

Pres file~~SECRET~~/SENSITIVE

Thursday, July 27, 1967 -- 3:30 p.m.

Mr. President:

Herewith Dick Helms' files with you a report on CIA operations in Saigon from Bill Colby -- a most experienced and cool hand in the business.

It is, on balance, a heartening report.

The first paragraph on "The Operating Climate" gives the feel.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-132
By ing, NARA, Date 2-3-95

~~SECRET~~/SENSITIVE

WWRostow:rlh



~~SECRET/SENSITIVE~~
CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D. C. 20505
OFFICE OF THE DIRECTOR

55a

27 JUL 1967

MEMORANDUM FOR: The President

SUBJECT : Transmittal of Vietnam Report

1. Mr. William Colby, Chief of our operating division on the Far East, is currently on an inspection trip during the course of which he has visited our Vietnam Station. Pursuant to a remark you made to me at a recent meeting, I asked Mr. Colby to take a very careful look at all of our activities in Vietnam and submit a personal report to me on his findings and conclusions. I think you will find this report interesting and informative and I am, therefore, forwarding it to you as an attachment to this memorandum.

2. Mr. Colby is one of our ablest and most professional officers, and one long personally associated with the Vietnam problem. In January of 1959, he became Deputy Chief of our Station in Saigon and in June of 1960 he took over as Chief of Station, a post he held until September 1962 when he returned to Washington to become Deputy Chief of the Far East Division. In February 1963, he replaced the recently deceased Mr.

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E.O. 12356, Sec. 3.4
NIJ 94-128
By CL, NARA, Date 2-22-95

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FitzGerald as Chief of this Division. Mr. Colby has devoted a major portion of his professional attention to Vietnam and its problems for more than eight years. It would be hard to find a more knowledgeable observer.

3. I think you will recognize from the general tone as well as the specific contents of the attached report that this Agency is going flat out in its effort to contribute to the success of the total US program in Vietnam and is utilizing the full range of professional resources, skill and imagination available to us. In numerical terms, our input is small in comparison to other components of the government, particularly the military. Qualitatively, however, I find the performance of our officers in the field most gratifying and believe this view is shared by their colleagues in other government components, including not only Ambassador Bunker but also his predecessors in that office.

4. As Mr. Colby indicates, there are obviously sticky problems which remain to be solved. These, however, are being worked on with every resource at our command. For example, we are already endeavoring to meet the requirements he identifies for additional personnel. We have recently arranged to have 50 military officers detailed to this Agency for work in the Revolutionary Development program, our own reservoir

- 2 -

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of available professionals being exhausted. Thirty-seven of these have already been trained in the United States and are en route to Vietnam.

5. The thing I find perhaps most significant is the way our Station is playing its role as a participating member of the US team effort rather than a separate bureaucratic entity. Our officers and their programs are fully integrated into the total structure headed by Ambassador Bunker and, on the pacification side, into the new combined organization which Ambassador Komer directs as General Westmoreland's executive agent.

Rich

Richard Helms
Director

Attachment

cc: The Secretary of State
The Secretary of Defense
Special Assistant to the President for National Security Affairs

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55b

25 JUL 1967

MEMORANDUM

SUBJECT: Review of the Activities of the CIA's Vietnam Station

I. THE OPERATING CLIMATE

1. The impressions I obtained of the CIA Station's activities in Vietnam on this trip are significantly different from the impressions obtained on previous visits. During earlier periods, in looking at the Station one saw a harassed but imaginative band of officers wrestling with a variety of challenges and launching new programs in an effort to throw up some obstacles to slow the Viet Cong momentum and protect us from the fragility of the Saigon Government (the GVN). On this occasion, I saw a Station with a clear and important role in the overall American effort, working as a full and highly regarded member of a Country Team and possessing the initiative in the contest with the Viet Cong. The Station is still over-committed, but is efficiently structured to make a significant contribution for a force of its size.

II. ORGANIZATION AND PERSONNEL

2. Some of the Station's programs in the past were remarkable innovations, unique in the quality of their execution. Yet since they were small, even though well polished, they were precious indications of

SANITIZED
Authority NLS 019-0201-5
By 8, NARA, Date 12-17-01

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APPROVED FOR RELEASE

2/95

future promise more than major contributions to a current war effort.

That day is now over for several reasons, including the greater numbers of our Agency personnel now on the scene, the vast improvement of the Station's organization into regional groups under effective chiefs, and the fact that our officers are approaching programs as participants in a joint effort and as co-workers with their colleagues in other agencies, rather than as parochialists.

3. Today we have [REDACTED] American personnel on duty in Vietnam as 1.3(a)(4) members of the Vietnam Station. By contrast, there are around 460,000 US military in Vietnam, of which about 10,000 are intelligence personnel. AID's strength in Vietnam is about 2,000, the Embassy has about 230 people, and USIA about 120. Although in light of our total worldwide responsibilities it will be difficult to increase our career personnel input, our activities in Vietnam must and will be supplemented by the utilization of additional military and contract personnel in order to provide the manpower necessary to execute programs of the scope and variety of those in which the Station is engaged.

III. PRINCIPAL PROGRAM AREAS

4. The Attack on the Communist Apparatus: As the immediate military threat is pushed farther from the populated areas, it becomes ever more important to eliminate the Viet Cong apparatus (also known as

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the political control mechanism or infrastructure) in order to free the people of South Vietnam from the Communists' covert authority. The importance of this task has been underlined by Ambassador Komer and is well recognized by the Station. The Station is hard at work collating our knowledge of the Viet Cong political structure at all levels in order to facilitate the identification and capture of key Communist cadre. The 7,000-odd low-level reports that we pass to our military colleagues each month now not only include order of battle type information on the strength and location of Communist military units but are including a steadily growing amount of intelligence on important Communist officials, i. e., their identities, functions and physical locations. This is a healthy sign. In this endeavor the Station is exploiting a variety of information sources including its [REDACTED] interrogation centers at both provincial and national levels, [REDACTED] informants resident in contested hamlets), and a mass of detailed information received from [REDACTED] Vietnamese who carry out the "Census Grievance" program. At the same time, some of our best officers are utilizing the most professional techniques in pursuing [REDACTED] covert operations aimed at key members of the enemy's highest level command structure in order to open channels of communication to individuals in this key target group so that we can tempt them to defect, . 1.3(a)(4)

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persuade them to act as we would have them act or, at a minimum, sow doubts among them.

5. Revolutionary Development: The reorganization of the American Revolutionary Development effort has been a major step toward improving the control of US efforts in the "Other War," and will help to ensure that the programs of all US agencies will aim at concentrated objectives. The [REDACTED] Revolutionary Development cadre currently in training under 1.3(a)(4) a program operated by our Station constitute the foundation stone of this RD program. While these cadre are by no means perfect, their training, motivation and techniques have stimulated a series of efforts to emulate them and thereby extend their effectiveness or profit from the experience gained in developing the concepts which guide their activities. It is heartening indeed to see some of the results of this activity, to visit, for example, a Delta hamlet of 160 families with an elected council and a self-defense force of 78 young men, located in an area where only six months ago an RD team began its work with 12 families who lived there more or less under Viet Cong authority. It is even more heartening to see how many similar communities have been stimulated and supported and how these communities are succeeding in throwing off enemy domination. The Station has conclusively proved the importance of the cadre program to this "Other War." It has also shown that this program can be carried

forward from local to area victories as has happened, for example, around Quang Ngai city. Two years ago Quang Ngai city was an urban island in a Viet Cong sea. Now, in its environs, the Viet Cong are being pushed southward and ever farther away.

6. Political Intelligence and Action: In the political field, Ambassador Bunker relies heavily on the judgment, initiative and professional techniques of our Station and its officers. The Station is operating under his specific and detailed command and providing him the flexibility he needs in the delicate process of constitutional and electoral development. On the Ambassador's behalf we are developing discreet relationships and covert assets than can be manipulated to sponsor the emergence of what appear to the outside world as genuinely Vietnamese political initiatives, constitutional provisions and electoral platforms. This same network of relationships and assets will also help provide coverage of GVN political plans and intentions and early warning of political moves which would be counter to US interests.

7. Other Programs: While the manifold programs outlined above are massive by our Agency's standards, they do not comprise the whole of our Station's efforts. In addition to these programs, the Station is also carrying on other activities:

13(a)(4)

IV. MAJOR PROBLEMS

8. The Police-Type Function of Civil Control: I do not mean to suggest that all problems have been solved; many still remain. We still have not properly organized the essential police function, i. e., we have not established a police apparatus capable of eliminating the Viet Cong's covert control of the hamlets and keeping the Viet Cong away once they have been forced out. A major effort in this field is being built around Ambassador Komer's "Infrastructure Intelligence Coordination and Exploitation" (ICEX) organization which is largely based on a Station proposal prepared at Ambassador Komer's request. ICEX is in its earliest stages and I do not think we have yet recognized the full scope of the staffing requirements that this Agency and the military will have to meet if the ICEX approach is going to work. Much needs to be done to improve the effectiveness and interaction of various Vietnamese components capable of taking direct action against identified infrastructure elements including

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the Police Field Forces, the Provincial Reconnaissance Units (which we developed and control), the regular police and the Regional and Popular Forces. Much work must also be done on extending the impact of Revolutionary Development teams in order to permit the coverage of a decisive percentage of the total population. Various tentative efforts are being made along these lines such as the "Quarter Zone" activity in Binh Thuan province, the civil-military teams in Binh Dinh province, the hamlet self-defense elements and others; but both a conceptual and practical job still needs to be done in this vital area.

9. Revolutionary Development Follow-Up: It is also clear that some mechanism must be developed to ensure a proper follow-up of the special attention which has been provided by an RD team once the team leaves the hamlet in which it has been working, otherwise there is a pronounced tendency to fall back to earlier Vietnamese governmental failings which often contributed to produce the problem in that hamlet in the first place. This is primarily a job for Ambassador Komer, but the Station will certainly work closely with him in attempting to solve it.

10. Needed Organizations and Political Institutions: It is also plain that additional forms of popular organization, especially in the non-governmental field [REDACTED]

1.3(a)(4)

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must be developed in order to strengthen the fabric of Vietnamese society and render the Vietnamese capable of protecting themselves against Viet Cong probes, political as well as military. This is only one aspect of the fundamental problem of assisting Vietnam in its process of transition from government by mandarin or military authoritarianism to government based on an engagement of the people in a common endeavor. Again, this is an overall American problem but one to which the Station can contribute substantially through the political expertise of its own officers [REDACTED]

1.3(a)(4)

[REDACTED] to help the Vietnamese in this difficult process of political evolution.

11. The Top Level Communist Target: Despite progress achieved, we still have far to go in upgrading our sources and in improving our production on the top policy levels of the Viet Cong, so that we can gain intelligence capable of providing the basis for strategic setbacks to the Communists in addition to providing accounts of the Communists' past activities.

V. CONCLUSIONS

12. In sum, though it appears to me that the war is by no means over and there are certainly fragile elements in the overall picture, it

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is very clear that my Soviet or Chinese counterpart's report must exhibit great concern over the Viet Cong's mounting problems and the steady improvement in the ability of both the South Vietnamese and the Americans to fight a people's war. My counterpart can quite properly ascribe a substantial share of responsibility for both Communist problems and anti-Communist improvement to the activities of our Vietnam Station.

~~SECRET/SENSITIVE~~

56

Pres file

Thursday, July 27, 1967 -- 3:15 p.m.

Mr. President:

This is merely to report a telephone call from Jack Irwin:

-- He briefed Gov. Reagan. Reagan said that from what he had read in the papers, he had been concerned about the Panama Canal treaties. He listened attentively to the briefing; stated that he 'appreciated it'; but did not commit himself one way or the other. Irwin regards the session as net constructive.

-- Irwin, at Bob Anderson's instruction, will not proceed to brief Messrs. Nixon, Romney and Percy. (He briefed Nelson Rockefeller at a joint meeting with General Eisenhower.)

W. W. Rostow

cc: Wm. Bowdler

WWRostow:rla

W. W. Rostow
17

1. ~~Supp~~
2. Pres file

Thursday, July 27, 1967
3:00 p.m.

Mr. President:

Here is today's situation
report on political developments
in Viet Nam.

W. W. Rostow

Att.

SECRET ATTACHMENT

~~SECRET~~Situation Report in Viet-NamJuly 27, 1967The Campaign for the Senate

The 48 senatorial slates finally posted July 21 represent almost every non-communist political tendency in the country. A few lists of possible political importance were disqualified including two slates reportedly favored by the militant Buddhists and the slate sponsored by the leading labor organization. If they wish to, these groups should be able to find other slates to support among the widely-varied lists remaining.

The very large number of lists and the complicated nature of the electoral process make pre-election assessments difficult. The outcome will undoubtedly be affected by the amount of backing received from leading presidential candidates and their organizations. Thieu and Ky have indicated they will pick lists to support. The new "United Political Bloc", composed of several leading political elements originally organized in support of Ky, is running three senate lists. The Southern regionalist slate undoubtedly plans on Huong's support. The Revolutionary Dai Viet party organization is already linking Ha Thuc Ky's presidential campaign with that of four Dai Viet senatorial lists.

Other lists, such as the two Catholic-led slates, count on the advantage of bloc votes, and the slate containing several ex-Diemist officials reportedly has good financial backing for the campaign.

Overall, the senatorial elections have stirred up considerable (and unusual) enthusiasm in Vietnamese political circles. Participation has been extremely wide, and attention focussed on the senate election has had the welcome side-effect of defusing tensions generated by the concurrent presidential race.

Presidential Campaign Development

The Central Election Campaign Committee, composed of representatives of all the presidential candidates, met July 20 and agreed without apparent difficulty on major campaign procedures. The Committee Chairman told the press on July 24 that the candidates had agreed on joint appearances before voters, joint use of communications media, and a prohibition on use of personal invective in campaign speeches. This is encouraging.

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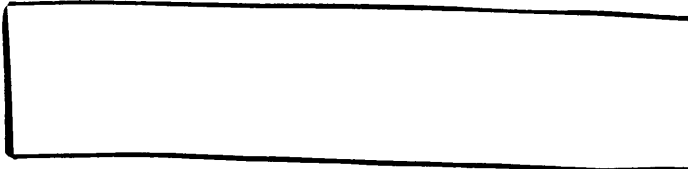
DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-130
By cb NARA. Date 7-12-94

~~TOP SECRET TRINE~~

Pres file 58

Thursday, July 27, 1967
2:07 p.m.

Mr. President:



3.4(b)(1),(3)

W. W. Rostow

~~TOP SECRET~~

WWRostow:rla

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-202
By SJ NARA, Date 1-29-03

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Thursday - July 27, 1967
1:00 pm

59

Pres file

Mr. President:

Covey Oliver raises the question whether you want to hold the signing of the Panama Canal treaties at the White House in the event President Robles decides not to come?

If you wish to proceed with a White House ceremony, he wants to tell the Panamanians that arrangements stand as agreed by Anderson and Eleta in New York in June.

If you are not interested in a White House ceremony if Robles decides not to come, he wants to shift Panamanian thinking toward a State Department ceremony.

W. W. Rostow

Stick with White House
ceremony whether or
not Robles comes

Yes _____. No _____. See me _____.

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60
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DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By 06, NARA, Date 6-6-95

Pier file

~~CONFIDENTIAL~~

Thursday - July 27, 1967
12:00 noon

Mr. President:

Herewith Ambassador Jones' report on how Belaunde reacted to the conditions of our program loan.

We must wait to see what his final response is.

On IPC, it is clear that he does not want to impair the status of the Company. I think we can count on him to hold this line. State is re-examining the adamant Company position to see if they can't be pushed into greater flexibility in working out a settlement.

On military purchases, we will have to see how Belaunde works this out with his military. The Canberra problem will complicate the picture.

W. W. Rostow

Attachment

Lima's 432, 7/25, ~~CONFIDENTIAL~~
and 443, 7/27.



Department of State

TELEGRAM *60a*

~~CONFIDENTIAL~~

PAGE 01 LIMA 00432 260039Z

96

ACTION ARA 19

INFO SP 02, SS 35, GPM 03, SC 01, NSC 10, RSC 01, CIA 04, NSA 02, INR 07, P 04,

USIA 12, AID 30, IGA 02, RSR 01, ACDA 17, L 03, H 02, E 19, TRSY 08,

FRB 02, XMB 06, 190 W

P 252300Z JUL 67
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY

~~CONFIDENTIAL~~ LIMA 432

SUBJECT PROGRAM LOAN NEGOTIATIONS AND MILITARY SPENDING

REF STATE 9115

I, STEDMAN, ACTING AID MISSION DIRECTOR, AND I CALLED ON PRESIDENT THIS MORNING. SAID WE HAD COME IN RESPONSE TO HIS REQUEST MADE TO DENTZER AND ME EARLIER THIS MONTH (LIMA 192) FOR EMERGENCY FINANCIAL ASSISTANCE; THAT WE WERE INSTRUCTED TO LEAVE A MEMORANDUM WITH HIM EMBODYING OFFER AND REQUIREMENTS ACCOMPANYING IT. HOWEVER BEFORE GOING OVER MEMORANDUM I SAID I WOULD LIKE TO MAKE A FEW OBSERVATIONS ORALLY. BELAUNDE AGREED AND I PROCEEDED AS FOLLOWS:
(A) PROGRAM LOAN OFFERED IN MEMORANDUM WAS ADDITIONAL TO REGULAR PROGRAM OF PROJECT LENDING.
(B) ALL NEGOTIATIONS FOR PROGRAM LOAN WOULD BE TERMINATED IF IF POSITION OF IPC WAS PERMITTED TO DETERIORATE. IN VIEW OF PENDING LEGISLATION ON EXPROPRIATION AND NATIONALIZATION LA

PAGE 2 RUESLM 432 ~~CONFIDENTIAL~~
BREA Y PARINAS AND ITS ANTICIPATED PROMULGATION INTO LAW USG COULD NOT CONTINUE NEGOTIATIONS ON PROGRAM LOAN OR LATER CONCLUDE LOAN AGREEMENT OR LATER DISPERSE FUNDS UNDER IT IF POSITION OF IPC WERE IMPAIRED.

~~CONFIDENTIAL~~

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E.O. 13292, Sec. 3.4

By *pc/w* NARA, Date 12-9-09



Department of State

TELEGRAM

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PAGE 02 LIMA 00432 260039Z

2. PRESIDENT INTERRUPTED ME TO EXPLAIN THAT POSITION OF IPC WOULD NOT BE ALTERED EVEN WITH PROMULGATION OF NEW LAW WHICH HE SAID HE WAS GOING TO SIGN LAST POSSIBLE MOMENT (WE ASSUME JULY 26 OR 27). OTHERWISE CONGRESS WOULD PROMULGATE LAW FOR HIM WHICH WAS POLITICALLY UNDESIRABLE IN LIGHT ALL HIS OTHER PROBLEMS WITH LEGISLATIVE BODY. HE INTENDS ISSUE SUPREME DECREE AT TIME OF SIGNING LAW PROVIDING FOR STATUS QUO AT LA BREA Y PARINAS UNTIL FINAL SOLUTION ITS FUTURE OPERATION CAN BE WORKED OUT. WHILE STATUS OF IPC WOULD THUS HE SAID NOT BE IMPAIRED, HE EXPRESSED IRRITATION AT WHAT HE CONSIDERED CONSTANT INTERFERENCE OVER THE YEARS OF THIS COMPANY WITH HIS DEVELOPMENT PROGRAM. HE COMPLAINED THAT COMPANY WAS STUBBORN AND HAD REFUSED TO MAKE CONCESSIONS NECESSARY FOR HIM POLITICALLY TO REACH AGREEMENT. HE REFERRED AGAIN TO FORMATION OF DUMMY CORPORATION WITH MAJORITY PERUVIAN SHAREHOLDERS WHICH HE SAID WOULD MAKE IT EASY FOR HIM TO SIGN OPERATING CONTRACT IMMEDIATELY. OTHERWISE HE IMPLIED NEGOTIATIONS

PAGE 3 RUESLM 432 ~~CONFIDENTIAL~~ A L
WOULD HAVE TO CONTINUE BEYOND 30-DAY PERIOD GRANTED BY PENDING BILL.

3. MY THIRD OBSERVATION ON PROGRAM LOAN, I CONTINUED, RELATED TO LEVEL OF MILITARY EXPENDITURES. I EXPLAINED THAT DOMESTIC POLITICAL FACTS OF LIFE IN US WERE SUCH THAT IT WAS NOT POSSIBLE FOR US TO PROVIDE PROGRAM LOAN ASSISTANCE TO COUNTRIES WHOSE MILITARY EXPENDITURES WERE SUBSTANTIAL. FOR EXAMPLE PURCHASE OF SUPERSONIC AIRCRAFT BY PERU NOW WOULD ENDANGER FOREIGN ASSISTANCE APPROPRIATION FOR THIS YEAR NOT ONLY FOR PERU BUT FOR ALL LA. TO NEGOTIATE PROGRAM LOAN WE WOULD REQUIRE UNDERSTANDING WITH GOP THAT BUDGET OF ARMED FORCES NEXT YEAR WOULD BE NO GREATER THAN THIS AND OF COURSE THAT THERE BE NO PURCHASE OF SUPERSONIC FIGHTERS. PRESIDENT REACTED VIOLENTLY TO THIS POINT SAYING HE COULD NOT LIMIT PERUVIAN MILITARY IN THEIR DEFENSE REQUIREMENTS NOR COULDK E ADMIT OF ANY INTERFERENCES IN INTERNAL AFFAIRS OF PERU FOR \$15 MILLION OR \$50 MILLION OR \$100 MILLION. SAID HE MUST MAKE IT ABSOLUTELY CLEAR THAT HE WOULD SIGN NO DOCUMENT WHICH LIMITED SOVEREIGN POWERS OF PERU. IF THIS WERE OUR REQUIREMENTS HE WOULD FORGET ABOUT ASSISTANCE FROM US AND "SEEK OTHER ROUTES."

~~CONFIDENTIAL~~



Department of State

TELEGRAM

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PAGE 03 LIMA 00432 260039Z

4. I EXPLAINED AGAIN PROBLEMS OF ADMINISTRATION IN WASHINGTON WITH CONGRESS OVER THIS SENSITIVE ISSUE AND SHOWED PRESIDENT COPY OF DRAFT CONGRESSIONAL AMENDMENT TO FOREIGN AID ACT INTRODUCED INTO LOWER HOUSE COMMITTEE MAKING MANDATORY SUSPENSION OF AID

PAGE 4 RUESLM 432 ~~C O N F I D E N T I A L~~
TO COUNTRIES THAT PURCHASE SUPERSONIC AIRCRAFT. SAID I UNDERSTOOD SIMILAR AMENDMENT HAD ALSO BEEN INTRODUCED IN US SENATE. WHILE ADMINISTRATION WAS OPPOSED TO THIS KIND OF LIMITATION AND AMENDMENT TO FOREIGN AID BILL IT WAS REFLECTIVE OF ATTITUDE OF CONGRESS AND OF POLITICAL PROBLEM WHICH DEPARTMENT AND WHITE HOUSE HAD AT MOMENT IN RELATION TO OUR OVERALL FOREIGN AID PROGRAM.

5. I HANDED PRESIDENT MEMORANDUM (SECTION B OF REFTEL WITH INFORMAL SPANISH TRANSLATION. HE WENT THROUGH FIRST PARAGRAPHS HURRIEDLY UNTIL HE CAME TO \$15 MILLION FIGURE WHERE HE EXPRESSED SOME DISAPPOINTMENT THAT IT WERE NOT \$40 MILLION FIGURE ORIGINALLY DISCUSSED WITH HIM. I SAID LOWER FIGURE MIGHT BE CONSIDERED "FIRST TRANCHE" AND THEN IF VARIOUS STEPS OUTLINED IN MEMORANDUM WERE SUCCESSFULLY COMPLETED WE COULD BEGIN NEXT YEAR DISCUSSION OF REMAINING \$25 MILLION. I URGED PRESIDENT TO STUDY MEMORANDUM CAREFULLY, DISCUSS IT WITH HIS ADVISORS AND, IF HE DECIDED TO PROCEED ALONG THESE LINES, TO INFORM US WHEN STEDMAN COULD BEGIN NEGOTIATIONS WITH FINANCEMIN AND PRESIDENT CENTRAL RESERVE BANK. I SAID USG HAD NO DESIRE TO LIMIT PERUVIAN SOVEREIGNTY AS HE HAD SUGGESTED BUT RATHER WE HOPED THAT WITH UNDERSTANDING OF POLITICAL PROBLEMS IN WASHINGTON, PRESIDENT WOULD BE WILLING IN SPIRIT OF COLLABORATION TO WORK OUT WITH US VARIOUS UNDERSTANDINGS

E 15 RUESLM 432 ~~C O N F I D E N T I A L~~
NECESSARY TO PROCEED PROMPTLY WITH PROGRAM LOAN. WE SPOKE OF RELATIONSHIP OF THIS OFFER TO IMF STANDBY, TO PERU'S SELF-HELP EFFORTS AND TO OUR DESIRE HELP PERU NOT ONLY WITH ITS DEVELOPMENT BUT WITH ITS IMMEDIATE FINANCIAL PROBLEM. BECAUSE BELAUNDE HAD

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Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 04 LIMA 00432 260039Z

SAID EARLIER HE WOULD NEVER PUT HIS SIGNATURE TO ANY AGREEMENT THAT MENTIONED MILITARY OR LIMITED THEIR ACTIVITIES. STEDMAN AND I ASSURED HIM THAT UNDERSTANDING ON LEVEL OF MILITARY EXPENDITURES WOULD NOT NEED BE REDUCED TO WRITTEN AGREEMENT.

6. BELAUNDE WAS OBVIOUSLY UPSET BY VARIOUS CONDITIONS REGARDING PROGRAM LOAN OFFER, PARTICULARLY THOSE RELATING TO LIMITATIONS ON MILITARY. HE SPOKE OF HIS HAPPY RELATIONS WITH MILITARY WHICH SO ESSENTIAL TO ANY REGIME IN PERU AND WITH SOME BITTERNESS OVER WHAT HE FELT USG WAS DOING TO WEAKEN ITS RELATIONS WITH PERUVIAN MILITARY WHO WERE BULWARK AGAINST COMMUNIST INFILTRATION IN THIS CONTINENT. WE WERE TOGETHER ONE HOUR AND 10 MINUTES AND I BELIEVE AT END, ALTHOUGH WE LEFT HIM SOMEWHAT DEJECTED, HE HAD DECIDED TO MAKE EFFORT TO MEET CONDITIONS SURROUNDING PROGRAM LOAN OFFER.

GP-3. JONES

~~CONFIDENTIAL~~



Department of State

Bowles
TELEGRAM

606

~~CONFIDENTIAL~~

PAGE 01 LIMA 00443 270450Z

2

ACTION SS 25

INFO /025 W

R 270006Z JUL 67
FM AMEMBASSY LIMA
TO SECSTATE WASHDC

3

~~CONFIDENTIAL~~ LIMA 443

EXDIS

FOR OLIVER FROM AMBASSADOR

SUB

IPC CASE

REF STATE 8909

1. AS REPORTED SEPARATELY, I RECEIVED NO ENCOURAGEMENT IN TALKING WITH BELAUNDE YESTERDAY REGARDING THE POSSIBILITY HIS SIGNING AN AGREEMENT WITH IPC. HE DOES NOT EVEN SEEM TO BE CONTEMPLATING SUCH AN ACT, AND INSTEAD TALKS ABOUT ACCOMPANYING THE PROMULGATION OF THE NATIONALIZATION LAW WITH A DECREE WHICH WOULD SOMEHOW PRESERVE THE STATUS QUO PENDING HIS DEALING WITH ARTICLE THREE. HE ALSO KEEPS REPEATING THAT A SOLUTION WOULD BE EASY IF IPC WOULD CREATE A PERUVIAN-OWNED COMPANY WITH WHICH HE COULD SIGN AN AGREEMENT.

PAGE 2 RUESLM 443 ~~CONFIDENTIAL~~

SO FAR, AT LEAST, THE COMPANY HAS SAID IT WILL HAVE NO PART IN WHAT WOULD APPEAR A SHAM OPERATION THROUGH A DUMMY CORPOR

NOT TO BE REPRODUCED

~~CONFIDENTIAL~~ WITHOUT THE AUTHORIZATION
OF THE EXECUTIVE SECRETARY



Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 02 LIMA 00443 270450Z

ATION. SIRACUSA TOLD ME OF YOUR EXPRESSED INTEREST IN FULLY EXPLORING THE PROPOSAL, AND WE INTEND URGE ESPINOSA TO DO SO. PERHAPS YOU COULD DO SAME WITH KAUFFMANN.

2. SO FAR, THE PRESIDENT HAS NOT INVITED HAYA TO A SUMMIT MEETING, AND HE SAID HE WOULD NOT DO SO NOW BEFORE JULY 28. FOR HIS PART, HAYA'S RE MARKS HAVE BEEN CONSISTENT WITH WHAT HE TOLD

SIRACUSA HE WAS GOING TO SAY, AND HE WAS QUITE CONCILIATORY AND ESPENTFUL IN RESPONDING TO PRESS QSERIES ABOUT A SUMMIT, INDICATING HIS WILLINGNESS TO MEET THE PRESIDENT AT ANY TIME AND ANY PLACE.

3. REGARDING PARA FIVE REFTEL, WE REPEAT OURT RECOMMENDATION THAT DEPARTMENT NOTIFY UNT EMBASSY SO THAT THEY PROMPTLY REGISTER A PROTEST UPON THE PRESIDENT'S PROMULGATION OF NATIONALIZATION LAW. REGARDLESS OF WHETHER OR NOT STEPS ARE EVENTUALLY TAKEN TO PRECLUDE NECESSITY FOR APPLICATION OF HICKENLOOPER AMENDMENT, AN EXPROPRIATION WITHOUT COMPENSATION

PAGE 3 RUESLM 443 ~~CONFIDENTIAL~~

WILL HAVE TAKEN PLACE UPON PROMULGATION OF LAW. WE DEEM A PROMPT PROTEST IMPORTANT IN THE INTERESTS OF IMPRESSING UPON BELAUCH

THE SERIOUSNESS OF THE ACT, FOR LEGAL EFFECTS THEREOF, AND FOR PURPOSE MAKING IT CLEAR THAT PERUVIAN GOVRNMENT WILL BE EXPECTED RECTIFY SITUATION.

4. WHILE WE DO NOT AT MOMENT SEE WHEN AND UNDER WHAT CIRCUMSTANCES THE TIME WILL BE RIGHT TO CALL UPON A SPECIAL EMISSARY, WE FEEL IT COULD BE VERY USEFUL AND HOPE DEPARTMENT CAN MAKE PREPARATIONS SO THAT WE COULD EMPLOY THIS DEVICE ON VERY SHORT NOTICE. SEVER

AL YEARS AGO, WE GAVE CONSIDERATION TO THE SAME MOVE AND THOUGHT FORMER TREASURY SECRETARY ANDERSON WOULD BE AN IDEAL REPRESENTATIVE. WE CONTINUE TO BELIEVE HE WOULD BE IF HE COULD FIND

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Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 03 LIMA 00443 270450Z

THE TIME TO DO SO AND IF THIS WOULD NOT INTERFERE WITH HIS RESPONSIBILITIES ON THE PANAMA NEGOTIATIONS. HE SEEMS TO HAVE ALL THE QUALIFICATIONS OF PRESTIGE, CONFIDENCE OF THE WHITE HOUSE, AND KNOWLEDGEABILITY OF THE BUSINESS WORLD, INCLUDING THAT OF OIL. WE ALSO PROPOSE ANOTHER POSSIBLE REPRESENTATIVE WHOM SIACUSA MET HERE A COUPLE OF MONTHS AGO DURING MY ABSENCE AND

PAGE 4 RUESLM 443 ~~CONFIDENTIAL~~

WHO SEEMS ALSO TO HAVE MINER QUALIFICATIONS. THIS IS MARLIN E. SANDLIN, CHAIRMAN, CHAIRMAN OF THE PAN AMERICAN SULPHUR COMPANY. SANDLIN, WE UNDERSTAND, HAS THE FRIENDSHIP AND CONFIDENCE OF PRESIDENT JOHNSON, AND THIS IS KNOWN ALREADY TO PRESIDENT BELAUNDE, SINCE HE WAS INTRODUCED TO THE LATTER BY A LETTER FROM VICE PRESIDENT HUMPHREY WHEN HE VISITED HERE IN JUNE. SANDLIN IS A LAWYER AND A SUCCESSFUL BUSINESSMAN, KNOWLEDGEABLE IN THE OIL INDUSTRY AND IN THE RELATED FIELD OF DRILLING FOR SULPHUR. HE HAS HAD MUCH EXPERIENCE IN DEALING WITH HEADS OF STATE IN THE MIDDLE EAST AND IN MEXICO, WHERE WE UNDERSTAND HE HAS RECENTLY MEXICANIZED HIS NOMHENYBDS#HOLDINGS AND HAS BEEN ASKED BY THE MEXICAN GOVERNMENT TO CONTINUE ON FOR SOME YEARS AS THE CHIEF EXECUTIVE OFFICER OF THIS NEW COMPANY. HE ALSO SPEAKS SOME SPANISH.

5. WHILE WE CANNOT FORESEE THE EXACT MOMENT FOR SUCH A VISIT, IT WOULD PRESUMABLY BE SOMETIME WITHIN NEXT THIRTY DAYS WHEN SERIOUS NEGOTIATIONS WERE IN PROCESS BUT HUNG UP ON ONE OR TWO CRUNIAL POINTS; OR WHERE SUCH A VISIT MIGHT BE NECESSARY AS A MEANS OF PERSUADING PRESIDENT TO ACT CONSTRUCTIVELY AND PROMPTLY.

GP-3. JONES

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-129
By cb, NARA, Date 6-6-95

61

Pres file

~~SECRET~~

Thursday, July 27, 1967 -- 11:45 a.m.

Mr. President:

I have been collecting from the intelligence community such evidence as there is on external involvement in the violent radical fringe of the negro community in the U. S.

You may find these first two reports of some interest; although the hard evidence will have to come from inside the U. S. via the FBI.

W. W. Rostow

~~SECRET~~

WWRostow:rla

~~SECRET~~

26 July 1967

MEMORANDUM

SUBJECT: Preliminary Report -- Cuba/Red China Involvement
in Promoting Violence in the United States

1. There have been no indications in the clandestine operations field that Cuba or Red China have engaged in promoting rioting or mass violence in the United States. In recent years, a small number of cases have come to the attention of this Agency and presumably a larger number to the Federal Bureau of Investigation in which Cubans have been recruited or co-opted to perform clandestine missions in the United States. The primary objectives of these missions have been, however, to collect information on U. S. Government plans and policy vis-a-vis Cuba, and data on the efforts of Cuban exiles to overthrow Fidel Castro. None of these operations were determined to have been targetted directly or indirectly at fomenting violence.

2. In the propaganda field, however, Robert Williams, a disaffected American Negro, broadcast a radio program from Havana called "Radio Free Dixie" which was directed primarily at the American Negro, inciting revolt and action against the whites. Williams fled to Cuba via Canada about three years ago, and he was connected with the Revolutionary Action Movement, an extreme leftist Negro militant group in the United States, (see report on next page). His broadcasts from Havana stopped about July 1966 and he has been reported in Peking since that time.

3. According to a sensitive source, the Chief of the Prensa Latina UN office was instructed by the Havana office in June 1967 to contact Stokley Carmichael to obtain an interview.

4.



1.3(a)(4)(s)

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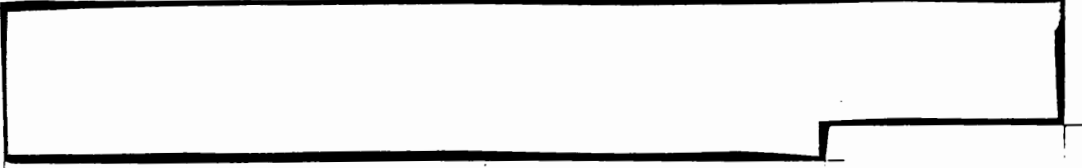
FBI

~~SECRET~~

SANITIZED

Authority NY 019-0201-6
By Q, NARA, Date 12-17-01

APPROVED FOR RELEASE



Life Magazine 10 June 1966 contained an article by Russell SACKETT captioned PLOTTING A WAR ON WHITEY. The article states in part, "Currently the most influential and feared of the black revolutionary groups is RAM: the Revolutionary Action Movement - or more recently, the Revolutionary Armed Movement. RAM is an umbrella-like fraternity with an estimated 1,000 violent-bent brothers dispersed throughout the Negro ghettos of the East Coast, where it was formed. Hundreds of other Negroes are actively affiliated with the brothers in virtually every major city in the U. S. RAM had its beginnings among a group of students who went to Cuba in 1964, against State Dept. wishes, and came under the influence of radical activists whom they met there. The spiritual godfather of RAM is an American who has lived most recently in exile in Cuba and was there when the American students arrived. He is Robert Franklin Williams. Beyond Williams, RAM's leaders are resolutely faceless. The one man to whom inquiries are most frequently referred by Williams and others is a bright 24 year old wraith named Max Stanford. Stanford, a Philadelphian, is illusive; he slips secretively from city to city as liaison man among the scattered RAM affiliates, and between them and whatever financial supports the groups has - both inside and outside the country."

~~SECRET~~

~~SECRET~~

616

26 July 1967

MEMORANDUM

SUBJECT: Final Report--Cuba/Red China Involvement
in Promoting Violence in the United States

1. The following additional fragmentary data is intended to supplement the report of 26 July on the subject of Cuba/Red China involvement in promoting violence in the United States. The data reflects that Cuba and Red China have espoused the cause of the Negro militant in the United States but contains no hard evidence that Cuba or Red China have become actively involved in creating disorders.

2. On the agenda for the first Latin American Solidarity Organization (LASO) Conference in Havana, 31 July - 8 August 1967, is the following item under 3 C: "Support for the Negro people of the United States in their struggle against racial segregation, and for the defense of their rights of equality and liberty."

3. A Havana radio broadcast of 4 July 1967 stated that the movements against imperialism presently going on in the U.S. are related to the Latin American Solidarity Conference which is scheduled to begin 31 July. The radio broadcast further reported that a main point on the LASO agenda is to devise a global strategy for combatting U.S. imperialism. PRENSA LATINA issue of 16 July, referring to the Newark riots, stated that the vanguard of Negro fighters understand the fight they are carrying on in the U.S. is linked to the fight other peoples in Asia, Africa, and L.A. are conducting against imperialism.

4. The following is from the Friendly Voice of Cuba in English on 4 July 1967: "It was stated that, as a matter of fact, LASO has already manifested a keen interest in the peace movement in the United States and has pledged its support to the Negro liberation movement there. Several LASO bulletins have published lengthy articles explaining the militant movement centered around the slogan "Black Power." Through such articles information is distributed to counteract the fantastically false stories that appear in the millionaire newspapers and magazines about Black Power."

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E.O. 12356, Sec. 3.4
NIJ 94-128
By CL, NARA, Date 2-22-95

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-2-

5. On 17 July 1967, the Prensa Latina broadcast from Havana contained expressions of support from U.S. Negro leaders for the first LASO Conference. One of the leaders cited was Paul Boutelle, Secretary for the United Front of Negro Action, Harlem, who stressed that "the U.S. Negro population is beginning to think in international terms and is becoming aware that our struggle is linked with that of the Vietnamese, Cubans, Bolivians, Angolans, South Africans, and all the rest of the peoples who struggle to control their own lives, futures, and resources." A strong similarity exists between this statement and the statement by Stokely Carmichael as broadcast by Havana on 25 July: "...the North American Negro has awakened to internationalism because of the struggle in Vietnam, Cuba, Bolivia, Venezuela, Guatemala, and other countries." Boutelle's statement was made in New York and Carmichael's was made in London.

6. The Communist-dominated Latin American Continental Organization of Students (OCLAE) is planning "a Day of Solidarity with the North American Negroes" to be celebrated by "an event." The celebration is scheduled for 18-21 August 1967.

~~SECRET~~

~~SECRET~~

Thursday, July 27, 1967
10:35 a.m.

Pres file

Mr. President:

Herewith Sec. Rusk's proposed message from you to Tito before Tito heads for Cairo.

Tito leaves for Cairo July 29 so a decision is reasonably urgent.

W. W. Rostow

~~SECRET~~

WWRostow:rlh

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E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 19, NARA, Date 7-23-91



DEPARTMENT OF STATE

Washington, D.C. 20520

July 26, 1967

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-130
By cb, NARA, Date 7-12-94

MEMORANDUM FOR THE PRESIDENT

Subject: Letter to President Tito

Recommendation:

That you send to President Tito the attached personal message concerning a Middle East settlement, to be conveyed in Belgrade by Ambassador Elbrick.

Approve ✓ Disapprove Discussion:

Yugoslav Assistant Secretary of State Belovski suggested to Under Secretary of State Rostow that Tito might be able to persuade Nasser to adopt a more reasonable position on a Middle East settlement. Ambassador Elbrick believes that a high-level letter encouraging Tito to use his influence in persuading the Arabs to adopt a more moderate position would be useful. Furthermore, in delivering this letter, Ambassador Elbrick would have opportunity for an exchange of views on the subject with President Tito.

Dean Rusk

Dean Rusk

Enclosure:

Message to President Tito.

~~SECRET~~

GROUP 1 - Excluded from automatic downgrading and declassification

~~SECRET~~

626

SUGGESTED MESSAGE TO MARSHAL TITO

"Dear Mr. President:

I have read with great care your views as expressed to Chief Justice Warren. Your and my concerns regarding the Near East situation have been and continue to be great. I have, therefore, asked Ambassador Elbrick urgently to convey this message to you.

On June 19 I set forth five principles which this Government believes provide a basis for a more stable and durable peace than has existed in the Middle East for the past two decades. At the center of our position is the conviction that each nation of that area must accept the right of its neighbors to peaceful and secure existence. I believe, Mr. President, that you share this view. The discussions in the United Nations in the past few weeks have clearly demonstrated that a significant part of the community of nations is of the same opinion. I am persuaded that many of the differences which have emerged in the General Assembly relate not to this fundamental principle but to differing judgments about how that principle can best be achieved.

Unfortunately the position of the United States has been misrepresented and, I fear, misunderstood by some members of the United Nations. I want to assure you in the most

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-129
By CB, NARA, Date 6-6-95

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2

unambiguous manner possible that the United States continues to have sympathy and understanding for the aspirations of all the peoples of the area, both Arab and Israeli. We are convinced that the position my Government has taken will in the long run assure a better and more prosperous future for all states of the Middle East. The challenge we all now face is to convince the leaders of the area of those truths which are, in fact, in their own best interests. In view of your long experience, intimate knowledge and close ties with many of the countries and leaders in this area, I would deeply appreciate hearing from you directly or through Ambassador Elbrick as to your views on how this can be brought about.

Mr. President, the United States values highly its relations with Yugoslavia. We attach the greatest importance to mutual understanding between our two countries. It is my earnest hope that this understanding and desire for peace shared throughout our countries will enable us to work together in the interests of a just and durable settlement in the Near East.

Sincerely,

Lyndon B. Johnson"

~~SECRET~~

Thursday, July 27, 1967, 11:30 a.m.

W.H.O.

63

2. Profile

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Participation in the Kiesinger Visit,
Tuesday and Wednesday, August 15-16.

Following, for your approval, is the proposed program for
Kiesinger's visit (your calendar is clear for these times):

August 15 (Tuesday)

11:30 AM - Welcoming ceremony (full honors)
12 Noon - Meet with Kiesinger (Advisors in
the Cabinet Room)
1:40 PM - You and Kiesinger meet the press
(Rose Garden) ?
8:00 PM - White House Dinner

August 16 (Wednesday)

11:00 AM - Meet with Kiesinger (Advisors in
Cabinet Room). Joint statement released
at end of the meeting.

(Note: Kiesinger may speak to the National
Press Club at about 1:00 PM, and go to
the Hill later in the afternoon.)

Kiesinger will arrive Sunday evening, August 13, and will spend
Monday preparing for the meeting. He plans to spend Thursday through
Saturday visiting with his daughter, and to return to Bonn Saturday evening.

Schedule OK ☒

Speak to me _____

* * * * *

State has suggested that you may want to give Kiesinger a working lunch
after your Tuesday meeting. The alternative is for Rusk to do it.

Schedule Presidential working lunch on the 15th ☒
Rusk should do it _____

Francis M. Bator

64

Pres file

~~SECRET~~

Thursday, July 27, 1967 -- 10:30am

Mr. President:

This is the most solid piece of analysis in
a single place of progress in Viet Nam.

I believe it should be:

- edited and repeated to our diplomatic
posts;
- used with the Congressional leadership.

W. W. Rostow

Saigon 1954

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 2-23-91

WWRostow:rln

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~~SECRET/NODIS~~

Wednesday, July 26, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon, 1954)

Herewith my thirteenth weekly telegram:

A. General

Two developments of importance relating to the elections took place during the past week as the result at least in part of persistent persuasion and patient prodding on our part. The first was the lifting of press censorship which has encountered a very favorable reaction here. The second was the invitation sent by the Foreign Minister to U Thant urging that he send United Nations observers to Vietnam during the elections. In his letter the Foreign Minister expressed the view that the presence of such observers would clearly testify to the determination of the Government of Vietnam to hold free and honest elections and that their presence would afford the United Nations organization an excellent opportunity to obtain a first-hand picture of what the situation in Vietnam really is. He has informed me that invitations are being sent to local diplomatic missions and to all countries in which the Government of Vietnam has representation. These are both measures which I have been urging Thieu and Ky to take for some time and I think the fact that they have done so has given a feeling of considerable confidence to the civilian candidates and to the public generally.

Other actions which have contributed to the feeling of confidence are the promise of equal access for all candidates to communications media and transportation and the calling off of General Loan in his over-zealous activities on behalf of Ky's candidacy before the Thieu-Ky ticket was put together. Moreover, within the past week both Thieu and Ky have said to me that they are fully conscious of the fact that with a combined military ticket, they must take added precautions to see that the elections are clean.

In the meeting which Clark Clifford and Max Taylor had yesterday with Thieu, Ky and their colleagues, Clark stressed the fact

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Authority RAC 11124(#9a) + NLJ94-130 (#64a)
By ms/RC /12d NARA, Date 3-8-07
~~SECRET/NODIS~~

that nothing could be more damaging to our common cause abroad than the impression that the elections were not honest. Thieu for his part said that they must be entirely honest and fair in order to show the Vietnamese people that the Government of Vietnam really wants a democratically-elected government which can defeat the enemy and promote a better life for its citizens. These are all constructive developments, but obviously the process will need watching and no doubt guidance as we get into the active campaign. I will, of course, continue to keep a sharp eye on this question and we will maintain the necessary pressure on the government.

The press, of course, will be watching the whole electoral process with a critical eye as they do almost everything here. It is a strange thing that in a country which is engaging in its first real experiment in democracy and under war-time conditions they seem to be expecting standards which have not yet been achieved in countries far more mature politically, even in the United States. Nevertheless, it is typical of the cynical and skeptical attitude of a large part of the press here. This is a situation similar to that we faced in dealing with the Dominican problem where many of the press came with preconceived ideas and were not to be persuaded by the facts of life. The difference is that here it is on a bigger scale.

This came out at the brief press conference which Clark Clifford and General Taylor held on their arrival. A reporter for NBC here made the statement that pacification is not going well, that there had been no spectacular military victories, that ARVN does not show any signs of becoming an effective fighting force and later on in the course of the conference made even more damaging statements about ARVN, intimating that our field commanders do not trust the courage and loyalty of ARVN soldiers. Since I and my colleagues here are convinced that we have been and are making steady progress, I had assembled some factual data for Clark and Max Taylor detailing developments which have taken place in the military, political, economic and manpower areas, and the current status of the Viet Cong. They felt that this information would be useful to them in their visits to the remaining six countries. Although I have covered some of these matters in my reports of recent weeks, it might not be amiss to summarize our views on the situation here as we see it.

Military Progress and Strategy in General

Our war against the Main Force and guerrilla forces of the enemy has been going well. As evidence of this, we have, during the past year:

A. Defeated enemy forces in battle wherever found and disrupted his plans for major offensive across the Demilitarized Zone and in the Highlands, denying him the psychological victory he seeks.

B. Contained the enemy along the Cambodia-Pleiku-Kontum border.

C. Reduced significantly enemy infiltration by sea, so as to force his reliance on infiltration through Laos and across the Demilitarized Zone.

D. Increased security in the coastal areas of the First and Second Corps, dealing a major blow^{to} the guerrilla forces. This has disrupted the enemy's source of manpower and supplies in the area, forcing him increasingly to rely on Cambodia for supplies and North Vietnam for men.

E. Destroyed Viet Cong base areas north, west, and east of Saigon, thereby pushing the enemy deeper into the jungles.

F. Significantly increased the percentage of "secure" and "open" roads and waterways, including the opening of all major roads and waterways to daylight traffic in the vicinity of Saigon, the opening of Highway 1 along the central coast from Phan Rang to the Demilitarized Zone except for a short stretch along the First Corps-Second Corps boundary, and the keeping open of Highway 19 from the coast to the Highlands and Highways 21 and 14 in the Highlands, as required to support operations.

G. Improved the ratio of enemy killed to friendly killed and enemy weapons captured to friendly weapons captured.

In addition:

A. We have improved our intelligence and have developed a flexible logistical base. Port facilities are greatly improved.

B. New highly sophisticated weapons (bombs, mines, detection devices) have been developed, and some used with great success.

C. ARVN units dedicated to the main force war, while not consistent in their performance, have vastly improved as indicated by many battle victories, which were scarce a year and a half ago. Particularly have ARVN units fought well in joint operations with U.S. units, aided by U.S. artillery and air support.

However, the enemy still has capability of replacing troops and supplies, is giving troops better and more sophisticated weapons, has been able to mount destructive mortar and rocket attacks on our AID fields and bases, and is determined to continue war, gambling on a changed political situation in the U.S. or South Vietnam.

We believe our future strategy should be:

A. To continue, improve, and intensify our present tactics of (1) containing enemy main unit forces in the South Vietnam border area, (2) searching and destroying enemy forces within South Vietnam, (3) guarding our bases and devising better methods of combatting rocket and mortar attacks against them (4) destroying enemy base areas, (5) interdicting infiltration of men and supplies into South Vietnam by the present kind of operations on land and sea and in North Vietnam, and (6) improving security in the countryside which is partly a function of all our other military activities.

B. To adopt whatever new tactics are necessary to stop or slow to a trickle infiltration by the enemy of men and material through Laos into South Vietnam.

Progress in the Political Field

Since early April of this year, most of the people in Vietnam in areas secure enough to hold elections have gone to the polls twice, once to elect village councilmen and the second time to elect hamlet chiefs. Local elections of this kind are important to the Vietnamese people because they restore to them the autonomy they once had, and provide an important base for the future involvement of the people in local government. They represent one of the present government's most significant reforms.

Eleven presidential tickets and 48 10-man senatorial lists will be voted on in the September 3 elections. There are three major presidential slates: (1) Chief of State Thieu and Prime Minister Ky; (2) Former Prime Minister Tran Van Huong and respected Southern Buddhist leader, Mai Tho Truyen; and (3) National Assembly Chairman Phan Khac Suu and Dr. Phan Quang Dan. Senatorial contenders represent a broad cross section of Vietnamese non-communist society and include many of Vietnam's most prominent political figures. This is a healthy sign of interest in the constitutional process and the importance attached to the forthcoming elections. As noted above the prospects for fair and honest elections have been much improved as have the prospects for post election cooperation between military and civilian elements. If, as we hope and believe probable, a broadly based military-civilian government can emerge from the elections, it will be a long step forward in creating public confidence in and support for the government. This in turn should provide increased stability and a broader base for carrying forward the activities of government in all areas. Progress toward the development of a democratic constitutional process has been a major achievement and one which will have great psychological impact both in Vietnam and abroad.

Economic Situation and Outlook

The economic outlook continues to be favorable. The money supply is increasing at a moderate rate in contrast to the headlong expansion of money into the economy prior to last June's devaluation. For the year as a whole a price increase of as little as 30 percent now looks possible--bad by U.S. standards but good by recent Vietnamese standards, and even by our anticipations earlier this year.

The economy today is in a far healthier position than it was a year ago. A tight grip has been put on piaster spending by free world military forces and more effective control established over Government of Vietnam spending. Government of Vietnam performance in collecting taxes is continuing to improve, but Vietnamese resources are fully employed and the pressure on the economy remains high. But while inflation has not been stopped, it is no longer out of control.

Other economic developments are also encouraging. For the first time, there are clear signs of spreading prosperity in the countryside. The urban classes were the first to benefit from the speedup in the economy. Workers in Saigon have wristwatches, motor bikes, and to a surprising extent TV sets. They eat far better now than a few years ago.

This prosperity has definitely begun to move out into the countryside, both to the major towns and into rural areas. The increased rice price has been one factor. Another is the increased consumption of domestic foodstuffs. The third is the increased availability of wage earning jobs in provincial and district towns. Finally, many country boys with city jobs are sending their earnings back to their families.

For the future we are now in a position to put more effort and resources into increasing agricultural production, to lower costs, and to increase the flow of goods to market. This is not only desirable as a means of reducing prices for domestic products, but also as a major complement to the pacification program. Evidence that rural security means increased rural prosperity will further impair Viet Cong efforts to enlist the cooperation and support of the rural population.

Current Status of the Viet Cong

A review of information on Viet Cong activities throughout South Vietnam during recent weeks indicates that Viet Cong problems in the countryside and the cities are serious and increasing, and that they have had to adjust their policies and planning accordingly.

In the Countryside

A. Manpower problems increasingly plague the Viet Cong in all parts of South Vietnam. Most provinces report severe recruiting problems and seriously understrength units. Manpower is lost directly through battlefield casualties, disease and hardship, desertion, and defection through the Chieu Hoi Program. The reserve supply is reduced by large scale emigration from Viet Cong controlled areas, leaving some places too underpopulated to tend crops adequately or supply labor and conscripts for the Viet Cong. Popular resistance to recruitment is growing. As a result the Viet Cong are increasingly resorting to the use of women and children, even in fighting units.

B. These factors have had an adverse effect on morale. Depressed morale and declining discipline of the rank and file are reflected in the rising rate over the last year of desertion and rallying under the Chieu Hoi program.

C. Morale and manpower problems are in turn related to loss of popular support, which is reported in all Corps areas. Disillusionment with Viet Cong promises and propaganda, resentment against ever higher "taxes", conscription of manpower, and dwindling confidence in ultimate Viet Cong victory have worked to turn the people from the Viet Cong.

D. Food is a critical problem in much of the First and Second Corps and in the upland regions of Third Corps. Even in the Delta "Rice Bowl" the Viet Cong are suffering from food shortages.

E. Reports on the unsettling effect of constant allied pressures are widespread.

F. In a number of provinces Viet Cong administrative centers have had to move into the hinterland to avoid friendly sweeps, and in others the Viet Cong infrastructure has been badly shaken by unrelenting U.S. and Government of Vietnam pressure.

In Urban Areas

Viet Cong problems are much greater in the cities where allied security against Viet Cong operations and terrorism is greater and where the relative prosperity and availability of food make the populace less vulnerable to proselyting and propaganda. Pressure by allied forces has forced Viet Cong to abandon Gia Dinh Province as a base of political and terrorist operations against the Saigon metropolitan area. In Saigon City a significant number of Viet Cong Cadres have been arrested during recent months. Between September 15, 1966, and the end of May 1967, 265 Viet Cong Cadres were captured in Saigon. Large scale terrorist acts in Saigon City have been inhibited to the point where the Viet Cong are resorting to indiscriminate assassination as a means of harassment and intimidation. Since the first of June the number of Viet Cong active agents arrested has risen dramatically. During the first three weeks of July, 15 sapper agents have been captured, including an F-100 battalion officer. One of the sappers arrested led to the arrest of seven others.

Viet Cong Policies and Solutions

The Viet Cong have reacted to these problems with a number of new policies. Every province reports that priority has been given to combatting revolutionary development, Chieu Hoi and other pacification and psychological programs.

Another development is an increase in indiscriminate terror. Instead of using command controlled mines on the highways to destroy military vehicles, contact mines are used which most often destroy buses and Lambrettas full of women and children. District towns are shelled or mortared more or less at random killing far more civilians than military personnel or officials. Other measures adopted have been the transformation of combat battalions to sapper units used for terrorist attacks and sabotage, rising tax levies, and confiscation of property of families who work for the Government of Vietnam or have members in the ARVN.

Hanoi's answer to loss of manpower and the continuing erosion of the Viet Cong structure has been greatly increased by North Vietnamese presence in the South. Although more than half of the enemy main force military units currently in South Vietnam are listed as Viet Cong the majority of the troops are North Vietnamese. Along with this the directness of Hanoi's control has increased.

MANPOWER

A much more complete study of the whole problem that has ever been undertaken before is now underway. This study includes: (a) methods that can be suggested for immediate implementation by the new Vietnamese Government upon its election September 3; and (b) methods that involve a more complete mobilization of Vietnamese manpower that can be implemented after completion of the study.

Manpower mobilization involves determination of manpower supply, manpower requirements, priorities where requirements exceed supply, and the plan for most effective manpower utilization in accordance with priorities. To determine manpower requirements and priorities, a policy blueprint for all activities in Vietnam must be prepared. It is proposed to prepare such a blueprint by August 20, which will include recommendations for action by the new Government of South Vietnam after it assumes power subsequent to the elections. The study has been comprehensively organized by Ambassador Locke to include all elements of our mission here, military and civilian, and is being carried on under his direct supervision.

PACIFICATION

Although there has been a feeling in some quarters that progress in pacification has been slow, I believe that this is so only because the concept in its present form is relatively new and requires a vast amount of organization and preparatory work. This has in fact been going on in my opinion at a very satisfactory rate. The reorganization of the U. S. advisory and supporting role which you approved in early May has been worked out with great energy by Bob Komer with General Westmoreland's and my approval. It has met with general approval and support and is now getting into high gear. Project Takeoff concentrating on the most essential elements in Revolutionary Development has been developed and is ready to go into operation. Reorganization of the intelligence setup in order to get more effectively at the Viet Cong infrastructure is nearing completion. Training of the Revolutionary Development teams at Vung Tau is proceeding with about 29,000 Cadres trained. Our goal is to train 60,000 constituting 1,000 Revolutionary Development teams. ARVN/Regular Forces/Popular Forces are being re-trained and motivated for work in pacification. All of these developments indicate, I believe, that once the election is behind us we should be

picking up momentum and moving ahead at a faster pace.

In giving the above summary, which is a consensus of our views here, I do not want to appear to be over optimistic. In fact, I think it is important that we should be realistic in facing the many complex and difficult problems that lie ahead. Some of these I will discuss in a later message. I do not believe, however, that there is any evidence that things are in a "stalemate" here or that we have lapsed into a static situation. I and my colleagues are all convinced that we are moving steadily ahead and moving in the right direction. I do think we need to do more intensive work in educating the Press here and I intend to concentrate on this.

We have sent in a summary report on the Clifford-Taylor visit (Saigon, 1871) which covers the high points of the meeting with the Government of Vietnam leaders. It was most useful for us to exchange ideas with them and also very helpful from our viewpoint for them to meet with the Vietnamese leaders.

We went over in some detail the whole problem of manpower, Vietnamese Armed Forces effectiveness, and pacification not only with Thieu and Ky but also with Vien and Thang. Vien gave us an account of Vietnamese plans to increase Vietnamese Armed Forces by 65,000, including 50,000 Regular Forces/Popular Forces. He explained that the plan includes semi-mobilization and the reduction of the draft age to 18. By holding men in service, this effort is already underway.

Thang noted unfair criticism of the Revolutionary Development effort, and he pointed out that Viet Cong attacks on the Cadre are evidence of their effectiveness. He wants to more than double the number of Cadre to 60,000 or 1,000 teams.

We talked at length, of course, about additional allied troops. General Ky hoped that more troops may be added from Korea and also that the Philippines may send another Philcag. He was doubtful that much could be obtained this year from Australia, New Zealand, or

Thailand. Clark Clifford made it clear that we are looking for more from all of them. It was decided that Vien and General Westmoreland will draw up a joint estimate of what we need from our allies, and this has been done.

As for a possible summit meeting, Ky suggested a preliminary meeting at the foreign ministers level in Saigon in late October or early November. Ky also urged that Australia be considered as the site of the summit meeting, noting the value of involving them more in Asian-Pacific matters.

Thieu expressed opposition to any renewed bombing pauses before the elections in the United States. As regards negotiations, Foreign Minister Do repeated the Government of Vietnam view that the Government of Vietnam will not deal with the National Liberation Front as a separate delegation but will accept it as part of a Hanoi delegation; he also said that the Government of Vietnam will accept the National Liberation Front members who come back to normal life in South Vietnam as individuals under the government, but that the National Liberation Front cannot be permitted a role as a political party or entity for the foreseeable future.

B. Political

As we approach the opening of the formal campaign, preparations by all concerned are going into high gear. The major candidates are putting together their provincial organizations. At the same time, the Central Election Campaign Committee - composed of representatives of all 11 Presidential slates - met July 20 and decided on the major outlines of the campaign.

The committee is planning 24 joint personal appearances by the candidates throughout the nation, two joint press conferences, and three joint television appearances. In addition, each candidate will get a 15-minute spot on the radio during the first week of the campaign.

The first joint event of the campaign is an August 3 television appearance. Joint travels begin August 6, with a visit to Quang Tri Province; in all, the candidates will appear as a group four times in First Corps, three times in Second Corps, four times in Third Corps, nine times in Fourth Corps, three in Gia Dinh, and three times in Saigon. Both joint press conferences will be held in Saigon.

Candidates will be permitted to hold additional press conferences in their homes or in restaurants, but they may not use public facilities. The joint campaigning is not compulsory, and candidates may travel and speak in other localities as they please. The government will not pay their expenses on such trips, however.

There now seems to be little immediate danger that any of the leading civilian contenders will pull out of the race. I had feared that one result of the Thieu-Ky merger might be withdrawals by some of the civilian candidates who might conclude that the United Military ticket was unbeatable. However, Huong assured an embassy officer July 22, that he has no present intention of withdrawing, while

Suu exuded his usual optimism about his chances of victory in another conversation on the same day. On July 24, Suu's running mate, Phan Quang Dan, outlined his campaign plans to an embassy officer and claimed that his slate is the best organized of the 11 in the field. He gave no inkling of any discouragement about Suu's chances.

CIA reports indicate that the Thieu-Ky slate intends to spend in the neighborhood of 60 to 70 million piasters, and that government communications will be used to assist their campaign organization. The other candidates will be spending considerably less. A Huong supporter told one of our embassy officers that Huong has at his disposal only three or four million piasters, which he believes is not nearly enough. Suu also complained about the lack of funds. The civilian candidates will not have the advantage of government communications, of course. Nevertheless, I am inclined to think that these government advantages are close to normal for an incumbent, and unless they are too blatantly used should not cause any uproar.

As for official pressures on the populace to vote for Thieu-Ky, we have a CIA report which says that the primary tactic will be praise of the achievements of the Thieu-Ky government. If praise for the government is not absolutely demanded of civil servants and if the "praise" is not too blatant, I think we should not be upset by this tactic. It is very nearly inevitable in any event and, within limits, is one of the normal advantages of the incumbent.

There continues to be an important body of opinion here which strongly believes Thieu and Ky should leave their government positions during the campaign. Huong recently mentioned it as a "political necessity" if the Vietnamese people are to believe that they have in fact had an opportunity to express their will freely and fairly. Various student and youth groups are also pressing for such an action.

We have been drawing up an initial assessment of the strength of the various slates. This is extremely difficult to do because there are so many imponderables in the equation. Our first rough estimate - which could well turn out to be completely wide of the mark - shows that Thieu-Ky will win by a respectable margin. We now calculate that they will get over two million votes, whereas Huong, their strongest opponent, seems at this writing likely to get no more than one and one-half million votes. It seems probable that Suu will poll under a million.

I would caution that these are the roughest kind of estimates, based more on intuition than on facts. We have some indications of the vote -- pulling power of various groups from the September 1966 elections. However, it is extremely difficult to estimate the importance of such things as regional sentiments and anti-military feelings. Also basically unmeasurable is the importance of the "stay-out-of-trouble" vote, most of which will go to Thieu and Ky. We will continue to try to refine our estimates as we get into the campaign period.

Last week I reported a flurry of political activity that centered around the decision by the Assembly's Special Election Committee to recommend against permitting the Thieu-Ky slate to run in the election. I was inclined to believe then that the committee action reflected continuing maneuvering and tension between Thieu and Ky. Later reports have made this seem less likely, though it is still a possible explanation of the events of July 17 and 18. Both Thieu and Ky have told me that they felt that the committee's action was largely motivated by a desire to show some independence of the military.

We continue, however, to get contradictory reports from the two camps on what the power relationship will be between Thieu and Ky if their ticket wins the election. I take it from all this that the future relationship between Thieu and Ky is not yet definitely worked out, and that it could cause further friction between them, though both have assured me that things are going well.

For the moment, they appear to be working together reasonably well on their campaign and their outward personal relations seem cordial. In addition to CIA reports of the merger of their campaign apparatus, we have observed that they are rather clearly both now actively campaigning. Ky seems to be fully committed to going ahead and he and Thieu are at least united in their public drive to appeal to the electorate.

The Central Election Council has completed its screening of the candidates for the Upper House and on July 21 posted the official list of those who remain in the Senate race. Of the original 64 slates, four failed to meet the initial filing requirements, and the Council

eliminated an additional 12 tickets. This leaves 48 slates, or 480 candidates, still in the running for the 60 Upper House seats.

Of the 12 slates eliminated by the Council, only three had any real hope of being elected. These included two tickets backed by the militant An Quang Buddhists, both of which were dropped because of charges that members of the slates were guilty of "Communism or pro-Communist neutralism." The CVT Labor Union ticket was also eliminated, reportedly because of incomplete documentation and failure to provide any alternates for the list.

Despite these eliminations, the field in the Senate race remains a good cross-section of Vietnamese political opinion; it also includes many prominent and highly respected political leaders.

C. Economic

The Retail Price Index inched up again this week, and now stands at 282. This is up two percent since last week, 5.5 percent since one month ago, and up 24.5 percent since the beginning of the year. The price index on imports also went up, from last week's 196 to 203. Last month, at this time, the import index stood at 220, however.

D. Chieu Hoi

The number of returnees reported this week was 163. This may be compared with 256 for the same period last year. The total number of returnees this year is now 18,987; last year at this time the total stood at 10,533.

E. Vietnamese Killed

During the week ending July 22, the enemy killed 65 Vietnamese civilians, wounded 110, and kidnapped 75. The dead included one Revolutionary Development worker, 4 Hamlet Chiefs, and 9 Policemen. Since January 1, the Viet Cong have killed a total of 1,676 Vietnamese civilians, wounded 3,162, and kidnapped 2,153.

65

~~Transp~~
2 Pres file

~~SECRET/NODIS/SANDSTORM~~

Thursday, July 27, 1967 -- 10:00 a.m.

Mr. President:

Our new electronic cable transmission at State is suffering from bugs; and there are gaps in this important cable reflecting Hussein's first reaction to our message.

Obviously, the questions are:

-- Jerusalem, where he can see no solution the Israelis will grant, compatible with his place in the Arab community;

-- Whether, in fact, the Israelis (and U.S.) wish him to survive.

Those responsible for Middle East policy will consider today next steps.

Ayub, Sunay, and the Shah are meeting shortly. We may wish to get off a cable to the Shah today urging the three of them to tell Hussein not to despair yet. The Shah's interest in a moderate independent Jordan is as great, at least, as ours.

Tito is headed for Cairo; and I am informed State will be sending over a draft message for you to consider.

My personal feeling is that we have to come to grips very soon with the Israelis on a Jordan settlement and Jerusalem.

W. W. Rostow

Amman 519, 2 sections, SANDSTORM

WWRostow:rlh

DECLASSIFIED
E.O. 13292, Sec. 3.5
NLJ/RAC 08-77
By isl, NARA, Date 10-7-08

~~SECRET~~

INCOMING TELEGRAM *Department of State*

65a

765

1967 JUL 26 PM 332

~~SECRET~~

Action

OO RUEHC
DE RUQMKG 519A/1 2071545
ZNY SSSSS

Info

O 261525Z JUL 67
FM AMEMBASSY AMMAN
TO SECSTATE WASHDC IMMEDIATE
STATE GRNC
BT

~~SECRET~~ SECTION 1 OF 2 AMMAN 519/1

NODIS - SANDSTORM

REF: AMMAN 502

1. UPON RECEIPT OF DEPTTEL 12561 ON THE MORNING OF JULY 25 I REQUESTED AN APPOINTMENT WITH HUSSEIN. LATER IN THE MORNING, BUT BEFORE THE PALACE HAD TEWEPHONED ME BACK TO SET A TIME FOR THE APPOINTMENT, I RECEIVED DEPTTEL 125-3 REPEATING AMBASSADOR BRUCE'S TELEGRAM TO THE SECRETARY. I PROCEEDED WITH THE APPOINTMENT FOR FOUR REASONS: (A) MY INSTRUCTIONS TO SEE HUSSEIN ON JULY 25 A PARENT STILL STOOD; (B) FURTHER POSTPONEMENT OF THIS APPOINTMENT WOULD PROVE VERY (#) AND WITH THIS THE BRITISH AMBASSADOR AGREED; (C) OUR EMBASSY AND THE BRITISH EMBASSY HAD GAINED THE (#) THAT THE KING WAS MOVING MUCH MORE CAUTIOUSLY THAN HE WAS TWO WEEKS AGO; AND MY INSTRUCTIONS WERE NOT LIKELY TO CAUSE

PAGE 2 RUQMKG 519/1 ~~SECRET~~

HIM TO MOVE FASTER THAN HE HAD ALREADY DETERMINED TO DO; (D) I HAD A HUNCH HUSSEIN MIGHT ALREADY HAVE BEEN IN DIRECT CONTACT WITH THE ISRAEL

2. HUSSEIN WAS IN MUCH BETTER PHYSICAL AND MENTAL SHAPE THAN WHEN I (#) SAW HIM. HE LOOKED RESTED, AND AT THE OUTSET OF THE (#) AT LEAST HE SEEMED RELATIVELY RELAXED.

3. AFTER READING HIM MY INSTRUCTIONS, I ADDED THE FOLLOWING (#) IF THE KING FELT THAT A GO-BETWEEN WAS A NECESSITY FROM (#) IT WOULD BE (#) MORE DIFFICULT TO BARGAIN WITH. IF HUSSEIN WISHED TO RETAIN A NON-OFFICIAL AMERICAN--I.E. A SKILLED AMERICAN LAWYER--WE WOULD BE HAPPY TO TRY TO LOCATE THE RIGHT ONE FOR HIM. WE WOULD, IF HUSSEIN REQUESTED, BE WILLING TO LET HIM USE OUR CIHFTHZUATIONS FACILITIES. IN ANY CIRCUMSTANCE, THE USG DID ENVISAGE A BEHIND-THE-SCENES ROLE IN WHICH WE WOULD BE PREPARED TO USE INFLUENCE TO BREAK LOG JAMS. (B) THE

~~SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 02-276
By is NARA, Date 6-6-03

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-2- AMMAN 510, JULY 26, 1967 (SECTION ONE OF TWO)

PAGE 3 RUQMKG 519/1 ~~SECRET~~

QUESTION OF TIMING, METHOD OF APPROACH, ETC. WOULD OF COURSE HAVE TO BE LEFT UP TO KING HUSSEIN HIMSELF.

4. I THEN ASKED THE KING WHETHER SINCE HOSTILITIES HE HAD BEEN IN DIRECT CONTACT WITH THE ISRAELIS. I ADMITTED I WAS ASKING THE QUESTION ON HUNCH. THE KING REPLIED IN THE AFFIRMATIVE. HE WAS PURPOSELY (#) AS TO THE NATURE OF (#)

5. I ASKED HIM WHETHER, IN HIS CONTACT WITH THE ISRAELIS, HE HAD DISCUSSED THE TERMS OF A SETTLEMENT. HE REPLIED QTE NO. I SIMPLY INDICATED THAT I WAS PREPARED TO FOLLOW THE SETTLEMENT COURSE. I ALSO TOLD THE ISRAELIS THEY MUST BE CAREFUL NOT TO GO TOO FAR IN ISRAELI-OCCUPIED JORDAN OR ELSE THIS WOULD MAKE A SETTLEMENT MORE DIFFICULT. THE ISRAELIS URGED ME TO MOVE FAST, SAYING THAT TIME WAS WORKING AGAINST THE MODERATE ELEMENTS IN ISRAEL WHO WOULD BE PREPARED TO MAKE A REASONABLE SETTLEMENT. UNQTE.

6. THE KING THEN SAID TO ME QTE I REALLY ONLY HAVE ONE QUESTION TO ASK YOU AND TO THIS I MUST HAVE AN HONEST ANSWER. DOES THE US GUARANTEE OF TERRITORIAL INTEGRITY APPLY IN THE

PAGE 4 RUQMKG 519/1 ~~SECRET~~

PRESENT SITUATION OR NOT? UNQTE. HUSSEIN MEANT BY HIS QUESTION: IF HE WERE PREPARED TO NEGOTIATE WITH (#) TO END BELLIGERENCY AND TO LIVE IN PEACE WITH THE ISRAELIS, WAS THE USG WILLING TO GUARANTEE THAT HE (#) JERUSALEM, SUBJECT TO MINOR BORDER RECTIFICATION, EFFECTIVE DEMILITARIZATION OF THE WEST BANK, SETTLEMENT OF REFUGEE PROBLEM AND OTHER CONSIDERATIONS NOTED IN AMMAN'S 431.

7. I HAD NO CHOICE BUT TO ANSWER HIM IN THE NEGATIVE AND TO INDICATE THAT IN THE CONTEXT OF AN ARAB-ISRAELI WAR SUCH AS HAD OCCURRED LAST MONTH WE COULD NOT UNDERTAKE UNILATERALLY TO GUARANTEE A RETURN ONBJRYAL-JUNE 5 LINES.

8. HUSSEIN THEN SAID THAT WHAT WE WERE PREPARED TO DO TO BACK HIM UP WAS DEEP DISAPPOINTMENT TO HIM. HE OBSERVED THAT WHAT I HAD SAID TO HIM WAS, IN EFFECT, QTE JORDAN IS ON ITS OWN WITH THE ISRAELIS; JERUSALEM IS GOING TO BE VERY DIFFICULT. THE US WILL LEND JORDAN SUPPORT IN TRYING TO ARRIVE AT A SETTLEMENT BUT THE US CAN GIVE JORDAN NO ASSURANCE IN ADVANCE THAT US SUPPORT LE SUFFICIENTLY EFFECTIVE TO PRODUCE A SOLUTION TO JERUSALEM WITH WHICH THE MOSLEM

~~SECRET~~

~~SECRET~~

-3- AMMAN 519, JULY 26, 1967 (SECTION ONE OF TWO)

PAGE 5 RUQMKG 519/1 ~~SECRET~~
WORLD AND JORDAN CAN LIVE. UNQTE

9. HE THEN ADDED QTE I AM AFRAID THE WAR LAST MONTH HAS FINALLY FORCED YOU TO MAKE A CHOICE YOU HAVE TRIED SO LONG TO AVOID. YOU HAVE CHOSEN ISRAEL UNQTE. I TOOK ISSUE WITH THIS STATEMENT WITH NUMEROUS ARGUMENTS. I SUMMED THEM UP BY SAYING I NOW REALIZED HE HOPED THAT THE USG COULD OFFER HIM A GOLDEN KEY THAT WOULD OPEN THE DOOR TO A SETTLEMENT ACCEPTABLE TO HIM. THE TRUTH IS THERE WERE MANY DOORS TO BE PASSED THROUGH. THE KEY TO THE NEXT DOOR COULD NOT BE FOUND UNTIL ONE HAD PASSED THROUGH THE DOOR BEHIND. WE WERE PREPARED TO HELP HIM TRY TO FIND THE KEY TO EACH DOOR BUT ONE COULD NOT KNOW WHETHER THESE DOORS COULD BE OPENED UNTIL ONE TRIED.

10. HUSSEIN SAID THAT FOR THE TIME BEING HE WAS GOING TO TAKE NO ACTION WHATSOEVER. HE WAS GOING TO THINK EVERYTHING THROUGH AGAIN FROM START TO FINISH.

11. HUSSEIN SAID THAT IF A BILATERAL SETTLEMENT HAD IN THE FINAL ANALYSIS TO BE LEFT TO JORDAN AND ISRAEL, EVEN WITH THE US IN A BEHIND-THE-SCENES ROLE, HE DOUBTED THAT ISRAEL WOULD REALLY WANT A SETTLEMENT. BURNS
BT

(#) OMISSION. CORRECTION TO FOLLOW.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

~~SECRET~~

Action

8 3 1

Info

OO RUEHC
DE RUQMKG 519A/2 2071625
ZNY SSSSS

1967 JUL 26 PM 9:47

O 261605Z JUL 67
FM AMEMBASSY AMMAN
TO SECSTATE WASHDC IMMEDIATE 3014
STATE GRNC
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~~SECRET~~ SECTION 2 OF 2 AMMAN 519/2

NODIS - SANDSTORM

A SETTLEMENT WITH JORDAN WOULD REQUIRE ISRAEL TO MAKE ACCOMMODATIONS ON JERUSALEM WHICH ISRAEL HAD GIVEN EVERY PUBLIC INDICATION SHE WAS NOT PREPARED TO DO. FURTHERMORE, SAID HUSSEIN, HE SUSPECTS THE ISRAELIS REALLY WANT TO RETAIN THE WEST BANK IN ONE FORM OR ANOTHER. AND LASTLY, HE SAID, HE WAS NOT AT ALL SURE ISRAEL WANTS HIS REGIME TO SURVIVE IN AMMAN. HE OBSERVED THAT, PARADOXICALLY ENOUGH, A RADICAL ARAB REGIME IN AMMAN MIGHT SERVE ISRAELI PURPOSES BETTER. THE LONG AND NOT EASILY DEFENDED BORDER WITH ISRAEL WOULD IMPOSE ON EVEN A RADICAL REGIME IN AMMAN A NON-BELLCOSE POLICY VIS-A-VIS ISRAEL. AND SUCH A REGIME WOULD PUSH THE US CLOSER TOWARDS ISRAEL, PERHAPS EVEN TO THE POINT OF GRANTING ISRAEL A MUTUAL SECURITY PACT. AND ALL THIS, SAID HUSSEIN, WAS IN HIS OPINION WORTH MORE TO THE ISRAELIS THAN A MODERATE REGIME IN AMMAN.

12. THE INTERVIEW ENDED WITH HUSSEIN SAYING, QTE I AM GOING TO DO A BIT OF THINKING. I MIGHT CONCLUDE THAT THE SITUATION IS COMPLETELY HOPELESS AND I SHOULD ASK MY PEOPLE IF THEY STILL WANT ME TO CONTINUE TO TRY TO LEAD THEM. UNQTE. I SAID THAT HOPEFULLY WE COULD TALK AGAIN IN A FEW DAYS, AND

PAGE 2 RUQMKG 519/2 ~~SECRET~~

I ASKED THAT UNDER ANY CIRCUMSTANCE IF HE MADE A DECISION HE PERMIT ME TO DISCUSS IT WITH HIM FIRST BEFORE HE TOOK ACTION. HE REPLIED: "WE WILL BE IN TOUCH."

13. MY PREVIOUS EXPERIENCE WITH HUSSEIN IS THAT WHEN HIS EXPECTATIONS PROVE TO BE HIGHER THAN CAN BE REALIZED, HIS IMMEDIATE REACTION IS TO TAKE THE GLOOMIEST POSSIBLE VIEW. WHEN HE HAS THOUGHT THINGS THROUGH, HE OFTEN RECOGNIZES THAT THE SITUATION IS NOT QUITE SO DARK AS HE HAD AT FIRST THOUGHT. WHETHER NOW HE WILL FOLLOW THIS PATTERN REMAINS TO BE SEEN, THOUGH IN THIS CASE I AM LESS CONFIDENT THAT HE WILL.

~~SECRET~~

~~SECRET~~

-2- 519 2 OF 2 FROM AMMAN JULY 26 (NODIS)

14. I DO NOT KNOW HOW FAR HUSSEIN MIGHT BE PREPARED TO MAKE CONCESSIONS ON JERUSALEM. I DOUBT THAT THEY COULD BE SUBSTANTIAL, SINCE A BILATERAL JORDANIAN-ISRAELI SETTLEMENT CAN BE EXPECTED TO INCUR INTENSE HOSTILITY IN VARIOUS PARTS OF THE ARAB WORLD AND HUSSEIN'S ONLY JUSTIFICATION AND PROTECTION FOR A BILATERAL SETTLEMENT WOULD BE TO REGAIN JORDANIAN JERUSALEM FOR THE MOSLEM WORLD. CONCEIVABLY HUSSEIN COULD LIVE WITH INTERNATIONALIZATION OF THE OLD CITY IF PRESENTED AS BEING IN RESPONSE TO WORLD-WIDE DEMAND, BUT I AM NOT AT ALL SURE OF THAT. WHAT I AM SURE OF IS THAT

PAGE 3 RUQMG 519/2 ~~SECRET~~

HUSSEIN WOULD NOT ACCEPT AN ARRANGEMENT ON JERUSALEM WHEREBY THE ISRAELIS EXERCISE SOVEREIGNTY OVER THE JORDANIAN SECTOR, EVEN WITH THE GUARANTEE OF ARAB ACCESS. HE SHOWED NO INTEREST IN THE POSSIBILITY OF DIPLOMATIC STATUS FOR THE MOSLEM HOLY PLACES, WITH JORDAN AS TRUSTEE, AND HE SAID AT ONE POINT IN MY CONVERSATION WITH HIM THAT HE WOULD NOT BE INTERESTED IN THE RETURN OF THE WEST BANK WITHOUT JERUSALEM. HE CERTAINLY DOUBTS THAT IN DIRECT BARGAINING WITH THE ISRAELIS HE WOULD BE ABLE TO GET AN ACCEPTABLE ARRANGEMENT ON JERUSALEM. I DO NOT KNOW WHETHER HUSSEIN STILL ENTERTAINS THE NOTION, COMMON TO MOST ARABS, THAT THE US EXERCISES ABSOLUTE CONTROL OVER ISRAEL. AT ANY RATE, HE MAY HAVE CONCLUDED EITHER THAT IF WE DO EXERCISE ABSOLUTE CONTROL OVER ISRAEL WE ARE NOT YET PREPARED TO FORCE ISRAEL TO DISGORGE THE JORDANIAN SECTOR OF JERUSALEM; OR IF OUR INFLUENCE WITH ISRAEL HAS DISTINCT LIMITS, AS WE SAY, THEN WE MAY NOT BE ABLE OR WILLING TO MUSTER SUFFICIENT PRESSURE TO GET HIM BACK THE JORDANIAN SECTOR OF JERUSALEM. SINCE THE RISKS FOR THE REGIME ARE ENORMOUS THROUGH THE VERY ACT OF UNDERTAKING THE STEPS NECESSARY TO TRY TO OBTAIN A SETTLEMENT, THE QUESTION

PAGE 4 RUQMG 519/2 ~~SECRET~~

ARISES IN HUSSEIN'S MIND AS TO WHETHER THE REGIME SHOULD INCUR THESE RISKS IF A SETTLEMENT ACCEPTABLE TO JORDAN APPEARS UNLIKELY OF ATTAINMENT. HUSSEIN HAS THREE CONCEIVABLE ALTERNATIVES TO BILATERAL NEGOTIATIONS WITH ISRAEL, WHICH I LIST IN ORDER OF LIKELIHOOD: (A) TO STAND FAST AND DO NOTHING, WHICH MIGHT BE ABLE TO SUSTAIN FOR LONGER THAN MOST OBSERVERS WOULD THINK POSSIBLE, IN THE HOPES OF SECURITY COUNCIL OR OTHER FORM OF SOLUTION; (B) TO THROW

~~SECRET~~

~~SECRET~~

-3- 519 2 OF 2 FROM AMMAN JULY 26 (NODIS)

IN HIS LOT WITH HIS RADICAL ARAB NEIGHBORS, WHICH WOULD PRESUMABLY NECESSITATE HIM TO RE-ARM ON A BIGGER SCALE THAN HE HAS THUS FAR CONTEMPLATED. THE IRAQIS MIGHT BE PLEASED TO HAVE JORDAN IN THIS CIRCLE AS A COUNTER-WEIGHT AGAINST SYRIA; (C) TO ABDICATE.

15. PLEASE REPEAT THIS TELEGRAM TO LONDON AND TEL AVIV
GP-1
BURNS
BT

NOT PASSED LONDON OR TELAVIV BY OC/T

~~SECRET~~

W.A.R.
66

Wednesday, July ²⁷26, 1967, ^{9:45}~~10:15~~ a.m.

~~W.A.R.~~
2. Pres file

Mr. President:

At Tab A, for your approval, is a warm note to Italian President Saragat thanking him for his condolences on John McNaughton's death (Tab B).

Francis M. Bator

OK ☒

No ☐

Speak to me ☐

FMB:LSE:mst

66a

MESSAGE TO PRESIDENT SARAGAT

Dear Mr. President:

I am most grateful for your very kind message of
condolence on the tragic death of Mr. and Mrs.
McNaughton and their son Theodore. All of us mourn
this great loss. We shall miss them.

Sincerely,

Lyndon B. Johnson

His Excellency
Giuseppe Saragat
President of the Republic of Italy
Rome

L'Ambasciatore d'Italia

12771 2838

666

July 20, 1967

Mr. President:

I have the honor to convey to you the following message from President Saragat:

"I have learned with deep grief the news of the tragic death of Mr. John T. McNaughton and the members of his family.

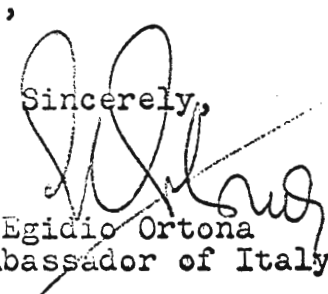
"Please accept, Mr. President, this expression of my most sincere condolences.

Giuseppe Saragat."

Permit me, Mr. President, to extend to you my deepest sympathy for this tragic accident.

With warmest regards,

Sincerely,


Egidio Ortona
Ambassador of Italy

The President

The White House

ITALIAN TEXT

12771

Ho appreso con profondo e sincero
rammarico la notizia della tragica morte
del Signor John T. McNaughton e dei suoi
familiari.

La prego di accogliere i sentimenti
delle mie piu' vive condoglianze.

Giuseppe Saragat.

SECRET

Thursday
July 27, 1967
9:45 a. m.

(C 67) R

Pres file

Mr. President:

You will wish to read this sober
assessment of Viet Cong problems.

I reported to you the other
day a similar conclusion from an
independent reading of several
hundred individual reports from
the various provinces.

25X1A

W. W. Rostow

[REDACTED]

SECRET

WWRostow:slm

SANITIZED
Authority NLJ 019-020-1-7
By 9, NARA, Date 12-17-01

67a

SANITIZED

Authority NLS 019-020-18
By 9, NARA, Date 12-17-01

CENTRAL INTELLIGENCE AGENCY

PRIORITY

Intelligence Information Cable

IN 18580

PAGE 1 OF 10 PAGES

STATE/INR DIA NMCC/MC (SECDEF JCS ARMY NAVY AIR) CIA/NMCC NIC NSA ONE OCR ORR SDO

EXC, DP/1

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.

1.3(a)(4) c

THIS IS AN INFORMATION REPORT. NOT FINALLY EVALUATED INTELLIGENCE.

DIST 26 JULY 1967

COUNTRY SOUTH VIETNAM

DOI JUNE-JULY 1967

SUBJECT CURRENT VIET CONG PROBLEMS, POLICIES AND SOLUTIONS

ACQ VIETNAM, SAIGON

SOURCE

THIS IS A FIELD APPRAISAL OF

THE CURRENT SITUATION. IT IS NOT AN OFFICIAL JUDGMENT BY THIS AGENCY OR ANY COMPONENT. IT REPRESENTS THE OBSERVATIONS AND INTREPRETATIONS

BASED ON INFORMATION AVAILABLE AT THE TIME OF PREPARATION

1. (SUMMARY: A REVIEW OF INFORMATION AVAILABLE ON VIET CONG (VC) ACTIVITIES THROUGHOUT SOUTH VIETNAM DURING RECENT WEEKS WOULD INDICATE THAT VC PROBLEMS IN THE COUNTRYSIDE AND IN THE CITIES ARE SERIOUS AND INCREASING, THAT THEY HAVE HAD TO ADJUST THEIR POLICIES AND PLANNING ACCORDINGLY, AND THAT THE VC WILL CONTINUE TO CARRY OUT THEIR TERRORIST AND OTHER ACTIVITIES TO THE EXTENT POSSIBLE DESPITE A WEAKENING OF THEIR ORGANIZATION AND A LESSENING OF THEIR EFFECTIVENESS. IT CAN BE EXPECTED THAT THERE WILL BE CONTINUED ENEMY SUC-

1.3(a)(4) c

APPROVED FOR RELEASE

2/95

BATOR
BOWLER
BUDGET
DAVIS
GINSBURG
HAMILTON
JESSUP
JOHNSON
JORDEN
KEENE
KORNER
MOYERS
TAYLOR
WRIGHT

1.3(a)(4)

(classification)

(dissem controls)

CESSSES AGAINST THE SOUTH VIETNAMESE AND FREE WORLD FORCES, BUT THESE WILL PROBABLY BE TO AN INCREASING EXTENT THE RESULT OF DIRECT CONTRIBUTION OF CADRES, REGULAR TROOPS AND MATERIEL FROM NORTH VIETNAM AND TO A DECREASING EXTENT ATTRIBUTABLE TO THE VIET CONG THEMSELVES.)

2. VC PROBLEMS IN THE COUNTRYSIDE:

A. MANPOWER PROBLEMS INCREASINGLY PLAGUE THE VC IN NEARLY ALL PARTS OF SOUTH VIETNAM. EVEN IN THE HEAVILY POPULATED DELTA REGION, MOST PROVINCES REPORT SEVERE RECRUITING PROBLEMS AND SERIOUSLY UNDERSTRENGTH UNITS. MANPOWER IS LOST DIRECTLY THROUGH BATTLEFIELD CASUALTIES, DISEASE AND HARD-SHIP, DESERTION, AND DEFECTION THROUGH THE CHIEU HOI PROGRAM. THE RESERVE SUPPLY IS REDUCED BY LARGE-SCALE EMIGRATION FROM VC-CONTROLLED AREAS, LEAVING SOME PLACES TOO UNDERPOPULATED TO TEND CROPS ADEQUATELY OR SUPPLY LABOR AND CONSCRIPTS FOR THE VC. REAL AVAILABILITY IS FURTHER REDUCED BY POPULAR RESISTANCE TO RECRUITMENT. AS A RESULT, THE VC ARE INCREASINGLY RESORTING TO THE USE OF WOMEN AND CHILDREN, EVEN IN FIGHTING UNITS.

B. CLOSELY RELATED IS THE LOW STATE OF MORALE. MOST

1.3(a)(4)

1.3(a)(4)

(classification)

(dissem controls)

PROVINCES REPORT THAT GENERAL VC MORALE IS BAD AND STILL DECLINING IN THE LOWER RANKS. THERE IS ALSO REPORTING THAT CADRE MORALE REMAINS GOOD, BUT SINCE THE CADRES ARE SUFFERING REPEATED DEFEATS, THE FORCES THEY CONTROL ARE DECLINING, AND THEY ARE BEING PRESSURED FROM ABOVE FOR BETTER RESULTS, IT IS PROBABLY THAT IT IS THEIR DISCIPLINE RATHER THAN THEIR MORALE WHICH IS REFERRED TO. THE DEPRESSED MORALE AND DECLINING DISCIPLINE (AN XUYEN PROVINCE SPECIFICALLY REPORTS INSUBORDINATION) OF THE RANK AND FILE ARE REFLECTED IN THE RISING RATE OVER THE LAST YEAR OF DESERTION AND RALLYING UNDER THE CHIEU HOI PROGRAM.

C. THE MORALE AND MANPOWER PROBLEMS ARE IN TURN RELATED TO THE LOSS OF POPULAR SUPPORT, WHICH IS REPORTED IN ALL CORPS AREAS. DISILLUSIONMENT WITH VC PROMISES AND PROPAGANDA, RESENTMENT AGAINST EVER HIGHER "TAXES" AND THE CONSCRIPTION OF MANPOWER, AND DWINDLING CONFIDENCE IN ULTIMATE VC VICTORY HAVE WORKED TO TURN THE PEOPLE FROM THE VC. REFUGEE AND CHIEU HOI FIGURES SHOW THAT WHERE IT IS FEASIBLE, THE "WATER" IS TRICKLING AWAY AND LEAVING THE "FISH" HIGH AND DRY.

D. FOOD IS A CRITICAL PROBLEM IN MUCH OF THE FIRST

1.3(a)(4)

1.3(a)(4)

(classification)

(dissem controls)

AND SECOND CORPS AND THE UPLAND REGIONS OF THIRD CORPS. WHAT IS MORE REMARKABLE IS THAT EVEN IN SOME PROVINCES IN THE DELTA "RICE BOWL" (E.G., CHUONG THIEN AND AN XUYEN) THE VC FORCES ARE SUFFERING FROM FOOD SHORTAGES.

E. QUANG TRI, IN THE EXTREME NORTH, REPORTS FRICTION BETWEEN THE NVA AND LOCAL GUERRILLA TROOPS, WITH THE FORMER LOOKING DOWN UPON THE LATTER AND USING THEM FOR MENIAL TASKS. FROM THE OTHER END OF THE COUNTRY, AN XUYEN REPORTS SERIOUS DISSENSION BETWEEN THE STAY-BEHIND CADRES AND THE MORE RECENTLY ARRIVED "REGROUPEES." SIMILAR FRICTIONS PROBABLY EXIST IN OTHER PROVINCES.

F. REPORTS ON THE UNSETTLING EFFECT OF CONSTANT ALLIED MILITARY PRESSURE ARE WIDESPREAD. IN A NUMBER OF PROVINCES, VC ADMINISTRATIVE CENTERS HAVE HAD TO MOVE INTO THE HINTERLAND TO AVOID FRIENDLY SWEEPS. LONG AN PROVINCE REPORTS THAT THE VC THERE HAVE ALMOST COMPLETELY CEASED OFFENSIVE ACTIVITIES BECAUSE CONTROL AND AREA SECURITY HAVE BEEN DENIED THEM BY THE CONSTANTLY RECURRING SWEEPS OF U.S. UNITS. IN GIA DINH, THE VC INFRASTRUCTURE HAS BEEN BADLY SHAKEN BY UNRELENTING U.S. AND GVN PRESSURE.

1.3(a)(4)

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(classification)

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3. VC PROBLEMS ARE MUCH GREATER IN THE CITIES, WHERE ALLIED SECURITY AGAINST VC OPERATIONS AND TERRORISM IS GREATER AND WHERE THE RELATIVE PROSPERITY AND AVAILABILITY OF FOOD AND WORK MAKE THE POPULACE LESS VULNERABLE TO PROSELYTING AND PROPAGANDA.

A. THE PRESSURE BROUGHT TO BEAR ON THE VC BY ALLIED FORCES, THE NATIONAL POLICE AND CAPITAL MILITARY DISTRICT ELEMENTS HAS FORCED VC MILITARY AND INSURGENCY UNITS AND LARGE NUMBERS OF VC CADRES TO ABANDON GIA DINH PROVINCE AS A BASE OF POLITICAL AND TERRORIST OPERATIONS AGAINST THE SAIGON METROPOLITAN AREA. HAVING LOST THIS SAFE HAVEN, THE VC HAVE HAD TO TRANSFER THEIR ^{CS OF} BASE OF OPERATIONS INTO SAIGON

CITY PROPER, WHERE A SIGNIFICANT NUMBER OF VC CADRES HAVE BEEN ARRESTED DURING RECENT MONTHS.

B. BETWEEN 15 SEPTEMBER 1966 AND THE END OF MAY 1967, 265 VC CADRES WERE CAPTURED IN SAIGON. OF THE 160 OF THESE CAPTURED SINCE THE FIRST OF THE YEAR, 120 FELL IN THE

SAPPER-TERRORIST CATEGORY. LARGE-SCALE TERRORIST ACTS IN SAIGON CITY HAVE BEEN INHIBITED TO THE POINT WHERE THE VC ARE RESORTING TO INDISCRIMINATE ASSASSINATION AS A MEANS OF HARASSMENT AND INTIMIDATION.

1.3(a)(4)

1.3(a)(4)

(classification)

(dissem controls)

C. AMONG THE VC CADRES CAPTURED HAVE BEEN THE CHIEF OF THE VC MR IV WORKERS PROSELYTING COMMITTEE, CONCURRENTLY A MEMBER OF THE VC MR IV CURRENT AFFAIRS COMMITTEE (WHICH CAPTURE LED TO THE CAPTURE OF IMPORTANT MEMBERS OF THE LABOR COMMITTEE), A LEADING MEMBER OF THE INTELLECTUAL PROSELYTING COMMITTEE, A LEADER OF THE WOMEN'S PROSELYTING COMMITTEE, SEVERAL FINANCE AND ECONOMY COMMITTEE MEMBERS, INFLUENTIAL FUNCTIONARIES OF THE PROPAGANDA COMMITTEE, AND SEVERAL COMMOLIAISON AGENTS.

D. SINCE 1 JUNE 1967 THE NUMBER OF VC ACTIVE AGENTS ARRESTED HAS RISEN DRAMATICALLY. DURING THE FIRST THREE WEEKS IN JULY, 15 SAPPER AGENTS HAVE BEEN CAPTURED, INCLUDING AN F-100 BATTALION OFFICER. ONE OF THE SAPPERS ARRESTED LED TO THE CAPTURE OF SEVEN OTHERS.

4. VC POLICIES AND SOLUTIONS.

1.3(a)(4)

1.3(a)(4)

(classification)

(dissem controls)

A. THE VC HAVE REACTED TO THESE PROBLEMS WITH A NUMBER OF NEW POLICIES, GENERALLY RATIONAL. IN SOME CASES THE COURSE OF RESPONSE WAS OBVIOUS; IN OTHERS THEY APPEAR TO BE EXPERIMENTING, SEEKING AN EFFECTIVE POLICY.

B. EVERY PROVINCE REPORTS THAT PRIORITY HAS BEEN GIVEN TO COMBATTING THE REVOLUTIONARY DEVELOPMENT (RD), CHIEU HOI, AND OTHER PACIFICATION AND PSYCHOLOGICAL PROGRAMS. IN REACTION TO THE EFFECTIVENESS OF THESE PROGRAMS THE VC ARE FOCUSING MILITARY, TERRORIST, AND PROPAGANDA CAMPAIGNS AGAINST THEM. A RECENTLY REPORTED SLOGAN IS, "KILLING AN RD WORKER IS AS GOOD AS KILLING AN AMERICAN." THE MOST EFFECTIVE TEAMS ARE PRIME TARGETS FOR ASSASSINATION, AND CENSUS GRIEVANCE WORKERS ARE SPECIFICALLY SOUGHT OUT. RAIDS AND ATTACKS BY FIRE ON CHIEU HOI AND REFUGEE CENTERS ARE INCREASINGLY EMPLOYED TO "PUNISH" THOSE WHO HAVE LEFT THE VC SIDE AND TO FRIGHTEN OTHERS FROM DOING SO.

C. ANOTHER OMINOUS DEVELOPMENT IS AN INCREASE IN INDISCRIMINATE TERROR. INSTEAD OF USING COMMAND CONTROLLED MINES ON THE HIGWAYS TO DESTROY MILITARY VEHICLES, CONTACT MINES ARE USED, WHICH MOST OFTEN DESTROY BUSES AND LAMBRETTAS

1.3(a)(4)

1.3(a)(4)

(classification)

(dissem controls)

FULL OF WOMEN AND CHILDREN, DISTRICT TOWNS ARE SHELLLED OR MORTARED MORE OR LESS AT ^{PA} RANDOM, KILLING FAR MORE CIVILIANS THAN MILITARY PERSONNEL OR OFFICIALS. IN ADDITION TO KILLING CADRES AND SOLDIERS, THE VC IN SOME AREAS ARE NOW MAKING A POINT OF KILLING THEIR WIVES AND CHILDREN. IN KONTU PROVINCE THEY HAVE PROCLAIMED A POLICY OF LAUNCHING MORTAR ATTACKS FROM WITHIN VILLAGES SO THAT FRIENDLY FORCES WILL EITHER WITHHOLD COUNTERFIRE OR BE GUILTY OF SLAUGHTERING THE VILLAGERS.

D. ANOTHER TREND IS THE TRANSFORMATION OF COMBAT BATTALIONS TO SAPPER UNITS. THIS HAS OCCURRED MAINLY NEAR THE BIG CITIES: THE SAIGON AREA AND NORTHERN I CORPS. THESE SAPPER UNITS ARE USED FOR TERRORIST ATTACKS AND TO SABOTAGE LINES OF COMMUNICATION. THE LATTER IS DONE FOR PSYCHOLOGICAL AND ECONOMIC AS WELL AS FOR MILITARY PURPOSES.

E. VC EFFORTS TO MEET THEIR SUPPLY AND FINANCING PROBLEMS HAVE LED TO A VARIETY OF NEW TACTICS IN DIFFERENT PARTS OF THE COUNTRY. TAX RATES ARE RISING EVERYWHERE. IN BINH DINH PROVINCE THE VC ARE REPORTEDLY LEVYING IMPOSSIBLY HIGH TAXES IN THE EXPECTATION OF GETTING A MAJOR PORTION OF

1.3(a)(4)

1.3(a)(4)

(classification) (dissem controls)

THE AMOUNT ASSESSED. THUA THIEN REPORTS ~~OUTRIGHT~~ CONFISCATION OF THE PROPERTY OF FAMILIES WHO WORK FOR THE GVN OR HAVE MEMBERS IN ARVN. LOSS OF THE CONTROL OF SOME ROADS HAS BEEN PARTLY MET BY TAKING GOODS AT THE SOURCE. IN SOME AREAS THE TAX ON CROPS IS KEPT LOW IN PERCENTAGE BUT THE VC ASSESSORS COMPENSATE BY OVERESTIMATING THE SIZE OF THE CROP. CHUONG THIEN PROVINCE REPORTS VC INVESTMENT IN SOME LOCAL INDUSTRIES AS A MEANS OF GETTING REVENUE.

F. ASIDE FROM INTENSIFYING THEIR PROPAGANDA, THE VC'S CHIEF PROGRAM TO REPAIR MORALE AT THE LOWER LEVELS HAS BEEN TO SEND DOWN HARD-CORE CADRES FROM PROVINCE TO DISTRICT AND DISTRICT TO VILLAGE AND HAMLET. THESE CADRES ARE SUPPOSED TO TIGHTEN UP THE ORGANIZATION AND IMPROVE THE "EDUCATION" OF THE PEOPLE. IN AN GIANG THIS POLICY HAS PROVED COSTLY; SINCE MARCH, 22 CADRES HAVE BEEN KILLED OR CAPTURED IN THE VILLAGES AND HAMLETS, AND ABOUT A THIRD OF THESE WERE HARD-CORE LEADERS FROM HIGHER ECHELONS.

G. HANOI'S ANSWER TO THE LOSS OF MANPOWER AND THE CONTINUING EROSION OF THE VC STRUCTURE HAS BEEN A GREATLY INCREASED NORTH VIETNAMESE PRESENCE IN THE SOUTH. ALTHOUGH MORE

1.3(a)(4)

1.3(a)(4)

[REDACTED]

(classification) (dissem controls)

THAN HALF OF THE ENEMY MAIN-FORCE MILITARY UNITS CURRENTLY IN SOUTH VIETNAM ARE LISTED AS VC BECAUSE OF THEIR HISTORIC ORIGIN, THE MAJORITY OF THE TROOPS ARE NORTH VIETNAMESE ARMY TROOPS. ALONG WITH THIS, THE DIRECTNESS OF HANOI'S CONTROL HAS INCREASED.

5. THE SOMEWHAT-DIMINISHED EFFECTIVENESS OF THE SOUTH VIETNAMESE VC ORGANIZATION AND ITS AUGMENTATION BY THE INFUSION OF REGROUPEES AND NORTH VIETNAMESE REGULAR TROOPS DO NOT MEAN THAT THERE WILL BE ANY DECLINE IN THE FEROCITY OF THE WAR. WHAT THESE DEVELOPMENTS DO MEAN, HOWEVER, IS THAT THE CHARACTER OF THE WAR IS GRADUALLY CHANGING. WHILE THE ENEMY WILL UNDOUBTEDLY CONTINUE TO REGISTER SUCCESSES AGAINST THE SOUTH VIETNAMESE AND FREE WORLD FORCES, THESE WILL BE TO AN INCREASING EXTENT THE RESULT OF THE DIRECT CONTRIBUTION OF CADRES, REGULAR TROOPS AND MATERIEL FROM NORTH VIETNAM AND TO A DECREASING EXTENT ATTRIBUTABLE TO THE VIET CONG THEMSELVES.

6. FIELD DISSEM: GENERAL TAYLOR MR. CLIFFORD STATE USMACV (J-2) CORDS DIR/JUSPAO (MR. ZORTHIAN ONLY) CINCPAC ARPAC PACAF PACFLT

[REDACTED]

1.3(a)(4)

Mr. ~~Rostow~~

68

July 27, 1967

Mr. President:

The Turkish Government
has sent you very sympathetic
letters on the death of John
McNaughton and others in last
week's air crash. I recommend
the attached simple acknowledgments.

W. W. Rostow

Approve ✓

Disapprove _____

682

SUGGESTED REPLY TO PRESIDENT SUNAY

Dear Mr. President:

I am very grateful for your thoughtful message of sympathy for the victims of the airplane crash in North Carolina.

The United States lost in John T. McNaughton an able, energetic public servant who considered himself a good friend of Turkey.

This terrible misfortune has wounded all who knew him and his great abilities.

Sincerely,

SUGGESTED REPLY TO PRIME MINISTER DEMIREL

Dear Mr. Prime Minister:

Thank you for your message of condolence for the victims of the airplane disaster in North Carolina.

The sudden deaths of Secretary-designate of the Navy John T. McNaughton, his wife, and his son deeply saddened our official family here in Washington, and many other American families lost those close and dear to them. Your letter has been a comfort.

Sincerely,

His Excellency
Lyndon Baines Johnson
President of the United States of America
The White House
Washington, D.C.

Mr. President,

I am deeply distressed by the news that in the United States near Hendersonville in North Carolina, 81 people died when an airplane collided with another plane in the mid-air.

It has been an added source of distress for me that Mr. John T. McNaughton, newly appointed Secretary of the Navy, as well as his wife and son, were also among the unfortunate passengers who have lost their lives in this accident.

As I hasten to convey to Your Excellency, in my name and in that of the Turkish people, our deepest sympathy and sincerest condolences for this tragic accident at Hendersonville. May I also ask you to convey my personal condolences and those of the people of Turkey to the bereaved families on this disaster.

Cevdet Sunay

President of the Republic of Turkey

68c

His Excellency
Lyndon Baines Johnson
President of the United States of America
The White House
Washington, D.C.

Mr. President,

I learned with deep sorrow the airplane crash disaster yesterday near Hendersonville in the State of North Carolina causing the death of 81 people, including Your Excellency's close collaborator, newly-appointed Secretary of the Navy, His Excellency John T. McNaughton, with wife and son.

On behalf of the members of the Turkish Cabinet and on my own behalf, I extend to Your Excellency my most sincere condolences and my most profound sympathy for the bereaved families and for the great American nation, our friend and ally.

Süleyman Demirel
Prime Minister of Turkey

Mr. Rostow

59

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By CB, NARA, Date 6-6-95

27
July 26, 1967

Handwritten: 2. Pres file

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Public Statement on the Middle East

Since the end of the UN General Assembly, a number of us have felt that there might be some advantage in another Presidential statement. It is hard to write because the negotiating situation is still very fluid and because everything we put down seems to come out pro-Israeli. However, before he left for New York this afternoon, Mac Bundy tried his hand at a draft and produced the attached.

The advantages of a statement now would be:

(a) We would hope to give the moderate Arabs a reasonably sympathetic position that would help them stand up against the radicals in coming Arab meetings.

(b) There may be some value in staking out a position that the Israelis can't quite object to but it would lean against them just enough to keep their thinking from becoming too quickly set in the concrete of their current extended territorial possessions.

(c) You would have a chance to demonstrate that you are still very much on top of the Middle East situation, even though some of your attention has necessarily gone on to other things.

Possible disadvantages might be:

(a) Such a statement could generate some flak from the Jewish community, though I would not predict this positively until I had had a chance to check it out.

(b) It would put you into the act when in substance we have little that we can contribute publicly.

Our only question to you at this point is whether you want us to staff such a statement further. You may have other reasons for not wanting to say anything right now. If you would like to try another draft, we would give the attached to State for a close look and Mac would take a reading with Abe Feinberg and Arthur Krim.

W. W. Rostow

Staff it out _____
I'd rather not try it now _____

~~CONFIDENTIAL~~

69a

DRAFT
July 26, 1967

Our position on the Middle Eastern crisis was stated on June 19 as the General Assembly debate opened. Now that this debate has closed, it seems right to reaffirm our position in order to correct any misunderstandings which may have come out of that debate.

Because we have stated five principles of a just and lasting settlement in the Middle East, and because we have opposed resolutions which would require withdrawal of troops and nothing more, it has been charged that we are not in favor of withdrawal. We are. Specifically:

1. We are against any unilateral changes of international frontiers;
2. We support the territorial integrity and political independence of all states in the area;
3. We believe that there must be respect for the rights and interests of all in Jerusalem, and we do not accept the right of any state to decide alone the future status of that city, or its relation to the Holy Places;
4. We strongly support the full withdrawal of Israeli forces from occupied territory.

We also believe that these goals can be achieved only in a context of real progress toward peace in the area. It is on this basis that we believe in the continuing value for all of the five principles we listed on June 19.

We think it reasonable to note that our very first point was supported by a strong majority of those voting in the General Assembly; it is that

there must be a recognition of each nation's right to live in peace with its neighbors. Peace in the Middle East--and withdrawal--and the rights of all in Jerusalem--can hardly be achieved if one side insists on a continued right to make war against the very existence of the other. There is no such thing as a one-way right of war.

We believe that the other points we made commend themselves as guides to practice as the terms of withdrawal are arranged--justice to the refugees, innocent maritime passage, restraint on the arms race, and political independence and territorial integrity for all the states in the area. While we continue to believe that the main responsibility for progress in these matters falls upon Israel and her neighbors, we continue to support the use of any and all means of peacemaking.

Of one thing we are sure: there is no hope at all in renewed incitement to conflict. The few who still preach war serve no one's interest--least of all their own.

Meanwhile, we call attention once again to the great human problem of the Arab victims of conflict. Most of them are now in territory temporarily occupied by Israel. It is obvious that in this situation a heavy responsibility for energetic and compassionate action falls to the Government of Israel, and we have made clear to that Government not only our own deep concern for these people, but also our readiness to cooperate fully in all measures which offer hope of lasting justice and not merely temporary relief. We also strongly support current proposals for the

return of former residents of the West Bank of the Jordan River. We believe that all concerned should put the interest of these human beings first, as they work out the terms and conditions of their return. We also hope that no rigid time limits on their return will be enforced, in the light of the need for feelings to cool and confidence to grow.

~~TOP SECRET~~

Wednesday, July 26, 1967
7:40 p.m.

Pres file

Mr. President:

This is the sober appraisal of
our China watcher -- not as dramatic
as Joe Alsop, but in the same vein.

W. W. Rostow

~~TOP SECRET~~

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 7-23-91

~~TOP SECRET~~

July 26, 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Defiance of Peking

Our Consul General in Hong Kong reports his 'doubt "that the writ of any particular group in Peking necessarily extends beyond the handful of cities where so-called power seizures occurred last winter." The reported detention of Vice Premier and Minister of Interior Hsieh Fu-chih in Wuhan from where he has just made his dramatic return after the personal intercession of Premier Chou En-lai, is the most open defiance yet against central authority.

Both the People's Daily and Peking Radio earlier today warned local authorities in Wuhan to surrender or face destruction by the Chinese Army. The interesting thing is that none of our sophisticated intelligence gathering means have given any indication that the Army is planning to do anything of the sort. Wuhan's defiance has gone on long enough now for there to be evidence of planned military action against the city, if the threat to Peking's authority is to be met with force. It is very possible that the Mao-Lin faction is unsure whether the Army would act.

This is the first clear test case of serious defiance on the part of top local authorities, prompting a threat of military action by Peking. There are at least seven other Yangtze Valley provinces which will surely watch the outcome of this test. If Peking is unable to bring this situation under control, other local authorities will decide that it is safe to be defiant, and that could mean the beginning of the end for the Mao-Lin combine.

Meanwhile, there is a rising tide of reports from all over the country indicating that the disorder is getting worse. One is tempted, in fact, to believe that Peking's indignant listing of Liu Shao-chi's erroneous policies has helped increasing numbers of the populace to realize that they prefer Liu's policies to Mao's, and are prepared actively to support anti-Mao forces.

The battle is by no means over but the downward trend in Mao-Lin fortunes, which I believe has been steady if slow since last summer, has in the past week accelerated markedly.


Alfred Jenkins

cc: Mr. Jorden

~~TOP SECRET~~

DECLASSIFIED

Authority NLJ 91-242 (70a)
By ip/jc NARA Date 12-9-09

~~SECRET~~

Wednesday, July 26, 1967
7:30 p.m.

*1. [unclear]
2. Pres file*

Mr. President:

Sec. Rusk wishes your clearance on the attached proposed response to Amb. Dobrynin's message from Gromyko to Sec. Rusk.

It would be delivered by Foy Kohler to Dobrynin at lunch tomorrow.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 7-23-91



13076

DEPARTMENT OF STATE

Washington, D.C. 20520

July 26, 1967

~~SECRET~~ - EXDIS Attachment

MEMORANDUM FOR MR. WALT W. ROSTOW
THE WHITE HOUSE

Attached herewith is a memorandum of conversation between the Secretary and Ambassador Dobrynin, dated July 24, 1967. Also attached is the text of a message which the Secretary wishes Ambassador Kohler to pass to Ambassador Dobrynin at noon tomorrow. The general lines of the message were approved by Arthur Goldberg.

John P. Walsh
Benjamin H. Read
Executive Secretary

Enclosures:

1. Memorandum of Conversation
2. Message to be passed to
Ambassador Dobrynin

~~SECRET~~ - EXDIS Attachment

DEPARTMENT OF STATE

Memorandum of Conversation

716

SANITIZED

E.O. 12356, Sec. 3.2

NJ 94-130

By cb, NARA, Date 7-13-94

DATE: July 24, 1967
12:30 p.m.

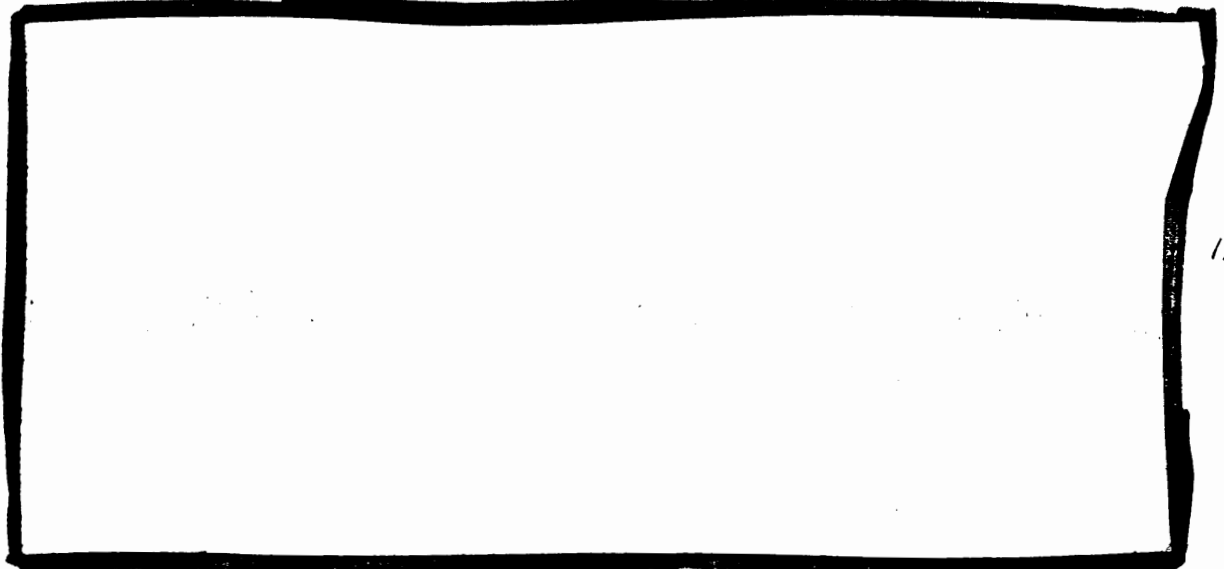
SUBJECT: Middle East

PARTICIPANTS: The Secretary
Deputy Under Secretary Kohler
Amb. Anatoliy Dobrynin, USSR
fol

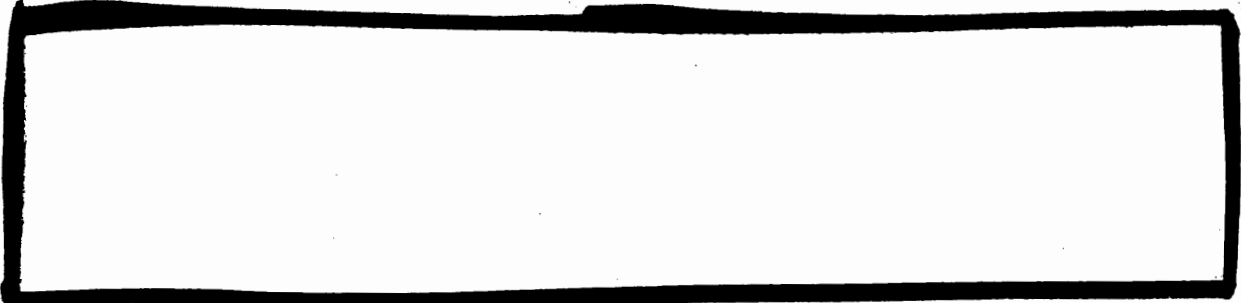
COPIES TO:

Ambassador Dobrynin called on the Secretary at 12:30 p.m. in response to the latter's invitation. The meeting lasted through luncheon and broke up at 2:20 p.m.

Ambassador Dobrynin opened by reading from handwritten notes the following oral statement which Soviet Foreign Minister Gromyko had asked him to make to the Secretary:



1.3(a)(3)

 1.3(a)

The Secretary said that he appreciated Mr. Gromyko's statement and would probably have an oral statement in response which Foy Kohler would transmit to the Ambassador before his prospective departure for Moscow on leave. Meanwhile, he commented that in his view both the United States and the Soviet Union have an interest in not having military solutions in the Middle East. We must face the fact that both of us have some "crazy people" to deal with in this area. We had been hopeful but not optimistic on the formula of a resolution worked out between Ambassador Dobrynin and Ambassador Arthur Goldberg in New York last week. We had thought the moderate Arab representatives might accept the formula, but we knew they were intimidated by Cairo, Algiers, and Damascus. He had even thought it possible in the light of his conversation with UAR Foreign Minister Fawzi in New York that the Egyptians might be reasonable. However, they were apparently impressed by the more extreme positions of Algiers and Damascus. The dynamics of the situation among the Arabs were that the most extreme position tended to become the common position. If there could have been a secret vote of the Arabs he felt that many would have accepted the agreed formula. Dobrynin interjected, "Yes, 8 or 9".

The Secretary continued that the United States has no interest whatsoever in inflammation of the situation on the Middle East or in maintaining Israel in the territorial positions it occupies. However, it was clear that Israel would be difficult and that the question of Jerusalem in particular would be a severe issue.

Ambassador Dobrynin asked why the United States had abstained on the Pakistani resolution on Jerusalem. This was hard to understand in view of the statements on the subject issued by the White House and the Department. The Secretary replied that we had tried to negotiate with the Pakistanis to get reasonable language to which we could agree but they had refused to talk with us since they had the votes required for passage. Dobrynin commented that nobody knew about our attempts to negotiate with the Pakistanis so that the result was that the whole Assembly had been very surprised by our abstention.

The Secretary resumed, saying that we were now looking ahead and felt it was important soon to take some first steps. We were considering what this might be. We had no Government positions yet but speaking personally he thought it possible that if UN observers were placed at Sharm-el-Sheikh, it was then possible that Israel might withdraw well back into the Sinai Peninsula, perhaps half way. Dobrynin asked why not the whole way. The Secretary responded that Israel was not likely to be persuaded to go that far. He repeated that what we needed in the near future was some demonstration of movement. Sharm-el-Sheikh was a simple and uncomplicated problem. The Suez Canal would be much more complicated. In any case, he felt that the atmosphere might be improved in the Middle East by some such step as partial Israel withdrawal in the Sinai Peninsula. Dobrynin asked from what point the Israelis might withdraw. In response, the Secretary repeated that he was speaking personally and unofficially simply in order to illustrate his point. He then referred to a map and speculated that if Sharm-el-Sheikh were taken care of the Israelis might pull back to a point about half way up the Peninsula.

The Secretary then said that Syria was another point where something might be done. For example, if it could be agreed that for some distance on both sides of the Syrian-Israeli border there would only be police forces. Dobrynin interjected that he hesitated to use the term but would the Secretary mean a "demilitarized zone"? The Secretary replied that he had in mind essentially that, i.e., a zone in which there would be no heavy equipment and guns. He reiterated that he was only thinking aloud and searching for some practical steps, that there had been no consultation and that these were not U.S. Government positions or proposals. However, he felt that he would like to keep in touch with the Soviets as to what could be done. On the whole, he said he was optimistic except on two points: First, how to get the Arabs to accept non-belligerence and, second, Jerusalem. Ambassador Dobrynin asked why Jerusalem was so difficult. The Secretary responded by recalling that the United States has never recognized rights of any one to control Jerusalem, but commented that there were some very strong feelings involved and that there would be great difficulties with Israel on this point. Ambassador Dobrynin wondered why the Secretary had not mentioned Jordan. The Secretary said that in the case of Jordan the principal problem would be that of Jerusalem.

He wanted to mention another thing; he felt that when public discussion focussed on Israel this tended to conceal another basic

~~CONFIDENTIAL~~ LIMDIS

-5-

problem, that is the fear which other Arab Governments feel of the so-called progressive Arab States -- Egypt, Algeria, and Syria. It would be useful if these three could give assurances that they had no hostile intentions against the moderate Arab States. Ambassador Dobrynin professed some surprise that these States should need assurances. He commented that it would be very difficult for the Soviet's to talk to the Egyptians in such terms. The Secretary resumed, recalling that U.S. relations with the UAR have been good sometimes in the past and with the other Arab States as well, but at other times difficult. He cited the instance when U.S. planes had been sent to Saudi Arabia when that country felt threatened. He commented that the Arabs seemed able to unite only against Israel.

1.3(a)(5) [REDACTED] He then remarked that the Soviets had probably learned this in connection with their own consultations with the Arabs [REDACTED]

1.3(a)(3)(5) [REDACTED] The Secretary then repeated he felt a number of Arabs would have accepted the UN resolution had it not been for the extreme positions of Algeria and Syria. He had the impression that even Fawzi would have accepted the compromise language.

Ambassador Dobrynin then noted that the head of the Department's Egyptian Desk was going to Cairo. The Secretary confirmed this and said that this move was in accordance with our stay-behind agreement with the Egyptians.

Later at luncheon Ambassador Dobrynin returned to the subject asking how the United States intended to proceed with respect to the Arabs. He commented it was evident from Soviet contacts with the Arabs in New York that the latter harbor some very hard feelings towards the United States. The Secretary responded that he felt some of the Arab States would be quite willing to make peace with Israel. However, they were all afraid of Radio Cairo which was able to stir up their people and bring them out into the streets. We had once felt that Nasser would exercise a moderating even restraining influence in the Arab world, but this time had apparently gone. Ambassador Dobrynin observed that there had been some "ultra-extremists"

~~CONFIDENTIAL-LIMDIS~~

pressures on Nasser (by implication which he had resisted). Then had come the Israel surprise attack. The Secretary said it was very important that Soviet Chairman Kosygin believe the assurances which President Johnson had given him at Glassboro. He must understand that there had been no double dealing. The United States had made every effort to restrain Israel and we had felt that we had an assurance that they would not move while we tried to find a solution for the question of passage through the Strait of Tiran. We had simply been unable to control them and had had no advance information whatsoever about their move. He himself had been awakened at 2:30 in the morning to receive this information.

~~CONFIDENTIAL~~-LIMDIS

71c

SECRET - LIMIT DISTRIBUTION

ORAL MESSAGE FROM THE SECRETARY TO
FOREIGN MINISTER GROMYKO

We welcome Foreign Minister Gromyko's message of July 24, indicating that the USSR is willing to continue bilateral discussions on the Middle East situation.

Though the United States had reservations regarding the utility of the emergency General Assembly session, it sought earnestly to reach agreement with the Soviet Union and with others on a general resolution which would contribute to a stable and durable peace in the Middle East. The position taken by Ambassador Goldberg with Foreign Minister Gromyko and members of your delegation were intended to bring about a productive result; our objective was to find words which would provide a solid base for constructive solutions to Middle East problems without offense to any party.

We were pleased that it was possible to reach common ground with you in New York on a draft text which envisaged the withdrawal of Israeli troops and at the same time

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NIJ 94-130
By cb, NARA, Date 7-12-94

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- 2 -

recognized the right of Israel and all other states in the area to maintain an independent national existence and to live in peace and security. We hope you agree that Ambassador Goldberg cooperated fully, and in a spirit of accommodation, with you and with others in working out language which would be broadly acceptable. In our view, the principles stated in that resolution are basic and inseparable elements in building of a lasting peace in the Middle East.

Assuming as we do that you would not wish to encourage intransigence among the Arabs, it is possible to envisage further conversations which may help stabilize and improve the situation in the area. Our purpose, like your own, is to curb irresponsible extremism with respect to the Middle East dispute from whatever quarter it may arise.

We consider that as permanent members of the Security Council with special responsibilities it would be useful and desirable in the spirit of Article 33 of the UN Charter for the USSR and the US to carry forward their discussions looking toward a stabilization of the situation in the Middle East. In particular, the conditions for settlement would naturally be

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- 3 -

improved if the US and the USSR, together with other Governments with interests in the area, could find ways and means to bring about restraint in the arms race in the Middle East. This is a matter we would like to discuss further with you.

I will be glad to have your thoughts on how further discussion on Middle East questions can be pursued with your government.

In the meantime, we hope both our governments can exercise their influence on the parties concerned to help maintain the cease-fire proclaimed by the UN and, in particular, to urge cooperation with the efforts being made by the Chief of Staff of UNTSO to this end. We would be deeply concerned about a resumption of hostilities in the Middle East and will do everything we can to move the situation promptly toward a peaceful settlement.

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Pres file

Wednesday, July 26, 1967
7:25 p.m.

Mr. President:

Herewith Bill Gaud reports the
Annual DAC meeting of aid donors.

Briefly:

- the smaller countries are
doing better;
- the bigger countries are
doing relatively less;
- as a world community they
all agree aid is inadequate!

W. W. Rostow

2868
72a
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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

JUL 26 1967

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Annual Meeting of the Development Assistance Committee

Last week the Development Assistance Committee of the OECD held its annual meeting in Paris. The purpose of the meeting was to review last year's aid activities and discuss plans for the future.

These are some of the highlights of the Chairman's report on aid activities for Calendar Year 1966:

- The total net flow of resources, public and private, from DAC members to developing countries declined from \$10.3 billion in 1965 to \$9.9 billion in 1966;
- This decline was due to a drop of some \$600 million in private investment (from \$4.0 billion to \$3.4 billion) which was partially offset by a rise of about \$200 million in government aid (from \$6.2 billion to \$6.4 billion);
- The U.S. is primarily responsible for the decline in the 1966 overall figure. Our government aid was \$3.6 billion in each year. But U.S. private investment in the developing countries dropped from \$1.9 billion in 1965 to \$1.0 billion in 1966;
- If we go back to 1963 instead of just to 1965, we find that the total amount of government aid from DAC members has increased by \$300 million - due to a doubling of the aid programs of six small countries (Austria, Canada, Denmark, Japan, the Netherlands and Sweden). By contrast, the four big countries which accounted for 84% of the total government aid in 1966 - the U.S., France, the U.K. and Germany - together gave \$55 million less in 1966 than in 1963;

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- While the U.S. ranks well ahead of all other aid donors in per capita national income, it ranks fifth in terms of the percentage of its national income devoted to government aid, and eighth in terms of the percentage of its national income devoted to both government aid and private investment in the developing countries. Our aid, public and private, as a percent of national income, dropped from .99 percent in 1965 to .76 percent in 1966;
- The debt of developing countries rose faster in 1966 than in any previous year. This has serious implications also for the terms of new aid. At present, several countries are offering aid at more generous terms than we, including the U.K., Canada, Sweden, Denmark and Belgium.

(NOTE: Do not try to match the above figures with those we use here in the U.S. The DAC deals in calendar years, whereas we deal in fiscal years. It also has its own definition of aid, which for the U.S. includes the A.I.D. program, PL 480, the Peace Corps, Contributions to International Organizations and certain loans made by the ExIm Bank.)

The Committee agreed that its biggest task is to persuade its members to increase the volume and quality of their aid. Considerable attention was devoted to such other matters as how to cope with the increasing debt burdens of the developing countries, how to improve the volume of private investment in those countries and how best to tackle the world food and population problem.

The U.S. Delegation laid particular stress on the last item. We distributed to the other delegations copies of the report on the world food problem recently prepared by your Science Advisory Committee, and urged them to study it fully and carefully.

We also urged the Committee to undertake a study of how to inform public opinion more fully on the need for increasing the aid effort, and of how to overcome existing obstacles to securing greater support for aid budgets. This the Committee agreed to do.

We will keep pushing the other donors to increase their aid effort. However, as the above figures show, we no longer have the leverage which comes from being the front runner.



William S. Gaud

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By cb, NARA, Date 6-6-95

73

~~CONFIDENTIAL~~

Wednesday - July 26, 1967
6:30 pm

Pres file

Mr. President:

Today the OAS Committee which investigated the Cuban landing in Venezuela on May 8 presented its report to the Meeting of Foreign Ministers (Ambassadorial level). A copy of the report is at Tab A. The conclusions are on pages 22-24.

The MFM is expected to refer the report to the governments, preparatory to a meeting of the Foreign Ministers themselves in Washington around mid-August. The plan is to have this session follow the Havana meeting of the Latin American Solidarity Organization (July 31 - August 3). LASO's pronouncements are expected to strengthen the case against Cuba.

The Venezuelans are consulting the other governments on a resolution:

- condemning Cuba for its intervention which constitutes a violation of the OAS and UN Charters and the UN Non-Intervention Resolution of 1965.
- expressing concern to the Communist countries that their support of Castro permits him to encourage subversion.
- asking the governments involved in AALAPSO to withdraw their support from this organization which fosters subversion.
- requesting Free World countries trading with Cuba to restrict such trade.
- recommending that the OAS members strengthen their control measures over the movement of people, funds and propaganda from Cuba.
- recommending that OAS members work out coastal surveillance and sub-regional security arrangements.
- designating a Committee of Foreign Ministers to visit European capitals to urge restriction of trade with Cuba while it promotes subversion.

W. W. Rostow

Attachment

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Wednesday - July 26, 1967
6:00 pm

Pres file

Mr. President:

You asked for my views on Governor Farris Bryant's suggestion that we designate a scholarship after the late Brazilian President Castello Branco.

This is a feasible and attractive idea. Bill Bowdler had checked it out with State before Governor Bryant sent it to you. I asked Jack Tuthill and he likes it.

I suggest that you authorize us to work out a scholarship arrangement subject to your final approval -- and announcement from here. Jack Tuthill would like your authority to test Costa e Silva's reaction.

W. W. Rostow

Work out scholarship
arrangements subject
to your final approval

Yes ____ No ____ See me ____.

OK for Tuthill to sound
out Costa e Silva

Yes ____ No ____ See me ____.

see Pres file

~~CONFIDENTIAL~~

Wednesday - July 26, 1967 -- 5:00 pm

Mr. President:

You asked for half-way points between Panama and Washington for the signing ceremony of the Canal Treaties.

There are these possibilities:

- in a third country (e.g., Costa Rica or Jamaica) but this is inappropriate and would be so regarded by the Panamanians.
- somewhere in Texas (e.g., Dallas or San Antonio), but this still means coming to the US, which is "undue deference" to some of Robles' advisers.
- in the Canal Zone, where security is good and the signing would be symbolic of the new, joint arrangements for managing the Canal Area.

The Canal Zone, despite its attractiveness, has one serious drawback; it would be used by the enemies of the treaties as further evidence of your desire to "give away" American sovereignty over the Canal.

Bob Anderson advises against your considering the Canal Zone. He fears that, in addition to the "give away" criticism, it might adversely affect the chances of ratification. He maintains that since the Panamanians asked that the signing ceremony be held at the White House with Robles present, we should stick to this arrangement. He personally prefers a simple signing ceremony by Rusk and Elata at the State Department.

W. W. Reston

Want to consider
Canal Zone possibility
farther _____

Prefer Texas site _____

Stick with present
arrangements _____

Wednesday, July 26, 1967
4:40 p.m.

7/26

Pres file

Mr. President:

This editorial in the chief Hanoi newspaper is a good picture of how completely focussed they are on our capacity to bear the prolonged strain of the war in Viet Nam.

It's a quite sophisticated analysis, reflecting a good deal of homework.

W. W. Rostow

76a
FBIS 50

NHAN DAN ON U.S. WAR EFFORT

HANOI VNA INTERNATIONAL SERVICE IN ENGLISH 1522 GMT 26 JULY 1967--B

(TEXT) THE WHITE HOUSE AND THE PENTAGON ARE TRYING TO DENY THAT THEY ARE IN A STALEMATE--A WORD THAT GETS THEIR BACKS UP--BUT EVERY WORD OF JUSTIFICATION THEY UTTER SHOWS THEY ARE, NHAN DAN POINTED OUT IN A COMMENTARY TODAY.

THE HANOI PAPER STRESSED THAT THE ONLY WAY FOR THE U.S. WARLORDS TO GET OUT OF THEIR STALEMATE IS TO WITHDRAW ALL THEIR TROOPS FROM SOUTH VIETNAM.

THE PAPER SAID: ON THE "MEET THE PRESS" INTERVIEW ON 9 JULY JOHNSON'S SPECIAL ASSISTANT FOR NATIONAL SECURITY AFFAIRS WALT W. ROSTOW FAILED TO ANSWER THE QUESTION "IF WE ARE WINNING THE WAR, WHY A CONTINUING CALL FOR MORE TROOPS, FOR MORE MONEY?"

THOUGH HE GOT CROSS WITH ANYBODY WHO USED THE WORD STALEMATE TO DESCRIBE THE U.S. WAR IN VIETNAM, SECRETARY OF STATE DEAN RUSK, AT HIS PRESS CONFERENCE ON 19 JULY, HAD TO ADMIT THERE IS GOING TO BE A LONG, TOUGH ROAD AHEAD FOR THE UNITED STATES IN THIS WAR.

IN HIS 21 JULY STATEMENT SUMMARIZING HIS VIEWS ON THE VIETNAM SITUATION, U.S. WAR SECRETARY MCNAMARA CLAIMED THAT SUBSTANTIAL PROGRESS HAS BEEN MADE IN THE POLITICAL, ECONOMIC, AND MILITARY AREAS IN THE VIETNAM WAR, BUT HE HAD TO ADMIT THAT SUBSTANTIAL PROBLEMS STILL REMAIN IN THESE AREAS. IRONICALLY ENOUGH, MCNAMARA ADDED THAT HE DID NOT CONSIDER IT OPTIMISTIC TO CITE THE PROGRESS THAT HAS BEEN MADE OR PESSIMISTIC TO CITE THE PROBLEMS THAT REMAIN.

NHAN DAN WENT ON: JOHNSON AND HIS SIDEKICKS WANT TO REMAIN DEAF AND MUM TO THE WORD STALEMATE, BUT THEY CAN'T FIND A WAY OUT OF THE BLIND ALLEY OF THEIR AGGRESSIVE WAR IN VIETNAM. THEIR MEN ON THE SPOT--MCNAMARA, WESTMORELAND, BUNKER, AND TAYLOR--KEEP SHUTTLE BETWEEN SAIGON AND WASHINGTON, BUSILY DISCUSSING MEASURES TO SOLVE THE VIETNAM WAR DEADLOCK. THE MAIN AND IMPORTANT CAUSE OF THE CURRENT HOT DEBATES AMONG THE U.S. RULERS ABOUT THE VIETNAM ISSUE IS THAT THE MILITARY SITUATION IN VIETNAM IS GETTING WORSE FOR THE U.S. AGGRESSORS. REALITIES ON THE VIETNAM BATTLEFIELDS CONTINUE TO REFUTE THE BOASTFUL CLAIMS OF JOHNSON AND COMPANY.

THE U.S. AGGRESSIVE WAR IN VIETNAM HAS BECOME THE BIGGEST LOCAL WAR IN MODERN HISTORY. WITH SEVEN GI DIVISIONS AND FIVE BRIGADES IN SOUTH VIETNAM, U.S. TROOP STRENGTH THERE NOW EXCEEDS AMERICAN ARMED FORCES IN KOREA FROM 1950 TO 1953 (ONLY SEVEN DIVISIONS AND A REINFORCED AIRBORNE REGIMENT). IN FACT, THE U.S. AGGRESSORS HAVE POURED INTO THE VIETNAM WAR OVER 1 MILLION U.S., PUPPET AND SATELLITE TROOPS, A LARGE PART OF THE U.S. AIR FORCE, AND THE BULK OF THE U.S. SEVENTH FLEET. YET, THE RESULTS THEY REAPED AFTER THE DRY SEASONS OF 1965-1966 AND 1966-1967 ARE TRAGIC. THEIR TWO-PRONGED PLAN IS COMING A CROPPER. THOSE WHO TRY TO SEARCH AND DESTROY ARE FOUND AND DESTROYED. SINCE MID-1965 ABOUT 190,000 GI'S--OVER 40 PERCENT OF THE WHOLE U.S. EXPEDITIONARY ARMY--HAVE BEEN WIPED OUT IN SOUTH VIETNAM, AND SINCE THE START OF THE 1966-1967 DRY SEASON (OCTOBER 1966) THE FIGURE HAS BEEN APPROXIMATELY 90,000.

THE U.S. FAILURE IN ITS PACIFICATION PROGRAM IS SO HEAVY THAT MCNAMARA HAS TO ADMIT THAT ITS PROGRESS HAS BEEN VERY SLOW AND PROBABLY WILL CONTINUE TO BE SLOW.

IN SOUTH VIETNAM, U.S. ARMY
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A REINFORCED AIRBORNE REGIMENT). IN FACT, THE U.S. AGGRESSORS HAVE
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MCNAMARA HAS TO ADMIT THAT ITS PROGRESS HAS BEEN VERY SLOW AND PROBABLY
WILL CONTINUE TO BE SLOW.

NHAN DAN POINTED OUT: IT IS CLEAR THAT AFTER POURING MEN AND DOLLARS
INTO THE AGGRESSIVE WAR IN VIETNAM FOR TWO YEARS THE JOHNSON CLIQUE
HAS FAILED TO REACH ITS BASIC GOALS. IT WANTS TO DESTROY THE SOUTH
VIETNAM LIBERATION ARMED FORCES--LAF--AND COMPEL THEM TO SPLIT
UP AND FORM SMALL AND THINLY SCATTERED UNITS TO GO BACK TO GUERRILLA
WAR. TODAY, HOWEVER, THEY HAVE TO ACKNOWLEDGE THAT THE LAF HAVE
GROWN UP CONTINUALLY AND THAT U.S. TROOPS CONTINUE TAKING HARD BLOWS
FROM BIG UNITS OF THE LAF. FURTHERMORE, THEY HAVE TO ADMIT THAT
THE U.S. CASUALTIES SINCE EARLY THIS YEAR EXCEEDED THOSE IN 1966
AND THE RATIO OF GI'S KILLED SURPASSED THAT OF PUPPET TROOPS.

THE U.S. AGGRESSORS WANT TO CONSOLIDATE THE SAIGON PUPPET ARMY
AND ADMINISTRATION BUT THIS ARMY HAS IN THE MAIN LOST ITS FIGHTING
POWER AND THIS ADMINISTRATION IS BECOMING MORE AND MORE ROTTEN.
MANY U.S. NEWSPAPERS HAVE NOTED THAT THE PRESIDENTIAL ELECTIONS
BEING PREPARED BY THE UNITED STATES FOR 3 SEPTEMBER ARE BUT A FRAUDULENT
FARCE.

THE U.S. AGGRESSORS WANT TO STAMP OUT THE VIETNAMESE PEOPLE'S
DETERMINATION TO FIGHT AND DEFEAT THEM BY INTENSIFYING THEIR AIR
AND NAVAL WAR OF DESTRUCTION AGAINST THE DEMOCRATIC REPUBLIC OF VIETNAM.
BUT TO DATE OVER 2,100 U.S. AIRCRAFT HAVE BEEN SHOT DOWN OVER
THE DRV.

(MORE)

26 JUL 1837Z JWG/BK

FBIS 51

ONLY ADD 50 (NHAN DAN ON U.S. WAR EFFORT)

X X X OVER THE DRV.

(TEXT) NHAN DAN STRESSED: THE ABOVE FACTS HAVE GIVEN TO MANY AMERICANS, INCLUDING POLITICIANS, INCREASING SUSPICIONS ABOUT ALL STATEMENTS, EXPLANATIONS, AND PROMISES MADE BY THE JOHNSON CLIQUE CONCERNING THE AGGRESSIVE WAR AGAINST VIETNAM. WESTMORELAND'S CLAIM THAT WE ARE WINNING SLOWLY BUT STEADILY HAS BROUGHT NOT A FEW SNEERS IN THE UNITED STATES, AND DRAWN MORE AND MORE COMMENTS IN THE AMERICAN PRESS ON THE U.S. WAR BEING IN A DEAD END IN SOUTH VIETNAM. THE U.S. RULING CIRCLES ARE RACKING THEIR BRAINS FOR A WAY OUT OF THE GLOOMY SITUATION IN VIETNAM.

JOHNSON IS WAITING FOR SOME CUNNING STRATAGEM FROM WESTMORELAND, BUT ALL THAT HIS "WESTY" CAN THINK OUT IS ...MORE TROOPS! EVERY CALL OF WESTMORELAND FOR A TROOP INCREASE MARKS A HEAVY SETBACK OF THE UNITED STATES IN VIETNAM AND HIS LATEST CALL SHOWED YET MORE CLEARLY THE U.S. CONFUSION AND STALEMATE. WESTMORELAND IS ASKING FOR ANOTHER THREE DIVISIONS, OR FROM 100,000 TO 120,000 TROOPS IN ORDER TO REGAIN THE INITIATIVE IN SOUTH VIETNAM. THIS, HOWEVER, IS SHEER ILLUSION. THE INITIATIVE IS IN THE HANDS OF THE LAF. ON THE CONTRARY, THE U.S. TROOPS ARE GETTING MORE AND MORE SCATTERED AND CAN BARELY HOLD ON THEIR OWN. EVEN WITH THREE MORE AMERICAN DIVISIONS, THE PENTAGON CANNOT TURN THE TIDE IN SOUTH VIETNAM.

TO THE QUESTION WHETHER A TROOP INCREASE COULD HELP THE UNITED STATES REGAIN THE INITIATIVE, THE CHRISTIAN SCIENCE MONITOR ON 7 JULY SAID: FRANKLY, WE DOUBT IT. WE CANNOT SEE HOW, UNDER PRESENT CONDITIONS, EVEN 150,000 ADDITIONAL MEN CAN AFFORD ANY GUARANTEE OF SUCCESS.

NHAN DAN CONTINUED: TO PUT 80,000 OR 100,000 MORE U.S. TROOPS INTO SOUTH VIETNAM IS NOT CHILD'S PLAY FOR THE U.S. RULING CIRCLES. JOHNSON CANNOT MEET WESTMORELAND'S REQUIREMENTS WITHOUT HAVING TO MOBILIZE RESERVE TROOPS OR STEP UP THE DRAFT CALL, A MEASURE FRAUGHT WITH EVIL POLITICAL CONSEQUENCES FOR THEM. THAT IS WHY, WHILE TRYING TO INCREASE TROOPS, AT WESTMORELAND'S REQUEST, JOHNSON AND MCNAMARA RAISED THE QUESTION OF INCREASING THE COMBAT EFFICIENCY OF U.S. TROOPS IN SOUTH VIETNAM, THUS TRIGGERING OFF VERBAL CLASHES BETWEEN MCNAMARA AND WESTMORELAND.

ON THE OTHER HAND, MORE TROOPS MEAN MORE MONEY. THIS YEAR'S U.S. BUDGET WILL PROBABLY INCUR A DEFICIT OF 25 BILLION DOLLARS. THE INTROCUCTION OF MANY U.S. TROOPS INTO SOUTH VIETNAM WILL SURELY RENDER THE U.S. FINANCIAL SITUATION MORE DIFFICULT, FURTHER INCREASE THE TAX BURDEN AND LIVING COSTS IN THE UNITED STATES, AND FURTHER INCREASE THE DISCONTENT AMONG THE AMERICAN PEOPLE.

THE RECENT BIG STRIKES AND THE UPRISING OF AMERICAN NEGROES NOW SPREADING IN THE UNITED STATES SHOW THAT THE ECONOMIC LIFE IN THAT COUNTRY HAS ALREADY BEEN DELT THE HEAVY BURDEN OF THE U.S. AGGRESSIVE WAR IN VIETNAM.

THE JOHNSON CLIQUE IS THINKING OF COMPELLING SATELLITES OF THE UNITED STATES TO CONTRIBUTE MORE MEN AND MONEY TO THEIR AGGRESSIVE WAR IN VIETNAM. BUT IN ORDER TO GET MORE SATELLITE TROOPS, THE U.S. RULING CIRCLES CANNOT FAIL TO PROMISE MORE ECONOMIC AND MILITARY AID TO THEIR SATELLITES.

BETWEEN MCNAMARA AND WESTMORELAND.

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THIS MEANS THAT IN TRYING TO AVOID SPENDING MONEY ON ONE THING, THEY HAVE TO SPEND IT ON ANOTHER. THE MORE THEY PROLONG THE WAR, THE MORE DIFFICULTIES THE U.S. AGGRESSORS WILL BE FACING, THE MORE DEFEATS THEY WILL SUSTAIN, THE MORE SHARPLY THEIR ECONOMIC AND MILITARY POTENTIALS WILL DECREASE, THE LOWER THE U.S. PRESTIGE IN THE INTERNATIONAL ARENA WILL SINK, AND THE MORE ACUTE THE CONTRADICTIONS WITHIN THE U.S. RULING CAPITALIST CLASS WILL BECOME.

THE ONLY WAY FOR THE JOHNSON CLIQUE TO GET OUT OF ITS QUANDARY IN SOUTH VIETNAM IS TO BRING AMERICAN TROOPS HOME. IF THEY KEEP INTENSIFYING AND WIDENING THEIR AGGRESSIVE WAR, THEY WILL SINK YET DEEPER INTO THEIR QUAGMIRE AND WILL FINALLY MEET WITH IGNOMINIOUS FAILURE.

NHAN DAN POINTED OUT THAT ALTHOUGH BOGGED DOWN, JOHNSON AND HIS ACOLYTES CONTINUE TO INTENSIFY THE WAR AND PREPARE FOR NEW STEPS OF ESCALATION.

THE PAPER CONCLUDED: FIRMLY CONFIDENT IN THE STRENGTH OF THEIR JUST STRUGGLE, THE VIETNAMESE PEOPLE ARE RUSHING FORWARD WITH THE METTLE OF VICTORY, READY TO WAGE NEW BATTLES AND WIN YET GREATER VICTORIES.

(ENDALL)

26 JUL 1902Z JWG/BK

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E.O. 12356, Sec. 3.4
NIJ 94-129
By ab, NARA, Date 6-6-95

77

2 Pres file

~~SECRET~~

Wednesday - July 26, 1967
4:30 pm

Mr. President:

I talked with Covey Oliver and Jack Tuthill after your meeting with them.

We concluded that a short letter to Costa e Silva (Tab A) is important to getting his agreement to hold up on Mirages.

We also revised the talking points paper (Tab B) to reflect your discussion.

I recommend that you sign the letter and approve the talking points.

W. W. Rostow

Attachments

Tab A - Letter to Costa e Silva.

Tab B - Talking points for use by
Ambassador Tuthill.

~~SECRET~~

77a

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By cb, NARA, Date 6-6-95

~~SECRET~~

July 26, 1967

Dear Mr. President:

During your visit to Washington last January and at the Punta del Este meeting we had the opportunity to discuss the special role which our two countries of necessity play in this hemisphere.

It is in this spirit that I have asked Ambassador Tuthill to explain to you personally the serious repercussions which the purchase of advanced jet aircraft at this time would have in the United States and on our effort to collaborate with Brazil and the other American Republics under the Alliance for Progress. He will also describe what we are prepared to do with respect to Brazil's desires for modernization of equipment.

After you have had an opportunity to review these considerations with him and see what is at stake, I hope you will find it possible to postpone any commitment on advanced jet aircraft until later this year when the matter can be looked at in terms of what we can do to help meet the requirements of the Brazilian Air Force.

With warm personal regards,

Sincerely,

15/ Lyndon B. Johnson

His Excellency
Arthur da Costa e Silva
President of the Republic of Brazil
Brasilia

LBJ/WGB:mm

~~SECRET~~

Talking Points

776
DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-129
By CG, NARA, Date 6-6-95

1. The President has asked me to deliver this letter and discuss in greater detail the points raised.
2. He understands why a country of the size and importance of Brazil wants to modernize its military aircraft. That is why we agreed to the delivery of F-5's to Brazil in 1969-70 and the sale of T-33's and T-3⁷~~2~~'s in the interim.
3. We are prepared to authorize Northrop to begin contract talks after October 1. The lead time for delivery of the F-5 is about 20 months, so that Brazil could expect to receive the first planes after July 1, 1969.
4. We cannot advance the date for the contract talks or aircraft delivery because of public and Congressional reaction.
5. Arms races in other parts of the world resulting in crises (e.g., Kashmir and the Middle East) have made the American people acutely sensitive to United States military involvement

~~SECRET~~

overseas and the furnishing of arms to other countries which could result in situations where we might be drawn in. This is reflected in the mood of Congress, especially in the context of foreign economic and military assistance legislation now pending before both Houses.

6. The President told me of his conversation with Senator Fulbright on Tuesday evening in which the Senator said that he was in favor of doing away with foreign assistance.
7. An amendment has been introduced by Congressman Hays to the Foreign Aid Bill denying assistance to any Alliance for Progress country which acquires supersonic military aircraft from any source or by any means. We hope to defeat this amendment.
8. Furthermore, the Export-Import Bank is now under Congressional fire for its role in financing sales of military equipment.

9. Congress showed its growing concern over military assistance last fall by placing a \$85 million ceiling on sales and grants of military equipment to Latin America.
10. The press has also zeroed in on this issue. One example is the series of articles in The New York Times last week on private arms merchants in the United States. Another is the editorial treatment given by The Washington Post to Peru's negotiations for French Mirages.
11. Against this background, the acquisition by any Latin American country of supersonic aircraft at this time would have the most serious adverse effect on our ability to continue our assistance to Latin America. What is at stake is the future of the Alliance for Progress. The same is true for the Military Assistance Program.
12. The President is fighting hard for an increase in our Alliance contributions to meet his pledge at the OAS Summit to seek

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-4-

additional resources to match Latin American self-help efforts on economic integration and in education and agriculture. Given the increased skepticism of the Congress toward Foreign Aid, this is a tough battle.

13. He is not sure that he can win. But he knows that if one or more Latin American governments go supersonic now, he will lose the increase and suffer a deeper cut in appropriations. The Congress will also probably approve the prohibition of aid to those governments acquiring such aircraft. Hence our ability to continue cooperating under the Alliance would be seriously jeopardized.
14. He wants you to know of this situation so that you may take it into consideration in making your decision to purchase French Mirages.
15. He believes you share his strong desire that nothing be done that would impair the Alliance in any way.

~~SECRET~~

~~SECRET~~

-5-

16. That is why he has asked me to make this appeal that you postpone any action on supersonics until after October 1 when we can discuss how best to meet Brazil's desires to modernize its Air Force.

~~SECRET~~

~~CONFIDENTIAL~~

Wednesday, July 26, 1967
4:10 p.m.

Pres. file

Mr. President:

This cable reports the somewhat cautious atmosphere Clifford and Taylor will find in Canberra.

W. W. Rostow

Canberra 373

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By h8, NARA, Date 7-23-91



Department of State

78a
TELEGRAM

~~CONFIDENTIAL~~

PAGE 01 CANBER 00373 260440Z

6
ACTION SS 70

INFO /070 W

R 262355Z JUL 67
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC
INFO AMEMBASSY BANGKOK
AMEMBASSY SAIGON
AMEMBASSY WELLINGTON
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E.O. 12356, Sec. 3.4
NLJ 94-130
By C6, NARA, Date 7-13-94

~~CONFIDENTIAL~~ CANBERRA 373

LINDIS

CINCPAC FOR POLAD

SAIGON AND BANGKOK FOR CLIFFORD-TAYLOR PARTY

1. WE BELIEVE THAT CONVERSATIONS IN CANBERRA
THIS WEEKEND MAY REFLECT MORE THAN NORMAL CAUTION
ON PART OF PRIME MINISTER HOLT AND HIS CABINET

PAGE 2 RUNDAC 373 ~~CONFIDENTIAL~~
AND IT MAY BE HELPFUL TO PARTY TO HAVE SOME BACK-
GROUND ON HOLT'S CURRENT CONCERNS AND ADVICE
HE IS BEING GIVEN. WE DO NOT SUGGEST HOLT'S
SUPPORT FOR USG POLICIES IS WAVERING OR THAT HE
IS IN POLITICAL DIFFICULTIES. INDEED, GALLUP
POLL RESULTS CONTINUE SHOW RECORD LEVELS OF
APPROVAL. HOWEVER, RECENT EVENTS HERE, IN SEA
AND IN US HAVE ALL COMBINED TO CAUSE SOME REASSESS-
MENT AND TO CAUSE HOLT'S ADVISORS TO COUNSEL
HIM TO LISTEN MORE THAN TALK AT UPCOMING MEETINGS.
ONE OF THOSE ADVISORS HAS GIVEN US IN CONFIDENCE

~~CONFIDENTIAL~~



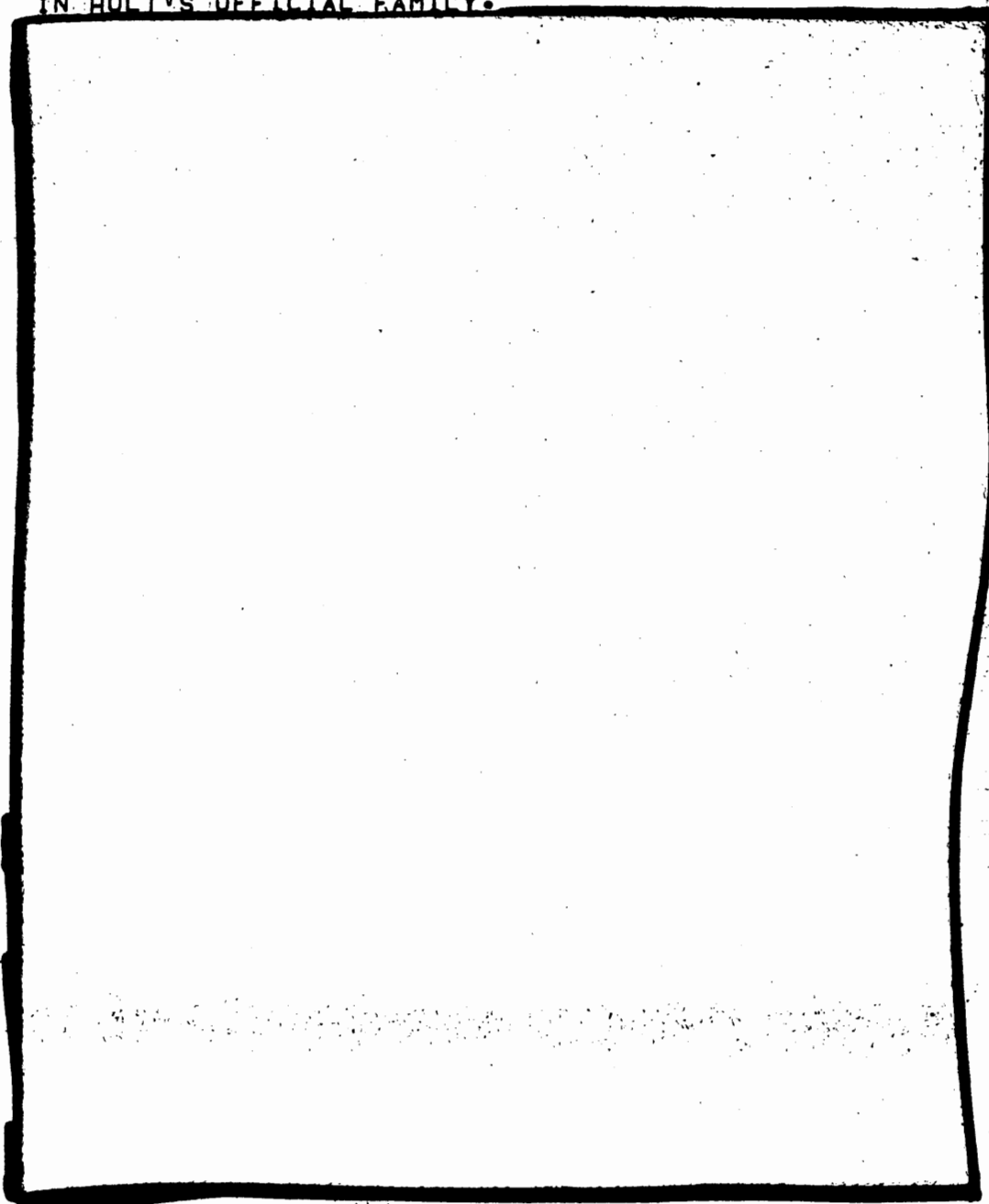
Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 02 CANBER 00373 260440Z

FOLLOWING RUN-DOWN OF CURRENT CONCERNS AND MISGIVINGS
IN HOLT'S OFFICIAL FAMILY.



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~~CONFIDENTIAL~~

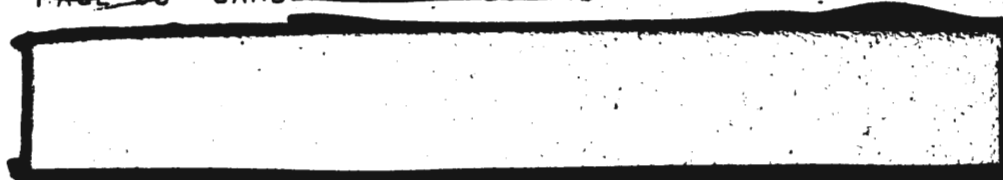


Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 03 CANBER 00373 260440Z



1.3(a)(3)

GP-3. CLARK

~~CONFIDENTIAL~~

79

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-129
By CB, NARA, Date 6-6-95

~~SECRET~~

Wednesday, July 26, 1967
4:05 p.m.

Pres file

Mr. President:

In view of the Shah's forthcoming visit (August 22-23), you may wish to read this cable containing his views on the Middle East.

If and when we get something constructive going in the Middle East, we shall need to mobilize him in a more active and less philosophical role.

W. W. Rostow

Tehran 444

~~SECRET~~

SECRET

79a

Tehran 444
July 25, 1967

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-130
By CL NARA. Date 7-12-94

SUBJECT: Shah and Mideast

1. Mideast Prospects. During hour and half talk with Shah on the twenty-fourth, I sought to focus attention on following three Mideast subjects: (A) What are Soviets up to and what counteractions are possible; (B) How can moderate Arabs be shored up; and (C) What role can Shah play. Various Department materials were liberally utilized with great benefit.

2. Soviets in Egypt. Referring to our estimates of Soviet military resupply to Arabs, Shah said it not yet clear how far Soviets going. Probability is, he said, they will not do more than restore Arab losses. Even that, however, is formidable, the Shah said, for in aircraft alone Egyptians are several times better equipped than is Iran. Shah had been impressed by our report that until now we have no confirmation of large influx of Russians to Egypt. Nonetheless, he is confident, as he has been telling U. S. for past two years, that Egypt is in effect Soviet base and Soviet grip now stronger than ever. He referred to point in Nasser's July 23 speech wherein Nasser said old elements are being replaced in UAR government top echelons. To Shah this means remaining pro-Western conservative men are being ousted in favor of pro-Communists, a development which we should watch carefully.

3. Soviets in Moscow. Shah confided he has received report from Prime Minister Hoveyda regarding discussion with Kosygin on Mideast. Kosygin said if Soviets had "been given the mandate" they would have settled Mideast crisis "in fifteen minutes". Asked what Kosygin meant, Shah did not seem clear other than to speculate. It meant Russians would have secured Israeli withdrawal in short order. Shah said conclusion Hoveyda's discussion with Soviets is that they are not going to fight Arab battles beyond diplomatic front.

4. Soviet Aims. Shah noted that, aside from satellization of Egypt, there is high probability Hussein being overthrown which could easily be followed by some sort of Jordan-Syria-Iraq merger under Communist auspices. This would mean the end of Kuwait and probably Saudi Arabia.

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I mentioned that Ex-Foreign Minister Takla of Lebanon had emphasized to me at UN that "most awful" repercussion of recent Mideast conflict is possible overthrow of "moderate Arab" regimes, starting with King Hussein. Shah wondered what Soviet purpose really is. I said it is no different from traditional purpose, i. e., ouster of Western influence from Mideast. He wondered why Soviets would want this and I noted this is second stage of classic Communist strategy prior to communization of emerging countries. I noted in this connection Takla's fear that if moderate Arabs were ousted Turkey and Iran would be in trouble.

5. UN Potential. In discussing Soviet role, I referred to slight ray of hope engendered by Soviets consulting with U. S. in final stages of Emergency Session of the General Assembly and our both voting together on procedural resolution despite Arab hostility. It might be too much to expect, I said, but our belief has been that UN Security Council is best venue and our hope has been that some progress can be made there. Problem is that Soviets will have two forces pulling on them: (A) Desire to exploit Arab-Israel issue for aims noted in foregoing paragraph; and (B) Desire to get us Westerners to share in high cost of maintaining bankrupt radical Arab states. Yet, the fact that Soviets support existence of Israel and in effect non-belligerency of Arabs offers practical possibilities, Shah shared hope that progress can be made in UN Security Council, noting at same time that situation may require a little simmering. He is glad U. S. government publicly espouses Israeli withdrawal from war-won territories but fully agrees such withdrawal must be phased and linked with positive steps toward peace.

6. Counteraction. As to what can be done to counteract Soviet influence in radical Arab states, Shah said first thing is to support King Hussein who is in serious danger. He noted he had sent some suggestions in military field via another channel. Meanwhile only hope for recovering Egypt from Communist clutches is Nasser's demise. He realized there is virtually no organized opposition and Egyptians are inherently submissive people. He reiterated his usual theme that Iran must maintain its military defense capability as barrier to Soviet penetration of Gulf Area via radical Arab proxies. He also laid heavy

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stress on turning tide against Nasser in Yemen and South Arabia.

7. Shoring Up Moderates. In addition to early and substantial aid to Hussein, Shah said U. S. government should launch a major publicity campaign pointing out that all these years U. S. has, if anything, been pro-Arab, citing what we did in 1956, vast quantities of aid to Egypt, support for Arab refugees, etc., with Nasser blasting U. S. as supreme cause of Arab troubles, U. S. government can by such pronouncements give the lie to Nasser's allegations and give encouragement to moderate Arabs who otherwise have to keep under cover as far as U. S. is concerned. He agreed we should not get into mud-slinging match but it is in his view highly important that U. S. not show a lack of interest in Arab world. On contrary, as it takes initiatives in UN Security Council and elsewhere to make progress on Mideast issues, U. S. government should "not waiver" from five principles set forth by President. Meyer asked what his reaction would be if diplomatic relations were restored with radical Arabs. Shah saw no objection provided U. S. government does it patiently and unobsequiously. Asked about Bourguiba's potentialities, Shah said Bourguiba is very realistic man but he really is not able to do much more than make speeches.

8. Shah's Role. Reporting how gratified Washington was at Shah's interventions with Faisal and Hussein not to break relations with U. S. I told Shah we continue to believe he can play a useful role, particularly in encouraging all parties to be realistic. He was glad to know we felt he had been helpful but indicated that at least for present his potential is limited. He thinks he can have some influence on Israelis, also on moderate Arabs, but he is not in communications with radical Arabs. He did not indicate he could do much with Russians. In private diplomacy Shah said he is always ready to be helpful but any public moves would be premature. If and when he can play a public role it must be in capacity of a "neutral", he said.

9. White House Talks. Shah, who looked tanned and healthy following his Caspian vacation, said he is looking forward very much to talks with President Johnson and other U. S. officials regarding above matters. He also is looking forward to explaining to Senators some of realities which face Iran. I said I knew President, Secretary and others also anticipating discussions with Shah and from tenor of today's conversation such discussion would be on basis of almost identical ideological premises.

MEYER

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By CB, NARA, Date 6-6-95

80

Pres file

Wednesday, July 26, 1967
11:30 a. m.

Mr. President:

Herewith the Chief of Staff of
the Israeli Air Force makes his case
for our promptly releasing aircraft
to Israel.

W. W. Rostow

Tel Aviv 251525Z

~~SECRET~~

80a

~~SECRET~~ - NOFORN/LIMDIS

July 26, 1967

Text of cable from Defense Attache, Tel Aviv (251525Z)

In a conversation scheduled by the Chief of Staff of the Israeli Air Force, Hod, with the Defense Attache, on July 25, Hod made the following points:

A. He was very apprehensive that the Egyptian leadership may be contemplating an air attack on Israeli forces, Israeli bases and Israeli cities. He currently rates them as possessing this capability.

B. Although he was aware of our holdings on AN-12 movements and his holdings varied as much as 30 per cent, he claimed an Egyptian inventory of 150-200 MIG-17, MIG-21, and Suhoy type aircraft. He estimated 40-50 MIG-21, 40-50 Suhoy-7 and 100 MIG-17.

C. He protested that U.S. difficulties in helping the Israeli Air Force replace war losses because we want to maintain an equilibrium and help Jordan in particular, was not sound. He insisted that Jordan is not the problem, but that the USSR is. He doesn't understand why we have any questions about what the Soviets are doing. He has observed 150 UAR sorties per day on radar and has hard information that they are nearing 200 aircraft.

D. It is in the U.S. interest to have a strong enough Israeli Air Force to: (1) deter the Arabs, (2) as in the case of May 23, when the straits were closed, to preclude the necessity of U.S. military intervention, and (3) to prevail in combat. He also expressed the belief that selling aircraft to Israel will keep the Israeli Air Force air deterrent credible and insure the U.S. does not have to get involved.

E. Today he states he is not strong enough to face a new threat and the balance is going the wrong way.

F. He claims no help is possible from France and no suitable aircraft are available in the U.K.

G. He feels our suspension of sales on June 5 is now almost two months old and is a bad thing for Israeli and U.S. interests in the Middle East.

~~SECRET~~ - NOFORN/LIMDIS

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-127
By fw, NARA, Date 11-3-94

H. Because of the time needed to build up a fighting capability he urges favorable consideration of aircraft needs now. He feels that six A-4 per month should not prejudice the U.S. Navy combat capability, particularly since he has heard we are not sortie limited in South Vietnam.

I. He reports that Egyptian pilots are trying to lure Israeli aircraft over missile equipped Soviet ships in Alexandria and Port Said. He believes the Soviet ships will fire on an Israeli aircraft at the first opportunity or excuse. He believes the Soviet flotilla will remain until September. He reminded the Defense Attache that the Sixth Fleet knew the ships by name and the missile capability of each.

J. He pleaded for the U.S. not to wait until we had no alternative but intervention--but to help the Israelis now so that they can take care of the threat themselves.

K. His first choice would be 50 stripped Phantoms, without classified U.S. equipment, but merely the air frame, cannons and bomb racks.

L. He protested that cluster type bombs and infra red missiles denied to Israel when they bought the A-4's were captured in very large quantities in the Sinai.

M. He claimed capturing enough serviceable Atoll infra red missiles to consider using them. He wondered how the Soviets gained our sidewinder technology and cluster bomb technology when we were so careful to deny it to the Government of Israel.

N. Hod claimed the Arab Governments already believed A-4's were in Israeli inventory.

Comments: Hod was serious, deliberate, and obviously concerned. The Defense Attache attempted to quiet his alarm without success.

~~CONFIDENTIAL~~

Wednesday, July 26, 1967
11:25 a.m.

Mr. President:

Herewith an Indian report of
Nasser's predicament -- and our
predicament, as Nasser sees it.

The marked paragraph on page 2
will interest you.

W. W. Rostow

New Delhi 1034

~~CONFIDENTIAL~~

WWRostow:rlm

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 128, NARA, Date 7-23-91

CONFIDENTIAL

81a
Wednesday, July 26, 1967

TEXT OF CABLE FROM NEW DELHI (1034)

In a discussion with Jaipal, Joint Secretary of the U.N. Division of the Ministry of External Affairs, July 25, he stated Foreign Minister Chagla was satisfied with his recent visit to Cairo, as he came away with a clearer understanding of the UAR position.

According to Jaipal, Chagla found Nasser in a rather despondent mood. Nasser told Chagla, "The U.S. has caught a fish and it doesn't know how to let it go." Nasser also reportedly alleged that it was the U.S. objective to overthrow the present governments of the UAR, Algeria and Syria.

Nasser expressed disillusionment with the Soviets. He did accept, however, that there was no alternative to a political settlement.

Nasser faced the dilemma of either a completely humiliating surrender or a second round of fighting which the UAR was not in a position to undertake. Therefore, neither of these alternatives was practicable. A third alternative must therefore be evolved.

During the visit, Chagla raised the status of the Suez Canal. Nasser reiterated that the UAR is adamant that no steps can be taken to clear the Canal until after the Israelis withdraw from the East Bank. He indicated clearing could be accomplished in two to three months, but that even within the first month after clearance operations are commenced, some limited passage probably could be arranged.

Jaipal stated that at a recent meeting of the Soviet and Eastern European countries (except Romania) which took place in Budapest, agreement was reached on the need for a political settlement in the Middle East. It was further agreed to replace military supplies which the Arabs had lost, but only for defensive purposes. When the Embassy Officer pointed out to Jaipal that this formulation implied that pre-hostility armaments of the UAR and other Arabs did not exceed their

CONFIDENTIAL

DECLASSIFIED

Authority State Sec 10-0-78
By rs/yp, NARA, Date 8-26-91

~~CONFIDENTIAL~~

-2-

defensive requirements, he replied that he had the "feeling" that the Soviets and other Eastern European suppliers probably had built in other safeguards relating to the use of military equipment they were now providing. He thought the Soviets would be careful about uses to be made of their arms in the future since they did not want a second round nor did they want direct confrontation with the U. S.

According to Jaipal, the Arabs believed there had been a significant change in the USSR position after Glassboro. He commented there had been some "plain speaking" between the Arabs and Soviets which had left the Arabs in an unhappy frame of mind when the Emergency Special Session of the General Assembly recessed.

Nasser reportedly has authorized King Hussain to settle his problems with the U. S. but has strictly enjoined him from dealing directly with Israel.

~~CONFIDENTIAL~~

Pres file

Wednesday - 10:30 am
July 26, 1967

Mr. President:

Our Ambassador to the Dominican Republic, John Crimmins, is in town. Do you want to see him for a first-hand report?

W. W. Rostow

Yes ____.

No ____.

cc - Jim Jones

83

Wednesday
July 26, 1967
9:15 a. m.

Pres file

Mr. President:

It looks as though the
leakiness of the Filipino
foreign office will require
^{early}~~only~~ announcement of
cancellation of Clifford-
Taylor visit to Manila.

W. W. Rostow

~~*Secret*~~

Manila 783

WWRostow:slh

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-129
By CB, NARA, Date 6-6-95

~~SECRET~~

EXDIS

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PAGE -01 MANILA 00783. 260413Z

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ACTION SS 25

INFO SSO 00, NSCE 00, CCO 00, /025 W

Z 0 260356Z JUL 67
FM AMEMBASSY MANILA
TO AMEMBASSY BANGKOK FLASH
INFO SECSTATE WASHDC IMMEDIATE

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JUL 26 04 32
DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-130
By cb NARA Date 7-12-94

~~SECRET~~ MANILA 783

EXDIS

BANGKOK FOR CLIFFORD/TAYLOR MISSION

REF: SAIGON 1862

1. WHILE MOST MANILA PAPERS PROCEEDING ON HAPPY ASSUMPTION CLIFFORD/TAYLOR VISIT STILL ON FOR MANILA, CHRONICLE THIS MORNING FRONTPAGES SUPPOSED DIFFICULTIES ENCOUNTERED BY US CHARGE YESTERDAY IN ALLEGED CALL ON RAMOS AIMED AT ARRANGING CLIFFORD/TAYLOR SCHEDULE, GOES ON TO NOTE POSSIBILITY MARCOS MAY BE OUT OF TOWN AND QUOTES DFA SOURCES AS SAYING RAMOS POINTED OUT TO CHARGE THAT

PAGE 2 RUMJMA 191A ~~SECRET~~

MARCOS HAD PERSONALLY GONE TO VIET-NAM AND ALREADY HAD FIRSTHAND KNOWLEDGE OF SITUATION. (IN ACTUALITY I DID CALL ON RAMOS EARLIER IN MORNING TO DISCUSS UN MATTERS, BUT OUR CONTACT ON CANCELLATION OF CLIFFORD/TAYLOR MANILA STOP WAS LATER AND BY TELEPHONE.) WHILE MOST OF ARTICLE IS PURE SPECULATION ITS CERTAIN ORIGIN IN DFA SOURCES POINTS STRONGLY TO BEGINNINGS OF VERY PROBING QUESTIONS TODAY ON WHOLE SUBJECT. GIVEN DFA'S NOTORIOUS INABILITY TO KEEP ITS MOUTH SHUT UNDER PRESSURE THIS IS ALMOST SURE TO LEAD TO PROGRESSIVELY LARGER LEAKS, WITH

~~SECRET~~

~~SECRET~~

PAGE 02 MANILA 00783 260413Z

SERIOUS CONSEQUENCES FROM US STANDPOINT.

2. I HAVE REPORTED TO BUNDY BY PHONE, WHO SAYS THAT TEXT OF PROPOSED STATEMENT IS ON THE WAY. WE WILL TRY TO GET MALACANANG CLEARANCE JUST AS RAPIDLY AS POSSIBLE. ASSUMING THAT IS FORTHCOMING, SEE NO REASON NOT TO PROCEED ON BASIS CASUAL APPROACH SUGGESTED PARA 3 SAIGON 1862.

3. HOWEVER, IN VIEW GROWING PROBABILITY OF LEAKS HERE,

PAGE 3 RUMJMA 191A ~~SECRET~~
BUNDY SUGGESTS AND I STRONGLY RECOMMEND THAT ANNOUNCEMENT BE MADE BY CLIFFORD/TAYLOR MISSION JUST AS SOON AS POSSIBLE AFTER WE PASS WORD OF MALACANANG CLEARANCE.

4. STATE 13021 HAS ARRIVED SINCE THIS WAS DRAFTED. WILL CABLE PHIL CONCURRENCE SOONEST.

GP-3. WILSON

EXDIS

~~SECRET~~
~~SECRET~~

Pres file

Wednesday
July 26, 1967
9:10 a. m.

Mr. President:

Herewith Wilson presses
for our acquiescence in U. K.
sale of five Canberras to
Peru.

I shall get a recommended
response to you during the
day.

W. W. Rostow

WWRostow:slh

Confidential

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By cb, NARA, Date 4-12-00

84a

PMUK001/26
CONFIDENTIAL
MESSAGE TO THE PRESIDENT
FROM THE PRIME MINISTER
261100Z

~~CONFIDENTIAL~~

I UNDERSTAND THAT THE STATE DEPARTMENT HAVE TOLD OUR EMBASSY IN WASHINGTON THAT PERMISSION CANNOT BE GIVEN FOR THE SALE BY THE BRITISH AIRCRAFT CORPORATION OF 5 OF THE 6 CANBERRA AIRCRAFT THE PERUVIAN GOVERNMENT WISH TO BUY. I AM TOLD THIS DECISION WAS REACHED IN THE LIGHT OF A GENERAL DIRECTIVE FROM YOU THAT ARMS SALES OF THIS TYPE SHOULD BE DISCOURAGED IN LATIN AMERICA.

I KNOW YOU WANT TO DO EVERYTHING YOU CAN TO PREVENT ANYTHING IN THE NATURE OF AN ARMS RACE IN LATIN AMERICA. I ALSO DO NOT CONTEST THE RIGHT OF THE U.S. GOVERNMENT TO WITHHOLD PERMISSION IN THIS CASE, SINCE THESE AIRCRAFT ARE PARTLY M.D.A.P;-FUNDED. BUT I DO NOT BELIEVE THAT THE SALE OF THESE AIRCRAFT WOULD IN FACT HAVE THE KIND OF EFFECT YOU FEAR, AND I WOULD VERY MUCH HOPE THAT THE DECISION CAN BE RECONSIDERED. THE MATTER IS URGENT SINCE THE CONTRACT NEGOTIATED IN GOOD FAITH WAS DUE TO BE SIGNED OVER THE LAST WEEKEND IN LIMA. IF THE BRITISH AIRCRAFT CORPORATIONS REPRESENTATIVE IN LIMA IS NOT TO SIGN IT, HE WILL HAVE TO EXPLAIN FRANKLY TO THE PERUVIANS THAT U.S. PERMISSION HAS NOT BEEN GIVEN.

MY MAIN REASONS FOR ASKING YOU TO AGREE TO THIS SALE ARE THESE:

(A) THE PERUVIANS ALREADY HAVE CANBERRA AIRCRAFT. TO SUPPLY THEM WITH THE ADDITIONAL NUMBER THEY WISH TO BUY WOULD NOT REPRESENT A NEW DEPARTURE, AND WOULD THEREFORE BE MOST UNLIKELY TO TRIGGER OFF AN ARMS RACE:

(B) THE PERUVIANS WILL NOT BE PREVENTED FROM OBTAINING AIRCRAFT OF COMPARABLE TYPE ELSEWHERE IF THEY ARE PREVENTED FROM BUYING CANBERRAS: THEY WILL NO DOUBT TURN TO E.G. THE FRENCH, WHO ARE LIKELY TO PRESS ON THEM LESS SUITABLE AIRCRAFT.

INDEED, IN HIS PRESENT MOOD, DE GAULLE MIGHT REGARD THIS AS AN EXCELLENT OPPORTUNITY TO MAKE TROUBLE FOR AND BETWEEN US: AND, OF COURSE, BETWEEN YOURSELVES AND THE PERUVIANS.

THE STATE DEPARTMENT ALREADY HAVE THE DETAILED ARGUMENTS.

I DO NOT UNDERESTIMATE THE STRENGTH OF FEELING IN CONGRESS ON THESE MATTERS, AND I WOULD NOT HAVE ADDRESSED YOU PERSONALLY HAD IT NOT SEEMED TO ME THAT THIS WAS A CASE IN WHICH A NEGATIVE DECISION MIGHT BE TOTALLY COUNTER-PRODUCTIVE AND SIMPLY MAKE THE PERUVIANS AND OTHERS IN THE AREA LESS AMENABLE TO ADVICE AND MORE READY TO TURN TO LESS DESIRABLE SOURCES OF SUPPLY FOR STILL MORE SOPHISTICATED WEAPONS. SURELY THIS IS NOT IN EITHER OF OUR INTERESTS.

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By cb, NARA, Date 4-12-00

~~CONFIDENTIAL~~

Pres. file

Wednesday, July 26, 1967
9:05 a. m.

Mr. President:

Herewith a British report
on Cairo foreign officer attitudes
towards Nasser and an Israeli settle-
ment: reflecting doubt about
Nasser's survival and widespread
desire for a settlement, but no
clear, acceptable route.

W. W. Rostow

25X1A



Secret

WWRostow:slm

Approved For Release 2000/08/16 : NLJ-019-020-1-9-2

SANITIZED
Authority NKJ 019-020-1-9
By SP, NARA, Date 12-17-01

86

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By 06, NARA, Date 6-6-95

~~SECRET/NODIS~~

Pres file

Wednesday, July 26, 1967 -- 8:45 a.m.

Mr. President:

Herewith the report on Clifford-Taylor talks with Thieu-Ky.

It includes:

-- Reaffirmation of prompt 65,000 Vietnamese military manpower increase.

-- Thang's request that we stop publicly criticizing pacification (problem is really inadequate ARVN security performance, not Thang's effort with special cadres, etc.).

-- Ky's suggestion of pre-summit foreign ministers' meeting in Saigon and that Australia be considered for summit site.

-- Ky's recommendation that summit be held in late October or November.

-- Bui Diem's suggestion that Vietnamese assume some responsibility for asking for additional troops -- and not leave job wholly up to U.S.

In addition, there is reference to a critical point for the future. Do, the Foreign Minister, notes that without a strong Vietnamese party structure, the NLF cannot be invited to shift from organized war to organized politics: they would be a "Trojan horse." When peace comes, the Communists certainly will take an organized role in politics, legally or otherwise, and, at the right time, the offer to do so may be helpful to a settlement.

Therefore, the build up of a large national non-Communist party in South Vietnam remains essential for political stability.

W. W. Rostow

Saigon 1871, July 25, 1967

WWRostow:rlm

~~SECRET/EXDIS~~

~~SECRET~~/EXDIS

SAIGON 1871

July 25, 1967

Following is summary report of 2-1/2 hour meeting with government of Vietnam. Present on U.S. side were Bunker, Clifford, Taylor, Locke, Westmoreland, Steadman, Calhoun and Matthews. Present for the government of Vietnam were Thieu, Ky, Cao Van Vien, Do, Thang, and Bui Diem. Ambassador opened meeting by suggesting that it would be useful to discuss ways of reinforcing progress already made in Vietnam with a view to consulting our allies on ways in which more pressure can be brought on the enemy in order to move towards a solution of the Vietnamese problem. Elections and the constitutional process, army of the Republic of Vietnam improvement and re-orientation, pacification, and the most effective use of manpower resources were suggested points for consideration.

1. Elections - On elections, Thieu said they must be entirely honest and fair in order to show Vietnamese people the government of Vietnam really wants a democratically elected government which can defeat the enemy and promote a better life for its citizens. By developing the political process in South Vietnam, the communists can be won over ideologically and their future threat forestalled. Clifford said he was gratified to hear these comments as nothing could be more damaging to our common cause abroad than the impression that the elections were not honest. The basic purpose should be to gain self-determination for the people of Vietnam in order to develop popular support here and increase international backing for the cause of Vietnam. He emphasized particular importance of this goal in terms of maintaining support for President Johnson's Vietnam policy at home.

2. Army of the Republic of Vietnam Improvement - Vien described plans by the government of Vietnam for increase by 65,000 of South Vietnamese armed forces, including 50,000 for Regular Force/Popular Force. Said this would require some mobilization and reduction of draft age to 18 through new law to be effective January 1, 1968. Vien added that program can move ahead now and forces could be in existence by end of 1967 by holding men in service. He said four-year term of service would remain and those released would stay in reserve status. He thought Revolutionary Development and police force needs could also be met satisfactorily. Thieu commented that he thought

~~SECRET~~/EXDIS

government of Vietnam manpower needs could be fulfilled until the end of 1968. Vien described the Army of the Republic of Vietnam reorganization plans starting with leadership program inaugurated 18 months ago, to include career management, and improved schooling, training and advancement possibilities. Westmoreland remarked that the stabilization period of 1967 was being used to improve quality of the South Vietnamese armed forces. He noted specifically that 2200 men had been commissioned from ranks which was a significant military and social development. He expressed gratification at results to date of reorientation and retraining of forces for pacification role which will continue and will eventually include all army of the Republic of Vietnam personnel. Thieu stressed need for increasing Regular Force/Popular Force in order to consolidate and expand Revolutionary Development efforts in villages and hamlets and requirement for increased weapons and equipment for combat units at village-hamlet level in order to afford continuing security there. Ky noted that a general overhaul of the South Vietnamese Armed Forces was being studied in order to improve pay scales and increase efficiency. Taylor concluded this discussion by noting the value to U.S. of increased participation by armed forces of allies and asked for government of Vietnam support in obtaining them, especially from Korea and Thailand.

3. Pacification - Thang expressed his concern at continuing criticism of lack of progress in pacification and urged that it be considered in context total government effort. He said maintenance of security and elimination of corruption are vital requirements for progress in Revolutionary Development. Noting the considerable casualties already inflicted on Revolutionary Development cadre and fact morale remained high, he said he was encouraged with progress made and thought everything possible was being done to give it full support of South Vietnamese Armed Forces and the government of Vietnam.

Ambassador agreed progress was being made and paid tribute to Thang's efforts and overall responsibility for this important nation-building process. He stressed that purpose of U.S. reorganization was to improve our ability to help the government of Vietnam and observed that constitutional process and pacification, both of which have our support, must go hand in hand, Taylor endorsed these remarks and agreed that all government resources must be pulled together and that security is the first requirement. He expressed hope the government of

Vietnam could simplify government procedures and particularly give province chiefs broader authority to push Revolutionary Development effort. Ky agreed that they need more authority and said this was being studied by the government of Vietnam. He remarked that the Revolutionary Development program is a long-term effort and needed both supervision and criticism, but not continuous criticism such as press has given it, which adversely affects morale of Revolutionary Development cadre.

Thang noted Viet Cong attacks and statements against Revolutionary Development as evidence of program's effectiveness. He said cadre were being trained to become part of village life and were instilling new atmosphere there, thus bringing pressure on Viet Cong. He recommended that the program be doubled from the present 29,000 to 60,000 which would provide 1,000 teams. He summarized points he regarded as essential to success.

(1) The newly elected government must be honest and capable, with authority for Revolutionary Development placed at Prime Minister's level, or at least higher than Cabinet Minister.

(2) Armed Forces must be instilled with new spirit and Regular Force/Popular Force reorganized to identify their interests with those of people rather than government; this must be instilled at all levels of military command.

(3) Government administration must be reorganized, with province and district chiefs as first priority, to carry out government programs from the top with view to acceptance at all levels of importance of Revolutionary Development effort.

(4) Spirit of Vietnamese people must be changed to give them sense of responsibility for themselves and to lessen feeling of reliance on allies; he suggested elimination of corruption, and instilling of spirit of austerity and revolutionary style. Thieu endorsed Thang's comments.

~~SECRET~~

-4-

4. Pressures on the enemy. Thieu said that pressures must be increased on all fronts -- (1) ground war and revolutionary development effort, (2) air war against North Viet Nam, (3) political development, (4) economic battle to hold down inflation, and (5) diplomatic initiatives to bring pressure on Hanoi to negotiate. Clifford reiterated President's hope that trip will lead to greater allied participation and asked for government of Viet Nam views as to what was needed, suggesting they might wish to make requests to allied governments themselves. Ky said government of Viet Nam must first show its own good will by increasing its own forces. Then, he hoped that more troops might be added from Republic of Korea and another Philcag from Philippines. He seemed doubtful that much could be obtained from Australia and New Zealand or from Thailand this year. Clifford said he hoped more forces could be obtained from both Thais and Republic of Korea. Westmoreland emphasized need for infantry battalions and patrol units and expressed hope Republic of Korea, Australia, New Zealand and Thais might supply such units with appropriate supporting elements. He agreed another Philcag was needed. It was decided that he and General Vien would draw up their joint view of what is needed and they should not be modest in their approach. Clifford said he was sure allied leaders would recognize importance of such contributions to their own nations and he would talk frankly to them in private about our needs. Thieu endorsed this approach and suggested that it should be followed up at a summit conference of 7 nations.

5. Summit conference. Ky suggested that there should be a preliminary Foreign Ministers' meeting before summit convenes and urged that it be held in Saigon. He noted an allied tendency to avoid Saigon for such meetings and thought it would be useful to them to see Viet Nam. It would also be helpful boost to Vietnamese morale. Ambassador raised question of timing and Thieu said he recognized there were timing problems for Republic of Korea, Philippines, and Government of Viet Nam. From Government of Viet Nam viewpoint meetings should follow installation of newly elected government. He thought new president would be in office in early October and government formed later that month. He suggested meetings be held in late October or November. Clifford raised question of what the main purpose or focus of summit should be, and Thieu responded that it should give some new sign of free world determination which would be useful in bringing pressure on the enemy. Clifford agreed that preliminary Foreign Ministers' meeting, particularly to discuss prospects for negotiations, would be useful and he saw advantages to Saigon as a site. Regarding summit location, Ky urged that Australia be considered since the last conference was in an Asian country and he hoped to involve Australia more and more in Asian-Pacific problems. Clifford noted the strong desire of Republic of Korea and Thais to be hosts and suggested there be continuing consultation on this question, perhaps with final decision to be made at Foreign Ministers' meeting.

~~SECRET~~

~~SECRET~~

-5-

Clifford asked for Government of Viet Nam views regarding negotiations. Do said their views, as already stated, were for a return to the terms of the Geneva Agreement with division into two Vietnams at the 17th parallel and a regrouping of forces based on this line. He said effective supervisory control was essential, however, and International Control Commission (ICC) or some other international group capable of enforcing it should be used. Regarding the National Liberation Force, Do said Government of Viet Nam was prepared to accept National Liberation Force as part of Hanoi delegation but not as a separate delegation. Within South Viet Nam, they were prepared to accept National Liberation Force members as individuals but not as a political party or entity. Individuals would be offered full rights as citizens under constitution, including right to vote and run for office. He stressed absence of political party structure in South Viet Nam as main reason for not allowing National Liberation Force to enter political life here lest it become a "Trojan horse."

Clifford raised the question of desirability of continuing bombing of North Viet Nam or possible pause to encourage negotiations. Thelu said past bombing pauses had brought no results and urged there be no further bombing halts before U.S. elections. He said that if some sign of goodwill was needed, it should be without risk to our troops in South Viet Nam, and if there was no response then military pressure must be increased after the pause, he noted the psychological and political effects of any bombing pause. Clifford said he was fully aware of the extensive enemy resupply efforts during the Tet truce and agreed that the U.S. and Government of Viet Nam should examine this question very carefully. He said our Korean experience had taught us the danger of talking and fighting simultaneously since this inevitably reduces pressure on the enemy and benefits them primarily.

6. Government of Viet Nam role with allies. In subsequent private conversation Bul Diem indicated Government of Viet Nam concern at having U.S. representatives speak for both Government of Viet Nam and U.S. in requesting greater assistance from troop-contributing countries. He said Government of Viet Nam had been considering matter and had agreed in principle that Government of Viet Nam representatives should also visit these countries for same purpose. He indicated that if this were done, he might be designated to undertake Thai mission before returning to Washington.

BUNKER

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-129
By CB, NARA, Date 6-6-95

AG, W, R. 87
Lamp
2 Pres file

~~SECRET~~

Wednesday, July 26, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Kiesinger and the German Budget Problem

I understand you have instructed Secretary Rusk to send a strong message to the Germans about their defense plans -- making it clear that if they cut, we may be forced to rotate/cut more troops over and above the 35,000.

I hesitate to second-guess the Secretary of State, but I strongly believe that another blunt needle from here prior to the Kiesinger visit would be a great mistake. As you know better than anyone else in this government, there are times when domestic politics can make outside pressure backfire. I think this would be the case in Bonn if we hit them over the head now:

- A high-level threat to Kiesinger now would play straight into the hands of those German politicians whose main theme has been that the Americans are just looking for an excuse to bug out, and in any case, it is time to teach them a lesson about who's boss in Germany.
- It would be regarded as escalation of the U.S. -German tit for tat on consultation and general trustworthiness.
- It would quickly leak to the German newspapers and then back to Washington. Speculation about growing U.S. - German discord would strike a sour note for the visit.
- Such a signal would probably decrease Kiesinger's chances of working out the budget and force level problems in ways which will minimize the damage to U.S. -German relations and give you maximum protection from Mansfield and Co. It will be easy to argue that we jumped at the chance to cut further.

I am not being soft on the Germans. The point is not whether we hit Kiesinger but how and when. Gene Rostow, Bowie and others of us have been working out a proposed strategy for the Kiesinger visit. We believe the effective way to deal with Kiesinger is to hit him with the defense question in the context of a larger presentation of our vision of the future in Europe. I think you will want to sketch for Kiesinger the elements of your

~~SECRET~~

European policy -- defense and deterrence, bridge-building for eventual German unification and settlement, and support for a more coherent and therefore more effective and influential Western Europe.

In that context, you can effectively point out what is in it for him to help us avoid the political problems which would make it very hard for you to follow through with that policy:

- You can explain to him why the Gaullist formula -- "U.S. troops are OK, but beyond that we should get the Americans out of our business" -- does not provide you with a political basis at home for keeping 220,000 American troops in Europe.
- It also won't do to have the Germans following a double standard: American troop cuts are mortal sin, but unilateral German troop cuts are strictly German business.

Putting those points to Kiesinger hard, against a background of a Presidential exposition of a framework of Atlantic relations, will maximize the chance that Kiesinger will resist the Gaullist pressures and temptations to kick the Americans and to take into account our problems in the way he handles his defense situation. If Kiesinger's picture is of an American President, preoccupied with Vietnam and the Middle East, allowing his hard-liners or his isolationists to take over his relations with Europe, a spanking will only result in self-pity, resentment and further misbehavior.

Finally, I think it is relevant to repeat the point I make to you in connection with our trilateral troop cuts. Our relations with the West Germans will be at best uneasy during the next few years. The post-war dependence is over; they show all the symptoms of adolescence. It is important, partly in terms of 1968, to avoid doing unnecessary things which will lend credence to the charge that the difficulties are directly traceable to the President. A harsh reaction, which fails to set the issue in its proper frame, will be used at home and in Europe as evidence that it is the President's diplomacy which is at fault.

If any of the above makes sense, you may want to call Rusk yourself, make the point that you want the message to be done with a very light touch (no threats), and ask to see the message before it goes. Alternatively, I can carry this message for you.

Francis M. Bator

I have called Rusk (keep an eye out for message
Bator to get word to the Secretary
Speak to me

Wednesday, July 26, 1967

88

MEMORANDUM FOR THE PRESIDENT

Pres file

This is a summary of over-night foreign developments which is prepared for Secretary Rusk each morning. It consists mainly of digests of important cables coming from and going to our Ambassadors overseas. It is a running account of current foreign policy problems.

I recommend that you read this copy and tell me to:

_____ Send it each morning at 7 a. m.

_____ Do not send the summary

_____ Continue giving me cables you think I should see.

W. W. Rostow

89

~~CONFIDENTIAL~~

Pres file

Tuesday, July 25, 1967
7:50 p.m.

Mr. President:

Herewith Bob Anderson expresses
the critical importance of proceeding
with CABRIOLET this autumn.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By RG, NARA, Date 7-23-91

~~CONFIDENTIAL~~

ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION

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

July 25, 1967

The President
The White House

2845
89a
DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By CB, NARA, Date 6-6-95

Dear Mr. President:

This Commission is required by Public Law 88-609 to determine, among other things, the feasibility of nuclear excavation of a sea-level canal. The Atomic Energy Commission's nuclear excavation experiments planned in support of our investigation are now two years behind schedule. The first of the proposed series of six experiments, CABRIOLET, was approved for execution last February, but this experiment was temporarily postponed.

We have requested the Congress to extend this Commission's reporting date in Public Law 88-609 from June 30, 1968 to December 1, 1970, in part to provide additional time for the AEC to execute the minimum program of experiments needed to determine the technical feasibility of constructing a canal by nuclear excavation. The necessary amending legislation has been passed by the Senate but has not as yet been acted upon by the House of Representatives.

The Joint Committee on Atomic Energy has recommended approval of Fiscal Year 1968 funds for AEC nuclear excavation experiments in House Report No. 369, June 19, 1967. However, the Committee took note of past postponements and stated:

"The Committee feels compelled to point out this year, as it did last, its deep concern that planned Plowshare excavation experiments have not been conducted."...

"...If the funds provided are not to be expended for experiments, but instead are to be consumed in delays, then the committee believes that the administration should cancel the excavation portion of the Plowshare program."...

The AEC has been authorized to prepare for the execution of CABRIOLET this fall. It is the view of all members of the Canal Study Commission that another postponement will eliminate the possibility

~~CONFIDENTIAL~~

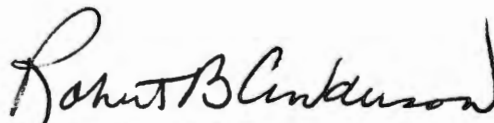
~~CONFIDENTIAL~~

that we will be able to determine the feasibility of nuclear canal excavation during our investigation. It could eliminate further consideration of this much cheaper method of canal construction during the remainder of this century. In the absence of progress in the nuclear excavation technology, rapidly increasing canal traffic may force an early decision to provide needed capacity by conventional construction methods. This would also serve to limit the choice of routes to Panama, for the longer routes in other countries do not appear at this time to be feasible for sea-level canal construction without the savings promised by nuclear excavation.

My personal conviction is that the promise of economical earth moving by nuclear energy is so great that eventual mastery of the technology is inevitable. Its pursuit is worthy of our best efforts. Should another nuclear power be first, the United States could be placed at a disadvantage in future negotiations for sea-level canal construction in Panama or Colombia and in competing for a host of other construction possibilities worldwide.

We have been informed that the evaluations that led to your initial approval of CABRIOLET for execution last February remain unchanged and that only unforeseen developments in the non-proliferation treaty negotiations or in other sensitive nuclear test issues would prevent execution as planned. With this understanding, we are continuing our studies as originally conceived. If the test program is not resumed before the end of November, we will then be forced to curtail the nuclear aspects of our investigation.

With great respect,


Robert B. Anderson
Chairman

~~CONFIDENTIAL~~

90

~~SECRET~~

Tuesday, July 25, 1967
5:55 p.m.

Pres file

Mr. President:

This is the sort of thing going on
in mainland China.

W. W. Rostow

tdcs

TDCS-314/10971-67, 22 July 1967

~~SECRET~~

DECLASSIFIED
Authority State 2-3-78; NSC 12-7-78
By hglisp, NARA, Date 8-26-91

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

ROUTINE 40a

IN 16980

PAGE 1 OF 5 PAGES

STATE/INR DIA NMCC/MC (SECDEF JCS ARMY NAVY AIRS CIA/NMCC NIC NSA OCR SDO AID
DD/I EXO USIA ONE ORR DCS CGS

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

THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

220404Z

CITE

DIST 22 JULY 1967

COUNTRY CHINA

DOI 6-8 JULY 1967

SUBJECT VIOLENT FACTIONAL CLASHES AND WIDE-SPREAD CIVIL
DISORDER IN WUHSI, KIANGSU PROVINCE

ACQ 20 JULY 1967

SOURCE

1. (SUMMARY:

COMMENCING

IN JUNE WUHSI EXPERIENCED VIOLENT CLASHES INVOLVING THOUSANDS
OF PEOPLE. BUILDINGS HAVE BEEN SET ON FIRE, CORPSES LITTER
AND
THE STREETS, BANKS/FOOD STORES HAVE BEEN ROBBED, AND FACTORIES AND
SCHOOLS ARE CLOSED DOWN. IN AN ATTACK ON

4 JULY THE ATTACKERS SET FIRE TO THE SCHOOL, BEAT, ROBBED, KILLED
AND ARRESTED STUDENTS AND TEACHERS. A 400-YUAN REWARD WAS
OFFERED FOR THE CAPTURE OF STUDENTS WHO ESCAPED.

SANITIZED

E.O. 12356, Sec. 3.4

NLJ 94-128

By CB, NARA, Date 2-22-95

1.3(a)(4)

(classification)

(dissem controls)

[REDACTED] THE SITUATION IN NANKING IS NO BETTER, VIOLENT CLASHES HAVE OCCURRED THERE AND PEOPLE ARE PREPARING TO FLEE THE CITY. [REDACTED]

1.3(a)(4)

[REDACTED] DUE TO THE CHAOTIC SITUATION IN WUHSI THE HOSPITAL [REDACTED] HAS BEEN CLOSED BECAUSE NONE OF THE STAFF HAVE REPORTED FOR DUTY.)

2. [REDACTED]

1.3(a)(4)

3. WUHSI (N31-35, E120-18) IN KIANGSU PROVINCE, [REDACTED]

[REDACTED] STARTING IN JUNE, THERE HAVE BEEN THOUSANDS OF FASCIST STRONG-ARM MEN IN WUHSI, WHO HAVE BEEN CREATING BLOODY INCIDENTS BY SETTING FIRE TO BUILDINGS, AND ROBBING AND KILLING PEOPLE. IT STARTED LIKE THIS: ONE DAY TENS OF THOUSANDS OF THEM ARMED WITH IRON BARS, KNIVES, HOOKS, AND MOLOTOV COCKTAILS RAN WILD TO KILL THE REVOLUTIONARY REBELS ALL OVER THE CITY. INSTANTLY WUHSI BECAME THE CENTER OF WHITE TERROR. BANKS, FOOD STORES, AND PRIVATE HOMES HAD ALL BEEN ROBBED. CORPSES WERE LYING ALL OVER THE

[REDACTED] [REDACTED]

(classification)

(dissem controls)

MAIN STREETS AND EVEN IN THE SMALL LANES. THE RUNNING BLOOD
ALMOST FORMED INTO STREAMS...

THEY SMASHED THE FURNITURE, SET FIRE TO THE
SCHOOL BUILDINGS, THE DORMITORY, AND THE PARKED
CARS, TOOK
AWAY MONEY AND OTHER VALUABLE THINGS, BEAT AND ARRESTED STUDENTS
AND TEACHERS. MANY PEOPLE WERE WOUNDED AND KILLED. THE PER-
SONAL PROPERTY OF THE TEACHERS AND STUDENTS HAS ALL BEEN ROBBED.

THOSE WHO COULD
NOT GET OUT IN TIME WERE MASSACRED. THE ATTACKERS WERE REALLY
BARBAROUS. THEY EVEN MURDERED OLD PEOPLE AND YOUNG CHILDREN....
NOW WUHSI IS STILL UNDER WHITE TERROR. THERE IS NOT A SINGLE
SOUL IN ALL THE SCHOOLS. EVERYBODY FLED AWAY...

1.3(a)(4)

1.3(a)(4)

(classification)

(dissem controls)

[REDACTED] IN SHORT, LIFE [REDACTED] 1.3(a)(4)
[REDACTED] HAS NO PROTECTION AT ALL. KILLERS CAN GO WITHOUT BEING
PUNISHED AND VIOLENCE HAS BEEN ESCALATING. [REDACTED] THE
DEMONS AND DEVILS TAKE ADVANTAGE OF THE CHAOTIC SITUATION TO
STEAL AND ROB PEOPLE. THERE ARE NOW MORE BURGLARS AND BEATNIKS
THAN BEFORE. VERY FEW PEOPLE DARE TO WALK ON THE STREETS
AFTER EIGHT O'CLOCK IN THE EVINING.... THE SITUATION IN NANKING
IS NO BETTER EITHER. IN THE LAST TWO DAYS SEVERAL PEOPLE WERE
KILLED AS A RESULT OF VIOLENT FIGHTS. IT SEEMS THAT THIS IS
THE EVE OF LARGE-SCALE VIOLENT CLASHES. EVERYBODY IS SCARED
AND PREPARING TO FLEE THE CITY....

[REDACTED]

1.3(a)(4)

1.3(a)(4)

(classification)

(dissem controls)

[REDACTED]
[REDACTED]....THE FACTORY WORKERS IN WUHSI SUFFER A LOT TOO.
ALL THE FACTORIES IN WUHSI HAVE BEEN CLOSED DOWN FOR MORE THAN
TWO WEEKS."

1.3(a)(4)

4. WUHSI (N31-35, E120-18) KIANGSU PROVINCE, [REDACTED]

[REDACTED] "DUE TO THE CHAOTIC SITUATION [REDACTED]
HOSPITAL IS CLOSED, BECAUSE NONE OF THE HOSPITAL STAFF COMES
TO WORK. [REDACTED]

5. [REDACTED]

1.3(a)(4)

6. [REDACTED] DISSEM: STATE CINCPAC PACAF PACFLT ARPAC
[REDACTED]
[REDACTED]

1.3(a)(4)

~~SECRET~~

Tuesday - July 25, 1967 - 5:30 pm

91

1. susp
2. Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your 12:30 appointment with Ambassador Tuthill tomorrow

The purpose of the visit is to:

- convey the seriousness with which we regard Brazilian acquisition of French supersonic aircraft.
- give Tuthill the letter he is to deliver to President Costa e Silva (Tab A).
- enable Tuthill to tell Costa e Silva that he personally discussed this problem with you.

At Tab B is the talking points paper which you approved for use in the oral presentation to Costa e Silva. I recommend you review it with Jack Tuthill.

In checking Bob McNamara* on Tuthill handling the assignment rather than Covey Oliver, he asked that we strengthen the language of the talking points on the adverse impact of Brazil acquiring Mirages. This has been done.

**Bob cleared the letter and the procedure.*

W. W. Rostow

Attachments

Tab A - Your letter to Costa e Silva

Tab B - Talking points.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-129
By cb, NARA, Date 6-6-95

~~SECRET~~

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By CG, NARA, Date 6-6-95

9/a

Talking Points

1. The President has asked me to deliver this letter and discuss in greater detail the points raised.
2. The President understands why a country of the size and importance of Brazil wants to modernize its military aircraft. That is why he agreed to the delivery of F-5's to Brazil in 1969-70 and the sale of T-33's and T-38's in the interim.
3. We are prepared to authorize Northrop to begin contract talks after October 1. The lead time for delivery of the F-5 is about 20 months, so that Brazil could expect to receive the first planes after July 1, 1969.
4. The President wants you to know that he cannot advance the date for the contract talks or aircraft delivery because of public and Congressional reaction.
5. Arms races in other parts of the world resulting in crises (e. g., Kashmir and the Middle East) have made the

American people acutely sensitive to United States military involvement overseas and the furnishing of arms to other countries which could result in situations where we might be drawn in. This is reflected in the mood of Congress, especially in the context of foreign economic and military assistance legislation now pending before both Houses.

6. You will have seen the sharp reaction in the Congress to the sending of C-130's to the Congo on a humanitarian mission of helping liberate and evacuate hostages held by the mercenaries.
7. Last week the House Foreign Affairs Committee -- which normally is the most sympathetic group in the Congress on aid to Latin America -- passed an amendment to the Foreign Aid Bill denying assistance to any Alliance for Progress country which acquires supersonic military aircraft from any source or by any means. We hope to defeat this amendment.

8. Furthermore the Export-Import Bank is now under Congressional fire for its role in financing sales of military equipment.
9. Congress showed its growing concern over military assistance last fall by placing a \$85 million ceiling on sales and grants of military equipment to Latin America.
10. The press has also zeroed in on this issue. One example in the series of articles in The New York Times last week on private arms merchants in the United States. Another is the editorial treatment given by The Washington Post to Peru's negotiations for French Mirages.
11. Against this background, the President believes that the acquisition by any Latin American country of supersonic aircraft at this time would have the most serious adverse effect on our ability to continue our assistance to Latin America. What is at stake is the future of the Alliance for Progress. The same is true for the Military Assistance Program.

12. The President is fighting hard for an increase in our Alliance contributions to meet his pledge at the OAS Summit to seek additional resources to match Latin American self-help efforts on economic integration and in education and agriculture. Given the increased skepticism of the Congress toward Foreign Aid, this is a tough battle.
13. He is not sure that he can win. But he knows that if one or more Latin American governments go supersonic now, he will lose the increase and suffer a deeper cut in appropriations. The Congress will also probably approve the prohibition of aid to those governments acquiring such aircraft. Hence our ability to continue cooperating under the Alliance would be seriously jeopardized.
14. He wants you to know of this situation so that you may take it into consideration in making your decision to purchase French Mirages.

~~SECRET~~

-5-

15. He believes you share his strong desire that nothing be done that would impair the Alliance in any way.
16. That is why he has asked me to make this appeal that you postpone any action on supersonics until after October 1 when, with the Congress in recess, we can discuss how best to meet Brazil's desires to modernize its Air Force.

~~SECRET~~

~~W W R~~ 92

~~Long~~
2. Pres file

Tuesday, July 25, 1967 -- 2:30 PM

Mr. President:

In the attached, Secretary Rusk recommends that you see Morarji Desai, Deputy Prime Minister of India. Desai will be in Washington September 11, 12 and 13 (Monday, Tuesday and Wednesday). He will stop by here enroute to the Rio meetings of the Bank and Fund.

Desai is probably the strongest single influence now on the Indian political scene. He has strong notions of India's future and her role in the world -- some constructive, some otherwise. I think it is very much worth your time to talk to him. He may be at least as important to the trend in Indian policies and politics as Mrs. Gandhi.

W. W. Rostow

Set up meeting for September 11 _____
September 12 ✓ _____
September 13 _____

No _____

Speak to me _____

EKH/vmr

THE SECRETARY OF STATE
WASHINGTON

LIMITED OFFICIAL USE

92a

July 24, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Appointment for Mr. Morarji Desai,
Deputy Prime Minister of India

Recommendation:

I suggest that you receive Mr. Morarji Desai, Deputy Prime Minister of India, when he is in Washington September 11, 12 and 13. Mr. Desai, who is also Minister of Finance, will be here en route to Brazil where he will attend the IBRD/IMF meetings in late September.

Approve _____ Disapprove _____

Background:

Morarji Desai, a man of wide influence, has emerged as the strongest figure in the present Indian Cabinet. He is favorably disposed towards the United States, and we regard him as one of the best friends of the United States in the Indian Government.

He has been active in Indian public life for 35 years. He is able to speak authoritatively and cogently on almost any aspect of the Indian Government's activities and policies. Despite his age (he is 71 years old), he has a keen mind. He may yet become Prime Minister of India.

I believe that you would find it constructive to talk to him and, because of his influence, he could be

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Exempted from automatic decontrol.

useful in helping to further your policies in India.
If it is convenient to your schedule, I recommend
that you see him when he is here.

Dean Rusk

Dean Rusk

93

Pres file

Tuesday, July 25, 1967

2:30 p.m.

Mr. President:

Here is today's situation report
on the political development in Viet-Nam.

Walt Rostow

~~SECRET~~/LIMDIS ATTACHMENT

93a

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 94-130

SECRET - LIMDIS

By CB NARA. Date 7-12-94

Situation Report in Viet-Nam

July 25, 1967

The activation of Ky's political apparatus behind the Thieu-Ky ticket has thrown additional light on the developing relationship between the two men.

Thieu's desire to use the apparatus in the absence of an effective organization of his own is apparently seen by Ky and his followers as confirmation of the dominant behind-the-scenes role Ky expects to play in the new regime. Ky still plans on having the major voice in selection of campaign issues and strategy and in naming a new Prime Minister and cabinet. He also plans to control the Upper House of the new Assembly by supporting several senatorial slates for election and by wielding his personal influence with various political groups.

In addition, Ky seems to be relying on use of a "special military committee" which would, in effect, operate as a shadow government deciding on general policy and significant issues and passing guidance on to the new legal government for implementation. Ky expects to dominate this inner military group, reportedly already agreed upon by him and Thieu and composed of himself (as chairman), Thieu, the Defense Minister, the National Security Minister, and the four Corps Commanders.

Comment

Through their jointly-agreed campaign efforts, Thieu and Ky seem to be defining their "understanding" further, at least for the pre-election period. Ky may even be right in feeling he has begun to pin Thieu down on post-election arrangements. However, the agreements are still ill-defined and have probably not been formally ratified by Thieu. The "special military council" on which Ky may be relying is extra-constitutional. It may prove hard for Ky to control such a group. Moreover, once in office Thieu could, if he wished, try to side-step such a council or severely limit its role. We are asking Embassy Saigon for its views on this matter.

SECRET - LIMDIS

94
~~SECRET~~

Lunch Meeting With the President
Tuesday, July 25, 1967,

AGENDA

1. Soviet Attitudes on Viet Nam and Middle East. (Sec. Rusk)
Report on a conversation Monday, July 24, with Amb. Dobrynin.
2. Personnel Problems. (Sec. Rusk)
3. Other.

W. W. Rostow

NOTE: As of this evening Mac Bundy has nothing he wishes to raise;
but something may arise overnight.

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 108, NARA, Date 7-23-91

~~SECRET~~

~~TOP SECRET TRINE~~

Tuesday, July 25, 1967
12:25 p.m.

Pres file

Mr. President:

Herewith some further limited
but real reflection of the awkwardness
imposed in the North by our transport
bombing.

W. W. Rostow

~~TOP SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-204
By cbm, NARA, Date 3-10-03

~~TOP SECRET TRINE~~

Proton

95a

Conditions in North Vietnam Reflected in Personal Letters

Letters from North Vietnamese inhabitants have described some effects of US air strikes. One resident in Thai Binh Province wrote, "traffic and communications have become a problem for which it is difficult to find a solution . . . roads have been destroyed . . . waterways are almost unusable because of repeated bombings of boats."

Another described the difficulties caused by damage to roads and bridges in Ha Bac Province and cited, as an example, that "to travel a distance of 80 kilometers costs me five hours time;" he apparently traveled in some type of motor vehicle.

The letters, however, display conflicting opinions on the effects of bombing industries. In Ha Bac, the factories are reportedly "greatly damaged" by bombs and this "affects production." Another writer in Hanoi, however, noted that machines in the factories had been dismantled and evacuated, resulting in air raid casualties being "trivial compared to American losses"; he said the factories were still functioning and production was increasing.

While generally agreeing that US air strikes on lines of communications have caused problems, other letters have presented a completely different and optimistic picture. Over the course of time, these letters present interesting and somewhat localized assessments, but are for the most part not a reliable gauge of countrywide conditions. (~~CONFIDENTIAL-NO FOREIGN DISSEM~~)

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-205
By ctm, NARA, Date 1-17-03

25 Jul 67

DIA Intelligence Summary

Page A-6

~~TOP SECRET TRINE~~

~~CONFIDENTIAL~~

Tuesday - July 25, 1967 - 11:30 am

Mr. President:

Pres file

Slippage in Panama's timetable for approval and signature of the Canal treaties continues. The latest word from President Robles is that he will not be ready for signature before Friday, August 11.

This is their current timetable:

- Week of July 24 - Negotiators meet in Washington to review last minute adjustments in the treaties. The review began yesterday and is proceeding satisfactorily.
- Week of July 31 - President Robles holds final internal discussions with his Cabinet, Foreign Affairs Advisory Council and National Assembly leaders.
- Week of August 7 - Approval of treaties and consultations on arrangements for the signing ceremony.

Robles is having second thoughts about wanting to come up here for the signing ceremony. Some of his advisers and congressmen are counselling against it on the grounds that it shows undue Panamanian deference.

Robles is also getting divided counsel on when to present the treaties to the National Assembly for ratification. The possibilities are:

- a special session on September 1.
- when the Assembly reconvenes in regular session on October 1.
- a special session after the May 1968 elections.

The first possibility now seems the more likely.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-129
By CB, NARA, Date 6-6-95

W. W. Rostow

~~CONFIDENTIAL~~

97

Pres file

~~SECRET~~

Tuesday, July 25, 1967
9:25 a.m.

Mr. President:

We may wish to discuss this at
lunch today.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 7-23-91

97a

~~SECRET/EXDIS~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-130
By CG NARA. Date 7-12-94

Manila 738, July 25, 1967

CLIFFORD/TAYLOR TRIP

1. I regret to report that Foreign Secretary Ramos has just telephoned to say Marcos has decided that "it would be in both our interests and since we are already considering these matters in a favorable light" to have Clifford/Taylor party omit Manila entirely in their present trip. Formal Marcos reply to President's letters and oral message would be forthcoming shortly, according to Ramos, but he wanted us to have this word in advance as rapidly as possible.

2. Ramos did not elaborate reasons underlying Marcos' decision other than to re-emphasize line taken uniformly by press here that this was to be nothing more than an arm-twisting exercise for more Philippine troops. Our guess is that this also reflects some rather intensive soundings of the current mood of the Philippine Congress and Party leadership by Marcos, and that he is indeed running very scared just at this juncture. Ramos, who heretofore was taking the line that the visit was virtually a sure thing, was clearly embarrassed and said that real matters of substance remained to be discussed and that now "other channels" would have to be established to deal with them.

3. I asked Ramos how Marcos proposed to handle publicity on Clifford/Taylor non-arrival, reminding him of original standby story in which we would say in view Marcos' recent visit to Viet-Nam Manila stop now seemed unnecessary. Ramos said this sounded all right to him and something might be added regarding fact that Viet-Nam visit provided Marcos with opportunity to view situation firsthand and discuss matters with leaders there. He said he felt initial announcement should come from U.S. side, not from here, but that Malacanang would appreciate opportunity to see text of proposed announcement before it was made.

Wilson

~~SECRET~~

July 25, 1967

Mr. President:

At Tab A, for your approval, is a draft reply to Kiesinger's recent letter to you (Tab B) on the German defense budget.

A short note, it avoids substantive comment on their defense situation. With the visit only a few weeks away, it is the judgment of your advisors that it is best to save our ammunition until he gets here.

Gene Rostow, Nitze, Bowie and I are working on a paper on our general stance vis-a-vis the Germans.

Francis M. Bator

OK to send message ✓

No _____

Speak to me _____

W.W.R.
98

~~1. Pres. file~~
2. Pres. file

78a

PROPOSED REPLY TO CHANCELLOR KIESINGER

Dear Mr. Chancellor:

Thank you for your thoughtful letter of July 11. I was glad to have your first-hand account of your thinking concerning the defense budget and force levels. I was also pleased to receive George McGhee's detailed report of his conversation with you.

I look forward to our discussions on August 15-16.

Mrs. Johnson joins me in sending you and Mrs. Kiesinger our very best wishes.

With warm regards.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-129
By CG, NARA, Date 6-6-95

Lyndon B. Johnson