here requesting authority to make a \$15-million loan to finance 65 diesel electric locomotives for the Pakistan Western Railway. This is a small part of a much larger rail-road modernization plan into which the World Bank, AID and other consortium members have already invested over \$250 million.

This will help to modernize a key sector of Pakistan's critical transport system and will play an important part in accelerating Pakistan's agricultural performance.

AID will be insisting upon improved freight operations, rate adjustments and other specific measures of self-help.

Since the locomotives will be purchased here, there will be no appreciable effects on the balance of payments.

Charlie Schultze and Henry Fowler concur. I recommend you approve.

W. W. Rostow

Approve ✓ 6/29/67

See me _____

2460
74a

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

JUN 23 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Loan to Pakistan for Diesel Locomotives

In the attached memorandum, Bill Gaud requests your authority to make a \$15 million loan to finance 65 diesel-electric locomotives for the Pakistan Western Railway. This is part of a continuing railroad modernization plan under which the World Bank, AID, and other consortium members already have invested over \$250 million.

Transportation is a key sector in Pakistan. Over two-thirds of all goods traffic moves by rail. The railroad system is particularly important to the agricultural sector for the movement of foodgrains, fertilizer and seed. To accomodate the growth in rail traffic expected under the Third Plan, capacity will have to increase by 30 percent.

AID has identified a number of problem areas in the operations of the railroad which need to be corrected. As a condition of this loan, AID will require agreement by the railroad authority to

- improve freight operations prior to increasing passenger service
- reduce short haul traffic through rate adjustments and other means
- specify measures to overcome other problems identified by AID.

Secretary Fowler agrees that the balance of payments impact of the loan will be minimal.

I recommend that you approve the proposed loan.

Charles L. Schultze

Charles L. Schultze
Director

Attachment

Approve _____

Disapprove _____

12
447

U. S. Balance of Payments: The funds made available under the proposed loan would be used to finance commodities and services of U. S. origin only. Since the inception of the dieselization program, the Pakistan railroads have purchased almost exclusively U. S. diesel electric locomotives. The continued purchase of U. S. locomotives by Pakistan is unlikely if loan funds are not available from A.I.D. In that event, financing available from other sources would probably be used and the market for American locomotives might well be jeopardized. There is, in addition, a prospect of a continuing purchase of spare parts by the Pakistani Railroads which A.I.D. is not now financing.

Self-Help: The loan agreement is being drafted to include several provisions designed to increase the operational efficiency of the PWR and to ensure the most economic use of the locomotives to be financed under this loan. Most of these conditions have already been discussed with the PWR and have been accepted in principle. The conditions are:

- (1) Continuing periodic consultation with A.I.D. and its consultants on the measures to be taken for the improvement of the PWR's operations, the first such consultation to take place, and an agreement on such measures to be arrived at, prior to the disbursement of loan funds. Subsequent consultations are expected to be arranged at intervals of approximately six months to review the results achieved and additional steps to be taken.
- (2) Assurances that passenger service will not be expanded until freight operations have been improved to the point where the anticipated volume of traffic can be handled expeditiously.
- (3) Continued efforts by the PWR to reduce or eliminate uneconomic short-haul and general cargo traffic by appropriate rate adjustments or other suitable means.
- (4) Assurance from the Government that it will continue to take steps leading towards the coordination of transportation planning in West Pakistan.

Action Requested: That you authorize negotiation of the \$15.1 million Development Loan for the Pakistan Western Railway.



William S. Gaud

Approved: _____

Disapproved: _____

Date: _____

746

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

OFFICE OF
THE ADMINISTRATOR

JUN 22 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Pakistan - Pakistan Western Railway: Diesel Locomotives

Recommendation: That you authorize us to inform the Government of Pakistan that we are prepared to negotiate a \$15.1 million Development Loan to assist the Pakistan Western Railway (PWR) in modernizing its operations and meeting rapidly expanding railway traffic demand by financing the purchase of 65 diesel-electric locomotives.

Background: In August 1966, the Government of Pakistan submitted an application to A.I.D. to finance the foreign exchange cost of 65 diesel-electric locomotives for the PWR. Since the receipt of the original application a study team, including technical representatives from A.I.D. and an outside expert from a major U. S. railroad, has carefully reviewed the project. The amount of financing required and the economic justification and analysis of Pakistan's need for these locomotives are based on the findings of the team's intensive project review. The World Bank recently assessed the operations of the PWR, and also concluded that the PWR needs more diesel-electric locomotives at the earliest possible time.

The Loan: The loan will finance the purchase of 65 broad gauge diesel electric locomotives and supply of major spare assemblies. Forty of the new locomotives will be required to accommodate the rapid growth in freight traffic. The remaining 25 units would be used to replace old inefficient steam locomotives, many of which were built in the early 1900s.

U.S. Interest: The ability of the Pakistan Western Railway to carry consistently increasing freight traffic is an important element in the success of the agricultural and industrial development of the country. Particularly, the large imports of food grain and fertilizer are taxing the capability of the current system. An increase in the locomotive fleet is judged to be the first priority of the railroads' development program.

Other Assistance: The proposed loan is part of a continuing program of support to Pakistan's railway system in which the World Bank and other consortium members including A.I.D. have participated. The World Bank and A.I.D. have each made previous loans in excess of \$100 million, while other consortium members have made a total of approximately \$60 million available.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-85
By W, NARA, Date 3-11-94

Mr. Rostow

75

1. Rostow
2. Pres file

~~CONFIDENTIAL~~

June 27, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: PL 480 for Lebanon

State and Agriculture recommend you approve negotiation of a \$3.2 million program--wheat, wheat flour and feedgrains--for Lebanon.

This proposal was in the works before the Arab-Israeli war broke out. It was intended mainly as a small economic assist to a moderate government in a country where AID has phased out. The savings which this deal makes possible will go into agricultural and other economic development.

Now that we are going back to business as usual with the moderates we are ready to go ahead. The political justification is even greater now. Despite the tricky job of not upsetting the delicate half-Christian, half-Moslem balance in his population, President Helou managed to avoid breaking relations with us and was the only one of Israel's neighbors to stay out of the war.

Agriculture has been wary of dealing with Lebanon because the CCC has a \$21 million guarantee tied up in Lebanon's Intra Bank, which closed its doors last fall. Auditors and the government of Lebanon are still working out details for compensating creditors. Secretary Freeman at one point feared Congressional reaction to any program in Lebanon while the Bank problem was still unsettled. However, the proposed program is a government-to-government agreement which does not carry the same risk as the deals with questionable private importers which led to the unfortunate Intra Bank mess. *So Agriculture now favors it.*

Agriculture reports in the attached the self-help measures which the Lebanese Government is pressing. State, Treasury and Budget all concur.

Mac Bundy and I recommend you approve. This is useful support for a moderate Arab government that doesn't want to slide into Nasser's arms. We would not announce until the Lebanese consider it politically safe, but the people who count in Lebanon would know.

W. W. Rostow

Approve ✓
See me

6/29/67

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

75a
DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-90

By ju, NARA, Date 12-9-93

TO: The President

SUBJECT: PL-480 Program with Lebanon

We recommend that you authorize us to negotiate with Lebanon a PL-480 dollar credit sales agreement for 20,000 tons of wheat and/or wheat flour and 30,000 tons of feedgrains. The total current export market value is approximately \$3.2 million. The proposed terms are payment of 5 percent on delivery and the balance over 10 years. The interest rate will be 4 3/4 percent per annum. The Department of State and Treasury concur in this recommendation.

Need for Program

Imports of agricultural products make up a relatively large part of Lebanon's imports. By financing the commodities in this proposal under PL-480, savings will be realized in foreign exchange, which is needed for agricultural and other economic development.

In the recent hostilities, the Government of Lebanon continued its basic pro-U.S. stance, though in its public statements it was (and is) obliged to support the Arab cause. By not breaking relations with the U.S., by not engaging in the hostilities, and by taking stern internal security measures, it risked antagonizing the pro-Nasser (primarily Moslem) elements within Lebanon. The possibility of confessional strife remains, as does the threat of anti-West demonstrations. The loss of tourist and transit traffic has seriously harmed the Lebanese economy, already shaken by the INTRA crisis.

As a gesture of support and friendship to the traditionally friendly and moderate Lebanese government, a PL-480 program is of even greater importance now than it was prior to the outbreak of hostilities. Such a program, even though small and much less than Lebanon requested, will provide the government with some funds to get the faltering economy moving again, and to demonstrate a degree of even-handedness when our assistance package to Israel is announced.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

Basis for Usual Marketing Requirement

Under the proposed usual marketing requirement Lebanon will have to import commercially from free world sources 210,000 tons of wheat and/or wheat flour and 90,000 tons of feedgrains. The wheat usual marketing is based upon average imports from free world sources during the last five years while the feedgrains is the average for the last three years.

Self-Help

The Embassy reports that "the Government of Lebanon has allocated sufficient funds to increase productivity and assist development of the agricultural economy." The instrument of the Government is the "Green Plan," which is a project for all economic fields, but has as one of its basic aims the increasing of agricultural output.

The proposed sales agreement will include the following self-help measures:

1. The GOL will give priority to agricultural development schemes included in the "Green Plan."
2. Particular emphasis will be given to development of:
 - a. Farm-to-market roads,
 - b. Port and country storage for agricultural products,
 - c. Improvements in internal marketing and distribution systems and,
 - d. Strengthened information and training services to farmers.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3

Recommendation

That you authorize us to proceed with the PL-480 sales agreement.

Deputy Administrator
Agency for International
Development

Acting Secretary
Department of Agriculture

Approve: _____

Disapprove: _____

~~CONFIDENTIAL~~

76

THE WHITE HOUSE
WASHINGTON

June 27, 1967

Pres file

Mr. President:

John McCloy's attached report on his June 19 conversation with ~~Kiesinger~~ is worth a quick reading, as background for your session next week. (McCloy went over to talk to the money people in the German Government -- Shiller, Blessing -- to push our position in the money negotiations. While he was there, Kiesinger asked him to drop in. They talked about the Middle East, non-proliferation, oil, Alliance relations, and international money.)


Francis M. Bator

OK
M

June 19, '67

MEETING WITH KURT-GEORG KIESINGER

76a

I had lunch with Kiesinger today at his request at the Palais Schaumburg. It came about, I believe, because Dr. Menne had told him of a conversation I had had with him after he called on me in New York where I had discussed the Middle East situation which was then developing. I had told Menne of my concern over it and the indications that the Soviet Union was moving into the Middle East in a big way. I said that I had heard of rather large stockpiles of weapons - tanks, etc. - in Algeria - more than seemed reasonable for the Algerian forces. I also had talked with Menne about the liquidity situation and the need for a determination of the matter on its merits and not as a political matter with the need to appease the General and to meet the French point of view as such.

~~At the luncheon he said he was looking forward to the meeting with the President and was most anxious to make it a productive meeting and one which would open the way for his government to be of help in a situation which had some~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 92-85
By ju, NARA, Date 3-11-94

ominous aspects.

He spoke of the broad sentiment prevalent in Germany favorable to the Israelis; of his great admiration for the way the Israelis had conducted the campaign and of how amazed he had been over the miscalculation which the Soviets had made. He said it was clear that the Soviets now were making a great effort to recoup their position; of their heavy commitment to their position in the Mediterranean and of how difficult it was going to be to find a satisfactory solution. He did not know the answer, but it was clear that some solution must be found.

MIDDLE
EAST
↓

He had hopes that Kosygin was a man of reason and though he was committed to Nasser he did not despair of his trying at least to compose things in such a way that his position in the Middle East should not be impaired. He felt that Kosygin would like to have it both ways - a stabilization of the position of the Soviet Union in the Middle East with their continued development of a strong position in the Mediterranean.

He felt the great need was for a well coordinated

Three

position in the West which would be convincing to the Soviets and which would reinvigorate the Alliance. He knew this was difficult with de Gaulle who was not in a cooperative mood. He did feel that after his talks in Rome that de Gaulle was more relaxed than he had been in regard to Les Anglo-Saxons, but he could not say that de Gaulle was prepared to cooperate. He felt de Gaulle obviously wanted to play a large role in the settlement of the Middle East situation and that his maneuvers could be ascribed to this objective. We talked about the effect of the Chinese bomb, of its effect on the non-proliferation agreement as well as on the Chinese position in respect of Viet Nam.

~~As for the non-proliferation agreement,~~ he still felt that it had been a mistake on the part of the United States to go first to the Russians because thereby they were bound to some degree to them before the United States had fully sensed and sought out the Allied position particularly that of Germany. However, he would say that ~~since that initial move which he felt had been a mistake there had been no lack of cooperation~~

NPT



and consultation with the United States. He still felt that the period of the treaty, if one was entered into, should be limited. It would induce others to join who now were reluctant to do so as many seemed to fear a freeze which would exist for all time in spite of new developments. He was aware of the objections to this proposal namely that a limited period might only produce a situation where all the signatures would step up their preparations pending the close of the period. He thought a certain period long enough to postpone any such activity for a measurable time (something more than only 5 years) might be the key to the acceptance of the treaty by important nations.

He then referred to the liquidity matter saying

he was not an expert on these matters, but he had the deepest respect for Eminger's judgment in these matters and would be inclined to follow his judgment. He knew something about it and what had transpired at Munich. He had heard that the French had adhered to a more rigid position since Munich and the hopes that they might come around before the Rio meeting seemed to be dissipating.

INTERNATI.
MONEY



DEMING'S
OPPOSITE
NUMBER-
A GOOD
INFLUENCE !

At any rate I could be sure he would not view this as a matter as one on which he had for political reasons to agree with the French.

He discussed the repayment point and this gave me a chance to advance the arguments for a non-maturing drawing right. I stressed the need for a net increase in reserves and the danger of a failure of the Rio conference with a struggle for reserves on a "beggar thy neighbor" principle.

~~He was sure the President would take this up with him in Washington~~ and he wanted to be well informed on it all before then. He said that on the recent visit of the President to Cologne and Bonn he had gained the impression that this was even more important in the President's mind than the non-proliferation agreement though he was aware of the need to avoid a vast proliferation of atomic weapons.

We then talked about the ~~oil emergency situation~~.
It was beginning to concern him, but his advisors had assured him that all that was necessary was for the United States to increase production which to a substantial extent was still shut down to a

OIL

✓

few days of the week production schedule. I told him much more was involved than that. Europe was consuming about four times the quantity of gasoline and oil than they were consuming at the time of Suez. I tried to make it clear to him the need for an emergency declaration in respect of Europe in order to get to the point of even contingency planning and he replied that he was aware of this point. (He knew of our anti-trust situation.) He said he felt Europe was too complacent about it; that no one could say that a solution of the Middle East problem could be found before the stockpiles were exhausted. He said his advisors had all assured him that the big companies and the United States could take care of the oil problem but he was certain that it would be provident to have some plans in being and to waste no more time about it.

He referred to the ~~Tripartite~~ which he said had ~~tended to allay fears and seemed to have satisfied all three parties; that he had been taken to task by the French for his agreeing to the financial promises, but he had not been disturbed by this.~~ The foreign exchange problem was a legitimate concern

TRILATE-
RAL
TALKS

of the United States. He said he would be seeing de Gaulle just after the visit to the President, that this was a routine affair in connection with the Franco-German treaty.

ALLIANCE
RELATIONS
↓

He said that the most important job for the Western statesmen was to strike a new note of cooperation among the Allies.

The Soviets would be most impressed by this and on the basis of it an agreement with the Soviets could best be obtained. It was too bad about the French, but we had to strike this note in spite of the French. Perhaps the Middle East situation and the presence of the Soviets in the Mediterranean would be of some help in this regard. He conjectured on the possible successor to de Gaulle and referred to the danger of increased Communist strength in France if and when de Gaulle left the scene. He sensed, however, a growing dissent among important French leaders to de Gaulle and his non-cooperative policies both as regards the Alliance and the Middle East. It was important to stress the partnership, but it was also important to stress and accept the leadership by the strongest partner. It was so in any partnership. Most good partners followed the lead of the senior

and leading partner. The spectacle of the parade of satellites behind the Soviet position in the Middle Eastern situation was too abject and too forced to be convincing, but we had to correct the impression that the Western partners were all at sea over the fundamental attitudes to take even on a matter so deeply affecting Europe as the Middle East. The recent attempt to get somewhere with a declaration by the maritime nations was an example - so was the failure to move ahead with planning in respect of Europe's oil supply.

~~He said he did not know what would come of the Wilson visit to Paris.~~ He had told de Gaulle it was impossible to suppose that with all others in sympathy with Great Britain's entry, France should be the hold out. De Gaulle was noncommittal. He said de Gaulle had said he did not know why Wilson had wanted to visit him again as he (de Gaulle) had already said all that he could or would say on the subject, but that he could not refuse to see Wilson after he had requested another talk.

~~He talked about the difficulty of understanding the position of India or at least of Mrs. Ghandi.~~

He referred briefly to the anti-ballistic missile situation and the possible effect the explosion of the Chinese bomb might have upon it. I said I thought it would increase the pressure in the United States for such a system or at least a system which would keep our hand in.

He indicated that he had heard nothing from Paris in regard to the Kosygin visit which would indicate that any significant decisions had been taken.

He ended by saying that all he could glean from the present situation was the need for a studied and energetic attempt to keep the Alliance strong and well coordinated. He would do what he could to bring this about.

June 19, 1967

John J. McCloy

~~CONFIDENTIAL~~

Tuesday - June 27, 1967

Pres file
77

Mr. President:

Last April you authorized State to consult Congressional leaders on various proposals for settling the Swan Island dispute with Honduras and, if the reaction was favorable, to start discussions with the Honduran Government.

The proposals, in descending order of preference, are:

- condominium arrangement.
- relinquish our claim to sovereignty in return for long-term arrangement to use the islands.
- submit case to the International Court of Justice.

State's consultations show little, if any, interest in the Swan Islands. Mansfield, Morse, Hickenlooper, Carlson, Aiken and Cooper were contacted and indicated general endorsement of State's proposal.

In the near future State plans to inform Honduras of our readiness to start talks.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-85
By JD, NARA, Date 3-11-94

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Tuesday - June 27, 1967

78
1. sup
2. Pres file

Mr. President:

Last December you authorized Bill Gaud to negotiate with Chile a program loan (\$35 million) and sector loans in agriculture (\$20 million) and education (\$10 million). The sector loans were to be submitted to you for final approval.

You will recall that because of the windfall from high copper prices, President Frei decided last December to forego the program loan as long as the price of copper remained high. He asked, however, that negotiations proceed on the sector loans.

Since then, the price of copper has dropped sharply. The Chileans are discussing with AID the possibility of a program loan covering the balance of 1967. Negotiations on the agricultural sector loan are proceeding. The education loan agreement has been completed.

Attached is a memorandum from Bill Gaud asking your approval of the educational sector loan. Charlie Schultze and Joe Fowler concur in the request, as does Covey Oliver.

The loan is justified because:

- Chilean self-help this year has been good.
- Chile has agreed to two major steps for improving its overall economic performance as conditions for this loan.
- Chilean performance in education has been impressive.
- The loan will accelerate Chile's own efforts.
- It is in line with the Punta del Este decisions to put increased emphasis on education.

I recommend approval.

W. W. Rostow

Approve ✓ 6/29/67

Disapprove _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-85
By JW, NARA, Date 3-11-94

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

78a

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

JUN 24 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Chile Education Sector Loan

Bill Gaud has requested your approval of a \$10 million education sector loan for Chile. Last December, you approved his request to negotiate a package with Chile consisting of a \$35 million program loan and \$30 million for agriculture and education sector loans. The sector loans were to be submitted to you for final approval.

Because of a windfall expected from high copper prices, President Frei chose to forego the program loan last December. He was afraid it would encourage his own Congress to vote inflationary increases in programs. He consulted us in advance and we applauded his decision.

Copper prices, however, subsequently dropped, and the Chileans are now discussing with AID the possibility of a program loan agreement for the remainder of 1967.

Chilean self-help performance this year has been good:

- government wage increases have been held below last year's cost of living increase.
- fiscal and monetary policies for the first half of the year have held the rate of inflation within the annual target of 12%, compared to 17% last year.

The sector loans would be tied to overall economic performance in a memorandum of understanding negotiated with the Finance Minister. The memorandum includes Chilean commitments on two of the three major conditions contained in our December negotiating package:

- a shift in the allocation of public investment away from housing and social infrastructure toward more productive sectors,
- a significant devaluation of the escudo.

The Chileans are unwilling to commit themselves to the third condition, elimination of Central Bank borrowing, because of uncertainties in the copper price outlook. Linc Gordon and Gaud conclude that this is the best agreement that we can obtain at this time. But they have told the Chileans that we may wish to set other conditions for any possible program assistance later this year.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 9285

By fw, NARA, Date 3-11-94

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

This is the first sector loan negotiated by AID. It was negotiated directly with the Minister of Education, with the Finance Minister's concurrence. In addition to the conditions on overall economic policies, the sector loan is contingent upon specific self-help actions in the education sector, including an 18% increase in Chilean budgetary investment in education.

Gaud reports that Chilean self-help in education has been impressive. Chile has undertaken a long-range reform program to make education a major vehicle for social mobility and economic development. School enrollment increased by 19% in the past two years. School construction has increased tenfold since the start of the Frei administration.

This loan will accelerate Chile's own efforts. With the additional resources provided by us, Chile will be able to

- train up to 12,000 teachers, instead of 5,000.
- construct 110 rural areas schools, instead of 70.
- equip and modify 40 vocational schools, instead of 25.
- create two regional education centers, instead of one.
- initiate the first free textbook distribution program in the primary schools and create 1500 supplementary school libraries.

Balance of Payments

Funds provided under this loan will be used for purchases of goods and services in the United States. Secretary Fowler agrees that the Special Letter of Credit and other procedures to be used for procurement will minimize the impact on our balance of payments.

I recommend approval.

(Signed) Charles L. Schultze
Charles L. Schultze
Director

Attachment

Approve _____

Disapprove _____

~~CONFIDENTIAL~~

786

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

OFFICE OF
THE ADMINISTRATOR

~~CONFIDENTIAL~~

JUN 16 1967
DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-90
By ju, NARA, Date 1-29-93

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed A.I.D. Sector Loan for Education in Chile

I recommend that you authorize me to proceed with a loan of \$10 million to the Government of Chile for the education sector.

Background.

On December 14, 1966 you authorized the opening of negotiations with the Government of Chile for a package of assistance proposals consisting of a program loan of \$35 million and sector loans of \$20 million for agriculture and \$10 million for education. The proposed level of assistance was considered adequate on the assumption that Chile would be receiving an average of 45 cents per pound for its copper exports in 1967.

The world market price of copper, however, remained at an unexpectedly high level. President Frei reasoned that it would be difficult to restrain the Chilean Congress from increasing expenditure levels beyond those which Chile could prudently afford over the long run if the budget were receiving program aid as well as a windfall from high copper prices. Accordingly, in late December, President Frei decided to forego program loan assistance in 1967 as long as the price of copper remained at high levels. To enable the Government to continue the successful stabilization program followed in 1964 and 1965, he ordered a minimum program of expansion, while holding salary increases for Government employees to less than the rise in the cost of living in 1966.

We applauded President Frei's decision, on which he consulted us in advance, as being in the best spirit of self-help of the Alliance for Progress. Our understanding with him was that if there were a sustained decline in the price of copper we would be willing to reconsider the need for program assistance in 1967. The Chilean President made it clear that he wished to continue negotiations for the sector loans in education and agriculture, the two fields to which the Frei platform gives the highest priority.

~~CONFIDENTIAL~~

Group 3 - Downgraded at 12-year intervals,
not automatically declassified.

~~CONFIDENTIAL~~

-2-

Over the past three months the world price of copper has fallen significantly reaching a low point of about 42 cents a pound in late April. Since then the price has fluctuated at somewhat higher levels but remains close to the 45 cents a pound level. The Chilean Minister of Finance has informed us that the expected shortfall in government revenues from copper will put severe stress on the Government's stabilization and development goals. He, therefore, has requested that we consider making available up to \$30 million in program assistance for the remainder of 1967.

Pursuant to the program proposal which you approved last December, we have authorized Ambassador Dungan and the AID mission in Santiago to renew discussions with the Chilean Government concerning the need for a program loan in 1967. These discussions are now in progress and I expect to be able to make recommendations on this to you early in the next fiscal year. Negotiations have now been completed for the education sector loan and negotiations for the agriculture sector loan are still in progress.

Chilean Economic and Financial Program.

When the Chilean Government decided not to seek a program loan for 1967 we informed them that both sector loans would nevertheless be conditional on an agreed program of economic and financial self-help measures along the lines proposed for the program loan last December. We have now reached agreement with the Chilean Government on the text of a memorandum of understanding setting forth this program. This memorandum is the result of intensive discussions with the Chileans and in my opinion represents the best agreement we can obtain from them at this time. However, we do not believe it is the maximum self-help effort that the Chileans could make and we have informed them that while we are willing to accept this program as a basis for the sector loans, such acceptance does not prejudice the position of the U.S. in regard to any possible program assistance in 1967.

In my memorandum to you of November 16, 1966 requesting authority to negotiate the assistance package for Chile I indicated that the main self-help commitments to be sought from Chile would be elimination of Central Bank borrowing for budgetary purposes, significant devaluation of the escudo, and a shift in the allocation of public investment away from housing and social infrastructure toward the more productive sectors. In the memorandum negotiated with the Chilean Government we have obtained satisfactory commitments on the devaluation of the escudo and on the composition of the public sector investment budget. The Chileans have, however, been unwilling to commit themselves to the elimination of Central Bank borrowing. While it would be desirable that they do so, their overall monetary program for the year is an improvement over 1966 and appears to be generally consistent with their goal of containing the rate of inflation to about 12 percent in 1967. The memorandum commits the Chilean Government to a continued effort to achieve stabilization and

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

states that the sector loans may be terminated if overall stabilization performance is unsatisfactory. The Chileans also agree to periodic discussions with the AID mission of stabilization program issues.

The Sector Loan.

The proposed education sector loan will be to the Government of Chile with the Ministry of Education acting as the representative of the Government. One of the main conditions of the loan is an increase in the relative share of Chilean Government investment resources devoted to education. In 1967, before the sector loan, Chilean public sector investment in education will be 6.0 percent of total public sector investment compared with 5.3 percent in 1966 and 5.1 percent in 1965. Total public sector expenditures on education will increase in 1967 in real terms by about 18 percent. The loan will support accelerated activities by the Ministry of Education under the following areas of emphasis:

Structural reform. The first grade of general basic education, involving modernized programs of study, retrained teachers, revised teaching methods, and new student promotion procedures, will be applied throughout the nation. The third grade will be added to an initial group of 136 pilot schools which initiated the first two grades in 1966. The eighth grade of general basic education will be adopted throughout the nation.

Educational Administration. The government will continue to seek increases in education productivity by carrying out administrative and operational improvements which were started in 1966 and will submit legislation as needed. The objectives of the administrative and legislative changes are: to bring about better coordination of policies at the national levels, to increase autonomy at the regional level, to revise the organizational structure to achieve a more efficient operation, to provide a more rational allocation of resources among the various levels of education.

Curricula development. Work will be completed on curricula development for all courses for grades one and two and for grade nine. A specific plan will be agreed upon for accelerating curricula development for grades three through eight of general basic education and for grades ten through twelve for both general and vocational middle level education. Curricula improvement for the middle level vocational system will be initiated.

Teaching materials. Distribution of free textbooks will be made to students enrolled in public schools for the first eight years of education. Instructional materials for classrooms will be provided for the first eight years of general education.

Guidance, testing and evaluation. Guidance programs will be initiated providing occupational information to students at the seventh and eighth grade levels.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-4-

Educational improvement in marginal areas. An agreed upon number of primary schools will be built, equipped and staffed in land reform projects and in small rural centers with appropriate improvements to provide a degree of quality consistent with that offered by primary schools in the major urban centers. Moreover, a special training program will be initiated to provide practical instructions in adult education and community development.

Regional education centers. Construction of a given number of pilot regional education centers will be initiated. These centers will incorporate within one facility middle level academic and vocational programs (grades 9-12) and if found to be feasible, would be made into education parks (grades 1-12). These will be multiple use centers which will be built, equipped, staffed to the new higher standards of the education reform program, and have study programs of high standards. General course content will be maximized in both tracks. In addition to providing education for students at the middle level, they will also furnish skill training for adults.

Consolidation and diversification of vocational schools. A number of vocational schools are to be provided with substantially improved facilities, trained teachers, improved administration and a curriculum of modernized vocational subjects. The curriculum is to have a content of approximately 40-60 percent general education.

Chilean Self-Help.

Chilean performance in the education sector since the inauguration of President Frei has been impressive. Under vigorous, imaginative leadership primary and secondary school enrollments have expanded rapidly and good progress has been made in the difficult tasks of reforming the structure, improving the content and increasing the efficiency of administration. In the past two years enrollment in the school system below the university level has increased by 321,000 or 19 percent. Most of this increase was at the primary level and reflects an intensive school construction program in which students, soldiers, and other citizens participated by donating their free time, aimed particularly at areas and groups not previously served by the school system. In 1965 6,038 new classrooms in 1,535 new buildings were constructed; this was ten times the rate of construction in the previous five years. In the first eight months of 1966 an additional 4,643 classrooms were constructed. Teacher training efforts have kept pace with the expansion program. The Chilean program calls for an intensive long term education reform program which through a combination of investments in new school facilities, quality improvement programs in teacher training, curriculum and teaching materials, and necessary improvements in teachers' pay scales will require a gradual increase in real terms of the government's annual education expenditures during the period 1964-1972, reaching an annual real level in 1972 double that of the education budget in 1964. We plan to provide, as appropriate, continued U.S. support to this program during the next several years.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-5-

Balance of Payments.

The entire proceeds of the loan will be spent in the United States. Approximately \$6.5 million from this loan will be for local currency costs under the Special Letter of Credit Procedure. Approximately \$3.5 million will cover costs of U.S. goods and services, including up to \$200,000 for technical assistance, required directly by the Education Ministry. The \$3.5 million will be additional to normal Chilean imports from the U.S. The \$6.5 million under the Special Letter of Credit will receive the same favorable treatment as imports under past program loans and in addition the USAID will endeavor to arrange credit terms which will further increase the attractiveness of these funds for Chilean importers and assist in continuing the increase in the share of the United States in the Chilean market.

William S. Gaud

William S. Gaud

~~CONFIDENTIAL~~

Mr. Rostow

77

1. ~~Pres~~
2. Pres file

MEMORANDUM FOR THE PRESIDENT

June 27, 1967

SUBJECT: Possibility of Visiting Washington Mosque with Hussein

Tomorrow is the Tenth Anniversary of President Eisenhower's opening of the Washington Islamic Center. He made a general speech about our hopes for a future of "peace under one God."

It has occurred to us that you and King Hussein might make a quick swing by the Mosque after your talk tomorrow. This would be a dramatic pro-Arab gesture. Since the Mosque is the receiving point for private American contributions for refugee relief, you might in your remarks recall the USG emergency relief program being announced this afternoon and urge private Americans to show their usual generosity to people in distress.

If you like this idea, we would lay it on informally and tentatively. We might want to sound out Hussein or alert the Arab ambassadors to be there. We would want USIA and press coverage. But we would like to know tonight in order to turn the necessary wheels.

Mac Bundy thinks this is a good idea.

W. W. Rostow

Approve _____
Disapprove _____

Approve tentatively; I'll decide with Hussein _____

June 27, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Turkey's Food for Peace Program

Turkey is moving ahead sharply in agriculture. Our AID people there report that your stress on improved agricultural production and the world food problem have made major results.

Before your emphasis on food production and before AID got going, the Turkish Government prohibited the import of Mexican wheat, arguing that it was not yet sufficiently tested. An AID technician smuggled some in from Pakistan, and a competent large-scale farmer produced four times the normal yield. He became envied throughout his area, and grass roots demand rapidly built up.

At the same time, AID agitated all up and down the Government. The Ministers of Agriculture and the Prime Minister became interested. There were questions in Parliament, asking why Turkey's farmers couldn't get more of the new seed. And in 1967, 20,000 tons of high grade seed from Mexico have been procured, with financial help from AID.

Fertilizer imports are rising rapidly. Although starting low, imports have doubled each year for the past three years. Within the next several months agreement should be reached with one of three American companies (Gulf, Kaiser, Amoco) for the construction of a major fertilizer complex, designed to more than double domestic production of IN.

The attached book of pictures shows the contrast between typical Turkish wheat strains and "Sonora" grown in Turkey.

A note from Jim Grant, returning AID Director and the new Director for Vietnam, concludes: "Launching a War on Hunger program in a country requires creative contributions from many persons, both indigenous and American, and the active concurrence of many others. The President's personal identification with and strong support of such programs makes a vast difference in the scale and speed with which such programs requiring creative skills and imagination are developed."

W. W. Rostow

~~SECRET~~/SENSITIVE

Monday, June 26, 1967
5:40 p. m.

Mr. President:

Here is where Bunker stands on
Loan - Ky - Thieu.

W. W. Rostow

~~SECRET~~/SENSITIVE

81
Pres file

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By reg, NARA, Date 6-27-91

Monday, June 26, 1967 -- 5:45 p.m.

Mr. President:

Herewith drafts of the three
letters you requested.

W. W. Rostow

P.S. You may wish to have an album
made up and sent along to the Robinsons.

June 26, 1967

822

Dear Dick and Betty:

I wish you to know how grateful I am for your help in arranging and managing the affair at Hollybush.

I can think of no better example of Federal-State relations than your help to the President in finding the place for the meeting, making sure the complicated arrangements worked, and assisting us so graciously in dealing with our guests.

It will take some time before we can assess the results, because we must measure results in terms of specific agreements which will -- or will not -- emerge in the weeks and months ahead. But I shall always be grateful to you both for your ready and effective help at an important moment.

Sincerely,

18

Governor and Mrs. Richard Hughes
Princeton,
New Jersey

LBJ:WWR:mz

June 26, 1967

Dear President and Mrs. Robinson:

I wish you to know how grateful I am for the manner in which you accepted the descent of international diplomacy on your home. When the Soviets accepted Hollybush, in principle, that Thursday evening, my first thought was of you and the upheaval we were about to cause. Your graciousness and dignity under these trying circumstances will always be remembered, as well as the quiet charm of Hollybush itself.

Mrs. Johnson joins me in best wishes to you both.

Sincerely,

/s/

President and Mrs. Thomas Robinson
Glassboro State College
Glassboro, New Jersey

LBJ:WWR:mz

82c
June 26, 1967

Dear Tommy:

I wish you to know how greatly I valued your experience, wisdom, and help in arranging and seeing through our meetings with Kosygin at Hollybush.

It was a comfort to have you at my side; and it is a comfort that you are there in Moscow to assess what we can and cannot do with these somewhat difficult people to bring a little more peace to the world.

Please tell Jane I regret having interrupted your plans, and convey warm greetings from Mrs. Johnson and myself.

Sincerely,

/s/ Lyndon B. Johnson

Honorable Llewellyn Thompson
American Ambassador
Moscow
LBJ:WWR:mz

WW R
J. C.
83

Monday, June 26, 1967 -- 5:30 PM

Mr. President:

At Tab A, for your signature, is a pleasant reply to a letter from our young, energetic Ambassador to Cameroon, Robert L. Payton. A copy of Payton's letter is at Tab B.

You may wish to glance through the Ambassador's letter. It is basically a summary of his travels during his first three months on the job. He obviously wants you to know that he took very seriously your instructions to get as close to the people and the culture as possible.

State would like a short reply which Payton could use to demonstrate your continued interest in Cameroon and Africa. I am aware that it would be a serious burden on your time to get into general and direct correspondence with all our ambassadors -- or even all our African ambassadors. But there is no indication that this single instance would open any floodgates. Thus, I would recommend that you sign the proposed reply at Tab A.

W. W. Rostow

EKH/vmr

83a

June 29, 1967

Dear Mr. Ambassador:

I very much appreciated your recent report on your travels to every part of Cameroon. I found your experiences interesting and instructive. It is clear that you and I share the belief that an ambassador can give full and effective dimension to his work only if he acquires a deep understanding of the country to which he is accredited. I applaud your efforts in this direction. They will surely reinforce the mutual confidence and respect which have long prevailed between the United States and the Republic of Cameroon.

As I read your letter, I was particularly struck by the hopeful trend implicit in your dedication of a water supply conceived and constructed with the help of people from several industrialized nations. I hope that this will be the first of many such experiences for you. It is this kind of cooperation, and the self-help which makes it effective, which assures the growth and ultimate prosperity of Africa and the developing world. Americans are proud to be a part of this great enterprise.

Warmest personal regards.

Sincerely,

Lyndon B. Johnson

Honorable Robert L. Payton
American Ambassador
American Embassy
Yaounde, Cameroon

LBJ/WWR/EKH/vmr

2004
834

Yaoundé, Cameroon

OFFICIAL-INFORMAL
CONFIDENTIAL

May 19, 1967

The President
The White House

Dear Mr. President:

Shortly before I left Washington on this assignment, you talked with me, Ambassador King, and Ambassador Renning. You urged that we make a special effort to meet the people, to eat their food, to visit them in their homes, to get to know them and to like them in the direct and honest way that builds lasting friendship.

I have taken your charge quite seriously, in part because I share your conviction that diplomacy shall be based on wide personal acquaintance with the people. I have, as a result, made my first task here the completion of an extensive tour of Cameroon. In the course of three trips since our arrival February 27, largely by car, but also in part by airplane, helicopter, on foot, and even once briefly by canoe, Mrs. Payton and I have covered more than 4,000 miles and we have met a great many Cameroonians. We have, indeed, talked with them, eaten with them, seen their homes and their children, heard their music and attended their religious ceremonies.

We have also visited almost all of the Americans resident in the country -- several hundred missionaries, about eighty Peace Corps volunteers, the handful of AID personnel, and even the three American businessmen.

At one time or another I have seen something of Asia and of South America but this is my first time in Africa. Cameroon differs from what I know of Asia in that it is thinly populated, and from South America in that it does not have a thin top layer of wealthy families. Cameroon does have, however, a little of everything Africa has to offer, good and bad. We have travelled through jungle, desert, mountains, and flatland. We have seen about every variety of hut, compound, and village. We have talked with Muslims as well as Christians, and with many who are neither but who cling to their traditions as proudly as we do to our own.

DETERMINED TO BE AN
ADMINISTRATIVE MATTER
NOT NAT'L SECURITY
INFORMATION, E. O. 11652,
SEC. 1.1(a)

CONFIDENTIAL

BY 18 ON 7-9-81

There are supposed to be more than 140 languages spoken in Cameroon, but we have been exposed to only about a dozen. (If we heard others we didn't know it.) On top of these tribal languages and dialects Cameroon has both English and French as official languages. And beneath all these, or alongside, is pidgin, a wonderful linguistic hodgepodge that everyone seems to understand.

The problems of development are largely as your advisers have described them in their reports to you. The road network is very poor, and road maintenance is greatly complicated by the hard rainy season. Electricity exists only in larger cities and a few towns. (We travelled through endless villages that are absolutely without light of any kind once the cooking fires have gone out. It is the hardest thing for me to grasp, what life is like without light. The other problems seem somehow bearable, but not that one.)

Many of the people here struggle for existence at the most primitive level. They farm with sticks, without irrigation, in soil hoed an inch at a time by women carrying their children on their backs. They are threatened by the lack of water in the long dry season, and by disease and malnutrition. Illiteracy is still a major problem, too, of course.

At a village named Djottin, in an isolated part of the grasslands of West Cameroon, I dedicated a new water system. The system was conceived by a Dutch priest, designed by a Swiss engineer and the construction supervised by a 20-year old Swiss volunteer, and the equipment paid for by a \$10,000 AID grant.

The morning we arrived for the dedication Father Jansen had prepared a hilarious welcome, with blasts from antiquated firearms, great crowds of cheering women and children. There was an elaborate program, with speeches, spectacular music and dancing, and a parade by the school children. I met the two chiefs and other dignitaries and then there was a break while the whole enterprise shifted to the location of the main water outlet.

Then, with several thousand villagers watching somewhat dubiously, I opened the tap officially -- and water came out. There was a great roar from the crowd, the firearms were unlimbered a second time, and the rejoicing was something to behold.

Once the project is finished, this village of 4,000 people will have eighteen water points, water that is filtered and clean, water that will be available all year round, water to cook and wash with. Not only that, the water runs uphill, without a pump, something the villagers would not believe could happen. It cost the United States

Government \$10,000 and it probably made us some lasting friends. But when you help people to create their own water system, you've really accomplished something.

For ten years Cameroon has had to contend with terrorist activity, but the government has managed, somehow, to maintain itself while gradually wearing down the terrorism. At the same time the government has worked laboriously to develop the economy. It is an agricultural economy, based on export cash crops of cocoa, coffee, cotton, bananas, etc., but also on subsistence agriculture raising millet and corn and fruits and vegetables. In parts of the country the people do not have to work very hard for their food, but in those areas they are plagued by malaria and the tsetse fly. You can see innumerable sheep and goats but relatively few cattle, horses, or other livestock. Some of the highland country reminds me of Colorado, beautiful, rolling hills and grasslands and cool weather. (Parts of Cameroon are an undiscovered tourist paradise.) The savannah region in the north is very similar to west Texas -- so much so that I hope we can develop a regional agricultural program with specialists from Texas Tech.

Our political relations with Cameroon remain good. It is a bit strange to be in a part of the world economically dominated by another country -- the French -- but it is an enlightening experience. The French and the English, and before them the Germans, have each been deeply involved in the life of this country for two generations, and we are the late-comers. Other than for our missionaries the American presence in Cameroon is about seven years old.

I should not say simply "other than for our missionaries" because I have met enough of them and seen enough of their work to be profoundly impressed by the contribution they have made. In this country many of the schools and hospitals owe their very existence to missionaries -- many of them American, but Canadian, English, Dutch, French, and others as well. There are American doctors here who have taught illiterate Cameroonians to perform routine surgery, and who themselves perform an incredible number of major operations under the most difficult conditions. Their faith appears to be in their works, and the stereotype of the American missionary in Africa that I have been carrying around with me most of my life could not have been less well informed or more unjust. We owe them a debt, because they have been out here working for years, patiently and often without help from any source, without regard for anything other than their own faith and their own commitment to their fellow man.

CONFIDENTIAL

4

The Peace Corps is an important and successful program, although relatively small. We have had mostly teachers, but also a handful of agricultural volunteers who have done extremely well. One we met is William ("Tex") Danton, who persuaded his village council to give him some land that he and three Cameroonians have since turned into a flourishing small farm. Now he has persuaded the council to provide him with more funds, and some extra labor, to build a chicken house. He has presented me with a request for a self-help grant to buy some equipment. (He'll get it.) By the time he leaves that isolated village he will have left a mark that will not be erased for a long time.

At the other end of the economic spectrum I have made an inspection trip on the Trans-Cameroonian Railway, a modest enterprise by American railroad standards but a major achievement in this part of the world. They are building a railroad through difficult terrain that will open up the interior of this country, and of Chad and the Central African Republic, too, eventually. We are one of three partners in the project, along with Cameroon: The Development Fund of the Common Market, the French, and ourselves.

In Yaoundé, the capital, Mrs. Payton and I and the three boys are active all the time. The routine life of the diplomat comes in here, with a good many dinners and receptions and the rest of it. The Diplomatic Corps is an affable group, as are the Cameroonian officials who work here in the capital. The real life of the country, however, is away from the two big cities, and I plan to spend as much of my time as I can out there -- and I intend to wheedle all the travel funds I can get for the others in the Embassy, too.

Diplomacy in a place like Cameroon is not all somber formality, of course. A couple of weeks ago our Embassy volleyball team, led by myself, played the Soviet Embassy volleyball team, led by their ambassador, and we lost four out of five. The contest was followed by an American style picnic attended by the families of both embassies. In the near future we get a second try at them (with them serving as hosts to a Russian-style picnic afterwards), and we will do better, I promise. So far, everything has been conducted with good humor and without ideology.

As a new man at diplomacy I'll find myself occasionally doing something unorthodox, such as writing you this letter, but if a non-career

CONFIDENTIAL

~~CONFIDENTIAL~~

5

man has anything to contribute he is obliged to stick his neck out and say what he thinks once in a while. I have an idea that's what you want me to do.

My thanks again for the opportunity to serve here.

Sincerely,



Robert L. Payton

cc: The Secretary of State
The Assistant Secretary of
State for African Affairs

~~CONFIDENTIAL~~

Monday - June 26, 1967 -
5:30 pm

Mr. President:

Ambassador Tomic today delivered the attached letter from President Frei expressing deep appreciation for your having taken the time to receive his son Jorge.

W. W. Rostow

Attachment

84a.

T R A N S L A T I O N

EMBAJADA DE CHILE

My dear Mr. President:

I wish to express my gratitude to you for having received my son Jorge. I should not have wished to bother you, taking your so important time in an audience of this nature. I am really embarrassed that it occurred. Naturally, I profoundly appreciate your gesture. It is not only I who have appreciated it, but in Chile, public opinion has esteemed it as a very great distinction for our country.

My son has returned very grateful and moved by the fact of having been able to meet you and to have been received in so affectionate a manner, which went beyond anything he might have expected.

Believe me, Mr. President, that for my son this will be a very extraordinary memory for his whole life, which reveals on your part a great kindness and a wish to show your sympathy for Chilean youth.

Once more I recall the magnificent memory of our interview at Punta del Este.

Accept, Mr. President, the affectionate greetings of,

EDUARDO FREI

The President

The White House

Washington, D.C.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Monday, June 26, 1967

5 p. m.

Mr. President:

The figures cited by Senator Church are substantially accurate. (They are drawn from public documents). He seeks to use these figures, however, to prove that:

-- our arms sales programs are "burgeoning" in size and is distorting our foreign policy objectives;

-- our military aid and sales program contributed to the Middle East conflict.

The proper perspective on our aid and sales program is as follows:

-- ~~Our total military exports (sales and grants) are not expected to be higher between FY-1962-71 than they were between FY-1952-61.~~ The important fact is that the ratio of grant aid to sales has been reversed. Where in FY 1961, there were two dollars of grant aid for every dollar of military sales to foreign recipients, by FY 1966, the ratio had been reversed, with no increase in total U. S. military exports.

-- Our military sales program is governed by three basic principles:

1. ~~We will not sell equipment to a foreign country which we believe it cannot afford or should not have.~~

2. ~~We will never ask a potential foreign customer to buy anything not truly needed by its own forces.~~

3. ~~We will not ask any foreign country to purchase anything from the United States which it can buy cheaper or better elsewhere.~~

-- Every proposed sale of U. S. arms and munitions is approved only after thorough review of the legitimacy of the requirement, of the recipient's ability to pay, of its potential influence on the peace and stability of the area, and of all other foreign policy considerations involved.

-- Our own military programs, and especially our leadership in military research and development, make the United States the lowest cost and most effective potential supplier for a wide-range of military products. If foreign nations do not buy from us, they can always buy elsewhere -- at a higher cost.

-- Of some \$11 billion in arms orders during the period FY-1962-66, 90% came from 21 industrialized NATO nations and countries of Europe and the Far East. Seven of these 21 countries accounted for 90% of this total.* In a recent magazine article -- Esquire, July -- Church acknowledged that it was "entirely proper" to sell to "industrialized countries which can afford to pay." Thus, the sales criticized by Senator Church constitute only 10% of our total sales program. The 10% that went to developing nations was to assist in maintaining internal security, resisting the threat of aggression, and maintaining a reasonable degree of orientation toward the Free World.

Turning to the Middle East in particular, Senator Church's figures are high by a factor of 6 and he has the motives mixed up.

1. True, we have provided some \$322 million in military aid to Arab nations. But only two of those actually fought Israel -- Iraq and Jordan. We have given no significant military aid to Iraq since the Baghdad Pact days before 1957. So, only our \$55 million to Jordan (about 1/6 of the total) falls into Senator Church's category.

2. On top of that, our military aid to Jordan has been given with Israel's acquiescence.

3. You made perfectly clear in your June 19th speech how you feel about the arms race. Our \$322 million compares with some \$2 billion in Soviet arms that have gone to the Arab countries since 1955. Far from promoting an arms race, we've constantly tried to put a damper on it.

*(These seven countries were: Germany, United Kingdom, Australia, Italy, Canada, Belgium and Japan)

We have had our policy on the supply of arms to countries of the Middle East under urgent review since the beginning of the current crisis and we will continue to keep it under close supervision. As you said on June 19, this conflict has demonstrated the danger of the Middle East arms race of the last 12 years. We have always opposed this arms race, and our own shipments to the area have been severely limited.

W. A. Rostow

(ARMS)

WASHINGTON--SEN. FRANK CHURCH TODAY CALLED FOR AN END TO "ARSENAL DIPLOMACY" AND PROPOSED THAT THE U.S. UNILATERALLY BAR FURTHER GIFTS OR SALES OF ARMS TO NATIONS IN THE MIDDLE EAST.

THE IDAHO DEMOCRAT, IN A SENATE SPEECH, SHARPLY ATTACKED THE U.S. MILITARY AID PROGRAM AND THE PENTAGON'S BURGEONING ARMS SALES TO FOREIGN NATIONS.

"IT IS TIME FOR US TO END THE 'ARSENAL DIPLOMACY' WHICH FOR YEARS HAS VITIATED AND DISTORTED OUR FOREIGN POLICY," CHURCH SAID.

"TODAY, THE FEDERAL GOVERNMENT IS THE PRINCIPAL ARMS DISPENSER OF THE WORLD, GIVING AWAY, ADVANCING CREDIT, AND PROMOTING THE SALE OF A VOLUME OF ARMS OVER SIX TIMES THAT OF OUR NEAREST RIVAL, THE SOVIET UNION," HE SAID.

CHURCH SAID THE UNITED STATES, SINCE THE END OF WORLD WAR II, HAS DOLED OUT \$322 MILLION IN MILITARY AID TO THE ARAB NATIONS WHICH ATTACKED ISRAEL.

ISRAEL GOT \$28 MILLION WORTH OF U.S. ARMS, CHURCH SAID, IN WHAT HE DESCRIBED AS AN ATTEMPT TO "EXERCISE A RESTRAINING INFLUENCE BY A JUDICIOUS DISTRIBUTION OF OUR WEAPONS."

AS IN THE PAKISTANI-INDIA CONFRONTATION OF LESS THAN TWO YEARS AGO, CHURCH SAID, "AMERICAN TANKS MANNED BY JORDANIANS MET AMERICAN TANKS MANNED BY ISRAELIS" OUTSIDE OLD JERUSALEM.

"BOTH OF THESE TRAGIC WARS ILLUSTRATE THE FOLLY OF THE THESIS THAT THE UNITED STATES CAN DEFUSE ARMS RACES BY SUPPLYING WEAPONS," HE SAID.

CHURCH SAID THE U.S. HAS HANDED OUT A "STAGGERING TOTAL" OF SOME \$37 BILLION IN ARMS AID SINCE 1950 INCLUDING MORE THAN 7,000 FIGHTER PLANES, 20,279 TANKS, AND 150,552 TWO-AND-ONE-HALF-TON TRUCKS -- PLUS MORE THAN 3.5 MILLION RIFLES AND CARBINES.

"AS IF TO AUGMENT THESE MASSIVE GIFTS OF ARMS, THE DEFENSE DEPARTMENT IS NOW ENGAGED IN A MUSHROOMING SALES CAMPAIGN. DIRECT SALES TO FOREIGN GOVERNMENTS ALREADY EXCEED \$16 BILLION, WHILE PENTAGON OFFICIALS ANTICIPATE ORDERS WORTH ANOTHER \$15 BILLION IN THE NEXT DECADE," CHURCH SAID.

"NEARLY \$3 BILLION OF THE ARMS SALES IN THE LAST FIVE YEARS WERE ON CREDIT," HE ADDED.

CHURCH SAID ARMS AID AND ARMS PURCHASES BY FOREIGN NATIONS HAVE "DRAINED BILLIONS OF DOLLARS AWAY FROM POSSIBLE AID WHICH COULD HAVE IMPROVED LIVING CONDITIONS AND STIMULATED ECONOMIC EXPANSION."

6/26--GE1111A

Informal Review 6/26

1. I had more than eight hours of face-to-face conversation with Chairman Kosygin. Secretary Rusk spent an equivalent amount of time with Foreign Minister Gromyko.
2. Kosygin struck me as an intelligent, experienced, and competent person with a personal capacity for humor and human feeling. On the other hand, it was equally clear that he is an extremely disciplined Communist leader. On the first day the conversation was fairly relaxed, although neither he nor I moved off well known positions. On Sunday I would judge that he was under instructions to present existing Soviet positions hard; come to no agreements; and rejoin his colleagues in Moscow after the trip to Havana to take stock.
3. In a way, the meeting conformed to an observation of Governor Harriman's based on past experience: "With Russians it takes three meetings to make a deal: the first, courteous; the second, rough; the third, the deal is made."
4. If there is a third session - if agreements emerge - they will ~~not~~ come from a single third session. It will consist in what unfolds in the weeks and months ahead on the specific issues and positions I took up with the Chairman. As I said in my toast at lunch on Friday with Chairman Kosygin, history will judge the conference at Hollybush by the results we achieved in the future on behalf of world peace.
5. Here are the major issues I raised with him:

First, the Middle East. My general theme was that the withdrawal of Israeli troops must be accompanied by a withdrawal of the dangers which led to war. I argued (see Tab A) that in terms of the five principles which I presented in my talk of June 19 and urged in the end that we should work together in New York for a resolution

and action in the General Assembly and Security Council that we both could support.

I should report to you that the Chairman appeared to be under instructions not to budge one inch from the position that withdrawal must come first and then they might talk about other aspects of a Middle Eastern settlement.

Second, Vietnam. I underlined our determination to resist aggression in Vietnam, but equally emphasized two points that will be familiar to you:

- We are prepared for mutual de-escalation and peace talks;
- So far as the future of South Vietnam is concerned, we believe it should be settled by the people themselves; on the basis of self determination; we will accept elections inspected by any outside group if they are conducted in an atmosphere of peace; and we will accept the outcome.

Again, his position was rigid and familiar: we should stop the bombing and get out of Vietnam.

Third, Non-Proliferation (See TabB) I urged Chairman Kosygin that we jointly table the non-proliferation treaty either with the safeguards proposal that we have put forward, or with a blank proposal to be filled in after debate and negotiation among all the members of the Geneva Conference. I urged that we get on with this quickly so that all the nations of the world -- and their peoples -- could look at the draft and discuss it and form views on it.

The Soviet response was that they wished us to press our Allies to accept their formulation which would involve immediately the application of the IAEA safeguards to EURATOM. We explained that

we could not force our European friends to do this. Foreign Minister Gromyko indicated to Secretary Rusk that it was not ruled out that they might be prepared to table the draft with a blank Article III sometime in the future. It is clear that they want a non-proliferation treaty if they can get one.

Fourth, Arms Limitations. I asked Kosygin to name a time and place for a meeting between our representatives to limit the deployment of both offensive and defensive missiles. I pointed out that we had waited three months for a reply to our proposal for such meetings. He was not empowered to give me a response.

I told him that we also were prepared to sit down and talk right away about a mutual lowering of military budgets. Again, he was not prepared to give me a responsible reply.

I pressed hard the need for all parties to reduce the flow of arms into the Middle East. As with all other constructive steps in the Middle East he came back to his single theme: first, withdrawal, and then the rest. Don't tie any other issue to withdrawal. He made the same response to our proposal for the registration with the UN of arms shipments to the Middle East.

Finally, I pressed him hard to use Soviet influence in Havana to deflect Castro from his direct and active encouragement of guerrilla operations in Latin America. I told him that we had evidence that the Cubans were operating in seven Latin American countries. I cited in particular the case of Venezuela (Tab C) and told him that it was most dangerous to the peace of the Hemisphere and the world for Castro to conduct this illegal activity.

As I say, on none of these matters was the Soviet Government, for which Chairman Kosygin spoke, prepared to move forward as of Sunday afternoon.

And only time will tell whether our meeting will help produce concrete results.

It was clear to me and clear to all who saw and listened to Chairman Kosygin that he is a leader in a government whose philosophy is Communist and which regards itself as a leader in the Communist world. This should not come as a surprise any more than it is a surprise that I profoundly believe in constitutional democracy and private enterprise and human freedom as we understand them. There are very important differences in ideology and national interest between the Soviet Union and the United States. These cannot be wished away. They cannot be eliminated by miracles. But what we must do is what we are trying to do; that is, to work hard, patiently and soberly to narrow these differences and broaden the foundations for peace in the world.

86a
Mr Rostow

VENEZUELA

We have firm evidence that Cuba is directly and actively encouraging guerrilla operations in seven Latin American countries, This is a form of aggression and it is dangerous to peace in the Western Hemisphere and the world.

In Venezuela, for example, Soviet-manufactured weapons were captured from Cubans landed in Venezuela illegally in July 1966. Their boat and motors are known to have come from Cuba.

In May 1967 a party of Cubans and Venezuelans trained in Cuba landed in a Cuban fishing vessel. Several Cubans were captured.

On March 13, 1967, Castro openly stated his determination to support such activities.

The Venezuelan government is determined that there shall be effective action against it.

Our Ambassador Sol Linowitz is now in Venezuela investigating the evidence along with his OAS colleagues.

It is of the highest importance that Castro be persuaded to stop such illegal activity.

(2)

86b

SAFEGUARDS

The issue on safeguards (Art. III) in the NPT is not an issue between us and the USSR. It is between the EURATOM countries (France, Germany, Italy, Netherlands, Belgium) and all the rest. EURATOM views depend essentially upon the veto and negative attitude of France.

Gromyko told Rusk that they would talk to France about this.

What we now want is: USSR agreement to table the existing draft with Article III blank. We agree that we and Soviets (as co-chairmen) will work urgently on Article III. Gromyko and Rusk are meeting early this week on Article III.

If USSR can accept our present language for Article III, of course we could table complete draft.

However, we are committed to our allies (especially the Germans) not to discuss alternative language on Article III with the USSR before discussing it with our allies.

^{86c}
Mr. Raton

MIDDLE EAST

Mr. Kosygin said to the General Assembly that we should try to find "common language". We agree to try.

The General Assembly's function is to make recommendations to the Security Council and to the parties. It is inconceivable to us that the Assembly would not recommend the elements of a permanent peace in the Middle East.

We have studied Kosygin's speech carefully and believe we ought to find "common language" on:

- Withdrawal of forces.
- Acceptance of Israel as an independent national state.
- Elimination of a state of war or rights of belligerence.
- Re-affirmation of non-use of force or threat of force.
- Rights of innocent passage -- Suez as well as Aqaba.
- Dampening of arms race.
- Commitment to face and solve refugee problem.
- Effective UN presence until peace treaties between Middle East states worked out.
- A mediation procedure.
- Intensified economic and social development.

Some of these elements were contained in the Chairman's speech before the General Assembly. None is inconsistent with Soviet policy as we understand it.

We should work in New York for a resolution and action we both can support.

Monday, June 26, 1967

S. H. G.

87
Pres file

Mr. President:

The figures cited by Senator Church are substantially accurate. (They are drawn from public documents). He seeks to use these figures, however, to prove that:

-- our arms sales programs are "burgeoning" in size and is distorting our foreign policy objectives;

-- our military aid and sales program contributed to the Middle East conflict.

The proper perspective on our aid and sales program is as follows:

-- Our total military exports (sales and grants) are not expected to be higher between FY 1962-71 than they were between FY 1952-61. The important fact is that the ratio of grant aid to sales has been reversed. Where in FY 1961, there were two dollars of grant aid for every dollar of military sales to foreign recipients, by FY 1966, the ratio had been reversed, with no increase in total U. S. military exports.

-- Our military sales program is governed by three basic principles:

1. We will not sell equipment to a foreign country which we believe it cannot afford or should not have.

2. We will never ask a potential foreign customer to buy anything not truly needed by its own forces.

3. We will not ask any foreign country to purchase anything from the United States which it can buy cheaper or better elsewhere.

-- Every proposed sale of U. S. arms and munitions is approved only after thorough review of the legitimacy of the requirement, of the recipient's ability to pay, of its potential influence on the peace and stability of the area, and of all other foreign policy considerations involved.

-- Our own military programs, and especially our leadership in military research and development, make the United States the lowest cost and most effective potential supplier for a wide-range of military products. If foreign nations do not buy from us, they can always buy elsewhere -- at a higher cost.

-- Of some \$11 billion in arms orders during the period FY 1962-66, 90% came from 21 industrialized NATO nations and countries of Europe and the Far East. Seven of these 21 countries accounted for 90% of this total.* In a recent magazine article -- Esquire, July -- Church acknowledged that it was "entirely proper" to sell to "industrialized countries which can afford to pay." Thus, the sales criticized by Senator Church constitute only 10% of our total sales program. The 10% that went to developing nations was to assist in maintaining internal security, resisting the threat of aggression, and maintaining a reasonable degree of orientation toward the Free World.

Turning to the Middle East in particular, Senator Church's figures are high by a factor of 6 and he has the motives mixed up.

1. True, we have provided some \$322 million in military aid to Arab nations. But only two of those actually fought Israel -- Iraq and Jordan. We have given no significant military aid to Iraq since the Baghdad Pact days before 1957. So, only our \$55 million to Jordan (about 1/6 of the total) falls into Senator Church's category.

2. On top of that, our military aid to Jordan has been given with Israel's acquiescence.

3. You made perfectly clear in your June 19th speech how you feel about the arms race. Our \$322 million compares with some \$2 billion in Soviet arms that have gone to the Arab countries since 1955. Far from promoting an arms race, we've constantly tried to put a damper on it.

*(These seven countries were: Germany, United Kingdom, Australia, Italy, Canada, Belgium and Japan).

We have had our policy on the supply of arms to countries of the Middle East under urgent review since the beginning of the current crisis and we will continue to keep it under close supervision. As you said on June 19, this conflict has demonstrated the danger of the Middle East arms race of the last 12 years. We have always opposed this arms race, and our own shipments to the area have been severely limited.

W. W. Rostow

~~SECRET~~

Monday, June 26, 1967
4:15 p.m.

Mr. President:

You may wish to examine this
objective CIA-DIA appraisal of
bombing of North Viet Nam through
June 19 -- especially, pp. 1-7.

It shows more strain on the
logistical and industrial systems
than I can recall.

W. W. Rostow

~~SECRET~~

An Appraisal of the Bombing of North Vietnam
(through 19 June 1967)
S-2325/AP-4

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 92-85
By ijg, NARA, Date 4-18-95

~~SECRET~~

Monday, June 26, 1967
4:10 p.m.

Mr. President:

Westy's attached report, on
the political situation in Saigon,
is interesting.

W. W. Rostow

~~SECRET~~

89
Pres. file

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By af, NARA, Date 7-8-91

GEN MCCONNELL CS AF
ADM MCDONALD CNO
ZEN/GEN GREENE CMC
MR ROSTOW WHITE HOUSE
MR KATZENBACH STATE
MR HELMS CIA

ZEM

P 251227Z ZFF-1

FM GEN WESTMORELAND, COMUSMACV, SAIGON

TO GEN WHEELER, CJCS, WASHINGTON

ADM SHARP, CINCPAC, HAWAII

ZEM

~~SECRET~~ MAC 5994 EYES ONLY

1. FULLY APPRECIATE YOUR CONCERN FOR THE LOCAL POLITICAL SITUATION. NEEDLESS TO SAY, THERE ARE MANY UNKNOWNNS IN THIS EQUATION AND ALL WE CAN DO IS TO SPECULATE ON TRENDS. THE AMBASSADOR AND I ARE DISCUSSING THE MATTER ALMOST DAILY, KEEPING OUR EARS TO THE GROUND AND EXERCISING DISCREET INFLUENCE WITHOUT SUGGESTING ANY PREFERENCE FOR CANDIDATES. WE ARE BY ALL MEANS ENCOURAGING UNITY WITHIN THE ARMED FORCES, AND STRESSING THE IMPORTANCE OF FREE AND FAIR ELECTIONS.

2. AS YOU KNOW, AMBASSADORS BUNKER AND LOCKE AND MYSELF HAD LUNCH ON TUESDAY WITH THIEU, KY, AND VIEN. IT SEEMED TO BE A HELPFUL MEETING AND HOPEFULLY, DURING THE COMING WEEK SOMETHING ENCOURAGING MAY EMERGE FROM OUR DISCUSSION. I HAVE RECEIVED INDIRECT WORD THAT THE VIETNAMESE MAY ASK US TO JOIN THEM FOR LUNCH ON TUESDAY AND MAY HAVE SOMETHING OF INTEREST AT THAT TIME.

3. IT IS DIFFICULT TO ASSESS THE RELATIVE SUPPORT FOR THIEU AND KY AMONG THE SENIOR OFFICER GROUP, HOWEVER, MY ESTIMATE IS THAT KY HAS THE UPPER HAND AT THIS TIME. HOWEVER, IF LOAN CONTINUES HIS ANTICS, KY COULD LOSE GROUND RAPIDLY. IN MY OPINION, IT WOULD NOT BE INCONCEIVABLE FOR KY TO GIVE THIEU THE SENIOR MILITARY POST IF HE WERE ELECTED. VIEN TELLS ME HE WOULD BE AGREEABLE TO SUCH AN ARRANGEMENT. IN THIS CONNECTION, THERE HAS BEEN SOME DISCUSSION ABOUT THIEU GETTING 5 STARS AND PUTTING HIM IN OVERALL CHARGE OF SECURITY TO INCLUDE POLICE AS WELL AS MILITARY FUNCTIONS. THIEU HAS TOLD ME THAT HE FAVORS A CIVILIAN CANDIDATE AND THAT HE BELIEVES HUONG WOULD BE A GOOD PRESIDENT. HOWEVER, I KNOW OF NO SERIOUS MOVE BY THE MILITARY TO RALLY BEHIND HUONG. I BELIEVE THAT THE ODDS FAVOR THIEU AND KY MAKING A DEAL BEFORE THE ELECTION.

4. THE ATTITUDE OF THE CORPS COMMANDERS IS AMBIVALENT AT THE MOMENT. THEY ARE ON THE FENCE AND ARE HOPING THAT EITHER THIEU OR KY WILL FALL OUT SO THAT THEY CAN SUPPORT A SINGLE MILITARY CANDIDATE. THEY ARE ENCOURAGING SUCH A DEVELOPMENT. I SEE LITTLE LIKELIHOOD OF A COUP IN THE NEAR FUTURE.

5. THIS IS A HASTILY PREPARED REPLY. I WILL GIVE YOU A FURTHER REPORT BY MID-WEEK. WARM REGARDS.

SSO NOTE: DELIVER DURING DUTY HOURS

400

DECLASSIFIED

Authority NLJ 89-57

By sg kyp, NARA, Date 7-9-91

NNNN

~~SECRET~~ EYES ONLY

Monday, June 26, 1967 -- 3:15 p.m.

Mr. President:

As instructed, I informed George that:

1. We invited the Romanian Prime Minister Maurer because:
 - He is a Prime Minister who wanted to see you.
 - He has been exceedingly independent of Moscow, made good arrangements with West Germany, and supported a moderate position on the Middle East not very different from ours; he will probably be the President of the 22d General Assembly of the United Nations, opening in December 1967.
2. He is on the record because it is virtually impossible to keep a Prime Minister off the record.
3. I suspect you will find him an interesting, somewhat off beat Communist leader.

W. W. Rostow

cc: George Christian

WWRostow:rlh