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Thursday - July 13, 1967

93  
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, Aiken, Case, Cooper) to 5 against (Gore, Symington, Williams, Mundt, Lauache) 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 Limited Official Use

Mike Manatos

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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.

July 13, 1967

*Pres file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to Senator Gore's telegram  
on Arab Refugees

Attached is Secretary Rusk's recommended reply to Senator Gore on Arab Refugees. As you know, he has long been interested in this subject.

Secretary Rusk believes your reply could be used as the occasion for re-stating our position on refugees, emphasizing the assistance we have already given and the extent of our humanitarian concern. He also stresses the centrality of the refugee problem to a possible future settlement.

I bring this to you urgently because Senator Gore is making a speech about the refugees on the floor this afternoon at 3 p. m.

W. W. Rostow

THE SECRETARY OF STATE  
WASHINGTON

July 11, 1967

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 92-224  
By ijg, NARA, Date 7-15-93

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Reply to Senator Gore's Telegram  
on Arab Refugees

RECOMMENDATION

That you approve the suggested reply to Senator Gore  
at Enclosure 1.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

DISCUSSION

Senator Gore has sent you a telegram giving his  
views on the current refugee situation in Jordan (text at  
Enclosure 2). The Senator has a long-standing interest in  
the Arab refugee problem and has just finished a trip to  
the area for the purpose of studying the post-hostilities  
situation. He is returning to Washington on July 11.

The Senator's message, a brief mention of which  
appeared in the Washington Post July 10, is constructive  
and helpful. I recommend that you send him an appreciative  
response. Moreover, I think it would be advantageous and  
timely to use your reply as a vehicle to express publicly  
the United States Government's views on the refugee problem.  
It could review what we have done and are doing on an issue  
that is of considerable domestic humanitarian concern. In  
addition it would help focus attention on the important fact  
that the manner in which the refugee problem is handled will  
have a vital bearing on the prospects for achieving an  
over-all peace settlement.

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not automatically declassified

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Senator Gore's telegram concentrates on the need to allow the displaced persons who fled to Jordan's East Bank during and after hostilities to return to the West Bank. We agree that this is a most important objective. As you know, the Israelis have announced their willingness to accept applications from West Bank residents to return providing these are submitted not later than August 10. Much will depend on the spirit in which the Israelis carry out this operation. Making your reply to Senator Gore public will indicate to the Israelis that we will be watching their performance closely.

We believe Senator Gore's estimate of 180,000 displaced West Bankers now in camps on the East Bank is on the high side. We would put the figure at about 150,000. Otherwise the Senator's facts jibe closely with our own.

*Dean Rusk*

Dean Rusk

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SUGGESTED TELEGRAM FROM PRESIDENT JOHNSON TO SENATOR GORE

Honorable Albert Gore  
United States Senate

Dear <sup>Albert</sup> ~~Senator~~ Gore;

Thank you very much for your telegram giving me your views on the Arab refugee situation in Jordan. I know your long-standing interest in alleviating the plight of these unfortunate victims of two wars in the last two decades. Your first-hand report is helpful to me and I want to thank you for the speed with which you have prepared and transmitted it.

As I stressed in my speech on June 19, the refugee problem is a cause of deep humanitarian concern to the United States and the manner in which it is dealt with will have a vital bearing on the overall question of whether a more stable peace can be established in the Near East. That is why I cited the need for a just solution of the refugee problem as one of the five basic elements for a Near East peace settlement.

The immediate task is to ease the suffering of those who fled from the area of hostilities and are now separated from their homes and sources of livelihood. The United States Government responded immediately to these pressing humanitarian needs by airlifting 5000 tents to Jordan. Since then we have authorized a further contribution of 5000 tents, 50,000 blankets, and quantities of household utensils. On June 27 I announced that the United States was making available \$5 million for relief of those who had suffered as a result of the hostilities. Of that sum \$2 million has been earmarked for the United Nations Relief and Works Agency for emergency

purposes, since that organization has assumed responsibility for caring for a large number of the newly displaced persons. We have also transmitted \$100,000 to the American Red Cross for immediate use by the International Committee of the Red Cross.

I am also pleased at the generous and prompt response to the crisis of so many American voluntary agencies. We are in close touch with these organizations.

I am in full agreement with your views concerning the urgent need for the return to the West Bank of as many of the displaced persons as possible. These people have been uprooted from their established places of residence and in many cases separated from their families. Moreover, it is neither humane nor logical for them to be living in make-shift and inadequate camps when far better conditions exist on the West Bank. The Commissioner General of UNRWA has emphasized that better care can be taken of the refugees in the West Bank camps, which as you noted are now practically deserted.

We are gratified that the Israeli Government has announced it will permit the return of West Bank residents. We have urged the Israeli Government to carry out this program in a way that will enable the maximum number of West Bankers to return. This would apply to those who left UNRWA camps on the West Bank as well as other West Bank residents.

The Israeli Government has stated it is taking urgent steps to restore economic activity on the West Bank of Jordan. This will be an important factor in encouraging those who fled to return and resume normal

lives. I concur with your estimation of the importance of establishing procedures that will enable West Bank residents to receive remittances from other Arab countries, since this is an important source of income for many West Bank families.

Let me again express my appreciation for your timely and constructive report. As always I greatly value your views. I hope that at a mutually convenient time after your return there will be an opportunity for you to meet with senior officials in the Executive Branch for a further exploration of the refugee problem.

Sincerely,

Lyndon B. Johnson

INCOMING TELEGRAM *Department of State*

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1. PLEASE PASS FOLLOWING MESSAGE FROM SENATOR GORE TO THE PRESIDENT. QUOTE MR. PRESIDENT, HAVE MADE INQUIRY INTO NEW REFUGEE PROBLEM CAUSED BY MID-EAST WAR. VISITED BEIRUT TO CONFER WITH COMMISSIONER - GENERAL OF UNRWA, JORDAN AND ISRAEL. IN JORDAN I SPOKE WITH PRIME MINISTER AND VISITED TEMPORARY CAMPS WHERE SOME ESTIMATED 180,000 NEW OR DISPLACED REFUGEES FROM JORDAN WEST BANK ARE IN CONDITION OF HUMAN SUFFERING THAT DEFIES DESCRIPTION.

PAGE TWO RUQVVL 85 UNCLAS

2. QUOTE UPON MY OWN I HAVE URGED JORDANIAN OFFICIALS TO INSIST THAT THESE REFUGEES RETURN TO THEIR FORMER CAMPS ON THE WEST BANK. JORDANIAN OFFICIALS AGREE. UNRWA OFFICIALS HAVE URGED SUCH RETURN. ISRAEL HAS ANNOUNCED PERMISSION FOR THEIR RETURN BEGINNING JULY 10. UNFORTUNATELY CONDITIONS FOR RETURN NOT YET ADEQUATELY CLARIFIED. ISRAEL HIGH OFFICIALS INFORM THAT CONDITIONS HAVE BEEN DETAILED TO RED CROSS BUT JUST TWO DAYS BEFORE STATED TIME JORDANIAN GOVERNMENT HAS, TO MY KNOWLEDGE, NOT REPEAT NOT BEEN INFORMED THROUGH ANY AUTHORIZED CHANNEL OF THE CONDITIONS OF SUCH TRANSFER. QUOTE TODAY I HAVE VISITED THE JERICHO REFUGEE COMPLEX IN THE WEST JORDAN AREA. CAMPS ARE VIRTUALLY EMPTY, WITH ONLY 3,000 TO 4,000 OF ORIGINAL 75,000 REFUGEES REMAINING. CAMPS ARE IN CONDITION FAR FAR SUPERIOR TO PRESENT PLIGHT. SANITATION FACILITIES INTACT. HUMANE CONSIDERATIONS REQUIRE RETURN TO THESE AND OTHER CAMPS.

3. QUOTE IN MY UNOFFICIAL TALKS WITH ISRAELI OFFICIALS I HAVE STRESSED AND WILL CONTINUE TO STRESS:

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-2-TEL AVIV 85 JULY 8, 1967

PAGE THREE RUQMVL 85 UNCLAS

- (1) WHOLE WORLD WILL BE WATCHING ANXIOUSLY FOR GOOD FAITH PERFORMANCE PLEDGE TO ALLOW INNOCENT REFUGEES TO RETURN IN AN ORDERLY, HUMANE MANNER.
- (2) ASSURANCES APPEAR NECESSARY THAT REFUGEES WILL BE PERMITTED TO RECEIVE REMITTANCES OR OTHER FUNDS SENT BY RELATIVES WORKING IN OTHER ARAB COUNTRIES AND THAT SAID RELATIVES, WITH PROPER IDENTIFICATION AND CONTROL, WILL BE ABLE TO VISIT FAMILIES.
4. QUOTE I HAVE COMMUNICATED THESE PERSONAL CONVICTIONS TO BOTH ISRAELI AND JORDANIAN OFFICIALS.
5. QUOTE PLEASE BE ASSURED I HAVE EMPHASIZED I SPEAK ONLY AS AN INDIVIDUAL SENATOR WITH A DEEP INTEREST IN THIS HUMAN PROBLEM. AMBASSADOR BARBOUR HAS ALSO EMPHASIZED THE IMPORTANCE OF THE FOREGOING POINTS IN NUMEROUS CONVERSATIONS AND HAS EXTENDED TO ME THE MOST HOSPITABLE COOPERATION.
6. QUOTE PERHAPS COMPASSIONATE TREATMENT OF THESE VICTIMS

PAGE FOUR RUQMVL 85 UNCLAS

OF CONFLICT COULD SMOOTH THE PATH TO CONDITIONS OF PEACEFUL CO-EXISTENCE IN THIS DISTRAUGHT AREA. UNQUOTE REQUEST FOREGOING MESSAGE BE PASSED ALSO TO SENATE FOREIGN RELATIONS COMMITTEE.

BARBOUR

BT

NOTE: ADVANCE DELIVERY TO S/S-O 7/8/67 6:10PM  
PASSED: WHITE HOUSE, CIA, DOD, NSA, CINCEUR, USIA  
7/8/67 6:15PM

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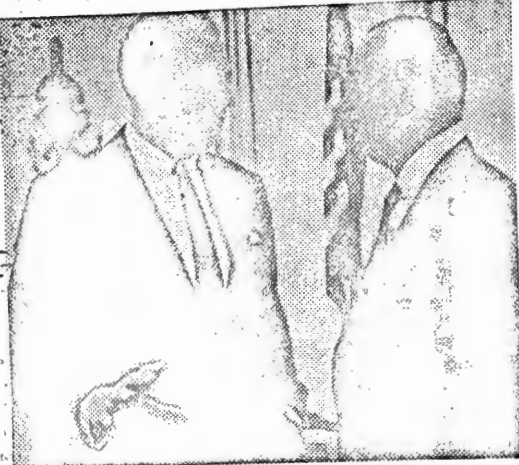
*Pres. file*

Wednesday, July 12, 1967  
7:45 p.m.

Mr. President:

Herewith some lively playback of your having taken the time to see Whitlam.

W. W. Rostow



The Leader of the Opposition, Mr Whitlam, talks with President Johnson in his White House office. — Radio picture.

## LBJ LAVISHES PRAISE ON AUSTRALIA

WASHINGTON, Thursday (AAP-Reuter). — President Johnson paid a new tribute yesterday to the the Australian people, calling them America's friends and allies.

The President spoke at a White House ceremony with the leader of the Australian Opposition, Mr Whitlam, standing beside him.

Mr Johnson, who had just spent 30 minutes conferring with Mr Whitlam in his office, referred to his Australian visitor as "the young and brilliant leader of the Australian Labor Party".

Mr Whitlam, on a two-day visit to Washington as part of an extensive tour of North America, Europe and Asia, was invited by Mr Johnson to attend a ceremony on the White House south lawn when the President spoke to some 1,500 teenagers from rural areas of the United States.

"Among all the nations of the world", Mr Johnson told the group, "Australia is highly respected and admired."

"Australians are our friends, they are our allies —and we have great respect and friendship for them".

The President explained that Labor was the Opposition party at the moment, "Like the Republican Party in this country, although not with the same political views", he said.

"Mr Whitlam provides constructive leadership for the people".

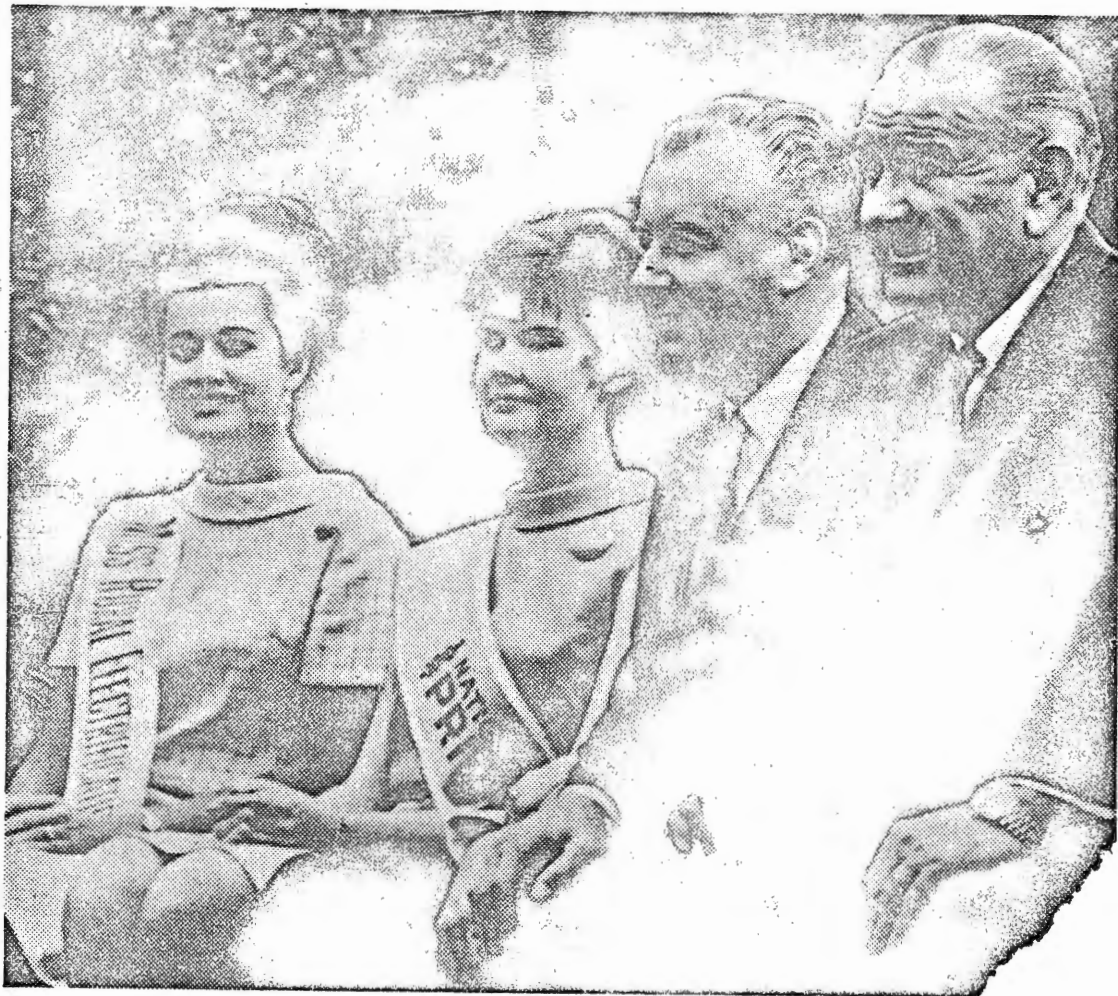
Turning again to Mr Whitlam, the President called on him to speak to the group as "our friend and leader of a great people".

Mr Whitlam said he had had "a great opportunity to speak with the leader of the greatest country in the world".

He said the young people had been brought to Washington by the inspiration of the President, who derived so much strength from the land.

"For a generation he has tried to see that the people of this country have access to the resources of this great land", Mr Whitlam said.

The Sydney Morning Herald, Friday, June 16, 1967



The Leader of the Federal Opposition, Mr E. G. Whitlam, was introduced to several teenagers when he visited President Johnson at the White House on Wednesday. He and President Johnson sit on the White House lawn with "Miss Rural Electrification" Van Haften, and the "National Grange Princess," Cathy Custy-Av



President Johnson.



Mr. Whitlam.

## LBJ WARMS TO WHITLAM

From ROY MACARTNEY,  
our United States corres-  
pondent.

WASHINGTON,  
June 15.

Australia's Opposition  
Leader (Mr. Gough  
Whitlam) has the same  
effect on President  
Johnson as does Mr.  
Holt.

And the President—plus  
the White House aura—seem  
to have the same effect on  
Mr. Whitlam.

Yesterday the President  
asked Mr. Whitlam to extend  
his visit to the White  
House, produced him for a  
meeting of young farmers on  
the White House lawns, and  
drafted him for a platform  
appearance along with  
evangelist Billy Graham.

Mr. Johnson described Mr.  
Whitlam as the "young and  
brilliant leader of the Aus-  
tralian Labor Party," which,  
he explained to his young  
audience, is the "opposition  
party at the moment."

Mr. Whitlam paid tribute  
to the leader of the "great-  
est country in the world"  
and the "rapprochment" which Mr.  
Johnson displayed with  
young people.

A happy Mr. Johnson,  
beaming at Mr. Whitlam  
seated on the platform be-  
side two attractive young  
girls wearing sashes Miss  
Rural Electrification 1967  
and 1967 Princess, rather  
confused his young audience  
by explaining the Australian  
Labor Party was "like the  
Republican Party in this  
country, although it does  
not share the same political  
views."

As a romping beagle de-  
lighted the young listeners,  
Mr. Johnson delivered an  
off-the-cuff homespun ex-  
hortation for almost half an  
hour.

Seeing Billy Graham wait-  
ing for him outside the  
Cabinet room where the  
Cabinet was gathering, the

President called him to the  
microphone also.

Mr. Whitlam, who has  
paid a crowded and bene-  
ficial series of calls in  
Washington, declined to  
talk about them at a press  
conference.

Yesterday he saw Sena-  
tors Robert Kennedy, Ful-  
bright and Mansfield.

On Tuesday he called on  
the Assistant Secretary of  
State (Mr. Bundy) and Mr.  
Averill Harriman.

"I have to look at the  
interests of my country and  
my party," Mr. Whitlam  
said, explaining his silence  
to the press, "and I think  
it would be wrong to involve  
myself in political contro-  
versy outside my own  
country."

Mr. Whitlam, however,  
confirmed President Johnson  
had asked him his height,  
which is an inch more than  
the President's, and the big  
Texan asked the Australian  
if he too had a weight  
problem.

Mr. Whitlam will fly to  
Boston today to see his son,  
Nicholas, graduate in arts at  
Harvard University.

~~SECRET~~

Wednesday, July 12, 1967  
7:45 p. m.

Mr. President:

Herewith Amb. Bunker's  
weekly to you.

W. W. Rostow

Saigon 893

*Pres. file*

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

White House Guidelines, Feb. 24, 1983

By 19 NARA, Date 7-1-91

Wednesday, July 12, 1967

FOR THE PRESIDENT FROM AMBASSADOR BUNKER (Saigon, 893)

Herewith my eleventh weekly telegram:

A. General

Secretary McNamara, Under Secretary Katzenbach and their colleagues left yesterday afternoon after a five day visit which included an intensive series of briefings and field trips. For me and for my colleagues here, both civilian and military, this has proved to be an extremely useful exercise. It gave us an opportunity to review our objectives, to appraise what progress we may have made, where we have gone wrong, and to come up with definite proposals for future action and for accelerating the pace of progress here. It has been valuable to us also in providing a more intimate view of the Washington picture and the problems you are facing there, for through contacts of this kind one can get a feel for the situation which telegraphic communications do not convey. Finally, meetings such as this help us to crystallize our thinking and force us to come to definite conclusions as to what new and definite steps we should undertake to get on with the job.

As a result of the meetings, I believe that Bob McNamara, Nick Katzenbach, and my senior colleagues and I have come to a meeting of the minds on how we ought to proceed in reinforcing the success we have already had here. They will be reporting to you, of course, in detail on the meetings and of our conclusions. I will therefore, only summarize here what I believe are some of the more salient points:

a. That we should provide General Westmoreland with the number of maneuver battalions available without calling up the reserves. Bob McNamara has indicated that he could provide up to 21 battalions.

b. Maintain our bombing of North Vietnam through the remaining months of good weather. We can then decide whether to cut back to the 20th parallel and whether we then think a pause to test out Hanoi's intentions would be advisable. The onset of unfavorable weather would provide the basis for a rational for a decision on both of these points.

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~~SECRET~~/NODIS

Authority RAC 11122  
By yw/ics NARA, Date 3-13-00

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c. That we should intensify our efforts at interdiction of infiltration by the enemy in Laos through application of the measures envisaged in Illinois City and COMPATRIOT. We should also allow brigade size ARVN raids into Laos. As I have mentioned in previous messages, I realize the political sensitivity of operations in Laos but I also feel that if necessary we should go beyond these proposed steps to choke off enemy infiltration, for I believe this is the crux of the military problem here. Since I have covered this in some detail in previous messages I will not repeat here the suggestions I have already made.

d. Continuing efforts to improve the ARVN Regular Force/Popular Force. General Westmoreland has already an intensive program underway which I have previously reported in some detail. Considerable improvement in performance is already evident but much remains to be done, especially with the Regular Force/Popular Forces; and also with ARVN's role in pacification. Secretary McNamara brought up the matter in our talks with Chairman Thieu, Prime Minister Ky and General Vien yesterday. They recognized the need for improvement. Ky said that the Regular Force/Popular Force especially needed better leadership and better living conditions to improve morale. The military and the Civil Service have been the chief sufferers from inflation while laborers and farmers have to a degree benefited from full employment, increased pay and prices for farm products.

e. The maximum use of manpower and its more effective utilization. We are agreed that after the elections mobilization will be necessary. As I have mentioned previously Ambassador Locke has this whole problem under intensive study. Secretary McNamara made it clear in our talks yesterday with Thieu and Ky that maximum use of Republic of Vietnam manpower and its more effective utilization was a prerequisite to the deployment of greater United States or Free World Forces.

f. Speeding up of pacification. Bob Komer will be reporting to you in detail on what is being done here. Although progress to date may have seemed rather slow I am frankly encouraged, not only by the progress already made, but by the improved prospects which our own reorganization of our advisory and supporting role promise. Through it I am confident that we shall be able to bring greater emphasis

and leverage to bear on the Vietnamese role, for no matter how efficient the organization of our role may be unless the Vietnamese carry the main burden the program cannot succeed. As Ky said in our talks yesterday, pacification really means nation-building and this is a big job, especially in wartime. But he also expressed confidence that their part in it would become increasingly effective. In this connection, it is encouraging that he mentioned a fact on which Gene Locke, Bob Komer and I are all agreed, that the province chief is a vitally important element in the process. He expressed dissatisfaction with the present quality of incumbents and is planning on setting up a training center for province chiefs and replacement of those who are unsatisfactory. He also expressed the view that province chiefs should have control of the ARVN/Regular Force/Popular Force, forces assigned to pacification and should also have direct access to the central government instead of having to go through the division and corps commanders as at present. We here are all in agreement on this also. General Thieu expressed a differing view, feeling that the division commander should have more responsibility for pacification.

g. The necessity that elections should be fair and honest. Secretary McNamara expressed very clearly and explicitly the importance you attach to the holding of fair and honest elections. He emphasized strongly the fact that unless the elections were clean, public opinion in the U. S. and abroad will be adversely affected and this in turn would affect the support which the Vietnamese were receiving from the U. S. and other free world countries. As you know, I also have repeatedly stressed these points to Thieu and Ky. I hope, and believe that this repeated emphasis is having some effect but as I mentioned in last week's message the whole electoral process will have to have our close attention until the elections are concluded. One good sign is the general feeling that censorship, police harassment, and the pressures on the civil service to support the military candidate are greatly reduced. There is also general relief that the military have closed ranks and can now concentrate on fighting the Viet Cong instead of one another.

h. Economic stability and measures to restrain inflation. We are agreed on the need for a study of means for preventing an unacceptable degree of inflation while permitting an increase in military manpower and the initiation of other priority measures.

Some other points which came out of our meetings with Thieu, Ky and General Vien yesterday were:

a. on ARVN/regular force/popular force: Ky and General Vien advocated an increase in force levels of 65,000, lowering the draft age to 18 and extending the length of service. Discharges have been stopped. This will mean that 40,000 men who would have been otherwise eligible for discharge will be retained. This has been done administratively on the basis that additional forces will be needed to provide protection during the electoral process.

b. Ky and Vien believe that the Communists may try for one big victory before elections, that they will increase attacks on the pacification program, and attempt to disrupt the elections at the village and hamlet level.

c. They believe that the first three months of the new government will be a testing time for the new regime. During this period the Viet Cong/North Vietnamese Army will continue an intensified series of attacks but it will also be an opportunity to

strengthen the government in South Vietnam by broadening its base, and an opportunity to convince the Viet Cong that a military victory is impossible.

d. On the question of negotiations, Ky emphasized the fact that the Government of Vietnam was willing to talk to Hanoi at any time but that an elected government would be in a stronger position to do so. This should be done at the "proper time" with adequate preparation. Ky mentioned the fact that two years ago the Government of Vietnam was "talking about going North," a year ago about two Vietnams, and now could talk about how to end the war. Thieu asked whether Secretary McNamara had information as to whether the main military targets in North Vietnam had been destroyed and if therefore a cessation of bombing would be an inducement to negotiations. The Secretary pointed out that we did not yet have enough information on this score and that except for manpower the North Vietnamese war-making potential was really not located in North Vietnam, but came from outside sources. He mentioned the fact that one thing we would not want to do is to get into Korean type negotiations which continued for two years during which hostilities also continued. He pointed out that our losses were heavier during the negotiating period than preceding it.

Ambassador Locke will have reported to you in very considerable detail on plans and programs underway and contemplated in the military, manpower, pacification, economic and political areas. I concur in his observations and recommendations. I may add that all of us here -- Gene Locke, Westy, Bob Komer, and I, together with our senior advisers, General Abrams, Don MacDonald, Barry Zorthian, John Hart and Arch Calhoun -- are all working very closely together, keep in the closest contact and are in general agreement on how we ought to proceed. I am really very pleased with the way in which the organization is functioning here.

#### B. Political

After the rather frantic political activity leading up to the filing deadline for both presidential and senatorial candidates, we are now in a bit of a lull. The principal candidates, including Thieu and Ky, are quietly assessing the meaning of the Thieu-Ky merger and the Big Minh bid. They are also looking over the senate lists, most of which were put together with such haste that the political implications and ramifications are only now beginning to emerge.

Thus at a luncheon I had for the Under Secretary, the principal civilian candidates were in a rather relaxed mood. I

gathered from them and from a number of other reports that they are rather more optimistic as a result of the Thieu-Ky merger. Their reaction to big Minh's candidacy is cautious, but I believe they are for the most part hoping that the assembly will decide to disqualify him.

There is considerable skepticism expressed by many of our contacts that Thieu and Ky will be able to work effectively together in the future. Although some of these predictions are politically motivated and should be viewed as such, I feel, as I point out later, that we must recognize that the new arrangement places strain on their relationship which could cause us problems in the future.

The candidacy of Big Minh is the major unresolved political question at the moment. On July 6, General Cao Van Vien and all four of the corps commanders sent to the Assembly a joint complaint against Minh's candidacy, referring to the decision of the Armed Forces Council against permitting Minh to return on grounds of national security.

Also on July 6, a citizen filed a complaint against Minh's running mate, Tran Ngoc Lieng, on the grounds that Lieng once held both French and Vietnamese citizenship. (The Constitution provides that candidates must have Vietnamese citizenship from birth, but says nothing about dual citizenship.) If Lieng is disqualified, Big Minh would automatically be eliminated from the race.

The top military leaders appear to be united in their opposition to Big Minh's candidacy; they are now on public record against it, and their prestige is thus engaged. In the past when the military leadership stood together on important issues, their influence on the assembly was usually decisive. Assembly Chairman Phan Khac Suu has also told us that he is opposed to Big Minh's candidacy.

The issue is now before the Central Election Council and we are inclined to believe that it will find against him. If it does, the decision will be reviewed by the Assembly. There is considerable reluctance to take responsibility for the decision, however, and if a plausible legal case can be made against either Big Minh or his running mate, the decision would likely be much easier for both the Council and the Assembly.

If the Council and the Assembly should decide to throw out the complaint against Minh, the military would probably still try to stick to their decision to keep him out of the country. Press reports from Bangkok quote Minh as saying he is determined to "appear" in Saigon soon, one way or another, and there have been hints that he would try to slip back into the country secretly if the military continue to bar his return. This would pose a hard problem for the present military leadership, and the results would be difficult to predict.

I continue to think that Minh's candidacy could pose a serious threat to military unity. His bid for the presidency might also divide the nation in other ways. The Catholics are strongly opposed to his candidacy and would probably react vigorously if he continued to be a candidate. He has some Buddhist support, and while this strength is difficult to gauge, it could turn out to be enough to threaten a revival of religious tension and even open religious conflict such as that which erupted between Catholics and Buddhists in 1964. Thus, the Minh candidacy appears to me to pose a clear threat to the essential degree of political stability without which we cannot get further progress toward democratic government in this country.

The candidacy of Au Truong Thanh, The Former Minister of Economy, is in quite another category. We judge that he has very little support. If he is barred from running there will be no significant popular reaction. If he is allowed to run, he will get few votes. Tran Van Huong has said flatly that he thinks Thanh is working with the Viet Cong and Ha Thuc Ky has also made it clear that he has no use for Thanh. Ha Thuc Ky in fact alleges that Thanh filed for the presidency mainly in order to avoid arrest for his leftist connections. The Catholic Press has vigorously attacked his "peace-at-any-price" statements.

The complaint against Thanh's candidacy was filed by an Assembly Deputy, Diep Van Hung, on the grounds that Thanh has had Communist connections in the past. (The electoral law bars those who "have directly or indirectly worked for Communist or pro-Communist neutralism or worked in the interests of Communism.") Hung claims that Thanh joined the Communist Party in 1952 and notes that he was arrested in 1954 and again in 1959 for activities which aided the Communists.

On July 7, the police held a press conference in connection with the arrest of some intellectuals charged with working with the Viet Cong. According to some press reports, Thanh was linked to those arrested and to the "intellectual proselytising section of the Saigon Viet Cong Organization."

While we have no hard evidence that Thanh is or was a Communist or a "pro-Communist neutralist", he has certainly had many connections with the far left and near Communist factions in the past. Whatever his motives, he is now clearly trying to exploit the longing for peace in an irresponsible way. His campaign handout sheets (in themselves a violation of the electoral law) are without exception printed

in both English and Vietnamese. This indicates to me that one of his targets - if not the main one - is the American Press. Unfortunately he has found a receptive audience in some correspondents.

~~SECRET~~/NODIS

PRESERVATION COPY

I believe the precise terms of the Thieu-Ky alliance are still being defined and sorted out. This is likely to continue for some time. If they are elected, it will be a principal and crucial problem at the outset of the new government.

General Thang on July 6 told Lansdale that to the best of his knowledge there is only a vague understanding between Thieu and Ky on their future relationship. Thang said that when this subject came up during the final hours of deciding the Thieu-Ky coalition, Thieu indicated that Ky would have a large say in the cabinet and Vietnamese Armed Forces appointments "because we are brothers in the family." However, we also have a CIA report, the source of which is Ky himself, which says that Ky's future powers were spelled out in a July 6 written agreement between Thieu and Ky. According to this report, Ky must approve all important government decisions, in particular those dealing with major military matters and efforts to end the war. He is also to have the power to name the Prime Minister and the cabinet. If this report is accurate, knowledge of the agreement is apparently limited to a very small group of officers. I shall be trying to run this down in the next few days. If not already done, I think it important that a definite understanding should be reached between Thieu and Ky on their respective roles, and that we should exert our influence to bring this about.

The Thieu-Ky merger has not pleased some of Ky's supporters. General Loan is known to be quite unhappy about the arrangement. Some of Ky's Catholic supporters in the greater solidarity force are now reportedly hesitating to get behind the combined slate. CVT (trade unions) labor leader Tran Quoc Buu yesterday told an embassy officer that the slate is now "too military," and it is too early to decide whether or not the CVT should back Thieu-Ky. It is probably not at all surprising that the main civilian candidates should be saying that the Thieu-Ky ticket is weaker than the Ky-Loc slate, but they are saying it with a good deal of conviction.

While most of the major candidates are still organizing their campaigns, some of them have also sketched out some platform ideas. We know that Ky intended to run on the record of his government, with promises of further economic and political progress if elected. Probably this will also be the basic line of the Thieu-Ky platform.

We have seen a copy of Tran Van Huong's draft platform. It is moderate and constructive, and I think a most responsible approach to the campaign and the problems facing the Vietnamese people. His platform is called "building peace on freedom, prosperity, and justice." It opens with the statement that the country faces four related problems: war, corruption, misery, and injustice. The war is the result of Communist aggression, but is nourished by corruption and injustice in the government and society of the South. So long as there is corruption and injustice in the South, the Communists will have the hope of winning and the war will continue. Therefore strong democratic government is necessary to achieve peace.

With regard to the "search for peace," the Huong platform states flatly that as long as the Communists are unwilling to recognize the right of South Vietnam to live in freedom, and they continue to use violence to spread Communist ideology, the military effort must continue. The search for peace does not mean "peace at any price;" the basis for peace is Communist abandonment of their effort to seize the south by force. The draft platform states, as Huong himself did on July 10 when talking with an embassy officer, that peace negotiations must be between the governments of North and South Vietnam. Huong said he believes that there is no point in talking with the National Liberation Front because they are merely creatures of Hanoi.

The Assembly is now in recess, having completed the electoral law for the Lower House. The law is in most respects similar to that written for the senate elections. It provides that the future Lower House will be based on at least one deputy for every additional 50,000 electors, which will result in a Lower House of about 126 members. The Lower House elections are slated for November 5.

Although the assembly has a mandate under the constitution to write several other very important laws, including those governing political parties and the press, I am inclined to doubt that they will in fact produce much more legislation. Sixty-two deputies, well over half of the total membership of the assembly, are running for the senate and the chairman of the assembly and deputies Phan Quang Dan and Nguyen Dinh Quat are in the presidential race. Many of the deputies are thus already immersed in their pre-campaign activities. Other deputies will undoubtedly file for the

Lower House election. A number of deputies not running for the presidency or the senate will likely be involved in supporting the campaigns of one or another of the presidential candidates. It is regrettable, but I now doubt that there will be either a press law or a political party law before the new government is in place.

## C. Economic

The retail price index went up sharply this week and now stands at 280. It was steady at 67 last week and had declined or held steady for over one month before that. The present level is up three percent over last month and 23.5 percent above the price level at the beginning of the year. The increase this week was mostly due to a rise in pork and shrimp prices. The index on imported commodities again dipped, however, and is now 194 as compared with last week's 204 and the previous week's 220. The decline in prices of imported commodities was due to a further drop in galvanized sheet (in continued reaction to the release of new imports by the Government) and a decline in cement prices. Cement is now selling below the official price level, in part because consumption of cement is usually light during the rainy season.

Congressmen Moss and Coihelan of the House Foreign Operations and Government Information Subcommittee, in Vietnam July 2-6 to study the AID program, told a press conference at the end of their visit that there has been large improvement in AID operations and personnel. Both, however, indicated dissatisfaction with the creation of Cords which they see as a move toward complete militarization and also as a takeover from the Vietnamese of the Revolutionary Development program. I am frankly disappointed and somewhat surprised at their reaction for I spent a good deal of time with them--and Bob Komer considerably more--explaining the reasons for the reorganization and the results already being felt in increased efficiency and economy. They consider it likely that the new organization will lead to more U. S. troops and a greater U. S. commitment. Congressman Moss said that he plans to explore the need to "compel greater cooperation" by the Government of Vietnam with us. In addition, Moss said that more work has to be done on our medical program and on land reform, although there has been substantial improvement since his last visit.

## D. Chieu Hoi

The number of returnees reported this week was 483. This may be compared with 313 for the same period last year. The total number of returnees this year is now 18,145; last year at this time the total stood at 9,938.

## E. Vietnamese Killed

During the week ending July 8, the enemy killed 83 Vietnamese civilians, wounded 116 and kidnapped 55. The dead included two

revolutionary development workers, 4 hamlet chiefs, and 5 policemen.

During June, there were 109 Viet Cong incidents directed against Revolutionary Development cadres and teams: 38 in I Corps, 33 in II Corps, 11 in III Corps, and 27 in IV Corps. Revolutionary Development cadres' casualties included 78 killed in action, 210 wounded in action, and 9 missing in action. The largest single incident was the Viet Cong mortar attack on the Pleiku Montagnard training center on June 10 with 40 killed in action and 109 wounded in action, Revolutionary Development cadres were responsible for 87 Viet Cong killed in action and 31 Viet Cong captured.

One of the most effective census grievance cadre in Ninh Thuan Province was tragically recognized for his outstanding efforts against the Viet Cong. On June 24, four Viet Cong infiltrated Thai Giao hamlet, an Phuoc district, and went to the home of Pham Shan, census grievance cadre for the hamlet. The Viet Cong assassinated Mr. Shan and absconded with all the census grievance documents.

Terror in the Saigon area has increased somewhat in recent weeks. Most noteworthy in this reporting period is a July 9 incident in which a Claymore mine of enemy manufacture was exploded opposite the Capital BEQ in the Cholon section of Saigon at 7:00 P. M. Two Vietnamese civilians were killed, and nineteen wounded. Seventeen Americans were wounded, one seriously.

Scattered small arms fire occurred immediately after detonation, and several Vietnamese civilians have been taken into custody as possible snipers.

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

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*Pres file*

~~CONFIDENTIAL~~

Wednesday, July 12, 1967 -- 7:40 p.m.

Mr. President:

My German friend Walther Casper called today with the following message from Rainer Barzel.

He had just come from a meeting with Chancellor Kiesinger. Both the Chancellor and Barzel understand the concern in Washington over the budget and the danger involved here.

In the course of the conversation between Kiesinger and Barzel (who manages the CDU in Parliament), the following principles were established for presenting the security aspects of the budget cuts and acting on them:

-- Germany's security system is absolutely dependent upon the U. S. and Cooperation with the U. S. ;

-- The budget cuts must not weaken German defense efficiency;

-- Budget cuts will be achieved by rationalization, streamlining, and by the stretchout of certain expansion programs rather than by reductions in "military efficiency. "

Casper also informed me that Barzel will visit Saigon in September -- the first important German official to visit Viet Nam.

I thanked him for the message and stated that he would understand that the German budgetary announcements had endangered a situation here and in the Alliance which had been painfully achieved through the Tripartite talks.

He said that it was Barzel's judgment that the whole matter had not been "handled very well" in Bonn.

W. W. Rostow

cc: Secretary Rusk  
Secretary McNamara

*W. W. Rostow*  
WWRostow:rlh

CONFIDENTIAL

~~SECRET~~

Wednesday, July 12, 1967  
7:35 p. m.

*Pres. file*

Mr. President:

Herewith some JCS fact sheets, to which Bus Wheeler referred, on the interdiction campaign in the North part of North Viet Nam.

As instructed, I am working quietly on some independent recommendations to you and will examine exactly what the substance is in the final paragraph.

W. W. Rostow

~~SECRET~~

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

~~SECRET~~

11 July 1967

FACT SHEET

SUBJECT: Interdiction in NVN (U)

GENERAL:

- Attacks have inflicted record damage to equipment, destroyed key support facilities, and resulted in extensive interdiction of key rail lines in NE.
- Massive construction and repair effort: labor force devoted to maintenance of LOCs augmented with imported construction equipment and may have increased from 300,000 to estimated one-half million.
- Strikes near Haiphong Port area have disrupted normal logistics pattern. Cargo congestion increasing. Open storage used in port area, city parks and along sides of street. Availability of trucks for timely movement from port area has caused shift to increased use of lighterage. Day cargo ships off-loading time increased from 13 to 17 days; large dry cargo ships from 21 to 30 days.
- Electric power capacity reduced by 78%. Requires additional improvisations, creates management problems, complicates supply and distribution and affects maintenance and repair of equipment.

* <u>WBLC</u> Destroyed/Damaged	1965	1966	1/2/1967	TOTAL
	1538	10255	6070	16863

- First four months CY 67 averaged 557/month.
- May-June increased to 1187/month.
- Over 100% increase.

DECLASSIFIED  
 E.O. 12356, Sec. 3.4  
 NJ 92-221  
 By ing, NARA, Date 5-20-92

~~SECRET~~

\* Water-borne logistic craft.

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<u>Trucks Destroyed/Damaged</u>	<u>1965</u>	<u>1966</u>	<u>1/2/1967</u>	<u>TOTAL</u>
	<u>1061</u>	<u>4605</u>	<u>1809</u>	<u>7475</u>

- First four months CY 67 averaged 248/month.
- May-June increased to 513/month.
- Over 100% increase.
- Strikes on motor vehicle repair depots have disrupted maintenance and will force reliance on more dispersed and less adequate facilities.

<u>RR Rolling Stock Destroyed/Damaged</u>	<u>1965</u>	<u>1966</u>	<u>1/2/1967</u>	<u>TOTAL</u>
	<u>147</u>	<u>2332</u>	<u>632</u>	<u>3111</u>

- Monthly average has continued at 130/month.
- All northern rail lines subjected to intensified interdiction, resulting in closure to through traffic and requirement for shuttling.
- Shuttling is transloading of supplies and material or movement of individual transport vehicles around an interdiction point. Not only delays and compounds movement but decreases through-put capacity.
- Dong Dang to Hanoi (NE line) struck 92 times in May-June, closed three days with shuttling on 26 days.
- Thai Nguyen to Hanoi line struck 32 times in May-June, closed four days with shuttling on 10 days.
- Kep to Luu Xa (connecting by pass) attacked 33 times in May-June, closed 9 days.
- NW rail line attacked 55 times in May-June, closed 2 days, shuttling 59 days.
- Haiphong to Hanoi line struck recently in June only 6 times, requiring shuttling 11 days.
- Higher vehicle sightings in NE reflect shift to overcome delays in rail movement caused by interdiction.

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- Intelligence sources report 30% destruction of all material moved into NVN by all LOCs.
- Tremendous increase in secondary explosions coincides with increased shift in LOC attack effort to NE. First four months CY 67 averaged 161, four fold increase in May and eight fold increase in June to high of 1251.

Attack Sorties	<u>1965</u>	<u>1966</u>	<u>1/2/1967</u>	<u>TOTAL</u>
	25276	81355	52211	158842

- First four months CY 67 averaged 5236/month. May-June more than doubled to 11,360/month.
- Attacks in NE have caused deterioration of air defense system. Through June, 50% of in-country MIG 17s lost and during past month remainder have retired from scene of combat.
- Aircraft loss rate in 1966 was 5.10/thousand sorties, reduced to 2.78/thousand in 1966. First four months CY 67 further reduced to 2.06/thousand.
- May-June, in spite of over 176% increase in attack sorties in heavily defended NE area, rate has dropped to 2.02/thousand.
  - Resulting from:
    - Improved equipment against SAMs (QRC-160 jammer).
    - Improved flak suppression weapons (CBU-24 bomb).
    - Broadened target base for diversity of attacks and spreading of defenses.
- During July the intensified interdiction of NE LOCs continues. ~~Constraints imposed on attacking targets in Hanoi-Haiphong areas, however, will negate much of the cumulative impact, particularly in port congestion.~~

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3.2  
Pres. file

Wednesday, July 12, 1967  
7:30 p. m.

Mr. President:

Herewith four cables from Bohlen on an interview with General de Gaulle. The top cable is his personal reflections on the meeting, the others cover: the Middle East; de Gaulle's view of U. S. predominance on the world scene; and Algeria.

There is little in this you don't know or guess; although de Gaulle's personal anger at the Israeli's failing to take his advice is an interesting but not complete explanation of French Middle East policy; and you will wish to note the final paragraph in the top cable.

W. W. Rostow

~~SECRET~~

WWRostow:rlh

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By xw, NARA, Date 3-13-00

INCOMING TELEGRAM *Department of State*

W/H  
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~~SECRET~~

Action  
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DE RUFNCR 523 1931105  
ZNY 88888  
F 121042Z JUL 67  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 3946  
STATE GRNC  
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~~SECRET~~ PARIS 523

CONTROL: 9988  
RECD : July 12, 1967 10:12 p.m.

*Retlow*  
*Bundy*  
*Butler*

NODIS

REF: PARIS 508

IT IS DISCONCERTING TO SAY THE LEAST TO SEE THE HEAD OF AN IMPORTANT AND TRADITIONALLY FRIENDLY COUNTRY CONDUCT ITS FOREIGN POLICY ON SUCH A SERIES OF SUBJECTIVE AND RELATIVELY TRIVIAL PREJUDICES AS DE GAULLE SEEMS TO BE DOING IN FRANCE. IT SEEMS TO ME THAT HIS ANGER AND BITTERNESS IN REGARD TO ISRAEL STEMS FROM TWO BASIC REASONS: (1) HIS RECOGNITION THAT FRANCE DID NOT AND COULD NOT PLAY ANY IMPORTANT ROLE IN THE MIDDLE EAST CRISIS -- RUSSIA'S BLUNT REFUSAL OF A FOUR POWER GATHERING, THE FAILURE OF FRENCH DIPLOMACY WITH ITS FORMER AFRICAN COLONIES SET THE BACKGROUND FOR HIS CURRENT MOOD. (2) HIS ANGER AT THE

PAGE 2 RUFNCR 523 ~~SECRET~~

ISRAELIS DARING TO IGNORE HIS PERSONAL ADVICE ADDS A NOTE OF SUBJECTIVE BITTERNESS. TO HIS PRESENT MOOD (3) IT SHOULD OF COURSE BE ADDED THAT AS IS CUSTOMARY WITH HIM HE FINDS SOME REASON TO BLAME THE U. S. HIS SUPPOSITION, AND IT IS CERTAINLY NO MORE THAN THAT, THAT IF THE U. S. HAD

REALLY GIVEN A FLAT WARNING TO ISRAEL WE COULD HAVE PREVENTED THE WAR IS RIDICULOUS ON THE FACE OF IT. WHAT IS A MATTER OF CONCERN HOWEVER IS THE DEGREE TO WHICH UNDER DE GAULLE'S ONE-MAN RULE PERSONAL AND SUBJECTIVE PREJUDICES HAVE BEEN TRANSLATED INTO POLITICAL ACTION. AS AN ILLUSTRATION OF THE DEPTH OF HIS FEELING AGAINST ISRAEL HE TOLD ME YESTERDAY THAT "IN THIS VERY ROOM" FIVE YEARS AGO BEN GURION SAID THAT ISRAEL HAD TWO AND ONE-HALF MILLION PEOPLE, THAT SOME DAY IT WOULD BE FIVE MILLION, AND THEN ASKED THE RHETORICAL QUESTION "WHERE WILL WE PUT THESE PEOPLE", THE IMPLICATION BEING THAT ISRAEL HAD SOLID REASONS FOR MAKING PLANS OF AGGRESSION. I TOLD HIM THAT THIS MAY HAVE BEEN BEN GURION'S VIEW FIVE YEARS AGO BUT I UNDERSTOOD THAT RECENTLY THE RATE OF IMMIGRATION TO ISRAEL HAD GONE DOWN RADICALLY.

AT ANOTHER POINT IN DICUSSING THE MOTIVATIONS OF ISRAELI ACTION

~~SECRET~~

DECLASSIFIED  
Authority NLS 97-105  
jw/ies NARA. Date 3-13-00

~~SECRET~~

-2- PARIS 523 CN 9988 July 12 NODIS

PAGE 3 RUFNCR 523 ~~SECRET~~

I SAID TO DE GAULLE, "WHAT WOULD YOU HAVE DONE IF YOU HAD BEEN AN ISRAELI" TO WHICH HE REPLIED WITH SOME FROSTINESS, " I AM NOT AN ISRAELI". (I MIGHT SAY THAT THROUGHOUT DE GAULLE WAS AS USUAL POLITE AND COURTEOUS.)

I AM INCLINED TO BELIEVE HOWEVER THAT DE GAULLE'S STATEMENT THAT FRENCH ABSTENTION ON CUBAN AND ALBANIAN AMENDMENTS WAS DUE TO HIS FEELING THAT THE U. S.. BORE SOME SHARE OF RESPONSIBILITY FOR EVENTS IN THE MIDDLE EAST IS NOT COMPLETELY ACCURATE. I HAD LEARNED YESTERDAY FROM AN OFFICIER OF THE QUAI D'ORSAY THAT THESE INSTRUCTIONS WERE DRAFTED ON A GENERAL BASIS WITHOUT ANY ANTICIPATION OF EITHER OF THESE AMENDMENTS, AND THAT SEYDOUX HAD LACKED THE NERVE TO RAISE THE QUESTION WITH THE QUAI. IT WAS FOR THIS REASON THAT I SUGGESTED WE BE PARTICULARLY CAREFUL IN HANDLING WHAT DE GAULLE TOLD ME.

THERE WOULD SEEM TO BE ABSOLUTELY NOTHING THAT WE CAN DO TO BRING ABOUT ANY CHANGE IN DE GAULLE'S ATTITUDE, AND I BELIEVE THAT WE CAN COUNT ON HIS CONTINUING HOSTILITY TO ISRAEL, PARTICULARLY IN THE FIELD OF THE ARMS EMBARGO, UNLESS THE ISRAELIS SHOULD WITHDRAW,

PAGE 4 RUFNCR 523 ~~SECRET~~

WHICH IS IN THE HIGHEST DEGREE UNLIKELY.

IT IS DIFFICULT TO CONVEY FROM HERE TO WASHINGTON THE DEPTH OF THE FEELING IN PARISIAN POLITICAL AND NON-POLITICAL CIRCLES AT THE CURRENT LINE OF DE GAULLE'S POLICY. HOWEVER, WITH THE ASSEMBLY IN RECESS UNTIL OCTOBER THERE IS NO CHANCE THAT ANY INFLUENCE WILL BE BROUGHT TO BEAR ON DE GAULLE, OR WOULD HAVE ANY POSSIBILITY OF SUCCESS IF IT WERE. THERE SEEMS TO BE NO POSSIBILITY OF ANY MINISTERIAL RESIGNATION, BUT THERE IS NO DOUBT THAT DE GAULLE'S MIDDLE EAST POLICY, PARTICULARLY THE ANTI-ISRAELI ASPECT, HAS DEALT GAULLISM A CONSIDERABLE BLOW.

BOHLEN

BT

INCOMING TELEGRAM *Department of State*

*W D 526  
#6*

~~SECRET~~

Action

CONTROL: 9188

*Copy sent Bator*

Info

RECD: JUL 11 758 PM

FROM: PARIS

ACTION: SECSTATE

RR RUEHC  
DE RUFNCR 508 1922055  
ZNY SSSSS  
R 111833Z JUL 67  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC  
STATE GRNC  
BT  
~~SECRET~~ - PARIS 508

NODIS

I HAD A FORTY MINUTE INTERVIEW WITH DE GAULLE THIS AFTERNOON. HE LOOKED WELL AND SEEMED RELATIVELY RELAXED, BUT AS THE ACCOUNT OF THE CONVERSATION WILL SHOW HE OBVIOUSLY HAS SOME DEEP FIXATIONS AND PREJUDICES IN REGARD TO THE MIDDLE EAST.

I BEGAN THE CONVERSATION BY REFERRING TO KOSYGIN'S STATEMENT OF JULY 9 ON FRENCH TELEVISION TO THE EFFECT THAT HE AGREED WITH GENERAL DE GAULLE THAT THE WORLD SITUATION WAS VERY SERIOUS, AND ASKED DE GAULLE WHETHER HE COULD AMPLIFY HIS VIEW OF THAT. DE GAULLE SAID HE DID FEEL THAT THE WORLD SITUATION HAD TAKEN A TURN FOR THE WORSE, THAT THE SPIRIT OF WAR, WHICH HE SAID HAD BEGUN IN VIETNAM, WAS BEGINNING TO PERMEATE OTHER AREAS OF THE WORLD, NOTABLY THE MIDDLE EAST. I CHALLENGED HIM ON THAT, SAYING THAT WE THOUGHT THE ORIGINS OF THE WAR IN THE MIDDLE EAST HAD BECOME ABOUT UNDER THEIR OWN STEAM AND HAD NO REAL CONNECTION WITH THE SITUATION IN VIETNAM. DE GAULLE POLITELY DEMURRED.

TURNING TO THE MIDDLE EAST DE GAULLE SAID HE SAW NO RPT NO LINES OF ANY POSSIBLE SOLUTION AND THOUGHT THERE WAS NOTHING WHATSOEVER THAT COULD BE DONE IN THE WAY OF A SETTLEMENT UNTIL THE ISRAELIS WITHDREW FROM THE CONQUERED POSITION. I SAID I THOUGHT THIS WAS HIGHLY UNLIKELY SINCE ISRAEL WOULD HARDLY GIVE UP POSITIONS THAT HAD BEEN WON IN BATTLE UNLESS THERE WAS SOME INDICATION OF SETTLEMENT AND AN END TO STATE OF WAR BETWEEN ISRAEL AND THE ARAB COUNTRIES.

~~SECRET~~

DECLASSIFIED

Authority NLS 97-105

By Julius, NARA. Date 3-13-00

~~SECRET~~

-2- 508 FROM PARIS (NODIS)

DE GAULLE THEN LAUNCHED INTO A DISSERTATION ON ISRAEL AND HOW THE ISRAELI FOREIGN MINISTER HAD BEEN TOLD BY HIM, DE GAULLE, THAT THEY SHOULD NOT ATTACK AND IF THEY DID THEY WOULD ENCOUNTER THE HOSTILITY OF FRANCE -- HAVING SAID THIS THE WEEK BEFORE AFTER THE COUNCIL OF FOREIGN MINISTERS -- BUT THAT "THE ISRAELIS. HAD PAID NO ATTENTION AND GONE ON THEIR WAY". FOR THIS REASON DE GAULLE SAID THAT FRANCE HAD SUPPORTED THE YUGOSLAV RESOLUTION AS A PUNISHMENT FOR ISRAEL'S BEHAVIOR. HE REFERRED TO THE ISRAELI DISREGARD OF HIS ADVICE TWO OR THREE TIMES DURING THE CONVERSATION. HE DID NOT DIRECTLY ANSWER MY QUERY AS TO WHAT GOOD HE THOUGHT THE YUGOSLAV RESOLUTION COULD DO IN THE CIRCUMSTANCES EXCEPT TO INFLAME THE ARABS, BUT MERELY REPEATED THAT ISRAEL MUST WITHDRAW FROM POSITIONS CONQUERED BY FORCE, AND REPEATED THAT BEYOND THAT HE HAD NO IDEAS IN REGARD TO A SOLUTION. HE PERSONALLY THOUGHT THAT THE ISRAELIS WOULD NOT BUDGE FROM WHERE THEY WERE AND THAT THE ARABS WOULD BE REARMED, ALTHOUGH HE DID NOT THINK THE SOVIETS WOULD GO AS FAR AS THEY HAD IN THE PAST. HE SEEMED TO ACCEPT, WITH SOME DEGREE OF BITTER EQUANIMITY, THE IDEA OF ANOTHER ROUND OF WARFARE IN THE MIDDLE EAST, POSSIBLY TEN YEARS FROM NOW.

DURING THE CONVERSATION, I POINTED OUT TO HIM THAT FRENCH ABSTENTION ON CUBAN AND ALBANIAN AMENDMENTS, WHICH SPECIFICALLY NAMED US AS THE INSTIGATOR OF THE AGGRESSION, HAD BEEN VERY POORLY RECEIVED IN WASHINGTON AND ASKED HIM IF HE COULD GIVE ME SOME EXPLANATION OF IT. DE GAULLE PROMPTLY REPLIED THAT HE FELT THAT THE U.S. BORE A CONSIDERABLE SHARE OF RESPONSIBILITY IN THE OUTBREAK OF HOSTILITIES SINCE, IF PRESIDENT JOHNSON HAD TOLD THE ISRAELI FOREIGN MINISTER AS HE HAD THAT U.S. WOULD BE IN OPPOSITION TO ANY ISRAELI AGGRESSION IT WOULD NOT HAVE OCCURRED. I OF COURSE TOOK DE GAULLE UP ON THIS AND ASKED HIM HOW THE U.S. COULD MAKE ANY SUCH STATEMENT AS THIS SINCE THIS WOULD HAVE INVOLVED US IN A MOST SERIOUS RISK OF CONFRONTATION WITH THE SOVIET UNION THAT I HAD ALWAYS UNDERSTOOD FRANCE DID NOT WISH TO SEE. DE GAULLE AGREED THAT FRANCE DID NOT WISH TO SEE ANYTHING OF THIS KIND BUT EXPRESSED DOUBT AS TO WHETHER THIS WOULD HAVE LED TO A CONFRONTATION. HE SEEMED TO FEEL IT WOULD MERELY HAVE RESTRAINED THE ISRAELIS.

I TOLD HIM FROM EVERYTHING I HAD HEARD IN WASHINGTON I DID NOT BELIEVE THIS WAS THE CASE; THAT ISRAEL HAD ACTED IN WHAT THEY BELIEVED TO BE IN DEFENSE OF THEIR OWN NATIONAL EXISTENCE, AND THAT NO AMOUNT OF WARNINGS WOULD HAVE STOPPED THEM.

~~SECRET~~

~~SECRET~~

-3- 508 FROM PARIS (NODIS)

IN REPLY TO MY QUESTION, DE GAULLE SAID HE WAS NO LONGER INTERESTED IN A FOUR-POWER GATHERING WHICH HE HAD ORIGINALLY PROPOSED BEFORE HOSTILITIES AS A MEANS OF HAVING THE FOUR POWERS, THROUGH THEIR AMBASSADORS TO THE UN, ISSUE A STERN WARNING AGAINST STARTING ANY MILITARY ACTION ON THE PART OF ANYONE.

DE GAULLE SAID THE EMBARGO ON THE DELIVERY OF FRENCH ARMS TO ISRAEL REMAINED IN FORCE AS LONG AS ISRAEL RETREATED FROM COUNTER POSITIONS.

COMMENT: DE GAULLE STRUCK ME AS HAVING AN ABSOLUTE FIXATION ON THE SUBJECT OF THE WICKEDNESS OF THE ISREALIS IN DISREGARDING HIS ADVICE, COUPLED WITH A BELIEF THAT THE U.S. COULD HAVE PREVENTED THE OUTBREAK OF WAR IN THE MIDDLE EAST IF IT HAD SO WARNED ISRAEL. HE SEEMED UTTERLY INDIFFERENT AND PESSIMISTIC ABOUT THE OUTCOME OF EVENTS IN THE MIDDLE EAST AND CERTAINLY HAD NO SUGGESTIONS WHATSOEVER TO MAKE. HE GAVE ME THE IMPRESSION OF A MAN WHO HAD RESIGNED HIMSELF TO INACTION AND HAD MORE OR LESS WASHED HIS HANDS FOR THE MOMENT OF THE SITUATION.

WHILE DE GAULLE CERTAINLY SAID IT I AM INCLINED TO BELIEVE THAT HIS STATEMENT IN REGARD TO FRENCH MOTIVATION IN ABSTAINING ON CUBAN RESOLUTION IS NOT FULLY ACCURATE BUT MAY WELL BE IPSO FACTO. I WOULD THEREFORE RECOMMEND THAT THIS PART OF MESSAGE BE HELD PARTICULARLY CLOSE. BOHLEN  
BT

~~SECRET~~

INCOMING TELEGRAM *Department of State*

W/d <sup>52c</sup>  
#6

~~SECRET~~

Action CONTROL: 9251  
RECD: JULY 11, 1967, 9:46PM

Info RR RUEHCR  
DE RUFNCR 506 1930100  
ZNY SSSSS  
R 111834Z JUL 67  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC  
STATE GRNC  
BT  
~~SECRET~~ PARIS 506

*Copy sent later*

N O D I S

DURING MY CONVERSATION WITH GENERAL DE GAULLE TODAY I ASKED HIM FOR HIS ESTIMATE OF THE CORRELATION OF FORCES IN THE WORLD. HE TOLD ME THAT HE THOUGHT FROM THE MILITARY POINT OF VIEW THE SOVIETS COULD DESTROY THE U.S. AND THE U.S. COULD DESTROY THE SOVIETS AND THAT THEREFORE FROM A PURELY MILITARY STANDPOINT WE CANCELLED EACH OTHER OUT. HOWEVER, HE SAID THE U.S. WAS SO MUCH MORE POWERFUL FROM THE ECONOMIC AND FINANCIAL POINT OF VIEW AS WELL AS IN ORGANIZATION OF ITS STATE THAT THERE WAS NO COMPARISON. I POINTED OUT TO DE GAULLE THAT THE SOVIET UNION, HAVING A CLOSED SYSTEM, WAS IN NO WAY AFFECTED FINANCIALLY BY THE POWER OF THE U.S., TO WHICH DE GAULLE REPLIED THAT THIS MAY BE SO BUT THAT THE U.S. WEIGHED MORE HEAVILY ON THE REST OF THE WORLD.

PAGE 2 RUFNCR 506 ~~SECRET~~

I TOLD HIM THAT I HAD BEEN ASSOCIATED WITH THE CONDUCT OF AMERICAN FOREIGN POLICY FOR WELL OVER TWENTY YEARS AND I COULD REALLY THINK OF NO CASE WHERE THE U.S. HAD SOUGHT TO USE ITS POWER FOR ITS OWN SELFISH ENDS. DE GAULLE SAID HE DID NOT ACCUSE THE U.S. OF ANY BELLIGERENT ATTITUDE ALTHOUGH HE THOUGHT IT WAS "INEVITABLE" THAT SO MUCH POWER AS THAT POSSESSED BY THE U.S. SOONER OR LATER -- PERHAPS NOT NOW HE SAID -- WOULD BEGIN TO INFLUENCE THE POLICY AND CONDUCT OF ANY COUNTRY.

COMMENT: DE GAULLE DID NOT SAY IT BUT IMPLIED THAT PART OF FRANCE'S CURRENT POLICY WAS A RECOGNITION OF THE OVERWHELMING POWER OF THE U.S. AND THE NECESSITY OF HELPING TO REDRESS THE BALANCE. THIS MAY BE SUPPOSITION ON MY PART SINCE THIS VIEW ATTRIBUTED TO DE GAULLE HAS ALREADY APPEARED IN THE FRENCH PRESS.

FHLEN

~~SECRET~~

DECLASSIFIED

Authority NLS97-105  
By *Julies* NARA. Date 3-13-00

INCOMING TELEGRAM *Department of State*

W 1d 52d  
#6

~~SECRET~~

Action CONTROL: 9252  
RECD: JULY 11, 1967, 10:37PM

*Copy sent to...*

Info RR RUEHCR  
DE RUFNCR 507 1930120  
ZNY SSSSS  
R 111833Z JUL 67  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC  
STATE GRNC  
BT  
~~SECRET~~ PARIS 507

N O D I S

DURING MY INTERVIEW WITH DE GAULLE TODAY I ASKED IF HE HAD ANY PARTICULAR THOUGHTS OR IDEAS ON THE CURRENT SOVIET POLICY IN THE MAGHREB, PARTICULARLY IN REGARD TO ALGERIA. HE SAID THE FRENCH WERE WELL AWARE THAT THE RUSSIANS HAD BEEN SHIPPING ARMS TO ALGERIA BUT AT THE MOMENT HE DID NOT HAVE ANY PARTICULAR CONCERN AT THE DEVELOPMENTS THERE. I POINTED OUT TO HIM THAT WE WERE CONSTANTLY GETTING REQUESTS FROM THE MOROCCANS TO ARM THEM IN ORDER TO OFFSET THOSE ARMS WHICH ALGERIANS WERE RECEIVING FROM THE RUSSIANS. DE GAULLE TOLD ME IN REPLY TO MY QUESTION THAT THE FRENCH HAD NEVER RPT NEVER SENT ANY ARMS AS SUCH TO ALGERIA BUT THAT THE ALGERIANS HAS ASKED THEM TO REINSTITUTE THE SYSTEM OF FRENCH INSTRUCTORS AND

PAGE2 RUFNCR 507 ~~SECRET~~  
INSTRUCTION FOR ALGERIAN OFFICEERS IN FRENCH SCHOOLS. THIS HE SAID HAD BEEN DONE AND MENTIONED IN PASSING THAT THE ALGERIANS HAD OFFICES IN THE SOVIET UNION.

I ASKED HIM IF HE HAD ANY EXPLANATION OF SOVIET POLICY IN THE MEDITERRANEAN AND HE SAID AS FAR AS HE COULD SEE THE SOVIETS WERE LOOKING FOR "CLIENTS". I BROUGHT IN THE IDEOLOGICAL ASPECT OF THEIR POLICY, POINTING TO PODGORNYS STATEMENT THAT THE REASON FOR THE ARAB DEFEAT HAD BEEN DUT TO INSUFFICIENT IDEOLOGICAL PREPARATION. DE GAULLE DID NOT RESPOND DIRECTLY TO THIS COMMENT BUT SEEMED TO DISMISS IT AS RELATIVELY UNIMPORTANT.

DURING THIS PART OF THE CONVERSATION I ASKED DE GAULLE WHETHER HE THOUGHT THE U.S. SIXTH FLEET SHOULD REMAIN IN THE MEDITERRANEAN. HE IMMEDIATELY REPLIED THAT HE DID, GIVEN THE STATE OF THE WORLD.

BOHLEN  
BT

~~SECRET~~

DECLASSIFIED  
Authority NLS 97-105  
By Jules NARA, Date 3-13-00

*Pres. file*

Wednesday, July 12, 1967 -- 7:20 p.m.

Mr. President:

You may wish to dispatch the following message to Amb. Bunker; or, if you prefer, I could do it.

"You should know that it is the universal judgment of Bob McNamara and his team that they have never seen the Embassy in Saigon under more firm and effective leadership. Our impression from the cables is reinforced that at this critical time we have the best possible group of men carrying out our tasks in Viet Nam under the best possible leader."

W. W. Rostow

Dispatch from me \_\_\_\_\_

You dispatch \_\_\_\_\_

No \_\_\_\_\_

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

WWRostow:rla

~~SECRET~~

*Pres. file*

Wednesday, July 12, 1967  
6:20 p. m.

Mr. President:

Herewith Andy Goodpaster's account of his latest talk with General Eisenhower.

As I indicated in my account of the talk with Mr. McCollum, I do believe we should be looking for some appropriate moment to make a dramatic economic proposal on the future of the Middle East.

So far as U. S. A. I. D. money is concerned, it could be very cheap if we could get agreement to divert to such purposes a margin of Middle East oil revenues and can get the IBRD behind it.

Both Bob Anderson in 1958 and McCollum yesterday came up with the notion of using Middle East oil revenues for such purposes.

W. W. Rostow

~~SECRET~~

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



~~SECRET~~

54a


DEPARTMENT OF DEFENSE  
THE NATIONAL WAR COLLEGE  
WASHINGTON, D.C. 20315

12 July 1967

MEMORANDUM FOR THE PRESIDENT

1. I met with General Eisenhower for two hours late yesterday afternoon at Walter Reed Hospital. He was there for a periodic checkup and some dental surgery. He seemed to be in excellent shape, and will probably leave this morning.

2. As indicated in the attached memo for record the principal thrust of his remarks was a strong and enthusiastic expression of support for a massive nuclear desalinization project for the Middle East. He thought that if you were to make a major proposal in this area, it could do tremendous good.

  
A. J. GOODPASTER  
Lieutenant General, USA

Attachment

~~SECRET~~

DECLASSIFIED  
Authority per declassifier of attachment  
By rg/dch, NARA, Date 7-19-91



~~SECRET~~

546

DEPARTMENT OF DEFENSE  
THE NATIONAL WAR COLLEGE  
OFFICE OF THE COMMANDANT  
WASHINGTON, D.C. 20315

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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DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By JW, NARA, Date 3-13-00

~~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 <sup>one</sup> 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

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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

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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. General Eisenhower commented that Makarios is the root cause of much of the problem, and not much can be accomplished unless he can be dealt with.



A. J. GOODPASTER  
Lieutenant General, USA

~~SECRET~~

~~CONFIDENTIAL~~

Wednesday, July 12, 1967 -- 5:00 PM

*Rostow*

*1. sweep*

*2. Pres file*

*4:30*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Congo Situation Report

1. Mobutu has reported to McBride that the mercenaries in Kisangani (formerly Stanleyville) fled the city by truck convoy at noon today our time. Destination unknown.
2. McBride has refused Mobutu's suggestion that we supply a C-130 for reconnaissance to find out where the mercenaries are going. Congolese planes can and should do this job.
3. The Red Cross mission to Kisangani is now fully set up and will leave at 10:00 tonight our time. We have no word on what happened to the hostages when the mercenaries fled. If they were unharmed, the job of the Red Cross plane will be to forestall any Congolese excesses as the Congolese army occupies the city.
4. McBride has made a strong demarche to Mobutu that a great deal depends on his ability to keep his soldiers from harming the white population in Kisangani and other cities. Mobutu has responded with a radio announcement that restrictions on travel by foreigners, curfews, and other measures directed against the white community will be lifted tonight.
5. McBride has worked up several more proposed mercy missions for the C-130's in addition to the food flight now on the way to Bukavu. The first would be another food delivery to the Kisangani area tomorrow.
6. All C-130 missions not required for emergency protection of Americans must now be approved in Washington by the Joint Chiefs.

W. W. Rostow

Hamilton/vmr

**DECLASSIFIED**

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

By rs/isp, NARA, Date 9-19-91

~~TOP SECRET~~

Lunch Meeting With the President  
Wednesday, July 12, 1967, 1:00 pm

*Presfile*

AGENDA

1. Viet Nam. (Sec. McNamara)

- general report
- enemy strength
- pacification prospects
- ARVN progress
- Vietnamese manpower possibilities
- U. S. manpower economies
- U. S. manpower requirements
- bombing policy recommendations
- the Vietnamese election

2. Middle East (Sec. Rusk and Sec. McNamara)

(See Mac Bundy memorandum, attached)

- The arms registration proposal
- Selected military aid approvals
- Limited extension of PL 480 Title II aid (voluntary agencies) to some of the radical Arab countries -- especially Algeria and the UAR.

3. Congo: Situation Report. (Sec. Rusk)

4. Personnel. (Sec. Rusk)

5. Other.

W. W. Rostow

WWRostow:rln

~~TOP SECRET~~

DECLASSIFIED

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

White Horse Guidelines, Feb. 24, 1983

By Ag NARA, Date 7-1-91

*Pres file*

~~SECRET~~

Wednesday, July 12, 1967 - 12:35 pm

Mr. President:

Herewith a rather full agenda of Viet Nam issues, with the names of those who might address them at the meeting.

You will almost certainly not wish to go into all of them; but you can judge that.

At the end (p. 3) are two key matters on which you may wish to give guidance at the end of the meeting.

W. W. Rostow

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1993  
By   *af*  , NARA, Date   *7-1-91*

~~CONFIDENTIAL~~

Wednesday, July 12, 1967  
11:25 a. m.

*Pres. file*

Mr. President:

- 1. Score one for Bob McNamara (see para. 7).
- 2. Do you wish to see Brezhnev (see para. 8)?

I would guess the Moscow doves really took heart from Hollybush.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED  
 E.O. 12356, Sec. 5.4(a)  
 White House Guidelines, Feb. 24, 1983  
 By *jp/erl* NARA, Date *2-25-97*

WWRostow:rln

7/11 To SMK from Robbi RUSH

INCOMING TELEGRAM Department of State

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LINDIS

PASS SENATE FOR RELNS COMMITTEE

1. SENATOR GORE HAD 40 MINUTE CONVERSATION WITH SOVIET ENDC REPRESENTATIVE ROSHCHIN JULY 10 ON NPT AND ABM QUESTIONS.
2. IN RESPONSE TO SENATOR'S PRODDING WHY SOVIETS CAUSING DELAY IN TABLING DRAFT NPT, ROSHCHIN RESPONDED THERE ARE THREE REASONS: (1) GENERAL INTERNATIONAL SITUATION; (2) GROMYKO ABSENCE FROM MOSCOW IN CONNECTION EMERGENCY UNGA SESSION; AND (3) NEW FORMULATIONS IN US DRAFT PRESENTED TO SOVIETS ON APRIL 25. ROSHCHIN SAID IT WOULD BE MUCH BETTER TO TABLE COMPLETE TREATY INSTEAD OF "HALF TREATY" WITHOUT SAFEGUARDS ARTICLE. HE URGED THAT WE UTILIZE CURRENT PAUSE TO ACHIEVE AGREEMENT ON ARTICLE III. HOWEVER, ROSHCHIN DID NOT EXCLUDE TABLING "IN ONE WEEK OR SEVERAL WEEKS".
3. GORE SAID HE BELIEVED SOVIET AS WELL AS US INTERESTS BEING DAMAGED BY DELAY IN TABLING, OBSERVING THAT BRAZILIAN AND INDIAN OPPOSITION TO NPT HARDENING. HE POINTED OUT IT WAS UNFAIR TO OTHER ENDC DELEGATIONS TO EXCLUDE THEM FROM CONSIDERATION OF THOSE ELEMENTS OF NPT ALREADY AGREED BETWEEN US AND USSR, WHICH CONSTITUTE MAJOR PART OF TREATY. SENATOR OBSERVED THAT SLOW PROGRESS ON NPT OBSTRUCTED ACHIEVEMENT OTHER DISARMAMENT MEASURES, SUCH AS STRATEGIC MISSILES, WHICH ACQUIRING FRESH URGENCY FROM CHICOM H-BOMB TEST.
4. ROSHCHIN SAID HE WAS NOT UP TO DATE ON SOVIET POSITION ON ISSUE OF STRATEGIC MISSILES AND GAVE FAMILIAR SOVIET ARGUMENTS JUSTIFYING DEFENSIVE WEAPONS SYSTEMS.
5. GORE SAID THAT MODERN WEAPONS DID NOT PERMIT DISTINCTION BETWEEN OFFENSIVE AND DEFENSIVE SYSTEMS WHICH INEXTRICABLY INTER-RELATED. FAILURE TO REACH AGREEMENT WOULD SET-OFF NEW ROUND IN ARMS RACE COSTING PERHAPS \$60 BILLION EACH TO US AND USSR, WHICH WOULD NOT ALTER STRATEGIC BALANCE BUT WOULD DEPRIVE BOTH COUNTRIES OF RESOURCES NEEDED FOR CIVILIAN DEVELOPMENT. GORE SAID ABM QUESTION WAS HOT POLITICAL ISSUE IN US AND FURTHER SOVIET

~~CONFIDENTIAL~~

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

~~CONFIDENTIAL~~

-2- GENEVA 109, JULY 10, 1967

DELAY IN INDICATING WHEN AND WHERE IT WILLING DISCUSS PROBLEM WOULD MAKE IT DIFFICULT TO HOLD BACK ON DEPLOYMENT OF NEW WEAPONS SYSTEMS IN US. HE SAID MACNAMARA HAD MADE PUBLIC US CAPABILITIES TO ENABLE SOVIETS TO UNDERSTAND CHOICES BEFORE THEM, ALTHOUGH SOVIETS MAY ALREADY HAVE INFO ON THIS FROM INTELLIGENCE SOURCES.

6. ROSHCHIN SAID HE RECOGNIZED THAT US ALSO HAD IDEA OF SOVIET CAPABILITIES FROM ITS SATELLITE SURVEILLANCE. HE SAID HE APPRECIATED ARGUMENTS FOR LIMITATION ON STRATEGIC ARMS, ADDING THAT THIS WAS BILATERAL PROBLEM FOR US AND USSR. ROSHCHIN SAID US STATEMENTS ABOUT ITS STRATEGIC SUPERIORITY DID NOT HELP TO CONVINCE SOVIET MILITARY THAT NOW WAS TIME FOR AGREEMENT ON STRATEGIC BALANCE. HE THOUGHT HOWEVER THIS PROBLEM COULD BE TACKLED AFTER NPT CONCLUDED. AFTER NPT, STRATEGIC ARMS LIMITATIONS, CUT-BACK AND OTHER DISARMAMENT MEASURES COULD MOVE FORWARD, INCLUDING CONTROLS OVER CONVENTIONAL ARMS.

PAGE FOUR RUFHGV 109 ~~CONFIDENTIAL~~

7. IN LATER CONVERSATION WITH SENATOR GORE, AMB SUSLOV (USSR) (PROTECT SOURCE) URGED THAT DISARMAMENT SUBCOMMITTEE OF FOREIGN RELATIONS COMMITTEE WITHHOLD ANY EARLY REPORT WHICH MIGHT RESULT IN FURTHER PRESSURE ON ADMINISTRATION TO BEGIN ABM DEPLOYMENT. HE SAID SOVIETS HAD BEEN IMPRESSED WITH SEC MACNAMARA'S ARGUMENTS, BUT SOVIETS, PARTICULARLY MILITARY LEADERS, NEEDED A LITTLE MORE TIME. SENATOR GORE SAID HE WAS UNDER PRESSURE TO PUBLISH REPORT WITHIN PERHAPS TWO WEEKS. SUSLOV SAID FURTHER DELAY IN REPORT WOULD BE HELPFUL AND IN PARTICULAR URGED NOTHING BE DONE UNTIL NPT TABLED.

7. SUSLOV MADE A POINT OF EXPRESSING THE NEED FOR THE US AND USSR TO WORK TOGETHER IN AREAS OF MUTUAL INTEREST TO KEEP THE PEACE. IN THIS CONNECTION, HE THOUGHT IT WOULD BE VERY IMPORTANT IF US AND USSR COULD AGREE ON SOMETHING IN THE WAY OF A UNGA RESOLUTION DEALING WITH DIFFICULT ME PROBLEMS.

8. ASKING THAT NO ATTRIBUTION OF IDEA TO HIM BE MADE, HE URGED BRESHNEV BE INVITED TO US TO MEET WITH PRESIDENT JOHNSON.

PAGE FIVE RUFHGV 109 ~~CONFIDENTIAL~~

BRESHNEV, HE INDICATED, WAS THE MAN WHO REALLY NEEDED CONVINCING ON THE VALUE OF CLOSER US-SOVIET RELATIONS. GP-3. TUBBY

~~CONFIDENTIAL~~

**CONFIDENTIAL**

*Pres file*

Wednesday, July 12, 1967  
11:05 a. m.

Mr. President:

This is hopeful -- if true.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By Ag, NARA, Date 7-1-91

INCOMING TELEGRAM *Department of State*

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~~CONFIDENTIAL~~

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*Retow*

IN RUNDOWN ON POMPIDOU VISIT, FRENCH TELL US PODGORNYY SUPPLIED  
DETAIL ACCOUNT HIS VISIT TO UAR WHICH HE DESCRIBED AS "CALMING  
MISSION." SAID HE FOUND NASSER "MORE REASONABLE" AND PREPARED  
ACCEPT VIABLE SOLUTION ME CRISIS. PODGORNYY ALLEGEDLY INSISTED  
SOLUTION MUST INCLUDE RECOGNITION EXISTENCE OF ISRAEL. FRENCH  
ALSO SAID THERE APPEARED TO BE COMPLETE SOLIDARITY AMONG BREZHNEV,  
KOSYGIN AND PODGORNYY ESPECIALLY ON ME ISSUE.

GP-3. THOMPSON  
BT

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

~~CONFIDENTIAL~~

~~TOP SECRET TRINE~~

Wednesday  
July 12, 1967 -- 11:00 a.m.

*Pres. file*

Mr. President:

This report will interest you:

-- UAR fighter strength in numbers (not operational squadrons) is about rebuilt;

-- the USSR has not rebuilt bomber force, which is good sign;

-- tank force and units about half pre-war strength.

There is some evidence Soviets blame their advisers for their mis-judgment of UAR.

W. W. Rostow

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ/RAC 00-210  
By ms, NARA, Date 5-1-03

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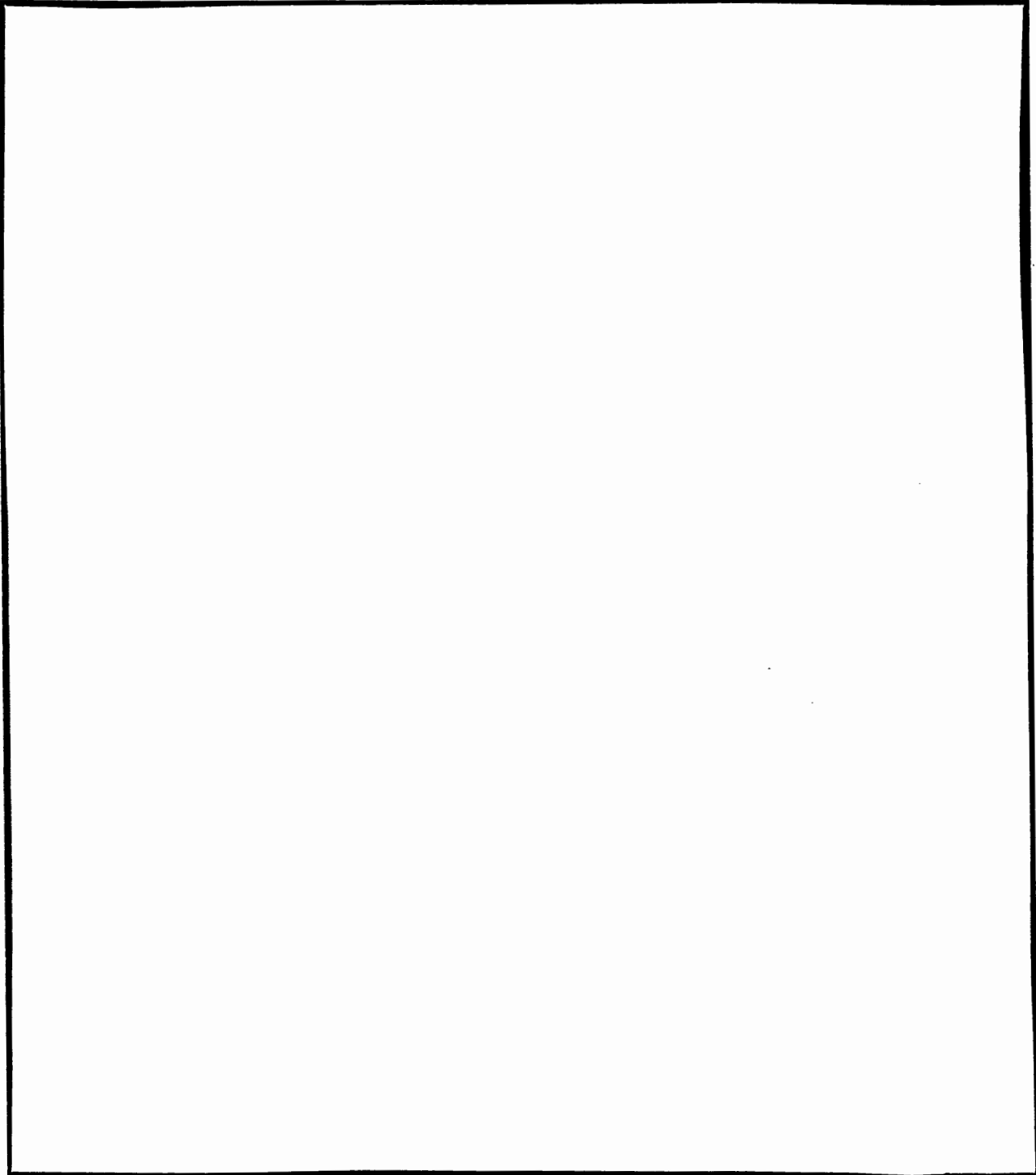
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DIA-25x6



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By JCS/NARA, Date 5-6-02

(Continued)

12 Jul 67

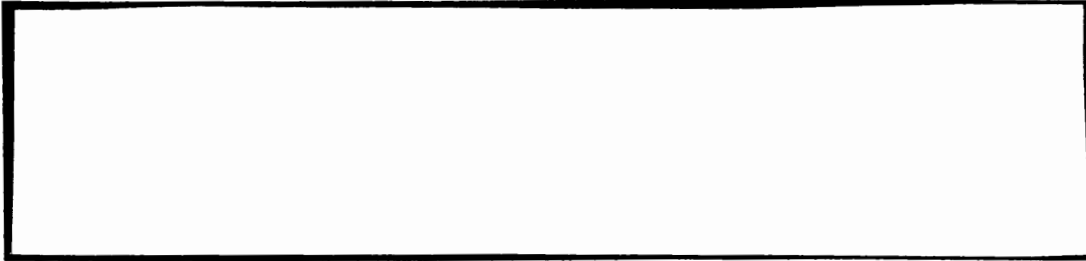
DIA Intelligence Summary

Page C-4

~~TOP SECRET TRINE~~

No Objection To Declassification 2001/08/09 : NLJ-141-021-4-2-9

DIA-25x1



Soviet Technical Advisers Share Blame in Arab Defeat

DIA-25x1N

The USSR believes that its technical advisers to the UAR were largely responsible for the outcome of the war with Israel, [REDACTED]

DIA-25x1N

Eager for promotion, the advisers submitted glowing reports on the progress and status of the Arab military forces, while in reality they had no real contact with field soldiers and did not appreciate that they were untrained and unskilled. [REDACTED] claimed that had the truth been known in Moscow, the war might not have occurred, there would not have been staggering losses of Soviet materiel, and US intelligence would not have been able to examine captured Soviet equipment. He said the advisers had been recalled and would be courtmartialed for their misconduct.

DIA-25x1N

[REDACTED] considered it essential that a close relationship be established between Arab military units and Soviet technical experts in order to build a new and effective force. This would also allow the advisers to ensure that the Arabs gained a greater understanding of their responsibilities as fighting men and their need to make sacrifices for their nations and their cause. They had not yet "learned to fight to the last man instead of turning and running." (~~SECRET~~ NO FOREIGN DISSEM)

12 Jul 67

DIA Intelligence Summary

Page C-5

~~TOP SECRET TRINE~~

ASSESSMENT OF UAR AND SYRIAN  
AIRCRAFT AND TANK HOLDINGS

	BEFORE/AFTER HOSTILITIES			RESUPPLY AS OF 11 JULY			CURRENT TOTALS		
	FIGHTERS	BOMBERS	TANKS	FIGHTERS	BOMBERS	TANKS	FIGHTERS	BOMBERS	TANKS
UAR	358/128	70/14	1,007 / 460	116 *	8 **	***	244	22	632
SYRIA	58/32	4/2	482/382-432	UNK.	UNK.	UNK.	32	2	382-432

\* AS MANY AS 100 AIRCRAFT BY SOVIET AIRLIFT AND 16 BY SHIP.  
 \*\* 8 FROM ALGERIA.  
 \*\*\* 63 FROM ALGERIA, 109 DELIVERED FROM USSR BY SHIP.



12 July 67

~~TOP SECRET TRINE~~  
NO FOREIGN DISSEM

DECLASSIFIED  
 Authority PLS. 141.021.004/2  
 By J NARA. Date 5-6-02

606

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

Wednesday, July 12, 1967 -- 11:00 AM

61  
Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Congo Situation Report

1. Our C-130's flew two missions yesterday, dropping ammunition and supplies to Congolese forces.
2. At 10:00 A.M. <sup>today</sup>, our time, a C-130 left Kinshasa on the first of the humanitarian missions you discussed with Secretary Rusk. This one is carrying 6 tons of AID foodstuffs to Bukavu. It will stop at racially-tense Lubumbashi (formerly Elizabethville) on the way back to buck up the frightened white community. Other such missions are in the works.
3. The situation in Kisangani (formerly Stanleyville) remains unchanged. We have been wracking our brains to think of a way to start negotiations with the mercenaries to free the hostages. The present plan is to send a clearly-marked Red Cross plane, flown by Swiss Red Cross personnel who have been designated International Red Cross representatives. The plane would approach Kisangani, try to raise the mercenaries on the radio and proceed to land whether or not the mercenaries had given their clearance. We have ICRC authorization, and the mission will probably be flown tomorrow.
4. The Red Cross mission will use a non-U.S. plane. If it works, however, we can expect a request to use the larger U.S. aircraft to make the actual evacuations.
5. We have a third-hand report this morning that the mercenaries may be trying to get word to us that they would allow an evacuation of the hostages. This is only a fragmentary report of a Congolese contact with an unidentified aircraft which had passed over Kisangani. However, we will follow it up.
6. We may get trouble on the Hill today because of an A.P. ticker item this morning (A.P. -3) quoting the Congolese Minister of the Interior that there have been instances of Congolese cannibalism of whites in Lubumbashi. This is the Minister who Mobutu has sent on a grand tour of the Congo to quiet down racial fears. It is most unlikely that he would have said this, particularly since we have no indication from our excellent consul in Lubumbashi that any such thing has occurred. The Congolese Embassy in Paris has already issued a denial that the Minister said anything of the kind. We have sent a flash inquiry to our people in the places involved.

~~CONFIDENTIAL~~

DECLASSIFIED

Authority State Ex 3-19-79, NSC 6-20-79

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

CONFIDENTIAL

- 2 -

7. Our best guess is that what the Minister of the Interior really did was to refer to the bayoneting of 8 Europeans last week. That incident is known to the press, and things have been pretty quiet in Lubumbashi ~~every~~ since. Of course, neither of these fine points will keep our brethren on the Hill from using this news against us.
  
8. The list of other countries helping Mobutu is growing slowly. Ethiopia has promised some jet fighters; Ghana will send pilots and crews; and Guinea has offered to send 12 MIGs. Mobutu is wrestling with the Guinean offer because of Sekou Toure's strong leftward leanings and possible trouble with the other Africans if he accepts.

*Walt* Rostow

CONFIDENTIAL

Wednesday, July 12, 1967  
10:45 a. m.

MR. PRESIDENT:

Sect. Rusk may wish to raise two additional items at lunch:

-- Soviet cancellation of major cultural event  
in the U. S. , on grounds of Middle East crisis.

-- Should we send Gov. Harriman on tour of:  
Pakistan, Iran, Tunisia, Morocco, Yugoslavia --  
possibly Saudi Arabia and Jordan, if acceptable to  
Faisal and Hussein. He would like to do it. It could  
do good. It is unlikely to do harm.

W. W. R.

~~TOP SECRET~~

Wednesday, July 12, 1967  
8:50 p.m.

*Pres file*

Mr. President:

Herewith the Komer and Locke back-channel cables reduced to action propositions, which you may wish to keep handy as a private checklist.

W. W. Rostow

~~TOP SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By mg, NARA, Date 7-1-96

639

~~TOP SECRET~~

ACTIONS RECOMMENDED BY BOB KOMER

1. Continue bombing North Vietnam, i. e. , hold off until Fall any bombing pause or a cutback to 20°.
2. Authorize up to brigade-size raids by South Vietnamese forces on infiltration routes inside Laos.
3. Give additional U. S. forces to General Westmoreland.
4. Keep heat on to revamp South Vietnamese Armed Forces.
5. Weigh in heavily and publicly with Thieu and Ky for clean elections.
6. Continue sizable and growing investment in pacification.
7. Instruct U. S. military to:
  - a. produce up-to-date estimate of enemy strength
  - b. stop building up enemy in order to justify more troops.

~~TOP SECRET~~

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

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 92-224

By ju, NARA, Date 8-13-92

~~TOP SECRET~~

ACTIONS RECOMMENDED BY AMBASSADOR LOCKE

A. Military

1. Prevent infiltration of enemy forces through Laos
  - a. use South Vietnamese batallions in Laos and build strong points or other feasible barriers;
  - b. intensify and expand bombing in Laos
  - c. intensify and expand bombing of selected targets in North Vietnam.
  - d. maximize use of new weapons (bombs, mines and detection devices)
  - e. expedite search for technical aids to night fighting.
  - f. experiment with chemical techniques to destroy permanently roads and pathways.
2. Avoid mining Haiphong harbor but consider bombing warehouses at the port and blocking the harbor by sinking a ship in the channel.
3. Encourage reorganization of South Vietnam security forces to increase their effectiveness in providing the security necessary for the new pacification program.
4. Much greater use of U. S. military leadership in Vietnamese regional and Popular Force units including integration of some U. S. and Vietnamese units.
5. Use South Vietnamese regular troops in combat missions with U. S. troops as much as possible.
6. Provide adequate U. S. supporting personnel and equipment to an enlarged Vietnamese Navy which would expand its river operations in the Delta.

~~TOP SECRET~~

B. Pacification

1. Encourage and support new programs to identify and destroy the Viet Cong organization in South Vietnam.
2. Regain U. S. control of the use by the South Vietnamese Government of counterpart funds to reduce corruption and give U. S. leverage to accomplish changes in existing Vietnamese village and province programs.

C. Political-Economic

1. Encourage Thieu and Ky to reach an understanding which will keep them together before and after the elections, if they win.
2. Make clear that free elections are essential to present and future political stability.
3. Find a way for General Westmoreland to relieve some of his present logistic soldiers for combat duty so that he can obtain combat soldiers he needs with minimum new U. S. troops.
4. Ensure that South Vietnamese do their part in mobilizing their manpower.
5. Increase meetings between ranking U. S. and South Vietnamese leaders.
6. After the South Vietnamese election, encourage the new leaders to initiate political discussions with members of the National Liberation Front.

to  
sent July 14

WWR  
64  
L. ...  
2. Pres. file

Wednesday, July 12, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Extension of Nuclear Energy Agreement with South Africa

The Department of State is now prepared to execute the proposed subject Agreement between this Government and the Republic of South Africa. As required by the Atomic Energy Act, the Department requests your formal authorization to sign the Agreement, which you informally approved last Monday. As soon as the Agreement has been signed it will be placed before the Joint Committee on Atomic Energy on or before July 15 in order to meet the 30 day "lying in" period required by law.

I recommend that you sign the attached draft letter to Dr. Seaborg.

W. W. Rostow

Letter signed ✓

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

CEJ:em

WWR

1.4a

July 14, 1967

Dear Dr. Seaborg:

In accordance with Section 123c of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has submitted to me by letter dated July 12, 1967, a proposed amendment to the "Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of South Africa Concerning Civil Uses of Atomic Energy" and has recommended that I approve the proposed amendment, determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution.

Persuant to the provisions of 123c of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

- (a) approve the proposed amendment and determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security of the United States of America;
- (b) authorize the execution of the proposed amendment on behalf of the Government of the United States of America by appropriate authorities of the Department of State and the Atomic Energy Commission.

Sincerely,

(s) Lyndon B. Johnson

The Honorable Glenn T. Seaborg  
U. S. Atomic Energy Commission  
Washington, D. C.

LBJ:CEJ:em  
cc: >WWRostow



64b

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

JUL 12 1967

Dear Mr. President:

The Atomic Energy Commission recommends that you approve the enclosed proposed amendment to the "Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of South Africa Concerning Civil Uses of Atomic Energy", determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The proposed amendment, which has been negotiated by the Department of State and the Atomic Energy Commission pursuant to the Atomic Energy Act of 1954, as amended, would extend the Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of South Africa which was signed at Washington on July 8, 1957, as amended by the Agreement signed on June 12, 1962.

The primary purpose of the proposed amendment is to provide for the continuation of the cooperation which has taken place between the United States and South Africa under the Agreement for Cooperation which will expire August 21, 1967. The proposed amendment would extend the Agreement for Cooperation for ten years, through August 21, 1977. The amendment would also implement provisions of the Atomic Energy Act of 1954, which were added by recent legislation, respecting enrichment services and ownership of special nuclear material, as well as incorporate modifications of provisions respecting fuel supply which are currently employed in our Agreements for Cooperation.

Consistent with the "Private Ownership" legislation of 1964, Article III of the amendment would permit arrangements to be made between either Party or authorized persons under its jurisdiction and authorized persons under the jurisdiction of the other for transfers of

special nuclear material. Such arrangements would be in addition to the government-to-government transactions currently allowed and would be subject to the ceiling limit of 500 kilograms of U-235 in enriched uranium which may be transferred to South Africa under the agreement.

The amendment would continue the current 500-kilogram ceiling on the quantity of U-235 which could be transferred to South Africa for purposes specified in the agreement. Under Article IV of the proposed amendment, it is envisaged that quantities of enriched uranium will be transferred for use as fuel in defined research applications; quantities for use in any agreed future power program in South Africa could be transferred, although South Africa has not yet formulated a nuclear power program. All such transfers would be subject to the 500-kilogram ceiling.

Pursuant to proposed Article IV, the basic method, particularly for power uses, for the supply of enriched uranium to which there would be a transfer of title would, after December 31, 1968, be through uranium enrichment services. Sale would continue to be possible under the proposed amendment at the election of the Commission. In addition, the Commission would be able, at its discretion, to make available to the Government of South Africa uranium enriched to more than twenty percent in the isotope U-235 when there is an economic or technical justification for such a transfer. In keeping with stated Commission policy, Article IV also includes language which assures the comparability of domestic and foreign prices for enriched uranium and enrichment services performed, as well as of the advance notice required for delivery.

The "peaceful uses" guarantee given by South Africa in Article XI of the agreement would be modified by Article VI of the proposed amendment to clarify the intention that the guarantee covers produced special nuclear material.

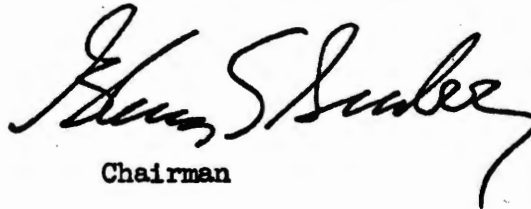
United States' safeguards rights on materials and facilities subject to safeguards under the present agreement would remain suspended as long as safeguards responsibilities are exercised by the International Atomic Energy Agency under the trilateral arrangement which came into force on October 8, 1965, as such arrangement may be amended or supplanted by agreement of the Parties. Should this arrangement be terminated and the Parties fail to agree on resumption of Agency safeguards, either Party could terminate the Agreement for Cooperation under the provisions of proposed Article VII of the amendment.

The President

- 3 -

Following your approval, determination, and authorization, the proposed amendment will be formally executed by appropriate authorities of the Government of the United States of America and the Government of the Republic of South Africa. In compliance with Section 123c of the Atomic Energy Act of 1954, as amended, the amendment will then be submitted to the Joint Committee on Atomic Energy.

Respectfully yours,

A handwritten signature in cursive script, appearing to read "Henry S. Harkness".

Chairman

The President  
The White House

Enclosure:

Proposed Amendment to the Agreement for  
Cooperation Between the Government of  
the United States of America and the  
Government of the Republic of South  
Africa

64c

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA  
CONCERNING THE CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the  
Government of the Republic of South Africa,

Desiring to amend the Agreement for Cooperation Between the  
Government of the United States of America and the Government of  
the Republic of South Africa Concerning the Civil Uses of Atomic  
Energy signed at Washington on July 8, 1957 (hereinafter referred  
to as the "Agreement for Cooperation"), as amended by the Agreement  
signed at Washington on June 12, 1962,

Agree as follows:

## ARTICLE I

Article II of the Agreement for Cooperation is amended by deleting the word "ten" and substituting in lieu thereof the word "twenty".

## ARTICLE II

Paragraph A of Article VI of the Agreement for Cooperation, as amended, is amended to read as follows:

"A. Materials of interest in connection with the subjects of agreed exchange of information, as provided in Article IV and subject to the provisions of Article III, including source material, by-product materials, other radioisotopes, stable isotopes, and special nuclear material for purposes other than fueling reactors and reactor experiments may be transferred between the Parties for defined applications in such quantities and under such terms and conditions as may be agreed when such materials are not commercially available."

## ARTICLE III

Article VII of the Agreement for Cooperation, as amended, is amended to read as follows:

"A. With respect to the application of atomic energy to peaceful uses, it is understood that arrangements may be made between either Party or authorized persons under its jurisdiction and authorized persons under the

jurisdiction the other Party for the transfer of materials other than special nuclear material, equipment and devices and for the performance of services.

"B. It is understood that arrangements may be made between either Party or authorized persons under its jurisdiction and authorized persons under the jurisdiction of the other Party for the transfer of special nuclear material and for the performance of services with respect thereto for the uses specified in Articles VI and VIII of this Agreement and subject to the limitations of Article IX of this Agreement.

"C. The Parties agree that the activities referred to in paragraphs A and B of this Article shall be subject to the limitations in Article III and to the policies of the Parties with regard to transactions involving the authorized persons referred to in paragraphs A and B."

#### ARTICLE IV

Article VIII of the Agreement for Cooperation, as amended, is amended to read as follows:

"A. During the period of this Agreement, the United States Commission will supply to the Government of the Republic of South Africa, under terms and conditions as the Parties may agree, and subject to the quantity limitation established in Article IX, such quantities of uranium enriched in the isotope U-235 as

may be agreed for use in a power reactor program in South Africa.

(1) The United States Commission will supply such enriched uranium by providing after December 31, 1968, for the production or enrichment, or both, in facilities owned by the Commission, of enriched uranium for the account of the Government of the Republic of South Africa.

(2) Notwithstanding the provisions of subparagraph A (1) above, if the Government of the Republic of South Africa so requests, the United States Commission, at its election, may sell the enriched uranium to the Government of the Republic of South Africa under such terms and conditions as may be agreeable to the Parties.

"B. As the Parties may agree, the United States Commission will transfer to the Government of the Republic of South Africa uranium enriched in the isotope U-235 for use as fuel in defined research applications, including research reactors, materials testing reactors and reactor experiments, subject to the quantity limitations in Article IX. The terms and conditions of each transfer shall be agreed upon by the Parties, it being understood that in the event of transfer of title of enriched uranium, the Commission shall have the option of limiting the

arrangements to undertakings such as those described in subparagraph A (1) of this Article.

"C. With respect to transfers of uranium enriched in the isotope U-235 provided for in paragraphs A and B of this Article, it is understood that:

(1) contracts specifying quantities, enrichments, delivery schedules, and other terms and conditions of supply or service will be executed on a timely basis between the United States Commission and the Government of the Republic of South Africa, and

(2) prices for uranium enriched in the isotope U-235 sold and charges for enrichment services performed and the advance notice required for delivery will be those in effect at the time of delivery for users in the United States. The United States Commission may agree to supply enriched uranium or perform enrichment services upon shorter notice, subject to assessment of such surcharge to the usual base price as the United States Commission may consider reasonable to cover abnormal production costs incurred by the United States Commission by reason of such shorter notice.

"D. It is agreed that, should the total quantity of enriched uranium which the United States Commission has agreed to provide pursuant to this and other Agreements

for Cooperation reach the maximum quantity of enriched uranium which the United States Commission has available for such purposes, and should the Government of the Republic of South Africa not have executed contracts covering the adjusted net quantity specified in Article IX, the United States Commission may request, upon appropriate notice, that the Government of the Republic of South Africa execute contracts for all or any part of such enriched uranium as is not then under contract. It is understood that, should the Government of the Republic of South Africa not execute a contract in accordance with a request by the United States Commission hereunder, the United States Commission shall be relieved of all obligations to the Government of the Republic of South Africa with respect to the enriched uranium for which such contract has been so requested.

"E. The enriched uranium supplied hereunder may contain up to twenty percent (20%) in the isotope U-235. The United States Commission, however, may make available a portion of the enriched uranium supplied hereunder as material containing more than 20% in the isotope U-235 when there is a technical or economic justification for such a transfer.

"F. With respect to all special nuclear material not owned by the Government of the United States of America produced in reactors while fueled with materials obtained

from the United States of America by means other than lease which is in excess of the need of the Government of the Republic of South Africa for such materials in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an Agreement for Cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or a group of nations in the event the option to purchase is not exercised.

"G. It is agreed that when any special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the United States Commission in either United States Commission facilities or facilities acceptable to the United States Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel elements shall not be altered after their removal from the reactor prior to delivery to the United States Commission or the

facilities acceptable to the United States Commission for reprocessing.

"H. Within the limitations contained in Article IX, the quantity of uranium enriched in the isotope U-235 transferred by the United States Commission under this Article and in the custody of the Government of the Republic of South Africa for the fueling of reactors or reactor experiments shall not at any time be in excess of the quantity thereof necessary for the loading of such reactors or reactor experiments, plus such additional quantity as, in the opinion of the Parties, is necessary for the efficient and continuous operation of such reactors or reactor experiments.

"I. Special nuclear material produced, as a result of irradiation processes, in any part of the fuel leased under this Agreement shall be for the account of the Government of the Republic of South Africa and, after reprocessing as provided in paragraph G of this Article, shall be returned to the Government of the Republic of South Africa, at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby granted, to retain, with a credit to the Government of the Republic of South Africa based on the prices in the United States of America referred to in paragraph F of this Article, any such special nuclear

material which is in excess of the needs of South Africa for such material in its program for the civil uses of atomic energy.

"J. Some atomic energy materials which the Government of the Republic of South Africa may request the United States Commission to provide in accordance with this Agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of the Republic of South Africa, the Government of the Republic of South Africa shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear material or fuel elements which the United States Commission may lease pursuant to this Agreement to the Government of the Republic of South Africa or to any private individual or private organization under its jurisdiction, the Government of the Republic of South Africa shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear material or fuel elements after delivery by the Commission to

the Government of the Republic of South Africa or to any private individual or private organization under its jurisdiction."

#### ARTICLE V

Article IX of the Agreement for Cooperation is deleted and the following new Article inserted in lieu thereof:

"The adjusted net quantity of U-235 in enriched uranium transferred from the United States of America to the Republic of South Africa under Articles VI, VII, or VIII during the period of this Agreement for Cooperation shall not exceed in the aggregate 500 kilograms. The following method of computation shall be used in calculating transfers, within the ceiling quantity of 500 kilograms of U-235, made under said Articles:

From:

- (1) the quantity of U-235 contained in enriched uranium transferred under said Articles, minus
- (2) the quantity of U-235 contained in an equal quantity of uranium of normal isotopic assay,

Subtract:

- (3) the aggregate of the quantities of U-235 contained in recoverable uranium of United States origin either transferred to the United States of America or to any other nation or

Group of nations with the approval of the Government of the United States of America pursuant to this Agreement, minus

- (4) the quantity of U-235 contained in an equal quantity of uranium of normal isotopic assay."

#### ARTICLE VI

Article XI of the Agreement for Cooperation, as amended, is amended to read as follows:

"The Government of the Republic of South Africa guarantees that:

- (1) Safeguards provided in Article X shall be maintained.

- (2) No material, including equipment and devices, transferred to the Government of the Republic of South Africa or authorized persons under its jurisdiction by purchase or otherwise pursuant to this Agreement and no special nuclear material produced through the use of such material, equipment and devices, will be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose.

- (3) No material, including equipment and devices, transferred to the Government of the Republic of South Africa or authorized persons under its jurisdiction pursuant to this Agreement

and no special nuclear material produced through the use of such material, equipment, or devices, will be transferred to unauthorized persons or beyond the jurisdiction of the Government of the Republic of South Africa, except as the United States Commission may agree to such a transfer to another nation or group of nations, and then only if, in the opinion of the United States Commission, the transfer of the material is within the scope of an Agreement for Cooperation between the Government of the United States of America and the other nation or group of nations."

#### ARTICLE VII

Article XII of the Agreement for Cooperation, as amended, is amended to read as follows:

"A. The Government of the United States of America and the Government of the Republic of South Africa note that, by an agreement signed by them and the International Atomic Energy Agency on February 26, 1965, the Agency has been applying safeguards to materials, equipment and facilities transferred to the Government of the Republic of South Africa under this Agreement for Cooperation. The Parties agree that Agency safeguards shall continue to apply to such materials, equipment and facilities as provided in the trilateral agreement, as it may be amended from time to time or supplanted by a new trilateral agreement,

recognizing that the safeguards rights accorded to the United States by Article X of this Agreement are suspended during the time and to the extent that Agency safeguards apply to such materials, equipment and facilities.

"B. In the event that the trilateral agreement referred to in paragraph A of this Article should be terminated prior to the expiration of this Agreement and the Parties should fail to agree promptly upon a resumption of Agency safeguards, either Party may, by notification, terminate this Agreement. In the event of termination by either Party, the Government of the Republic of South Africa shall, at the request of the Government of the United States of America, return to the Government of the United States of America all special nuclear material received pursuant to this Agreement and still in its possession or in the possession of persons under its jurisdiction. The Government of the United States of America will compensate the Government of the Republic of South Africa for its interest in such material so returned at the United States Commission's schedule of prices then in effect domestically."

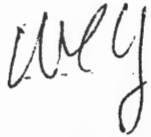
## ARTICLE VIII

This Amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation, as hereby amended.

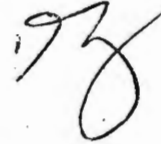
IN WITNESS WHEREOF, the undersigned, duly authorized,  
have signed this Amendment.

DONE at Washington, in duplicate, this \_\_\_\_\_ day  
of \_\_\_\_\_, 1967. .

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:



William L. Yeomans  
Assistant Director,  
Agreements and Liaison,  
Division of International Affairs,  
U.S. Atomic Energy Affairs.



Donovan Q. Zook  
Director, Office of  
Atomic Energy Affairs,  
International Scientific  
and Technological Affairs,  
Department of State.

FOR THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA:



His Excellency H. L. T. Taswell  
Ambassador E. and P.,  
Embassy of South Africa.

Initialed on July 12, 1967.

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

Wednesday, July 12, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Presidential Determination on Military Aid to Indonesia

AID (Administrator Gaud) recommends that you sign the attached determination which would authorize the furnishing of \$5 million in defense equipment to Indonesia.

The determination is required under the Foreign Assistance Act (Section 506) for any grant of more than \$3 million in any year to any country.

In FY 1967, you approved \$2.4 million in equipment and services to Indonesia. Almost all the proposed FY 1968 program would go into engineering and construction equipment for the Indonesian Army's civic action program. As you know, this has high priority with General Suharto and the Indonesian leadership.

In addition to the \$5 million in equipment, \$1 million will be used for training and supply operations. But a determination is needed only for the equipment.

State and Defense concur in this recommendation as does the Bureau of the Budget (Director Schultze). I agree with the recommendation.

AID reports that the Congressional leadership and appropriate committee chairmen have been informed that the \$6 million program of military assistance to Indonesia was contemplated. No opposition was encountered.

W. W. Rostow

Determination signed ✓ 7/12/67  
Disapproved \_\_\_\_\_  
See me \_\_\_\_\_

~~SECRET~~

~~SECRET~~

65a

THE WHITE HOUSE

WASHINGTON

Presidential Determination  
No. 68-2

MEMORANDUM FOR THE ADMINISTRATOR  
AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT: Determinations and Authorization under Section 506(b) and 614(a) of the Foreign Assistance Act of 1961, as Amended, Permitting the Furnishing of Defense Articles to Indonesia on a Grant Basis

In accordance with the recommendation in your memorandum of June 26, 1967, I hereby:

(a) determine, pursuant to Section 506(b) of the Foreign Assistance Act of 1961, as amended (hereinafter referred to as "the Act"), (1) that Indonesia conforms to the purposes and principles of the Charter of the United Nations, (2) that such defense articles as may be granted to Indonesia will be utilized by that country for the maintenance of its own defensive strength, (3) that Indonesia is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities, and (4) that the increased ability of Indonesia to defend itself is important to the security of the United States;

(b) determine, pursuant to Section 614(a) of the Act, that authorization of the use of up to \$5 million of funds available for military assistance for the grant of defense articles to Indonesia without regard to the requirement of Section 506(b)(2) (second clause) of the Act is important to the security of the United States; and

(c) authorize, pursuant to Section 614(a) of the Act, such use of up to \$5 million for the grant of defense articles to Indonesia without regard to the requirement of Section 506(b)(2) (second clause) of the Act.

Pursuant to Section 634(d) of the Act, you are requested, on my behalf, to report these actions to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.

GROUP 4  
Downgraded at 3 year  
intervals; declassified  
after 12 years

DECLASSIFIED

Authority Group 4  
By rg, NARA, Date 7-11-91

~~SECRET~~

~~SECRET~~

GROUP 3  
DOWNGRADED AT 12-YEAR INTERVALS;  
AUTOMATICALLY DECLASSIFIED

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

65 b

JUL 7 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Determination Permitting the Furnishing of  
Military Assistance Grant Defense Articles  
to Indonesia in FY 1968

Bill Gaud proposes a determination for your signature to permit the furnishing of grant defense equipment to Indonesia in FY 1968. The \$6 million program he proposes was included in the FY 1968 budget which you presented to Congress.

In FY 1967, you determined that it was in the national interest to resume military assistance to Indonesia, and we furnished \$2.4 million in equipment and services. Since the FY 1968 program includes more than \$3 million of defense equipment, you must now determine that it meets the requirements of Section 506 of the Foreign Assistance Act. The attached determination also waives the finding that defense equipment will be used to bolster the "defensive strength of the free world." Our policy supports Indonesian non-alignment.

The FY 1968 program to Indonesia is for civic action engineering equipment and training for the Indonesian Armed Forces. The civic action program will assist the Government's economic rehabilitation efforts, and, at the same time, strengthen the engineer capability of the Indonesian Army.

The furnishing of a modest amount of military assistance to Indonesia is in our national interest. Indonesia has resumed its membership in the United Nations and has ended its confrontation against Malaysia. In addition, it has

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-223

By     , NARA, Date 11-23-93

~~SECRET~~

~~SECRET~~

2

demonstrated a desire to resume cooperative relations with its neighbors and the United States and it has indicated a willingness to meet its international financial obligations.

I recommend you sign the attached determination. Walt Rostow concurs.

*Charles L. Schultze*  
Charles L. Schultze  
Director.

Attachments

~~SECRET~~

~~SECRET~~

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington 25, D. C.

65c

JUN 26 1967

OFFICE OF  
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Determinations and Authorization under Sections 506(b) and 614(a) of the Foreign Assistance Act of 1961, as amended, permitting the furnishing of defense articles to Indonesia on a grant basis.

I recommend that you sign the attached determination and authorization permitting the furnishing of \$5 million in defense articles to Indonesia during FY 1968 as part of a \$6 million grant military assistance program.

Before grant defense articles in excess of \$3 million may be furnished to any country in any fiscal year, Section 506(b) of the Foreign Assistance Act of 1961, as amended, requires that you determine that:

- (1) such country conforms to the purposes and principles of the Charter of the United Nations;
- (2) the defense articles will be utilized by such country to maintain its own defensive strength and the defensive strength of the Free World;
- (3) such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and
- (4) the increased ability of such country to defend itself is important to the security of the United States.

The attached determination and authorization waive with respect to Indonesia the second requirement of paragraph (2) that defense articles provided will be utilized for the defensive strength of the Free World; and determines that Indonesia meets all the other requirements of Section 506(b).

Group 1  
Downgraded at 3 year  
intervals; declassified  
after 12 years

~~SECRET~~

DECLASSIFIED  
Authority Group 4  
By M, NARA, Date 7-1-91

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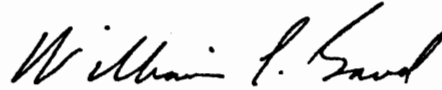
- 2 -

Discussion

Indonesia has resumed membership in the United Nations, ended its confrontation against Malaysia, and demonstrated that it wishes to resume friendly and cooperative relations with its other neighbors and with the West. The present Indonesian Government is engaged in a courageous effort to stabilize and rehabilitate the nation's economy. The civic action program of the Indonesian Armed Forces which our military assistance program will support will contribute to this effort. By helping the present Government to build support among the Indonesian people for its moderate domestic and foreign policies, it will also contribute to the country's internal security. The defense articles proposed under the FY 1968 MAP are of a non-combat nature and will be used in the Government's economic rehabilitation efforts while strengthening the engineer capabilities of the Indonesian Army. Assisting the Army-led Indonesian Government to build political and economic stability in this large and potentially powerful nation is important to the security of the United States. Indonesia is not, however, aligned with the Free World by any defense agreements; nor is it considered in the U. S. interest to require such an alignment.

The Congress has already been informed that a \$6 million FY 1968 grant military assistance program for Indonesia in support of its civic action activities is currently contemplated, of which \$5 million will be defense articles.

The Departments of State and Defense concur in this recommendation.



William S. Gaud

Enclosure:  
Proposed Determination  
Background Annexes 1 and 2

~~SECRET~~

Annex I: Justification of Military Assistance to Indonesia

Until September 30, 1965, Indonesia was moving toward an alliance with Communist China and the Indonesian Communist Party (PKI) seemed destined eventually to take over political control of Indonesia. The Indonesian Army, on which the United States had based its hopes for avoiding a Communist takeover, appeared unable to prevent President Sukarno from moving the nation into the Communist camp. On October 1, 1965, the Communist Party, with Sukarno's acquiescence if not complicity, made a bid for power by instigating the arrest and murder of the top command of the Indonesian Army. By a narrow margin, the Army under the leadership of Generals Suharto and Nasution was able to rally its forces and crush the attempted PKI coup and thereafter to eliminate the Communist Party as an effective political organization. The task of isolating Sukarno from the political scene took longer, however, and was not finally accomplished until March 1967, when General Suharto was appointed by the Assembly to be Acting President.

Once the Indonesian Army assumed de facto control of the government in March 1966, it took steps to reverse Sukarno's anti-Western and pro-Communist foreign policy. It also began the enormous task of rehabilitating a national economy which had been near bankruptcy for several years. The confrontation with Malaysia was officially terminated in August 1966. Indonesia applied for and was granted readmission to the United Nations in October 1966. In December 1966 Indonesia's creditor nations met in Paris to work out an arrangement to reschedule the large Indonesian debt to foreign governments and debts insured by foreign governments in return for assurances that the new government would pursue sound economic and financial policies at home. The United States participated in these arrangements, and has also agreed to provide economic assistance to the Army-led government.

The sum of \$6 million is planned for the FY 1968 Military Assistance Program for materiel and services for Indonesia of which \$5 million are for defense articles. It is in the U. S. interest to encourage the Indonesian military to follow moderate and responsible foreign and domestic policies by providing a modest amount of military assistance. The proposed assistance will be in support of the Indonesian Armed Forces participation in the Indonesian Government's civic rehabilitation program while at the same time providing engineer units with equipment and experience to improve their military capabilities. In FY 1967 \$ 2 million, primarily spare parts, will be delivered to the Indonesian Army. In addition, the FY 1967 Military Assistance Program includes \$.4 for training Indonesian military personnel in the United States, principally in civic action related courses.

GROUP 4  
Downgraded at 3 year  
intervals; declassified  
after 12 years

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DECLASSIFIED  
Authority Group 4  
By NS, NARA, Date 7-11-91

~~SECRET~~

- 2 -

The FY 1968 Military Assistance Program for Indonesia as presented to Congress envisages the following general categories, all of which would be of non-combat nature and primarily in support of civic action activities of the Indonesian Armed Forces:

A. Defense articles	\$4.7
1. Major items (\$.9) e.g., trucks, trailers, earth moving equipment, and one C-47 aircraft.	
2. Spare parts (\$1.3) e.g., for earth moving, construction, and communications equipment, and for trucks and light aircraft, most of which were furnished under previous military assistance programs.	
3. Other articles (\$2.5) e.g., portable bridges, rock crushers, concrete mixers, chain saws and portable saw mills, hand tools, and construction supplies.	
B. Defense Services	\$ .7
1. Training (\$.6) primarily in functions related to civic action	
2. Other services (\$.1)	
C. Supply Operations	<u>\$ .6</u>
TOTAL	\$6.0

~~SECRET~~

ANNEX II - Legal Appendix

The eligibility of Indonesia for grant military assistance depends upon several provisions of the Foreign Assistance Act of 1961, as amended ("the Act").

Section 506

Section 506(a) of the Act requires the agreement of Indonesia to four undertakings relating to defense articles to be furnished. This requirement has been met by the military assistance agreement effected by an exchange of notes on April 14, 1967.

Section 506(b) of the Act requires, with respect to grants of defense articles valued in excess of \$3 million to any country in any fiscal year, that certain determinations be made. The President is being asked to determine: (1) that Indonesia conforms to the purposes and principles of the UN Charter; (2) that Indonesia will utilize the defense articles to be granted for the maintenance of its own defensive strength; (3) that Indonesia is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and (4) that the increased ability of Indonesia to defend itself is important to the security of the United States.

One determination required by Section 506(b) of the Act, however, does not appear to be justified in the case of Indonesia. This is the determination that defense articles furnished would be utilized for the defensive strength of the Free World. We have no assurance from Indonesia that the articles will be so utilized. The President does have authority to permit the furnishing of military assistance without regard to this requirement when he determines that it is important to the security of the United States to do so. This waiver authority is found in Section 614(a) of the Act, and the President is being asked to make the necessary determination and authorization.

Section 504(a)

Section 504(a) of the Act prohibits the furnishing of grant military assistance other than training in the United States to more than forty countries in any fiscal year. Indonesia is one of the countries for which such grant military assistance has been programmed in FY 1968 and the total number of countries so programmed does not exceed forty.

Section 620(j)

Section 620(j) of the Act precludes the furnishing of assistance to Indonesia unless the President determines that such assistance is essential to the national interest of the United States. Presidential Determination No. 67-5

GROUP 4  
Downgraded at 3 year  
intervals; declassified  
after 12 years

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DECLASSIFIED  
Authority: Group 4  
By: rg, NARA, Date: 7-11-91

~~SECRET~~

- 2 -

of September 1, 1966, satisfied this requirement of the Act, and that determination was not by its terms limited to FY 1967 or to the assistance then contemplated. Legislation now pending before Congress would repeal this requirement of the Act, and it may no longer be applicable when the presently proposed assistance is delivered. In the event that the requirement is still applicable, the President can be assured that his determination No. 67-5 is considered to extend to the present assistance.

Section 620(c) and (e)

These two sections preclude assistance if a country is in default on debts to United States nationals or has expropriated property of such nationals and has failed to take appropriate measures toward compensation or other relief. In view of Indonesia's very difficult economic situation, there are a number of potential problems under these two provisions. At this time, however, there are no cases known to have reached a stage which would preclude the initiation of the proposed military assistance. This matter is being kept under careful observation.

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GROUP 4  
Downgraded at 3 year  
intervals; declassified  
after 12 years

66

Wednesday, July 12, 1967

*Pres. file*

MEMORANDUM FOR THE PRESIDENT

Mr. President:

Attached is the daily situation report  
on Vietnamese politics.

W. W. Rostow

Att.

~~CONFIDENTIAL~~ - LIMDIS Attachment

66a

~~CONFIDENTIAL~~ - LIMDIS

Situation Report on Viet-Nam

July 12, 1967

New Developments

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

Another prominent presidential candidate, Ha Thuc Ky, has privately expressed his opposition to Big Minh's return to Viet-Nam as a serious threat to military unity and an opportunity for the militant Buddhists to foment disorder. Ky doubted that Minh would be a serious threat at the polls. He said neither the Directorate nor the Assembly wanted to bear responsibility for rejecting Minh's candidacy, and foresaw the possibility that the Assembly would accept Minh's candidacy leaving the question of his return up to the Directorate. In another conversation with an Embassy officer, IV Corps commander Manh reiterated his opposition to Minh's return, but clearly implied concern for Minh's popular support in the Delta.

Presidential candidate Ha Thuc Ky also expressed to an Embassy officer the belief that peace candidate Thanh had extreme leftist connections. However, he felt that Thanh's candidacy would further split the Southern vote, a favorable development for him. Ky also echoed the view of other candidates that Ky would not whole-heartedly support Thieu's campaign.

~~CONFIDENTIAL~~ - LIMDIS

National Police Chief Loan, a chief organizer of Ky's earlier campaign and chief target of charges of unfair electoral practices, has told a Mission officer that from now on he will have nothing to do with politics. Loan claimed that he was making good progress in persuading Big Minh not to return to Viet-Nam prior to the elections until two additional generals arrived in Bangkok and "completely messed up the situation". Loan also asserted that the Thieu-Ky ticket would not succeed and that Ky had made a mistake in joining it. Loan stoutly maintained that he is dedicated to maintaining political stability. The Embassy believes Loan's statements about divorcing himself from politics should be viewed most sceptically.

The Washington Post this morning reports a statement of presidential candidate Huong. The statement is interpreted as a call for peace. In it Huong implied that if elected he would propose to North Viet-Nam that nation-wide elections be held within five to ten years to let the people of Viet-Nam choose between a communist or non-communist government in a unified Viet-Nam. Huong also implied in his statement that the choice in the September elections is between a military government committed to war and a civilian government committed to seeking peace. The Post article noted that Huong's statement was permitted to be published in a local newspaper.

The National Assembly has approved the draft Lower House election law and has shifted the difficult decision of apportioning Lower House seats to the Directorate. The Embassy notes this is an "unusual abdication of responsibility", and suggests that many deputies are anxious to finish their legislative tasks and begin concentrating on their political campaigns. The Assembly has now recessed until July 17, when it will begin examining the Central Election Council's recommendations regarding presidential slates, completing this process by July 19.

Comment

We are awaiting reports on further developments on the Minh and Thanh issues, particularly any discussions that Ambassador Bunker may have had with Thieu and Ky on these matters. We believe that no specific actions are required today.

W W Rostow

67

Tuesday, July 11, 1967  
8:00 pm

1. [unclear]  
2. Press file

Mr. President:

Herewith the commentary you asked Covey Oliver to prepare on Percy Forster's report on Argentina.

I also enclose a recent CIA estimate of the Ongania Government which puts the situation in Argentina in proper perspective.

W.G.Bowdler

6<sup>ra</sup>

July 11, 1967

LIMITED OFFICIAL USE

MEMORANDUM FOR THE PRESIDENT

Subject: Comment on Percy Forster's Report  
on Argentina

It would be possible to quibble with a number of details in the enclosed article by Percy Forster for the Hearst chain on conditions in Argentina, but the picture he presents is substantially accurate, though highly colored. The administration of President Onganía has made substantial progress in improving economic conditions although we have no evidence that foreign investment on the scale Forster describes is taking place. It also is quite exaggerated to say that the press is perhaps the freest in the world. But conditions are improving and, what is more, Argentina has shown itself to be unusually cooperative with us in solving bilateral and multilateral problems.

Covey T. Oliver

Enclosure:

Article.

LIMITED OFFICIAL USE

Exempted from Automatic Decontrol

67c

~~Secret~~



# SPECIAL MEMORANDUM

BOARD OF  
NATIONAL ESTIMATES

*The New Look of the Onganía Administration*

**DECLASSIFIED**  
E.O. 12958, Sec. 3.6  
NLJ/KAC 00-199  
By CGM, NARA Date 3-26-01

~~Secret~~

28 June 1967  
No. 4-67

J (u) 67b  
FORSTER - ECONOMY

BY PERCY FORSTER

HEARST HEADLINE SERVICE SPECIAL TO (NAME OF PAPER)

BUENOS AIRES -- GENERAL JUAN CARLOS ONGANIA'S GOVERNMENT, WHICH SEIZED POWER JUST A YEAR AGO, GOT OFF TO A SLOW START, BUT WHAT IT HAS ACHIEVED IN THE PAST FOUR MONTHS IS REALLY WORTH LOOKING AT.

IN THE FIRST PLACE IT HAS STABILIZED THE VALUE OF THE PESO, REMOVED ALL CONTROLS ON EXCHANGE, AND RESTORED CONFIDENCE TO THE STOCK MARKET, WHICH HAD BEEN IN THE DOLDRUMS FOR YEARS.

IT HAS CURBED THE POWER OF THE CONFEDERATION OF ARGENTINE LABOR UNIONS WHICH, FROM THE TIME OF PERON AND UNTIL TWELVE MONTHS AGO, WAS VIRTUALLY A STATE-WITHIN-THE-STATE.

FEATHER-BEDDING AMONG LABOR HAS ALSO BEEN BROUGHT TO AN END, PARTICULARLY ON THE WATERFRONT, WITH THE RESULT THAT SURCHARGES ON FREIGHT SHIPPED TO AND FROM BUENOS AIRES HAVE NOW BEEN REMOVED BY INTERNATIONAL SHIPOWNERS' CONFERENCES.

ARGENTINA'S "SACRED COW" -- OIL RESOURCES -- HAS BEEN SLAUGHTERED BY A DECREE AUTHORIZING EXPLOITATION OF OIL FIELDS BY FOREIGN COMPANIES.

TAX EVASION, ESTIMATED TO HAVE BEEN AS HIGH AS 40 PER CENT, HAS BEEN CHECKED TO THE EXTENT THAT IT CAN BE CHECKED, AS SHOWN BY COLLECTIONS IN THE FIRST SIX MONTHS OF 1967.

BIG FOREIGN CORPORATIONS, MOST OF WHICH HAD SUSPENDED NEW INVESTMENTS IN THEIR LOCAL OPERATIONS, ARE NOW BRINGING IN ADDITIONAL CAPITAL FOR EXPANSION AT THE RATE OF MILLIONS OF DOLLARS A MONTH.

(MORE)

SHEET TWO FORSTER - ECONOMY XXX MONTH.

RUMORS OF **IMPENDING** POLITICAL UPHEAVALS, A STAPLE ITEM OF CONVERSATION FOR THE PAST **ELEVEN YEARS**, HAVE BEEN UNHEARD FOR OVER TEN MONTHS, AND, ALTHOUGH THE **GOVERNMENT** HAS INDICATED CLEARLY ITS **INTENTION** NOT TO CALL ELECTIONS IN LESS THAN TEN YEARS, NOBODY SEEMS TO BE GREATLY CONCERNED, EXCEPT, OF COURSE, THE PROFESSIONAL POLITICIANS.

AND, FINALLY, WHERE THIS BALANCE **SHEET IS CONCERNED**, GENERAL ONGANIA'S ADMINISTRATION HAS SHOWN THAT DEMOCRACY IS NOT JUST A SYSTEM OF GOVERNMENT BUT **SOMETHING** THAT LIES IN PEOPLE'S HEARTS, BECAUSE THE MANY SWEEPING CHANGES THAT HAVE BEEN BROUGHT ABOUT SINCE JUNE 29, 1966 HAVE BEEN MADE WITHOUT THE SLIGHTEST **INTERFERENCE** WITH CITIZENS' CONSTITUTIONAL RIGHTS -- EXCEPT, OF COURSE, THE RIGHT TO CHOOSE A GOVERNING PARTY. **PEOPLE COME AND GO** AT THEIR WILL; ENGAGE FREELY IN ANY LEGITIMATE COMMERCIAL, INDUSTRIAL, OR PROFESSIONAL ACTIVITY; AND THE PRESS IS **PERHAPS** THE FREEST IN THE WORLD SINCE IT CAN CRITICIZE ADMINISTRATIVE AND OTHER POLICIES, AND EVEN INDULGE IN DEFAMATION AND **LIBEL** WITH A FAIRLY LARGE DEGREE OF IMMUNITY.

THE FOREGOING SHOULD NOT BE CONSTRUED TO MEAN THAT ONGANIA'S GOVERNMENT HAS SOLVED ALL OF THE COUNTRY'S PROBLEMS, OR THAT ARGENTINA IS ON THE ROAD TOWARDS BECOMING A MODERN UTOPIA. THERE IS STILL A LONG TRAIL TO BE TRAVERSED BEFORE THAT CAN BE SAID.

(MORE)

SHEET THREE FORSTER -- ECONOMY XXX SAID.

FOR ONE THING, IT HAS NOT SOLVED THE PROBLEM OF THE STATE-OWNED RAILROADS WHICH ARE IN A RUN-DOWN CONDITION AND STILL LOSING UPWARDS OF A MILLION DOLLARS A DAY (THE LARGEST ITEM BY FAR IN THE NATIONAL BUDGET). IT HAS MADE NO APPRECIABLE CUTS IN THE CIVIL SERVICE (ONE OFFICER TO ABOUT EVERY 34 MEMBERS OF A 21 MILLION POPULATION). INFLATION CONTINUES, ON A SLIGHTLY REDUCED SCALE, AND STRINGENT RESTRICTIONS ON BANK CREDIT ARE STILL GIVING RISE TO COMPLAINT ON THE PART OF BUSINESS.

BUT THE OVERALL PICTURE IS EXTREMELY IMPROVED COMPARED WITH A YEAR AGO.

THE ADMINISTRATION IS DOING FURTHER PLANNING FOR THE IMMEDIATE FUTURE. IT'S PLANS INCLUDE ABRIDGEMENT OF SOME OF THE DEMAGOGIC SOCIAL LAWS INTRODUCED BY PERON; INTENSIVE DEVELOPMENT OF THE GREAT PATAGONIAN WASTES; AND A PROGRAM OF IMMIGRATION ON A LARGE SCALE WHICH WILL BE LIMITED STRICTLY TO EUROPEANS.

7/4/67

Tuesday, July 11, 1967  
7:45 pm

Mr. President:

Covey Oliver reached Milton Eisenhower in the hospital in Baltimore where he is recovering from what he described as a painful but not serious operation.

Eisenhower said:

- he was willing to take the consultantship.
- He could take it only as a part time proposition.
- He would stop in to see Covey in 2-3 weeks when he is fully recovered to talk over details.

Meanwhile Covey is proceeding to:

- develop the project he wants him to undertake.
- recruit one or two good men to work with him.
- find him appropriate office space in State.

W.G. Bowdler

~~SECRET~~

Tuesday, July 11, 1967  
7:12 p. m.

Mr. President:

Herewith Chancellor Kiesinger's message to you with some limited assurance on the military budget.

The English begins at the bottom of page 2.

W. W. Rostow

~~SECRET~~

WWRostow:rlh

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Cy sent Bator

Pres file

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

69a

~~SECRET~~

GERMAN EMBASSY  
WASHINGTON, D. C.

July 11, 1967.

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By    , NARA, Date 3-13-00

My dear Mr. President:

Chancellor Kiesinger has asked me to transmit to you the following message:

"Sehr verehrter Herr Präsident!

Für Ihre Botschaft vom 9. Juli danke ich Ihnen herzlich. Ich bin mit Ihrem Vorschlag, daß wir uns am 12. und 13. September in Washington treffen, einverstanden. Ich bin aber auch gerne bereit, jedem Ihnen genehmen früheren Zeitpunkt zuzustimmen.

Obwohl mir die Verschiebung meines Besuches in Washington sehr schwer fiel, bin ich jetzt doch froh, daß ich die Zeit fand, mich in die sehr kritischen Verhandlungen über die Finanzplanung mit den Fraktionen der Regierungskoalition einzuschalten. Die Verhältnisse sind wirklich sehr schwierig, und es wird meiner Regierung die größten Anstrengungen kosten, um für die kommenden Jahre geordnete Haushalte sicherzustellen. Hinzukommt noch die große Sorge um unsere wirtschaftliche Entwicklung, die immer noch kein Nachlassen der Rezession erkennen läßt.

Ich bedauere außerordentlich, daß Meldungen lanciert worden sind, welche behaupten, daß die Entscheidungen meines Kabinetts zu einer beträchtlichen Verminderung der Truppenzahl der Bundeswehr führen müßten. Angesichts unserer schwierigen Haushaltslage waren wir zwar gezwungen, auch den Verteidigungshaushalt in unsere Überlegungen mit einzubeziehen. Welche Maßnahmen sich daraus für die Bundeswehr ergeben, steht noch nicht fest. Jeden-

-2-

The President  
The White House  
Washington, D.C.

~~SECRET~~

- 2 -

falls kann von einem Entschluß, die Mannschaftsstärke der Bundeswehr herabzusetzen, schon deshalb keine Rede sein, weil wir alle Fragen, die unsere Verpflichtungen gegenüber der Allianz betreffen, selbstverständlich vorher mit unseren Verbündeten besprechen werden. Wir werden uns bei unseren Überlegungen von der Absicht leiten lassen, vor allem die Verteidigungsstärke des Heeres zu erhalten.

Ich bin überzeugt, daß die von meinem Kabinett beschlossenen Maßnahmen zu einer Gesundung unseres Haushalts führen werden, die dann auch wieder unseren Verteidigungsanstrengungen zugute kommt. Wir haben ja auch für die Jahre ab 1969 eine zunehmende Steigerung der Aufwendungen für die Bundeswehr vorgesehen.

Ich bin davon unterrichtet worden, daß es Gerüchte gibt, welche von einer Neuorientierung der Politik der Bundesregierung in diesem Zusammenhang sprechen. Ich versichere Sie, daß daran nichts Wahres ist. Ich habe dies soeben in einem Telefongespräch Botschafter Knapstein mitgeteilt und ihn gebeten, Ihnen das auch persönlich vorzutragen.

Ich hatte Sie bei Ihrem Besuch in Bonn gebeten, daß unsere beiden Regierungen bei wichtigen, das Bündnis betreffenden Maßnahmen sich rechtzeitig und ausreichend konsultieren. Es ist daher selbstverständlich, daß ich mich selber an diesen meinen eigenen Vorschlag halten werde.

Meine Frau und ich senden Mrs. Johnson und Ihnen unsere guten Wünsche.

Mit aufrichtigen und herzlichen Grüßen

Kiesinger

Bundeskanzler der Bundesrepublik Deutschland."

In English, the message reads as follows:-

"Dear Mr. President:

I should like to thank you cordially for your message dated July 9, 1967. I agree with your proposal that we should meet

-3-

in Washington on September 12 and 13. I am, of course, prepared also to agree to any earlier date convenient to you.

It was with deepest regret that I had to postpone my visit to Washington. I am glad, now, however, that I had time to engage myself personally in the very critical negotiations on budget planning with the parties of the government coalition. The circumstances really are rather difficult and it will take the greatest efforts of my government in order to provide for balanced budgets in the coming years. In addition to this, there is great concern with regard to the development of our economy which up till now still shows no lessening of the recession.

I regret very much that there have been reports alleging that the decisions of my cabinet were bound to lead to a considerable reduction in the number of troops in the Bundeswehr. In view of our precarious budget situation we were forced to include also the defense budget in our considerations. It is not certain yet which measures will result from them with regard to the Bundeswehr. Anyhow, there can be no question of a decision already taken to reduce the troop level of the Bundeswehr - if only because we will, of course, consult in advance with our Allies on all questions which concern our obligations towards the Alliance. In our deliberations we shall be guided by the intention to maintain above all the defense capability of the Army.

I am convinced that the measures decided by my cabinet will lead to a consolidation of our budget which will then be of benefit also to our defense efforts. Furthermore, we have envisaged for the fiscal years beginning 1969 an increase in expenditures for the Bundeswehr.

I have been informed that there are rumors speaking of an alleged new orientation of the Federal Government's policy

~~SECRET~~

- 4 -

in this connection. I assure you that there is no truth in this whatsoever. I just told this to Ambassador Knappstein over the telephone and asked him to convey this to you also personally.

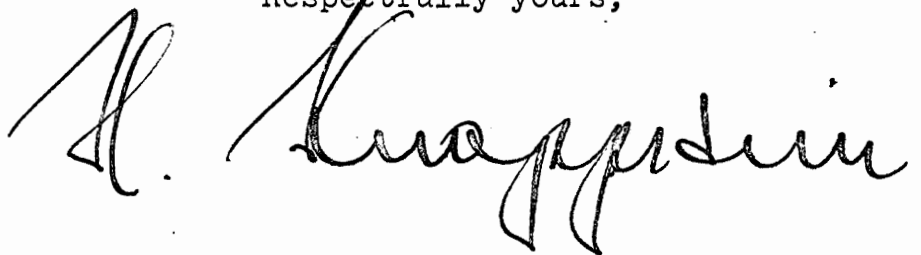
On the occasion of your visit to Bonn I had requested you that our two governments consult in due time and extensively on important measures concerning the Alliance. It, therefore, goes without saying that I myself will adhere to my own proposal.

Mrs. Kiesinger and I are sending our good wishes to Mrs. Johnson and to yourself.

With sincere and cordial greetings,

sgd. Kiesinger,  
Federal Chancellor of the Federal Republic of  
Germany."

Respectfully yours,

A handwritten signature in cursive script, appearing to read "H. Knappstein". The signature is written in dark ink and is positioned below the typed name.

*Pres. file*

~~SECRET~~

Tuesday  
July 11, 1967 -- 7:10 p.m.

Mr. President:

Herewith the Moroccan Foreign Minister and our Ambassador project vividly the dilemma of the Arab moderates as they see it and their fear that a radical Arab bloc will crystallize and, in the end, destroy the moderates.

W. W. Rostow

Rabat 145

~~SECRET~~

WWRostow:rln

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

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~~SECRET~~ RABAT 145

EXD 13

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ DD-132  
By cb, NARA Date 10-23-06

*Ey Bunday*

*Rostow*

FOR PRESIDENT AND SECRETARY

1. I SAW FONMIN LARAKI AT NOON FOR OUR FIRST SUBSTANTIVE CONVERSATION SINCE HIS RETURN FROM NEW YORK TWO DAYS AGO. I FOUND HIM VERY DEPRESSED AND SHARPLY CRITICAL OF US POSITION AND ACTIONS IN UN WHICH HE REGARDS AS OUTRIGHT HOSTILE TO ARABS. THIS IN MARKED CONTRAST TO HIS ATTITUDE PRIOR TO ATTENDANCE AT ESGA IN THAT HERETOFORE HE HAS BEEN CONSISTENTLY PASSIONATE AND SYMPATNETIC TO OUR STATED OBJECTIVE OF PRODUCING SOMETHING NEW AND LASTING IN TERMS OF ARAB-ISRAELI RELATIONSHIP.

2. LARAKI SAID HE WISHED GIVE ME SOME INFORMATION THAT KING DESIRES BE PASSED TO PRESIDENT AND SECRETARY. FOREIGN MINISTERS OF KUWAIT AND JORDAN, PLUS SAUDI ARABIAN EQUIVALENT,

PAGE 2 R-145 ~~SECRET~~

LEAVING TODAY FOR US WHERE, JOINED BY MOROCCAN UN AMBASSADOR BENHIMA, THEY HOPE SEE PRESIDENT TO STATE THAT IT ABSOLUTELY ESSENTIAL TO ARAB MODERATES THAT US ACTIONS IN RESUMED ESGA PROVIDE THEM SOMETHING UPON WHICH TO BASE THEIR CONTINUED COOPERATION WITH USG AND THUS TO RESIST PRESSURES FROM EXTREMISTS AND MANY CASES FROM THEIR OWN POPULATIONS. YUGOSLAVS ARE UNDERSTOOD TO BE TRYING WORK OUT LANGUAGE ON WITHDRAWAL CUM END OF BELLIGERENCY ACCEPTABLE TO MAJORITY. SECOND POINT WILL HAVE TO BE COUCHED SOMEWHAT INDIRECTLY IN ORDER ENABLE ARAB LEADERS AGREE WITHOUT BEING OPEN TO CHARGE OF TREASON, BUT USG AND ISRAEL SHOULD SEE THAT WHAT IS IMPORTANT HERE IS THE PRACTICAL RESULT RATHER THAN PRECISE FORM OF WORDS. IN ADDITION TO BROAD OBJECTIVE OF ACHIEVING A UN CONSENSUS THAT WILL ADVANCE AN ARAB-ISRAEL ACCOMMODATION, KING HAS A SPECIFIC MOROCCAN CONCERN. HE REGARDS A STRONG UN AS MOST IMPORTANT TO MOROCCAN SECURITY VIS-A-VIS ITS PROBLEM WITH ALGERIA. UN ACTION NOW ~~MUST~~ DEMONSTRATE THAT IT CAN DEAL EFFECTIVELY IN PREVENTING TERRITORIAL AGGRANDIZEMENT BY FOREIGN

*MUST*

PAGE 3 R-145 ~~SECRET~~

3. LARAKI SAID STAND THAT HASSAN PRESENTLY TAKING IS VERY COURAGEOUS GIVEN EXTENT OF CONTRARY INTERNAL PRESSURES IN THIS COUNTRY. HE SIMPLY ~~MUST~~ HAVE SOMETHING FROM THE US SIDE IN THE UN CONTEXT WHICH WILL ENABLE HIM JUSTIFY AND SUPPORT HIS CHOSEN COURSE.

4. IT EVIDENT THAT A MAJOR FACTOR IN LARAKI'S CHANGED PERSONAL ATTITUDE WAS HIS EXPERIENCE WITH USG POSITION ON PAKISTAN'S JERUSALEM RESOLUTION. INDICATIVE OF EXTENT TO WHICH HE AND OTHERS HERE FEEL OUR ACTIONS IN ESGA DREW AWAY FROM BROAD PRINCIPLES OF JUSTICE OUTLINED BY PRESIDENT, LARAKI SAID THE EVIDENCE AVAILABLE IN NEW YORK LED HIM TO CONCLUSION THAT ON PAKISTANI RESOLUTION US DEL HAD FOUND LAST MINUTE PRETEXT FOR ABSTENTION CONTRARY TO WHITE HOUSE INSTRUCTIONS THAT UNILATERAL ISRAELI MOVES NOT TO BE CONDONED. I OF COURSE REBUTTED THIS DRAWING ON APPROPRIATE DEPARTMENT AND USUN ~~THIS~~ BUT I DO NOT THINK HE WAS CONVINCED AND FACT THAT HE WAS NOT FURTHER TESTIFIES TO DEPTH OF HIS ANXIETY <sup>AND</sup> JUE KING'S ABOUT POSITION IN WHICH MOROCCO NOW FINDS ITSELF, I WOULD BE GLAD ~~NOT~~ TO HAVE ANYTHING FURTHER I COULD PASS TO HIM TO DISABUSE HIM OF THIS UNFORTUNATE IMPRESSION.

*TELEGRAMS*

5. LARAKI SAID HE WOULD BE RETURNING TO NEW YORK TOWARD END OF WEEK TO ATTEND RESUMED ~~EGGA~~ UN GENERAL ASSEMBLY.

6. COMMENT: KING'S PLEA BRINGS HOME WHAT I CONSIDER A SIGNIFICANT POINT THAT I HOPE IS BEING GIVEN DUE WEIGHT AT HIGHEST LEVELS OF USG. I TRUST WE ARE NOT ASSUMING THAT SIMPLE PASSAGE OF TIME WILL PRODUCE PRESSURES AND INDUCEMENTS ON THE ARABS TO MAKE THEM MORE WILLING ACCEPT THE REALITY OF ISRAEL'S EXISTENCE. I VERY MUCH FEAR THE REVERSE MAY BE TRUE. EXTENDED IMMOBILITY IS LIKELY DESTROY REMAINING ARAB GOVERNMENTS. THE PERIOD AVAILABLE TO US AND TO ISRAEL TO USE THE ISRAELI VICTORY AND NEW SITUATION RESULTING THEREFROM AS MOMENTUM TOWARD A MORE STABLE ARRANGEMENT IN MIDEAST MAY PASS QUICKLY. AS CAN BE SEEN FROM LARAKI'S COMMENTS, MODERATES WHO WANT TO WORK WITH US AND WHO ARE REALISTIC FEEL THEMSELVES BEING STEADILY WEAKENED BY OUR ACTIONS CONTRASTED WITH SOVIETS VIGOROUS PROPAGANDA SUPPORT OF THE ARAB POSITION AND, THROUGH REARMAMENT PROGRAM, OF EXTREMIST REGIMES IN PARTICULAR. THE VOICES CALLING FOR NO ACCOMMODATION WHATSOEVER NOW AND FOR

ANOTHER RFND, ALBIET YEARS HOPE, ARE GAINING GROUND. TODAY'S ANNOUNCEMENT REGARDING STATIONING OF ALGERIAN TROOPS ALONGSIDE EGYPTIAN IN SUEZ CANAL AREA IS RELEVANT IN THIS REGARD, FOR ALGERIA IS THE PRINCIPAL EXPONENT OF A PROLONGED WAR HOWEVER UNREALISTIC THIS MAY SEEM IN MILITARY TERMS. TO BE NOTED THAT PRESS HERE THIS MORNING CARRIED NEWS DISPATCH FROM CAIRO STATING THAT BOLDIENE PUSHING ON NASSER THESIS THAT UNITY OF ARAB WORLD LESS IMPORTANT THAN CREATION OF STRONG BLOCK OF EXTREMISTS WHO WOULD CONTINUE FIGHT AGAINST ISRAEL AND SEEK OVERTHROW OF MODERATE REGIMES. ARAB SENSITIVITIES ABOUT JEWISH COLONIZATION IN NEAR EAST LONG ANTEDATE 1948. IF ANYTHING, THEIR RECENT MILITARY HUMILIATION HAS ONLY STRENGTHENED THE FEELING THAT WHAT IS REGARDED AS A EUROPEAN BRIDGEHEAD ON ARAB SOIL MUST SOMEDAY DISAPPEAR AND THAT THE ARABS DAY WILL COME EVEN IF PERHAPS NOT FOR ONE OR TWO. THUS, IF SOME ACCOMMODATION THAT THE ARABS CAN REGARD AS EVEN FAIRLY HONORABLE CANNOT PUT TOGETHER BEFORE THIS SENTIMENT BECOMES GENERALIZED

decade

AND JELLS, ISRAEL MAY HAVE WON A PERMIT VICTORY. BECAUSE OF STRATEGIC IMPORTANCE OF AREA INVOLVED, AS THE WORLD'S GREATAGT POWER AND MORAL FORCE WE HAVE A RESPONSIBILITY TO TAKE THE LEAD IN A POSITIVE SENSE. IF WE WAIT FOR TIME TO WORK ON THE ARABS TO MAKE THEM SEE REALITY WE MAY HAVE WAITED IN VAIN AND LOST THE GREATER PART OF OUR INTERESTS IN THE ARAB WORLD IN THE PROCESS.

GP-3 TASCA  
BT

~~SECRET~~ ~~SECRET~~

Tuesday, July 11, 1967  
6:50 p. m.

*Pres file*

MR. PRESIDENT:

Harlan Cleveland is in town on home leave until Friday morning, having spent two years on the NATO job.

He said he would like to report to you on his experiences and especially the prospects for NATO in the time ahead. It is my judgment that, after a somewhat rocky start, he settled down and has done a good job at a difficult period. His thoughts on the future might well interest you.

On the other hand, there are no urgent operational issues for him to raise with you.

W. W. R.

I will see him \_\_\_\_\_

No \_\_\_\_\_

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

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*Pres file*

~~CONFIDENTIAL~~

Tuesday, July 11, 1967 - 6:45 pm

Mr. President:

This analysis of a Hanoi hard-liner's view of the war is worth reading, including his mockery of our bombing limitations (p. 4).

I believe the analysis is correct: this is one side of a debate now proceeding in Hanoi.

I can guess the other side's argument but we're not likely to see it in print.

W. W. Rostow

INR Memo to the Secretary, July 10, 1967, "North Vietnamese Army Chief of Staff Comments on Course of War"

~~CONFIDENTIAL~~

WWRostow:rln

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

U.S. DEPARTMENT OF STATE  
DIRECTOR OF INTELLIGENCE AND RESEARCH

RECEIVED  
H. S. C.

Note - 574

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July 10, 1967

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 92-224

By ju, NARA, Date 8-13-92

To : The Secretary  
Through: S/S  
From : INR - Thomas L. Hughes *TLH*

Subject: North Vietnamese Army Chief of Staff Comments on Course of War

Lieutenant General Van Tien Dung, Chief of Staff of the North Vietnamese Army, recently published a series of articles evaluating the course of the Vietnam conflict. The articles convey a sense of confidence and determination to fight on carried to the point of inflexibility, though they also point out that the road will not be easy, and they may be intended to counter less rosy views.

Asserts US Is on Defensive. General Dung's articles, published in several June issues of the military daily Quan Doi Nhan Dan, are replete with claims that the US has been driven into essentially defensive military tactics in the Vietnam conflict. Dung asserted that, "together with the South, we have driven the Americans into a more seriously passive strategic position in which their forces are scattered more widely in both parts of our country." He hailed the strategy of continuous attacks pursued by the North Vietnamese and Viet Cong forces over the past six months and called for the further use of such tactics in order to "annihilate each important military unit of the enemy and unceasingly drive him into passiveness, embarrassment, and ever heavier and more tragic defeats." He also expressed satisfaction over the results accomplished in expanding and training the "three categories" of NVN/VC troops (guerrilla, local forces, main forces), and over their rapid mastery of various categories of modern weapons.

This report was produced by the Bureau of Intelligence and Research. Aside from normal substantive exchange with other agencies at the working level, it has not been coordinated elsewhere.

GROUP 3  
Downgraded at 12 year  
intervals; not  
automatically declassified

But Doubters Persist. Despite the generally satisfied tone of General Dung's review of military development, it is also clear that the Hanoi debate over military tactics still continues, or at least still rankles. General Dung stated that the balance and composition of the armed forces does not depend on a "certain subjective view" but can be changed if "objective requirements" so determine. Moreover, having pointed to the value of modern weaponry, he also recalled that "many military theoreticians" have "blindly revered up-to-date weapons and techniques." Such statements suggest that there may still be those in North Vietnam who argue that the doctrine of "people's war" requires different tactics and troop composition than now used, perhaps favoring a return to pure guerrilla war, while others may argue that greater reliance should be placed on modern weapons.

The assertive tone of Dung's comments also has a quality of protesting too much, of overstating the prospects for military success in a way which hints that Dung is attempting to convince skeptics. Dung's very tone of confidence, therefore, may indicate, in an oblique way, that there are officials in Hanoi who are questioning the prospects for military victory, just as Dung is touting them.

Differences with Soviets? General Dung at several points appeared to be claiming that Hanoi has devised better missile and anti-aircraft defenses than those suggested by its supplier, the Soviet Union. For example, Dung boasted that "our Party" is "bringing some sharp changes in the current military theory applied by many countries in the world of today--especially the theory concerning the role of an air force, missiles, and various means against up-to-date

~~CONFIDENTIAL~~

- 3 -

weapons and means." He hailed "our original Vietnamese combat methods, which are suitable to Vietnamese conditions and are not dogmatic and imitative," and boasted that "we have seen and determined correctly the way of employing our forces in air-defense combat." He also asserted that "international assistance is very important, but, no matter how great it is, it must be utilized through our efforts in order to develop its effect." The above passages suggest that the North Vietnamese have developed their own tactics for use of modern Soviet weapons, and have insisted on using the weapons themselves rather than relying on outside help--if it was offered--to operate them.

These statements, combined with reports of Soviet complaints about North Vietnamese misuse of Soviet SAM's, also indicate that there may have been arguments between Hanoi and Moscow on the tactics of modern anti-aircraft warfare, and that the North Vietnamese have insisted on developing and using their own tactics with the SAM's rather than those suggested by the Soviets. However, it would seem exaggerated to conclude that such differences have developed into major sources of friction between the two regimes. Hanoi has long been rigidly assertive on the correctness of its own views on the conduct of a "people's war," insisting that the unique character of its own experience and mission qualified it to devise its own tactics. It has disputed military tactics with Peking, and may still be doing so, but it continues to receive Chinese aid. Neither Hanoi, Moscow, nor Peking appear prepared to let the tactical disputes by themselves mushroom into major crises in relations.

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- 4 -

Mocks US Air Force. General Dung reserved his most sarcastic observations for the US Air Force. He observed that the USAF has found it impossible "to develop fully its strength and strong points" because the US has "been forced to act according to a definite rule due to the complex effect of the military and political factors in the country and in the world." Thus, he stated, "the US Air Force is compelled to take each escalation step and cannot attack the North massively and swiftly through strategic, large-scale, and surprise bombings." He concluded that "its basic weakness lies in the fact that it cannot freely develop its strength, which is really restricted because the US aggressors are highly isolated in the political field." He also claimed that "the US air pirates' morale is very low" because of these restrictions and that USAF "tactics, techniques, and pilots can definitely be defeated."

Opposes Negotiations and Bombing Halt. General Dung, following a stiffer line than that normally used by North Vietnamese regime spokesmen, asserted that Hanoi had to reject "the peace-negotiation tricks of the United States" and he derided the "illusion of peaceful negotiations." He also stated that, "only when the South Vietnamese revolution is successful, can the North enjoy peace," and that the "war of destruction" (i.e., the US bombing of North-Vietnam) was "not a separate war but a part of the US war of aggression strategy in South Vietnam aimed at saving the Americans from defeat in South Vietnam." He added that this "war of destruction" is "closely related to the war in South Vietnam," and "will end only after the US war of aggression in South Vietnam is completely defeated." These statements suggested that Dung may have opposed Foreign Minister Trinh's public position that there might be negotiations with the US after a halt in bombings of North Vietnam, even though the war continued in the South.

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Pledges Continued Aid to Viet Cong. General Dung came as close as any North Vietnamese spokesman to admitting the nature of Northern support of the Viet Cong effort, though he did not mention Northern troops in the South. He boasted that "our very high and accurate determination has brought many great successes in both zones," and that "the more the US aggressors attack...the more determinedly the Northern armed forces and people live up to the pledge to the 14 million kith-and-kin Southern compatriots to fight alongside them to liberate the South, protect the North, and advance toward the reunification of the country." He also claimed that "we have frustrated the US plot of using the war of destruction against the North to prevent the Northern compatriots from giving aid to their kith-and-kin compatriots in the South" and added that "the more the communication and transportation facilities in the North develop, the more considerably the aid of the large rear to the large frontline in the people's war against US imperialist aggression throughout the country is increased."

Represents View of Militant Generals. General Dung's article was similar in tone to several recent statements by leading North Vietnamese generals in South and North Vietnam (including Nguyen Chi Thanh and "Truong Son"). It thus very probably represented the militant view of the conflict held by these generals, some of whom are directly responsible for conducting the Southern venture while others offer strategic assistance and direction from the North. All are heavily committed, personally and professionally, to the success of the war. General Dung's attitude, like that of his colleagues, was boastful, ethnocentric, and inflexible. Some of his remarks indicated that there may be

~~CONFIDENTIAL~~

- 6 -

opposition to his views outside this group of generals, and we can probably assume that the opposition is very powerful since it might have had to overcome the generals' attitudes before being able to come forth with Foreign Minister Trinh's interview of January 28, 1967. Nonetheless, the confident tone of General Dung's pronouncements, as well as his ability to have them published, suggests that he and the other generals have at least a very strong voice in determining Hanoi's policy in the Southern war, though this voice may have been weakened somewhat by Nguyen Chi Thanh's recent death.

The polemical and highly optimistic tone of General Dung's article also raised questions about the accuracy of his facts. As noted above, his depiction of the military situation in highly favorable terms may have been intended in part to persuade those who doubted his view of developments. By the same token, his derisive attitude toward US air operations does not square with reliable reports that North Vietnam has been hurt by the bombings and with Hanoi's efforts to bring them to a halt. It is, therefore, possible that Dung may have presented a false picture in order to shout down his opponents and to cheer his military audience, but there was no indication in the article whether or not he himself really believed his version of events.

~~CONFIDENTIAL~~

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Tuesday, July 11, 1967  
6:45 p. m.

*Pres file*

MR. PRESIDENT:

Our Ambassador in Luxembourg, Mrs. Harris, must resume work at Howard University on August 5.

The understanding at the State Department is that you accepted her resignation on May 25; but there has been no announcement.

It would be helpful if:

-- an early time could be set for the announcement of her resignation;

-- she could be given 24 hours' notice before the time of announcement.

W. W. R.

Go ahead \_\_\_\_\_

No \_\_\_\_\_

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

Limited Official Use

Tuesday - July 11, 1967  
6:15 pm

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*Pres file*

Mr. President:

Bill Bowdler discussed with Covey Oliver making Milton Eisenhower a consultant to our Inter-American Affairs Bureau.

They agreed on the following:

1. Covey Oliver will contact Eisenhower right away to offer the consultantship.
2. As an initial project, Covey will suggest:
  - Organizing a meeting with academic and foundation leaders at Airlie House to discuss Latin America, with special emphasis on education. (The last time this was done was in May 1965).
  - Making a survey of US assistance, public and private, on Latin American education to determine how effective and well coordinated they are and how they can be improved.
  - Reviewing at the same time our cultural programs in Latin America to see how the targetting can be improved.
3. If Eisenhower accepts the appointment, Covey will work out arrangements with us for White House announcement of the designation.

W. W. Rostow

Limited Official Use

**CONFIDENTIAL**

Tuesday, July 11, 1967 - 6:00 p. m.

**MEMORANDUM FOR THE PRESIDENT**

**SUBJECT: A Task for Mr. L. F. McCollum**

I had a long and interesting talk with Mr. McCollum, centering on the familiar problem: What can we do to change the image and the relationship of the United States to the Arab world in the wake of their humiliating defeat?

After preliminaries, we fixed on these as the essentials:

- religion: a good, even-handed international Jerusalem settlement;
- the suffering: a radically expanded refugee program;
- the poor: a coherent U. S. -sponsored but internationally executed Middle East water program.

His view was that there was nothing we could do to change the fact of the Israeli military victory; but it was urgent that the United States associate itself in the next few weeks with a concrete and imaginative Middle East program that would catch the imagination of the Arabs.

Specifically, I told him that George Woods was thinking (as he told me at lunch on Saturday) not of an Arab or Middle Eastern Development Bank, but of two major projects centering on the Jordan valley and, possibly, the Euphrates valley. In this context, he is prepared to put IDA money into programs for the settlement and elevation of the lives of the refugees.

We then turned to Libya, which is critical to the European oil situation and which will, quite possibly, turn out to be the main target of UAR strategy in the weeks and months ahead. I asked Mr. McCollum, from his intimate knowledge, what a development plan for Libya would look like. He said that it could involve:

- Water from deep wells generated by local gas for the next several years;
- A big desalting project;
- A chemical fertilizer plant (ammonia from gas);
- A conversion of the Wheelus Base into a center for agricultural training and experiment;
- And to make all this work, the infusion of education, technical assistance and training.

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

7/11/67

I said that if the U. S. Government wished to have the ideas about these possibilities from Continental and other oil companies connected with Libya -- based on their intimate knowledge -- could he organize and make available to us their expertise? He said he could.

I said I would talk with my colleagues and let him know.

The question raised by this conversation is the following: How soon can we follow your June 19 speech with proposals for Middle East development along these lines? I think McCollum is correct that the only way we can break through the dangerous barriers between us and the Arabs is via this humane and constructive route. I recommend, therefore:

a. That we begin to pull together from the IBRD and our own resources all the constructive elements that might go into such a package -- U. S. initiated but to be executed on an international basis;

b. That we begin to consider at what stage in the unfolding diplomatic and political process the timing might be right; and

c. That we tell Mr. McCollum, without any commitment, that we would be interested in any ideas that he could generate about what a plan for Libya would look like.

W. W. R.

(cc:McGeorge Bundy)

*Pres file*

Tuesday, July 11, 1967  
3:00 p. m.

Mr. President:

Bob Anderson wanted your clearance on this letter to Dan Flood. Since I was also sending off a letter to the Congressman at just this time, I submit also for your clearance that letter.

W. W. Rostow

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ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION  
1815 H STREET NW.  
WASHINGTON, D.C. 20006

Honorable Daniel J. Flood  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Flood:

Your thorough documentation of Panama Canal matters and your scholarly dissertations on the subject have been helpful to me in carrying out the treaty negotiations with Panama. I share your determination to protect the vital interests of the United States, and I regret that we differ on the best way to do so. In any event, you have insured that all the possible objections to the new treaties will be thoroughly discussed during the ratification process, which is just as it should be.

I am writing you today as Chairman of the Canal Study Commission, which is not involved in treaty matters. My dual role was assigned me by the President to insure that the new treaties would be consistent with the objective of the Commission, which Public Law 88-609 prescribes as:

"Determining the feasibility of, and the most suitable site for, the construction of a **sea level canal** connecting the Atlantic and Pacific Oceans, the best means of constructing such a canal, whether by conventional or nuclear excavation, and the **estimated cost thereof.**"

This Commission interprets its mission to be **exactly the same** as you advocate in your proposals for a substitute Commission. We are including an evaluation of the comparative merits of an improved lock canal as one of the measures of feasibility of a sea-level canal. We believe **that we are using the best available public and private agencies and individuals to carry out our investigation.**

I note in your statements in the Congressional Record that you are not convinced that our investigation is thorough and objective. The Commission would appreciate an opportunity to explain to you in some detail the concept of its investigation, the agencies and individuals involved, and the progress to date. This would also provide an opportunity to discuss any deficiencies you see in our approach. Please let me know if you would like such a discussion, and our Executive Director will contact your office to arrange the time and place.

Respectfully yours,



Robert B. Anderson  
Chairman

ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION

1815 H STREET NW.  
WASHINGTON, D.C. 20006

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July 10, 1967

Honorable Robert B. Anderson  
Chairman, Atlantic-Pacific  
Interoceanic Canal Study  
Commission  
One Rockefeller Plaza  
New York, New York 10020

Dear Mr. Chairman:

To the best of my knowledge, the following are the members of Congress who have to date expressed varying degrees of opposition to the proposed treaties with Panamá:

Senate

Ellender, La.  
Cotton, N. H.  
Thurmond, S. C.

House

Flood, Pa.  
Sullivan, Mo.  
Burke, Fla.  
Taft, Ohio  
Bolton, Ohio

The following have expressed dissatisfaction with the Canal Study Commission, and those indicated by an asterisk have introduced bills which would terminate this Commission and create a new one with a specific requirement to consider not only a sea-level canal but also the improvement of the old canal (as we are actually doing):

Senate

Tower, Tex.

House

Flood, Pa.\*  
Burke, Fla.  
Rarick, La.\*  
Bow, Ohio\*  
Anderson, Tenn.\*  
Sisk, Calif.\*  
Hosmer, Calif.\*

There is convincing evidence that all the above are using material supplied by Congressman Flood. The Commission bills, for example, are identical.

General Woodbury, General Noble, and I believe that it would be helpful for you to offer Mr. Flood a briefing with the objective of explaining to him that the present Commission is actually doing what he wishes done. This is suggested with the realization that there is little likelihood of changing his mind. However, a briefing on our organization, approach to the problem, and our activities in progress should make it a little harder for him to argue that the Commission is not trying to do what he advocates. It also will be evidence of our respect for his interest in the subject.

Congressman Flood's real objective is to defeat the treaties, and you of course want to avoid a futile controversy with him on that subject. My suggestion is that you do not commit yourself to be present. Vice Chairman Storey or Commissioner Hill, or both, could represent the Commission. Mr. Hill would probably welcome the opportunity to counter Mr. Flood's contention that the Commission is a rubber stamp for the Administration. If we cannot conveniently arrange for Commissioners to be present, department representatives and I can put on the briefing without them.

We believe it best to offer the briefing to Flood alone, rather than to the opposing Congressmen as a group, to avoid creating a forum for him. If it goes well, it can be offered to the others subsequently.

A proposed letter to Mr. Flood is enclosed for your use, if you approve the suggested briefing. If it is to be given, it should be soon, but preferably after the treaty terms are made public.

Sincerely,

Signed

John P. Sheffey  
Executive Director

Enclosure

76 c

July 11, 1967

Dear Congressman Flood:

The President has asked me to reply to your letter of June 21 concerning the recently concluded Panama Canal negotiations.

I understand your desire that the security interests of the United States with respect to the Canal be fully protected. This has been uppermost in the mind of our negotiating team. They have conducted the talks in the closest consultation with the Departments of State and Defense. Another way of protecting these security interests is by timely recognition that changing circumstances make it wise and prudent to negotiate new arrangements for operating and maintaining the Canal. In announcing the decision to begin talks with the Panamanians in December, 1964, the President noted: "The strength of our American system is that we have always tried to understand and meet the needs of the future."

When the text of the treaties are released in the near future, you will see the careful balance worked out between the new realities of our relations with Panama and the safeguarding of our vital interests in the Canal.

Sincerely yours,

W. W. Rostow

The Honorable  
Daniel J. Flood  
U. S. House of Representatives  
Washington, D. C.

Tuesday - July 11, 1967  
3:00 pm

Mr. President:

The weight of editorial opinion seems to be in favor of the Panama treaties, despite the fact that the terms have not been revealed.

Attached are 13 editorials from papers ranging from Boston to San Diego and San Francisco to Miami. Of the 13, only three are opposed: Chicago Tribune, San Diego Union and New York Daily News. The 3:1 ratio parallels editorial reaction to your statements on the Canal of December 1964 and September 1965.

I have asked State to make sure that the favorable editorials get into the Congressional Record.

W. W. Rostow

Attachments

cc: Barefoot Sanders

~~SECRET -- EYES ONLY~~

Tuesday, July 11, 1967  
2:55 p. m.

Mr. President:

Herewith Amb. Locke speaks his piece, with precision and in detail.

I shall be getting up a checklist of action items from his and Bob Komer's cables which I am holding very tightly indeed.

W. W. Rostow

CAP 67697, 6 sections

DECLASSIFIED  
Authority White House Guidelines 2/24/83  
E.O. 12356 Sec 3.4(b)  
By Ag, NARA, Date 7-11-91

~~SECRET~~

Tuesd. , July 11, 1967  
1:00 p. m.

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MR. PRESIDENT:

Herewith, as requested, a roundup of thoughts which lie behind the negative reactions to our unilaterally registering Middle East arms shipments.

1. Harriman

The Governor argues that by dramatizing how much the Soviets are doing and how little we are doing, relatively, we increase the pressure on us from moderates like the Shah and the King of Morocco. We would simply be making their case that the Russians are putting so much into the UAR and Algeria that we ought to balance it with more generous shipments of arms to them.

2. Battle

Luke, I am told, takes the view that:

-- Our unilateral registration is unlikely to be a form of pressure on the Russians to which they will respond;

-- Unless we have the British, French, and Germans with us, our action is unlikely to be effective.

(In this connection we should note that the European countries do not face the same problems we do with Congress or the press. They can ship arms quietly without much risk of public disclosure or hostile discussion.)

3. Kohler

I talked to Foy at length. He says the move is unlikely to have much effect on the Russians, and we must try, via NATO, to get our allies to play a parallel game. With our allies aboard, he is prepared to advocate a U. S. effort to put through a resolution on arms registration and limitation. In the course of the debate we could dramatize the issue and make it clear that Soviet arms are both increasing the danger of a renewal of war, and draining away resources from the development of a poor region. He thinks the unilateral registry of our arms shipments, by itself, would not give us these propaganda advantages.

4. Gene Rostow

Gene says the best chance for a deal with the Soviet Union is not via public

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

7/11/67

procedure, but by a private and tacit arrangement arrived at, perhaps, at a later stage in the crisis after Arab arms are replenished to some more balanced level. Moreover, he thinks that the unilateral publication of our arms shipments would reveal to the Arabs that the Soviet Union is, indeed, their best friend.

Finally, entering into a unilateral commitment to publish these figures would engage us in a procedure from which it might be difficult later to disengage if we should ever find it desirable to disengage. He has in mind here a situation where we might wish to make quiet and large arms shipments to the Israelis, if the arms balance should threaten to get out of hand.

#### 5. Des Fitzgerald

Des has certain anxieties about revealing too precisely Soviet arms shipments because it might endanger certain sources; but this seems manageable on a rounded number basis.

#### 6. My initial reaction

These negative reactions argue, in effect, for a return to the position before June 5. They virtually explain how the Middle East and the outside world fell into the arms race and stayed there. In those terms, the points made are serious and deserve weight.

But the questions are:

-- What can we do to break up the old pattern?

-- And if we can't break it up, how do we put ourselves in the best position -- at home and abroad -- to balance Communist arms shipments, if it comes to that?

I would now recognize and accept the desirability of our avoiding a commitment regularly to publish our arms shipments on a pure unilateral basis; although we can make known particular shipments and their justification on an ad hoc basis, as part of the tentative three-point plan suggested below:

1. You write a letter to the Secretary General of the U. N. soon stating that, on the principle of registering satellite launchings, the U. S. is prepared to support the registry of arms shipments into the countries involved, directly or indirectly, in the recent hostilities. You would ask the Secretary General to explore the willingness of other nations to cooperate in this effort. You would make strongly and in detail the argument that the arms race has contributed to

7/11/67

the recent war and threatens, if continued, another round of war. You would underline the economic needs of the region and the cost to the people of another dangerous and sterile round of arms increases. Finally, you would indicate that the American Representative at the General Assembly would be prepared, in the light of the Secretary General's soundings, to put forward a resolution to this effect in September.

2. We would put forward in the General Assembly in September a resolution on arms registration and limitation in the Middle East. (FYI. I have talked this morning with Arthur Goldberg who, after discussion, thought these were the two most practical moves to make. He thinks a resolution premature now, and is confident that the General Assembly is the place to put in a resolution. Making it quite clear that there had been no policy decision, I asked him to think about what a draft letter from you to the Secretary General might look like.)

3. On the basis of your letter to the Secretary General, we would mount a systematic program of public statements, leaks about Soviet arms shipments, and VOA broadcasts, especially to the UAR. (I am told that the VOA can do 11 hours a day into the UAR.) The theme would be: the needs of the Egyptian people and the dangers, costs and futility of accepting massive Soviet arms. We would also take up the issue in NATO, and generally keep pressing the issue from the dispatch of your letter forward.

4. Comment: the heart of this matter, in the end, is not so much to change Soviet policy but to bring both external and internal pressure to bear on Egypt. If the Egyptians decide to level off the arms buildup, the rest of the area would quiet down except for the pressure on Tunisia and Morocco arising from Algeria. But that problem is manageable, notably if the UAR quiets down.

At first blush it may seem naive to suggest that Egypt might damp down its acquisition of Soviet arms. But two facts should be borne in mind:

-- This was one of the few issues on which Foreign Minister Fawzi was lucid in his discussions with Secretary Rusk;

-- With the passage of time it is certain that the economic problems of Egypt will mount in urgency.

More generally, since the Soviet Union is not apparently about to throw its own forces into defeating Israel on behalf of the Arabs, it is, and will remain, involved in a political game. So are the Arabs, who must try to hold a lot of General Assembly votes and sympathy. In the General Assembly there is

7/11/67

quite a lot of latent support for the argument that Soviet arms shipments since 1955 helped get the Middle East into trouble. If we hammer away at it, we can put the Russians in a position of both helping to cause wars and disrupting economic development; and put the UAR in the position of neglecting their people in pursuit of belligerent objectives.

If the whole gambit does not work -- and if the Russians and the Egyptians continue with the arms spiral -- we would have done our best before our own people and the world and would be in much better shape to cope with what we may have to do to prevent dangerous arms imbalance in the area.

W. W. R.

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1. P. memo file  
~~2. [unclear]~~

~~SECRET~~

Tuesday, July 11, 1967 -- 11:30 AM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Congo Situation Report

1. Contrary to ticker reports out of Brussels, no U. S. plane has flown to Kisangani (formerly Stanleyville) to attempt to rescue hostages held by the rebel mercenaries. Such an operation had been planned, but was scrubbed by Secretary Rusk last night because of the risks that the landing of our plane might stimulate or get our people involved in a blood bath.
2. We have queried McBride about: (i) paratrooping a single negotiator (perhaps an American) into Kisangani to try to work out an evacuation deal with the mercenaries, and (ii) if successful, bussing the hostages 40 miles to an airport the Congolese army controls and where our aircraft could land safely.
3. We have made a strong pitch to the International Red Cross to take over the hostage problem. They are now deliberating. We are giving them all the communication and transport help we can. You should know, however, that our African experience with this organization is not encouraging.
4. The Secretary is now considering two further moves:
  - a Mobutu-ordered and highly publicized mercy drop of food and supplies to Kisangani.
  - an approach to Mobutu to suggest a private offer of a deal to the mercenaries ~~involved~~ <sup>there</sup> for immediate departure from the Congo in return for a safe passage.
5. We still have no hard information on the military situation in Kisangani. The mercenaries remain in control of at least the airport and perhaps the city. Mobutu has not ordered the Congolese army to advance on the airport, but has indicated that he will have to do so soon.
6. As you know, Secretary Rusk will appear at a closed session of the Foreign Relations Committee this afternoon. We are trying to do some ground work on the Hill. Wayne Fredericks has already talked to Senators Moss and Muskie, who have been friendly to our Congo policy, as well as Representatives Brademas, Adair, and others.

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Authority State 3-19-79 NSC 6-25-77  
By sgl/jj, NARA, Date 7-19-91

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7. An additional thought which has occurred to us is that the Vice President has in the past been a solid and effective advocate of the Congo policy. If it is agreeable to you, it might do some good if he could make some phone calls. I will await your guidance on this one.

W. W. Rostow

Hamilton/vmr

Tuesday, July 11, 1967  
9:40 a. m.

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MR. PRESIDENT:

This file of memos from Lansdale and some of his staff gives a good feel for the inner political problems of Viet Nam and how tough it is for a young country, without parties and democratic traditions, to do what they are trying to do in the next two months.

*See file*

Not hopeless, but tough.

W. W. R.

~~SECRET~~ attachment

(7/5/67 Lansdale memo to WWR w/9memos)

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~~CONFIDENTIAL~~

TO: Barry Zorthian                      DATE: July 4, 1967  
FROM: Ed Lansdale  
SUBJECT: Electoral Censorship

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

As you know, Nguyen Thai is still lying in a hospital bed after losing his leg. Since he is both an exceptionally bright person and one who has had unusual first-hand experience in coping with shenanigans at the Vietnamese polls in the past, I gave him a mental problem to ease his bedsores. I asked him to review the new Election Laws and to let me know where the loopholes lay, along with how they possibly would be exploited.

I visited Thai at the hospital on July 3. He said that he was finding the problem I'd given him intriguing and was still working on it. However, the problem had sparked his thinking about press censorship -- and he had an idea to give me. I replied: give.

Thai's idea: A new, simply-defined law on libel should be promulgated in time for use in the election campaign. Then, a Special Court should be created, for the expedited hearing of cases under the new libel law. If necessary, the Special Court could be run under the aegis of the Ministry of Information.

Thai explained that many of the candidates, on both the Presidential and Senatorial tickets, are going to be subject to libelous mud-slinging or to be threatened with it as a form of blackmail. The present law is too ill-defined and court processes are too clogged currently for candidates to have any meaningful legal protection against libel. A case filed now might not be heard for a year and the law is so unclear that the injured party would be lucky to get even one piastre awarded in damages. Given a plainly-stated law and a way for a quick legal hearing, the nearly 700 candidates in the current election race can protect themselves from each other and from unscrupulous journalists or racketeers.

Since you've been working away at this problem for so long, I pass Thai's idea along to you. You might want to consider it along with other constructive press measures you are suggesting to the Mission Election Committee via Clyde Hess.

SLO:EGLansdale:rm

~~CONFIDENTIAL~~

816

~~CONFIDENTIAL~~

TO: Ambassador Bunker                      DATE: July 4, 1967  
 FROM: Ed Lansdale  
 SUBJECT: Free Elections

The attached memo by Rufe Phillips of SLO reports a conversation with Tran trung Dung, who is a Senatorial candidate, a businessman, and former Minister of Defense. Dung's remarks about an honest election are worth noting. He repeats what we have heard from other mature and dedicated Vietnamese: free elections are possible only if there is a caretaker Government run by Deputy Prime Minister Vien in this interim period.

cc: Ambassador Locke  
 General Westmoreland  
 Ambassador Komer  
 Mr. Calhoun  
 Mr. Hart  
 Mr. Jacobson

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

SLO:EGLansdale:rm

~~CONFIDENTIAL~~

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~~CONFIDENTIAL~~

SENSITIVE

TO: General Lansdale                      DATE: July 3, 1967  
FROM: Rufus C. Phillips                      *R. Phillips*  
SUBJECT: Conversation with Tran trung Dung

1. I dropped by to see Tran trung Dung, former Minister of Defense under Diem until 1960, at his house the morning of July 3.

2. After salutations and talk about family, I told Dung I was happy to see so many good people, including himself, running for the Senate. Dung said he, like many others, felt this was the last chance for the Vietnamese to show they could run their own affairs and win the support of their people. If the Vietnamese failed this time, the American people might lose heart and want to quit. Even though he was not optimistic at the prospects for honest elections, as a patriotic Vietnamese he must participate to do what he could.

3. Dung then went on to talk about what he considered to be the real problems of holding an honest election. In the provincial capitals and in Saigon, he observed, cheating would be difficult because of the presence of American officials and foreign correspondents, but in the villages, however, it was a different story. From his experience during the days of the Diem regime he knew how easy it was for the province and district chiefs to influence the vote. The average villager felt from experience that his vote would make a difference in how the Government treated him only if he voted against the desires of the district chief. Then he could expect harassment. To avoid trouble he would follow the orders of his district chief.

4. Dung said that his slate had previously been approached by Ky for its support in return for campaign financing. Dung had refused. According to Dung, General Van thanh Cao of the Cao Dai had previously told him about Ky's plans to support six Senatorial slates by issuing secret orders to the province chiefs to tell the rural population which list symbols to select. This is how it would be done for the Presidential slates, Dung said, and the villagers would follow orders. It was impossible to have

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E.O. 12356, Sec. 3.4

NJ 92-224

By *ju*, NARA, Date *8-13-92*

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free elections with Ky remaining in office, Dung went on to say. If the Deputy Prime Minister, Vien, took over the elections could be made at least fifty percent honest in the countryside which was all most Vietnamese wanted.

5. I asked Dung what he thought of various candidates and their chances. Nobody has a chance against Thieu and Ky if they retain power during the elections, he said. If there is an interim arrangement for the elections, then Huong and Tran van Ly would be strong contenders because they are widely known to be honest, serious men. Big Minh has some popularity in the ranks of the Army and among the youth and the Buddhists but people know he is lazy. The chief virtue in his running is that many officers will be fearful of cheating against him. As for Thieu, he was widely mistrusted and was believed to be corrupt. Ky was now a secondary attraction and would not add much in the way of genuine popular support.

6. I asked Dung if most Vietnamese he knew felt the same way he did about Thieu and Ky resigning their positions. He said that this feeling was widespread and that he hoped the Americans knew this. The Vietnamese had few instruments to use to bring any open public opinion to bear. The press was censored and the Assembly bought to a considerable extent. He felt, however, that the Assembly might possibly pass some resolution on this since they had voted against the wishes of the Military Council on the issue of Big Minh's candidacy.

7. Dung said he could understand how difficult it was for the Americans to understand what was going on in Viet Nam. Often the Vietnamese themselves did not understand, but on fundamental questions like free elections there was widespread knowledge about how elections had been rigged in the past. It was the rigging of elections, as much as anything, which alienated many supporters of Diem, and he hoped that the mistakes of the past would not be repeated. This was the last chance for the Americans and the Vietnamese to prove that they trusted the Vietnamese people by giving them an honest chance to choose their own leaders. If the elections are honest, he said, honest people will get elected and we, the Vietnamese, can begin to have a Government we can respect.

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8. Concerning his own slate, which was mixed between five Buddhists and five Catholics, Dung said their campaign would be conducted in cooperation with several other slates. One of these would probably be the Vo van Hai - General Huong slate although he had some reservations about some of the former Can Lao on that slate. Dung said his slate was strictly non-Can Lao and that half of its members were new and had not been associated with Diem.

SLO:RCPPhillips:rm

~~CONFIDENTIAL~~

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SENSITIVE

TO: Ambassador Bunker      DATE: July 3, 1967  
FROM: Ed Lansdale  
SUBJECT: Insight on the GVN

The attached memo by Rufe Phillips reports some intimate views by Colonel Hoang van Lac, the No. 2 man in the RD Ministry, about the current scene. Since Lac was talking to one of the rare people outside his own family to whom he speaks with real candor, and since Lac holds a key position in a critically important-to-the-war program, it is requested that he be protected as the source.

cc: Ambassador Locke  
General Westmoreland  
Ambassador Komer  
Mr. Calhoun  
Mr. Hart  
Mr. Jacobson

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

SLO:EGLansdale:rm

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

~~SECRET~~

SENSITIVE

TO: General Lansdale                      DATE: July 3, 1967  
FROM: Rufus C. Phillips                      *R Phillips*  
SUBJECT: Conversation with Colonel Hoang van Lac

1. The following are highlights of a three-hour conversation with Colonel Lac at his home over lunch on 2 July. Lac is an old friend who always speaks his mind to me.

2. The Coming Elections. Colonel Lac believes that the coming elections will determine the outcome of the war. If the Vietnamese fail to elect honest people, Lac believes that we will lose the war. Only if we get honest people into positions of leadership will we have a chance. If the elections are truly free, Thieu and Ky, will not win. But how can the elections possibly be honestly conducted with Ky remaining in the Prime Ministership. Deals were made with various Corps Commanders, Division Commanders and Province Chiefs by Thieu and Ky against each other starting in February of this year. Now that they are together more deals will be made. If the whole Corps-Division-Province structure, which is almost totally corrupt, is to protect itself it must ensure Thieu's and Ky's election. Even if Thieu and Ky continue to fight each other underneath the surface, this corrupt structure will still ensure their election to protect itself. Some superficial changes will be made after the elections for appearance's sake but Thieu and Ky will remain the captives of the corrupt system which they helped to create.

3. Corruption. I asked Colonel Lac whether there was less corruption now than last August when Generals Co and Quang were still in power. He replied emphatically that corruption was even worse because it extended directly from Ky and Thieu themselves, although it was more cleverly hidden from the Americans than before. Both Thieu and Ky had been compelled to participate in corruption in order to obtain the support of various Corps and Division Commanders and Province Chiefs. Promotions and positions had been bought and sold, and money earned illegally by the Vietnamese Air Force and the Police was used to obtain promises of support from military commanders and Province

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Chiefs. The Police and the MSS had orders to look the other way at payroll milking by certain Province Chiefs and Division Commanders. The Air Force was running a smuggling racket in from Hong Kong, as well as taking tremendous construction payoffs.

I asked Colonel Lac how many Province Chiefs did he know whom he considered honest men (he knows them all through RD operations). He thought for about five minutes with his head in his hands and said "one." I asked about Division Commanders and he replied "one, the Commander of the 25th Division, but he's completely incompetent." I said, "Corps Commanders," and he laughed. (Lac classifies as dishonest those who cooperate in facilitating corruption even though they do not take money themselves, as well as those who enrich themselves.)

4. Ensuring Honest Elections. Given the situation as he pictures it, I asked Lac, how would he ensure honest elections. He said he did not feel it was too difficult; Thieu and Ky must resign from their positions and there must be an honest interim Prime Minister to run the elections. I asked him if it would not be sufficient to get the agreement of the candidates and the Constituent Assembly to having one man, known to be honest, to run the elections. Lac smiled and said, you mean Thang. I replied maybe somebody like Thang. Lac said no, that even for Thang this would still not be a position of sufficient power or authority to make the elections honest. I said that the Americans were concerned that some interim government might lead to instability and possibly a coup before the elections. Lac looked at me incredulously and said, "Do you think the Army will follow any Commander who starts a coup to prevent honest elections." "He wouldn't even be followed by his aide-de-camp." Lac then said that if the Americans really wanted honest elections, they should use their influence to have a temporary Prime Minister for the elections. If the Americans then come out publically and strongly for honest elections, there would be no coup.

5. Candidates. I asked Lac what he thought of various candidates and what were Army feelings. He said that in his opinion only a small percentage of the Army was truly in favor of Thieu and Ky, but this was the "racketeering" percentage who had no real support from most of their subordinates. He said that if the elections were truly free either Huong or Big Minh would probably win. I asked him if he thought Minh should be allowed to come back. He said personally he hoped that Big Minh did not win, but that Minh had a legal right to run and that his

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right should be respected. He wondered, he said, how Viet Nam could establish a legal basis for Government by illegally excluding a candidate, particularly a candidate of Big Minh's prominence and popularity. The Catholics were afraid of Big Minh, feeling that he would be abused by the Buddhists, while Thieu, Ky and many military commanders were worried that if elected Minh might take revenge against them.

Huong, according to Lac, has a lot of respect even from the Buddhists, because he is an honest man. Huong also has substantial Catholic support according to Lac. Lac felt that Suu did not have much of a following in any organized groups or religions outside of the Saigon area; and that his running mate, Dr. Dan, was limited by his being a Northerner.

Finally, I asked him if he thought the Army would accept a civilian President. He said that the honest officers in the Army, and he believed they were still the majority in numbers, would prefer to have a civilian President. Those who truly wanted to restore the honor, prestige and spirit of the Army, wanted the Army out of partisan politics.

SLO:RCPPhillips:rm

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~~CONFIDENTIAL~~

TO: Ambassador Bunker      DATE: July 3, 1967  
FROM: Ed Lansdale  
SUBJECT: Some Current Problems

The attached memo by Cal Mehlert of my staff is a sensitive document and a revealing one, worth thoughtful reading. It is requested that the Vietnamese official who talked so candidly to his American friend be protected as the source.

cc: Ambassador Locke  
General Westmoreland  
Ambassador Komer  
Mr. MacDonald  
Mr. Calhoun  
Mr. Hart  
Mr. Jacobson

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

SLO:EGLansdale:rm

~~CONFIDENTIAL~~

819

~~CONFIDENTIAL~~

SENSITIVE

TO: General Lansdale                      DATE: July 3, 1967

FROM: Calvin E. Mehlert

SUBJECT: Talk with Tran dac Thanh, Deputy Province Chief,  
An Giang

At dinner in Saigon on July 1, I discussed the coming elections and the fundamental problems of Viet Nam with Tran dac Thanh, Deputy Province Chief of An Giang. Thanh and I had worked closely together during my tour as USAID provincial representative in An Giang, April to December 1966. Thanh is capable, absolutely honest, and an indefatigable worker. For me, he symbolizes in human terms why we should be in Viet Nam. A summary of his comments, in the first person, follows.

\* \* \* \* \*

The Fundamental Problems

Recently a group of my friends, mostly middle-ranking administrators and graduates of the National Institute of Administration, got together to discuss the situation in our country today. We agreed that our country faces three fundamental problems: corruption; the conduct of the armed forces; and the poor state of the civil bureaucracy. Of these three, corruption is the most deadly. We agreed that unless we make rapid progress now in reducing corruption, and a good start in improving the behavior of the army and the performance of the bureaucracy, the Viet Cong will win the war.

Corruption

At present, fully 80% of Province Chiefs have bought their positions. Probably an even higher percentage of District Chiefs bought theirs. They buy these positions for two reasons: (1) to move a step up on the ladder of success; (2) to make money. In either case, they must get money somehow. Manipulation of the budget in league with finance officers is one way. Levies on village administrations or businessmen is another.

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E.O. 12356, Sec. 3.4

NJ 92-224

By jal, NARA, Date 8-13-92

~~CONFIDENTIAL~~

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General Manh, Commander of IV Corps, talked much about how he was going to get rid of corruption when he took over six months ago. Recently, however, the position of Chief of Cho Moi District, An Giang, was sold for 200,000 piasters.

If the Corps Commander is corrupt or permits corruption to exist, how can we expect the Province Chief to be honest? If the Province Chief is corrupt, how can we expect the District Chief to be honest. If the District Chiefs are corrupt, how can we expect the Village Chief to be honest? And if the village and hamlet administrations are corrupt, how can we expect the people to follow us?

I suggest the following approach as a partial solution: each Division Commander would be asked to draw up lists of officers he considers capable and worthy of being District and Province Chiefs. These lists would then be forwarded to the Central Government for review with only the most worthy being permitted to remain. They would be listed in order of precedence. When any vacancy occurs for District or Province Chief, the Corps Commander would be obliged to select the first listed person. This would do more than any other step now to reduce corruption.

#### Reformation of the Armed Forces

The second basic problem is the lack of disciplined armed forces. The average citizen knows his Central Government only through the soldier. What he thinks of the soldier is what he thinks of his government. The common soldier is not trained for this responsibility. Nor can he be expected to perform well and to win the support of the people unless the army officer corps, from the top down, is clean.

#### Improvement of the Civil Bureaucracy

The civil bureaucracy is not capable of performing its mission. There is no morale, no pride in serving the nation. The basic reason for this is the lack of a leader who commands respect.

#### Elections

The organization of elections is one of the most heartening developments for Viet Nam. It is likely that the Senators and Assemblymen to be elected will be able to act to reduce corruption. They will know of corrupt practices in their home areas and denounce them publicly.

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The elections must be free of manipulation. If they are not, and if the new administration comes to power as a result of cheating in the campaign or at the polls, the Republic of Viet Nam probably will not survive. In An Giang I shall do my best to ensure a fair election but already there has been considerable behind-the-scenes manipulation. When Ky visited Long Xuyen he spent two hours closeted with Colonel Tuoi. (Comment: Colonel Tuoi appears to have recently, in effect, taken over control of the Hoa Hao Central Executive Committee, with an assist from Ky.) At that meeting I believe a financial arrangement was made with Tuoi to gain Hoa Hao support.

You asked what other methods might be used to manipulate the election in An Giang. Perhaps someone will approach Colonel Hue (another Hoa Hao leader with a considerable following in An Giang) with cash. I have no doubt that Hue would be influenced by such an approach.

While I will do all I can on the technical side to ensure a free election, the major obstacle may well be my Province Chief, Colonel Ly ba Pham. He is not only authoritarian but corrupt. He makes 30,000 piasters a year but has just completed building his third house in Saigon, this last one quite large. (Comment: The writer has seen two of these houses.) Two weeks ago a government inspector visited An Giang and asked me about Pham's corruption. I felt that, being Pham's assistant, I should not be the one to inform the inspector. Instead I referred him to people in Long Xuyen for the information. Actually, Pham is not a bad man. His wife is the main trouble. Her greed is overwhelming and she forces him into corrupt practices in order to provide her the houses, cars and other luxuries she wants. (Comment: The writer notes that, by contrast, Thanh's wife is a devout Buddhist, a trained nurse, who lives simply and within her husband's means. She engages in social welfare work quietly and with no ostentation.)

Thus, he may really want to do right in the election but I wonder how strong might be the temptation of money.

I believe the best way to bring about a free election would be for General Thieu or the Directorate to summon District Chiefs to a secret meeting at which the clear statement would be made that what the NLC truly wants is a free, fair campaign and election. Yes, I know that is what Ky said at the election seminar but this was only a

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public statement made for the record. What counts is what is said privately.

(In answer to the writer's question) The Viet Nam Veterans League in An Giang would probably not be able to contribute to the supervision of the election. Its chairman in An Giang is Major Thun, Deputy Province Chief for Security, and it is controlled by old Hoa Hao officers. (Comment: The writer believes that Major Thun would use the VVL in An Giang in any way Colonel Pham directs.) In Ba Xuyen, where I was Deputy Province Chief before coming to An Giang last year, the VVL probably could be an effective instrument to help ensure a good election.

Our village-hamlet elections were honest. In two-thirds of the hamlets and one-half of the villages, new Chiefs were elected. These elections have had an excellent effect upon local administration. I am going to escort 14 of the new village chiefs on a six-week tour of Thailand, the Philippines and Taiwan beginning July 16.

"If there is a Free Election . . ."

If there is a really free election, I believe that the fact that two-thirds of the population is Southern and only one-third Central or Northern will be decisive. In a free election Tran van Huong would stand a good chance. He is respected particularly for his honesty. He now lives on a pension of 5,000 piasters a month. It is well known that although he had access to a private fund of some three million during his time in power, he refused to touch one piaster of it. Also, his running mate, Mai tho Truyen, is a popular person.

SLO:CEMehlert:rm

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812

~~CONFIDENTIAL~~

TO: Ambassador Bunker      DATE: July 3, 1967  
FROM: Ed Lansdale  
SUBJECT: A Provincial Outlook

For your information.

The attached memo by Cal Mehlert of SLO reports the views of the An Giang Province Chief about the forthcoming Presidential election. The two became friends when Mr. Mehlert was the USAID representative in An Giang.

cc: Ambassador Locke  
General Westmoreland  
Ambassador Komer  
Mr. Calhoun  
Mr. Hart  
Mr. Jacobson

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

SLO:EGLansdale:rm

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

TO: General Lansdale                      DATE: July 3, 1967  
FROM: Calvin E. Mehlert  
SUBJECT: Talk with Colonel Ly ba Pham

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

The morning of July 2, Colonel Ly ba Pham (please protect source), Province Chief of An Giang, and I discussed the latest political developments over coffee downtown. A summary of our conversation follows:

I reminded Colonel Pham of his statement to me on the 28th that both Ky and Thieu were putting pressures on him to support their respective candidacies, and that he disliked very much being put in this dilemma. I asked him how he felt about the new Thieu/Ky line-up. Pham said that the new situation was "very good," because he was no longer caught in a cross-fire. He intended to conduct "absolutely fair" elections in An Giang.

I asked Pham if this would really be possible. Had he not told me that Ky, on the 28th, had ordered him and all other military province chiefs to support military candidates? Pham replied that the current situation in Viet Nam demanded that the elections be free and fair. Only a just election can provide the foundation for a stable government.

I then asked Pham if the election were truly fair would a military or civilian candidate be elected. Pham did not want to answer. I told him to forget the question if he did not care to reply. Slowly, he said that "the people" do not want a military government; they are "tired" of the military. If the election is free, he believed a civilian would be elected.

In that case, I said, would not he and most other province chiefs lose their jobs. "Right! And I'm ready to go anytime," Pham replied.

I asked Pham which ticket, in his mind, "would be best for Viet Nam." Without hesitation he replied "General Minh and Lieng." The antipathy between Ky and Thieu is dangerous, he said. Minh would be above this rivalry and is widely popular. Lieng is also a respected and popular person. Further, Lieng had been a friend and associate of Nguyen huu Tho, Chairman of the NLF. They had shared the same office as lawyers. This relationship could well be helpful in the future.

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I asked if the new Thieu/Ky line-up reflected any basic change in the power positions of the two. Pham said no, "Everything is the same as before."

Finally, I asked Pham what would be the result if the elections are not fair, and if there continues to be little progress in reducing corruption. Pham replied, "In that case, we are finished."

Comment: Colonel Pham sounded sincere in his support of free elections. However, his Deputy Province Chief, Tran dac Thanh, told me the night before the above conversation that his biggest problems in organizing a fair election would come from Colonel Pham himself. I suspect this may be true. Pham is strongly authoritarian. He has told me many times that the duty of the people is to obey and the responsibility of the authorities is to provide good government. How a fair election fits into Pham's view of a properly run society, I don't know. He may conclude that the least disadvantageous policy for him is to refrain from any attempt at manipulation. Or, if his support for Duong van Minh is genuine, he may work discretely on the latter's behalf. Or, quite possibly, he may conclude that the Thieu/Ky ticket will win, that he does not wish to alienate the probable victors, and end up by supporting the incumbents.

SLO:CEMehlert:rm

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Ambassador Bunker

July 2, 1967

Ed Lansdale

Talk With Dr. Dan, July 1

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 92-224

By *ju*, NARA, Date 8-13-92

I talked with Dr. Phan Quang Dan, Suu's Vice-Presidential running mate, the afternoon of July 1. Primarily, I checked on the firmness of the Suu-Dan tickets' intention to continue their election campaign in the face of the military coalition; apparently Suu-Dan intend to campaign even harder. Secondly, I introduced the idea of General Thang heading a GVN body to assist the Central Election Councils and Campaign Committees in conducting honest elections; Dr. Dan is highly in favor of this, but is uncertain of how best to bring this about.

Here are highlights of our talk:

Suu-Dan Intentions: Dr. Dan admitted that the Thieu Ky coalition caught him by surprise, and really astonished Suu. Since the Thieu-Ky coalition was announced, Suu and Dan have come to some preliminary conclusions that the military might have actually weakened their political position by the move. Thieu is not a person whom the voters will feel they can trust. Thieu will be counting upon Ky to furnish the organization and "drive" in the election campaign, but there is a very good chance that Ky--as he thinks over what happened to him--will start dragging his heels subtly, so that Thieu won't get elected. Many Ky supporters will slacken off likewise, in disgust. Dr. Dan said that it wouldn't surprise him at all if Ky withdrew his candidacy at a late stage in the campaign. Rivalry will continue to smolder in the military, under the surface, so unity really hasn't been achieved. The Suu-Dan ticket has a lot of willing volunteer workers who are as enthusiastic as ever, but is still plagued by having too little financial support.

Thang: Dr. Dan continues to have an unusually high regard for the integrity of General Nguyen Duc Thang. When I asked Dr. Dan if he felt the elections would be conducted honestly, he admitted that the Election Law provisions might prove to be inadequate, and that a principled GVN election coordinator--such as General Thang demonstrated

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In the CA Elections last September--might be the answer. Dr. Dan felt that Special Commissioner Tuong, while a good bureaucrat, had neither the authority nor the courage to make Province Chiefs comply with the law. He noted that both Thieu and Ky had given separate, secret, and conflicting instructions to the Province Chiefs, before their coalition move. As a result, the Province Chiefs were stymied, unsure of which candidate they should really support in their rigging. Now, the Thieu-Ky coalition has provided an answer to the Province Chiefs' dilemma, and they can cheat for the military ticket.

Dr. Dan feels that Ky might be inclined just now to appoint General Thang to oversee the conduct of the election, and make it truly honest. He mused that this would be about the only way to keep most Province Chiefs straight. The difficulty is that it would be ticklish right now to bring this subject up in the Assembly, since the Assembly would be hesitant to propose additional electoral procedures to the GVN. Also, it might be difficult to get someone such as Huong, if a gathering of leading candidates were called to discuss the adoption of such means for conducting a fair election, to either attend the meeting or to agree on the selection of Thang. Dr. Dan remarked rather bitterly that Thieu had spread a lot of bad rumors about Thang being Ky's man, which Huong believes. Dr. Dan stated that he was sure that Thang would always place the good of the country above personal connections. He then grinned and said that maybe you should call all the candidates together and make them agree on this--look what happened when you gave lunch to Thieu, Ky, and Vien. Dr. Dan concluded by saying that he would start doing a little missionary work towards getting Thang into the conduct of this election, since he believes that this would be most constructive.

Huong: I asked Dr. Dan for his estimate of the Huong campaign. He replied that Huong's camp was due for fractioning among some of the hardest-working members of the Huong camp. He explained that he had intimate information that Huong had promised the Prime Minister reward secretly to each of the four most energetic managers in his camp. Since Huong was planning to sit in Vung Tau for the campaign, there would come a time soon when his campaign managers would clash, ask who was boss, discover the duplication of promises, and start falling out. Dr. Dan added, a bit maliciously, that Huong had relied on the use of oxygen when he held office, being in poor health then as now. I asked Dr. Dan what was wrong with Huong. "High blood pressure," he answered.

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**"Big" Minh:** Dr. Dan said that "Big" Minh had a constitutional right to run for President. However, he regrets that "Big" Minh is running. He feels that Minh cannot win--and wouldn't even campaign too actively if he returns to Viet-Nam. However, "Big" Minh is well and favorably known to the people. He will get a considerable vote. However, it will be at the expense of other candidates, both military and civilian, and probably mean the winning of the election by a plurality rather than a majority. Thus, "Big" Minh has weakened the chances for a decisive vote, without really having a chance to win himself.

cc: Ambassador Locke  
General Westmoreland  
Ambassador Komer  
Mr. Calhoun  
Mr. Hart  
Mr. Jacobson

EMB/SLO:EGLansdale:jrl 7/2/67

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~~CONFIDENTIAL~~

81k

TO: Ambassador Bunker                      DATE: July 2, 1967  
FROM: Ed Lansdale  
SUBJECT: A Political View

The attached memo by Rufe Phillips reports a conversation with Vo van Hai that I believe you will find of interest. Hai was executive secretary to President Diem, so highly regarded for his personal integrity that he was the only individual closely associated with Diem who was not on the reprisal list of the revolutionary group who overthrew Diem.

cc: Ambassador Locke  
General Westmoreland  
Ambassador Komer  
Mr. Calhoun  
Mr. Hart  
Mr. Jacobson

SLO:EGLansdale:rm

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

~~CONFIDENTIAL~~

812

~~CONFIDENTIAL~~

TO: General Lansdale                      DATE: June 30, 1967

FROM: Rufus C. Phillips

SUBJECT: Conversation with Vo van Hai

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

1. Vo van Hai dropped by to say that he was running for the Senate on a slate headed by former General Hoanh. The slate, including alternates, has three Southerners, three Northerners and six candidates from the Center. It has both Buddhists and Catholics and was formed without soliciting support from any of the religious groups or from the Presidential candidates. All are honest men, according to Hai, and "true patriots" who have similar political beliefs and will work together as a team. In typical modest fashion, Hai has put himself last on the list.

2. Hai threw some light on General Huynh van Cao's difficulties in getting on a Senatorial list. It seems that Cao set as a condition for his participation that he head the list. Finally, Cao wound up putting together his own list at the last moment. Hai was not sure that Cao would make the closing date of today.

3. The conversation then turned to Hai's feelings about the Presidential race. Hai said that he wanted me to know that, as an old friend, he felt deeply that it would be disastrous for Viet Nam and for the Americans if either Ky or Thieu were elected. He said that this was not because of any prejudice on his part against the military, on the contrary, an ex-general was heading his Senatorial list. It was because neither Ky nor Thieu were regarded with any respect by the Vietnamese people. If they had taken action to reform the Army and do something for the people while they had been in power they could have won popular support and would not now have to cheat in order to win. To the contrary, however, the people know that the Government and the Army was more corrupt than ever. They would therefore not vote for either Ky or Thieu unless ordered to.

4. Hai said that it was better in Vietnamese eyes to have a "virtuous" but weak man as President than a strong man who was regarded as either corrupt or prone to excess. An honest and moral man, as President, capable of forming a good team around him including a strong Prime Minister could rally the people and

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help to give Việt Nam something to fight for. Hai seemed to favor Huong although he did not come out and say so.

5. Hai went on to say, that as patriotic Vietnamese, his slate would be critical of some of the ways in which American aid was being given and American influence utilized. He said he hoped that we would understand that this was constructive criticism, but that in the future the Vietnamese Government would have to begin to stand on its own two feet and not appear to be only an errand boy of the Americans. This was the Vietnamese impression of the present Government, he said.

6. In parting, I wished Hai well in his campaign. Afterwards in reflecting on what he had to say, I was disturbed. Hai is one of the few Vietnamese I know whom I trust as being absolutely sincere and honest. Back during the most difficult final days of Diem, Hai's predictions and estimates of Vietnamese reactions were almost always right. Hai may be wrong about Vietnamese reactions to Ky and Thieu; but the only way that a Ky will be able to rally the support of honest Vietnamese such as Hai is to win honestly and to take extraordinary measures to prove that the elections are honest. I feel that everyone, including Ky, would be better off if both Ky and Thieu stepped aside from their Government positions during the campaign. The matter of being able to give orders to the Province Chiefs is of particular importance.

SLO:RCPPhillips:rm

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the evasion of some onerous GVN red-tape procedures by local businessmen, so a better profit can be made. VC tax experts then start applying "squeeze," with threats to expose the illegal practices to the GVN, until they collect as much as 20% to 25% in taxes for the VC. Taxes to the VC ordinarily run higher than taxes to the GVN. Most large importers reputedly pay VC taxes. Nearly all night-clubs and bars, including those on Tu Do, pay VC taxes as "protection."

cc: Ambassador Bunker  
Ambassador Locke  
General Westmoreland  
Mr. Calhoun  
Mr. Hart

SLO:EGLansdale:rm

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81w

~~CONFIDENTIAL~~

TO: Ambassador Bunker      DATE: July 2, 1967  
FROM: Ed Lansdale  
SUBJECT: Political Atmosphere

I asked Cal Mehlert to visit SCA during the closing moments of the registration for candidates. His attached report gives a little flavor of the scene that I believe you will find of interest.

cc: Ambassador Locke  
General Westmoreland  
Ambassador Komer  
Mr. Calhoun  
Mr. Hart  
Mr. Jacobson

SLO:EGLansdale:rm

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

~~CONFIDENTIAL~~

810

~~CONFIDENTIAL~~

TO: General Lansdale                      DATE: July 1, 1967

FROM: Calvin E. Mehlert

SUBJECT: Some Late Evening Comments at SCA

I dropped by candidate registration headquarters at the Special Commissariat for Administration last night at 11.30 just one half-hour before the close of registration. About 30 Senatorial candidates and their friends were there, some filling out forms and presenting required documents, but most gathered in small groups discussing election plans, and the newly-emerged Thieu/Ky Duong van Minh slates. By this time, over 60 lists had registered for the Senate race and 17 for the Presidency and there was considerable animation and excitement.

I note below some of the comments I heard during the minutes before midnight:

A former Diem government official: "Very interesting news about Thieu and Ky this afternoon ... well, you know, it's always possible for someone to die. An accident can always happen. I'm sure that an accident will happen. He won't settle for second place, be sure of that ..."

Another former official: "I tell you, for just one million dollars, you Americans can have anyone you want elected. It would be easy. You don't have to let anyone know. But if you back some good men, the people will vote for them, and the other candidates will all drop out. No, the people won't resent it. They'll thank you for it. Just a million dollars. . ."

Friend of a candidate: "Want to know why there are so many candidates for President? Because we have so many divergencies, especially in these last years. Each one has to be represented."

SCA official: "We have many Presidential candidates because of the importance of 'amour propre' to us Vietnamese. X sees that his friend has signed up as **Vice-Presidential** candidate on someone else's ticket, so X has to one-up Y and make at least a gesture of running for the Presidency. Some candidates consider running for the Senate beneath their dignity and want to show the

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E.O. 12356, Sec. 3.4

NLJ 92-224

By           , NARA, Date 8-13-92

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world how much they think of themselves by running for the Presidency or Vice-Presidency.

"Many running for the Senate are thinking primarily of the prestige the position will give them. Satisfaction of the ego...?"

Senatorial candidate: (glances hastily about and whispers)  
"You all did good work today. We all think you did a good job. You know, the U.S. troop movements... Clever... Well-timed. (Press of the hand, warmly). Got just the right results. Never mind, of course you cannot say anything."

Unidentified observer: "Beaucoup listes? C'est la democracie, monsieur, mais a la francaise!"

SLO:CEMehlert:rm

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~~1. [unclear]~~  
2. Pres file

Tuesday, July 11, 1967

MEMO FOR THE PRESIDENT

Mr. President:

Attached is the daily situation report  
on Vietnamese politics.

W. W. Rostow

Att.

~~SECRET~~ Attachment

~~SECRET~~

82a

Situation Report on Viet-Nam

July 11, 1967

DECLASSIFIED  
Authority RAC 11096  
By iw NARA, Date 7-28-98

New Developments

Ky has told an American observer that he will be considering campaign tactics over the next several days. He saw two courses of action open to him: (a) to reactivate his own campaign organization in full support of the Thieu-Ky ticket; or (b) to do as little as possible in support of the ticket. Ky said that he favored the first course of action but that he could not exclude the second until he works out a definite agreement with Thieu on sharing of responsibilities. Ky appeared flatly to rule out his accepting the post of prime minister in any civilian government if the military slate were defeated. Ky told the American observer that he needed to know the American attitude before deciding which course of action to follow.

We have a separate CIA report from a source close to Ky that Thieu has informed Ky that he (Thieu) would be wholly dependent on Ky's campaign apparatus, since he was without funds, workers, and campaign manager.

Ky's remarks imply clearly that he still has no precise understanding with Thieu and that the organization he was

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creating behind his own candidacy has virtually ceased functioning. These facts are apparently generally evident in political circles in Saigon: (1) both presidential candidate Huong and Suu's vice presidential candidate, Dan, have noted privately that the Thieu-Ky slate was weaker than the previous Ky ticket; (2) Huong and Dan have said privately that the emergence of the Thieu-Ky slate may serve to improve the honesty of the elections; Huong told an Embassy officer that Ky's pressures and unfair tactics have been greatly reduced in recent weeks, and Dr. Dan recently acknowledged that "Ky might be inclined just now to appoint General Thang to oversee the conduct of the election and make it truly honest." Dan noted, however, that the Thieu-Ky coalition could permit the province chiefs to "cheat for the military ticket".

Both Huong and Dan commented that Big Minh could not justifiably be barred from being a candidate. However, they both expressed the view that Minh could not win. Dan felt that if Minh remained in the race he would reduce the chances of "a decisive election". Meanwhile, Minh is quoted in the Bangkok press as saying that if the Generals in Saigon eliminate his candidacy, "the election will be 100% unfair".

He was also quoted as saying that he could campaign even though he were not in South Viet-Nam.

Huong was very outspoken against "peace candidate" Thanh, stating flatly his belief that Thanh is working for the Viet Cong. He states that Thanh has connections with the communists through his wife.

Comment

We believe that when Bunker replies to Ky's request for an indication of the American attitude, he should state that: (a) Ky should work out his relationships with Thieu to continue to preserve military unity; (b) the Thieu-Ky slate should campaign vigorously as should all slates; and (c) the campaign and the elections should be openly and honestly conducted.

We intend to raise the Thanh case again with Ambassador Bunker. We will cite the views of Huong and certain Assembly members against Thanh's candidacy and ask for the Embassy's careful judgment, as a matter of urgency, on Thanh and his connections. We will renew our request that Ambassador Bunker discuss this issue frankly with Thieu and Ky, unless the Embassy has new information clearly and closely linking Thanh to the Viet Cong.

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Tuesday - July 11, 1967

*Pres file*

Mr. President:

1.5(c)  
3.4(b)(1)

H rewith a [redacted] report describing the success of President Mendez Montenegro in dealing with rural and urban insurgency in Guatemala during the past eight months.

1.5(c)  
3.4(b)(1)

It shows what a democratic, popular government can do when it is determined to take firm action. Although the report does not say so, the attitude of Mendez Montenegro has facilitated our providing equipment, training [redacted] to the military and police which has helped them ferret out the guerrillas and terrorists.

W. W. Rostow

Attachment

1.5(c)  
3.4(b)(1)

[redacted]

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CENTRAL INTELLIGENCE AGENCY  
Intelligence Information Cable

ROUTINE 83a

FILE COPY

PAGE 1 OF 7 PAGES

STATE/INR DIA ARMY NAVY AIR JCS SECDEF NSA NIC AID USIA SDO ONE OCR ORR DCS CGS CIA/NMCC

EXD DDI

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

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

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**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ/RAC 00-199**  
**By cbm, NARA Date 3-26-01**

CITE

DIST 10 July 1967

COUNTRY GUATEMALA

DOI 7 JULY 1967

SUBJECT SITUATION APPRAISAL. STATUS OF THE GUATEMALAN REVOLUTIONARY  
MOVEMENT, AS OF 6 JULY 1967.

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

- BATOR
- BOWLER
- BUDGET
- DAVIS
- GINSBURGH
- HAMILTON
- JESSUP
- JOHNSON
- JORDEN
- KEENEY
- KOMER
- MOYERS
- TAYLOR
- WRIGGINS

ACQ

SOURCE

THIS APPRAISAL

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

OF THE CURRENT SITUATION IS NOT AN OFFICIAL JUDGEMENT BY  
THIS AGENCY OR ANY COMPONENT. IT REPRESENTS THE  
INTERPRETATIONS OF A STAFF OFFICER BASED ON INFORMATION AVAILABLE  
TO HIM AT THE TIME OF ITS PREPARATION.

1. (SUMMARY: AS A RESULT OF THE GOVERNMENT'S SUCCESSFUL COUNTER-  
INSURGENCY CAMPAIGN, THE REBEL ARMED FORCES (FAR) IS UNDERGOING THE MOST  
CRITICAL PERIOD OF ITS FOUR-YEAR HISTORY, A PERIOD IN WHICH ITS CONTINUED  
EXISTANCE MAY WELL BE DETERMINED. FAR OFFENSIVE CAPABILITY IN THE NORTHEAST  
AREA HAS BEEN PRACTICALLY ELIMINATED AND THE URBAN RESISTANCE FRONT, THE  
"NERVE CENTER" OF THE FAR, HAS RECEIVED IMPRESSIVE SETBACKS AT THE HANDS OF

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

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(classification) (dissem controls)



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(classification)



THE GOVERNMENT SECURITY FORCES. DISSENSION WITHIN THE REVOLUTIONARY MOVE-  
MENT HAS INTENSIFIED SHARPLY WITH THE "RED GUARD" FACTION OF THE FAR TRYING  
TO TAKE CONTROL OF THE MOVEMENT FROM THE GUATEMALAN COMMUNIST PARTY (PGT).)

2. THE REBEL ARMED FORCES (FAR) IS CURRENTLY UNDERGOING THE MOST  
CRITICAL PERIOD IN ITS FOUR-YEAR HISTORY, A PERIOD IN WHICH THE CONTINUED  
EXISTANCE OF THE FAR AS A SIGNIFICANT REVOLUTIONARY FORCE MAY WELL BE  
DETERMINED. THE FAR HAS SUFFERED A SERIES OF SEVERE SETBACKS SINCE THE  
INITIATION OF THE GOVERNMENT'S COUNTERINSURGENCY CAMPAIGN IN LATE 1966.  
BY EARLY 1967, THE GUATEMALAN ARMY HAD STRIPPED FOR ALL PRACTICAL PURPOSES  
THE OFFENSIVE CAPABILITY FROM THE EDGAR IBARRA GUERRILLA FRONT (FGEI,  
GUERRILLA ARM OF THE FAR) IN THE NORTHEAST AREA OF GUATEMALA, AND HAD FORCED  
THE FGEI INTO EXPENDING ITS ENERGIES IN A QUEST FOR SURVIVAL AND IN EFFORTS  
TO REGROUP ITS MILITARY FORCE. AT THE PRESENT TIME, THE REMNANTS OF THE  
FGEI ARE BELIEVED TO NUMBER APPROXIMATELY 60 MEN, THE MAJORITY OF WHOM ARE  
REPORTEDLY HIDING IN THE MOUNTAINS IN THE DEPARTMENT OF IZABAL.

3. THE SUCCESSFUL CAMPAIGN BY THE ARMY AGAINST THE RURAL INSURGENT  
WAS SOON FOLLOWED BY GOVERNMENTAL EFFORTS TO ELIMINATE THE "NERVE CENTER"  
OF THE REVOLUTIONARY MOVEMENT, THE URBAN RESISTANCE FRONT OF THE FAR. THE  
APPOINTMENT OF COLONEL MANUEL FRANCISCO SOSA AVILA AS DIRECTOR GENERAL OF

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(classification)



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

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THE NATIONAL POLICE WAS INSTRUMENTAL IN ACHIEVING CLOSER COORDINATION BETWEEN THE MILITARY AND THE POLICE IN COOPERATIVE EFFORTS AGAINST THE URBAN SEGMENT OF THE FAR. SOSA IS ALSO CREDITED WITH THE PROMOTION OF A HIGHER ESPRIT DE CORPS WITHIN THE NATIONAL POLICE, WHICH IS BELIEVED TO HAVE BEEN LARGELY RESPONSIBLE FOR THE RECENT INCREASE IN POLICE MORALE AND EFFECTIVENESS.

4. THE SUCCESSES OF THE SECURITY FORCES AGAINST THE URBAN RESISTANCE FRONT OF THE FAR SINCE APRIL 1967 HAVE BEEN IMPRESSIVE. A MAJOR PORTION OF THE FAR'S PROPAGANDA NETWORK, THE ENTIRE WORKERS SELF-DEFENSE UNIT (UNIDAD DE AUTODEFENSA OBRERA), LED BY FRANCISCO RAMIREZ CORADO, A LARGE PART OF THE FAR "SHOCK UNITS" (UNIDADES DE CHOQUE), AND MOST RECENTLY THE LEADERSHIP OF THE FAR SUPPLY UNIT HAVE ALL BEEN NEUTRALIZED BY GOVERNMENTAL ACTION. THERE IS LITTLE DOUBT THAT THE SUCCESS OF THE URBAN CAMPAIGN HAS BEEN LARGELY ATTRIBUTABLE TO GOVERNMENT-SANCTIONED POLICE AND MILITARY TERRORISM. THE HARSH INTERROGATION METHODS UTILIZED BY THE POLICE HAVE BROUGHT FORTH INFORMATION WHICH HAS ALLOWED THE SECURITY FORCES TO TAKE ACTION AGAINST THE VERY HEART OF THE URBAN RESISTANCE FRONT. THE ASSASSINATIONS AND TERRORIST BOMBINGS BY THE SPECIAL COMMANDO UNITS OF THE GUATEMALAN ARMY, COUPLED WITH THE PROPAGANDA BOMBARDMENT OF THREATENED ASSASSINATIONS, HAS SERVED TO KEEP THE COMMUNIST LEFT IN A STRICTLY DEFENSE

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BEEN IN CUBA FOR EXTENDED PERIODS. SALAZAR HAS RETURNED TO GUATEMALA AND ORTIZ HAS BEEN TRAVELLING THROUGHOUT THE COMMUNIST BLOC, INCLUDING CHINA AND VIETNAM. THE POSITION OF CESAR MONTES IN THE TACTICAL DISSENSION IS SOMEWHAT UNCLEAR. IN RECENT MONTHS MONTES HAS VACILLATED BETWEEN THE HARD AND SOFT LINES, TAKING A PRO-PARTY POSITION WHEN IN THE COMPANY OF PGT LEADERS; BUT BEING MENTIONED IN INTERNAL FAR CORRESPONDENCE AS SUPPORTING THE POSITION OF SALAZAR. PGT LEADERS HAVE VOICED THE OPINION THAT SALAZAR, WHO WAS REMOVED FROM ALL POSITIONS OF AUTHORITY WITHIN THE REVOLUTIONARY MOVEMENT WITH THE REORGANIZATION OF THE EXECUTIVE COMMITTEE OF THE FAR INTO THE HIGH COMMAND, WILL ATTEMPT TO FORM HIS OWN SEPARATE REVOLUTIONARY FORCE. THERE HAS BEEN NO CONFIRMATION THAT SALAZAR IS ATTEMPTING TO FORM HIS OWN MOVEMENT. HOWEVER, SUCH A MOVE WOULD APPEAR TO BE A LOGICAL ONE.

7. PGT LEADERS HAVE EXPRESSED THE VIEWPOINT THAT THE FORTHCOMING CONFERENCE IN HAVANA OF THE LATIN AMERICAN SOLIDARITY ORGANIZATION (LASO) WILL BE AN IMPORTANT FACTOR IN RELATION TO THE FUTURE COURSE OF THE REVOLUTION IN GUATEMALA. THERE IS LITTLE DOUBT THAT THE "RED GUARD" FACTION OF THE FAR WILL ATTEMPT TO INFLUENCE THE CUBANS TO PROD THE PGT INTO ACCEPTING A MORE MILITANT FORMULA TO RESOLVE THE SOLUTION TO THE ARMED

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STRUGGLE. THE PGT WILL UNDOUBTEDLY DEFEND ITS THESIS AND POINT TO THE RECENT LOSSES OF THE FAR AS FRUITS OF THE "RED GUARD" STRATEGY. IT IS NOT BELIEVED THAT THE PGT CAN BE CONVINCED TO FOLLOW THE LINE ADVOCATED BY THE "RED GUARD" LEADERS. HOWEVER, THE CUBANS MAY WELL ENCOURAGE SALAZAR TO ORGANIZE HIS OWN PRO-CUBAN MOVEMENT BY PROMISING TO SUPPLY FUNDS AND OTHER MATERIAL SUPPORT. SUCH A MOVE BY THE CUBANS WOULD UNDOUBTEDLY HAVE IMMEDIATE REPERCUSSIONS AMONG THE COMMUNISTS IN GUATEMALA AND WOULD PROBABLY RESULT IN SEVERE FRAGMENTATION AND INFIGHTING.

8. EVEN DISCOUNTING THE INTERNAL DISSENSION AMONG THE COMMUNISTS AND ITS HARMFUL RAMIFICATIONS WITHIN THE GUATEMALAN REVOLUTIONARY MOVEMENT, THE FAR IS STILL IN A PERIOD APPROACHING STAGNATION. AT THE PRESENT TIME, ITS CAPABILITY FOR OFFENSIVE ACTION IS PROBABLY LIMITED TO OCCASIONAL AND BOTHERSOME ACTS OF VIOLENCE WHICH WOULD NOT SERIOUSLY AFFECT THE STABILITY OF THE GOVERNMENT. THE FAR IS IN SHORT SUPPLY OF FUNDS AND SUPPLIES, WHICH ARE TWO INDISPENSABLE ITEMS FOR THE SUCCESSFUL DEVELOPMENT OF RESERVE FRONTS IN THE WESTERN AND CENTRAL AREAS OF GUATEMALA. IN ORDER TO REGROUP ITS FORCES, THE FAR WILL NEED A LARGE INPUT OF FUNDS AND SUPPLIES FROM EXTERNAL SOURCES. IN ADDITION, THE REVOLUTIONARIES NEED TIME AND RELATIVE FREEDOM OF ACTION TO REORGANIZE. AS LONG AS THE GOVERNMENT'S AGGRESSIVE

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CAMPAIGN AGAINST THE INSURGENTS CONTINUES, THE COMMUNIST LEFT WILL EXPERIENCE GREAT DIFFICULTY IN ATTEMPTING TO REVITALIZE THE FAR INTO A VIABLE REVOLUTIONARY THREAT.

9. FIELD DISSEM: NONE. SHOWN TO AMBASSADOR AND DCM.

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Tuesday, July 11, 1967

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Pres file

MEMO FOR THE PRESIDENT

Mr. President:

You will recall your reference to the fogs of Martha's Vineyard in your toast to the King of Thailand.

It did not pass unnoticed on the Vineyard itself. Bill Jorden just provided the attached editorial from the Vineyard Gazette of July 7. In it, Henry Beetle Hough, editor of the Gazette, hails the virtues of occasionally "getting lost in the Vineyard fog." I thought you would enjoy seeing it.

W. W. Rostow

Att.

*Presidential Toast*

Said President Johnson in a toast to the King of Slam the other day, "Some members of my cabinet—some members of my staff—have been known to disappear into the fogs of the Vineyard for long stretches of time. Some of them even claim that the fog obscures not only land and sea, but the sound of the White House telephone."

There is a suggestion here that might bear good fruit in the conduct of international affairs, and also in coping with hard domestic problems. Suppose the man who so strongly urged a tax increase had first meditated in the ocean vapors at Quitsa or Menemsha—vapors that might soothe even the hectic brow of economics? Suppose Mr. Kosygin had been fogged in for a while on Chappaquiddick, surrounded and necessarily relaxed by a force more enduring than any utterances of Marx?

As to obscuring the sound of the White House telephone, that's an interesting concept. It is well known that there is far too much communication in the world today. One of the most welcome of all responses is "They don't answer", which is almost as good as not having tried to communicate in the first place. The recorded message has partly but not entirely out-flanked this last refuge of non-communication.

But the beneficence of Martha's Vineyard lies not only in the fogs President Johnson has heard about. There is also the precise and enlightening opposite—the long view. From almost any vantagepoint an Islander can look out and far, or up and far. And in the morning, often at noon, and **always** in the evening, the elements and the creatures of nature **whisper** of the things they have known and seen. This is in **itself** a great accumulation of knowledge.

July 11, 1967

P file

85

MR. PRESIDENT:

The slow, uneven, hard-slugging but significant progress being made in land reform and the civil side of pacification is reflected on pp. II-1 to II-6, attached.

It's the sort of thing, I suspect, that gives Bob Komer encouragement.

W. W. R.

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II. REVOLUTIONARY DEVELOPMENT

The Government of Vietnam since the beginning of 1967 has distributed more than 70,000 permanent land titles to farmers. This activity in combination with other GVN-sponsored land reform projects is in part calculated to reap immediate short-term political advantages as well as longer range economic benefits. Revolutionary Development cadre efforts continue to meet with varying degrees of success in several widely scattered parts of the country. The resettlement of some 7,000 persons currently underway in Pleiku Province is now 80 percent complete. The newly settled areas are, however, already showing signs of Communist penetration. In Saigon, a pilot program of free medical service for the needy was scheduled to begin last month and it is hoped to expand it into the provinces during July.

Land Reform

1. US officials in Saigon have reported that the Government of Vietnam (GVN) has distributed more than 70,000 permanent land titles since 1 January 1967. These permanent titles replace temporary land-ownership certificates issued during the Diem regime and have been issued by the GVN to farmers cultivating former French lands and lands seized in 1956 under Ordinance 57. Permanent land titles have reportedly been issued in cases where full payments for the land have not yet been made to the government. The title holders are, however, still liable for the payments due.

2. Two recent decrees are concerned with restructuring the land tenure system. One, a decree of 19 May, clarifies the status and policies of the government relating to lands distributed to people

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by the Viet Cong but which since have come under government control. The second forbids either landlords or government officials from using the Vietnamese military to collect back rents on these lands. In most cases the collection of back rents on the redistributed lands has been suspended by the government.

3. Major problems and inequities which continue to plague the rural areas include: the violation of tenant-landlord contracts and terms of tenure relationships; a biased or inadequate village administrative authority to cope with land disputes; excessive landlord influence on village affairs; and the problems caused by the Communist land distribution and taxation systems.

4. The basic legislation for the redistribution of land in Vietnam--Ordinance 57--was written in 1956. This legislation limited riceland holdings to 247 acres per landlord and an additional 37 acres was allotted for burial purposes. Provisions were made in the legislation to provide payments to landlords for land expropriated under these laws. Of the approximately 772,000 acres seized under Ordinance 57, 615,000 acres were redistributed. Much of the remainder of the land is in insecure areas and no actions have been taken concerning this land.

5. Land reform projects currently sponsored by the GVN are directed toward the redistribution of land and rent controls in order to achieve an immediate political return and some long-term economic benefits. By giving the farmer a firm, permanent title, the government hopes to induce him to invest labor and capital in the land in order to raise production above a marginal level and create an agricultural surplus.

6. One of the programs to strengthen land tenure is being tested in the An Giang (Province) Priority Area. In this area, aerial photos are being taken of the entire province and maps of land holdings are being made from them. This method offers speed, accuracy, and security since little work needs

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to be done on the ground. A title produced by this process contains a description of the land and a photo of it, and since the titles are easily reproducible, copies may be given the owner as well as filed centrally. This program has suffered from technical problems, however, and 70 percent of the aerial coverage done thus far must be reflown.

7. Although accurate statistics on rural affairs are not available, USAID has made the following estimate of the percentage of farmers by tenure:

<u>Tenure</u>	<u>Southern provinces (%)</u>	<u>Central low-land provinces (%)</u>
Owner-operators only	23	29
Operators with only rented land	47	11
Operators with both owned and rented land	30	60

Revolutionary Development Cadre Highlights

8. In an attempt to eliminate corruption found in his area of operations, the leader of an RD team in Chau Doc Province provided provincial authorities information on the illicit activities of the chief of the village in which his team was operating. The village chief had been using the local Popular Forces, to terrorize the local residents, collect illegal taxes, and unlawfully seize private property.

9. In an effort to stop the RD team's investigation of these activities, the village chief had gone so far as to have two of the villagers who had been cooperating with the team killed. Provincial authorities had been reluctant to take any actions against the offender but--when faced with evidence of the murders and with the threat of the resignation of the RD team leader--finally jailed the village chief on murder charge. The team leader is continuing to investigate the villagers' charges of corruption against colleagues of the village chief

who are still in office. The province chief--although commending the RD team leader for his actions--has warned him of "danger to his personal security."

10. In Binh Dinh Province on 14 June two RD teams--recent graduates of the National Training Center--moved into two hamlets in the southern part of the province where the Communists in 1964 had forced the majority of the local residents to leave. The arrival of the RD teams was soon followed by the return of approximately 1,200 former inhabitants of the area. In addition, an estimated 600 residents from nearby hamlets have temporarily resettled in the two hamlets for security and have indicated that they will return to their native residences when RD teams are available to help them reestablish their hamlets.

11. Elsewhere in this province, an RD team operating in Phu Cat District enlisted the support of the US engineer battalion to blast rock needed to build a dam being constructed under the self-help program. When the US unit first arrived they had to do all the work themselves; soon, however, the villagers and RD cadre had taken over the manual labor while the engineers provided only technical guidance. This joint venture reportedly has generated more cordial relations between villagers, RD personnel, and US troops in the area.

12. In Vinh Binh Province four RD teams have been working in what were Communist-controlled areas of Cang Long District since February 1967. At the end of May the teams began to discern signs that they had finally begun to overcome the people's apathy and distrust. The teams have been able to stimulate the people to commit themselves to working on a variety of programs designed to improve hamlet life and have enrolled large numbers of the children in government schools. In adjacent Tien Can District, RD teams have helped newly resettled families--who in the early part of the year had left areas under enemy control--to build approximately 400 new homes for themselves.

13. In Phuoc Tuy Province, the Provincial Intelligence Officer--using intelligence furnished by an RD team operating in one of the villages--apprehended 17 members of that village's chapter of the "Liberation Women's Association." The suspects have been sent to the Provincial Interrogation Center.

14. In Khanh Hoa Province the RD Control Committee has initiated a series of broadcasts from the Nha Trang radio station stressing the importance of RD work in the province and citing examples of the people's participation in RD efforts. This is one of the first reported instances of a provincial control committee taking advantage of the local radio station to promote its RD effort. Similar promotional work needs to be done by Vietnamese officials throughout the country in order to explain the goals and achievements of the RD program to the local populace.

Refugees

15. The Edap Enang highlander resettlement project in Pleiku Province which has as its goal the resettlement of approximately 7,000 people is now approximately 80 percent complete. When the project is completed, approximately 1,200 families will have been moved from the Pleiku-Cambodia border areas and resettled along Highway 19 east and south of the city of Pleiku. The movement of the people is the responsibility of the US 4th Infantry Division, with Civil Operations and Revolutionary Development Support (CORDS) and the GVN's Special Commission for Refugees (SCR) providing the personnel and resources to assist the montagnards in resettling. The security of the resettlement area is being maintained by a Vietnamese Ranger battalion, two Regional Force companies, and two Popular Force platoons.

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16. As of the middle of June over 5,600 people--residents of 44 of the 51 hamlets scheduled for resettlement--were evacuated from their previous residences with the majority of the people electing to relocate in the new areas. Within the resettlement areas construction has been completed on 439 new homes while 782 are still being built. There are indications, however, of Communist penetration of the resettlement area. On at least four occasions in May large numbers of highlanders were cajoled or pressured into abandoning the resettlement area by Communist cadre. One of the prevalent propaganda themes of the Communists is to circulate among the highlanders rumors that the US forces do not have enough rice to feed them and that all US forces will soon be leaving Pleiku Province.

17. In Phu Yen Province work has begun on approximately 1,163 self-help homes for refugees. The SCR has announced that it will pay a second resettlement allowance to previously resettled refugees who are constructing new homes for themselves and, in addition, the SCR will provide these people with seed and farm land. The progress made so far in 1967 in the Phu Yen refugee program is encouraging; in 1966 provincial activities were categorized by US advisors as "stagnant."

"New Life Development" Activities

18. The Vietnamese Mutual Assistance Association, a voluntary organization, in cooperation with the Ministry of Social Welfare is making plans to provide free medical check-ups and treatment to the needy. Approximately 300 civilian and military physicians have volunteered to participate, and pharmaceutical companies in Saigon have agreed to contribute drugs valued at over 500,000 piastres. The program was scheduled to begin in Saigon at the end of June and expand into the provinces during July. Needy persons seeking medical assistance under this new program have to contact their provincial social welfare center to obtain examination tickets.

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