

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

[1 of 8]

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
1 memo	Rostow to the Pres. re Peru S 3 pp. open 12-10-93 NLJ 92-223 [duplicate of #81b, NSF, Country File, Peru, Vol. 2]	7/15/67	A
1a memo	Schultze to the Pres. C 3 pp. open 12-10-93 NLJ 92-223 [duplicate of #81i, NSF, Country File, Peru, Vol. 2]	7/15/67	A
1b memo	Gaud to the Pres. open 4-7-00 C 4 pp. [duplicate of #81a, NSF, Country File, Peru, Vol. 2; sanitized NLJ 90-75]	7/12/67	A
1c memo	Covey Oliver to the Pres. open 4-7-00 S 2 pp. [duplicate of #81f, NSF, Country File, Peru, Vol. 2; sanitized NLJ 90-101]	7/15/67	A
1d memo	Schultze to the Pres. C 2 pp. open 12-10-93 NLJ 92-223 [duplicate of #81h, NSF, Country File, Peru, Vol. 2]	7/15/67	A
2b memo	Bator to the Pres. 2-25-92 PCI 1 p.	7/12/67	A
2c letter	Richard Neustadt to Bator 2-25-92 PCI 2 pp.	6/27/67	A
2d memo	re The Politics of the Barrier 2-25-92 PCI 11 pp.	6/27/67	A
3 memo	Rostow to the Pres. re Peru C 1 p. open 12-10-93 NLJ 92-223 [duplicate of #83, NSF, Country File, Peru, Vol. 2]	7/15/67	A
3a memo	Read to Rostow C 1 p. open 4-7-00 [duplicate of #83a, NSF, Country File, Peru, Vol. 2; sanitized NLJ 90-101]	7/14/67	A
3b draft	cable to Lima open 4-7-00 C 4 pp. [duplicate of #83b, NSF, Country File, Peru, Vol. 2; sanitized NLJ 90-101]	7/13/67	A
5a letter	Amb. Ritchie to Rusk open 4/6/61 NS 00-131 S 2 pp. exempt 8-18-92 NLJ 92-223	7/13/67	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, "Volume 34, July 11 - 15, 1967," Box 19

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
6a memo	Leonard Marks to the Pres. C 6 pp. open 5-19-92 NLJ 92-220	7/13/67	A
7 memo	Rostow to the Pres. re Vietnam TS 1 p. open 12-10-93 NLJ 92-223	7/15/67	A
7a memo	Ginsburgh to Rostow " " TS 3 pp.	7/13/67	A
8a report	Situation Report on Vietnam S 2 pp. open 8-19-92 NLJ 92-224	7/15/67	A
13 memo	Rostow to the Pres. re Nicaragua C 1 p. open 12-10-93 NLJ 92-223	7/14/67	A
13a cable	Managua 78 C 4 pp. open 8-19-92 NLJ 92-224	7/12/67	A
14 memo	Rostow to the Pres. C 1 p. open 12-10-93 NLJ 92-223 [duplicate of #101, NSF, Country File, France, Vol. 12]	7/14/67	A
14a cable	Paris 688 C 2 pp. open 4-7-00 [duplicate of #101a, NSF, Country File, France, Vol. 12; sanitized NLJ 86-16]	7/13/67	A
17a memcon	with Rostow, Ambassador Harman C 1 p. open 12-10-93 NLJ 92-223	7/14/67	A
18a draft	re Vietnam " " S 7 pp.	7/14/67	A
19a memo	Jorden to Rostow " " C 4 pp.	7/14/67	A
20 memo	Bator to the Pres. C 1 p. open 6-8-94 NLJ 92-93	7/14/67	A
21 memo	Rostow to the Pres. re Middle East S 1 p. open 12-10-93 NLJ 92-223	7/14/67	A
21a cable	Paris 635 exempt 8-19-92 NLJ 92-224 open 4-7-00 S 1 p.	7/13/67	A
22a memo	Rusk to the Pres. re Middle East S 3 pp. open 8-17-93 NLJ 92-224	7/13/67	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
22c report	A Possible US Draft Resolution C 2 pp. open 8-19-72 NLJ 92-224	undated	A
24a cable	La Paz 84 C 3 pp. "	7/12/67	A
25a cable	Rome 290 S 2 pp. "	7/13/67	A
26a cable	Bunker to the Pres. Dup. #64a, 65, NSF, CF, JN, "WH C 1 p. Cables Backchannel 'Box 258' [sanitized NLJ/CBS 10, 1983] Open 4-7-00	7/14/67	A - more released
31 memo	Bator to the Pres. C 2 pp. open 6-8-94 NLJ 92-93	7/13/67	A
31b cable	Bonn 471 Sanitized 9-21-92 NLJ 92-92 PCI 2 pp. open 4-7-00	7/12/67	A
34 memo	Rostow to the Pres. re Panama C 1 p. open 12-10-93 NLJ 92-223	7/13/67	A
36 memo	Rostow to the Pres. " S 1 p.	7/13/67	A
38a cable	from Prime Minister Wilson to the Pres. S 3 pp. Open 4/6/01 NUS 00-131 exempt 8-18-92 NLJ 92-223	7/13/67	A
39 memo	Rostow to the Pres. re Peru C 1 p. open 12-10-93 NLJ 92-223 [duplicate of #84a, NSF, Country File, Peru, Vol. 2]	7/13/67	A
39a cable	Lima 190 C 4 pp. open 4-7-00 [duplicate of #84b, NSF, Country File, Peru, Vol. 2; exempted NLJ 90-77]	7/12/67	A
39b cable	Lima 192 C 2 pp. open 4-7-00 [duplicate of #84c, NSF, Country File, Peru, Vol. 2; Exempted NLJ 90-77]	7/12/67	A
41 memo	Rostow to the Pres. re western Europe C 1 p. dup #6, NSF, CF, Germany, Vol 13 open 12-10-93 NLJ 92-223	7/13/67	A
41a cable	Bonn 426 dup. #6a, NSF, CF, Germany, Vol 13 C 2 pp. sanitized 8-19-92 NLJ 92-224 open 2-18-00 NLJ 99-199	7/12/67	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
42 memo	Rostow to the Pres. re Middle East C 2 pp. <i>open 12-10-93 NLJ 92-223</i>	7/13/67	A
43a letter	Bunker to Rostow S 1 p. <i>open 2-25-92 PERLACH</i>	7/10/67	A
43b report	Remarks by Ambassador Bunker S 29 pp. <i>open 2-25-92 PERLACH</i>	undated	A
44a report	Situation Report on Vietnam S 2 pp. <i>open 8-19-92 NLJ 92-224</i>	7/13/67	A
47a memo	Rusk to the Pres. re Middle East C 2 pp. <i>open 8-17-93 NLJ 92-224</i>	7/11/67	A
49a cable	Saigon 893 <i>open 4-7-00</i> S 14 pp. <i>sanitized NLJ/CBS 10-11-28-83</i>	7/12/67	A
50 memo	Rostow to the Pres. re Germany C 1 p. <i>open 12-10-93 NLJ 92-223</i>	7/12/67	A
51 memo	Rostow to the Pres. re Vietnam S 1 p. <i>open 12-10-93 NLJ 92-223</i>	7/12/67	A
51a report	Fact Sheet <i>open 5-21-92</i> S 3 pp. <i>NLJ 92-221</i>	7/11/67	A
52 memo	Rostow to the Pres. re France <i>open 4-7-00</i> S 1 p. [duplicate of #54, NSF, Country File, France, Vol. 12; sanitized NLJ 86-15]	7/12/67	A
52a cable	Paris 523 exempt <i>8-19-92 NLJ 92-224</i> S 2 pp. <i>open 4-7-00</i> [duplicate of #54a, NSF, Country File, France, Vol. 12; exempted NLJ 86-16]	7/12/67	A
52b cable	Paris 508 exempt <i>8-19-92 NLJ 92-224</i> <i>open 4-7-00</i> S 3 pp. [duplicate of #54d, NSF Country File, France, Vol. 12; exempted NLJ 86-16]	7/11/67	A
52c cable	Paris 506 exempt <i>8-19-92 NLJ 92-224</i> <i>open 4-7-00</i> S 1 p. [duplicate of #54c, NSF Country File, France, Vol. 12; exempted NLJ 86-16]	7/11/67	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
52d cable	Paris 507 exempt 8-19-92 NLS 92-224 S 1 p. open 4-7-00 [duplicate of #54b, NSF Country File, France, Vol. 12; exempted NLS 86-16]	7/11/67	A
54 memo	Rostow to the Pres. re Middle East S 1 p. open 12-10-93 NLS 92-223 [duplicate of #18, NSF, Name File, "Eisenhower, Dwight D., General [1 of 2]"]	7/12/67	A
54b memo	Goodpaster memo for the record S 4 pp. sanitized 4-6-95 NLS 93-425 open 4-7-00 [duplicate of #18b, NSF, Name File, "Eisenhower, Dwight D., General [1 of 2];" sanitized NLS 77-148]	7/12/67	A
58 memo	Rostow to the Pres. open 2-25-92 C 1 p.	7/12/67	A
58a cable	Geneva 109 open 8-19-92 NLS 92-224 C 2 pp.	7/10/67	A
59a cable	Moscow 143 open 4-7-00 C 1 p. exempt 8-19-92 NLS 92-224	7/11/67	A
63a report	Actions Recommended by Bob Komer open 12-10-93 NLS 92-223 TS 1 p. Dupe in Files of WNR, Box 7. "Komer-Locke on Vietnam" # 2a	undated	A
63b report	Actions Recommended by Ambassador Locke TS 2 pp. open 8-19-92 NLS 92-224	undated	A
65 memo	Rostow to the Pres. re Indonesia S 1 p. open 12-10-93 NLS 92-223	7/12/67	A
65b memo	Schultze to the Pres. " S 2 pp.	7/7/67	A
66a report	Situation Report on Vietnam C 3 pp. open 8-19-92 NLS 92-224	7/12/67	A
67c memo	Special Memorandum open 4/6/01 NLS/RAC 00-195 S 1 p. sanitized 1-22-93 NLS 92-219	6/28/67	A
69 memo	Rostow to the Pres. S 1 p. open 12-10-93 NLS 92-223	7/11/67	A
69a letter	Kiesinger to the Pres. open 4-7-00 S 4 pp. exempt NLS 92-93 Bates, Chron File" 7-1-67/7-21-67, Box 6	7/11/67	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
70 memo	Rostow to the Pres. re Middle East S 1 p. <i>open 12-10-93 NLS 92-223</i>	7/11/67	A
70a cable	Rabat 145 exempt 8-19-92 NLS 92-224 S 2 pp. <i>open 11/6/00 NLS 00-132</i>	7/11/67	A
72 memo	Rostow to the Pres. re Vietnam C 1 p. <i>open 12-10-93 NLS 92-223</i>	7/11/67	A
72a memo	Intelligence Note C 6 pp. <i>open 8-19-92 NLS 92-224</i>	7/10/67	A
75 memo	Rostow to the Pres. re Middle East C 2 pp. <i>open 12-10-93 NLS 92-223</i>	7/11/67	A
79 memo	Rostow to the Pres. re Middle East S 4 pp. <i>open 12-10-93 NLS 92-223</i>	7/11/67	A
81a memo	Ed Lansdale to Barry Zorthian C 2 pp. <i>open 8-19-92 NLS 92-224</i>	7/4/67	A
81b memo	Ed Lansdale to Amb. Bunker C 1 p. "	7/4/67	A
81c memo	Rufus Phillips to Lansdale C 3 pp. "	7/3/67	A
81d memo	Lansdale to Bunker S 1 p. "	7/3/67	A
81e memo	Phillips to Lansdale S 3 pp. "	7/3/67	A
81f memo	Lansdale to Bunker C 1 p. "	7/3/67	A
81g memo	Calvin E. Mehlert to Lansdale C 4 pp. "	7/3/67	A
81h memo	Lansdale to Bunker C 1 p. "	7/3/67	A
81i memo	Mehlert to Lansdale C 2 pp. "	7/3/67	A
81j memo	Lansdale to Bunker S 3 pp. "	7/2/67	A

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81k memo	Lansdale to Bunker C 1 p. <i>open 8-19-92 NLS 92-224</i>	7/2/67	A
81l memo	Phillips to Lansdale C 2 pp. "	6/30/67	A
81m memo	Lansdale to Don MacDonald, et. al. C 2 pp. "	7/2/67	A
81n memo	Lansdale to Bunker C 1 p. "	7/2/67	A
81o memo	Mehlert to Lansdale C 2 pp. "	7/1/67	A
82a report	Situation Report on Vietnam S 3 pp. <i>open 7-30-98 RAC sanitized 8-19-92 NLS 92-224</i>	7/11/67	A
83 memo	Rostow to the Pres. re Guatemala S 1 p. <i>sanitized 12-3-95 NLS 92-222 sanitized 4/16/01 NS/RAC 00-200</i>	7/11/67	A
83a cable	Intelligence Information Cable S 7 pp. <i>sanitized 1-22-93 NLS 92-219 sanitized 4/16/01 NS/RAC 00-199</i>	7/10/67	A
85a report	re Vietnam S 6 pp. <i>open 4/6/01 NS/RAC 00-199 sanitized 1-22-93 NLS 92-219</i>	7/67	A

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#60 memo	Walt Rostow to the President - TS 1 p <i>open 64.03 NW/RAZ 00.210</i>	7/12/67	A
#60a rtp. 1	Intelligence report - <i>Sanitized per NSJ-141-021.004/264102</i> TS 2 pp	7/12/67	A
#60b chart	Intelligence report - open 64102 NSJ-141-021.004/2 TS 1 p	7/12/67	A

FILE LOCATION

NATIONAL SECURITY FILE, Memos to the President, Walt Rostow, Volume 34, July 11-15, 1967
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~~SECRET~~

Saturday - July 15, 1967 - 5:00 pm

1 copy
2 Pres. file

Mr. President:

President Belaunde faces probably the toughest situation of his three-year administration. He is engaged in three hard, interrelated fights:

- with his military on the acquisition of French supersonics and higher military expenditures.
- with his Congress on the IPC expropriation.
- with his Congress and business interests on higher import duties and taxes.

At the end of May, with your authorization, we offered to negotiate a \$40 million program loan contingent on four conditions:

- an IMF standby agreement.
- \$157 million in new revenue measures.
- \$15 million cutback in expenditures.
- no French supersonic aircraft.

Belaunde made a good try to meet these conditions. He succeeded in:

- negotiating the IMF standby.
- raising at least \$90 million of the \$157 million of new revenue.
- making the expenditure cutback.

Because of his military and Congress, he fell short in:

- putting through new taxes.
- getting a commitment from the military not to buy French supersonics, although he has so far staved off their closing a deal.

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Bill Gaud and Covey Oliver ask your approval (Tab A) for their negotiating a \$15 million program loan -- an amount equivalent to the first tranche of the \$40 million package, with the balance to come later if he delivers on the original conditions. This would:

- acknowledge his self-help efforts to date.
- encourage him to press forward with the other tax measures.
- strengthen his hand with the Congress on IPC and the military on supersonics.
- ultimately, perhaps, save him from a political crisis in which he would quit or be toppled.

The \$15 million would be conditioned on:

- drawing at least \$21 million of the IMF standby.
- submitting new tax legislation to the Congress in August.
- holding the 1968 military budget to the 1967 level.
- agreeing not to buy supersonics until 1969-70 when we plan to make available F-5's in Latin America.
- working out a satisfactory arrangement on IPC.

On the IPC problem, Covey Oliver describes the current situation and steps he has taken, and proposes to take, in the memo at Tab B.

In recommending approval of the \$15 million program loan, Charlie Schultze includes a personal note on the F-5 issue (Tab C). The background to this problem is that in 1965, when the Latin Americans were pressing to acquire supersonic aircraft, Bob McNamara agreed to program F-5's for delivery in 1969-70 to delay purchases. The military in Peru, and now in Brazil, impatient to acquire supersonics, have started negotiations with the French. If we are to head off these deals, we must:

- renew our willingness to provide F-5's.
- begin purchase talks with the interested countries toward the end of this year, with delivery date in late 1969 or 1970 (lead time is 20 months).
- use our economic assistance as a lever in getting these countries not to go supersonic until then.

I recommend that you approve the \$15 million program loan with the five stipulated conditions.

W. W. Rostow

Approve _____.

Disapprove _____.

See me _____.

Attachments:

Tab A - Schultze and Gaud memos (July 15 and July 12) on negotiating program loan.

Tab B - Covey Oliver memo (July 15) on IPC problem.

Tab C - Schultze note on F-5 issue.

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

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E.O. 12356, Sec. 3.4

NLJ 92-223

By ju, NARA, Date 11-23-93

JL 5 1957

MEMORANDUM FOR THE PRESIDENT

Subject: Program loan for Peru

On May 29, 1967, you authorized negotiation of a \$40 million program loan to Peru with four very tough self-help conditions. The conditions were:

- Negotiation of an IMF standby agreement.
- Passage of \$157 million in new revenue measures.
- A \$15 million cutback in expenditures.
- Turning down the military's pressure to buy super-sonic aircraft.

At the time of your approval, Belaunde had already effected the expenditure cutback and had obtained new revenue measures which will bring in at least \$90 million, and perhaps as much as \$110 million, in additional revenue. Negotiations with the IMF will be completed today or tomorrow.

Since Belaunde plans a concerted effort to push further revenue measures through the opposition controlled Congress in August, our main problem rests with the military. We were not successful in preventing a substantial increase in the 1967 military budget and Belaunde cannot agree to a condition of no super-sonic aircraft ever. Our only real alternative is to turn them from French Mirages now to U.S. F-5's in 1969 or 1970.

Bill Gaud and Assistant Secretary Oliver now strongly recommend approval of a \$15 million program loan in lieu of the \$40 million. This revised loan would recognize the significant self-help steps already taken and demonstrate support for Belaunde in his difficult dealings with the recalcitrant military and the opposition Congress. It would be particularly

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useful if Belaunde could refer to this support in his State of the Nation address July 28. Without it, Belaunde's progressive administration may be in serious political trouble.

The \$15 million loan would be conditioned on:

- Completion of the IMF agreement and a drawing of at least \$21 million, half of Peru's IMF quota.
- Submission of further tax reform and revenue measures to the Peruvian Congress no later than August.
- Agreement on the size of the 1968 Peruvian military budget to hold expenditures to the 1967 level, or lower if possible.
- A commitment not to buy supersonic aircraft from any other nation. (We would discuss a possible future sale of F-5's to Peru only if the tax reforms are passed and the military budget is held down.)

Under this proposal further loans up to the \$40 million would be considered only if the necessary tax measures and other fiscal reforms were adopted.

The Peruvian Congress recently passed a bill purporting to expropriate much of the operations of the International Petroleum Company (IPC) in Peru. However, Belaunde has advised us that the bill provides him with sufficient flexibility and that he will not take any unilateral action unfavorable to the IPC.

Balance of Payments

As in the original proposal, the funds will be used exclusively to finance imports from the United States with incentives designed to increase the U.S. share of the Peruvian market. Secretary Fowler agreed that these arrangements will serve to reduce any adverse effect of the proposed loan on our balance of payments.

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Recommendation

I recommend that you approve negotiation of the proposed \$15 million program loan for Peru.

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

Attachment

Approve _____

Disapprove _____

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

Tab A
16

JUL 12 1967

OFFICE OF
THE ADMINISTRATOR

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DECLASSIFIED

Authority AID letter 10-16-95
By fw, NARA, Date 3-13-06

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Program Loan for Peru

You will recall that on May 30, 1967, you authorized the negotiation of a \$40 million program loan to Peru from FY 1967 funds within the general framework discussed in my memorandum to you of April 21 and with the understanding that the agreement reached with the Peruvian Government would be submitted to you for review prior to signature. In view of several significant developments since that time, I am requesting a renewal of your authorization to initiate negotiations with the Government of Peru but for a program loan of \$15 million from FY 1968 funds. This request is based on the recommendations of Assistant Secretary Oliver, Ambassador Jones and A.I.D. Mission Director Dentzer. They strongly recommend that the U.S. indicate a willingness to negotiate a \$15 million program loan on the revised terms outlined below to affect favorably a complex range of issues in U.S.-Peruvian relations. We would like to encourage the Peruvians to continue self-help financial efforts, to achieve an acceptable solution to the International Petroleum Company dispute, and to discourage a possible supersonic aircraft purchase in the near future.

Our original proposal was to extend a \$40 million program loan provided the Peruvian Government would obtain legislation to raise 4.2 billion soles in additional revenues, the amount we estimated would be required in the period from July 1967 to June 1968 to finance the expected budget deficit. The Government has not fully met this performance requirement, but will raise at least an additional 2.4 billion soles annually as a result of recently enacted legislation (and possibly as much as 3 billion soles). The next most important task confronting the Government is to secure legislative approval of some form of a tax package recommended by an OAS team. The OAS tax proposal would establish a property tax and

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and reduce exemptions under personal and business income tax schedules. The Government plans to submit this tax reform package to the Peruvian Congress in August along with the 1968 budget.

Another condition of the original financial program was that the GOP negotiate a new IMF standby agreement before A.I.D. would offer program assistance. An IMF negotiating team is now in Peru and expects to complete negotiation of a \$42 million standby by mid-July.

The Country Team has strongly recommended that we respond in a forthcoming manner to the self-help actions which Peru has taken thus far, by offering a \$15 million program loan on specified conditions. The loan would bolster Peru's foreign exchange position in the critical months ahead during which the Government will be trying to induce the opposition-controlled Congress to pass additional legislation. The offer of a loan will also strengthen the hand of President Belaunde as he deals with the armed forces on the question of military expenditures and with ultra-nationalists on the IPC issue. This \$15 million offer would be equivalent to the first tranche of the original proposal for a \$40 million program loan. A later decision to provide subsequent tranches would require additional Peruvian performance towards resolving its underlying fiscal difficulties.

We propose to extend the initial \$15 million program loan subject to the following conditions:

- (a) The Government of Peru will enter into a standby agreement with the IMF and will be expected to make prior use of its rights to make drawings under this arrangement to the extent of at least one tranche (\$21 million) of its IMF quota.
- (b) The Government of Peru would introduce into the Peruvian Congress the OAS tax reform legislation and other revenue -- raising measures as promptly as possible, and in no case later than the time of submission of the 1968 budget, so that an adequate level of public investment may be carried forward in a non-inflationary manner.

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(c) The Government of Peru would reach an understanding with the U. S. on the size and the composition of the 1968 Armed Forces budget to be submitted to the Congress. The principle to be followed should be to hold military expenditures to their 1967 level and, if possible, to reduce them so that new resources would become available to be devoted to economic and social development.

(d) The two governments will consider the acquisition of supersonic jet aircraft (U.S. F 5's) and Peru's ability to finance delivery of such aircraft by 1970 consistent with the intention of limiting military expenditures to a level consistent with maximum economic and social progress. In the meantime, Peru will not purchase supersonic aircraft from any other source.

Since your authorization of May 30, Peru has made no purchase of supersonic jet aircraft although the Peruvian Air Force is continuing discussions with France and other foreign governments on this subject. Our program loan would be conditioned on a commitment not to purchase supersonics from other countries. The Ambassador and Mission Director believe there is a probability of preventing the French Mirage purchase if this \$15 million program loan proposal is approved urgently and if they are permitted to begin discussions regarding the replacement of the French sale by a U.S. aircraft sale within the 1969-1970 time frame after the program loan is negotiated. The Peruvian Executive Branch previously urged the Peruvian Air Force to delay negotiations for the supersonic aircraft purchase on the grounds that it would jeopardize a possible U.S. program loan. However, they now may feel unable to use this argument since they have not been able to meet the fiscal performance conditions attached to the \$40 million loan. The immediate authorization of a \$15 million program loan now would give President Belaunde reason to put the case squarely to the Peruvian Air Force and argue that it could get F 5's as a substitute for Mirages eventually and at the same time assist the Executive and the country by making badly needed external assistance possible.

We plan to tell President Belaunde that discussions on acquisition of supersonic aircraft cannot occur until later this year, and in any case not until after the Peruvian Congress has passed the tax reform proposals and a 1968 budget which limits total military expenditures to a satisfactory, agreed level.

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- 4 -

While we are not prepared at this time to discuss with President Belaunde the military expenditure point in the Summit Declaration, we do expect over the next several months to seek a more detailed understanding with key Latin American Governments as to the meaning of Chapter VI "Elimination of Unnecessary Military Expenditures".

The Peruvian Congress has adopted and sent to the President a bill purporting to expropriate much of the operations of the International Petroleum Company in Peru, and directing Belaunde to adopt any of several alternatives to carry out the terms of this decree within thirty days after the law comes into effect. President Belaunde (through Ambassador Pastor) has advised us that the new legislation provides him with enough executive flexibility that he need not impair the position of the company. President Belaunde states that he wants a negotiated settlement and does not want to take any unilateral action unfavorable to IPC.

Although Peru has not met all the performance requirements set out in the original negotiating instructions, we believe they have accomplished enough to warrant our support. We believe, moreover, that such support at this time will assist and encourage Peru in further self-help efforts to overcome its present serious budgetary problems. Such U.S. assistance will provide an earnest of our intention under the Alliance for Progress and bolster Peru's belief that the U.S. is vitally interested in Peru's economic and social development. If we are successful in this first step, we would then require passage of acceptable tax legislation and a limitation of military expenditures to a reasonable level in the approved 1968 budget before considering additional program assistance.

RECOMMENDATION: I recommend that, in accordance with the revised framework above, you authorize the negotiation with the Government of Peru of a program loan of \$15 million.

William S. Gaud

William S. Gaud

~~CONFIDENTIAL~~

~~SECRET~~

July 15, 1967

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1c

MEMORANDUM FOR THE PRESIDENT

Subject: International Petroleum Company Case in Peru

The Peruvian Congress has adopted and sent to President Belaunde a law purporting to expropriate a portion of the properties of the International Petroleum Company (IPC). Belaunde must now decide (1) either to sign or act otherwise on this legislation, and (2) once the law is promulgated to take one of several alternative actions to carry out its terms. Our latest information indicates that Belaunde is trying to postpone signing the measure until late this month, in the hope that meanwhile he can work out an acceptable solution to this problem. We believe that the best such solution would be for Belaunde to conclude the long-pending negotiations with the company for a 25-year service contract--in return for the company's ceding its claim to surface or sub-surface rights on its oil property in northern Peru.

We have had Ambassador Jones set out our views on this problem to President Belaunde and Foreign Minister Vasquez. We have sent our Deputy Chief of Mission in Lima to London to talk with Haya de la Torre, leader of Belaunde's political opposition, to urge him to take some of the pressure off Belaunde on the IPC issue. We have also ^{suggested} followed up your exchange of ^{ing} letters with Belaunde of February of last year by sending a letter to him from Walt Rostow urging a reasonable settlement.

We are considering still further steps. Depending on developments, we could send a high-level emissary to Lima to urge Belaunde to reach a settlement with IPC. We are also trying to use our other assets to help Belaunde reach a reasonable decision, and our best means for this purpose would be the immediate approval and announcement of the pending \$15 million program loan to his

~~SECRET~~
GROUP 3

Downgraded at 12-year intervals;
not automatically declassified

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By *ju/rg*, NARA, Date 3-13-00

~~SECRET~~

- 2 -

country. Our objectives are to convince Belaunde that the IPC decision is up to him, and him alone, and to use all the means available to us to persuade him to reach the right decision.

Covey T. Oliver

~~SECRET~~

~~CONFIDENTIAL~~

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

JUL 15 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Peru Program Loan

I have no problem from the economic point of view with the proposed \$15 million program loan to Peru. I note that the loan will be contingent on Peruvian agreement not to purchase the French Mirage III aircraft. Since Bill Gaud wrote the attached memo, we have learned that Brazil has signed a letter of intent to buy Mirages. This obviously bears on the Peruvian problem and raises even more emphatically the supersonic and Mirage issue in Latin America generally.

In my view, we should go to great lengths to prevent a competitive supersonic (particularly, high performance) build-up in Latin America either with American or other aircraft. Although such matters are outside of my bailiwick as Budget Director, I support using all the leverage we have to forestall such a build-up as long as we can.

If we must go ahead with supersonic aircraft in Latin America, we should make strong efforts to stop Mirage purchases. It is likely that Congressional reaction to Mirage purchases now would result in sharp reductions in Alliance economic aid appropriations and the military assistance appropriation. A substitution of the F-5 beginning in 1969 can be defended in Congress (not publicly) as the lesser of two evils.

The Mirage III is a Mach 2 aircraft with a relatively sophisticated air-to-ground missile which would be a big jump in Latin American arms escalation. The F-5 (Mach 1.4) is not a high performance aircraft and would cost considerably less. It represents a more logical progression on the part of Latin America into supersonics.

On the assumption that we must block Mirage purchases and offer instead F-5's, I recommend the approach proposed by Bill Gaud for the Peru program loan. In addition to the proposed actions in Peru, we need a strategy to block Mirage sales to Brazil. We have a variety of loans in various stages of development that should be considered in this context, such as,

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NJ 92-223
By fw, NARA, Date 11-23-93

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\$ 75 million balance of FY 1967 program loan
70 million FY 1967 project loans not yet signed
36 million P.L. 480 wheat credit
220 million FY 1968 development loans
25 million FY 1968 military grants and sales

Pending the State Department's clarification of the Mirage situation,
I am holding a request for a proposed Brazil P.L. 480 wheat agreement.

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

Attachments

Approve _____

Disapprove _____

Postscript:

This is more of a personal note on the supersonic aircraft situation.
The basic paper, including my covering memo giving the details of the
loan, are attached.

~~CONFIDENTIAL~~

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EYES ONLY

Saturday, July 15, 1967
3:15 p.m.

Pres file

Mr. President:

Bob McNamara comments
on Dick Neustadt's letter to Francis
Bator.

His observation is obviously
correct.

W. W. Rostow

EYES ONLY

WWRostow:rln

2a-d

OFFICE OF THE SECRETARY OF DEFENSE

15 July 1967

MEMO FOR The President

The "barrier" is not scheduled for installation in South Vietnam and Laos until 11/1/67. After that date, several months will be required to perfect the system and determine its effectiveness. Neustadt's paper discusses some of the actions that might be taken if it proves effective. None of these actions can be taken now.

R. McN

2b

THE WHITE HOUSE
WASHINGTON

Wednesday, July 12, 1967, 10:30 a.m.

NODIS - EXTREMELY SENSITIVE
STRICTLY EYES ONLY FOR THE PRESIDENT

Mr. President:

Attached is a brilliant but very hot think piece on Vietnam by Dick Neustadt. In my judgment -- recognizing that I am an outsider on Vietnam questions -- it is very much worth a Presidential reading.

You will want completely to control distribution. I have not, and will not, send copies to anyone -- not even Walt.



Francis M. Bator

NODIS - EXTREMELY SENSITIVE

HARVARD UNIVERSITY

JOHN FITZGERALD KENNEDY SCHOOL OF GOVERNMENT

INSTITUTE OF POLITICS

2c
LITTAUER CENTER
CAMBRIDGE 02138

June 27, 1967.

EYES ONLY

Dear Francis,

In strictest confidence I write to ask a favor.

I'd like you to give me a candid reaction on the attached memorandum which I've written to myself. It sketches a strategy for cutting political risks of Vietnam well before the fall of 1968, at the same time easing prospects for a settlement and honorable withdrawal during 1969.

What's on my mind is a Democratic outcome next year and then getting this war off the President's back so his third term isn't burdened like his second.

I know you're not involved in Vietnam, but that's an advantage: your ego's not in it. You do see and care about the President; that's good enough for me.

I've been jogged into trying to think this through by the approaching implementation of the so-called "barrier," the product of last year's Summer Study. As you know, I was marginally involved in that. "Political" to most of its participants naturally meant something broader than the future of the Johnson Administration. Equally naturally that's where I start, and see no inconsistency. It says in Presidential Power: "What's good for the country is good for the President, and vice versa." I even believe it!

However, sitting up here one runs a constant risk of thinking about what is good for Presidents in terms that make no sense from a close, current White House view.

It would be irresponsible of me to stir up colleagues here, or anybody else, ~~if what I think~~ is wholly off the beam in that respect. Scientists especially put far too much credence in the notion that I'm "expert" on "presidential perspective." But I haven't seen a President in action, close up, day by day, since 1953. And I'm bound to be influenced, perhaps too much, by White House service in that other war, Korea, under worse political circumstances.

HARVARD UNIVERSITY

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INSTITUTE OF POLITICS

LITTAUER CENTER
CAMBRIDGE 02138

Page 2

EYES ONLY

So I don't trust my own fingertips. Therefore, please sharpen yours and tell me whether in your judgment I'm now thinking "presidentially" or "academically". If it's the latter, I promise to go back to the drawing board!

Meanwhile, please keep this memorandum to yourself. Don't even write me about it. Just stop by in Cambridge and tell me what you think. Then I'll either put it in the safe for future reference -- or burn it and start over.

Warmly,



Richard E. Neustadt

Honorable Francis M. Bator
8 Wyman Street
Cambridge
Massachusetts

2d

June 27, 1967.

MEMORANDUM FOR THE CLOSED FILE

Subject: The Politics of the Barrier

The time has come to think about political opportunities attendant on the product of last year's Summer Study. It is hard to do that without benefit of recent information either military or technical, to say nothing of diplomatic. Even so, the effort should be made.

What do I hope might follow from the "barrier"? Three things:

1. An immediate cessation of bombing the Red River Valley on "rational" grounds of "cost-effectiveness" in deploying air power; grounds independent of the moral, diplomatic, world-opinion arguments which Doves advance and Hawks attack. In short: "Better than bombing."
2. A gradual redefinition of the mission of American ground forces in the South, again for "rational" reasons, progressively de-emphasizing both offensive action and pacification in favor of protection for the infrastructure needed to maintain the barrier. In short: "Better than chasing main force units" (and "South Vietnam to the South Vietnamese").
3. A public declaration of intent to expedite replacement of the "barrier" by an effective international police-force on the ground, when, as, and if such a force were created by competent international authority: In short: "If you don't like our finger in the dike find another."

Taken together, these three would redefine our military intervention in such terms that its limits were self-evident and self-explanatory, conveying on their face a strong justification. The "barrier" then serves as both the symbol of our purpose and the center of our effort.

(This assumes, of course, that it works well enough, for long enough, to be convincing as symbol and plausible as effort.)

Such an outcome gives our government a substitute for what it had to sacrifice in 1965 when bombers went North and combat forces South: limits with a built-in rationale as clear as "Let Asians fight Asians." Yet happily, the substitute sets comparable limits without challenging our statements of two years ago when we moved in to counter stepped-up intervention from the North (eg. State's 1965 White Paper). The barrier addresses that problem.

We gain a lot by thus restoring clear, self-justifying limits for our military effort. The gains at home would be the greater if and as those limits are accompanied by lower costs, material and human, but much could be gained merely by affording top officials solid ground on which to withstand bureaucratic and political pressures for widening the war and deepening its Americanization. Abroad, the prospects for some form of settlement with North Vietnam might or might not be brought closer in time were our intervention redefined, but at the least a focus on the barrier should lessen risks of Soviet or Chinese confrontation (provided Laos is sufficiently finessed) while vastly lowering the levels of concern elsewhere.

But these advantages accrue only if our conduct and our statements, both before and after we install the "barrier", are so orchestrated as to give it the requisite significance, emphasizing its symbolic quality and its centrality to our entire effort. This orchestration will come hard: that emphasis is almost bound to be resisted by all sectors of our own officialdom, uniformed and not, whose missions run to nation-building in the South and who are caught up in the "winning" of the war. Ditto Saigon officialdom.

To see the dimensions of the problem one looks at the specific tasks attendant on establishing each of the three positions sketched above. Specifics run along the following lines:

I. "Better than Bombing"

Publicly, this position is dependent on acceptance of the notion that the primary purpose of continued bombing in the North has been to slow and complicate the southward movement of troops and supply.

Bureaucratically, the position is dependent on acceptance of the notion that air power, per se is not denigrated, that a shift to barrier-maintenance in this particular war is no slur on the Mission of the Service.

It follows that:

1. Between now and the date of barrier-installation, high officials should find opportunity on numbers of occasions to downgrade "punishment" and "morale-building" (in the South) as reasons for continued bombing of the North.

"Punishment" is a key problem. Save in Tennessee, the President himself does not seem to have stressed that theme. But it is in the air. And among less attentive publics, also parents, it is a self-generating notion. Were it not downgraded in the next months, the holders of the notion will regard the barrier as an irrelevance.

2. By the same token, "interdiction" needs a lot of emphasis as our current purpose in continued bombing of the North. ("Morale-building" for those committed to us in Saigon presumably has long since been an attribute of troops in the South, not planes in the North.)

3. The clumsiness of bombing as a means needs stress increasingly as we approach the coming of the barrier. But what requires emphasis is the inherent difficulty of preventing reconstruction, substitution on the ground, not the insufficiency of airplanes as artillery. (Time enough for

that when we have battleships at sea again.)

4. The cost-effectiveness case against continued bombing warrants at least equal stress. The cost in planes and pilots needs emphatic underlining, perhaps not publicly until the "barrier's" comparative advantages are put on view, but certainly in private, sharpening a natural, professional concern wherever found among our Air Force officers and their congressional friends.

5. When the "barrier" goes in, retraction of our bombing should appear consistent with the barrier's requirements, not with the precise boundaries of North Vietnam (unless and where these coincide).

6. But having retracted we should seek cost-effectiveness grounds for not again employing bombers north and east of border areas (not at least unless the case is so distinct from our past practice as to look sharply different in public and abroad). Some "better" means of threatening strategic northern targets may be needed for the future, as and if the fighting in the South goes on. Battleships?

Not only for our own bureaucracy and public but also for officialdom in Moscow the logic of replacing bombing by the barrier needs constant, cumulative demonstration over time, so it sinks in. If Russians thought the barrier an add-on, an escalatory step, their scientist-weaponeers might itch to try to match it with their own summer study, seeking counter-measures aimed at saturation. Hanoi presumably lacks the technology; Moscow has means. So our interest lies in helping Russians to accept the logic of the barrier as a de-escalation not to be disturbed. Happily we give that help by following the steps listed above.

II. "Better than Chasing Main-Force Units"

Publicly, this position is dependent on acceptance of the notion, which can only come with time, that the "barrier" is working and that its continued working absolves us of direct responsibility for Saigon's handling of "internal problems."

Bureaucratically, the position is dependent on the technical respectability of plans for holding ports, depots, airfields, or other real estate needed to support the "barrier" in its various manifestations. Within our Army, I should think, there would be formidable resistance to the whole idea. Ditto ARVN. The plans would have to stand up under a torrent of argument, not least the arguments of Saigon which can threaten to collapse. And, for a variety of reasons, plans would have to foreshadow results which did not look like General Gavin's enclaves.

It follows that:

1. The "barrier" must first be seen to have a marked effect on North-South traffic and communications.
2. The need for barrier-maintenance should then be encouraged to assume a very high priority in public terms, and also in the terms of at least some key military staffs.
3. The priority would then promote retraction, on resource-allocation grounds, of other missions for American armed forces.
4. Advance planning to afford the priority should be preserved from premature internal argument within our government.
5. The Soviets, however, should get wind of the priority and be invited urgently to notice every sign that it is working: Thus we pursue the theme that "barrier" spells de-escalation, good for both of us, no challenge to the Soviet Academy, no arms race.

Technical requirements for barrier-maintenance, and their translation into force requirements, and above all their operation after we retracted other missions of our own ground forces -- these our scientists and military planners have to think about. I lack the wherewithal.

But assuming that these issues yield to technically respectable resolution, there still would remain massive vested interests in the way. It follows that:

1. American official statements soon should start to play down, not up, our direct role in pacification.
2. If Komer remains subordinate to Westmoreland, every effort should be made to render the relationship symbolically distinct from missions of our forces: administrative not integral. Alas, this will be hard to do.
3. Tempting though it is, we should resist seeding American units with ARVN cadres or vice versa. By the same token we should continue to defer commitment of substantial new numbers of American troops, lest public demand to use "their boys" in our units instead of "our boys" grows overwhelming. But how long will we defer if MACV presses? Until barrier time? Alas, again hard to do.
4. American official statements should begin again to stress old themes of South Vietnamese responsibility for combat and for pacification in the South. "[the internal war] is their war; they've got to win it".
5. If Saigon's presidential election comes off without a following coup, then we should seize upon it as an opportunity not just to sound those themes again but to embroider them.
6. Alternatively, if the election collapses, or coups ensue, then we should seize upon the "mess" to turn suspicious and standoffish, and

we could install the barrier in that context: "arms-length" from an "impossible situation." This, if it should befall, renders far easier a turn away from present uses of our forces.

III. "If You Don't Want Our Finger in the Dike, Find Another"

The "barrier" has high potential as a vehicle for guiding the interpretation placed on recent history by publics at home and abroad. It also has potential as a means of signalling to interested governments, including Hanoi and Saigon, what we regard as fundamentals for a settlement.

A public declaration of intent, inviting others to assume the function of our fence, need be viewed in light of both potentials.

Regarding both, the timing of a declaration could be crucial for its substantive effects. I see two options. First is a declaration following immediately on cessation of our bombing North (Position I above). Second is a declaration some weeks (or months) later, with or after a redefinition of our military effort in the South (Position II above). The first is a half-way house; the second goes whole-hog. I favor the second or nothing.

A. The "half-way declaration"

A declaration in the context of one publicly perceived event -- barrier-building instead of bombing -- invites attentive publics to interpret on the following lines:

The barrier is vital to our effort in the South, an effort which defines itself in terms of current manpower and casualties. Our plea for substitution of an international police-force is thus a call for international acceptance of that effort. The declaration then is readily to be dismissed as "propaganda," or worse, "credibility gap."

Governments might well interpret such a plea in such a context very differently: not as propaganda but as formal notice of determination to

impose a South Korean outcome on the conflict, leaving nothing to be bargained for by way of settlement except the occupancy of a cordon sanitaire between the two Vietnams, one of them "ours".

Personally, I never have believed that we can fashion or impose the political wherewithal for a "South Korean" -- or even "neutral Swiss" -- outcome in South Vietnam. We don't know how, and even if we knew we lack administrative means. So I regard this half-way declaration as worse than none.

B. The "whole hog" declaration

Quite different are the prospects for a declaration in the context of a cumulative train of publicly perceived events -- from retraction of bombing with the onset of the barrier to concentration of our military efforts on its maintenance.

Rightly placed in such a sequence, our proclaimed desire to exchange an international police-force for the barrier would strengthen the impression of the sequence as a whole, inviting publics, ours and others, to interpret U.S. intervention in the past two years as follows:

Our aim since 1965 has been to barricade the South against a Northern takeover by force of arms. Lacking better means we used air power in the North, ground forces in the South, alas costly and inefficient. Then our (prideful) technology afforded better means. But better still would be a separation of non-violent sort, maintained by others than ourselves. Rather police than explosives. We hold out for this. Its achievement constitutes our war aim.

And governments could be expected to adduce a corollary: that we would settle for continuing existence of a South Vietnam whatever its post-war political complexion, substituting a political for military contest there, provided we had adequately visible assurance that the regular armed forces of the North were not available for use in Southern politics or purges. This places the Manila Declaration in a new light. Indeed,

were our aim seen in Saigon to be narrowing to this, perhaps the moves toward political accommodation in the South which might make such an outcome palatable to Hanoi would be forthcoming without us or despite us. (That need not be a disadvantage to us in our politics: "ingratitude" helps disengagement; so does "local initiative.")

I myself do not see how our government, engaged as we now are, could enter into -- or let Saigon, for that matter, enter into -- a cessation of hostilities which did not leave two Vietnams on the map (at least for years ahead) and which did not leave present friends a scope in Southern politics (and a security of person) at least equivalent to that accorded present enemies. Those seem to me the likely minimum ingredients in the war's eventual settlement, however negotiated and no matter by whom. The "whole hog" declaration is not inconsistent with that minimum. Quite the contrary.

* * * * *

The three proposed positions I have built upon the barrier might help toward negotiation of a settlement, if for no other reason than that having got as far as these we could bear to look farther: having defined an aim within our means we could let ourselves think about terms.

But none of these positions stands or falls depending on its service to a settlement. Conceived as opportunities attendant on the barrier these interest me precisely because they have use regardless of the prospects for a settlement. Assuming as I do, in layman's fashion,

that Hanoi is most unlikely to engage in fruitful talks before our next election, perhaps also after, then there is every need for moves within our own control to restore tight, self-justifying limits on our intervention, lessen external risks of two more years of war, hold down costs in men and money, brake bureaucratic and political momentum, and reduce the rate of political polarization here at home.

Here are reasons enough to seize every shred of opportunity the barrier affords. Pessimists on settlement have still more cause than optimists to do so. For if we cannot soon begin to get this war turned down and stabilized at levels of substantially less cost both foreign and domestic, then all the risks may rise as we turn into the election year. Month by month the Administration loses running room. The barrier's timing is dangerously late. Imagination boggles at the thought of seizing on anything later than that. A "last chance?" Very likely. (I used to say that anything later than last April was too late. But hope springs eternal!)

However, a caveat:

The whole of the foregoing assumes for the sake of thought that the "barrier," taking all aspects together, has a very high prospect of marked success in its ostensible purpose: interdicting the flow of men and supplies from North to South, within Vietnam and also within Laos. (A secondary assumption has been that interference with Laotian traffic, while sufficiently substantial to be deemed a "marked success" will not be so substantial -- or so visible -- as to induce a Soviet-American confrontation.)

To add political dimensions to the "barrier," to make it

bear the further weight of political symbolism and purpose, is foolish politics, positively damaging, really profoundly dangerous, unless it can, in fact, bear the initial weight of its ostensible purpose. That's the caveat.

In other words, if a weapons-system, or equivalent, is to be justified in military terms, technical terms, in order that it can be turned to political account, used for broad policy purposes, then it is indispensable that it stand up under scrutiny in its ostensible terms, the technical terms, lest dubiety about these make all claims for other virtues ring false: phony, gimmicky, incredible. Recall what happened to Macmillan when he based his symbol of Great Britain's independence on, of all things, Skybolt. Recall what happened to us when we placed hopes for Atlantic Community and Anglo-German reconciliation, among other things, on MLF!

Everything I have here, all three proposed positions, lose political attraction unless our scientist-weaponeers are pretty confident about their "barrier's" demonstrable performance as a barrier.

By the same token, though, the marginal utility of every dollar spent and every plane or man diverted which improves their confidence is very high indeed. If manpower or money makes this sweet on technical grounds it automatically grows sweeter on political grounds. A good technical case makes the political case enchanting -- at least to me.

R.E.N.

3

Profile

~~CONFIDENTIAL~~

Saturday
July 15, 1967 -- 3:10 p. m.

Mr. President:

Herewith Sec. Rusk approves a proposal that I write personally to Belaunde the attached draft letter.

It may be that my personal connection with the affair, plus the fact that I work for you, might have some effect on Belaunde; but I'm inclined to think that this would be better done by Secretary of State.

If you rule that I should write the letter, I should like to improve it somewhat.

W. W. Rostow

Rostow letter approved _____

Have Sec. State do the job _____

See me _____

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-223
By ju, NARA, Date 11-23-93

WWRostow:rln



DEPARTMENT OF STATE
WASHINGTON

3a

July 14, 1967


~~CONFIDENTIAL~~

MEMORANDUM FOR MR. WALT W. ROSTOW
THE WHITE HOUSE

Subject: International Petroleum Company
Case in Peru.

The long-pending International Petroleum Company (IPC) case has reached a critical phase, particularly in view of the passage by the Peruvian Congress of a bill purporting to expropriate a portion of that company's properties. President Belaunde is now called upon (1) to sign or otherwise act upon this legislation, and (2) once the law is promulgated to adopt administrative actions to carry out its terms. As Belaunde faces these two decisions, we believe that certain actions on our part may be influential, and possibly decisive, in his handling of the IPC case. We believe that Ambassador Jones should be instructed to discuss this case through the attached draft cable, which includes a proposed letter from you to President Belaunde.

The Secretary has approved the above proposal.


Benjamin H. Read
Executive Secretary

Enclosure:

Telegram to Lima

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By fw, NARA, Date 3-13-00

~~CONFIDENTIAL~~

GROUP 3

Downgraded at 12-year intervals;
not automatically declassified

~~CONFIDENTIAL~~

Ambassador LIMA IMMEDIATE

INFO: USCINCSO for POLAD

STATE

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By gwl/mj, NARA, Date 3-13-00

Subject: IPC Case.

References: Lima 190, 191

1. Department appreciates and supports your presentation to Belaunde (paras 3-4 your 190). We also concur your conclusion that Belaunde not likely make a suitable deal with IPC unless he feels full weight of situation into which he has worked himself.

2. As follow-up to your July 10 meeting, request you seek appointment ASAP with Belaunde to deliver following letter to him from Walt Rostow, based upon February 1966 discussions and Presidential exchange of letters. ~~XXXXXXXXXXXXXXXXXXXX~~ Third paragraph of letter comprises paraphrase of key sentences from Belaunde's letter of February 10, 1966. Text follows: QUOTE

Dear Mr. President:

I have asked Ambassador Jones to convey my warm regards,

ARA:EP:MRBarnebey:ng
7/13/67

5858

The Secretary

White House - Mr. Rostow _____

L/ARA - Mr. Frank (draft)

ARA - Mr. Oliver _____

ARA - Mr. Sayre _____

~~CONFIDENTIAL~~

S/S

2

Ambassy LIMA

~~CONFIDENTIAL~~

and give you this letter concerning a subject of importance to the good relations of our two countries. These good relations I prize, and want to do all in my power to preserve.

Some of my fondest memories are of my talks with you, and of visits to Peru, most recently when you were so thoughtful in showing me the Selva areas. I share your view that these areas hold great future promise for your country and for the entire hemisphere. I recall, in particular, our stimulating conversations during the trip to Tarapoto.

One of the points we touched upon, which was alluded to in the exchange of letters between you and President Johnson in February of last year, was our mutual intention to seek harmonious agreement on the few cases involving U.S. companies operating in Peru where solutions were still pending. I was pleased, and continue to be so, that you have always been ready to discuss any such cases objectively and to seek workable solutions in the over-all interests of Peru.

I am aware of the many developments in recent weeks regarding one such case which have tended to limit the options open to you and to cause some disquietude here. The most notable such development, of course, was the passage by the Peruvian Congress of a law

~~CONFIDENTIAL~~

3

Ambassy LIMA

~~CONFIDENTIAL~~

which purports to expropriate a portion of the properties of the U.S. company in question. I sympathize with your position as you try to reach a fair and an equitable solution. Accordingly, I was pleased to receive the renewed assurances given us on your behalf by Ambassador Pastor, and the clear evidence of your close and continuing concern over this problem expressed to Ambassador Jones.

My earnest hope is that you will find ways to achieve such an equitable solution. You may count on my help here in Washington, and of course that of Ambassador Jones in Lima.

With my best wishes,

Sincerely,

Walt Rostow

UNQUOTE

3. In addition discussing above letter with Belaunde, request you explore further these two possible courses of action: (1) Belaunde might consider making clarifying statement at time of signing Congressional bill indicating that he construes law to permit him to carry out any of several alternatives as set out Article 3, thus finessing language of Article 2 which possibly could be interpreted (^{this} ~~though~~/not repeat not USG interpretation) to allow only Peruvian company to take over La Brea y Pariñas operations; or (2) Belaunde

4

Ambassy LIMA

~~CONFIDENTIAL~~

might wish discuss with APRA leaders possibility of submitting agreed GOP-IPC service contract to Congress for subsequent ratification, thus assuring IPC of its status and avoiding or minimizing later Coalition sniping at Belaunde over any alleged entreguismo.

4. FYI While obviously not for discussion with Belaunde, Department would welcome your views as to usefulness of sending high-level emissary to Lima to urge progress on resolving remaining issues with company, for example in attempting persuade Belaunde to cave on his refusal include quitclaim clause in service contract. Quitclaim clause is vital to company, so as to avoid any attempted use of mythical back taxes as compensation for expropriated properties; quitclaim issue may in fact provide possible basis for eventual formal protest.

5. Department will await your report on next Belaunde meeting and related developments before arriving at any decision with regard to lodging formal protest END FYI.

Gp-3.

END

~~CONFIDENTIAL~~

~~SECRET/EXDIS~~

Saturday, July 15, 1967
3:12 p.m.

Mr. President:

Herewith Amb. McBride assesses where we have come from and what the next stage in the Congo may be. He raises the question of the time of departure of the C-130's.

W. W. Rostow

Kinshasa 984

~~SECRET/EXDIS~~

WWRostow:rlm

4
Pres file

DECLASSIFIED

Authority State 3-19-79; NSC 6-25-79

By sg/ij, NARA, Date 7-19-91

Cy Hamilton
Ua

~~SECRET~~

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EXDIS

JUL 15 14 52

EHB179
PP RUEHEX
DE RUEHC 13366 1961446
ZNY SSSSS ZFH2
P 151115Z JUL 67
FM AMEMBASSY KINSHASA
TO RUEHC/SECSTATE WASHDC PRIORITY 3769
RUFHBS/AMEMBASSY BRUSSELS 1675
INFO RUEDPSA/CINCSRIKE PRIORITY
RUEPJS/DOD
RUEPJS/JCS
STATE GRNC
BT

DECLASSIFIED
Authority State Ltr 12/13/77
By rg/hmj, NARA, Date 7-19-91

~~SECRET~~ KINSHASA 984

EXDIS

1. I AM RESTRICTING DISTRIBUTION ON THIS MESSAGE SINCE IT VENTURES INTO REALM OF PROGNOSTICATION, WHICH IS ALWAYS RISKY IN THE CONGO.
2. IT SEEMS TO ME THAT PRESENT REBELLION FALLS INTO THREE PHASES. FIRST PHASE WAS OF COURSE MERCENARY SEIZURE OF BUKAVU AND KISANGANI, WHICH GAVE RISE TO ALMOST HYSTERIA AGAINST FOREIGN ELEMENTS IN CONGO. MOST EXTREME DANGER OF THIS PHASE WAS MITIGATED WITH US ANNOUNCEMENT OF ASSISTANCE TO CONGO. WHILE TENSION REMAINED HIGH, THIS DECISION WAS A WATERSHED. SHORTLY

~~PAGE 2 RUOSUC 984 SECRET~~

THEREAFTER, RESTRICTIONS AGAINST FOREIGNERS WERE TERMINATED. THIS PHASE OF COURSE ENDED WITH MERCENARY EVACUATION OF KISANGANI.

3. SECOND PHASE WAS LOCAL CONGOLESE REACTION AGAINST MERCENARY ACTIONS WHICH RESULTED IN UNBEARABLE TENSION IN KISANGANI FOLLOWING ITS OCCUPATION BY ANC WHICH RESULTED IN NECESSITY EVACUATING VIRTUALLY ALL FOREIGNERS. ALTHOUGH CONGOLESE COOPERATION HAS BEEN SPOTTY, THIS MORNING SITUATION LOOKS PROMISING THAT RED CROSS PLANES AND C-130 WILL COMPLETE EVACUATION WITH FULL CONGOLESE ASSISTANCE. THIS WILL TERMINATE SECOND PHASE.

4. WE THEN PASS INTO OBVIOUS THIRD PHASE WHICH WILL BE CONGOLESE EFFORT TO STRANGLE MERCENARIES WHO ARE APPRENTLY HOLED UP IN PUNIA RPT PUNIA AREA. WE CANNOT PREDICT HOW LONG THIS PERIOD WILL LAST BUT SOME EXPERTS FEEL LOGISTIC PROBLEMS WILL BRING

~~PAGE 3 RUCSUC 984 SECRET~~

END ONE WAY OR ANOTHER TO MERCENARY ACTIVITY WITHIN A COUPLE OF WEEKS. OTHERS OF COURSE FEEL IT WILL TAKE LONGER. IN ANY EVENT, THIS PHASE WILL PROBABLY SEE MOBUTU ADOPT TACTICS OF ATTRITION RATHER THAN ATTEMPTING ANY DIRECT ATTACKS ON MERCENARIES. WITH ANY LUCK IT SHOULD BE CONSIDERABLY LESS HYSTERICAL THAN SITUATION UP TO NOW, AND PERMIT MOBUTU GRADUALLY BEGIN TO WORK THIS COUNTRY BACK ONTO ITS FLIMSY TRACKS. HIS MESSAGE TO HIS COUNTRYMEN ON TV TODAY IS START OF THIS PROCESS

5. PURPOSE OF SPECULATION IN PARA ABOVE IS BACKGROUND FOR CONSIDERATION WHEN WE SHOULD SCHEDULE DEPARTURE C-130S. IF KISANGANI EVACUATION COMPLETED TODAY SUCCESSFULLY, I WOULD LIKE DEPT TO CONSIDER IF I SHOULD NOT ON MONDAY SEEK APPOINTMENT WITH MOBUTU AND LEAD INTO QUESTION OF DEPARTURE C-130S. THIS MAY OF COURSE BE EXTREMELY STICKY BUT I COULD POINT TO NEW AND IMPROVED SITUATION. PERHAPS DEPT CAN FURNISH OTHER

~~PAGE 4 RUCSUC 984 SECRET~~

REASONS THAT COULD BE USED TO JUSTIFY DEPARTURE OF PLANES PERHAPS ON SOME DATE IN ABOUT 10 OR 12 DAYS. JTF COMMANDER HAS REPORTED SEPARATELY ON TECHNICAL SITUATION, BUT HE FEELS THAT BY MIDDLE OF NEXT WEEK MOST SUPPLIES AND MEN NEEDING LONG-RANGE TRANSPORT WILL BE POSITIONED AS CONGOLESE WANT THEM. CONGOLESE OWN CAPABILITIES SHOULD BE ABLE TO TAKE OVER THEREAFTER.

6. I WOULD BE EAGER TO HAVE DEPT'S VIEW ON THIS SUBJECT AND INSTRUCTIONS UPON TOUCHING UPON SUBJECT. MCBRIDE
BT

NNNN

~~SECRET~~

EXDIS

5

~~SECRET~~

Saturday, July 15, 1967
3:10 p. m.

Pres file

Mr. President:

Herewith Prime Minister Pearson
replies to your account of Hollybush.

W. W. Rostow

~~SECRET~~

WWRostow:rlw

DECLASSIFIED
E.O. 12356 Sec. 3.4(b)
White House Guidelines Feb. 24, 1983
By rg, Date 7-11-91

Sa S



CANADIAN EMBASSY

AMBASSADE DU CANADA

RECEIVED
DEPARTMENT OF STATE

1967 JUL 13 PM 4 29

RS/AN
ANALYSIS BRANCH

1746 Massachusetts Ave. N.W.,
Washington, D.C. 20036,
July 13, 1967.

12340

Dear Mr. Secretary,

Prime Minister Pearson has asked me to arrange for the following reply to be transmitted to President Johnson in response to the President's letter of June 26:

"Dear Lyndon,

I want to thank you very sincerely for your recent messages on the Middle Eastern problems, and in particular concerning your talk with Mr. Kosygin. I am sure that your meeting with the Soviet leader, while not resulting apparently in any easing of the Soviet position on the matters discussed, was immensely valuable in the direct personal contact it established between Mr. Kosygin and yourself; and the impression you were able to get of his personality and methods, as well as his ideas. He seems to be a contrast to Khrushchev in his manner and his conduct but not, I gather, in ideas about Soviet policy and communist ideology. In these matters he seems to possess the inflexibility of a dedicated communist theoretician. I suspect, or at least I hope, that in action he will be influenced by a sense of practicality and limitation.

I get the impression that he is far from being a dictator, either in power or by instinct, and is as much concerned to keep in line with the views of his "cabinet" colleagues in Moscow as any Western Prime Minister would be. But it is a shade presumptuous on the part of one who has never met the man to try to analyze him to one who, from direct contact, is in a far better position to do so than I am.

In any event, while none of us is likely to have any illusions about the meetings at Holly Bush, I am

② 7/13/67

The Honourable
Dean Rusk,
Secretary of State,
Washington, D.C.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-131
By CM, NARA Date 3-22-01

...2

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- 2 -

convinced that meetings of this kind are useful, as this one has been. We should all be grateful to you for having arranged it. I believe it will have made it easier to take some steps forward on some of the major problems, particularly in respect of a non-proliferation treaty. The recent fighting in Palestine underlines the urgent need for such a treaty.

As for the situation in the Middle East since the fighting ceased, we have tried to keep very closely in touch with your Delegation in New York and to help find some solution which will enable us to move from cease-fire to armistice to a peace settlement. If we merely return to the procedures and expedients we accepted in 1956-57, we will not have a ten-year respite next time before fighting begins again. The immediate obstacle to a constructive negotiation of peace between Israel and her neighbours is, of course, the depth of Arab bitterness after such a humiliating defeat and the dizzy heights of Israeli confidence after such a total triumph. The immediate requirement at the moment is to let both extreme feelings diminish and prevent anything that will stop this process; and that is going to be very difficult, especially with the U.S.S.R. encouraging, and backing -- at least up to a point -- an Arab policy of revenge.

This letter, which started out by being one only of appreciation for your message, has run on too long.

With warm regards,

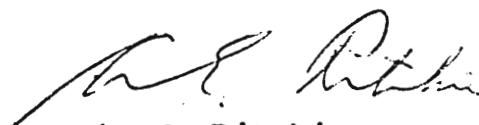
Sincerely,

Mike Pearson"

I should be most grateful if you could have this text conveyed to President Johnson. The signed original will be sent to your office as soon as it is received.

With best regards,

Yours sincerely,



A. E. Ritchie,
Ambassador

~~CONFIDENTIAL~~

Saturday, July 15, 1967
3:05 p.m.

Mr. President:

Herewith Leonard Marks reports on his trip to Viet Nam and makes a number of recommendations.

My recommendation would be that we send this report to Saigon for Amb. Bunker's personal comment.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 7-11-91



OFFICE OF
THE DIRECTOR

UNITED STATES INFORMATION AGENCY
WASHINGTON

~~CONFIDENTIAL~~

July 13, 1967

MEMORANDUM FOR: The President

6 a.
DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-220
By ing NARA. Date 5-15-92

During a six-day stay in Viet-Nam I conferred with:

1. Prime Minister Ky
Chairman Thieu
General Tri (Minister of Information in Chieu Hoi)
The heads of press, radio, television
Representatives of the Vietnamese Information Service
2. Ambassadors Bunker, Locke, Komer and other Mission heads
3. USIA officials in Saigon and the provinces, Bac Lieu and Son Trang, which I visited for one day.

Based upon this experience I would like to report the following:

1. Press Relations

We are facing today the most serious problem in dealing with the press stationed in Viet-Nam. Pessimism and criticism about the course of the war is more pronounced today than at any time in the past two years. There is a growing vocal doubt about the Presidential campaign, the military situation, ARVN's capabilities, the pacification program, prospects for social justice in Viet-Nam society and U. S. intentions for the future.

Correspondents are more critical in private conversations than in their written dispatches, although the latter are sufficiently critical.

This situation has been brought about by complex reasons, including the following:

- A. The loss through reassignment and summer vacations of the more experienced and mature correspondents who have been replaced by a relatively new and young press corps in Saigon.

~~CONFIDENTIAL~~

- 2 -

They are new to Viet-Nam and to the Far East, new to the complexities of any war and this war in particular, and new to the need for discrimination and evaluation of the many factors involved in this conflict. Many of these correspondents have built-in doubts and reservations which they brought with them from the United States. Many are here on their first "big assignment" and have a tendency to search for the critical story which might lead to a Pulitzer Prize. Such stories are easy to find if reliance is placed upon selfish interests and dissidents who seek publicity.

B. A general sense of war weariness and frustration.

Few correspondents see progress that holds any promise for an end to the war.

C. A growing doubt about the ability of the Vietnamese to do anything for themselves.

There is a despair about the corruption and government inefficiency, a belief that the Presidential campaign will be little more than a mockery of free election procedure and the belief that the Vietnamese lack motivation.

When I met with Prime Minister Ky and commended him on his patriotic attitude in accepting the Vice Presidency to avoid a conflict within the military, he thanked me but became quite indignant at a report filed by R. W. Apple of the New York Times which called this move "a stunning defeat" for Ky. He became quite intemperate when he explained that he had done everything possible to keep Mr. Apple informed, had taken him aboard his personal helicopter on trips so that he might have an opportunity for a firsthand review of the war and political situation -- and yet Apple persisted in attempting to "bring him down." He threatened to throw Apple and other correspondents of that nature out of the country. Prime Minister Ky repeated this accusation later that night to a group of correspondents.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 3 -

RECOMMENDATION:

The problem outlined is not readily resolved but may be alleviated by explaining to the American radio and television networks, the wire services and the principal newspaper publishers, the importance of having experienced and mature correspondents available to cover the elections in the next several months. I will undertake this effort if you approve. In doing so, I am mindful that every effort must be made to avoid any interference with the reporting of the news and that any suggestion of this nature must not be construed as a criticism of individual reporters.

2. Vietnamese Information Service (VIS)

There are at the present time, 14,000 persons employed by the Vietnamese Government to carry on an information program within Viet-Nam. I am informed that funds for this operation are being provided by AID.

During the past year, I have stressed the importance of having VIS take over many of the functions which USIS is currently providing in the provinces and throughout Viet-Nam. Our efforts have been unsuccessful.

When I met with General Tri, Minister of Information in charge of VIS, I reminded him of the promises made by him and by his predecessor, Minister Chinh, to fulfill this responsibility and complained that no progress had been made. I told him that it was apparent that relatively few of the 14,000 employees were performing a valuable function and earning their salary. When I asked him to give me his opinion of how many were doing their job, he replied "about 50." He frankly confessed that the others were doing little or nothing, that they were incompetent, that he was powerless to change the situation.

Despite his pessimism, on two previous occasions the VIS had responded to the challenge -- during the TET campaign and during the elections for the Constituent Assembly. In both cases they received strong orders "from the top" and they carried out their responsibilities.

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- 4 -

I raised the subject with Prime Minister Ky and Chairman Thieu and received the polite promises to investigate the matter and do something. In my opinion, nothing will be done.

It is apparent that there is an ever-growing need for an expanded information service within Viet-Nam, yet an inability or a reluctance by the Vietnamese to carry it out. The USIS is unable to handle the entire responsibility.

3. Vietnamese Overseas Information Program

At the Manila Conference, I secured an agreement from the then-Minister of Information General Chinh, Chairman Thieu, Bui Diem (then acting as Assistant to Prime Minister Ky) and Foreign Minister Do that the Vietnamese Embassies in various parts of the world would undertake an information program. They promised that qualified news officials would be assigned to assist the Ambassadors in the principal capitals. When I reviewed this situation last week in Saigon, I found that nothing had been done.

I raised the subject with Chairman Thieu who recalled our discussions in Manila and reiterated his willingness to assist. He readily agreed that there were "a dozen" competent Vietnamese who could be assigned to fill this function and then asked if we would provide the funds for the salaries and expenses required -- about \$500,000. Ambassador Bunker and I explained that the amount was small and certainly within the resources of the Vietnamese Government; however, we urged him to secure the personnel as soon as possible and that if funds had to be provided, we would see what arrangements could be made.

4. Use of Media

A. My investigation revealed that we are using our press, radio and television facilities to good advantage. However, I am not satisfied that we have done everything possible to carry out an information program in North Viet-Nam. Our intelligence reveals that there are relatively few shortwave receivers in North Viet-Nam and that most people listen only to their local stations and that many are served by a central broadcasting service over which they have no choice of programs.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 5 -

- B. The Voice of Freedom, operated by the Vietnamese with U. S. assistance, is currently broadcasting about 12 hours per day. I have ordered an increase to 24 hours per day. To enable the North Vietnamese to listen to this station which has an excellent signal throughout the area, I propose to have fixed-frequency radio receivers dropped in North Viet-Nam. These sets will cost about \$3.00 a piece and should provide means of reaching a substantial audience.
- C. The Voice of America is currently broadcasting to North Viet-Nam from Hue about 12 hours a day. This schedule is being increased to 24 hours a day effective next month.
- D. Good progress is being made on the construction of land-based television stations and the entire country will have this service before the end of the year.

I am informed that there are in excess of 100,000 television receivers in the hands of the public. I visited radio and television stores which displayed Japanese, German and other sets. There is a brisk sale of these receivers. However, I found, to my dismay, that no licenses had been granted by the Viet-Nam Government for the assembly or manufacture of television receivers in Viet-Nam. On my last visit to Saigon, this subject was discussed with Prime Minister Ky and others who readily agreed that these licenses should be issued to stimulate local industry and to siphon off excess purchasing power in the hands of the Vietnamese.

I raised the subject again with General Ky and Chairman Thieu who have again promised to do something.

5. European Reaction to Viet-Nam War

Despite increasing efforts to inform European audiences, there has been little improvement in European reaction to the U. S. position in Viet-Nam. Accordingly, I intend to continue the program of bringing European journalists to Viet-Nam for firsthand study of the war and non-military aspects.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 6 -

In addition, I will send our PAOs to Saigon in small groups for a 4-5 day indoctrination course so that they may acquire firsthand experience and a greater knowledge of the issue. Hopefully, this will permit them to tell the story more effectively in their respective countries.

6. Comments on Organization

At the present time, U. S. operations are conducted by a multitude of committees and working groups. As a result, many of our officers are devoting a great deal of time to meetings and liaison work which could better be spent in carrying out their informational activity. I would hope that there could be a simplification of the structure which now houses MACV, OCO, CORDS and JUSPAO. Ambassador Locke is aware of this situation.

SUMMARY

There is an acute need for an expanded information service in Viet-Nam between now and the September elections and continuing thereafter during the transitional period to constitutional government. Despite this need, little effort is being directed toward this end by the VIS and there is an apathy towards correcting the situation. Similarly, there is a desperate urgency for the Vietnamese story to be told by the Vietnamese in world capitals -- and yet little is being done. I have brought these matters to the attention of the highest authorities and will continue to remind them of their responsibilities in these areas.

Leonard H. Marks

~~CONFIDENTIAL~~

~~TOP SECRET~~

07
Pres file

Saturday, July 15, 1967 -- 3:00 p. m.

Mr. President:

You asked me to develop informally an answer to this question: How could our bombing of the North Vietnamese transport system be intensified without excessive public clamor here and abroad?

Col. Ginsburgh developed the attached paper which you will wish to read.

I have made my recommendations via annotations of his text.

W. W. Rostow

~~TOP SECRET~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-223
By yw, NARA, Date 11-23-93

~~TOP SECRET~~

7a

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

13 July 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Intensified Transportation Campaign

1. Without raising the noise level we should be able to intensify the impact of the current air campaign against NVN transport. Short of taking out the ports, I doubt that we could precipitate an unmanageable transport crisis -- but we might. However, we should be able to significantly increase Hanoi's transport problems and costs at little military or political cost to us.

2. In my opinion, the most effective increment militarily should be virtually noiseless:

- Reduce the present 30 nautical mile radius restricted area around Hanoi to 10 and the 10 nautical mile radius around Haiphong to 4. Authorize armed reconnaissance through North Vietnam and coastal waters, except populated areas, the ChiCom buffer zone, and restricted areas. (Operationally, it would be useful -- but not essential -- to eliminate the Hanoi prohibited area -- thus permitting overflight but no strikes within 10 nautical miles of Hanoi.) This action would open up to armed reconnaissance:

- 2,780 square miles, including
- 780 miles of roads
- 110 miles of railroads
- 506 worthwhile targets

3. In my opinion, the single most important transport target remaining is the Hanoi Red River Bridge -- in terms of its psychological as well as its direct military and economic effect. Its destruction would add to the impact of the other attacks on the northeast LOC's. Undoubtedly, its destruction would cause noise -- but it should be manageable because civilian casualties ought to be low (Joint Staff estimate: 0).

Hed

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-223

By ju, NARA, Date 11/23/93

~~TOP SECRET~~

~~TOP SECRET~~

4. Complementary actions -- which might have some greater danger in raising the noise level -- could include:

Too far
North.
Paradise
20° 30'

- Moving the northern boundaries of the Sea Dragon area and the coastal armed reconnaissance area to where they would be tangent to the Haiphong Restricted Area.

- Mine inland waterways up to the ChiCom buffer zone as the Mark 36 destructors become available.

Hold

5. As the next increment, I propose reducing the Hanoi Restricted Area to 8 NM radius and the Haiphong Restricted Area to 2 NM radius. This action would uncover an additional

- 136 square miles including
- 50 miles of roads
- 13 miles of railroads
- 44 worthwhile targets.

6. A next logical increment would involve strikes on the following targets in the Haiphong area:

Hold

BE #	Name	Strike A/C	Loss Rate	Civilian Casualties
0994	Haiphong Warehouse W	6	3%	21
1294	Haiphong Storage SE	6	3%	2
0030	Haiphong RR Yard/Shops	4	3%	25
0067	Haiphong RR Yards W	6	3%	7

Yes

7. The next step would be to consider restrikes on transport targets within the Hanoi Restricted Area. This could involve targets such as the Hanoi TPP, the Van Dien Supply and Vehicle Depots, Hanoi RR Repair Shop, Yen Vien RR Classification Yards, Nguyen Khe Storage, and Kinh No Vehicle Repair. General Wheeler should be asked which of these are currently considered to be worth restriking.

Hold

8. Five bridges in the ChiCom buffer zone should be considered. Even though they are in the buffer zone, they should be sufficiently far from the border to avoid overflight of China. Authority to restrike any of these after the initial strikes should require Washington approval.

~~TOP SECRET~~

~~TOP SECRET~~

	NM From Border	Strike A/C	Loss Rate	Civilian Casualties
18.26 Lang Con RR Br NW	21	60	0	0
18.58 Lang Dang RR Br	19	64	1%	1
18.59 Lang Khap Hwy Br	17	38	0	1
18.65 On Hwy Br	20	52	1%	3
18.67 Chieng Chang Hwy Br	13	54	0	0

9. Three new targets in the Hanoi area should be considered:

<u>used</u> 59 Hanoi Supply Depot N		30	3%	30 !
21 Hanoi RR Yard/Shops		22	3%	99 !
0268 Hanoi Vehicle Repair		8	3%	0

10. In summary, I propose

A. Immediate authorization to:

✓ - Reduce Hanoi and Haiphong Restricted Area to 10 and 4 NM.

used - Attack Hanoi Red River Bridge.

consider to 20°30' - Expand Sea Dragon and coastal armed reconnaissance areas

B. Phase Two authorization in two or three weeks to:

✓ - Mine inland waterways up to the buffer zone.

used Strike the four targets in the Haiphong area (para 6).

used - Reduce Hanoi and Haiphong Restricted Areas to 8 and 2 NM.

✓ - Restrike selected targets in the Hanoi area. *some, perhaps, including Hanoi TPP.*

C. Authorize Phase Three not later than mid-August to:

used - Strike the five bridges in the ChiCom buffer zone.

used - Strike the three new targets in the Hanoi area.

used D. As an additional thought -- simultaneously -- but separately -- reconsider the question of closing the ports.

st

ROBERT N. GINSBURGH

~~TOP SECRET~~

Pres file
8

~~SECRET -- EXDIS~~

Saturday, July 15, 1967
2:50 p.m.

Mr. President:

Herewith the Viet Nam situation
report for today.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 7-11-91

80

~~SECRET~~ - EXDIS

Situation Report on Viet-Nam

July 15, 1967

New Developments

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-224
By ju, NARA, Date 8-13-92

Ambassador Bunker saw Ky July 13 and encouraged him to campaign actively for the Thieu-Ky ticket (Saigon's 1082). In response to Bunker's query, Ky said he had a definite understanding with Thieu but added that it remains to be seen whether Thieu would stick to his word. On Big Minh, Bunker urged Ky to base any decision to keep him out of the country on fair and legal considerations. Ky agreed but made no additional comment.

Bunker also briefly discussed campaign issues and the question of international observers for the election with Ky. Ky felt the two primary campaign issues would be corruption and how to end the war. On international observers, Ky appeared to agree. Although he made no commitment, we believe the GVN will make a satisfactory effort to encourage full observation.

A reliable Central Election Council source yesterday said to Embassy officer that both Big Minh's and Au Truong Thanh's candidacies will probably be disqualified by the Assembly.

~~SECRET~~ - EXDIS

~~SECRET~~ - EXDIS

Comment

Ambassador Bunker plans to see Ky again in the next few days to go into greater detail on the progress of the election and on Ky's attitude toward the campaign. Bunker plans to have a similar discussion with Thieu and is seeing Vietnamese Ambassador Bui Diem who is in Saigon. There is apparently still no basic agreement achieved between Thieu and Ky and Bunker's efforts to get them to focus on this will need to continue. Similarly, Bunker's advice to Ky to get behind the ticket will require constant reiteration. Until Ky has what he considers a satisfactory deal with Thieu, and then commits himself fully, the ticket's campaign organization will falter.

~~SECRET~~ - EXDIS

W.W.R. 9

~~1. Rusk~~
2. Pres file

July 15, 1967; 11:55AM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Rescheduling Kiesinger

I understand you have decided against inviting Kiesinger for August 20 (Sunday), but have asked us to try for a Tuesday and Wednesday around those dates.

Your Tuesday/Wednesday schedule during the last four weeks in August is as follows:

- August 8-9. Open
- August 15-16. Open, but you are scheduled to see the President of the Ivory Coast on the 17th (Thursday).
- August 22-23. The Shah of Iran.
- August 29-30. Mrs. Johnson is scheduled to be out of town.

If you wish, we can ask Kiesinger about either August 8-9 or 15-16, or we can stick with September 12-13. Dean Rusk's calendar is clear for any of these August dates.

If, in terms of your personal convenience, you are indifferent, I would recommend offering Kiesinger both August dates. I think there would be a gain in not waiting until September.

Francis M. Bator

Offer Kiesinger:

August 8-9 _____

August 15-16 _____

Both _____

Stay with September 12-13 _____

July 15, 1967

Mr. Whitney M. Young, Jr.
National Urban League
14 East 48th Street
New York, New York

Dear Whitney:

Thank you for your telegram concerning our assistance to the Democratic Republic of the Congo. Your comments were most generous and appreciated.

The very limited steps we have taken in the Congo are entirely consistent with past actions taken by the United States, with United Nations resolutions in support of the territorial integrity of the Congo, and with our basic concern for the safety of our nationals. I am much encouraged to learn that so many thoughtful citizens feel that we were right to stay the course.

With warmest personal regards.

Sincerely,

Lyndon B. Johnson

WWR.
10a
~~Handwritten~~
2 Blue file

Friday, July 14, 1967 -- 5:45 PM

Mr. President:

At Tab A, for your approval, is a proposed reply to a telegram from Whitney Young congratulating you on the recent actions in the Congo. At Tab B is Young's message.

You may wish to have George Christian release the exchange. Such a release would be marginally useful in the international arena, but the real judgment should be made in terms of domestic politics. You need no recommendation from me on that.

W. W. Rostow

Approve message <input checked="" type="checkbox"/>	Release both messages <input type="checkbox"/>
Disapprove <input type="checkbox"/>	Do not release <input checked="" type="checkbox"/>
Speak to me <input type="checkbox"/>	Speak to me <input type="checkbox"/>

EKH/vm r

Proposed Presidential Reply to Whitney Young's Telegram
on the Congo

Dear Whitney:

Thank you for your telegram concerning our assistance to the Democratic Republic of the Congo. Your comments were most generous and appreciated.

The very limited steps we have taken in the Congo are entirely consistent with past actions taken by the United States, with United Nations resolutions in support of the territorial integrity of the Congo, and with our basic concern for the safety of our nationals. I am much encouraged to learn that so many thoughtful citizens feel that we were right to stay the course.

With warmest personal regards.

Sincerely,

Mr. Whitney M. Young, Jr.
Executive Director
National Urban League
14 East 48th Street
New York, New York 10017

10 c

The White House
Washington

1967 JUL 12 PM 8 44

WA070 PD

AH NEW YORK NY 12 407P EDT

THE PRESIDENT

THE WHITE HOUSE

I WOULD LIKE TO PERSONALLY COMMEND YOU FOR OUR GOVERNMENT'S
RECENT ACTION IN CONNECTION WITH THE CONGO AND YOUR EFFORTS TO
AVERT SERIOUS INTERNAL CONFLICT AND CHAOS IN THIS CRITICAL
REGION

WHITNEY M YOUNG JR.

11


Dear Senator Snodgrass:

July 15, 1967

It was a pleasure to visit, once again, the Volunteer State, and to have the opportunity to address your General Assembly.

Expressions of support and confidence such as yours are a source of great comfort to me. It was very kind of you to write.

Sincerely,



**The Honorable
Stanly T. Snodgrass
Senator of the State of Tennessee
Nashville, Tennessee**

**cc: Cliff Alexander
LBJ:RMM:cjf**

Senate Chamber
State of Tennessee

11a

STANLY T. SNODGRASS
SENATOR
EIGHTEENTH SENATORIAL DISTRICT
DAVIDSON COUNTY
618 STAHLMAN BUILDING
NASHVILLE, TENNESSEE 37201

NASHVILLE

July 10, 1967

CHAIRMAN
JUDICIARY
SECRETARY
MILITARY AND VETERANS' AFFAIRS
MEMBER OF COMMITTEES:
COMMITTEE ON COMMITTEES
CORRECTIONAL INSTITUTIONS
INSURANCE AND BANKING
LOCAL GOVERNMENT
STATE EMPLOYEES, BUILDINGS AND
PUBLIC WORKS

Honorable Lyndon B. Johnson
President of the United States
White House
Washington, D. C.

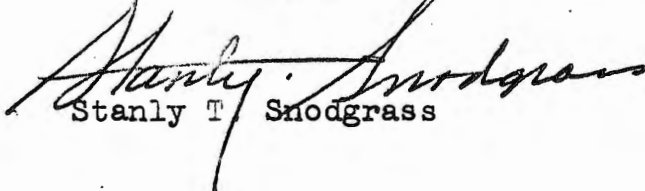
Dear Mr. President:

CA
It has occurred to me recently that those of us who have the privilege of public office and who support your general policy in Vietnam and the difficult task that confronts you and the Country, owe it to you to offer about the only thing we can - our moral support and our prayers. I, therefore, write this letter for that purpose with the conviction that you are doing all that is humanly possible for an honorable detente.

I had the pleasure of being in the Tennessee House Chamber during your address to the Tennessee General Assembly early this year. Your remarks struck a chord of high credibility on the Vietnam conflict and, I believe, left all of us with a far better understanding of what our responsibilities and duties are in Asia. I only hope that more of the Nation will eventually understand and, I believe, ultimately, that they will.

I wish you good health and sustaining energy. May God bless you, sir.

Respectfully yours,


Stanly T. Snodgrass

STS/rh

Pres file

Mr. President:

The Chicago Tribune this morning published the text of the Panama Lock Canal Treaty. We are not sure where they got the text but probably did so from Panama.

While the Panamanians have not officially released the document, they have been liberal in their distribution of copies to the Congress and the documents are now in wide circulation in Panama and the Zone.

This raises the question of whether we should release the texts of the three treaties.

Bob Anderson is inclined to do so on the ground that then we could openly discuss the provisions of the treaty. But he is not pressing this view.

Covey Oliver, Stan Resor, and Governor Leiber are opposed. They think we should not officially release documents which we know will be subject to certain modifications prior to signature because this will increase the need to explain the differences between the two sets of documents. The Panamanian negotiators are returning to Washington next week to review the drafts. They want changes and so do we. While these are not extensive and do not alter fundamental issues, we anticipate some substantive modifications. I think we are in an uncomfortable position whether or not we officially release the treaties. On balance I prefer to hold to the no-release understanding we have with the Panamanians and ride it out until the final versions are ready for signature about August 1. In the interim:

1. We acknowledge to the press that the printed texts correspond to the drafts recommended by the negotiators to their Presidents but decline public official comment of the provisions because the treaties are still under review.
2. We start more extensive background briefings on the Hill and with outside groups right away rather than wait until the final texts are released.

W. W. Rostow

Pres file

~~CONFIDENTIAL~~

Friday - July 14, 1967
6:30 pm

Mr. President:

Our Charge in Managua reports that President Anastasio Somoza and his wife have been running the polio vaccination campaign as a private publicity enterprise and have played down publicly both your message and the US contribution of doctors and vaccine (cable attached).

Earlier this week, Ambassador Sevilla Sacasa passed on to Bill Bowdler a request from the Nicaraguan Health Minister for 500,000 additional doses of vaccine. A check with the Surgeon General and our Public Health doctors in Managua revealed that vaccine stocks in hand or on the way were more than adequate. We had our Charge and the PHS doctors review the situation with the Health Minister. The Minister agreed with their assessment but indicated that he was under orders from Mrs. Somoza to ask for more doses.

Bill has discussed the matter with Sevilla Sacasa. He understands that there are adequate supplies of vaccine in Nicaragua and it is not now necessary to send more from here. He and Bill left it that the Health Minister and our PHS doctors will keep a close watch on stocks and requirements and let us know if more vaccine becomes necessary.

W. W. Rostow

Attachment

Telegram from Managua - July 13.
(no. 078)

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-223

By *JW*, NARA, Date 11-23-93

INCOMING TELEGRAM Department of State

13a

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~~CONFIDENTIAL~~

Action NNNN/VZCZCESB6831;; .&-288

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E.O. 12356, Sec. 3.4
NJ 92-224
By ju, NARA, Date 8-13-92

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1967 JUL 13 AM 11 00

~~CONFIDENTIAL~~ MANAGUA 078 SECTION ONE OF TWO

SUBJECT: MINIMAL LOCAL RESPONSE OF NICARAGUAN GOVERNMENT TO PRESIDENT JOHNSON'S TELEGRAM OF SOLIDARITY ON POLIO EPIDEMIC

REF: STATE TELEGRAMS 126 AND 127

1. TO DATE THERE HAS BEEN NO PUBLIC ACKNOWLEDGMENT BY PRESIDENT SOMOZA OR HIS GOVERNMENT OF PRESIDENT JOHNSON'S JULY 1 TELEGRAM OF SOLIDARITY WITH NICARAGUA RE POLIO EPIDEMIC. NOR HAS THERE BEEN ANY PUBLIC EXPRESSION OF APPRECIATION FOR RATHER SUBSTANTIAL US PUBLIC AND PRIVATE ASSISTANCE. STORY OF SOMOZA'S HANDLING THIS MATTER SERVES PROVIDE FURTHER INSIGHTS INTO HIS STRATEGY OF PRESIDENCY AND HIS CONCEPT OF RELATIONSHIP WITH US. IN NUT-

PAGE 2 RUESMG 061A/1 ~~CONFIDENTIAL~~
SHELL, IT APPEARS HE WANTS MASSIVE BUT UNPUBLICIZED AID AND DOES NOT WISH SHARE CREDIT WITH ANYONE, EXCEPT TO SOME EXTENT WITH HIS WIFE, FOR RESOURCES MOBILIZED FROM ABROAD AT HIS REQUEST TO HELP HIS GOVERNMENT.

2. IN ORDER TO BE SURE PRESIDENT SOMOZA RECEIVED PROMPTLY PRESIDENT JOHNSON'S COMMERCIAL TELEGRAM TO HIM DATED JULY 1, AND THAT HE KNEW ABOUT IT BEFORE SAN ANTONIO PRESS RELEASE WITH TEXT PICKED UP BY LOCAL PRESS, I ENDEAVORED UNSUCCESSFULLY FOR SEVERAL HOURS THAT EVENING AND ALL FOLLOWING DAY (SUNDAY) TO REACH HIM BY TELEPHONE AH CASA PRESIDENCIAL AND AT HIS PRIVATE HOME. I LEARNED LATER THAT HE HAD FLOWN TO ONE OF HIS FINCAS NEAR SAN CARLOS FOR WEEK-END AND WAS COMPLETELY INCOMUNICADO.

3. IN VIEW ABOVE DIFFICULTY COMMUNICATING WITH PRESIDENT SOMOZA, I PREPARED LETTER, ENCLOSING CONFIRMED TEXT OF PRESIDENT JOHNSON'S TELEGRAM, AND HAD IT DELIVERED BY HAND TO CASA PRESIDENCIAL AT OPENING OF BUSINESS MONDAY JULY 3. IN LETTER I EMPHASIZED PRESIDENT JOHNSON'S SYMPATHY AND SOLIDARITY AND EXPRESSED HOPE PRESIDENT SOMOZA WOULD FIND IT POSSIBLE RECEIVE

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-2- Managua 78 SECTION ONE OF TWO, July 13

PAGE 3 RUE SMG 061A/1 ~~CONFIDENTIAL~~

TWO USPHS DOCTORS. I ALSO REPEATED WHAT I HAD SAID TO HIM ORALLY FEW DAYS BEFORE, THAT HE COULD CONTINUE COUNT ON US ASSIST HIS GOVERNMENT IN ITS EFFORTS TO COMBAT EPIDEMIC.

4. THERE WAS NO RESPONSE TO THIS LETTER UNTIL YESTERDAY WHEN I RECEIVED FROM SOMOZA TELEGRAM OF THANKS WHICH MENTIONED HE HAD ALREADY THANKED PRESIDENT JOHNSON. TELEGRAM DID NOT COMMENT ON SUGGESTION IN MY LETTER (PURSUANT STATE TELEGRAM 127) THAT SOMOZA RECEIVE TWO USPHS DOCTORS. THERE HAS BEEN NO PUBLICITY OF SOMOZA'S MESSAGE RESPONDING TO PRESIDENT JOHNSON.

5. THERE WAS BRIEF NOTE JULY 3 IN SOMOZA-OWNED "NOVEDADES" WHICH WENT TO PRESS WHILE SOMOZA WAS IN SAN CARLOS, REPORTING THAT PRESIDENT JOHNSON HAD SENT A MESSAGE. THIS AND SOME BRIEF RADIO ITEMS WERE BASED ON REPORTS PICKED UP IN US. FURTHER LOCAL PUBLICITY WAS DELAYED FIVE DAYS, BECAUSE PRESIDENT SOMOZA'S OFFICE ASKED USIS NOT TO RELEASE PRESIDENT JOHNSON'S MESSAGE SINCE THEY WISHED DO SO THEMSELVES. WHEN SOMOZAS FINALLY LET STORY OUT, IT WAS TOO LATE HAVE MUCH IMPACT.

PAGE 4 RUE SMG 061A/1 ~~CONFIDENTIAL~~

6. FINALLY, ON JULY 6 SOMOZA "NOVEDADES" CARRIED TEXT OF MESSAGE UNDER CAPTION "JOHNSON OFFERS EVERY TYPE OF COOPERATION." IT WAS BASED ON SAN ANTONIO STORY, NOT ON ANY RELEASE BY PRESIDENT SOMOZA'S OFFICE. SAME "NOVEDADES" ISSUE VAGUELY MENTIONED SOME OTHER ASSISTANCE FROM US SOURCES. OPPOSITION PRESS, WHICH HAS MUCH LARGER CIRCULATION AND IS WELL DISPOSED TOWARD US, SAID NOTHING RE PRESIDENT JOHNSON'S MESSAGE, PROBABLY BECAUSE IT DEPENDS FOR THIS TYPE OF NEWS ON USIS. THIS IS THEREFORE A CASE OF ACTION BY SOMOZA'S OFFICE WHICH HAD EFFECT OF LIMITING PUBLICITY OF GESTURE BY US PRESIDENT AND OF US AID. WE DO NOT KNOW HOW MUCH PRESIDENT SOMOZA HIMSELF IS RESPONSIBLE FOR THIS, BUT THROUGHOUT CURRENT POLIO EPIDEMIC PRESS AND RADIO UNDER HIS CONTROL HAVE SAID LITTLE ABOUT US HELP, WHICH HAS BEEN MAJOR FACTOR IN CAMPAIGN TO BRING EPIDEMIC UNDER CONTROL.

7. WHEN I HAD CHANCE TALK BRIEFLY WITH PRESIDENT SOMOZA AT MILITARY ACADEMY GRADUATION JULY 4 HE SAID NOTHING ABOUT PRESIDENT JOHNSON'S MESSAGE OR MY LETTER, BUT HE DID THANK ME WHEN I SAID OUR PRESIDENT VERY CONCERNED AND AS EXPRESSION HIS CONCERN

PAGE 5 RUE SMG 061A/1 ~~CONFIDENTIAL~~

USG WAS ALSO DONATING 200,000 DOSES VACCINE FOR NICARAGUAN NATIONAL VACCINATION PROGRAM BEGINNING JULY 9. WHEN I SAW HIS WIFE HOPE IN POLIO WARD JULY 6 SHE WHISPERED, OUT OF ANYONE ELSE'S EARSHOT, THAT HER HUSBAND WISHED THANK ME FOR US HELP.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3- Managua 78 SECTION ONE OF TWO, July 13

ON THAT OCCASION I INTRODUCED ONE OF TWO USPHS PHYSICIANS, WHO HAPPENED TO BE PRESENT, AND SAID PRESIDENT JOHNSON HAD SENT THEM IN RESPONSE GON REQUEST THROUGH PAHO. THOUGH SHE IS IN CHARGE OF POLIO PROGRAM, WHE SEEMED KNOW NOTHING ABOUT THEM.

8. MOST OF LIMITED PUBLICITY OF US GENEROSITY THAT HAS APPEARED IN SOMOZA PRESS ATTRIBUTES IT PRINCIPALLY IF NOT ENTIRELY TO SEVILLA SACASA'S INTERVENTION.

9. WE NOTE THAT, IN CONTRAST TO SCHICK, WHO ALWAYS WENT THROUGH THIS EMBASSY AND USAID MISSION, GENERAL SOMOZA IS USING FAMILY MEMBER SEVELLA-SACASA TO MAKE GON GON APPEALS FOR HELP, DIRECT TO WHITE HOUSE. THIS CONFIRMED BY STATE TELEGRAM 4414. APPEALS HAVE BEEN MADE IN SPITE OF FACT EMBASSY IN CLOSE CONTACT GON OFFICIALS AND IMMEDIATELY RESPONSIVE TO ALL EXPRESSIONS OF NEED. GP-3 ENGLE

~~CONFIDENTIAL~~

INCOMING TELEGRAM *Department of State*

48

~~CONFIDENTIAL~~

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~~C O N F I D E N T I A L~~ MANAGUA 078 SECTION TWO OF TWO

SH

10. EPIDEMIC HAS BECOME SUCH A POLITICAL AND PROPAGANDA EXERCISE

L

AS ALMOST TO RDKEGATE REAL HUMAN SUFFERING AND NEEDS TO BACK-

H

GROUND. POLITICKING AT MINISTERIAL LEVEL AND HIGHER HAS BEEN INTENSIVE. THIS AND TREATMENT OF EPIDEMIC BY SOMOZA-CONTROLLED

IO

PRESS AND RADIO HAVE NOT ONLY GIVEN PUBLIC DISTORTED PICTURE

P

OF WHAT IS HAPPENING BUT HAVE ALSO IN SOME RESPECTS HAMPERED

USIA

MEASURES TO SURMOUNT CRISIS. USE THROUGHOUT COUNTRY OF ELECT-

NSC

ORAL OFFICES, MANNED BY LIBERAL PARTY FAITHFUL, TO ADMINISTER

INR

VACCINATION PROGRAM HAS ADDED FURTHER POLITICAL CHARACTER (OF

CIA

COURSE SOME ADMINISTRATIVE MACHINERY HAD TO BE UTILIZED).

NSA

ALTHOUGH MANY PATRIOTIC NICARAGUANS JOINED VACCINATION TEAM

DOD

AS VOLUNTEERS, PUBLICITY SPOTLIGHT DIRECTED EXCLUSIVELY ON

IGA

SOMOZA FAMILY AND FRIENDS AND PROMINENT LIBERALS. MUCH OF TIME

AID

OF MINISTER AND VICE MINISTER AND THEIR STAFFS PAST MONTH WASTED

SCA

ON PROPAGANDA STUNTS, POLITICAL CONSULTATIONS AND INDULGENCE

SCS

IN VARIOUS HOMENAJES AND SOCIAL FUNCTIONS UNRELATED TO PUBLIC

HEW

HEALTH. THIS IN PART EXPLAINS WHY THEY ARE SO ILL INFORMED.

RSR

TITULAR HEAD OF GOVERNMENT'S ANTI-POLIO PROGRAM, PRESIDENT'S

RSC

WIFE HOPE, WHO HAS NO PREVIOUS ADMINISTRATIVE EXPERIENCE,

LITTLE KNOWLEDGE OF SUBJECT AND AS FAR AS WE ARE ABLE TO TELL

HAS MADE LITTLE POSITIVE CONTRIBUTION TO PROGRAM, IS PORTRAYED

AS ITS DRIVING FORCE AND HEROINE. WE UNDERSTAND THIS KIND OF

SPECTACLE IS UNIQUE IN NICARAGUAN HISTORY. ADMINSTRATIONS OF

EARLIER SOMOZAS DON LUIS AND OLD GENERAL WERE NOTHING LIKE THIS.

II. FURTHER COMMENT: OF COURSE USG AND PRIVATE US ORGANIZATIONS

ARE NOT RENDERING ASSISTANCE FOR SAKE OF PUBLICITY, AND USG IS

BOUND TO LOOK WITH APPROVAL ON LOCAL ENERGY AND SELF HELP AND

RIDE IN MEETING EMERGENCIES. WE MUST ALSO MAKE CONSIDERABLE

ALLOWANCE FOR USUAL LATINO INEFFICIENCY. BUT IN THIS CASE GON'S

ENERGY, SELF HELP AND WILLINGNESS TO MAKE FINANCIAL OUTLAYS

HAVE FALLEN APPRECIABLY SHORT OF PRACTICAL EXISTING CAPABILI-

TIES AND IT SEEMS TO US THAT THERE HAS ALSO BEEN DEFICIENCY OF

RESPONSIVENESS AND COURTESY TO PRESIDENT JOHNSON'S MESSAGE AND US

ACTIONS IMPLEMENTING IT. THIS KIND OF HANDLING WAS UNHEARD OF

WHEN SCHICK WAS PRESIDENT.

GP-3. ENGLE

~~CONFIDENTIAL~~

Pres file 14

~~CONFIDENTIAL~~

Friday, July 14, 1967 -- 4:25 p.m.

Mr. President:

This Italian talking about a French version of Kosygin at Hollybush (para. 5) may not be accurate; but you should be aware of it.

The early part of the cable is more on Podgorny in Cairo -- again reassuring; but I have the feeling we're getting many versions of one French report.

W. W. Rostow

Paris 688, July 13, 1967

~~CONFIDENTIAL~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 92-223
By ju, NARA, Date 11-22-93

INCOMING TELEGRAM Department of State

6

~~CONFIDENTIAL~~

Action

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 Info DE RUFNCR 688 1942030
 ZNY CCCCC
 SS R 131844Z JUL 67
 GPM FM AMEMBASSY PARIS
 SP TO RUEHC/SECSTATE
 SC INFO RUEHCR/AMEMBASSY MOSCOW
 SAH RUFHRO/AMEMBASSY ROME
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 H ~~C O N F I D E N T I A L~~ PARIS 688
 EA SUBJECT: FRANCO-SOVIET CONVERSATIONS
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1967 JUL 13 PM 5 39

Rostow

DECLASSIFIED
 E.O. 12958, Sec. 3.5
 State Dept. Guidelines
 By *fw*, NARA, Date *3-13-00*

ITALIAN COUNSELOR LAROCCA TOLD EMBOFF JULY 13 THAT FRENCH SOURCES HAD EMPHASIZED FOLLOWING POINTS IN SUMMARIZING RECENT ENCOUNTERS WITH SOVIET OFFICIALS:

1. PODGORNY HAD DESCRIBED HIS MIDDLE EAST TOUR TO FRENCH IN EXTRA-ORDINARILY FRANK AND REALISTIC TERMS, THE GIST OF WHICH WAS THAT

ARABS WERE SUFFERING OVERWHELMING FRUSTRATION, SHATTERED OF MORALE AND GRAVE APPREHENSIONS REGARDING THE FUTURE. PODGORNY'S FRANKNESS WAS CUT SHORT BY WHISPER FROM DEPUTY FOREIGN MINISTER KUZNETSOV; PODGORNY THEREUPON ADMONISHED FRENCH TO REGARD THIS INFORMATION AS HIGHLY CONFIDENTIAL.

2. SOVIETS DESCRIBED THEIR ARMS SHIPMENTS IN TERMS OF FILLING THE VACUUM CREATED BY WAR WIPE-OUT. SOVIETS INDICATED THEY WOULD ENDEAVOR TO MAINTAIN GREATER CONTROL OVER USE OF THESE WEAPONS AND THAT THE ARMS WERE NOW FOR REVENGE. HOW THIS CONTROL WAS TO BE EXERCIZED WAS NOT STATED.

3. GRGMYKO HAD BEEN LEFT BEHIND IN N.Y. TO ATTEMPT TO WORK OUT COMPROMISE UNGA RESOLUTION WHICH WOULD ASSUAGE ARAB FEELINGS AND WHICH NECESSARY BEFORE CONSTRUCTIVE STEPS COULD BE TAKEN ELSEWHERE. POMPIDOU TRIED TO DISCOURAGE THIS EFFORT WITHOUT SUCCESS.

4. KOSYGIN, WHEN ASKED BY DEGAULLE ABOUT LONG-TERM SOVIET OBJECTIVES

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2- PARIS 688 7/13/67

IN THE ME, WAS UNABLE TO GIVE ANY CLEAR RESPONSE. IMMEDIATE SOVIET AIMS WERE TO DEMONSTRATE TO ARABS THAT SOVIET FRIENDSHIP WAS IMPORTANT AND CONTINUING; ARMS AND ECONOMIC AID WOULD BE INCREASED OVER THE SHORT RUN, BUT ARMS WOULD NOT REACH STATUS QUO ANTEM.

5. REGARDING VIETNAM, FRENCH REPORTED THAT KOSYGIN SHOWED EVIDENT PLEASURE AND REASSURANCE IN INDICATING THAT HE HAD BEEN ASSURED AT GLASSBORO THAT AMERICAN TROOPS WOULD NOT ENTER NORTH VIETNAM. HE WAS, HOWEVER, PESSIMISTIC REGARDING POSSIBILITIES OF COMPROMISE BETWEEN WASHINGTON AND HANOI POSITIONS, WHICH HE FELT ONLY SERVED TO HELP THE CHINESE.
BOHLEN

~~CONFIDENTIAL~~

15

Pres file

~~CONFIDENTIAL~~

Friday, July 14, 1967 -- 4:20 p.m.

Mr. President:

Something is always likely to blow in the Congo; but I find this quite a lot of mileage to have gotten from the C-130's.

But that in no way excuses the confusion about the JCS or the initial failure to consult reliably.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rlh

DECLASSIFIED
Authority State 3-19-79, NSC 6-25-79
By RJ Lip, NARA, Date 9-19-91

cy To Hamilton

15a

Rostow

~~CONFIDENTIAL~~

Positive Accomplishments Generated by Provision of C-130s to Congo

A. C-130 Actions

1. The C-130s have flown six missions for the Congolese army, thus serving to boost the morale of the army and readying it for effective action against the mercenaries.

2. The C-130s have flown two humanitarian missions to food-deficient areas: Bukavu and Goma. The distribution of AID food supplies in Bukavu was personally carried out by our Consul. It was enthusiastically received by the local population.

3. At the request of the ICRC representative in Kinshasa (Swiss Ambassador) a C-130 has gone to Kisangani today to assist in the evacuation of that city.

4. C-130s have made a success of the ICRC rescue mission, which was carried out by chartered aircraft, by providing essential communications.

B. Side Effects in Congo

1. Anti-white propaganda in the press and on the radio, generated by reports of mercenary excesses against Congolese, led to fears that racial demonstrations would take place. The Ambassador, who had direct and frequent contact with President Mobutu, persuaded him to order the cessation of inflammatory broadcasts.

2. Our Consul in Lubumbashi, basing his appeal on close US-Congo relations, was able to persuade the Governor, John Foster Manzikala, to take urgent measures to calm down the highly-excited local population. One was to tour the city in a sound truck.

3. Despite a ban on foreigners leaving or entering the country, our personnel and American citizens in the Bukavu area were permitted to cross over to Rwanda. A special flight bringing some of them to Kinshasa was authorized by President Mobutu, despite the ban on internal air flights.

4. On July 9 the Ambassador persuaded Mobutu to permit Americans to enter or leave the Congo at will. No foreigners were allowed to leave at that time.

5. The

~~CONFIDENTIAL~~

DECLASSIFIED

Authority State Dec. 12-13-77

By g.hony NARA, Date 7-19-91

~~CONFIDENTIAL~~

-2-

5. The Congolese Government made an exception to its emergency rules and permitted PAA and TWA overflights, as well as overflights of several essential NASA flights.

6. Mobutu informed the Ambassador that PAA could make as many flights to and from the Congo as it wished. The regularly scheduled PAA flight of July 12 was the first commercial aircraft to enter the Congo since the outbreak of the mutiny.

7. President Mobutu, as a result of urging from Ambassador McBride at the instance of our Consul in Lubumbashi, sent a high-ranking personal representative July 9 to both Lubumbashi and Bukavu to assist in calming down excited passions.

8. On July 9, Ambassador McBride was able to persuade Mobutu to permit the reestablishment of direct communications between the British, French and Belgian Embassies in the Congo and their Consulates. These communications had been shut down shortly after the beginning of the mutiny. American communications were permitted to remain open throughout the crisis.

9. On July 11 discussions began concerning the possibility of organizing an evacuation of civilians from Kisangani. From the beginning, Mobutu offered the full cooperation of the GDRC and issued instructions to the ANC to delay launching any attack on the mercenaries in Kisangani, particularly those at the airfield, in order not to jeopardize the lives of the non-combatants. He also appealed to the mercenaries by radio to permit the safe landing of the ICRC airplane at Kisangani for evacuation purposes.

10. The GDRC further instructed the ANC to protect civilians and when the first two Red Cross planes arrived on July 13, they were able to bring out wounded ANC and civilians including three American women and four children without incident. Both the missionaries and missionary societies here in the US have expressed their gratitude for the successful nature of the operation.

11. While the situation at Bukavu remains rather tense, there have been no further serious incidents in the Congo involving Europeans and the ANC since the cessation of inflammatory broadcasts on July 11.

12. Restrictions on all foreigners were lifted July 12, except in Orientale and Kivu Provinces. Regularly scheduled foreign flights were once again permitted, and a requirement for special permission for entry into the Congo was rescinded. The curfew was lifted at the same time, and visa restrictions were lifted on July 13.

C.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

C. Third Countries

In addition to the desire of other African countries, notably Ethiopia and Ghana both of which have offered concrete assistance, to assist a sister African nation, the provision of the C-130s by the US as tangible evidence of our willingness to help the Congo served as an example for them in arriving at their own decisions. No African nation has thus far criticized the US for providing such assistance.

AF: AFCM: LDBrown: ATTienken: osm
7/14/67

~~CONFIDENTIAL~~

Cy to Hamilton
Rottow

156

SITREP CONGO KINSHASA . 1500 HOURS EDT, JULY 14, 1967

1. Kisangani Rescue Operation. Three ICRC evacuation flights bringing American, Congolese, and European evacuees from Kisangani to Kinshasa have now been completed. Seven American women and children were brought out on the second flight and six on the third. Two sergeants from our Military Mission to the Congo and one US civilian are due to arrive in Kinshasa on another evacuation flight by one of our C-130's later today. There are four US citizens, all male missionaries, still in Kisangani and it is possible that they too may be on the C-130 flight later today. American citizens coming from Kisangani say the situation there is rapidly deteriorating. The ANC is reportedly out of control, threatening the local population. We still have not been able to confirm: a) whether or not the mercenaries have taken any European hostages with them or b) what their plans are.

2. Success of Our C-130 Operation. In addition to the support operations they have flown for the Congolese Government, the food flights to Bukavu and Goma, as well as "showing the flag" in Lubumbashi, a high ranking Congolese official, Roving Ambassador Lengema, has told our Ambassador that the US C-130's have had a crucial influence on President Mobutu and all ranks of Congolese. These planes, this official said, had been an important and very positive turning point in Mobutu's thinking toward the West and the attitude of the Congolese toward the foreign population. This US support came at a psychologically crucial time for Mobutu because it convinced him that he was not alone against the West and also enabled him to argue with some of his advisers who were advocating an extremist nationalist foreign policy and urged him to forget the West. The new confidence instilled in the President from the presence of the C-130's plus the unrelenting tough advice of our Embassy in Kinshasa, Lengema continued, convinced Mobutu that he could and should take measures to protect foreigners. The C-130's arrival also had tremendous effect on lower level leadership and all Congolese who knew of it. Lengema said the importance of sending these planes was not so much a sign of US support, which was of course important, but was the feeling of awe and fear that the USG could and would send mighty and irresistible instruments of war on quick notice.

~~CONFIDENTIAL~~

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Authority State Ltr. 12/13/77

By sgl/mj NARA, Date 7-19-91

~~SECRET~~

15 C

14 July 1967

Supplement 3 to "The Situation in the Congo" (dated 13 July)

1. Evacuation. Six US citizens--women and children from the Unevangelized Field Mission--were among the 88 refugees evacuated from Kisangani on today's first Red Cross flight. More than half the people on this flight were Congolese. Nine evacuees, including the two US Army NCOs and one other American, are being flown out in a USAF C-130 which was due in Kinshasa at 1:35 p.m. EDT. According to latest reports, there are four Americans still in Kisangani, but they may be on the second Red Cross flight later today.

2. Situation in Kisangani. Security in Kisangani apparently has broken down, with both army units and civilians engaging in wholesale looting. Most of the remaining Europeans, numbering perhaps 50, are gathered in the city's principal hotel and probably are being subjected to considerable harassment by the Congolese.

DECLASSIFIED

Authority NCJ 86-48

By rg/af, NARA, Date 7-19-91

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3. Military. There is still no word on the location of the rebels. The embassy in Kinshasa speculates that they may pause for some time at Punia, which for several years was the base of operations of their leader, Major Schramm. It believes they may try to negotiate their way out of the Congo from there, making sparing use of their two T-28s for reconnaissance and saving them for negotiating purposes. The US evacuees from Kisangani report that the rebels recruited large numbers of Congolese during their stay there and that most of these left with the mercenaries. The rebels are said to have plenty of ammunition and transport.

4. Congolese-Belgian Relations. The events of the past week have left a legacy of bitterness in Brussels, and Foreign Minister Harmel told Ambassador Knight that the question is "not whether to disengage but how to disengage." Harmel discounted the current talk of a mass pull-out, but he asserted that the only policy acceptable to the Belgian populace would be one of disengagement as soon as it could be accomplished without unnecessarily endangering Belgian lives.

-2-

~~SECRET~~

~~SECRET~~

Friday, July 14, 1967
4:20 p. m.

Mr. President:

Starting on page 5 there is an interesting line up of the key issues and negotiating positions in a Middle East settlement.

W. W. Rostow

~~SECRET~~

CIA Memorandum
Special Assessments on the Middle East Situation
Main Issues in a Middle East Settlement
Cy 1, 13 July 1967
No. 1367/67

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By Ng, NARA, Date 7-11-91

12
~~CONFIDENTIAL~~

Friday, July 14, 1967
6:10 p.m.

Mr. President:

Herewith an account of my
talk with Amb. Harman this afternoon.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 128, NARA, Date 7-11-91

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-223
By JD, NARA, Date 11-23-93

17a

(LDR'd to
Secy Panel)

~~CONFIDENTIAL~~

July 14, 1967

MEMORANDUM OF CONVERSATION

Ambassador Harman called on me at 4:30 this afternoon.

1. He said that at his meeting with Secretary Rusk tomorrow ^{Eban} will answer formally on the question of talks with Hussein. The answer, of course, is positive. They are ready to talk at any time or place. The critical issue is whether Hussein is really serious about making a definite settlement with Israel. This might have to be established in some preliminary manner.

2. He reported that they they are working with the Vatican and the Greek Orthodox Church towards "religious internationalization" in Jerusalem. The Vatican does not want the United Nations or any other civil authority responsible for administration of the Holy Places. The same view is taken by the Greek Orthodox Church. In a settlement with Jordan, they would envisage Jordan as the agent for the Moslem world in administering the Moslem Holy Places.

3. The statement of Eban in the General Assembly today was as forthcoming as it could be within the limits of the Israeli position. They did not wish to finger Hussein; but they wish us to tell Hussein that the moderation and forthcoming character of the statement about the Moslem Holy Places was in fact an initial response to his message.

4. I raised the question of Jordan tourist revenues, pointing out that this was not only a Jordanian but also a U. S. national interest, given our support for the Jordanian economy. He said they too had been thinking about the economic aspects of a Jerusalem settlement for Jordan. He said they calculated that with an open Jerusalem, Jordan will have an extra quarter of a million tourists a year moving from Israel to Jordan. In addition the Israelis, lacking Cyprus as a tourist spot, will be anxious to travel in Jordan. In general, he believes it certain that the Jordanian economy will gain, not lose, from a settlement with Israel.

5. His final observation was that he believes the economic situation in Egypt, which is very serious, will begin to have its consequences. The Israelis have gossip from Hungary that the governments of Eastern Europe are not enthusiastic about Moscow's Arab policy and, in particular, do not wish to be forced into an excessive increase in foreign aid to the UAR.

W. W. R.

18

Friday, July 14, 1967
2:00 p. m.

Pres file

MR. PRESIDENT:

Herewith my redraft of the report by you
to the other troop contributors.

I thought the bracketed paragraphs are
dispensable if you wish to shorten the message;
although they contain some substance.

W. W. R.

~~SECRET~~ attachment

18a

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-223
By JW, NARA, Date 11-23-93

DRAFT

July 14, 1967 - 1:30 p. m.

Secretary McNamara, Under Secretary Katzenbach, and General Wheeler have reported to me on their recent trip to Vietnam; and, as you know, General Westmoreland has also been back briefly in Washington.

I wish to share their impressions with you.

They are all heartened at the progress which has taken place over the past nine months. At the same time they recognize the problems that all of us must solve to achieve our common objectives.

As you well know, a war of this kind, without a fixed front, cannot be assessed as easily as a conventional engagement. But here are some of the indexes which I have found most impressive:

-- Early in 1965 the ARVN forces were losing three weapons to every Communist weapon they captured. A year later they and their allies were capturing as many as they lost; now our forces are capturing four Communist weapons for every weapon lost to our side.

-- Early in 1965 the ratio of Communists killed in action to friendly forces was perhaps 2 to 1; a year later it was about 3 to 1; now it is running well over 4 to 1.

-- In all of 1965 there were about 10,000 defectors under the Chieu Hoi program; in 1966 the figure was about 20,000; this year the rate has been running almost twice that of 1966.

-- Despite the need to deal with the offensive across the DMZ, population under government control is expanding and both main highways and feeder ~~highways~~ ^{roads} are being opened up for commercial as well as military purposes.

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7/14/67

-- Our logistical base is secure; the ports are no longer a problem; and, although inflation must always be watched, the danger of a runaway inflation -- which was real some time ago -- has now passed.

In more general terms they report the military situation as follows: The campaigns of the past nine months have successfully prevented the North Vietnamese Army and Viet Cong forces from achieving any significant gains on the ground. Their attempts at offensive action have been regularly blunted by the energetic employment of our joint military power. The enemy's attempts to gain superiority on the ground in the Northern provinces -- to which he has applied substantial new forces -- have been frustrated. Hanoi's major commitment of men of its regular forces is an obvious recognition of its difficulties in the face of allied military power. The armed forces of the Republic of Vietnam have improved in aggressiveness and have achieved higher standards in operations against the enemy.

[Although there are some indications that the enemy's recruiting capability within South Vietnam has been reduced, the use of infiltration routes in Laos and Cambodia, despite losses from our interdiction campaigns, is sufficient to allow the enemy to supply forces in the field and replace his losses. Along with the sustained infiltration of personnel, the enemy has been receiving major assistance in the form of improved weapons, and these are being brought to bear in all areas but particularly in the Northern sector. The current military pressures in that area reflect the ability of the enemy to take advantage of his short supply lines and maneuver

areas in the DMZ.]/

Our bombing in North Vietnam takes a heavy toll, and the enemy must make a great effort to meet losses and keep open the lines of communication. From all indications the cumulative effect of our sustained effort against military targets in North Vietnam is now being felt. Our men in the field are steadily improving our ability to damage the enemy's supply capability. However, this in itself is not and cannot be decisive.

In both military and civil activities, Ambassador Bunker and General Westmoreland were full of praise for the contributions of the allies.

On the economic front, our people believe that price increases will not exceed 30 to 40% this year. The people continue to receive adequate food, clothing and shelter and the first steps toward sound longer term economic development are being taken. The rice situation continues to require massive imports; and it will be a long and slow process before Vietnam will be once again self-sufficient in its food requirements, and, indeed, the exporter it should be. Health and education facilities are expanding and the normal technical services of government to the countryside have been maintained despite obvious difficulties.

Progress in Revolutionary Development/Pacification continues to be slow but there is good reason to believe a foundation has been laid for solid progress in the months ahead. The organization on the allied and the Vietnamese sides has been greatly improved. Vietnamese military, paramilitary and

civilian resources that are now involved in this program have increased considerably. Training of personnel is better and their dedication to the tasks is greater.

[In the immediate future we shall attach highest priority to an improved Chieu Hoi program and make a special effort toward rooting out the Viet Cong network in the countryside. We believe that better intelligence and the opportunities for better coordination of the various forces available make possible an effective attack on the basic Viet Cong infrastructure. We are now able to exploit more effectively information on the Viet Cong that is available at the village and hamlet levels. This will enable us to get at the mechanism of Viet Cong control and influence among the Vietnamese people.]

It is against this background of progress and problems that the people of South Vietnam are moving towards constitutional government. Perhaps the fundamental fact is that they believe they have a future to forge.

Our people are, therefore, encouraged that the process of political evolution in Vietnam is moving rapidly and, thus far, successfully. The work of the Constituent Assembly was conducted efficiently and a widely acceptable Constitution promulgated. The elections which will be held this fall are engaging the support and attention of the Vietnamese people. The political ferment that has been taking place is a natural part of a young nation experiencing its first election fever. Military and civilian leaders with whom they met affirmed the Vietnamese desire to proceed to a successful conclusion

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-5-

7/14/67

of this next step in Vietnam's political development. They all recognize the importance of free and honest elections with a maximum degree of national unity, whatever the outcome. All of us will be following these developments closely, knowing the complexities that are involved and the high stakes.

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FOR KOREA: General Westmoreland was high in his praise of valiant the ~~valiant~~ efforts, dedicated leadership, and combat effectiveness of the ROK armed forces. They have demonstrated remarkable capacity not only to deal with the enemy in combat but also in ~~their ability~~ to proceed with the work of pacification within their areas of operations.

AND NEW ZEALAND:

FOR AUSTRALIA: General Westmoreland had the highest praise for the high spirit and professional capabilities exhibited by the Australian-New Zealand contingent.

FOR THE PHILIPPINES: General Westmoreland had the highest praise for the dedication of the officers and men of the PHILCAG and for the major contribution they have made to improve the situation in their area of operations. Their excellent relations with the Vietnamese officials and people have been a manifestation on a daily basis.

FOR THAILAND. General Westmoreland had high praise for those Thai officers and those men of the Air Force and Navy who have been helping in Vietnam. Plans for the forthcoming deployment of the Thai Army contingent are well along. His staff has been working closely with the advance contingent and he has nothing but praise for their professionalism and dedicated approach.

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FOR ALL: In sum, the general picture is one that ~~effixx~~ offers grounds for confidence in the lines of action that are now being followed. At the same time, there continues to be no sign that Hanoi is prepared to recognize the futility of its military effort. Both the South Vietnamese and we recognize the South Vietnamese that/~~their~~ own military and civilian effort can and must be improved. But ~~we~~ even as this is done, there is a ~~xxxxxx~~ clear need for us to consider additional effort, in order to prevent any loss ~~of~~ in our current momentum and to speed up the processes that can lead to a successful outcome.

Sincerely,

LBJ UNQUOTE

2. Septels will follow amplifying last para in manner appropriate to each nation.

~~SECRET~~

REC'D

SANITIZED

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Authority NLE MR 77-148 #3
By DCM [unclear] Date 9-14-83

JUL 14 9 28 AM '67
12 July 1967

MEMORANDUM FOR RECORD

SUBJECT: Meeting with General Eisenhower, 11 July 1967

1. I met with General Eisenhower for two hours in the late afternoon, 11 July 1967, at Walter Reed Hospital. He was at the hospital for a periodic checkup and to have some dental surgery done.

2. Referring first to Vietnam, I reported that the pattern of operations remains very much the same as in recent weeks. Several hard engagements have occurred with North Vietnam forces just south of the DMZ and in Kontum Province in the highlands. In these battles, the ratio of our own to enemy men lost continues to run normally between 1 to 5 and 1 to 10. The question of further reinforcement will undoubtedly be addressed on Mr. McNamara's return.

3. I next reported on the situation in the Middle East. I showed him a copy of the exchange of messages between the President and Kosygin furnished to me for the purpose by the White House staff. (I had previously mentioned these to him, and arranged to show them to him at a convenient time.) He was keenly interested. I highlighted a number of features, including the firm but courteous tone, the impression that the Soviet government was working on this problem as a matter of top priority, and using this channel as the principal means of keeping it from spreading, our use of the channel to prevent over-reaction when the Liberty was attacked and our planes were scrambled, our request that Kosygin make clear the falsehood of the charge that U. S. planes participated in the Israeli air attacks on the Arabs, and the point made to Kosygin that General Eisenhower's declaration concerning free passage through the Gulf of Aquaba was taken to obtain withdrawal of Israeli forces from Sinai, which was earnestly desired by Egypt.

4. As to the current situation, the eight Soviet ships now in Port Said seem to be serving principally a propaganda purpose for them with the Arabs, although their presence of course raises the possibility of an incident at any time. Since mid-June about 100 tanks,

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Authority MR 77-148 #3
By [signature] NLE Date 4/15

~~SECRET~~

80 anti-tank guns and 30 anti-aircraft guns have been delivered to Alexandria by the communists. The Arab inventory is now in the order of 600 tanks, and probably about 100 MIGs; however, there is a significant report that while the government is still in Nasser's hands, he controls it less firmly, and that the Army is flatly "demoralized". The Soviet arms shipments are assessed as sizeable, but not enough for starting the war again.

5. A development which appears promising is the acceptance in principle of having United Nations observers on both sides of the canal. The specifics are still to be defined, but our information is that both the Israelis and the Arabs have now accepted. While this is a small step, it could be the beginning of more rational attitudes toward a settlement. General Eisenhower indicated he thought the development was a valuable one. King Hussein continues to show himself basically moderate, but is being pushed very hard regarding the West Bank and Jerusalem. General Eisenhower said he had met with Hussein, and feels a great deal of sympathy for his position, which is dangerous and almost impossibly difficult. He commented that he thought that the Israelis had made a serious error in taking over Jerusalem. With regard to oil, the situation for the West seems to be manageable but tight. Tankers are in short supply, because of the longer voyage around the Cape of Good Hope. Britain is feeling the economic impact, and several of the European nations have had to raise the price of oil products.

6. Finally, with regard to U. S. longer range policy and the position we will take, this has not yet been settled but is still the subject of discussion.

7. At this point, General Eisenhower expressed again his great interest and strong support for a project outlined to him by his friends for a massive desalinization project for the Middle East utilizing nuclear power. He had spoken to me of this twice before in telephone conversations and is highly enthusiastic over its possibilities. The project would be approached in phases. The first phase, using a power source about twice the size of the ^{one} now being installed in California would provide some 400 million gallons of water per day, which is an amount equal to the total flow of the Jordan and its three tributary streams. The next phase would triple or quadruple this amount. The basic economics of the project are sound. He said he is told that of the new power plants now under construction in the United States, more than 50% are now nuclear sources. Costs have dropped considerably below the 6 mill figure which was formerly the

~~SECRET~~

standard for an efficient coal-steam plant. Also the costs of water from desalinization are becoming competitive, and will drop considerable further with larger plants such as those proposed. The project could utilize the labor of the refugees in the Middle East for a long time both for the construction of the plants and for the construction of the water distribution network. In addition it should open up fertile lands for resettlement of refugees and a vast improvement of the economies of the area, particularly those of Jordan and Iraq, Syria and Egypt, as well as Israel, to which the water would be supplied. Out of such a project could come a common interest in stability in the area. It is his feeling that, if this offer were sufficiently strongly publicized the Arab regimes would be obliged to accede to the desires of the people rather than refusing on the basis that Israel also would benefit. Finally, he thought that, if this proposal were made by the President, the effect would be electrifying and constructive, and might clear the air for rational approaches to a settlement in the area.

8. I next talked about the U. S. action providing 3-C130s to the Congo. The situation had become acute by last weekend, with clear possibilities that racial massacres might occur at any moment. These aircraft were sent in for logistic use as a measure of support and reassurance to Mobutu which would counterbalance rising racist feelings. There are indications that the action has indeed been effective, that attitudes toward the whites have considerably improved, and that there is an improvement of security throughout the country. Broadcasts no longer take an anti-white theme. However, the mercenaries hold Kisangani. It appears the first attempt to use the C-130s to remove threatened people was unsuccessful. Secretary Rusk is meeting with the Congress to put the full story before them and explain the action taken. Also it is being stressed to all concerned that there is no combat commitment involved in the dispatch of this force. I told General Eisenhower our diplomatic people had been urgently and effectively in touch with the Congo government to obtain restraint on their part. I told him I had asked if we had any understanding with them regarding the matter of Tshombe, whose seizure in Algeria touched this off. Thus far, so far as I could ascertain, there has been no understanding on this score.

9. Finally I told General Eisenhower I had been interested to see, in the intelligence, what may be first inklings of the opening of better communications between Greece and Turkey. There are reports that Greek military officers representing the military regime now in authority may be talking with Turkish counterparts, and some

~~SECRET~~

speculation that Cyprus may be among the topics under discussion. If such is in fact true, the discussions might lead toward possible resolution of some of the difficulty.

5.
A. J. GOODPASTER
Lieutenant General, USA

PORTIONS EXEMPTED
E.O. 12055, Sec. 1-301 (b) (1) (d)
NSC letter 9/2/79
NLE Date 4/15/80

~~SECRET~~

19
Pres file

~~CONFIDENTIAL~~

Friday, July 14, 1967
1:25 p.m.

Mr. President:

Unless you rule to the contrary,
here is the summary of progress and
problems I will use, which Bill Jorden
developed from the cables.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 19, NARA, Date 7-11-91

THE WHITE HOUSE
WASHINGTON

19a

Friday, July 14, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR WALT ROSTOW

SUBJECT: Progress and Problems in Viet-Nam

Viet-Nam situation is not in stalemate. We are moving slowly but steadily. Enemy is moving downhill, paying a heavy price for aggression.

Elements of progress:

Political:

- free elections last September (80 percent of eligibles voted)
- Constituent Assembly (free and frank debate, wide representation)
- new Constitution drafted (solidly democratic document) and promulgated
- election laws drafted and approved
- political campaign now underway (election of President and Vice President and Senate on September 3; lower house on November 5)
- wide political interest (17 candidates for President; 600 for 60-seat Senate)

The clear lesson: vast majority of Vietnamese in South, including prominent leaders and officials, are now willing to risk open political activity, are convinced their country has a future, and that they can make it.

Economic:

- runaway inflation brought under control (prices still rising but slowly and in manageable way)
- prices of many necessities (fish, kerosene, fish sauce, charcoal) have remained fairly stable
- real income of farmers and laborers is up

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E.O. 12356, Sec. 3.4

NJ 92-223

By pw, NARA, Date 11-23-93~~CONFIDENTIAL~~

CONFIDENTIAL

-- port congestion has been relieved (recall McNamara quote that during his last visit there were 800-900 barges in Saigon port, many of them floating warehouses; this time there were only about 40)

-- increasing number of roads have been cleared and are usable during day (e.g. Route 1 now clear from southern II Corps to DMZ, also key roads from Delta to Saigon)

Military:

-- VC/NVA have not won significant victory in a year

-- several major planned offensives have been blunted before they could be launched

-- ARVN also scoring victories (especially recent actions by 18th Div. in III Corps, 2nd Ranger Group in II Corps, 47th Regt. and Airborne Group in I Corps)

-- Communist desertions growing; GVN desertions declined steadily over past year (18,145 Chieu Hoi this year; 9,938 same period last year)

-- kill ratio is up[^] now about four VC/NVA for one combined allied forces (more than 18,000 VC/NVA killed in last two months; compare with 11,400 U.S. killed in entire war, mainly last two years)

-- weapons ratio has reversed (two years ago VC were capturing three weapons for each one lost; today, VC are losing almost four weapons for each one captured)

-- gradual erosion of confirmed combat strength of VC/NVA

-- increasing reliance on North Vietnamese as southern manpower pool dwindles

On the air war:

-- NV does not seem able to increase flow of men into the South to the level that would make successful offensive operations possible

-- more damage to northeast section of NVN since April than during entire air campaign to date

CONFIDENTIAL

~~CONFIDENTIAL~~

-- 30 MIG's destroyed in five weeks compared with 42 destroyed in previous 22 months

-- our aircraft loss ratio is down -- 10 per thousand sorties in last half of 1966; 6.2 per thousand since January 1

-- new weapons and technology are making all-weather action more effective

On VC support:

-- VC are losing popular support because of their dragnet conscription, higher taxes and indiscriminate terror

-- strong signs of increasing difficulty in recruitment; rate is estimated about half (3,500 a month) that of a year ago.

Main Current Problems

We are aware of, and are working on, the following:

Political

- need for honest elections
- need for close military-civilian cooperation under any government
- desirability of evolution of strong national parties with broad regional, religious and professional representation

Economic

- fight against inflation is urgent and continuing
- need for better internal distribution system for goods
- problem of corruption in and out of government
- need for investment and industrial growth
- need for comprehensive development planning

Military

- better performance by ARVN, especially in providing village and hamlet security
- strengthening of Regional and Popular Forces
- better security everywhere, in the countryside and in cities
- program to locate and destroy the VC infrastructure
- better means for countering the continuing infiltration of men and supplies from the North

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Search for Peace

A continuing effort. Main gap is apparent lack of interest yet by the leaders in Hanoi.

Note: South Vietnamese in and out of government now more interested than ever in thinking about and discussing possible ways to approach Hanoi and to convince the VC that fighting should end.

Bill

William J. Jordan

~~CONFIDENTIAL~~

W.W.R
20

2. Pres file

Friday, July 14, 1967, 12:10 p. m.

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

In light of recent German antics and deGaulle's visit to Bonn, we need carefully to re-think our public and diplomatic posture. I have suggested to Gene Rostow that he reactivate our Trilateral Working Group (Gene Rostow, Bowie, Leddy; Paul Nitze; Bator). He has agreed.

During the early part of next week we will lay out the arguments and alternatives for you and the Secretaries of State and Defense.

Francis M. Bator

~~CONFIDENTIAL~~

FMB:LSE:mst

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-93
By ju, NARA, Date 6-2-94

21

Pres. file

~~SECRET~~

Friday, July 14, 1967 -- 11:10 pm

Mr. President:

This is another indication, among several, that the Soviets have decided to limit their arms replacement to the UAR.

W. W. Rostow

Paris 635

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-223
By ju, NARA, Date 11-23-93

INCOMING TELEGRAM *Department of State*

W D ²¹²
#6

~~SECRET~~

Action

Info

CONTROL: 11625
RECD: JULY 13, 1967, 7:51PM

*Cy sent
to Bundy
" " Bator*

RR RUEHC
DE RUFNCR 635 1942210
ZNY SSSSS
R 131614Z JUL 67
F AMEMBASSY PARIS
TO SECSTATE WASHDC
STATE GRNC
BT
~~SECRET~~ PARIS 635

Rostow

NODIS

REF: PARIS 507

I SHOULD HAVE MENTIONED IN REPORTING CONVERSATION WITH DE GAULLE THAT HE TOLD ME THAT KOSYGIN HAD INFORMED HIM ON HIS RETURN TRIP FROM U.S. THAT SOVIETS DID NOT RPT NOT INTEND TO REARM EGYPT AND OTHER ARAB STATES TO SAME EXTENT AS PREVIOUSLY. I HAD ASSUMED THAT THIS WAS ALREADY KNOWN FROM GLASSBORO CONVERSATIONS BUT I NOTICE THAT WE HAVE HEARD FROM BRITISH (SEPARATE REPORT) THAT DE GAULLE TOLD REILLY THAT KOSYGIN HAD TOLD HIM THAT ARMS SHIPMENTS TO EGYPT HAD STOPPED A WEEK AGO. THIS WAS FURTHER THAN HE WENT WITH ME.

BOHLEN
BT

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By *ju/rq*, NARA, Date 3-29-06

~~SECRET~~

Friday, July 14, 1967
10:45 a.m.

22

MR. PRESIDENT:

Herewith Secretary Rusk's proposed position
on the Pakistani resolution.

W.W.R.

~~SECRET~~ attachment (log 2703)

cc: McG Bundy

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By RG, NARA, Date 7-11-96

THE SECRETARY OF STATE
WASHINGTON

2703

22a

July 13, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: U. S. Tactics on Pakistan Draft
Resolution on Jerusalem (copy attached)

You will recall that on July 4 the United Nations General Assembly by a vote of 99-0-20 (US) adopted a Pakistani resolution declaring invalid measures taken by Israel to change the status of Jerusalem; calling on Israel to rescind these measures and desist from action which would alter the status of Jerusalem; and asking for a report by the Secretary General in a week. In reacting to this resolution Israel, in a letter to the Secretary General, has said that it would be out of place to call its actions annexation, and that the measures taken "relate to the integration of Jerusalem in the administrative and municipal spheres." However, Eban's letter did not say that they were the provisional acts of the occupying power in Jerusalem under the cease-fire. And many have read the statement as a whole to imply that the measures taken are permanent. Ambassador Goldberg is pressing Eban to state that the measures are in fact interim.

Yesterday the Pakistanis introduced another resolution deploring Israel's failure to implement the July 4 resolution; reiterating its call to Israel to rescind its measures and desist from actions to alter Jerusalem's status; and requesting the Security Council to take the necessary measures to ensure implementation of the new resolution. The Pakistanis are asking for a vote on this resolution tomorrow, but since the speakers' list does not close until tomorrow at 1:00 p.m. the vote may be delayed.

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 92-224
By WJ, NARA, Date 9-15-93

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-2-

We have considered carefully the difficult question of how we should vote on the Pakistan draft resolution. We abstained on the basically similar Pakistan resolution last week. Emotions are high among the moderate Arabs: they will react very negatively to another abstention, and our interests will be affected accordingly. On the other hand, voting in favor of the new Pakistan draft would be criticized as inconsistency, and as implicitly committing us to Security Council action against Israeli absorption of Jerusalem. It would also seem to be retreating from our firm and consistent course under pressure, and could give rise to hopes of a further retreat. The domestic reaction to a "yes" vote would be very sharp. The problem would be somewhat de-fused if Israel were to stress the provisional nature of its actions in Jerusalem.

I have discussed the problem with Arthur Goldberg, and we agree that we must abstain on the new Pakistan resolution as we did on the old. In doing so he would make a statement in the Assembly recalling your statement of June 28 and the Department's statement of the same day, refusing to recognize unilateral action in Jerusalem. He would state that we would have been prepared to support a resolution looking toward an international status for Jerusalem (he would read a text), and that we had supported the original Latin American draft on the Middle East which contained a paragraph to this effect. He would continue, however, that after consulting with other delegations we had concluded that any effort to introduce such a resolution or to seek to amend the Pakistan draft in this direction would not have been helpful or effective.

I would be prepared to make a subsequent statement here, strongly justifying our position, if you think it useful.

Dean Rusk

Dean Rusk

~~SECRET~~

~~SECRET~~

-3-

Attachments:

1. Pakistani Draft Resolution
2. A possible U. S. text, for use
by Ambassador Goldberg

~~SECRET~~

PAKISTANI DRAFT RESOLUTION ON

JERUSALEM

The General Assembly,
Recalling its Resolution 2253 (ES-V) of July 4, 1967,
Having received the report submitted by the Secretary-General,
Taking note with the deepest regret and concern of the
non-compliance by Israel of Resolution 2253 (ES-V).

1. Deplores the failure of Israel to implement Resolution 2253 (ES-V).
2. Reiterates its call to Israel in that resolution to rescind all measures already taken and to desist forthwith from taking any action which would alter the status of Jerusalem;
3. Requests the Secretary-General to report to the Security Council and the General Assembly on the situation and on the implementation of the present resolution;
4. Requests the Security Council to take the necessary measures to ensure the implementation of the present resolution.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 92-224

~~CONFIDENTIAL~~

By JW, NARA, Date 8-13-92

A POSSIBLE U.S. DRAFT RESOLUTION

Recalling its resolution No. 2253 (ES-V), adopted on
4 July 1967,

Noting the report of the Secretary-General contained in
document A/6753 (S/8052) dated 10 July 1967,

Expressing its concern that the reply of the Government
of Israel, contained therein, is not responsive to the
Resolution of July 4,

(1) Declares that measures taken unilaterally by Israel
cannot and do not determine the status and future of Jerusalem,

(2) Calls upon Israel to desist from any action purporting
to determine or alter the status of Jerusalem,

(3) Reaffirms the desirability of establishing an
international regime for the city of Jerusalem,

(4) Requests the Secretary-General to continue to give
attention to the question of Jerusalem, with a view to giving
effect to the provisions of this resolution and to report to
the General Assembly and Security Council concerning steps taken
to this end, and

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

(5) Resolves to place on the agenda of the twenty-second regular session of the General Assembly the question of Jerusalem, with a view to considering at that time appropriate arrangements for an international regime.

~~CONFIDENTIAL~~

23

Pres. file

Friday - July 14, 1967
10:30 am

Mr. President:

Herewith Glenn Seaborg's report on his Latin American trip.

I believe we will want to consider carefully the wisdom of your writing Costa e Silva as Glenn and Jack Tuthill recommend.

W. W. Rostow

Attachment

Glenn Seaborg letter
to President - July 11.

2674
23a

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

OFFICE OF THE CHAIRMAN

July 11, 1967

Dear Mr. President:

I have just returned from a ten day visit to South America during which I visited six countries having the most advanced nuclear energy programs on the continent. As we discussed prior to my departure, I undertook this trip to visit nuclear energy installations in Venezuela, Brazil, Argentina, Chile, Peru and Colombia and to hold discussions with senior government officials in each of these countries on means for broadening cooperation in the peaceful uses of nuclear energy, particularly on a regional basis. My visit served as a follow-up in the field of peaceful uses of nuclear energy to the Punta del Este conference in which you joined the Presidents of other American republics in emphasizing the important role which the regional development of science and technology, including nuclear energy, can play in promoting the social and economic progress of Latin America.

I was accompanied on my trip by the Acting Director of International Scientific and Technological Affairs of the Department of State, Mr. Herman Pollack, by the General Manager of the Atomic Energy Commission, Mr. Robert Hollingsworth, and by other AEC and State Department officials. In each country visited, I held well-attended press conferences which received extensive press coverage, held discussions with the heads of the atomic energy commissions of these countries, and with the U.S. Ambassadors or in case of their absence, with their deputy chiefs of mission. In Brazil, I had a discussion with the Secretary of Foreign Affairs, Mr. Magalhaes Pinto, and in Argentina, I was received by President Ongania.

I also presented scientific lectures in five countries on the transuranium elements, and in Brazil, Argentina, and Peru, I delivered statements to high-level audiences on general U.S. policy on cooperation in peaceful uses of nuclear energy.

I was particularly pleased and honored by being elected to Honorary Membership in the Argentine Academy of Sciences, and by receiving an Honorary Professorship at the University of San Marcos in Lima, Peru, the oldest university in the Western Hemisphere.

Throughout our visit, we were extremely well received. We found widespread appreciation for the help which the United States has given to date to the peaceful nuclear energy programs in the countries which we visited, but even greater hopes and expectations for our support in the future. With the exception which I will explain later, the press coverage of our visit was uniformly and strongly favorable. We also were made acutely aware of the strong French effort to influence the Latin American nuclear energy programs in the direction of France. This has been attempted through the gift of French equipment, the exchange of scientists, and similar forms of technical assistance.

As a result of our advance preparations and discussions, in which we were greatly assisted by Don Hornig and Covey Oliver, I was able in each country to make modest but concrete offers of expanded U.S. assistance and cooperation in peaceful uses which were extremely well received. In every case, we stressed the importance, which you and your fellow American Presidents attached at Punta del Este, to carrying out this expanded program of cooperation on a regional basis. This principle was supported by my counterparts in South America. One regional program of particular interest to which we gave strong support on our visit involves the application of irradiation in the control of the Mediterranean fruit fly, which has invaded a number of the South American countries, particularly along the West Coast. Studies of this technique, which

was successfully applied to the eradication of the screwworm fly from Texas and Florida, will be carried out with use of an experimental radiation source loaned to Peru by the Atomic Energy Commission. During my visit, I also offered the loan of an additional radiation source to Chile, for cooperative regional use on food preservation studies.

Only in Brazil, where I was received most cordially personally, did we encounter any significant disagreement with U.S. policy or objectives, and any adverse press reaction. Through reports from Ambassador Tuthill and Mr. William Foster, we were well aware before our visit of Brazil's contention that it should remain free, even if a new proliferation treaty is concluded, to develop and produce its own nuclear explosives for peaceful purposes. One of the principal objectives of our visit was to seek to influence Brazilian opinion on this question in a more realistic and constructive direction.

In our discussions in Brazil, as well as in my press conferences and policy statement there, I stressed the many areas of the peaceful uses of nuclear energy in which there is full agreement and close cooperation between the United States and Brazil. I pointed out that, even on the question of peaceful uses of nuclear explosives, the United States fully shares Brazil's position that the benefits of this technology should be available to all nations - nuclear as well as non-nuclear powers - when it becomes available some years from now. I stressed that our difference of opinion was limited to the question of how, and not whether, access to these benefits could be afforded to the non-nuclear weapons powers.

I explained the U.S. position that this should be accomplished through the provision of peaceful nuclear explosive services by the nuclear weapons countries, especially the United States, on non-discriminatory terms and at charges which exclude the tremendous costs which we have incurred in the development of nuclear explosive devices. Finally, I emphasized that these arrangements would enable Brazil to realize the benefits of the peaceful application of nuclear explosives, when

the necessary technology has been developed, at far less cost, far sooner, and with far greater certainty than if Brazil were to attempt to develop its own nuclear explosives.

On the basis of our discussions, I believe that there are a number of responsible elements in Brazil, both within and outside of Government, who understand the folly of Brazil's current position on the development of peaceful nuclear explosives. It appears that the current difficulties stem largely from a comparatively small group in the Brazilian Foreign Office, who believe that Brazil can derive some domestic and international political advantage by taking a stand in opposition to the deeply held United States belief in the importance of a nonproliferation treaty which will halt the spread of nuclear explosives - regardless of their intended purpose. Even among this group, I believe there was a recognition of the validity of my explanation of the technical and economic advantages to Brazil of relying on the United States for the availability of peaceful nuclear explosive services. Nevertheless; their group persisted in taking the position that Brazil should not relinquish the right, however academic its implementation might be, to develop its own peaceful nuclear explosives.

My explanations of United States policy were heard by a number of influential people in Brazil and were carried accurately by some of the Brazilian press. In Rio de Janeiro, unfortunately, distorted versions of the U.S. position were carried by the press as a result of the effort to influence the press made by the Brazilian officials who have evolved their current policy. I believe their unwillingness to see the other side of the story even presented to the Brazilian public is indicative of the weakness of their position.

Ambassador Tuthill and I believe that further steps should be taken to insure that the position of the United States is presented accurately at the highest level in Brazil. This could be done through a letter from you to President Costa e Silva. Such a letter is now in preparation for your consideration.

In Argentina, I found a strong feeling of friendship for the United States and appreciation of its help over the years in the development of Argentina's peaceful nuclear energy program. This program is an impressive one, and demonstrates that with the strong support of the respective governments and with effective outside help, Latin America can be made ready to make effective use of modern technology.

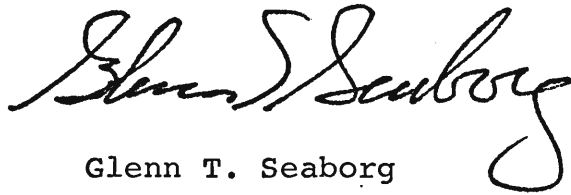
Argentina is now considering the installation of the first nuclear power plant in Latin America, and there is keen competition between bidders from the United States, Canada, Great Britain, and Germany. Financing arrangements will be one of the important factors in Argentina's decision on the source of supply for this power reactor, and I was gratified by the decision of the Board of Directors of the Export-Import Bank to give sympathetic consideration to the financing of this project if Argentina should choose a U.S. reactor. Admiral Quihillalt, the Chairman of the Argentine Nuclear Energy Commission, and a long-time friend of the United States, told me frankly that no proposals will be considered unless they are accompanied by adequate arrangements for long-term financing.

During my conversation with President Onganía, I described the advantages of the United States type of enriched uranium nuclear power plants and explained our long-term contracts to provide enriched uranium nuclear fuel for such plants.

Outside of Argentina and Brazil, the nuclear energy programs are small and largely concerned with the application of radioisotopes, the operation of small research reactors (all made available through past U.S. assistance), and similar activities. Even in these smaller and less developed countries, however - that is, Venezuela, Chile, Peru, and Colombia - there is a small core of well-trained and sophisticated people in the nuclear energy establishments with real enthusiasm for the potential which nuclear energy and other aspects of science and technology hold for the future development of these countries.

These people in every case are influential in their government and usually report directly to their respective Presidents. It will be greatly advantageous to the United States, therefore, to maintain and strengthen its close and friendly relationships with the peaceful nuclear energy programs of Latin America. This will require effective follow-up of my visit and modest but adequate financial support from the Alliance for Progress and other sources.

Respectfully,



Glenn T. Seaborg

The President
The White House

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THE WHITE HOUSE
RECEIVED

Profile

~~CONFIDENTIAL~~

Friday - July 14, 1967
10:30 am

Mr. President:

Herewith the latest situation report
on Bolivia.

It is encouraging.

Barrientos has weathered the miner-
student revolt and the country is re-
turning to normal.

The problems remaining are:

- fall in government revenues.
- the guerrillas.

W. W. Rostow

Attachment

Bolivia report (Embtel
La Paz's 84, 7/12/67).

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-31
By ijf, NARA, Date 4-24-91

~~CONFIDENTIAL~~

INCOMING TELEGRAM *Department of State*

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~~CONFIDENTIAL LA PAZ 84~~

SECDEF FOR OSD/ISA
REF: LA PAZ 3258

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 92-224
By ju, NARA, Date 8-13-92

1. NATIONAL CRISIS PRECIPITATED BY GOB MINES INTERVENTION APPEARS HAVE RUN COURSE AND COUNTRY IS RETURNING TO NEAR NORMAL. UNIVERSITY STUDENT DEMONSTRATIONS HAVE, LOST MOMENTUM IF NOT ENDED, SECONDARY STUDENTS HAVE DECLARED TRUCE AND PENDING REFERENDUM ON MIN. EDUCATION SCHOOL PLAN RERURNED TO CLASSES JULY 10, AND MAJOR MINE COMPLEX AT CATAVI--SILGO XX HAS RESUMED WORK (REPORTED 90 PERCENT JULY 10) LEAVING HANUNI AS ONLY COMIBOL MINE STILL ON STRIKE. IN FINAL ANALYSIS, URBAN OPPOSITIONIST ELEMENTS FAILED TO UNITE AND SUPPORT MINER'S CAUSE. MINERS, IN TURN, CONFRONTING CONTINUED MILITARY OCCUPATION, CLOSURE COMMISSARIES, AND LOSS OF SALARIES, WERE COMPELLED TO CAPITULATE ESSENTIALLY
2. BARRIENTOS' POSTURE THROUGHOUT CRISIS WAS MAJOR CONTRIBUTION FACTOR TOWARD EASING OF SITUATION. HIS

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2- LA PAZ 84 7/12/67

PUBLIC STATEMENTS WERE UNIFORMLY FIRM, BETRAYING NO SIGN OF WEAKNESS DESPITE MULTI-FACETED THREAT HE FACED. YET HE AND GOB ACTED WITH RESTRAINT AND,

EXCEPT FOR MINES INTERVENTION ITSELF, AVOIDED UNDUE REPRESSION AND UNNECESSARY CREATION OF MARTYRS. AT SAME TIME, HE INVITED PRINCIPAL PROTAGONISTS FOR STATESMENLIKE DISCUSSION OF ISSUES ON BOTH SIDES. HIS COMPOSURE WAS ALL THE MORE REMARKABLE AS HE HAS SUFFERED GRIPPE LAST TEN DAYS AND NUMBER OF TALKS WITH MINERS AND OTHERS HAVE TAKEN PLACE IN PRESIDENTIAL BEDROOM.

3. ANOTHER IMPORTANT FACTOR HAS BEEN DISPLAY OF UNITY OF GOVERNMENT AND ARMED FORCES DURING CRISIS, ONCE COMMITTED TO MINES INTERVENTION (WHETHER WILLINGLY OR UNDER FORM OF DURESS), ARMED FORCE HAD NO ALTERNATIVE BUT SUPPORT GOVERNMENT. IN ABSENCE MAJOR DISSENT WITHIN ARMY, NEITHER POLITICAL PARTIES NOR POLITICAL FORCES (MINERS, STUDENTS, ETC.) HAD SUFFICIENT STRENGTH OF THEMSELVES TO MOUNT SERIOUS ANTI-GOVERNMENT EFFORT AND THEIR REALIZATION THIS ELEMENTAL BOLIVIAN FACT OF POLITICAL LIFE PROBABLY CONTRIBUTED TO MODERATE, HALF-HEARTED AND UNCOORDINATED DEMONSTRATIONS.

4. FALANGE, WHICH HAS TAKEN TO STREETS UNDER SIMILAR

CIRCUMSTANCES IN PAST, WAS NEUTRALIZED BY DILEMMA OF OWN MAKING. FEW DAYS PRIOR TO MILITARY ENTRANCE INTO MINES, NATIONAL FSB CONFERENCE ENDORSED SUPPORT OF ARMED FORCES AND LABOR UNIONS AS MAJOR PILLARS OF PARTY PROGRAM. MINE INTERVENTION DESTROYED FOR TIME BEING VIABILITY THIS CONCEPT AND, INDEED, LEFT FSB WITH OPENING IN NEITHER DIRECTION. MANY POLITICAL OBSERVERS CONTINUE BELIEVE EVENTS OF JUNE 24 BROUGHT ABOUT SINGULARLY BY BARRIENTOS TO DESTROY DEVELOPING FSB-ARMED FORCES ENTENTE. THIS MAY HAVE BEEN ELEMENT IN DECISION TO INTERVENE MINES BUT WE SUSPECT EXPLANATION IS CONSIDERABLY MORE COMPLEX.

5. HAVING APPARENTLY WEATHERED MINES CRISIS, PRESIDENT IS NOW IN DEMONSTRABLY STRONGER POSITION TO INITIATE INEVITABLE CABINET RECOMPOSITION PRIOR CONVENING CONGRESS AUGUST 6. HE APPEARS HAVE FOLLOWING THREE OPTIONS: FORMATION OF (1) CABINET WITH EMPHASIS UPON MILITARY FIGURES, (2) NATIONAL PERSONALITIES OF PROVEN REPUTATION, OR (3) LEADERS OF POLITICAL PARTIES OR FORCE. MILITARY SHOWS LITTLE INCLINATION ASSUME

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3- LA PAZ 84 7/12/67

ADDITIONAL CIVILIAN RESPONSIBILITIES WITH SO MANY UNSOLVED PROBLEMS PENDING AND ON HORIZON. SOLUTION, AS IN CASE OF PRESENT CABINET, MAY WELL BE COMBINATION OF SECOND AND THIRD OPTIONS WITH POSSIBLY SOME INCREASE IN POLITICAL DESIGNEES. ALTHOUGH BARRIENTOS IS KNOWN TO BE SYMPATHETIC TO CABINET OF NATIONAL UNITY, HE ALMOST CERTAINLY RECOGNIZES NEED FOR SOME MINISTERIAL SUPPORT IN CONGRESS AND MAY HENCE FEEL COPELLED TO NAME LEADING POLITICOS TO NUMBER OF KEY CABINET SLOTS. IF FSD IS BROUGHT INTO GOVERNMENT, A POSSIBILITY BY NO MEANS DISMISSED HERE DESPITE RECENTLY WELL PUBLICIZED RUPTURE IN NEGOTIATIONS, THE RATIO OF POLITICAL TO INDEPENDENT APPOINTMENTS IS BOUND TO INCREASE SUBSTANTIALLY. A LEADING MPC POLITICIAN BELIEVES THE RESIDENT MUST DESIGNATE NEW CABINET IN ANY EVENT BY JULY 20 IN ORDER GIVE MINISTERS RUNNING START BEFORE SEASON OF CONGRESSIONAL INTERPELLATIONS BEGIN.

6. OVER LONG TERM, BARRIENTOS OBVIOUSLY FACES MANY SERIOUS PERHAPS INSUPERABLE PROBLEMS, NOT LEAST OF WHICH ARE DECLINING REVENUES OF COMIBOL AND CONTINUING

GUERRILLA OPERATIONS IN SOUTHEAST. WHATEVER FUTURE MAY BRING, OVER SHORT TERM, HE ONCE AGAIN DEMONSTRATED ABILITY TO MANIPULATE SKILLFULLY DIVIDED POLITICAL FORCES AROUND HIM. DURING CRISIS HE WAS ATTACKED BY ENEMIES AND IGNORED AND UNDERCUT BY POLITICAL FRIENDS. DESPITE LONESOMENESS OF POSITION AND ENTITLEMENT TO PRIVATE JITTERS, HE HAS APPEARED PUBLICLY AS NERVELESS AND SELF-CONFIDENT, AN INVALUABLE ASSET IN BOLIVIAN POLITICS. DESPITE PREVALENCE OF PERSONALISTIC AND OPPORTUNISTIC AMBITIONS OF SMALL CONSPIRATORIAL GROUPS AND THEIR INSISTENCE THAT BARRIENTOS ADMINISTRATION IS FINISHED (IF NOT IN IMMEDIATE FUTURE AT LEAST BY END OF YEAR), HE REMAINS BOLIVIA'S FOREMOST AND MOST UNDERRATED POLITICIAN AND A FORTIDABLE FORCE FOR THE OPPOSITION TO DEAL WITH. GP-3. FISHER

~~CONFIDENTIAL~~

~~SECRET~~

Friday, July 14, 1967
9:30 a.m.

Pres. file

Mr. President:

Herewith Pope Paul responds
to your message reporting to him
on Hollybush.

W. W. Rostow

Rome 290

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 7-11-91

WWRostow:rlm

INCOMING TELEGRAM *Department of State*

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-227
By *ju*, NARA, Date 8-13-92

REF: STATE 217445

1. VATICAN HAS DELIVERED FOLLOWING REPLY TO PRESIDENTIAL MESSAGE.

2. BEGIN QUOTE: WE ARE VERY GRATEFUL TO YOU, MR. PRESIDENT, FOR HAVING COMMUNICATED TO US YOUR PERSONAL OBSERVATIONS OF YOUR TALKS WITH CHAIRMAN KOSYGIN OF THE SOVIET UNION.

WE MAINTAIN A KEEN INTEREST IN THE SUBJECTS WHICH WERE DISCUSSED BECAUSE WE ARE CONVINCED THAT THESE THEMES ARE RELEVANT IN THE QUEST FOR PEACE. IT IS ENCOURAGING TO LEARN THAT YOU FEEL THAT THE SOVIET UNION GENUINELY WISHES TO MAKE PROGRESS TOWARDS A NUCLEAR NON-PROLIFERATION TREATY, A STEP THAT WILL LIBERATE THE WORLD OF THIS OBSESSIVE FEAR OF ANNIHILATION. WE PRAY THAT THE CONVERSATIONS BETWEEN SECRETARY RUSK AND FOREIGN MINISTER GROMYKO WILL BEAR PRODUCTIVE RESULTS. SUCH EXCHANGES OF OPINION, AS THAT BETWEEN YOU AND CHAIRMAN KOSYGIN, CAN CONTRIBUTE MUCH TO THE CREATION OF AN ATMOSPHERE OF MUTUAL TRUST AND COLLABORATION WHICH WILL UNDOUBTEDLY LEAD TO BETTER UNDERSTANDING AND GREATER RESPECT AS WELL AS TO COMMON ENDEAVORS TO BRING ABOUT PEACE IN THIS TROUBLED WORLD.

~~SECRET~~

~~SECRET~~

-2-ROME 290, 7/13/67

ON OUR PART, WE SHALL KEEP YOU, MR. PRESIDENT, INFORMED OF ANYTHING WHICH MIGHT PROVIDE A BETTER INSIGHT INTO THE PROBLEMS OF THE MIDDLE EAST AND SOUTHEAST ASIA.

WE ASK GOD TO BLESS THE EFFORTS OF YOUR NOBLE NATION FOR PEACE AND WE PRAY THAT THE UNITED STATES WILL NOT GROW WEARY IN ITS EFFORTS TO CONTRIBUTE TO THE DEVELOPMENT OF THE SPIRIT OF TRUE BROTHERHOOD BASED ON CHARITY, JUSTICE AND RESPECT.

FROM THE VATICAN, JULY 6, 1967
PAULUS P P.VI- END QUOTE

3. ORIGINAL LETTER BEING FORWARDED BY AIR POUCH.

GP-1.

REINHARDT
BT

SECRET

~~CONFIDENTIAL~~

July 14, 1967 -- 9:00 a.m.

Mr. President:

Pres file

Herewith Amb. Bunker
acknowledges graciously your
message.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 26, 1983
By lg, NARA, Date 7-11-91

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~~CONFIDENTIAL~~ EYES ONLY

1967 JUL 14 09 01

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FOLLOWING MSG RECEIVED VIA CIA COMMUNICATIONS FACILITIES:

~~C O N F I D E N T I A L~~ EYES ONLY 140812Z

FM AMB BUNKER 9273

TO THE WHITE HOUSE EYES ONLY THE PRESIDENT
(NO NIGHT ACTION)

I AM MOST GRATEFUL FOR YOUR MESSAGE. IT GIVES ALL OF US
HERE NEW ENCOURAGEMENT AND ENTHUSIASM IN OUR DETERMINATION TO
BRING TO A SUCCESSFUL CONCLUSION THE POLICIES AND GOALS YOU HAVE
SET FOR US. WE ARE MAKING PROGRESS. WE ARE DEEPLY CONSCIOUS
OF THE HEAVY BURDENS YOU BEAR. PLEASE BE ASSURED YOU CAN COUNT
ON US.

GP-1

~~CONFIDENTIAL~~ EYES ONLY

NNNN

DECLASSIFIED

Authority RAC 23038

By Julia, NARA, Date 3-13-00

Pres file

MEMORANDUM FOR THE PRESIDENT

When you approved the overall schedule of foreign visitors for the last half of 1967, it was understood that the specific dates were subject to your final approval. Planning for the visits later in the year has now come to the point where we need to give specific dates to the visitors involved. In each instance their travel here is related to other travel plans.

The dates outlined below have been checked against your and Mrs. Johnson's schedule. In each instance, we have ascertained that the dates proposed would be acceptable to the visitor.

President Diiori of Niger - September 26 (Tuesday) - Informal

- Arrival ceremony (full military honors)
- Office meeting (half hour)
- Black tie dinner

Approve September 26 _____ Approve program _____ See me _____

King of Nepal - November 1-2 (Wednesday-Thursday) - State

November 1

- Arrival ceremony (full military honors)
- Office meeting (one hour)
- Black tie dinner

November 2

- Attend Nepalese reception (this is customary part of State visit programs)

Approve November 1-2 _____ Approve program _____ See me _____

Crown Prince of Laos - November 9 (Thursday) - Informal

- Informal arrival ceremony
- Office meeting (45 minutes)
- Luncheon

Approve November 9 _____ Approve program _____ See me _____

Prime Minister Sato of Japan - November 14-15 (Tuesday-
Wednesday) - Informal

You earlier indicated some doubt about being in town November 7-8 (dates originally proposed for this visit), so we explored with the Japanese the suitability of these new dates.

November 14

- Arrival ceremony (full military honors)
- Office meeting (one hour)
- Black tie dinner

November 15

- Second office meeting (if desirable -- to be decided later)

Approve November 14-15 _____ Approve Program _____ See me _____

If you agree to the above schedule, we plan to work out a series of joint announcements of the visits and George Christian will confirm them with you as they come up.

For your information, I have attached the visitor schedule for the remainder of the year as it looks at this time.

W. W. Rostow

WWR 7/14

FOREIGN VISITOR SCHEDULE

Visits and Dates already approved by the President:

President Asgeirsson, Iceland	July 18
President Houphouet-Boigny, Ivory Coast	August 17
Shah of Iran	August 22-23
Chancellor Kiesinger, Germany	September 12-13
President Saragat, Italy	September 19
Prime Minister Lee Kuan Yew, Singapore	October 17
President Diaz Ordaz, Mexico (You have a memo proposing combining his State visit with the Chamizal ceremony. You had approved October 27-28 for State visit.)	

Dates proposed to the President:

President Diiori, Niger	September 26
King Mahendra, Nepal	November 1-2
Crown Prince Vong, Laos	November 9
Prime Minister Sato, Japan	November 14-15

Friday,
July 14, 1967

28

~~Handwritten signature~~

Mr. President:

Here is a very nice letter
from State Senator Stanly
Snodgrass of Tennessee
supporting your efforts
in Vietnam and your speech
before the Tennessee General
Assembly.

W. W. R.

Friday,
July 14, 1967

Mr. President:

Here is a very nice letter
from State Senator Stanly
Snodgrass of Tennessee
supporting your efforts
in Vietnam and your speech
before the Tennessee General
Assembly.

W. W. R.

July 15, 1967

Dear Senator Snodgrass:

It was a pleasure to visit, once again, the Volunteer State, and to have the opportunity to address your General Assembly.

Expressions of support and confidence such as yours are a source of great comfort to me. It was very kind of you to write.

Sincerely,

(S) Lyndon B. Johnson

The Honorable
Stanly T. Snodgrass
Senator of the State of Tennessee
Nashville, Tennessee

cc: Cliff Alexander
LBJ:RMM:cjf

28c

Senate Chamber

State of Tennessee

STANLY T. SNODGRASS
SENATOR
EIGHTEENTH SENATORIAL DISTRICT
DAVIDSON COUNTY
618 STAHLMAN BUILDING
NASHVILLE, TENNESSEE 37201

NASHVILLE

July 10, 1967

CHAIRMAN
JUDICIARY
SECRETARY
MILITARY AND VETERANS' AFFAIRS
MEMBER OF COMMITTEES:
COMMITTEE ON COMMITTEES
CORRECTIONAL INSTITUTIONS
INSURANCE AND BANKING
LOCAL GOVERNMENT
STATE EMPLOYEES, BUILDINGS AND
PUBLIC WORKS

Honorable Lyndon B. Johnson
President of the United States
White House
Washington, D. C.

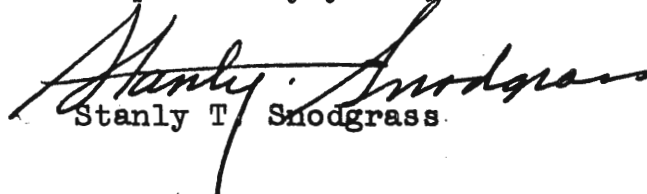
Dear Mr. President:

CA
It has occurred to me recently that those of us who have the privilege of public office and who support your general policy in Vietnam and the difficult task that confronts you and the Country, owe it to you to offer about the only thing we can - our moral support and our prayers. I, therefore, write this letter for that purpose with the conviction that you are doing all that is humanly possible for an honorable detente.

I had the pleasure of being in the Tennessee House Chamber during your address to the Tennessee General Assembly early this year. Your remarks struck a chord of high credibility on the Vietnam conflict and, I believe, left all of us with a far better understanding of what our responsibilities and duties are in Asia. I only hope that more of the Nation will eventually understand and, I believe, ultimately, that they will.

I wish you good health and sustaining energy. May God bless you, sir.

Respectfully yours,


Stanly T. Snodgrass

STS/rh

STATEMENT ON PRISONERS

The United States Government has been greatly concerned at the plight of Americans held prisoner by the National Liberation Front and North Viet-Nam. More than 20 American soldiers and several American civilians are believed held by the National Liberation Front. We know that more than 160 American military personnel are confined in North Viet-Nam. Several hundred more are considered missing because the National Liberation Front and North Viet-Nam withhold the names of prisoners and generally prohibit most prisoners from sending letters. We are gravely concerned that some of these prisoners may not be treated humanely. The claims of the National Liberation Front and the North Vietnamese that they are treated humanely cannot be verified because neutral observers or organizations such as the International Committee of the Red Cross have not been allowed to visit the prisoners, and inspect their places of detention.

Viet Cong and North Vietnamese prisoners held by the Government of Viet-Nam are confined in camps inspected regularly by the ICRC. These prisoners include many captured by U.S. Forces and turned over to the Government of Viet-Nam for safekeeping under the provisions of the Geneva Convention. Their treatment and the conditions of their confinement have been humane and in accord with the Convention as verified by these neutral observers.

On several occasions prisoners including seriously sick and wounded have been released by the Government of Viet-Nam within South Viet-Nam and to North Viet-Nam. Additional seriously sick and wounded prisoners who may be captured in the future and who wish to be repatriated will be given the same opportunity, as required by the Geneva Convention.

The United States calls on the National Liberation Front and North Viet-Nam to permit impartial inspection of all prisoners, and urges them to repatriate those sick and wounded prisoners who qualify for repatriation under the Convention.

The Governments of the United States and Viet-Nam have repeatedly made clear both publicly and privately through many channels their desire to bring about an exchange of prisoners. The Government of the United States reiterates this desire and its willingness to discuss such exchanges at any time and in any appropriate way, using intermediaries or directly, by public means or privately.

Pres file

Thursday, July 13, 1967 -- 9:50 p.m.

Mr. President:

Manny Celler called me to say that he hoped that we would continue with abstention on the Pak resolution. He has checked around and is convinced that all the good capital you have built up will be dissipated if we took another course. He is sure you would want this information.

Mac Bundy adds: This is a frantic byproduct of his check-out with Abe Feinberg.

W. W. Rostow

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Thursday, July 13, 1967, 9:30 p. m.

W.W.R.
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Presfile

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-93
By JW, NARA, Date 6-2-94

MEMORANDUM FOR THE PRESIDENT

SUBJECT: ~~Your Meeting with George McGhee 5:30 p. m., July 11~~

George will want to talk to you about the German defense cuts. Specifically, he will ask for guidance on ~~what to say to Kiesinger when he returns to Bonn.~~

~~The Germans have clearly got the message that we are unhappy.~~ They are coming in on every channel with assurances that there has been no decision on troop cuts. In any case, it will take them the rest of the summer to figure out how best to save the money without getting into a war with us.

~~In light of the above, my strong instinct would be to play the hand in low key -- for the time being.~~ If we keep hitting them hard during the next several weeks, I think we simply play into the hands of the Gaullists in Bonn, whose strongest card is German pride and vanity ("it's high time to assert independence from big brother, etc.") A second point is that we badly need German cooperation in the international money negotiations between now and September.

~~If you agree with the above, you will want to instruct George (who may be in a rather combative mood vis-a-vis the Germans) to play it softly, and to say to Kiesinger that~~

- You were deeply concerned by the press reports about the defense budget and troop cuts.
- Any unilateral action would undo all the work in the Trilaterals. It would certainly play into the hands of those in the US who want to reduce the American commitment in Europe.
- You were reassured by Kiesinger's message about no decision on troops and about his intention to consult before doing anything that will affect the common defense.
- We sympathize with German worries about the state of their economy. (George might also say to Kiesinger -- though

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not as coming from the President -- that the economists in Washington are puzzled about the case for budget balancing at a time of recession in Germany, especially given the large German balance-of-payments surplus.)

-- You look forward to seeing the Chancellor in Washington in September. Until then, you hope that the two governments will remain in very close touch.

I would advise against you taking personal notice of the press stories that we didn't consult about the aircraft rotation. As you know from my memo of yesterday, I have already made the point through the Embassy here.

At Tab A is a good cable from Marty Hillenbrand, McGhee's No. 2 in Bonn.

* * * *

In case you want us, Walt and I will be standing by.

F. M. Bator

Francis M. Bator

~~CONFIDENTIAL~~

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A

TEXT OF CABLE FROM BONN (#471)

July 12, 1967

SUBJECT: Recommended US Position in Light of Planned Cut in German Defense Budget

1. We believe that the following circumstances have a direct bearing on the position which the US might take on the proposed defense cut:

A. ~~It is now entirely clear that the decision taken by the Cabinet apply only to budgetary levels. No decisions have been taken as to how a cut in the defense budget should specifically be reflected in the defense establishment.~~

B. While tentative planning has been done in the Ministry of Defense on a possible cut in Bundeswehr strength, this has no standing and consideration is only just beginning in the FRG and on the Chancellor's part as to how the cut can best be absorbed with minimum damage to the German defense structure. ~~It will likely be September before the FRG has developed planning which can serve as a basis for consultation with its allies. There would thus appear to be no great time pressure at this point.~~

C. ~~The FRG intends to consult with the US and in NATO on planned changes in its defense organization before these changes are adopted by the government.~~

D. ~~The point that the FRG failed to consult the US or NATO before deciding on a general policy which would affect the German defense effort has already been made by the US side and registered by the German Government and public. German media have been sharply critical of the Chancellor and his Government for this failure to consult and we can expect him to be quite sensitive on this issue.~~

E. ~~While the manner in which the reduction in defense funds will be absorbed remains entirely open, the cut itself must probably be viewed as an accomplished fact barring a deterioration in the international situation or unexpected favorable economic developments in Germany.~~

2. We recommend under the circumstances that, in our public attitude toward the German defense cut, we avoid any suggestion of crisis but nonetheless show continuing concern that actions not be taken which would weaken the Western defense. Emphasis might be placed in dealings with the FRG and in any public statements on the following points:

A. We understand the economic problems which the FRG faces, and we consider a sound economic structure in NATO countries an important part of NATO's strength. Mutuality of interests and responsibilities

is not limited to the purely defense field.

B. Decisions taken by the FRG affecting the German defense organization are a matter of concern to the Alliance as a whole and the US in particular, in view of the vital contribution which the FRG makes to Western defense and in view of the long-standing close cooperation between the FRG and the US on defense matters.

C. We understand that in working out plans for any changes in its defense structure, the FRG intends to consult fully with its allies. The US will cooperate in these consultations and will work with the FRG to find solutions which will take full advantage of available resources for the overall strength of NATO.

3. In public statements emphasis should be on NATO as the main forum for consultation. Privately, however, we should stress to the FRG our belief that the closest bilateral contact will be necessary during the coming period to be sure that German planning is such as to ensure continued effective US-German cooperation in the defense of Germany and Berlin. At a later point, the US might consider suggesting that both sides designate special representatives as a convenient means of ensuring that consultation is effective. Through this means we could seek to reestablish on a bilateral and informal basis the spirit but not the organization of the Trilateral Talks.

4. The US will need, in this connection, urgently to formulate its views on what the Bundeswehr should be into the 70's. There is presently in the FRG a receptivity -- born of necessity -- to change, which did not exist before.

5. We will, of course, keep in close touch with German thinking and internal procedures as they develop. Should there appear to be any need for US action in the stage prior to an FRG invitation to open formal consultations, we shall advise the Department promptly.

Hillenbrand

Pres file

Thursday, July 13, 1967, 7:45 P. M.

MEMORANDUM FOR THE PRESIDENT

**SUBJECT: Greek Ambassador Matsas' farewell call, noon
Friday, July 14, 1967**

Ambassador Matsas of Greece is retiring after five years in Washington, partially for health reasons, but more accurately because, as he told Secretary Rusk, "he can't be sufficiently enthusiastic about the new regime," which came to power in a military coup last April.

Ambassador Matsas has done much to further US-Greek relations. He is close to the Greek Royal Family.

Although the visit is largely a courtesy call, you may wish to:

1. express regret that he is leaving;
2. thank him for his efforts on behalf of Greek-American relations;
3. ask him about his health (you sent him flowers when he had a gall bladder operation this spring);
4. ask him to convey your personal greetings and good wishes to the King, along with an expression of our hope that the Greek government will return as quickly as possible to constitutional rule.

A biographic sketch of the Ambassador is attached. He will be accompanied to the White House by Chester Carter, Deputy Chief of Protocol.

W. W. Rostow

Attachment: Biographic Sketch
WWR:BKS:amc

Pres file

~~CONFIDENTIAL~~

Thursday - July 13, 1967
6:30 pm

Mr. President:

Herewith a memo from Secretary Rusk on President Diaz Ordaz' visit to Washington in October.

Diaz Ordaz has decided not to combine his trip to EXPO 67 with his visit here. This permits him to come to Washington on Wednesday, October 25 -- a day earlier than he had planned. It would also allow for combining the state visit with the Chamizal transfer ceremony without running into Sunday. While Diaz Ordaz accepted either December 1 or 8 for the Chamizal ceremony, he prefers doing the two consecutively so that he would not have to ask his Congress for permission to leave the country twice in so short a timespan.

W. W. Rostow

Attachment

Rusk Memo of July 10.

October 25 ok for start of state visit _____.

Approve combining visit with Chamizal _____.

Prefer keeping visit and Chamizal separate _____.

Speak to me _____.

DECLASSIFIED
Authority State Ltr 11/30/78
By ng/jap, NARA, Date 7-19-91

cc *Jm Jones*

~~CONFIDENTIAL~~

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THE SECRETARY OF STATE
WASHINGTON

July 10, 1967

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

Subject: Schedule for Visit of Mexican
President Gustavo Diaz Ordaz

Recommendation:

That President Diaz Ordaz be invited to visit the United States beginning Wednesday, October 25, and join with you in the formal transfer of the Chamizal at El Paso on Saturday, October 28, 1967.

Approve _____ Disapprove _____

Discussion:

President Diaz Ordaz in accepting your invitation to visit the United States suggested that the visit take place beginning October 26 and that the Chamizal transfer be scheduled for Sunday, October 29. His suggestion took into account his planned visit to Canada scheduled for October 23-25 and the fact that Mexico would not complete construction of certain facilities in its part of the Chamizal tract until mid-October. You agreed to meet with him in Washington on the dates suggested, but proposed that the Chamizal ceremony not take place on a Sunday. Instead you suggested a separate meeting to take place either December 1 or 8. While the December dates were acceptable to President Diaz Ordaz, we have now

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GROUP 3

Downgraded at 12-year intervals;
not automatically declassified.

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Authority State Sec 3/8/78

By RJ/kmy, NARA, Date 7-19-91

~~CONFIDENTIAL~~

- 2 -

learned that his visit to Canada has been postponed and believe that he would prefer to combine his Washington visit with the Chamizal ceremony. His coming one day earlier than now planned would make this possible and still avoid any ceremonies taking place on a Sunday.

I believe this desirable for several reasons, among which I would include the adverse local reaction which might occur through too long a delay between completion of the bridges on the U.S. side - mid-September - and their formal inauguration. Another reason is our understanding that President Diaz Ordaz will not ask his Congress for permission to leave Mexico twice within a short period. This would preclude his crossing to the U.S. side during a December ceremony.

Dean Rusk

Dean Rusk

~~CONFIDENTIAL~~

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Pres file

~~CONFIDENTIAL~~

Thursday - July 13, 1967 - 6:30 pm

Mr. President:

Herewith some developments on the Panama Canal treaties:

1. The Panamanians are behind schedule in their executive review of the Panama Canal treaties. A date within the July 21-26 period that President Robles wanted for the signing ceremony will now have to be pushed back to the August 1-5 period. Tuesday or Wednesday, August 1 and 2, is what the Panamanians are now requesting.
2. Bob Anderson is in town today and tomorrow to do missionary work with key Senators. I will send you a report on how he finds the climate.
3. Armistead Selden told us last night that 120 concurrent resolutions had been introduced in the House, practically all unfavorable. He plans to open hearings on July 24, but stall the sessions until after the signing ceremony so that Administration witnesses will be able to testify with the texts of the treaties on the table.

W. W. Rostow

cc: Barefoot Sanders
Mike Manatos

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NJ 92-223
 By ju, NARA, Date 11-23-93

~~CONFIDENTIAL~~

~~SECRET~~

Thursday
July 13, 1967 -- 4:05 p. m.

[Handwritten signature]

Mr. President:

Herewith Dick Helms' response to your request on the Congo, plus the ticker item which takes us a bit beyond.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
Authority CIA ltr 4/26/78
By rs/umj, NARA, Date 7-19-91

*Rostow***BULLETIN****CONGO**

KINSHASA, CONGO (AP)-CONGOLESE TROOPS REGAINED COMPLETE CONTROL OF KISANGANI TODAY. TWO RED CROSS PLANES LANDED AT THE AIRPORT AND FOUND 13 EUROPEAN JOURNALISTS AND 15 AMERICANS AND EUROPEANS SAFE.

WHITE MERCENARIES WHO HAD HELD THE AIRPORT PULLED OUT OF THE NORTHEAST CONGO CITY--FORMERLY STANLEYVILLE--AND WERE VARIOUSLY REPORTED HEADED NORTH TOWARD UGANDA, OR SOUTHWARD.

CR1249P 13

13 July 1967

The Situation in the Congo

1. The Situation. The mercenaries' rebellion has challenged the central government's position in a broad area of the eastern Congo, but at the moment military units at least nominally responsive to Kinshasa's direction are in control almost everywhere. There is no immediate threat to Mobutu's position as head of the central government, although there is always a possibility of unrest in a number of quarters while Mobutu is pre-occupied with the mercenaries.

2. The Mercenaries. Before the rebels broke through Congolese lines at Kisangani (Stanleyville) yesterday, the US defense attaché in Kinshasa estimated that there might be as many as 730 rebels (130 mercenaries and 500-600 Katangans) at the Kisangani Airport. This could be somewhat high. There were 27 trucks in the convoy which broke out. The convoy which is now headed southeasterly out of town, probably carries mostly rebels. We do not know of any rebels remaining behind in Kisangani.

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Authority CIA ltr 9-6-78By rsj/pj, NARA, Date 7-19-91~~SECRET~~

~~SECRET~~

3. Mercenary Objectives. We assume that the rebels--who appear to have operated planlessly since the mutiny broke out--are now interested mainly in getting out of the Congo. They may try to get to Bukavu or (less likely) Bujumbura and from there try to commandeer aircraft to fly them to safety. Alternatively, they may try to reach Angola, the nearest safe haven, overland via Katanga. Either way they will have a hard time. It is well over a thousand miles to Angola, over roads which offer government forces numerous opportunities to harass them. To evacuate out of either Bukavu or Bujumbura, they will have to use airfields in neighboring countries (Rwanda and Burundi respectively), and they will be unable to avoid giving government forces advance warning of their intentions. Nevertheless, there is no force available to the government which can stand up to them. The mercenaries are probably well armed and will have no trouble requisitioning gasoline.

4. Mercenary Aircraft. We believe there are two T-28s under mercenary control, although maintenance problems may soon take them out of action. They appear to be operating from a marginal field at Punia. As long as they are operational, they will greatly

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facilitate the rebels' advance against the notoriously skittish Congolese Army.

5. Government Forces. The only large concentrations of government forces facing the rebels at the moment are at Bukavu and Kindu, where they number 700-1,000 each. The government will probably find it impossible to coordinate its operations without outside help. There are eight other T-28s available to the government, but at last report Mobutu had grounded all the white pilots. There are no qualified Congolese pilots.

6. Foreigners. US citizens in Kisangani numbered about 20 when the rebellion broke out (two US Army NCOs, eight missionaries, and their dependents). There were also about 20 British and Canadians, and larger numbers of Belgians, Greeks, etc. The over-all total was about 200. In addition, there were about 15 journalists of various European nationalities who were trapped in Kisangani when the fighting began. It was never entirely certain whether the whites were under mercenary control, and if so whether they had come willingly to escape the Congolese Army or were being used as hostages.

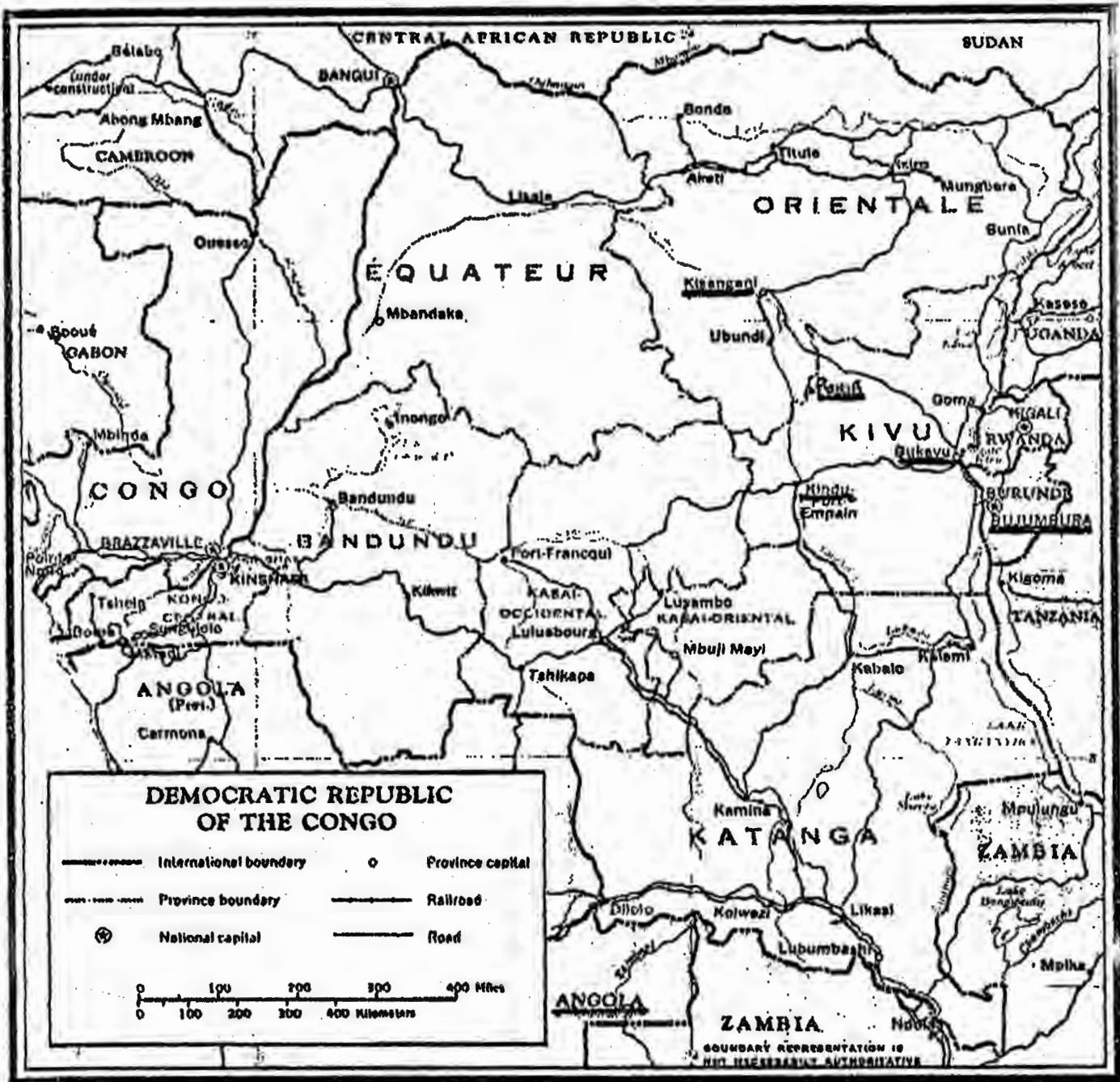
~~SECRET~~

7. Present Situation in Kisangani. The 15 journalists are known to be safe. There has been no word on the US citizens, and the first Red Cross mercy flight today could not find any European civilians, or the two US soldiers (one of whom was wounded). A second mercy flight is now in progress; a third one has been unable to leave Kinshasa. We do not know whether the rebels took any whites with them as hostages; given the relatively small size of the departing party, we doubt that it includes large numbers of hostages. The Red Cross has reported 100 Congo Army personnel wounded and requiring evacuation to Kinshasa. The Congolese general at Kisangani has officially requested a C-130 aircraft to lift out his wounded.

8. US Aircraft. All three C-130s are presently operating in the eastern Congo. One has brought troops and supplies to Kindu and to a town near Kisangani; a second is on a humanitarian mission to Bukavu. The third is a control aircraft which is providing communications near Kisangani.

-4-

~~SECRET~~



Base 56230 4-67

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Pres. file

~~CONFIDENTIAL~~

Thursday, July 13, 1967
3:00 p.m.

Mr. President:

Herewith Wayne Fredericks' simple fact sheet on U.S. policy toward the Congo and Tshombe.

With this in hand I shall get in touch with Carl Rowan.

W. W. Rostow

~~CONFIDENTIAL~~

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Authority State ltr. 3-19-79; NSC ltr 6 25 79

By BJ/eps, NANA, Date 7-19-91

~~CONFIDENTIAL~~

Essential Facts About US Policy Toward the Congo and Tshombe

1. During the years (1960-62) Tshombe was a secessionist in Katanga and maintained power largely through employment of white mercenaries, a practice which earned him the strong dislike of almost all African leaders. In 1960 the central government of the Congo, attempting to maintain the unity of the country, appealed to the UN for help in removing the mercenaries and in ending the secession. The Eisenhower administration supported the UN and began the policy of supporting the central government, a policy which has been consistently maintained under Presidents Kennedy and Johnson regardless of the person who held the office of Prime Minister of the Congo. We therefore opposed Tshombe's policies, as we later did those of other rebels who sought to destroy the unity of the Congo or to undermine the UN effort.

2. In June 1964 Tshombe, who had fled Katanga a year earlier, returned to the Congo and in July was appointed by President Kasavubu to replace Adoula. The United States was not involved either in his return or in his appointment. As late as mid-June, our intelligence analysts thought Adoula's continuation was likely; our Ambassador who had been carrying out the US policy of working closely with Adoula was of the same opinion. When Tshombe became Prime Minister and endorsed Congo unity, we continued our principle of supporting the central government and supported him.

3. In November 1965, when Mobutu seized power, ousting both Kasavubu and Tshombe, we did not change our policy of supporting the central government and the unity of the Congo. This continues to be our stand today.

~~CONFIDENTIAL~~

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Authority Statute 3-A-79, NSC 6-2579
By sg/ky, NARA, Date 7-19-89

W.H.H.
~~W.H.H.~~
2. Pres file

July 13, 1967; 1:50 PM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Press Guidance on Kiesinger's July 11 Letter to You.

As you know, word of Kiesinger's letter to you on the defense budget cuts has leaked to the press.

Following, for your approval, is contingency press guidance for George's use this afternoon (State has cleared it with Kiesinger):

QUESTION: Did Chancellor Kiesinger write the President concerning the reported German defense budget cut?

ANSWER: The President has received such a letter from the Chancellor.

QUESTION: Did the letter say that there has been no German decision to reduce German troop levels?

ANSWER: The letter states that no decision has been made to reduce the number of men in the German Armed forces.

QUESTION: What about the report that the Germans intend a 40 to 60 thousand man cut in the strength of their armed forces?

ANSWER: The Chancellor's letter indicates that a cut of that magnitude, or any cut, has not been decided on. We understand that the Germans intend to consult with us and the other members of the Alliance before any decision is taken.

Francis M. Bator

OK for George to answer questions along above lines _____

No _____

Speak to me _____

~~SECRET~~

Thursday, July 13, 1967
1:25 p. m.

Mr. President:

Herewith in great confidence
Prime Minister Wilson tells you what
he and his Cabinet have decided about
East of Suez. I have marked the critical
passages in yellow.

W. W. Rostow

T. 209/68

WWRostow:rlh

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-223
By JW, NARA, Date 11-23-93

PMUK 001/13
1600 ZULU JULY 13, 1967
FROM PRIME MINISTER
TO PRESIDENT
~~SECRET~~
T.209/67
MESSAGE BEGINS

291 JUL 13 16 55

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-131

~~SECRET~~ By cm, NARA Date 3-22-01

THURSDAY

THANK YOU FOR YOUR MESSAGE OF JULY 6.

AS YOU KNOW, THE GENERAL ASSEMBLY HAS BEEN HAVING A WEEKS BREATHING SPACE IN WHICH TO SEE WHETHER AGREEMENT CAN BE REACHED ON ANY FORM OF WORDS. BUT ALL THE SIGNS SO FAR BEAR OUT YOUR DOUBTS ABOUT THE LIKELIHOOD OF ANY SIGNIFICANT CLOSING OF THE GAP BETWEEN THE TWO POSITIONS TAKEN IN THE ASSEMBLY ON THE MAIN ISSUE. I HAVE FOUND IT REASSURING THAT A SUBSTANTIAL PART OF THE MEMBERSHIP - AND NOTABLY THE LATIN AMERICANS - INSISTED ON A BALANCED RESOLUTION (PROVIDING FOR AN END TO THE STATE OF BELLIGERENCY AS WELL AS ISRAELS WITHDRAWAL), OR NONE. THE SOVIET UNION AND THE LESS REASONABLE ARABS HAVE CERTAINLY BEEN GIVEN GOOD CAUSE FOR RECONSIDERING, THOUGH I ALSO AGREE WITH YOU THAT IT MAY BE A LITTLE TIME BEFORE ANY SHIFT BECOMES DISCERNIBLE. BUT AT LEAST THE ATMOSPHERE IS NOW VERY DIFFERENT FROM WHAT IT WAS WHEN THE SLANGING MATCH FIRST BEGAN. IT IS ALSO A GOOD SIGN THAT THE SECURITY COUNCIL HAVE NOW AGREED TO PERMIT U THANT TO ARRANGE WITH THE ISRAELIS AND EGYPTIANS FOR UNITED NATIONS TROOPS TO BE STATIONED ALONG THE SIDES OF THE CANAL. THIS AGREEMENT SHOULD BE USED AS A FIRST STEP TOWARDS ESTABLISHING A U.N. PRESENCE ELSEWHERE IN THE AREA. IT IS A HOPEFUL SIGN TOO THAT U THANT HAS NOW APPOINTED A SWEDE TO PURSUE THE REFUGEE PROBLEM. A REALLY DETERMINED AND IMAGINATIVE EFFORT BY THE INTERNATIONAL COMMUNITY IS NOW NEEDED TO SOLVE THIS PROBLEM. WE OUGHT PERHAPS TO EXAMINE WHAT PART A COMPREHENSIVE DEVELOPMENT PLAN MIGHT PLAY IN ALL THIS. IN GENERAL I THINK WE SHOULD GO ON CONCENTRATING THROUGH THE SECURITY COUNCIL, ON DISCUSSION OF PRACTICAL MATTERS, PRESSING PARTICULARLY FOR THE APPOINTMENT OF A REPRESENTATIVE OF THE SECRETARY GENERAL, DEVELOPING ON THE UN PRESENCE IN THE AREA AND TACKLING THE ISSUES AFFECTING FREEDOM OF PASSAGE THROUGH THE WATER-WAYS.

AS REGARDS THE FAR EAST WE HAVE, AS I AM SURE YOU KNOW, BEEN GIVING VERY EARNEST AND DEEP CONSIDERATION TO THIS PROBLEM SINCE I SAW YOU LAST MONTH. WE HAVE DISCUSSED IT HERE WITH HAROLD HOLT, MARSHALL FROM NEW ZEALAND, HARRY LEE FROM SINGAPORE AND, MOST RECENTLY, WITH THE TUNKU. ALL HAVE EXPRESSED THEIR CONCERN ABOUT OUR LONGER-TERM INTENTIONS AND, WHILE THE CONSIDERATIONS THAT YOU AND THEY HAVE IN MIND DIFFER IN MANY RESPECTS FROM COUNTRY TO COUNTRY (AS ONE WOULD EXPECT), WE FULLY UNDERSTAND THE FUNDAMENTAL CONCERN THAT IS SHARED IN COMMON BY YOU ALL. AND, AS I EXPLAINED TO YOU WE NOT ONLY UNDERSTAND THIS BUT WE SYMPATHISE WITH IT AND WISH TO DO EVERYTHING WE CAN TO MITIGATE IT. WE HAVE PLANNED TO PHASE OUR WITHDRAWAL OVER A PERIOD OF YEARS SO AS TO REDUCE THE LIKELIHOOD OF ANY LASTING SETBACK TO THE ECONOMIES OF THE COUNTRIES IN THE AREA: AND OUR MITIGATING AID COUPLED WITH THEIR OWN DETERMINATION TO HELP THEMSELVES WILL CONTRIBUTE POSITIVELY TO THE KIND OF SELF-RELIANT FUTURE AT WHICH THE WHOLE AREA SHOULD AIM.

THE BRITISH GOVERNMENT HAVE HAD TO REACH THEIR DECISIONS

~~ECONOMY OF THE COMMONWEALTH AREA SHOULD AIM TO HELP THEMSELVES
WILL CONTRIBUTE POSITIVELY TO THE KIND OF SELF-RELIANT
FUTURE AT WHICH THE WHOLE AREA SHOULD AIM.~~

THE BRITISH GOVERNMENT HAVE HAD TO REACH THEIR DECISIONS, AFTER THE FULLEST CONSULTATION WITH THEIR FRIENDS AND ALLIES AND TAKING DUE ACCOUNT OF THEIR VIEWS, ON THE BASIS OF THEIR OWN BEST JUDGMENT OF WHAT IS POLITICALLY AND ECONOMICALLY RIGHT FOR THIS COUNTRY. THE DECISION WE HAVE NOW TAKEN HAS BEEN REACHED IN THE LIGHT OF THE BEST ASSESSMENT WE CAN MAKE OF THE LIKELY DEVELOPMENT OF POLITICAL RELATIONSHIPS IN THE AREA IN THE SECOND HALF OF THE NEXT DECADE: AND OF THE ECONOMIC REQUIREMENTS IF BRITAIN IS TO PLAY ANY CONTINUING PART THERE AT THAT TIME. WE IN THIS COUNTRY WILL BE UNABLE TO PLAY ANY SUCH PART - OR INDEED ANY EFFECTIVE PART IN WORLD AFFAIRS AS A WHOLE - UNLESS WE GET OUR ECONOMY STRAIGHT NOW: AND TO DO THIS WE HAVE NO OPTION BUT TO BRING OUR DEFENCE SPENDING INTO LINE WITH OUR RESOURCES, WHILE MAKING FULL USE OF THESE RESOURCES TO ACHIEVE OUR POLITICAL OBJECTIVES. IF THIS IS TO BE ACHIEVED, IT REQUIRES LONG TERM DECISIONS ABOUT THE OVERALL SHAPE OF OUR FORCES AND ABOUT WEAPON SYSTEMS WHICH WE MUST TAKE NOW. I REPEAT THAT THE VIEWS THAT YOU AND THE HEADS OF THE COMMONWEALTH GOVERNMENTS CONCERNED HAVE EXPRESSED TO US HAVE BEEN TAKEN INTO THE FULLEST ACCOUNT AND WE ARE GRATEFUL FOR THE FRANKNESS, AND ALSO FOR THE SPIRIT OF FRIENDLY UNDERSTANDING IN WHICH THEY HAVE BEEN EXPRESSED. MY COLLEAGUES AND I HAVE DECIDED THAT IT IS POLITICALLY AND ECONOMICALLY RIGHT FOR US TO REDUCE OUR FORCES IN SINGAPORE AND MALAYSIA TO ABOUT HALF THE CURRENT LEVELS BY 1970-71 AND TO PLAN ON LEAVING THE MAINLAND OF SOUTH EAST ASIA ENTIRELY BY THE MIDDLE SEVENTIES. BUT BECAUSE WE ARE EQUALLY RESOLVED THAT BRITAIN SHALL HAVE A CONTINUING PART TO PLAY IN THE AREA, THOUGH ONE THAT MUST BE COMMENSURATE WITH OUR RESOURCES, AND WE SHALL ALSO PLAN TO RETAIN A SOPHISTICATED MILITARY CAPABILITY FOR USE IF REQUIRED IN THE FAR EAST AFTER THAT TIME. FOR IT REALLY IS NONSENSE FOR US TO OFFER TO PROVIDE INDEPENDENTLY GROUND TROOPS TO DEFEND ASIAN COUNTRIES WHO HAVE IT IN THEIR POWER TO TRAIN AND PROVIDE THEIR OWN. WHAT WE CAN DO AND INTEND TO DO IS TO MAINTAIN A MILITARY CAPABILITY FOR USE IN THE AREA WHICH PROVIDES THE SOPHISTICATED SEA-AIR SUPPORT WHICH THEY CANNOT AFFORD TO PROVIDE AS AN ASSURANCE AGAINST EXTERNAL AGGRESSION. IN THE FURTHER ROUND OF CONSULTATIONS JUST COMPLETED, THE COMMONWEALTH PRIME MINISTERS HAVE, I THINK, BEEN IMPRESSED BY THE LIKELY SCALE AND CHARACTER OF THIS CAPABILITY.

NOW THAT WE HAVE TAKEN THIS DECISION, THE QUESTION ARISES - AGAIN IN THE LIGHT OF WHAT YOU AND OUR COMMONWEALTH COLLEAGUES HAVE SAID - WHETHER WE CAN AVOID ANNOUNCING IT PUBLICLY AT THIS TIME. THE FACT IS THAT SO MUCH HAS APPEARED PUBLICLY IN VARIOUS PARTS OF THE WORLD ABOUT OUR LONG-TERM INTENTIONS (AND THIS WAS CERTAINLY NOT SOMETHING THAT WE EITHER WISHED OR ACCEPT RESPONSIBILITY FOR) THAT IT IS SIMPLY IMPOSSIBLE FOR US NOW TO AVOID GIVING SOME PUBLIC INDICATION OF WHAT THEY ARE. OTHERWISE THERE IS A REAL RISK THAT IT MAY BE BELIEVED THAT WE ARE PLANNING A MORE RAPID RUNDOWN THAN IS IN FACT THE CASE. IN ANY EVENT, WE MUST IN ALL FAIRNESS GIVE OUR ARMED FORCES SOME IDEA OF THEIR LONG TERM SIZE, SHAPE AND EQUIPMENT WHEN THE PROCESS IS COMPLETED IN THE MIDDLE 1970S, PARTICULARLY AS THE CAREERS OF MANY ARE INVOLVED. THIS IS DIFFICULT UNLESS WE INDICATE THE MAJOR PREMISE ON WHICH OUR PLANNING IS BASED. IN ANY CASE, AS THE PROCESS GETS UNDER WAY IN THE COMING MONTHS OUR LONG TERM INTENTIONS ARE BOUND TO BECOME KNOWN. EVEN IF WE OURSELVES ATTEMPTED TO DISGUISE THEM, OTHER GOVERNMENTS CONCERNED MIGHT NOT BE ABLE TO AVOID SOME DISCLOSURES IN ORDER TO KILL RUMOURS AND SPECULATION AND TO EXPLAIN THE CONSEQUENTIAL ADJUSTMENTS TO THEIR OWN POLICY. I BELIEVE A CONTINUATION OF

IDEA OF THEIR LONG TERM SIZE, SHAPE AND EQUIPMENT WHEN THE PROCESS IS COMPLETED IN THE MIDDLE 1970S, PARTICULARLY AS THE CAREERS OF MANY ARE INVOLVED. THIS IS DIFFICULT UNLESS WE INDICATE THE MAJOR PREMISE ON WHICH OUR PLANNING IS BASED. IN ANY CASE, AS THE PROCESS GETS UNDER WAY IN THE COMING MONTHS OUR LONG TERM INTENTIONS ARE BOUND TO BECOME KNOWN. EVEN IF WE OURSELVES ATTEMPTED TO DISGUISE THEM, OTHER GOVERNMENTS CONCERNED MIGHT NOT BE ABLE TO AVOID SOME DISCLOSURES IN ORDER TO KILL RUMOURS AND SPECULATION AND TO EXPLAIN THE CONSEQUENTIAL ADJUSTMENTS TO THEIR OWN POLICY. I BELIEVE A CONTINUATION OF THE PRESENT UNCERTAINTY WOULD BE DAMAGING TO US ALL. BUT WE ARE ANXIOUS TO DO ALL WE CAN TO MEET YOUR CONCERN BY AVOIDING ANYTHING TOO SPECIFIC.

ACCORDINGLY, IN THE DEFENCE WHITE PAPER THAT WE SHALL BE PRESENTING TO PARLIAMENT SHORTLY, WE PROPOSE TO SAY THAT, WHILE WE PLAN TO WITHDRAW ALTOGETHER FROM OUR BASES IN SINGAPORE AND MALAYSIA IN THE MIDDLE 1970S, THE PRECISE TIMING OF OUR EVENTUAL WITHDRAWAL WILL DEPEND ON PROGRESS MADE IN ACHIEVING A NEW BASIS FOR STABILITY IN SOUTH EAST ASIA AND IN RESOLVING OTHER PROBLEMS IN THE FAR EAST.

I KNOW THAT THIS WILL BE UNWELCOME NEWS TO YOU. BUT THESE DECISIONS HAVE BEEN TAKEN FOR REASONS WHICH SEEM RIGHT TO US, AND AFTER THE MOST PROLONGED CONSIDERATION AND CONSULTATION. I AM CONVINCED THAT, IF THIS COUNTRY IS IN THE FUTURE TO BE THE SAME KIND OF EFFECTIVE PARTNER FOR HER FRIENDS AND ALLIES IN THE WORLD AS SHE HAS, I HOPE, BEEN IN THE PAST, THE POLITICAL AND ECONOMIC REALITIES MUST BE FACED AND NOT FUDGED: AND, IN PARTICULAR, THAT OUR ESSENTIAL OBJECTIVE OF BUILDING AN UNSHAKEABLE ECONOMIC BASE FOR BRITAIN IS THE RIGHT ONE NOT ONLY FOR THIS COUNTRY BUT FOR ALL OUR ALLIES AS WELL. I BELIEVE THAT, IN DECIDING AND ANNOUNCING NOW OUR INTENTION TO MAINTAIN A MILITARY CAPABILITY FOR USE IN THE FAR EAST AFTER THE MID 1970S, WE ARE DEMONSTRATING OUR CONTINUED INTEREST IN THE AREA.

THE TWO ASIAN GOVERNMENTS MOST DIRECTLY CONCERNED HAVE DEMONSTRATED AN IMPRESSIVE STEADINESS IN THIS NEW SITUATION. THEY HAVE RECOGNISED THE INEVITABILITY OF CHANGE: THEY TAKE THE POINT I HAVE MADE ABOVE ABOUT THE NEED FOR THEM TO MAKE THE CONTRIBUTION TO THEIR OWN DEFENCE THAT BEST ACCORDS WITH THEIR OWN RESOURCES, WHILE WE HELP WITH A MORE SOPHISTICATED CAPABILITY: AND THEY HAVE SHOWN A READINESS TO CO-OPERATE WITH US IN EFFECTING AN ORDERLY TRANSITION TO THE NEW BASIS FOR STABILITY IN SOUTH EAST ASIA WHICH IS OUR AIM. THE FACT THAT IT IS VERY MUCH IN THEIR INTEREST THAT THEY SHOULD DO SO DOES NOT DETRACT FROM THE VALUE OR SIGNIFICANCE OF THE WISE WAY IN WHICH THEY HAVE REACTED TO OUR NEW POLICY.

I AM SURE THAT WE CAN COUNT ON THE SAME DEGREE OF UNDERSTANDING AND POSITIVE CO-OPERATION FROM OUR OTHER ALLIES.

I HAVE GONE INTO ALL THIS AT CONSIDERABLE LENGTH AND DETAIL BECAUSE OF THE FRANKNESS AND STRAIGHTFORWARD APPROACH THAT HAS ALWAYS CHARACTERISED THE EXCHANGES BETWEEN US. BUT YOU WILL REALISE HOW ESSENTIAL IT IS TO HOLD THIS INFORMATION VERY TIGHT UNTIL OUR WHITE PAPER IS PUBLISHED. I KNOW I CAN RELY ON YOUR TOTAL DISCRETION HERE.

~~SECRET~~

MESSAGE ENDS

~~CONFIDENTIAL~~

Pres file

Thursday, July 13, 1967 -- 12:50 p. m.

Mr. President:

You should know that Belaunde is in political trouble with his end of both the commitments made to me in February 1966:

-- his Congress has just taken action against the IPC;

-- he is having grave difficulties getting through the tax reform package on which our program loan to him also depends.

The Ambassador has quite explicitly recalled his commitments to you in these matters.

W. W. Rostow

Lima 190
Lima 192

~~CONFIDENTIAL~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-223
By pu, NARA, Date 11-23-93

~~CONFIDENTIAL~~

Wednesday, July 12, 1967

TEXT OF CABLE FROM AMBASSADOR JONES (Lima, 190)

SUBJECT: International Petroleum Company

Responding to my request for an interview, President Belaunde received me at noon July 10. Although I had asked to see him about International Petroleum Company, he asked that I bring AID Mission Director Dentzer with me and began the conversation by strongly urging our immediate granting of a program loan. This part of the conversation is reported in a separate telegram. It was only until we were half-way through the seventy-minute meeting that I was able to switch the conversation to the International Petroleum Company, the purpose of my call.

In enumerating the various problems and pressures mounting against him, President mentioned La Brea Y Parinas and the action which the Peruvian Congress had just taken against the International Petroleum Company. He said he had told the company over a period of years that they should voluntarily renounce their titles, thus removing the political heat surrounding their problem and now Congress had seized the initiative and removed their property rights for them.

I took this occasion to say I had come this morning under instructions of my government to express preoccupation over this Congressional action and warned the President of the adverse effect this law would have, once promulgated, on U.S. - Peruvian relations. Article 1, of the bill amounted to expropriation of U.S. property of surface installations and implied compensation would come from so-called debts of the company which the latter denied existed and which in any event the United States Government felt unreasonable and unjust, since the company had operated under the 1922 "Laudos" in good faith up to 1963. Consequently at this moment the law was promulgated expropriation of this American property in Peru would occur which would bring with it all reactions of the United States Government of which he was undoubtedly aware. The United States Government accepted the right of a sovereign

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E.O. 12958, Sec. 3.5
State Dept. Guidelines
By W, NARA, Date 3-13-00

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nation to expropriate foreign-held property but only if compensation were prompt, adequate and effective. The bill of which we were speaking did not seem to provide for this kind of compensation, although of course the conclusion of an acceptable contract with the company could be so considered.

Finally, I referred to the "well-known amendment" to the Foreign Assistance Act which he and I have discussed on many previous occasions and its inevitable entry into the picture should the bill be promulgated into law. I urged the President to take advantage of this ten days available, before being forced to take action on the congressional bill, to reach a speedy conclusion of the contract with the company.

Belaunde replied he would need more time; that with the pending "campaign to force devaluation" and political tensions resulting from censure of his Minister of Interior this was the worst possible moment to conclude a contract with the International Petroleum Company. It would also be very difficult for him politically to veto the bill. When I suggested he take no action on it he insisted congress would promulgate it following the ten day grace period given him. (Contrary to our previous information the President told us the bill had not been received in the Palace and that therefore, the ten day period had not yet begun to run.) He said he was considering signing the bill and sending it back to congress with a request for clarification since there is a conflict between Articles 2 (the effect of which he said limits concessions to Peruvian companies) and 3 of the bill which he believes is deliberate on the part of the opposition to trick him into an illegal act (the same view he expressed to the company manager). Belaunde said one way to avoid this trap would be for the International Petroleum Company to form a new Peruvian corporation with 60 percent of the stock owned by Peruvians and 40 percent by International Petroleum Company. This could be a small holding company of no more than Soles two to three million capitalization and Peruvians on the board could all be experienced and trusted employees of International Petroleum Company. This would then permit the President to issue a concession contract to the Peruvian Company which of course would select International Petroleum Company to operate in the field (same scheme as that presented Espinosa by President). The President indicated Espinosa was seriously considering his proposal (although this is not our understanding. Both Dentzer and I

expressed grave doubts about the feasibility of such a plan, saying it merely provided a facade for the International Petroleum Company which was easily recognizable and would make the company even more vulnerable than at present. We expressed the view a big company like International Petroleum Company or its parent, Standard of New Jersey, would refuse to be a party to such a deal. Furthermore, we doubted changing International Petroleum Company's name would solve any political problems for the President.

As another course of action the President suggested that once the loan was promulgated he would take his time about implementing it; that he could string out the listing of assets at Talara for an indefinite period and even postpone the issue beyond his Presidential period. I reminded him this would not help our problem; that our laws and practices regarding protection of foreign property would come promptly into play once Article 1 became law. I regretted the necessity of pressing him on this perennial problem which we had discussed on many occasions before but felt I must insist that he realize the seriousness of expropriation of American property which promulgation of the draft bill would accomplish. I urged him again to take advantage of this period to resolve the problem satisfactorily by concluding a contract with company, pointing out that this was what the opposition in fact really wanted. The President stated the opposition would strongly attack him if he did this but agreed to continue talking to Espinosa and to our keeping in touch.

I found little to encourage us in our seventy minute interview with Belaunde. He does not intend to veto the law. He will probably within the ten day period affix his signature and promulgate the bill into law since he believes congress would do this in any event, though at the same time asking congress to clarify the conflicts in the law. He is either unwilling or unready to conclude an operation contract with the company which we and the International Petroleum Company are convinced could be accomplished through intense negotiations within a few days. While he stated categorically that the last thing he wished to do was expropriate International Petroleum Company, he has not plans except for delaying tactics for avoiding this and no solution for compensation and future exploitation except formation of a dummy corporation with majority Peruvian stock. For the moment we do not see any way out of this impasse nor do we believe, does he except through his usual tactic of no decision and no action. However, this may be difficult with a thirty day clause to act given him by Congress in the new law.

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In light of the foregoing, and of information reported separately, it is our conclusion that Belaunde is not likely to make a suitable deal with International Petroleum Company unless he feels the full weight of the situation into which he has worked himself. As an opening move on our part, and as a means of making clear to him that promulgation of the Senate bill will actually have changed the company's situation in a vital way, by expropriating its titles through action of Article 1, and without compensation unless there is an overall settlement, we recommend that the Embassy be issued instructions to enable it promptly upon promulgation of law to register a formal protest in the Ministry of Foreign Affairs. This will not only lend credibility to warnings given President Belaunde, but might also help stimulate him to reach a solution within the time limit prescribed in law and not procrastinate and string out the issue, as though nothing had happened, as he has indicated the intent of doing. As the department is doubtless aware, International Petroleum Company is greatly concerned that if it continues as normally to operate the property for which it has been divested of legal title by Legislative Act, it might incur a web of obligations and liabilities which could only complicate the situation even more.

~~CONFIDENTIAL~~

396

Wednesday, July 12, 1967

TEXT OF CABLE FROM AMBASSADOR JONES (Lima, 192)

SUBJECT: President Belaunde Requests Program Loan

At the outset of my July 10. call on President Belaunde, he made a strong plea to me and the AID Mission Director for an immediate program loan "this week" if it were to help. He said he was approaching a watershed in his tenure as President with basic decisions in the balance. He referred to his friendliness to the U. S. and heavy U. S. aid to neighboring countries which, relative to aid to Peru, amounted to discrimination against him and his country. It sometimes seemed to him that we did not adequately support good democratic, constitutional administrations such as his in contrast to military regimes. He had depended upon us for aid in his development program and we had failed him; he felt "defrauded". In his 28th of July State of Nation Message, he might have to report that lack of U. S. assistance over the years of his administration was the reason for the serious financial plight of country at moment.

I replied, I could not accept that the U.S. had failed in its commitments and reviewed our plans and programs since the Rostow visit of February, 1966, beginning with the Project Loan Program of some \$20 million and going on into our collaboration with the consultative group with promise of more massive aid.

That the latter had not materialized was because the Peruvians had not performed on the fiscal side; that while the President and his minister of finance had made magnificent effort to obtain adequate tax measures the Peruvian Congress had denied this. If congress and the people of Peru were not willing to make a contribution to their development program, then it was unreasonable to expect the people of the U. S. to do so or blame us for Peru's present financial plight, I concluded. Later in the conversation he stated the belief that the U. S. had held back aid even since March, 1966, in view of the International Petroleum Company situation, though I assured him this was not true.

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E.O. 12958, Sec. 3.5
State Dept. Guidelines
By ju, NARA, Date 3-13-00

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Queried about the purchase of Mirage Jets, he initially argued that a matter of a few planes should not be linked to U. S. aid. In response to a direct question from Dentzer whether the Air Force had yet committed itself to order Mirages, he appeared to hedge and implied that the matter was far advanced. However, he was categorical that if F-5's were available they would be welcome and could be substituted for Mirages. He urged an immediate offer of F-5's to be available in 1969 since the Air Force was determined to have some kind new fighter aircraft by then.

In response to questions in the fiscal area he stated, he would veto any law to annul the import duty increase and would submit a tax reform package to congress in August as part of the 1968, budget presentation. He said he had asked Mariategui why it should not be submitted earlier but Mariategui advised the best tactical course to get congressional approval was to finish the package's consideration by the Tax Reform Commission first. Belaunde said, he was prepared to make a national television presentation in favor of the tax reform package. Also, he said he was prepared to see public services cut in next year's budget inasmuch as it would have to be extremely tight.

Belaunde closed with strong words about local forces conspiring against him to defeat his program of government and force devaluation and stated he had asked the Peruvian Ambassador to make representations for an immediate program loan in Washington. I have seldom seen the President so distraught. It was a stormy session.

Otero, who talked with Belaunde at length Sunday, told the AID Mission Director the evening of July 10, that Belaunde had told them the purchase was not yet arranged. Mariategui said the Air Force still plans to buy Mirages and will not forswear them until certain it can have F-5's as a substitute. Otero in a separate conversation said Belaunde stated he had "begged" the Air Force not to buy Mirages but that while they would not agree, they had not yet signed an order.

~~W.W.R.~~
40

Thursday, July 13, 1967, 12:30 ppm.

Mr. President:

At Tabs A and B, for your signature, are letters to two 4-H Club girls asking that they convey National Day (August 1) greetings to Swiss President Bonvin. (You sent similar greetings to the Swiss President last year through two Boy Scouts.) The girls are working on Swiss farms under a program organized by the National 4-H Club Federation.

The letters were requested by the American Society for Friendship with Switzerland (Tab C), which has also asked the 50 State Governors to send messages.

Francis M. Bator

(If you approve, we will need your signature at Tabs A and B)

No _____

Speak to me _____

FMB:LSE:mst

4/0a

July 12, 1967

Dear Miss Chicoine:

I have just learned that the American Society for Friendship with Switzerland has chosen you and Miss Allen to represent the Society at Swiss National Day ceremonies on August 1. You must be very proud of this honor. My warmest congratulations to both of you.

I would be grateful if you would convey my personal greetings to His Excellency Roger Bonvin, President of the Swiss Confederation. He and the fine people of Switzerland have the best wishes of all Americans for peace and prosperity in the years to come.

Sincerely,

(S) Lyndon B. Johnson

Miss Eloise Angela Chicoine
116 Oliver Street
Easthampton, Massachusetts 01027

Ltr sent to Miss Chicoine
c/o Mr. Howard Browning
60 East 42nd Street
New York, New York 10017

LBJ:FMB:LSE:mst
July 13, 1967

40b

Dear Miss Allen:

I have just learned that the American Society for Friendship with Switzerland has chosen you and Miss Chicoine to represent the Society at Swiss National Day ceremonies on August 1. You must be very proud of this honor. My warmest congratulations to both of you.

I would be grateful if you would convey my personal greetings to His Excellency Roger Bonvin, President of the Swiss Confederation. He and the fine people of Switzerland have the best wishes of all Americans for peace and prosperity in the years to come.

Sincerely,



Miss Pauline Marie Allen
Box 152
Hollis, New Hampshire 03049

LBJ:FMB:LSE:mst
July 13, 1967

Ltr sent to Miss Allen
c/o Mr. Howard Browning
60 East 42nd Street
New York, N. Y. 10017

~~CONFIDENTIAL~~
~~SECRET~~

411
Pres. file

Thursday, July 13, 1967
11:25 a. m.

Mr. President:

Herewith an account of
Klesinger's somewhat disabused
view of de Gaulle as they meet in
Bonn.

It is confirmed from other
sources.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 92-223
By ju, NARA, Date 11-23-93

INCOMING TELEGRAM *Department of State*

41a

87 ~~NNNVZCZCFHA821~~ ~~CONFIDENTIAL~~

Action

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RUFHBS/AMEMBASSY BRUSSELS

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RUDKTH/AMEMBASSY THE HAGUE

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RUFHRO/AMEMBASSY ROME

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~~C O N F I D E N T I A L~~ BONN 426

USTIA

SUBJ: DEGAULLE'S VISIT TO GERMANY

NGC

NATUS

INR

CIA

NSA

DOD

ACDA

1. IN A CONVERSATION WITH THE CHARGE LATE YESTERDAY, STATE SECRETARY KNIEPER OF THE CHANCELLOR'S OFFICE DESCRIBED KIESINGER'S MOOD ON THE EVE OF DEGAULLE'S VISIT TO BONN AS "UNENTHUSIASTIC." HE HAS BEEN AMONG THE CLOSE ADVISERS OF THE CHANCELLOR WHO HAD

ESR

RSC

PAGE 2 RUFHOL 426 ~~C O N F I D E N T I A L~~
BEEN PUZZLED FOR SEVERAL DAYS AS TO HOW MOST PROFITABLY TO UTILIZE THE TWO PRIVATE CONVERSATIONS BETWEEN THE CHANCELLOR AND PRESIDENT DEGAULLE SCHEDULED TO TAKE PLACE, AS WELL AS THE VARIOUS MINISTERIAL LEVEL DISCUSSIONS, BUT HAD FOUND THAT THEY WERE BARREN OF ANY NEW IDEAS. CERTAINLY THERE WOULD BE NO SURPRISES FROM THE GERMAN SIDE.

2. IN ANALYZING DEGAULLE'S PRESENT STATE OF MIND TO HIS STAFF, THE CHANCELLOR HAD DESCRIBED HIM AS CURRENTLY SUFFERING FROM A "DOWNFALL OF THE WEST" COMPLEX (UNTERGANG DES ABENDLANDES). DEGAULLE SEEMED TO BE SEEING EVERYTHING GOING TO PIECES AS HIS OWN POLICIES EITHER FAILED OR STAGNATED.

3. THERE WERE A NUMBER OF PARTICULARLY INCOMPREHENSIBLE ASPECTS OF FRENCH POLICY ON WHICH THE CHANCELLOR INTENDED TO QUESTION DEGAULLE WITH SOME DIRECTNESS. FOR EXAMPLE, HE WOULD ASK HIM WHAT HE WAS REALLY GETTING AT IN THE MIDDLE EAST; IT DID NOT MAKE ANY SENSE TO KIESINGER. THE CHANCELLOR ALSO INTENDED TO SAY HE COULD NOT UNDERSTAND DEGAULLE'S POSITION ON VIET NAM, AND TO OBJECT SPECIFICALLY TO HIS REFERENCES TO THE SO-CALLED "VIET NAM SCANDAL." KIESINGER ALSO WOULD POINT OUT THAT ALL FIVE OTHER MEMBERS OF THE ORGANIZATION STRONGLY

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E.O. 12958, Sec. 3.6

NLJ 99-199

By is, NARA Date 2-9-00

~~CONFIDENTIAL~~

-2- BONN 426, JULY 12

PAGE 3 RUFHOL ~~CONFIDENTIAL~~
FAVORED UK ENTRY INTO THE COMMON MARKET, AND THIS WAS A FACT WHICH THE GERMAN GOVERNMENT FELT TO BE CRUCIAL. IF DEGAULLE COUNTERED WITH HIS USUAL ARGUMENT THAT BRITISH ENTRY WOULD DESTROY THE ESSENTIAL NATURE OF THE EEC AND TURN IT INTO NOTHING MORE THAN A FREE TRADE AREA, KIESINGER INTENDED TO ASK WHETHER IT WAS REALLY ANYTHING MUCH MORE THAN THAT AT THE PRESENT TIME IN VIEW OF THE INABILITY OF THE PRESENT MEMBERS, FOR WELL-KNOWN REASONS, TO MOVE AHEAD TOWARDS ANY SORT OF REAL POLITICAL INTEGRATION. OTHER STANDARD SUBJECTS WOULD ALSO OBVIOUSLY BE DISCUSSED, SUCH AS EASTERN EUROPEAN POLICY AND TACTICS, ON WHICH THE FRG AND FRANCE NOW SAW PRETTY MUCH EYE TO EYE, ALTHOUGH THE CHANCELLOR WAS CONCERNED ABOUT THE WAY IN WHICH THE FRENCH SEEMED TO BE FLIRTING WITH THE SOVIETS.

4. THE VARIOUS MINISTERS PRESENT WOULD UNDOUBTEDLY FIND SOME THINGS TO TALK ABOUT, AND A FEW OF THEM COULD MAKE SOME ENCOURAGING REPORTS AT THE USUAL WIND-UP SESSION WHEN IT WAS CUSTOMARY FOR THE PRINCIPALS TO ASK THE MINISTERS TO SUMMARIZE THEIR SIDE CONVERSATIONS. FRANCO-GERMAN COOPERATION IN THE SCIENTIFIC FIELD HAD BEEN REASONABLY SUCCESSFUL IN THE PAST YEAR, AND CULTURAL COOPERATION WOULD AS USUAL SUPPLY A CERTAIN AMOUNT OF FROSTING FOR THE CAKE. THE DEFENSE MINISTERS WOULD NOT, HOWEVER, HAVE MUCH NEW TO ADD IN VIEW OF THE UNCERTAIN GERMAN BUDGET SITUATION.

5. KNEIPER ADDED THAT KIESINGER HAD ABSOLUTELY NO ILLUSIONS ABOUT DEGAULLE. HE REGARDED HIM AS AN OLD MAN SET IN HIS WAYS, WITH CONSIDERABLE CAPABILITY FOR DOING DAMAGE. HE HAD TO BE DEALT WITH, HOWEVER, AS A LEADER OF FRANCE - A COUNTRY WITH A CONTINUINGLY CRITICAL ROLE TO PLAY IN EUROPE.

COMMENT:

6. IT SEEMS CLEAR THAT THE PRESENT DEGAULLE VISIT IS REGARDED BY THE CHANCELLOR AND HIS ADVISERS AS ESSENTIALLY A BURDEN RATHER THAN A PLEASURE. WITH HIS USUAL POLITICAL ADEPTNESS, THE CHANCELLOR WILL UNDOUBTEDLY USE THE OCCASION TO ENHANCE HIS PUBLIC IMAGE AS A STATESMAN CAPABLE OF DEALING WITH A WORLD FIGURE IN A GRACIOUS AND ELOQUENT MANNER ON A COMPLETE BASIS OF EQUALITY. WHATEVER MAY HAVE BEEN HIS FEELINGS SIX MONTHS AGO WHEN HE FIRST ASSUMED OFFICE, THE CHANCELLOR TODAY HAS NO ROMANTIC ILLUSIONS ABOUT DEGAULLE, SUCH AS WERE ENTERTAINED BY FORMER CHANCELLOR ADENAUER, AND IS REALISTIC IN HIS APPRAISAL OF HIS CURRENT OBJECTIVES AND TACTICS. HOWEVER, AS A MAN PERSONALLY STEEPED IN FRENCH CULTURE STEMMING FROM AN AREA IN GERMANY STRONGLY INFLUENCED BY FRANCE, KIESINGER IS STILL TEMPERAMENTALLY DISPOSED TO GIVE FRANCE THE BENEFIT OF THE DOUBT WHENEVER POSSIBLE. HILLENBRAND
BT

~~CONFIDENTIAL~~

Thursday, July 13, 1967

10:30 a. m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

I have just had a long talk with Mac Bundy on Jerusalem. We have one day to turn around since the UN vote will not come until tomorrow.

1. Ambassador Goldberg feels we should not shift off our position of abstention on the Pakistani resolution. He says we have taken our lumps in the UN General Assembly and the international community on this issue. And, in his judgment, the Jewish community here would be up in arms if we switched. He adds a technical argument; namely, that the language of the present Pakistani resolution calls for the Security Council "to take measures" to enforce the General Assembly resolution. This means at the UN that Article 7 of the United Nations Charter be applied; and this involves sanctions or force. That aspect of the resolution has apparently scared off the Canadians and the UK. It may be modified via UK and Canadian pressure on the Paks in the course of the next 24 hours.

2. On the other hand, both Mac and I feel that the Israeli response to the Secretary General was unsatisfactory. Something more than a deal on the Holy Places with the Vatican is required if we are going to have a stable Middle East.

3. We face, therefore, three choices:

-- to go with Arthur Goldberg and abstain again;

-- to switch our position to support for the Pak resolution, using the unsatisfactory character of the Israeli response as a justification;

-- to stay with abstention and make two statements: one by Amb. Goldberg, the other by the Secretary of State in Washington. The statements would make the following points:

a. The pre-war position in Jerusalem was unsatisfactory;

b. The actions taken by the Israelis and their proposals are also unsatisfactory in terms of your statement of June 19: "...there must be adequate recognition of the special interest of three great religions in the Holy Places of Jerusalem."

c. This is not an issue which can be settled by abstract resolutions in the UN or by the use of force. It requires negotiation among all the interested parties. In the meanwhile, we cannot accept as definitive the actions and position thus far taken by the Government of Israel.

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E.O. 12356, Sec. 3.4

NLJ 92-223

By ju, NARA, Date 11-23-93

4. Mac thinks, and I agree, that to get the proper attention and hardness into our position before our own people, the moderate Arabs, etc., a statement from Washington by the Secretary of State is essential. It is his judgment that Amb. Goldberg cannot really swing it politically.

5. Moreover, this is the one immediate issue on which we could begin to balance our accounts somewhat with the moderate Arabs; and it is a good issue because we believe that this position is right both for the U. S. and, in the long run, for the Israelis themselves.

6. In the course of the next 24 hours, as noted above, the language of the Pak resolution may be diluted; and we may wish to consider voting with it. In the meanwhile, Mac and I recommend the third option.

7. The issue will be discussed in the course of the day by those working on the Middle East; and you may wish to discuss the matter with Secretary Rusk. I will keep you informed.

WWR

Thursday, July 13, 1967
10:00 a. m.

13

MR. PRESIDENT:

Pres file

Herewith Amb. Bunker's briefing --
with all the scope, balance, lucidity
about priorities and tasks we would expect.

W. W. R.

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covering
(Remarks by Amb. Bunker, with 7/10/67/ltr to WWR)

43a

Saigon, Viet-Nam
July 10, 1967

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Dear Walt:

I am enclosing a couple of copies of the statement I made at the opening of our briefing sessions for Bob McNamara, Nick Katzenbach, and their colleagues. In it I have tried to pull together and put into perspective what seemed to me the more important elements of the situation here as an introduction to the more detailed briefings which followed. I have tried to give a realistic appraisal of the situation as I see it. As I said in my last week's message to the President, if we stick with it here I am optimistic that we shall come out very well in the end.

But there is much work still to be done. While I am optimistic I also want to be realistic for unless I am I cannot properly serve the President or you and those who have the greatest measure of responsibility for the objectives we are trying to achieve here.

Although it is rather long I thought you might be interested in seeing it, and if the President has time he may be interested also in having a look at it.

Best regards always,

Sincerely,

Ellsworth Bunker

The Honorable W. W. Rostow
Special Assistant to the President
The White House

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Authority per declassification of attachment
By DeW, NARA, Date 2-25-92

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Authority NLS/CBS 10

By jp/ps/ks NARA, Date 2-25-92

REMARKS BY AMBASSADOR BUNKER

SECRETARY MC NAMARA, SECRETARY KATZENBACH, GENTLEMEN:

I want to welcome you to Viet-Nam and to say that we are very happy that you have been able to come here. I must confess that having been here barely more than two months I address you with some hesitation. I think Secretary McNamara and perhaps some others have had more total time in Viet-Nam than I and therefore I'm doubly pleased (and I know that I speak for Ambassador Locke and Ambassador Komer also) to have the opportunity to exchange ideas and views and to have the benefit of your wise counsel. One of the great benefits of a meeting such as this, I think, is the fact that it enables us to take the long view, to try to distinguish the forest from the trees, to appraise what progress we may have made, where we have gone wrong and to plan for the future.

In this connection for example it is very important that we hear from you Washington's assessment of recent developments in China as they may affect our operations, and any further views you may bring of the talks between President Johnson and Kosygin and their import for Soviet strategy here.

I take it there is general agreement as to what our objectives are here but it may be helpful to recall them as we begin our discussions.

They include:

1. A just, durable and honorable peace through negotiations leading to a political settlement acceptable to the United States, the GVN, Hanoi and NLF/VC;

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2. A chance for the Vietnamese people to choose freely the form of government under which they wish to live;

3. To help them build their own political institutions and develop a viable economy;

4. To make credible our obligations under the Charter of the UN and SEATO to resist aggression;

5. Eventually to develop regional organizations through which the Southeast Asian countries can carry on joint undertakings in economic development and mutual cooperation.

The question to ask ourselves then is how far have we progressed toward achieving these objectives, and what course should we now pursue which will assure ultimate success.

The difficulties and complexities of the problems we have faced and still face I think are obvious. We are engaged in fighting a limited war, for limited objectives and with limited resources. With our Vietnamese allies we are locked in a bitter and savage struggle with an enemy determined, disciplined, well equipped and resourceful. In the midst of war we are advising and supporting the Vietnamese in their effort to carry out a social revolution. This social revolution has sometimes been called "the other war." I confess that I dislike the term. To me this is all one war having many aspects but all part of a whole and all of them important and essential in achieving a successful conclusion. The term social revolution takes in a good deal of territory,

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including as it does the whole range of economic, political and social activities. Yet a substantial measure of success in all these areas is indispensable to the winning of the war. Without it a military victory would be meaningless, indeed I doubt whether it would be possible.

This brings me to a consideration of one of the factors which has a direct and vital bearing on the pace and progress of the struggle in which we are engaged. This has to do with Vietnamese capabilities and performance. Our advisory and supporting role, both military and in every other way, is obviously indispensable. Certainly we can prevent and indeed have prevented the Vietnamese from losing the war but they must in the end win it themselves. When we say this we come face to face with a problem which we find in all the developing countries but here perhaps in a more acute form because here we find a small country engaged in a bitter struggle for survival and at the same time trying to carry out a political and social transformation. What we run up against is the fact that there is a relatively thin crust of managerial and organizational talent. Indispensable additional personnel have to be trained as we go along.

We cannot expect the same degree of competence, proficiency or speed from the Vietnamese that we can demand of ourselves. This

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often becomes frustrating and requires the exercise of infinite patience. It requires an effort, difficult for a Westerner, to fathom the subtleties of the Asian mind, for the standards and yardsticks which seem important to us are not necessarily so to the Asian. If we would avoid disappointment, therefore, I believe that realism demands that we should be selective in assigning priorities to those programs and projects we deem to be most important of accomplishment. In this connection there are a number of things which my present thinking would lead me to believe should receive top priority. These are:

1. A vigorous, imaginative and flexible prosecution of the war within acceptable limits.
2. Through free and honest elections establishing a broadly based stable, functioning, constitutional government.
3. 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.
4. Reorientation of the mission of the Vietnamese Armed Forces and their revitalization with increased emphasis on improvement and quality.

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5. The optimum use of available manpower.
6. Economic stability and development.

Since all of these matters will be covered in considerable detail by those who follow me I shall make only a few general observations in order to provide some perspective for the subsequent briefings.

Progress of the War

In a series of splendidly executed offensive operations undertaken by General Westmoreland since late April in which a total of over 12,000 of the enemy have been killed in action, the enemy has been kept off balance and his time schedule has been disrupted. It seems apparent that the main effort of the enemy to achieve his summer campaign objectives has been postponed from May at least until July. General Westmoreland's strategy of anticipating enemy threats has paid off handsomely and is one which he intends to continue in view of what he foresees as an intensification of enemy attempts to achieve his summer campaign objectives.

An encouraging element of these recent operations has been evidence of increased effectiveness of the Vietnamese Armed Forces. In a number of heavy engagements throughout the country ARVN units have turned in highly creditable performances. They contributed

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materially to the success of the initial operations in the DMZ, killing 342 enemy with a loss of only 31 of their own forces. In a total of 14 other operations in the I Corps area during the past six weeks, ARVN units accounted for 1,400 enemy killed in action. In the II Corps area they also have given a good account of themselves and recently in the Delta area of IV Corps conducted a highly successful operation. I believe that where the ARVN is weakest, however, is in their pacification role where motivation and performance still leave much to be desired. Here, of course, the Regional and Popular Forces are also important elements and all are getting increased attention. While ARVN morale and performance have been improving there is evidence that that of the VC has been declining. It has had increasing difficulties in recruiting and a growing share of the enemy war effort is being assumed by Hanoi.

The enemy's offensive thrust has been blunted but not eliminated. Enemy pressures (from two and possibly three Divisions) continues along the DMZ. Infiltration through Laos continues steadily and the use of Laotian and Cambodian sanctuaries gives the enemy great and, to my mind, unwarranted advantages. It seems to me apparent therefore that the crux of our military problem is how to choke off NVN infiltration. If ways can be found to do this effectively, it should have at least the following advantages:

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a) It would drastically reduce the dimensions of our problem in South Viet-Nam. Militarily we would be dealing only with the Viet Cong whose problems of recruitment and supplies would be enormously multiplied lacking the assistance and reinforcements of North Viet-Nam. I believe the result would be that the Viet Cong would eventually wither on the vine.

b) When the infiltration is choked off, it should be possible to suspend bombings at least for a period and thereby determine whether there is substance to the statement in many quarters that Hanoi would then come to negotiations; we should at least call their bluff.

c) Tensions now existing between the U. S. and Viet-Nam on the one side and Cambodia on the other should be, over a period of time, relieved and our relations with Cambodia improved, even though initially Sihanouk might continue to allow the NVA/VC to use Cambodia as a haven and a source of certain supplies.

The means to be employed to achieve this objective, of course, present many difficult and delicate problems, both military and political. I have confidence, however, that with imagination and ingenuity these can be met. What is involved, of course, are operations within Laos but I do not believe this fact should present insuperable

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obstacles. The North Vietnamese Government is a signatory to the 1962 Geneva Accords but its forces have been in Laos both before and since the signing of the Agreements. It is now using Laos as the main route for infiltration into South Viet-Nam. Is it not logical and reasonable, therefore, that South Vietnamese troops should oppose and combat North Vietnamese offensive action by whatever method can be devised in order to prevent the invasion of their country? Guarantees, of course, would have to be given to the Lao Government by the South Vietnamese, and I believe should be underwritten by us, that Vietnamese troops were on Lao territory for defensive purposes only and would be withdrawn immediately when peace is secured. The operation, especially in its preparatory stages, should be carried out with as much security and secrecy as possible. I have made some recommendations as to methods we might use to achieve these objectives. This is a matter which I believe we should pursue with the utmost concentration.

The Constitutional Process

The first observation I would make is that the evolution of the constitutional process and pacification taken together seem to me

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equally as important as the military effort in winning the war.

If we can succeed in establishing a stable, functioning, constitutional government here it will speak louder than anything we can say or do to demonstrate to the Viet Cong and to North Viet-Nam that South Viet-Nam is here to stay, that the Viet Cong can adhere to a government under which their rights are protected by the Constitution and that they can become integrated into the social structure of the country.

Our objective, of course, is to see that the elections are free, fair, and honest and that there should result from the elections a broadly based and stable constitutional government which would include both civilian and military representation. Both Thieu and Ky before they agreed on a joint ticket, indicated their intentions, if elected, to include in the government as broad a political spectrum as possible. Both have since repeated to me their determination to do this, Thieu expressing the view that at most three Cabinet posts should be held by the military. Ky has said, "What the country needs is not a strong man, but a strong regime." There has also been some discussion behind the scenes of post-election cooperation between the major slates, and this is a development we will encourage. As always the problem here is

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to make deeds fit words. A further and primary objective is to see that the unity of the Armed Forces, the only real power base in the country, is maintained.

The threat to the unity of the Armed Forces posed by the Thieu-Ky candidacies has been eliminated, for the present at least, by the decisions taken at the meetings of the Armed Forces Council June 28-30. An encouraging fact is the way in which the agreement was reached. Although we had constantly brought the problem to the attention of both Thieu and Ky recalling their commitments made at Guam, we had been trying to lead them along to work out their own solutions. We felt that if they could do this, it would be good for them and good for us. In the end the Vietnamese dealt with the problem entirely by themselves and in doing so displayed an encouraging degree of maturity.

A combined Thieu-Ky presidential ticket while achieving one objective raises certain other problems. It means that a military ticket will be competing with civilian tickets thus underlining the issue of military versus civilian rule.

In the weeks leading up to the Thieu-Ky merger Ky alarmed many of the civilian candidates by his campaign tactics. Pressures were applied through censorship, through the withholding of permits for newspapers and by means of General Loan's activities through

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the MSS and National Police. The result was consternation in the civilian camps and growing public doubt here and abroad that it would be possible to hold honest elections. I made very clear to Ky our view of the fundamental importance of seeing that the elections are free and honest, and he has taken some steps to undo the damage. Thieu is also on public record as repeatedly speaking out for completely free and honest elections and he reiterated this to me on July 1. Even so, the alliance of Thieu and Ky will make it more difficult for the military slate to convince the public here and abroad that they really intend to insure clean elections.

A new and complicating factor in the election picture is the candidacy of General Duong van Minh, better known as "Big Minh". As the leading General in the coup against Diem, Minh has genuine popularity in South Viet-Nam, but his return would very likely again threaten military unity. The Armed Forces Council has announced that it will not allow Big Minh to come home before the election. He has filed for the Presidential race in absentia, however, and in the preliminary consideration of his application, the National Assembly ruled that his dossier was in order. We have been keeping a hands-off attitude on this question so far.

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This whole electoral process will, therefore, have to have our close attention until the elections are concluded. It is my hope that it may be possible to persuade all of the candidates to state publicly that they will accept the verdict of the electorate and will support whatever government emerges as the result of fair and free elections.

Pacification

If we succeed in pacification there will be nothing left for the North Vietnamese to support here, we simply cut the ground from under their feet. It is essential therefore that the process of pacification should be speeded up. It is for this reason that I considered it advisable after consulting with Ambassador Locke, General Westmoreland, and Ambassador Komer to unify our advisory and supporting effort, placing the responsibility for our role on General Westmoreland with Ambassador Komer as his Deputy for Pacification. Instead of having what in effect were two parallel organizations, we now have a unique merging of the civil-military effort which I feel will result in a more efficient and effective organization. In addition to greater efficiency, I am confident that we shall secure economies in this vitally important part of our activities here. Here again, as in so many areas,

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pacification cannot be accomplished by us alone. The major part of it has to be done by the Vietnamese and we meet the same problems we find in other areas of lack of depth in managerial talent and motivation. Patience, persuasion and prodding and leverage where we can use it are all essential. Ambassador Komer and his colleagues will give a comprehensive briefing both on the new organizational setup and on the present status of RD in Viet-Nam.

The Vietnamese Armed Forces

Yet if we are to succeed in pacification, continuous security of the villages and hamlets is essential. This can only be provided through the reorientation, motivation and improvement in quality and performance of the Vietnamese Armed Forces.

General Westmoreland has already submitted to me a very thorough and comprehensive report on programs designed to achieve these objectives. The report together with his recommendations covering not only activities already underway but also proposals for future actions is comprehensive and thorough. It is worthy of careful study and I hope that we shall have an opportunity to examine it in some

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detail during your visit. I would like to refer to only one aspect that seems to be extremely promising because it is related also to the manpower problem which I have listed among our top priorities. This is the experimentation of various forms of integrated US/RVNAF operations such as the combined action concept (CAC) initiated by the Marine Corps; a "buddy system" in which a U. S. Army battalion is paired off with an ARVN battalion all the way down to squad level; a system in which an ARVN company is attached to a U. S. Army battalion; and the "combined lightning teams" in which a U. S. squad and an ARVN squad will pair with a Popular Force platoon.

The intent of all this experimentation is to raise the level of training and effectiveness of the ARVN/RF/PF units and to practice the principle of economy of forces for the U. S. units. I believe it offers great promise on both counts. As a result of these experiments it is contemplated that a basic concept for integrated operations will be prepared and put into effect.

While literally hundreds of actions are underway to improve the performance of ARVN/RF/PF bearing on both the immediate present and the longer term, much remains to be done, particularly with the Regional Forces and Popular Forces. Nevertheless the payoff of many

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of these improved programs is already being felt in many areas.

a) The number of desertions has dropped to a little over one-third of what it was a year ago.

b) The number of missing in action has dropped to one-half of what it was in early 1966.

c) The trend of weapons lost has been reversed. In early 1966 ARVN/RF/PF lost more than twice the number captured. The ratio is now the exact opposite.

d) In large unit operations ARVN is making more enemy contacts although fewer total operations are run.

e) In small unit operations the ARVN/RF/PF rate of enemy contacts has risen by thirty percent. These are encouraging signs.

Manpower

None of these objectives I have mentioned can be achieved without the optimum use of ^{GVN}manpower. I have asked Ambassador Locke therefore to take in hand the study of the manpower problem and to make a report and recommendations on this vitally important subject. I have a feeling that we are being driven inevitably to the conclusion that mobilization will be necessary. This is obviously a politically sensitive matter and we are all agreed that it cannot be tackled until after elections. But I believe we must prepare now to move promptly

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as soon as the political situation permits. We have had an opportunity to talk with Chairman Thieu and Prime Minister Ky together about the need for the maximum employment of Vietnamese manpower as an absolute pre-condition to the dispatch of anymore U. S. or Free World troops and have impressed upon them that we believe mobilization will be essential to achieve this. We have found acquiescence on their part and agreement on at least a preliminary step in administratively extending the service of members of the Armed Forces. They have also agreed that the question of the reduction in the draft age and mobilization should be taken up promptly after the elections by the new government.

A number of steps have already suggested themselves such as the hiring of Vietnamese personnel by MACV for non-combat work. Another possibility is that RMK employees might continue to be used instead of Army engineers or construction battalions. Third country nationals, and there may be some 5,000 in the country at the present time, would provide another small manpower pool.

Economic Situation

I would like to comment briefly on the economic situation. During two years of rapid build up of U. S. forces, the economy has adjusted

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as well as could reasonably be expected. Though inflationary pressures are severe, price increases over the last year have moderated.

Indeed our economic strategy of the last year has proved to be sound. Massive imports coupled with port improvement have held import prices constant for twelve months. Tight ceilings on U. S. piaster expenditures have held down U. S. spending pressure on the economy. The devaluation of a year ago brought a sharp reduction in the increase of the money supply. During the first six months of this year money supply increased at only half the rate of 1965 and 1966. Prices are up about 50 percent over the last year, a 25 percent increase immediately following devaluation last June and a further 25 percent in early 1967 as rice prices were increased to give the Vietnamese farmer a better price for his rice. I believe this represents a good performance considering the fact that we and the GVN are now utilizing one-half of all the resources, i. e. GNP, of Viet-Nam. This is equivalent to the situation in the U. S. in 1944 when our economy was under severe pressure.

I would emphasize that the resources of the economy are already fully used. In November we spoke of a ten billion piaster inflationary gap for 1967. Now it is running at 25 billion piasters for this year. We must hold the line.

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In particular, it is essential that we review all our spending programs to make certain that we shall achieve our priority objectives. If we want to add new high priority programs we may have to make some painful decisions on where we can cut back programs and spending. We are preparing a contingency plan for such an eventuality.

But apart from keeping excessive price increases away from our door, I wonder whether we have concentrated enough on using economic development as a means to political progress. The urban population is clearly better off today, I am told, than two years ago. But what about the slightly more than half of the Vietnamese who live in the villages and hamlets?

I would emphasize two points. First, by an imaginative and carefully conceived program, production can and must be substantially increased despite the war. The Vietnamese have proven that they respond willingly to monetary incentives. Increased production would not only help solve the economic stabilization problem by adding to the resources of the economy, it would convince the rice farmers that they could get a square deal from the central government. In dealing with skeptical farmers this is surely the best form of politics. Already there

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has been dramatic progress in vegetable production. And in rice the recent sharp increase in farm prices has set the stage for hopefully arresting the decline in production. But in pork and other areas there is great need for imaginative programs and close follow up with the GVN.

We will have more to say later about our plans for a Village Council Development Program in villages where local elections have been held. This can be a significant development - an outgrowth of the Constitution and the return to local self-government - which can have great importance for achieving permanent pacification of the countryside. Unfortunately, results of the work of regular GVN ministries to bring public services to the people in rural areas while improving continues to be disappointing. They are still short of adequately trained personnel. They lack sufficient experience and necessary bureaucratic competence to provide these services efficiently to rural localities. Their leadership still continues to give first consideration to the needs of urban areas.

In any case, the efforts of national ministries to bring adequate and timely government services to the rural people will not be wholly successful until the rural people are involved in their own development and working actively with the government. Under the new Constitution this will be possible. Rural development is

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not a luxury to be enjoyed in spite of the war; it must be achieved to win the war.

I want to make special mention of developments in land reform. You will recall Prime Minister Ky reported at Guam that he had issued some 45,000 permanent titles to approximately 100,000 hectares of land as of February, 1967. Since then, he has issued another 70,266 titles to 136,578 hectares. He has also re-issued in his own name an earlier promulgated instruction -- not a formal decree, but an instruction -- defining rights to lands allocated by the Viet Cong, and preventing the collection of rents and taxes accruing during Viet Cong domination. He has added to that earlier instruction a provision prohibiting the collection of rents by the military. This represents progress, but we consider it inadequate, especially with respect to the redistribution of land liberated from the Viet Cong. As a general proposition, the GVN is still without a satisfactory national land reform policy and the administration of existing reforms is laborious.

The Stanford Research Institute is about to commence a rapid study to permit formulation of a responsive national land reform policy. Also, the U. S. Army Corps of Engineers has since March been proceeding with its two year project to achieve a technological breakthrough in land title description through photogrammetry.

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Looking to the longer run, it seems to me that we have much to gain by fully supporting the Lilienthal group in working for long range economic development. Vietnamese hopes must rise when they talk and see pictures of their future -- new fertilizer plants, refineries, and extensive water control systems in the Delta. These people need dreams to lure them on to a vista beyond this never ending war. These are sensible dreams. We should do all we can today to launch such projects and planning.

I suggest there is no better political weapon than that of getting the Vietnamese involved in their own development, to let the people themselves plan and carry out the development activities through which they can increase their incomes and improve their lives.

Negotiations and Settlement

The feasibility of some form of coalition government between the GVN and elements of the NLF as a means to a settlement with Viet Cong/NLF is at least in part a question of timing. Certainly until the GVN completes the present constitutional process and consolidates its popular support, it will remain a relatively fragile structure. Any action by the U. S. to press for a coalition solution during this period could seriously jeopardize the ability of the government to survive. In our opinion the Viet Cong, despite the setbacks they have suffered,

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remain militarily and politically capable of exploiting any coalition arrangement to the detriment of the GVN. Therefore such an arrangement is unacceptable to the GVN and ourselves for the present.

This does not suggest a passive stance toward GVN bilateral discussions with the NLF. The GVN, while rejecting parity with the NLF, has stated it is willing at any time to talk with the Front. We can continue to urge the GVN to take the initiative and exploit this approach through public indications of willingness to talk and through implementation of the national reconciliation program within South Viet-Nam.

Also basic to consideration of a coalition solution is the nature of the Viet Cong/NLF as basically an expression of Hanoi's power. This political reality will underlie GVN attitudes regardless of increased efforts from whatever source to have the Front accepted in its guise as a separate, indigenous southern movement. We believe that the Front is today even less representative as a southern nationalist insurgency than it was in 1965. The following factors support this: political-military control by northern general in COSVN, continued use of North Vietnamese Army regulars in integral units as well as on VC staffs; and the clear dominance of the People's Revolutionary Party, which captured documents reveal is organizationally

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an extension of the Hanoi Lao Dong Party, over the non-party apparatus of the Front.

This does not mean that the Viet Cong, principally the NLF component, contains no disparities in political attitudes from the North Vietnamese. The composition of the Viet Cong remains predominantly southern, and interrogations of former VC show there is a strong orientation of southern regionalism within all ranks. However, these manifestations of separate political identity, while well worth exploitation, do not appear so organized as to offer serious alternatives to Party decisions at this time. In matters of basic policy and organizational allegiance in the Viet Cong we believe the voice of the Lao Dong from Hanoi is the dominant factor.

Under these conditions it is difficult to foresee this political-military cohesiveness with Hanoi being weakened to the point in the near future where the Viet Cong would desire or be capable of entering a coalition through negotiations independent of Hanoi. However, this does not foreclose the possibility of splitting off high level leaders of the insurgency which would result in direct psychological and political advantages to the U. S.

Our current assessment is that Hanoi's stance is one of determined

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inflexibility until the situation moves more clearly in favor of one side or the other.

Under these conditions, Hanoi may consider the next six to ten months a critical time of testing of wills. The period coincides with the monsoon season most favorable to the VC militarily. With the electoral pressures in South Viet-Nam followed by the pre-electoral period in the U. S. with its mounting pressures for resolution of the Viet-Nam conflict, Hanoi may be set to hold on in the expectation that we cannot significantly curb infiltration or destroy the VC's military and political capability in the South. It will continue to press for bombing

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suspension and seems convinced that it is on a good wicket internationally on this question. We expect that any flexibility shown by Hanoi will be tactical, as was the slight softening on initiation of talks announced January 28. The Four Points will remain the basis of the North's and the VC/Front's negotiating position and their objective will continue to be to prevent talks which would lead to confirmation, legally and with guarantees, of separate North and South Viet-Nams.

There are many indications that the VC are having growing difficulty recruiting, and maintenance of Communist force levels in the South is more and more dependent on input of NVA troops. In effect the role of the NVA is becoming increasingly vital in continuation of the Communist war effort in the South. An inescapable conclusion is that effective physical means for ending infiltration of men and supplies from the North must be found in order to reduce the size of the problem in the South to manageable proportions. I have already referred to the primary importance I place on this; I believe we should give it the highest priority.

Achievement of this objective would in turn enable us to face the North with substantially greater pressure to negotiate. Maintenance of the war effort in the South would become an almost impossible problem for them logistically. We would be in a position to cease bombing, at least experimentally, to give Hanoi a chance to make good on its claim

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that negotiations could then begin, or to demonstrate that it is a bluff. Frustrated in its efforts to press the war in the South, the incentive should then be great for Hanoi to accept negotiations looking toward the establishment of two Viet-Nams effectively guaranteed against aggression and subversion -- in effect a return to the 1954 Accords.

Conclusion

Casting up a balance sheet is obviously a difficult and complicated undertaking involving as it does many factors, questions of judgment, and some imponderables.

I think no one would deny that we have come a long way in the last two years. That certainly is the opinion of all my colleagues in the Diplomatic Corps who have observed developments here much longer than I.

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 heavy 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.

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By contrast South Viet-Nam 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.

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 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 Viet-Nam is determined to continue the struggle with the expectation that we will eventually tire of carrying the heavy burden involved in our effort.

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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 Viet-Nam supplied with weapons and materiel.

On the South Vietnamese side there are also problems.

The Thieu-Ky candidacy sharpened the issue of military versus civilian rule.

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 ARVN/RF/PF 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/RF/PF 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.

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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 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.

There is much work still to be done on many counts and many obstacles to overcome. Balancing out the pluses and minuses, however, I believe none of the latter are insuperable. The Vietnamese are intelligent, hardworking and if properly guided, encouraged and well led can perform effectively. We have had a good measure of success and

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I believe that we are gradually achieving our aims in Viet-Nam. If we stick with it long enough -- and this is not a short term proposition -- I am confident that we shall have reasonable success in achieving our objectives.

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July 13, 1967

Pres file

MEMO FOR THE PRESIDENT

Mr. President:

Attached is the daily situation report
on Vietnamese politics.

W. W. Rostow

Att.

~~SECRET-EXDIS Attachment~~

~~SECRET~~ - EXDIS

44a
DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 92-224
By pw, NARA, Date 8-13-92

Situation Report on Viet-Nam

July 13, 1967

New Developments

A Central Election Council source has reiterated privately to an Embassy officer that the Generals' complaint against Big Minh's candidacy remains unsupported by documentation. The Council is considering possible courses of action which would call upon the Generals to state their case against Minh in detail.

The same Council source believes the Election Council will reject the complaint against Minh's running mate as well as the complaints against the Thieu-Ky ticket. He said, however, that the documentation in support of the complaint against Au Truong Thanh made it difficult for the Council to accept Thanh's candidacy. The Council source stated that the Council will also recommend to the Assembly the rejection of four minor slates.

Viet-Nam Press reports that complaints have been filed against 19 out of 60 Upper House slates. Four of the 64 lists originally filed have withdrawn or been eliminated because of incomplete documentation. The Central Election Council has until July 20 to rule on the qualifications of Upper House candidates.

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Comment

The Central Election Council appears to be trying to do a conscientious and careful job in reviewing the complaints against presidential slates. We understand that the Embassy will make a quiet effort to try to persuade Assembly members to accept Thanh's candidacy, but will not press on Minh's candidacy. At the moment, however, the chances of Thanh's candidacy being upheld appear slimmer than in Minh's case. We assume that if the Assembly approves Minh's candidacy, the Directorate will seek to prevent his return to campaign.

Actions Underway

We have asked the Embassy to carry forward the following actions: (a) to develop plans against the contingency of a civilian election victory to ensure that the military establishment accepts the results of the election; (b) to develop contingency planning in the event there are any attempts of any sort to interfere with the course of the elections; (c) to report regularly its continuing analysis and estimate of the various presidential candidates' voting strength; and (d) to consider the desirability and form of a polling mechanism to monitor popular attitudes during the electoral campaign.

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Thursday - July 13, 1967

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Pres file

Mr. President:

At Joe Barr's request, you agreed to take up with the Leadership the importance of favorable action on the full \$900 million authorization for the IDB/FSO. This authorization is the first item of financial support for the Summit program and the Latin Americans are watching it closely.

The latest reading on the status of the bill is:

- In the House, Carl Albert expects to get a rule on Tuesday, July 18, and take it to the Floor on Thursday, July 20.
- In the Senate, the Foreign Relations Committee may mark it up tomorrow.

Treasury continues to mobilize business and labor groups to lobby for the bill. It has put together a team from the Banking and Currency Committee (Reuss, Ashley, Moorhead, Stephens) to line up votes. Covey Oliver is doing likewise with a Foreign Affairs Committee group (Selden, Morse, Frelinghuysen and Mailliard). The outlook is still shaky. Of the 100 Congressmen contacted so far, only 50 have committed themselves to vote for the bill.

Bill Gaud reports that the Senate Foreign Relations Committee, in its executive sessions up to yesterday, had not cut the \$900 million. The expected vote line-up now stands at 12 in favor (Fulbright, Sparkman, Mansfield, Morse, Dodd, McCarthy, Church, Clark, Pell, Alken, Case, Cooper) to 5 against (Gore, Symington, Williams, Mundt, Lausche) and 2 doubtful (Hickenlooper and Carlson).

Talking points for your Leadership Meeting next week are attached. I have included the data you requested on Cuba, Brazil and the Dominican Republic.

W. W. Rostow

Attachment

cc - Barefoot Sanders

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Mike Manatos

USA

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Talking Points

The proposed increase in the resources of the Inter-American Development Bank's Fund for Special Operations by \$900 million over the next three years is important because:

1. The next decade is a critical one for Latin America and our relations with these countries.
2. At stake is whether the peaceful revolution of the Alliance for Progress is able to meet the aspirations of the Latin American people for a better life or whether in their frustration they will turn to violent revolution.
3. Castro understands that his ability to score a victory elsewhere in the hemisphere depends in large part on social and economic discontent providing fertile ground for insurgency. Our intelligence information tells us he is trying hard for a victory -- this year, if possible. Increased guerrilla activity in Venezuela, Colombia and Bolivia since February and the meeting of all Latin American national liberation movements in Havana this month reveal his tactics.
4. The Latin American Presidents at Punta del Este recognized that the pace of reform and development must be stepped up because it is essential to a climate of stability in which political progress can be made.
5. I indicated my willingness to seek increased assistance to match their self-help efforts because I am convinced that:
 - it is morally right to help our less privileged neighbors.
 - it is in our self interest to take out this cheap insurance.

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6. Let me illustrate this latter point. Take Cuba. The loss of that island has cost us:
 - \$1.38 billion in confiscated US public and private investment.
 - Over \$500 million in exports per year.
 - And several hundred million more during the past seven and a half years in surveillance, intelligence collection, counter-propaganda and mobilization for the missile crisis.

7. Or take the case of the Dominican Republic. To prevent a Communist takeover, I had to send in troops and support a shattered economy. The bill for this small country of only 3.7 million people was:
 - almost \$40 million for the military operation.
 - \$120 million in emergency economic assistance.
 - to say nothing of the political cost of military intervention.

8. In the spring of 1964, it looked as if Goulart might take Brazil down the drain. Had this happened, we would have lost:
 - \$1.5 billion in private US investment.
 - over \$1 billion in trade per year. (\$574 million in exports and \$583 million in imports).
 - the biggest and richest country in the hemisphere with common frontiers with nine other South American countries with all that implies.

9. Castro's principal target in Latin America today is Venezuela. He has many reasons for wanting it, but the principal one is

oil. Were Castro to gain control of Venezuela through the guerrilla movement he is backing, we would lose:

- the \$2.5 billion which American firms have invested -- the largest total investment abroad after Canada and the UK.
- a vital petroleum reserve for use in case Middle Eastern oil is cut off, and even in normal times, the largest single supplier of the US.
- 12.6 million long tons of iron ore annually which go to 6 steel mills throughout the US.
- and \$1.6 billion in annual trade (\$598 million in exports and \$1,002 million in imports).

10. What we contribute toward building Latin American progress through the Alliance for Progress is indeed small in comparison with the cost -- and grief -- of permitting any of our neighbors to go the way of Cuba.

11. The Inter-American Development Bank continues to be an important instrument of the Alliance for Progress. Last April the Board of Governors recommended that the Bank's resource level be increased, particularly for the areas stressed by the President at Punta del Este:

- new initiatives for infrastructure projects which will physically link Latin America.
- intensified activities in agriculture and education.

12. In line with the Summit commitment for greater self-help, the Latin American countries agreed to increase their three-year contribution from \$150 million to \$300 million to match our \$900 million. This 3:1 ratio stands in contrast with the

11:1 ratio which existed when the Bank was established in 1959.

13. The Latin American countries are not only doing their part on financial contributions to the Bank, but they are moving ahead in the vital areas of tax reform and agricultural and educational modernization. These countries have confidence in the Bank's competence in these fields. The Bank has pioneered among the international financial agencies in these fields and has been improving its effectiveness on the basis of experience.
14. The Bank is now doing everything possible to protect the United States balance of payments. In fact, the Secretary of the Treasury submitted information to the Congress which indicates that the overall effect of the Bank's operations has had a positive impact on the United States balances because of initial dollar contributions to the Bank's capital by Latin American members and bond issues made abroad. Dollar financing of local costs is now done under a special letter of credit technique which assures that a minimum of 90 per cent of the dollars made available by the United States stays here.
15. For all these considerations I ask your support for the full authorization of \$900 million.
16. Our failure to back the recommendation of the Bank's Board of Governors will put in doubt our sincerity in helping our Latin neighbors help themselves.
17. In terms of our national interest, it is more in our tradition -- and cheaper -- to make a little greater contribution to a positive cause now than to wait and pick up the higher tab of events which might have been avoided.