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Attachment A

THE MATCHING ARGUMENT

- 1. One million tons of wheat costs about \$63 million. This is the amount we need to prove has been matched in food, in food-related resources, and/or in aid which frees Indian foreign exchange to buy more food.
- 2. There are two ways to measure matching:
 - -- examine the amount of new aid pledged by other donors; or
 - -- look at Indian grain supplies, both from new food aid and from additional Indian purchases, beyond what the Indians had planned to acquire at the time of our last wheat tranche in May.
- 3. In real terms, the second measure is more accurate than the first because it determines how any new aid the Indians have received has been turned into actual imports of grain. There is always room for arguing about the value of new aid, particularly debt relief on unspecified terms; but it is very difficult to argue about how much grain has actually been bought, how many ships are booked, and how much has actually arrived.
- 4. Taking the first measure, the Indians have a total of \$122 million in new aid pledges since May. (About \$100 million is in the form of debt) relief.) Thus, comparing this with the \$63 million the wheat costs, we are clearly far more than matched in terms of gross new pledges -- even without counting the pipeline acceleration and other steps also agreed to by other donors.
- 5. This measure does not, however, address the question of how much of this new aid is additional. It also does not establish how <u>real</u> and valuable the pledged debt relief is -- that is, on what terms existing loans will be rescheduled. New aid must meet these further criteria or the whole matching exercise is a sham.
- 6. We will not be able to be sure how much meets these standards until we see (1) what the consortium pledges are at the October meeting, and (2) what kind of debt relief terms are worked out over the winter. But I George Woods has said in public that the \$50 million in World Bank debt relief is additional, and there is another \$15.8 million in new-food and food-related resources which is clearly additional. Thus, we can reasonably argue that at least \$65.8 million is eligible for matching remove than enough for one million tons.

- 7. Taking the second measure of matching, there is also enough proof that the new aid is at least real and additional enough to justify one million more tons of U.S. wheat. Specifically, since last May, the Indians have acquired:
 - -- 150,000 tons in wheat donated by Australia;
 - -- possibly 200,000 tons of wheat from the Soviet Union;
 - -- sufficient freed foreign exchange to buy an additional 650,000 tons on the world market. (They have also told us they will make up any short fall which the Soviets decide not to provide.)
- 8. The matching problem is very complex as a technical matter. In a sense, it is not susceptible to absolute proof because one can never be sure what a country would have done otherwise. But by far the best and most dependable anchor is the maxim that "the proof of the pudding is in they imports". That is, the best way of measuring whether we have been matched is whether, by one means or another, the Indians acquire extra wheat without derailing their development project. It is now clear that they have done that at least to the tune of one million tons beyond what was in sight last May.
- 9. Thus, by either measure, we have enough real and additional aid pledges to justify another million tons under the matching criteria.

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PROTOTYPE OF A PUBLIC STATEMENT ON WHEAT TO INDIA

Last February, the Congress authorized shipment to India of up to 3 million tons of U.S. wheat, "provided it is appropriately matched" by contributions from other industralized countries.

Last May, our efforts to mobilize other donors -- and our painstaking measures to assure that their donations were large and real enough to fulfill the metching criterion established by the Congress -- the United States agreed to send half this wheat -- 1.5 million tons. That action was taken in the light of more than \$96 million in contributions from other donors.

For the past few weeks, relevant senior officers of the U.S. Government have been engaged in a deep and detailed review of India's current food needs and the performance of other donors during the past three months. This review has included careful documentation of food production and consumption conditions in India, as well as a thorough assessment of our ability to help, consistent with the letter and spirit of the resolution.

On the basis of this review, the President has today authorized a new a further agreement of/providing limillion tons of U.S. wheat to India. This decision reflects the following facts:

1. The food situation in India continues desperate. Public stocks are at their lowest point in living memory. Private stocks are completely exhausted. Food rations in major cities are at subsistence level and are the objects of increasing political unrest. The immediate

- future of the world's largest democracy is greatly threatened.

 Free and peaceful development of Asia hangs in the balance.
- 2. However, this is only the short-term outlook. Current reports on the monsoon rains suggest that two years of severe drought are over, and that, with luck, India can look forward to a record grain crop next crop year, with the fruits reaching Indian markets beginning in December of this year.
- 3. Since last May, India has received pledges from other industralized nations totalling \$122.2 million in new aid which provides food, food related resources, or frees Indian foreign exchange to buy food.

 If it could be counted against the matching criterion, it would justify nearly 2 million tons in additional United States wheat.
- 4. However, in order to be meaningful, the new aid from other donors must be a real increment to Indian resources, and it must be additional to regular contributions to the India Aid Consortium.

 No one's interests are served by a charade in which real American wheat is "matched" by financial transactions or by funds which would otherwise be provided through the Consortium anyway and are merely earmarked for this purpose.
- 5. In all frankness, we do not now know precisely how much of the \$122 million in new pledges meets these additional criteria.

 There is strong evidence that much of it does. If only about half

- of it does, we have a basis for providing 1 million tons of United States wheat.
- 6. We will not be able to make a precise estimate of how much of this aid is eligible for matching until the next meeting of the India Consortium, which will probably be held in October.

But starvation and threat of political chaos cannot wait. Therefore,
the President has determined to authorize how a further 1 million tons on the
expectation that at least half of the additional contributions from others will in
fact be proven real and additional to normal Consortium contributions.

However, in order to assure that this Government behaves in strict accordance with the terms of the Congressional resolution, the President has also determined that the size of the United States contribution of the Consortium will not be finally determined until it is clear how much of the new aid contributions meet these criteria. If there is any shortfall between the cost of the grain authorized today and the amount of real additional aid supplied by other donors since last May, the United States contribution to the Consortium will have to be reconsidered.

These decisions are taken with full attention to the pressing short-term needs of India on the one hand and the President's determination to limit United States Government expenditures on the other. In the context of the present and projected U.S. wheat prices, this decision will not increase the expenditures of the Commodity Credit Corporation. Indeed, in terms of its effect on the U.S. wheat market, it may well have precisely the opposite effect -- it may reduce total CCC spending.

PRESERVATION COPY

The review which underlies this decision continues. The razor-thin margin in India between relevant stability and chaos demands that we maintain the closest and most careful attention to the situation as it develops. The need for more food during the year will be considered as necessary, as it appears that the matching criterion is being met. All decisions will reflect the deepest concern with maintaining the stability of the United States wheat prices and maintaining a tight reign on Government expenditures.

August 31, 1967; 10:00 AM

Mr. President:

At Tab A, for your approval, is a birthday message to Finnish President Kêkkonen (he will be 67 on September 3).

State recommends you send a message because:

- -- 1967 is the 50th anniversary of Finnish independence;
- -- Finhand's annual America Days celebration will be held on September 3.

I think this is a good idea -- it would be a good way to show our interest in Finland. If you approve, we will tell the Finns we don't plan to release the message here, but have no objection if they do so.

Francis M. Bator

OK 9/1/67

No Speak to me

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PROPOSED BIRTHDAY MESSAGE TO FINNISH PRESIDENT KEKKONEN

Dear Mr. President:

Mrs. Johnson and I extend to you our warmest best wishes, and those of the American people, on your 67th birthday.

We recall with great pleasure our visit to Finland just four years ago to participate in the America Days program. We are particularly pleased that this year's commemoration of the close relations between our two countries will take place on your bitthday. The friendship between Finland and the United States, never stronger than during this 50th anniversary of Finnish independence, is a source of strength and pride for all Americans.

Sincerely,

MR. PRESIDENT:

Herewith Ambassador Bunker looks backward and forward at the Vietnamese political process as we come down to the wire on the election.

W. W. R.

-SECRET/NODIS attachment (Saigon 4452)

DECLASSIFIED

Wednesday, August 30, 1967

Authority RAC 11133 By NARA, Date 5-11-00

FOR THE PRESIDENT FROM BUNKER (Saigon, 4452)

Herewith my eighteenth weekly telegram:

A. General

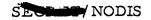
The campaign got up a full head of steam (or hot air) this past week.

All the Presidential candidates are actively campaigning. Saigon and the provincial cities and towns are covered with posters, strewn with leaflets, balloons, and other campaign gimmicks. The Senatorial tickets, too, are active.

I sense too a better atmosphere and feeling. There is no longer talk of withdrawal because of pique, pressure, or intimidation although it is not impossible that there may be some last-minute withdrawals on the part of minor candidates who realize that their chances of election are slim. There have been some reports of negotiations between them and some of the principal civilian candidates, Huong, Suu, and Ha Thuc Ky.

Certainly the prophets of doom cannot say that there has not been complete freedom of speech and freedom of the press. Attacks by the opposition on the Government have been vigorous, often vitriolic, and they have all been fully reported in the press. An interesting element of the campaign and evidence of popular interest is the fact that most of the candidates have been subjected to unrestrained heckling. Charges of government manipulation have been heard regarding several provinces in the Delta area and in other parts of the country. Although there may be substance to some of these charges, we have not yet seen evidence that substantiates any of them. Local election campaign committees are functioning

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without Government of Vietnam harassment and in many cases with effective support from provincial officials. Where joint meetings of candidates have been held, the arrangements made by Province Chiefs have been uniformly good. Crowds have been growing in size and in Danang and Hue last Sunday and Monday reached 6,000 and 7,000 respectively.

The comments of Dr. Phan Quang Dan, Suu's Vice Presidential running mate, in an informal press conference on August 25 for foreign correspondents, are interesting. He said that there is "an atmosphere of suspicion" that Thieu and Ky will rig the elections, but added that so far the campaign has been the freest ever held in South Vietnam. According to the UPI correspondent who was present, Dan went on at some length about the fairness of the election campaign. He reportedly said the campaign is much fairer than most people expected, that there had been some irregularities, but some of these charges have been exaggerated.

Tran Van Huong told an Embassy officer that he had evidence of the issuance of two voting cards to some military personnel. Although he may have some evidence that a few military men had been issued two voting cards, we doubt this happened in enough instances to have a significant effect on the elections. In cases where two cards have been issued, we believe that probably it was due to error rather than a deliberate attempt to stuff the ballot boxes. I have called these reports to the attention of Thieu and Ky several times and they have flatly denied that this is being done.

At his press conference yesterday morning, Huong moderated his charges saying that the campaign has proceeded normally in spite of the great discrepancy between means available to Thieu and Ky and other Presidential slates; that pressure and intimidation by local authorities against campaign workers of civilian slates has declined as a result of his denunciations and those of other candidates; simple fact that pressure tactics have been reduced does not mean the elections will be entirely honest "because intimidating campaign workers is one thing, cheating is another." He also appealed

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for unity and expressed the hope that the elections would be a means to unity rather than further divide the nation.

Thieu has continued to handle himself with dignity, restraint, moderation, and good nature. He told me that he was received very cordially by the other candidates at his joint appearance with them at My Tho. He was asked by the candidates why he had not joined them oftener and he replied that it was because he wanted to give them all a chance. If he had gone with them everywhere, he would have gotten all the votes. He came in for his share of heckling and was asked some fairly tough questions by enlisted men which he handled skillfully. Ky also in his appearance in Hue put on a low-key performance.

The Government of Vietnam made two efforts during the past week to have the Assembly extend the hours of voting by starting the voting at 6:00 a.m. instead of 7 and by ending at 8:00 p.m. instead of 4. Because so many members of the Assembly are campaigning they were unable on the first occasion to obtain a quorum, and while a quorum was present at the second meeting, they were unable to obtain sufficient votes to pass the necessary resolution. This is unfortunate, as the extra voting time could have been well used.

I have been encouraged by the developments this past week, by the improvement in tone, and by the fact that interest in the elections has reached a high pitch. As evidence that interest has spread to the countryside, the Australian Ambassador told me last night that their observer group had gone yesterday to Phan Thiet in Binh Thuan province northeast of Saigon and observed the campaigning in a hamlet. They reported great interest on the part of the hamlet people and active questioning of the candidates' representatives. If we can keep the boat on an even keel the next three days, I think we should be able to bring it into port and if we do, we shall have taken a long step forward.

The Viet Cong have, of course, continued to step up efforts to disrupt the elections. Terrorist attacks have

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increased, the most severe having been the attack on Can Tho last Sunday in which a hospital was hit and 46 people killed and 227 wounded. Yesterday 9 bridges were blown up, 8 in the northern province of Quang Nam north and south of the city of Danang. The other bridge, a 330-foot steel span, is in the Meking Delta on Highway 4, the route over which much of the produce from the Delta is trucked to Saigon. The press reports today that Viet Cong agents jumped on the stage in four movie theaters in Cholon, the Chinese section of Saigon, and urged moviegoers not to vote in next Sunday's election. They apparently mixed with the crowds and entered the theaters in civilian clothes. They were reported to have handed out leaflets urging the audience to stay away from the polls because it was "a race staged by the American imperialists."

As the above was written we have received word that the enemy overran and held for several hours the city of Quang Ngai last night. According to our first report, they released over 1,000 prisoners from the city jail. We do not yet have casualty figures. We have another partial report that indicates the Hue radio station, which is located some distance outside the city, was under attack early this morning.

Unlike the situation in the elections for the Assembly in September of last year, the Viet Cong now have mortars and heavier weapons than they then possessed. In spite of stepped up efforts, however, I do not believe that they will have any significant success in disrupting the elections in view of the very thorough measures being taken by both the Vietnamese Armed Forces and U.S. forces.

One effective measure to counter the Viet Cong efforts has been the Incentive Awards System established by the CIA to encourage Vietnamese to report on the Viet Cong. This paid handsome dividends on July 31. A tip from a civilian led to the arrest of a sabotage unit credited with a majority of the terrorist incidents which have occurred in Saigon. The Commander of the unit was captured on the very



day that he was to have conducted a Claymore mine attack on the building in downtown Saigon which is both a senior American officers' billet and headquarters of the Joint United States Public Affairs Office.

The leader of the sabotage group had directed 27 terrorist incidents in Saigon, including the bombing of two American military billets and a restaurant frequented by our military. He was directly responsible for the death of 15 Americans and the wounding of 56.

With the roundup of the sabotage unit, 22 terrorists were arrested and several arms caches uncovered, containing grenades, Claymore mines, TNT and material for the manufacture of explosive devices.

Tips from citizens responding to the CIA Awards System have resulted in the arrest of numerous other Viet Cong concerned with both political and military activities, and the discovery of a sizeable number of weapons caches.

As might be expected, there have been some reports of possible trouble after the elections, perhaps generated by the extremist Buddhists if they feel that an atmosphere exists which can be exploited. They have in fact played a very passive role during the pre-election period, and, as Thieu remarked to me not long ago, it may be that they are waiting the election outcome to see whether they can initiate something. The likelihood of such action will, of course, depend on the outcome itself and on the atmosphere that then prevails, which is difficult to predict. I am confident, however, that the Government will be able to handle any such problems if they should arise. I will, of course, be talking with Thieu and Ky about their immediate post-election moves, assuming they are elected, as these will be very important in terms of the atmosphere which will prevail at that time.

B. Political

In April of 1966 the Government reluctantly agreed to hold elections for a Constituent Assembly. Acting

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under what appeared to be the imminent threat of a massive Buddhist upheaval, they thus set in motion a long chain of political events which comes to a new climax four days from now. It has been an instructive experience for all concerned, as well as a most hopeful beginning for a new political era in this country, and I think the record is worth scanning as we near election eve.

In April of 1966, the Vietnamese Government was an almost pure military junta with very little civilian participation or support. It was vulnerable to Communist charges of being illegal and not representative of the Vietnamese people.

The decision to hold elections for a Constituent Assembly was in large measure forced on the military junta. Nevertheless, I think that the military leadership must be credited with seeing, after the fact at least, the great value of that step. The immediate result was to deprive the Buddhist extremists of a meaningful political issue. In the long run, however, that decision turned out to be the start of an increasingly effective political offensive against the Communists. It is a truism that military means alone cannot win this war. The move toward democratic institutions has proved to be an effective political complement to our military offensive, and I think the military leaders have grasped that fact.

One reason for the effectiveness of the political offensive is that it was tended to change the nature of the political opposition. In the past, about the only means for changing the government or even effectively influencing its policies, were violent. Demonstrations and coups were the natural thoughts of most "out" politicians. Those who became desperate turned to the Viet Cong, the ultimate source of violence in this country.

With the move toward Constitutional government, it became possible to express opposition in non-violent ways. Political opposition was channeled into legal and constructive efforts: first, to win election to the Constituent Assembly, then to influence the writing of the Constitution and the Electoral Laws, now to compete in the current national elections.

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While it must be admitted that political stability here is by no means achieved and the past months have been a perilous journey, I believe that channeling the political opposition into legal and non-violent avenues has contributed heavily to the degree of stability which has existed. It has also begun a move toward more real and permanent political stability. This move now has some momentum behind it, and we have the hope that it will continue to gain momentum.

· Another reason for the effectiveness of the political offensive against the Viet Cong is the educational effect it has on all Vietnamese, civilian as well as military. The hammering out of the Constitution was accompanied by many clashes of opinion and interest. At several points it seemed that the work of the Assembly might never be completed. Even after the Constitution was finished, the military leadership appeared to be so opposed to some features of the document that we feared they might radically amend it or even reject it out of hand. Good sense and political compromises prevailed, however. In the process, the military learned that they could, indeed must, work with the civilians. The civilian politicians, for their part, had a lesson in dealing with the military that will stand them in good stead in the future. I think that both military and civilian leaders now realize that it is possible to work together toward shared objectives while still disagreeing about many other things.

There were hazards, grave hazards, passed by the past year. One of these was the threat to military unity which the very process of democratization itself seemed to inspire. The merger of the Thieu-Ky Presidential slates has not entirely removed that threat, but it did demonstrate that the Vietnamese military are fully aware of the danger and will act to avoid it.

Another threat was the deliberate effort to exploit regional differences in last fall's Cabinet crisis. I think it a sign of increased political maturity that regionalism has been muted and denied in the election campaign. All of the candidates are bidding for all the electorate, and none of them has made an effort to exploit purely regional prejudice.

SECRET NODIS

The campaign itself has been perhaps the single greatest experience for the Vietnamese politicians and their people. An unprecedented freedom of expression, including a completely uncensored press, has shown all Vietnamese that even here and under wartime conditions, it is possible to tolerate a great measure of dissent, a fact which has not in the past been much appreciated by Vietnamese leaders.

I have the impression that **the** campaign has also tended to instill a new respect for **the** limits of responsible criticism, indeed perhaps **even** a new respect for fact. In a society which has long been known for its addiction to wild rumors and extreme suspicion, this is important for future stability.

All of this is progress, but we are by no means home. If, as seems most likely, Thieu and Ky win the election, there is a possibility that certain of the defeated candidates may band together in an effort to invalidate or at least discredit the election. I am not persuaded that the civilian politicians -- to say nothing of the military -- yet have a full understanding of the role of a loyal opposition. Both the Viet Cong and the extreme Buddhists will be doing all they can to encourage the defeated candidates to adopt measures and postures which will make it hard for the elected leaders to form a broadly based government and an effective military-civilian partnership.

There is also the continuing problem of the relationship between Thieu and Ky. I think this is by no means fully sorted out, and we may be in for some difficult moments while they establish their future roles. I am essentially optimistic, however, that they have both realized the necessity to work together, no matter how painful it may be.

The campaign continued this week with joint appearances by the Presidential candidates in Rach Gia, My Tho, Danang, and Hue. They are meeting today in Gia Dinh. There is a scheduled appearance in Cholon tomorrow, and the final joint meeting with the public is to take place in front of City Hall here in Saigon on September 1.

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General Thieu appeared with the other candidates for the first time in My Tho on August 26, and Prime Minister Ky made his first joint appearance in Hue two day later. All the meetings have gone smoothly, with the candidates sticking largely to the same issues which I described in my last report. Crowd response was quite good, with many pointed questions and much enthusiasm for the favorite candidates.

In his appearance in My Tho, General Thieu stressed the effort to bring peace. He said that if elected, he would seek contact with Hanoi, and if Hanoi asked for a gesture of good will as a condition for negotiations, he would recommend a bombing pause for one week. However, if Hanoi continues its aggression, there will be no alternative but to fight on.

The previous day, in a meeting with some invited foreign correspondents, Thieu made essentially the same points about a bombing pause. In addition, he said he had not discussed the proposal with the U.S. but felt that we could be favorably disposed toward it. He also said that any extension of such a bombing pause would depend on the "good will and sincerity of Hanoi" and their response to his gesture. I will want to talk over these vital subjects with him at an early date, since it is essential that our efforts in these directions be coordinated.

In the same meeting with foreign correspondents, Thieu said that while he would not engage in any formal negotiations with the Liberation Front, he is willing to undertake informal talks with them. In response to a question, Thieu said that he would guarantee safe passage in and out of Saigon for any Front representatives who wished to hold such informal talks with the Government. This general attitude of willingness to talk with the National Liberation Front leaders is an encouraging one.

Thieu also publicly disclosed that the Armed Forces Council has decided to sack five general officers and will bring some fifty officers before the Armed Forces Disciplinary Council. In most cases, Thieu said, the charge against the officers involved is corruption.

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I asked Prime Minister Ky about the plans to dismiss a number of officers on charges of corruption the following day. Ky said that the action would not be undertaken until after the election, and he remarked that there is evidence of corruption against 20 to 30 general officers. General Vien plans to call in the officers concerned, one by one, and confront them with the evidence. The officers concerned will be permitted to resign rather than being formally charged, according to Ky.

General Westmoreland and I will be watching this development closely to see that it does not have an adverse effect on military unity and morale.

Charges of government pressures on the representatives of the civilian candidates have tapered off, as I indicated earlier. One example of such pressures is the arrest of 19 Dai Viet workers in Hue. They were subsequently released, but one of them was severely beaten by the police. The Dai Viets in question seem to have been in the wrong to the extent that they resisted arrest and also apparently had some hidden arms. The official responsible for the arrests was evidently acting on his own initiative, and we think it is a case of both excess of zeal and lack of intelligence.

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Nevertheless, Dai Viet leaders have made much of the incident. Ha Thuc Ky held a press conference on August 25 to protest this incident and other alleged instances of pressures on his workers. In answer to a question, he at one point said he would mount protest demonstrations if such incidents continue. In Hue, Dai Viet Party members were talking about resigning their Government jobs en masse as a form of protest. The echoes of this affair appear to be diminishing, however, and there now seems very little likelihood that the Dai Viets will either demonstrate or resign from their Government jobs, at least prior to the election.

We also have reports that suggest some pressures were exerted to insure a Thieu-Ky victory in Go Cong, Kontum, and Pleiku provinces. In Go Cong, for example, the Huong representative claims that threats have been made on his life if he continues to work for Huong. Also, according to the Go Cong Deputy Chief of Province for Administration, the Go Cong Province Chief is alleged to have ordered his subordinates to work for the Thieu-Ky ticket. These claims still represent hearsay, of course, and we will have to see if any of them can be substantiated.

In the Senate race, alleged Government support for several lists has generated a last-minute flurry of protest by the other slates. Last night representatives of nearly all slates met to consider what joint action they might take. The meeting broke up after much disorderly shouting, but a rump session was later reconvened. Seven in the rump session the Senate slates represented were unable to reach a common position, and they finally adjourned after charging Nguyen Tuong Ba (a VNQDD candidate) with the responsibility of drafting a joint statement. As there was no agreement on what the contents of the statement should be, Ba has a rather formidable task before him. Indication of Government support for certain lists seems a fairly natural thing to me, however. The Saigon Post headlined this story today in the following colorful terms: "Senatorial Bets Meet, Swap Threats, Saliva-Democracy a la Vietnamienne at Work."

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I raised the question of the Dai Viet arrests with Ky last Friday. He said there is a continuing problem there because the Dai Viets, the VNQDD, and the extremist Buddhist are carrying on a constant factional struggle. He said that this particular struggle is not necessarily related to the elections, and he believes the radical Buddhists are trying to stir up the pot in whatever way they can.

It seems probable now that such charges of Government pressure and illegal tactics will have little or no effect on events until after the election. The militant Buddhists, for example, have reportedly decided to attempt no anti-Government demonstrations until after the elections. They no doubt feel their chances of finding allies in the defeated candidates will enhance their chances of undermining the Government at that time.

Evidently as a near final move in their election campaign, General Thieu and General Ky flew to Banmethout yesterday to promulgate the Montagnard Statu Particullier and a Highlander Land Law. Both decrees have been much desired by Montagnard leaders, and their promulgation now is an obvious but probably quite effective bid for the Montagnard vote and his speech at Banmethout -- delivered off the cuff in a driving rainstorm to several thousand Montagnards and military personnel -- General Thieu not only called for a continuation of the positive programs and policies of his Government but also warned military and police personnel that they must not interfere with the people's right to free choice.

We are, of course, expecting the distinguished American observer delegation this evening. I am looking forward to seeing them and discussing with them the best ways for their mission to be performed and made effective in terms of impact here and abroad.

As matters now stand, we expect well over sixty observers from fifteen countries, including a delegation

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from the Asian Parliamentary Union. Those countries which we know are sending observers include Belgium, Japan, Philippines, United Kingdom, Australia, the Netherlands, Spain, Laos, Korea, New Zealand, Greece, Malaysia, Turkey, and Thailand as well as the United States.

C. Economic

The Saigon Retail Price Index rose two points since last week, up from 295 to 297. This is 30 percent over the level at the beginning of the year. The Imported Commodity Index is now 222, up five points from last week's 217.

The construction of the port facilities at Qui Nhon is now complete. However, some errors in construction must be remedied before the facility will be ready for use.

The Joint U.S.-Vietnamese Economic Committee met August 26 and took several decisions concerning the Commercial Import Program. It was agreed that two positive lists will be prepared, one by USAID listing all commodities which may be imported under the Commercial Import Program, and a second list by the Government of Vietnam listing other commodities, the import of which the Government will finance. The Government of Vietnam list will cover essentially all items not eligible for Commercial Import Program financing. The lists will be exclusive in that no item will be eligible for financing both with Commercial Import Program funds and with Government of Vietnam foreign exchange.

D. Chieu Hoi

Returnees during the reporting period totaled 519. This may be compared with 280 during the same period last year. The year's total to date is 21,335.



E. Vietnamese Killed

During the week ending August 26, the enemy killed 60 Vietnamese civilians, wounded 86 and kidnapped 61. The dead included 3 Revolutionary Development workers, one Village Chief, one Hamlet Chief, and two Census Grivance workers.

Since January 1, 1967, the Viet Cong killed a total of 2,087 Vietnamese civilians, wounded 3,770 and kidnapped 2,844.

Mr. Rostow

2. Pres file

MEMORANDUM FOR THE PRESIDENT

August 31, 1967

SUBJECT: Message to President Bourguiba

Last week President Bourguiba delivered a remarkably courageous and forthright speech to a group of Tunisian students. When Secretary Rusk read it, he instructed Joe Palmer to draft a message for you to send congratulating Bourguiba.

Under the guise of advising Tunisian students to cultivate the capacity to reason, Bourguiba made the following points at some length:

- 1. The current state of the Middle East is the result of poor reasoning and serious miscalculations. Israel had been satisfied with its boundaries until non-thinking leaders provoked it into a fight they couldn't win.
- 2. Students must thread their way through propaganda which tries to persuade people that the "progressives" are those who side with the Soviet Union and attack the Americans—not those who are dedicated to pulling their people out of abysmal poverty.
- 3. The State of Israel is recognized by the great powers and most of the rest of the world. It is futile for the Arabs to ignore this reality.
- 4. The stand of the US in Vietnam is essential to preserving the equilibrium of the world. Everyone knows the US is prepared to evacuate its bases abroad provided that doesn't lead to anarchy.

In addition to making sense on the Middle East and Vietnam, his theme on rational progress is so close to the one you struck in welcoming the Shah that I have added a paragraph to the State draft which notes the similarity.

Had his health permitted, you would have been seeing him about this time. Therefore, I think this short message would be especially appropriate. If you approve the attached text, we will send it telegraphically.

Approve 9/1/67	w.	w.	Rostow
Disapprove			
See me			

SUGGESTED TEXT

"I have read with interest your forthright speech to the students on August 23. Again I am heartened by the realistic stand you have so consistently taken on the Middle East's problems, and I am particularly gratified by your continued support of my country's policy in Southeast Asia.

"I was struck especially by how closely some of your thoughts paralleled words I had spoken just the day before in greeting His Majesty, the Shah of Iran, here. I spoke of the importance of progress without violence and challenged the self-styled "progressives" to demonstrate their commitment to progress with facts and figures.

I agree with you that it is important for all of us who prize orderly progress to draw this distinction repeatedly.

"I hope you and your doctors will continue pleased with your recovery.

I am sorry we will not have the pleasure of your company next month
as we had originally hoped, but I much prefer seeing you a little later
with your doctors' full endorsement to running any unnecessary risks now.

Sincerely,

Lyndon B. Johnson"

DEPARTMENT OF STATE DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO.

PSX3184 Tunis 3950 26 0200
Tunis 3950 26 0200
Presseh
USINFO Washington, D.C.

Bourguiba speech at KEF Aug. 23 to new UGET officers as carried in Tunis daily <u>La Presse</u> Aug. 25:

 ullet In your motions, you took up the most varied international problems. All the continents were mentioned. The only problems to which you did not turn your attention were those concerning Tunisian students. One concludes from this that Tunisian students have no problems, and one is justified in taking comfort from this fact. Indeed, we can but rejoice to learn that your worries are limited to the conflict in Viet-Nam, the situation in Mozambique, etc., and that you are not encountering any difficulty in your studies. However, although such difficulties may have escaped you, they nonetheless exist, and we, for our part, are aware that they are connected with the effectiveness of our educational system, the training of the future leaders of the country or the nation's future. We are striving to solve them. Need I point out that the content of the motions you have adopted reveals that in your congress you have acted less as an occupational training group than as a political organization? To be sure, in most of your resolutions, you support the government's policy, but we consider that the student's role is something else. The student has two purposes:

first, to complete his studies, that is to say, to attain the objective he has set for himself in enrolling in the university, which is none other than to pass his examinations. Although this is a purely personal success, it is of importance to the nation, and so it is the duty of the State to provide the student with suitable means for rendering such success possible. Moreover, the student must prepare to become a good citizen, aware of the problems existing around him. He cannot do so, however, without some knowledge, superficial though it may be, of the national situation, of the problems existing throughout the world in the different ideologies, whose goal is to satisfy the aspirations of men. Through such varied information, which must be as accurate as possible, he can form a valid opinion of his country and be capable of assuming effectively such national responsibility as he may be called on to assume. Thus, he will be able to withstand passions and pressures from whatever source, make up his own mind, and, rejecting demagogic alternatives, act according to the dictates of reason. In a country where people allow themselves to be swayed by emotion, it is not easy to be clearsighted. Such a virtue requires a long apprenticeship. You know to what I am referring.

When I was a student like you, my main concern was to study, to learn, to become informed, before taking political positions, or publishing articles in newspapers. I wanted to obtain a sufficient store of knowledge to form an independent judgment, before engaging in the struggle. I owed it to myself to pursue this effort of investigation and thought as far as possible. Unquestionably, studies are, in themselves, a necessary foundation; but politics has never been an exact science. In addition to precise data, there are always imponderables to be taken into account. And human judgment is sometimes liable to be found writing. The error of a leader may be fatal to his people, despite the praiseworthy intentions which motivate him. This has just recently been proved again: because the aggressors were expected from

Israel had been satisfied with its boundaries and had not demanded bank of the the whole of the city of Jerusalem, or the west /Jordan, or the other territories that it occupies today to the east and north. Deliberately, and without weighing the risks involved, measures were taken to block access by Israel to the Gulf of Aqaba, despite the international agreements and the existing de facto situation. Everyone knew perfectly well that the enemy would not fail to react; the Arab press itself intimated that it would. The reaction was even predicted. Nay more, it was taken for granted. And yet, the Israeli forces have since reached the banks of the Suez Canal; and the Arabs, after suffering a hail of bullets, fire, and napalm, have now once again been put to flight.

That is how, in all good faith, catastrophe is brought about; and that is also why, in politics, one must always foresee the various ways in which the enemy may react, and take steps to meet any contingency. It is a veritable equation with many unknowns that must be solved. This shows how difficult political analysis is, since the role of the unknown is so great. Even if we try to consider all the possibilities, the one that the enemy chooses may have completely escaped our imagination.

Thus, I wished to take advantage of this opportunity to meet you in order to remind you of the complexity of the political problems concerning which students must have a sound outlook, and, in their evaluation of the situation, take into account, first of all, the realities of their country. That is an obligation for them, the more imperative because they are the future leaders of the nation. They

must not lose sight of the great achievements being made in the country, or underestimate the efforts and sacrifices that they require. I recall . how some take satisfaction in pitying the lot of the people of Gabès and its surrounding region. But do they even know the inhuman conditions in which that same population lived under the protectorate ten years ago, when the southern territories were used as a place of deportation for the followers of Destour [Tunisian Nationalist Party members]? I won't conceal from you the fact that I have been a bit disappointed to note this tendency our young people sometimes have to sacrifice objectivity to a sort of anticonformism, which actually is a new form of conformism. Since the cold war has divided the world into two hostile camps, students have been the object of the most urgent sollicitation -each camp seeking to win them to its side. Possessed of great generosity of spirit, youths, more than adults, can become impassioned over great ideas and so certain propaganda groups exploit that youthful enthusiasm in an attempt to intoxicate students to the point of depriving them of any possibility of personal judgment; having in this way been made satellites, they become the resounding echo of propaganda that they have not taken the trouble to analyze. They want to see progressivist ideas expressed on every question. Now, in their eyes, the Soviet positions constitute a badge of progressism and so, always aligning themselves indiscriminately with attitudes that they themselves have not thought out, they regard [President] Sallal of Yemen as progressivist, but not Bourguiba, whose action is designed to emancipate women, educate youth, and improve the condition of the poor living like animals in their prehistoric huts.

If tomorrow I should happen to attack the Americans, I would undoubtedly be lauded to the skies. This attitude of proselytism derives from the very foundations of the Marxist-Leninist philosophy,

which postulates the world triumph of Communism. America being the only nation capable of thwarting the accomplishment of this design, the USSR is doing everything in its power to increase the number of its partisans. A messianic spirit prompts Russia to do this, for it is convinced that it is obeying an inexorable law of history. While the propaganda slogans change in accordance with the international situation, the goals remain the same; but, paradoxically, at a time when certain countries of the Third World are adopting such slogans, the Communist Party is in the process of revising the very foundations of Marxism. It is also significant that the USSR and the USA are now beginning to agree on a number of matters.

Things being what they are and, especially, what they may become, we are determined with respect to [garble] for executing the projects contained in our development plan. We realize what quixotism is costing those régimes that call themselves "Revolutionary." While they are tilting at the windmills of imperialism, the people for whom they are responsible remain sunk in abysmal poverty. They are not permitted to exercise even the most fundamental liberties. A new strategy, the struggle against imperialism, is the only concern of these régimes. Thus, with respect to the Palestine affair, they have followed a policy of pursuing the shadow instead of the substance.

The State of Israel is recognized by both America and the USSR. It is a member of the UN and its existence is questioned only by the Arab States. It is futile, in such circumstances, to persist in ignoring this reality. To attempt to erase Israel from the map of the world is to condemn ourselves to almost total isolation. The policy we have adopted thus far has alienated all sympathy for us and no nation has been willing to recognize Israel as the aggressor. It is acknowledged, on the contrary, that it was Egypt that created the <u>casus belli</u>, whereas it is our view that it has been the very existence of Israel since 1947, that is to say, since Israel was

recognized by the UN, that has constituted the aggression. Since Israel was recognized by the UN, we should have taken that fact into account and chosen a strategy capable of ensuring us of victory over Israeli colonialism. After the defeat the Arab States have just suffered, they should abandon the futile policy they have persisted in following for 20 years, whatever the cost. They will be forced to end the state of belligerency in order to recover the land that has been conquered by the Jewish State and thus ward off greater dangers. They will then have to devote themselves to raising their peoples to the level of the strong, highly developed nations in order that they may one day be able to prevent all injustice, to deter any act of aggression.

I have cited the case of Palestine to illustrate my thought and make you understand that the young people who are called on to assume responsibilities in our country must learn to reason soundly and independently. I have read with interest and a certain pleasure your different motions. I have not failed to note your sympathy for Viet-Nam. It does not appear to me, however, that you have gone into the matter deeply enough.

Actually, the problem of Viet-Nam is not as simple as one thinks.

It is a serious problem, involving the equilibrium of the world. After the Second World War, the world was divided into two camps--the Communist countries and the others. Though the demands of the war had temporarily united those called the Allies against Hitlerism, their basic differences, and their régimes, had not disappeared as a result.

Once Nazism had been defeated, each of the former Allies hastened to extend its sphere of influence. Thus, in the wake of the concurrent the "liberations" effected b, the Russians and Americans, each for their own account, a line of demarcation was assublished, corresponding to the forward positions of the various armies. Cermany, Austria, Korea, and later Viet-Nam, were in turn the scene of this confrontation.

Time and again, the USSR attempted to improve its positions. But in the face of the firm resistance offered it, the USSR had to tone down its claims. The Berlin crisis and the Korean War marked the acute phases of the Soviet-American confrontation. [And] it is to safeguard that equilibrium that the USSR and the United States maintain occupation forces in the two Germanies. Be that as it may, although the two great powers have at times been on opposite sides in an armed conflict in a small nation in between, such as Korea, the war has always ended with a return, pure and simple, to the former status quo. China has since entered the contest and, by inciting Hanoi to intransigeance, it seeks nothing else than to confound its opposing Soviet brother, and prove to him that guerrilla warfare can get the better of the American Army; in such case, there would be proof that America is not invincible, despite its atomic weapons. China would then be able to entertain any hope and nothing would stop the unleashing of its masses upon Viet-Nam, Asia, and Russia itself. What's more, China would assume the leadership of the Communist world. It is in the light of these facts that the demand, untiringly repeated by the leaders in Hanoi, that "prior to any negotiations the aggressor must withdraw," must be understood. Even during the war in Algeria, neither the M.P.R.A. nor Ben Bella nor Boumédienne had demanded evacuation prior to negotiation. An analysis of the events leads to the conclusion that the struggle in Viet-Nam is taking place between America and China behind the scenes. The modus vivendi established between the two Great Powers, which led to the division of Germany, resulted in the presence of the Red Army to the east and the American Army to the west. One can imagine the mortal danger to which the world would be exposed if East Cermany or West Germany were to attempt to achieve, for its own benefit, the unification of the country, as in Viet-Nam. Conflict between the Red Army and the American Army would become inevitable.

Everyone knows that the United States is prepared to evacuate its bases abroad, provided that it does not open the way to anarchy. It intends to accompany its withdrawal with agreements guaranteeing its security. It is to be feared that Viet-Nam, once the Americans have gone, will be unified without being independent. The specific history of China makes this a definite possibility. And in these circumstances, considering that the balance of the world is at stake in the battle, it is hard to conceive of the United States capitulating. For Mao Tse-tung, the object is to prove that the United States can be brought to capitulation. The Viet-Nam experience would thus be conclusive, contrary to the opinion of Khrushchev, who is considered by the Chinese to be their Number One enemy--do they not call their Chief of State "the Chinese Khrushchev," because he is said to be in favor of negotiated solutions and to wish to maintain the present status quo? China today is caught up in the frenzy of the Red Guards, who do not respect even the immunity of diplomatic missions. One would be justified in fearing the worst from these unleashed hordes. Russia is far from wishing for the victory of China, for it knows to what perils it would itself be exposed. The whole Asian part of its territory could be dangerously threatened.

Today the USSR fears Communist China more than it would fear the United States--perhaps even foresees that it may one day have need of American assistance, as it did at the time of Hitler's aggression.

Things are far from simple, and what is called "imperialism" often is only a matter of opinion. To humanity's misfortune, it happens that peace is founded on the balance of power. At Potsdam and Yalta the world was divided into zones of influence. Whenever one of the giants attempts to extend the zone assigned to it, the country geographically situated on the boundary between the two zones is the one that pays the cost. This is true of Germany, for example, which continues to be the focal point of tough competition.

I am not seeking to spare anyone or to please any nation when I say that the world would be in danger the day that, in response to a trend of public opinion, America decided to go back to her [former] isolationism. What, after all, does Viet-Nam matter to her, and with what danger could Communist China threaten her? China would seize control of all the countries in the region and would wrest the leadership of the Communist world from Moscow. And that would be the end of world peace. Viet-Nam would be the first to succomb, then it would be the turn of India, which has already suffered Chinese aggression, and after that, the turn of Mongolia, which is said to be threatened. Having acquired lebensraum, the Chinese would begin to re-establish their old empire. Hence the conflict we are witnessing has a scope and a significance that goes beyond Viet-Nam. At the risk of stating a paradox, it might even be said that the Vietnamese are mistaken about who their enemies are: those who incite them to fight the Americans are the very ones waiting for the moment to enslave them -the Chinese. Geographic facts, the specific history of China, the Stalinian ideology to which China clings -- all indicate that Viet-Nam would have the same fate as the countries of Central Europe in Stalin's time. If Communism makes itself the champion of democracy and independence, it is in the other countries and not in those that were once under Stalin's yoke or are in danger of coming under Mao's. The USSR itself has realized this and is now following the revelation of Stalinism's true nature, engaged in revising its ideological concepts. The iron unity that welded the Communist world has come to an end; according to Khrushchev himself, it was worse than Hitler's atrocities. Consequently, it is astonishing to see young people continuing to take the attitude of one or another party as their standard of progressivism and refer to it without discrimination and almost automatically in judging the position of their own country.

True progress consists in raising the standard of living of the people, promoting their development by a suitable social policy, by education of the young, by the emancipation of women, and by the elimination of anachronistic traditions—all efforts which Soviet Pravda has acknowledged that Tunisia is making. It is unfortunate that clear—thinking individuals are at times hampered by a guilty conscience, cannot freely form their judgment, and consider themselves obliged to adopt the ideological "craze" of the moment. If this is done out of conviction, I have no objection to it, for I like to see people act in all sincerity. But I have a horror of automatic alignment. One must have the courage to defend a view founded on reasoning, on facts, on precise data. If that view happens to differ from mine, I nonetheless respect it, for no particular tie binds me to the United States, to Great Britain, or to any other power.

A French leader said to me recently: "Of all the countries we have visited, Tunisia is the most independent." Of course, for we are not following anyone blindly. In Tunisia, the people are relatively mature. We have a long history behind us, and we are endeavoring to analyze events objectively. That is why we have not fallen prey to the demagogy from which the would-be revolutionary countries have not escaped. We are aware of their disappointments. If they really want to be useful to their people, let those countries devote themselves to having them make up the centuries they are behind, to raising their social, technological, and economic level, rather than being reduced to seeking, right and left, subsidies with which to feed them. What I ask of our youth is to be useful to their country and not to attempt to assume attitudes. Tunisia enjoys the respect of everyone -- the USSR and America, and France, with whom we were so long in conflict. We do not have the complex of the countries that suffered from decolorialization and have been unable to overcome their long-standing resentment.

It is in this spirit that I should like to see the students

et themselves seriously to their task, which is, first of all, to

ass their examinations and not waste their energy or their time.

In their choice of a career, they should, above all, take into count the urgent needs of the country. While our hospitals do not ave enough general surgeons, we have too many heart surgeons. Without the doctors made available to us under cooperation programs by friendly countries such as Czechoslovakia and Bulgaria, the health situation in Tunisia would be catastrophic.

While Tunisian physicians are still being recruited for posts at Gafsa, Medenine, Kasserine, or Kairouan, which are, after all, towns that have every modern comfort, the Secretary of State for Public Health was forced, for want of volunteers, to resort to drawing lots to fill a physician's post at Bizerte, which is scarcely 60 kilometers from the capital. I wonder where we are headed, with such an attitude. Those who are so demanding should remember the sacrifices made by those who died so that Tunisia might today be independent. And I also recommend that you rise above the rancor you may feel whenever your candidacy for a post is not approved. To be a member of the Destour Party meands undertaking to show proof of abnegation and devotion; fostering the efficiency of collective work; and, often, sacrificing oneself for the sake of national unity. I hope that you will derive benefit from these few thoughts that I have expressed, and that in light of them you will coordinate your action with that of the whole nation. Remember especially that you have been called to be the elite of the country, and that very heavy responsibilities will soon be yours. I hope that you are eager to accomplish your mission in an exemplary manner, so as to hasten the country's march towards progress, prosperity, and social justice."

August 31, 1967

Jemp 2 Pres file

Mr. President:

Attached, for your signature, is a brief, friendly letter of thanks to U Thant for his message of sympathy on the Alaskan floods (Tab A).

W. W. Rostow

WWR:ND:gg

September 1, 1967

Dear Mr. Secretary General:

I deeply appreciate your concern for those who have suffered from the recent floods in Alaska.

It is heartening to be reminded that in time of trouble, especially in times of natural disaster, sorrow and sympathy are universal.

Sincerely,

[5] Lyndon B Johnson

His Excellency U Thant Secretary General of the United Nations



21 August 1967

Dear Mr. President,

I was greatly grieved to learn about the disastrous floods that occurred recently in the State of Alaska and the consequent suffering by the people of that State. May I take this opportunity to convey to you and through you to the people of Alaska my sincere feelings of sympathy and concern.

Please accept, Mr. President, the assurances of my highest consideration.

Yours sincerely,

U Thant

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

& Preside

August 31, 1967

Mr. President:

At Tab A, for your approval and signature, is a letter accepting Harold Macmillan's request (Tab B) for an appointment with you sometime between January 13-17 (he will be in the country giving a few speeches). State recommends you see him; I think they are right.

I have checked with Jim Jones, who tells me that your schedule is free for any of the dates Macmillan suggests.

Francis M. Bator

(If you appro	ove we	will n	eed you	ır signatu	re at	Tab A)
No						
Speak to me						

FMB:djw

320

September 1,1967

Dear Mr. Macmillan:

I was pleased to learn that you will be visiting us next January, and very much look forward to seeing you.

I have asked my people to set up an appointment for sometime between January 13-17. They will be in touch with Sir Patrick Dean when a time has been arranged.

It will be good to talk with you again.

Sincerely,

/5/ Lyndon B. Johnson

The Rt. Hon. Harold Macmillan c/o Macmillan and Company, Ltd. 4, Little Essex Street London, W. C. 2. England

LBJ:FMB:djw 8/31/67

Telephone: Temple Bar 6633

4 Little Essex Street, London, W.C.2.

Personl

14th August 1967.

Dem Mr President

I felt I ought to tell you that I hope to be in Washington from the 13th or 14th January until the 17th January. 1968

My real purpose in coming to the United States is to deliver some addresses at various universities in New York as well as in the Middle West and in Los Angeles.

I shall be staying at the British
Embassy and if it were convenient for you
I would like to be allowed to pay my
respects.

John Shall

How Mandan

President Johnson

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Prespile

Wednesday, August 30, 1967 -- 8:50 p.m.

Mr. President:

With respect to bringing the Viet Nam issue into the United Nations:

- 1. The process of consultation with other members of the Security Council has been under way for some days. Specifically, we have approached the U.K., Australia, New Zealand, Viet Nam, Denmark, Japan.
- 2. On Tuesday we shall ask Taber, the Dane, to undertake the leadership in seeing whether the 9 votes can be generated.
- 3. A cable late today from New Delhi indicates that the Indian Ambassador to the UN does not think the UN is a promising place for dealing with Viet Nam. There is evidently some difference of view in the Indian government.
- 4. We should be pleased if the government of India would join with others in bringing the issue before the UN Security Council; but we cannot:
 - -- Give them a blank check on what resolution we would accept;
 - -- Dilute our voting rights in the Security Council; or
 - -- Dilute our rights to argue our own case and persuade others to join us.

All this I have checked out with Secretary Rusk.

W. W. Rostow

WWRostow:rln

-CONFIDENTIAL-

Wednesday, August 30, 1967 -- 8:45 p.m.

Mr. President:

Sec. McNamara says:

Pror file

- l. He does not know about the possibility of using Glasgow Air Force Base for a high-speed rail project. Nor does he know of the other potentialities.
- 2. He has no basis for cancelling the order to close Glasgow Air Force Base.
- 3. But he is prepared to adjust the time of closure, either forward or backward, to meet the needs and possibilities for alternative uses of the base. If there were, for example, real possibilities for converting the base into the location for a high-speed rail project, he could hold up its closure for as much as 6 months. On the other hand, if some possibility opened up soon, he could close down the base more promptly.
- 4. In addition, the Department of Defense would make every effort to facilitate a transition to some new use, including turning over facilities that might be helpful.

W. W. Rostow

WWRostow:rln

SECRET

MR, PRESIDENT:

Herewith, if you have time, a series of interesting cables and reports which I have had retyped.

- Tab A Ambassador Bruce's evaluation of Wilson's Cabinet reshuffle.
- Tab B A French notion of how to end the war in Viet Nam.
- Tabs C, D and E reports on life and attitudes in Hanoi.
- Tab F Hussein's conclusions after his tour of the Arab world.

W.W.R.

SECRET & CONFIDENTIAL
attachments

DECLASSIFIED

E.O. 1235%, Sec. 3.4(b)

White House Guidelines, Feb. 24, 1983

By 129., NARA, Date 9-4-91

Wednesday, August 30, 1967



TEXT OF CABLE FROM AMBASSADOR BRUCE (London, 1487)

•Prime Minister Wilson again retooled the British Cabinet but without a basic model change. Although the heavy emphasis is on a "fresh look" on the economic side, the retention of Callaghan as Chancellor of the Exchequer is an assurance of the continuity of the basic policy of economic caution and protection of sterling. The changes involve departure of two Cabinet Ministers and three senior non-Cabinet Ministers, three new men (Gordon Walker, George Thomson, and Peter Shore) in the Cabinet and, in total, fifteen substantial Ministerial changes.

In spite of the extent of the shuffle hose looking for a radical change were disappointed. The key figures in any major remaking of the Cabinet -- Callaghan and Healey -- were not changed. It seems likely now that not until next summer, (the status of sterling and the Common Market bid permitting) would such a basic reshuffle seem feasible, possibly also involving Brown at that time and probably looking forward to the next general election.

The biggest political problem Wilson was tackling in the current changes was, unquestionably, the growing political discontent over the economy and, most particularly, over the continuing rise in unemployment. He has in prospect a Trade Union Congress meeting in September, a restless party conference in October, and a long winter in which Labor Party and Trade Union dissatisfaction over the economy is likely to grow.

By moving Shore, a young and junior Minister identified as his protege, into the Cabinet in Economic Affairs while himself taking personal responsibility for the conduct of the Ministry, the Prime Minister has deliberately put himself in a hot seat. Presumably, he thinks he can take enough steps in the direction of deflation and curbing unemployment at least to inhibit

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Authority MLQ 84-280

By relisp, NARA, Date 9+0-91

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his political critics through the winter. At the same time, by his inelegant sacking of Douglas Jay from the Board of Trade (which will make Labor anti-marketeers furious) the Prime Minister is obviously placing another heavy bet on the political value of a strong Common Market bid.

As indicated, primary policy significance of Cabinet changes is in the economic field. Of course, the Prime Minister has always had ultimate responsibility for economic policies domestic and foreign, but by accepting specific responsibility in the domestic economic field, he has signalled labor unions and business that a pragmatist is at the helm. This should be welcomed by business and labor, who have found Stewart dogmatic and inflexible, as well as unimaginative. Creativity and initiative are needed to encourage growth without injury to the balance of payments, and the staff of the Economic Affairs Department will have better opportunity to try its ideas out on Wilson and Shore than they have had with Stewart. Furthermore, the shift of the Economic Affairs Department's former foreign economic activities (pretty nebulous, but still important) to the Board of Trade will help clarify issues for both Departments. Jay will not be seriously missed at the Board of Trade, and his anti-Common Market line can now be heard from backbenchers instead of within the government. The Board of Trade is run by civil servants anyway, and Crosland will be a more appealing and understanding Minister for them to coach. Cooperation at both staff and Cabinet level among the Ministry of Technology, Board of Trade, Treasury, and the Economic Affairs Department is essential to progress. Staff cooperation has not been bad, but Wedgwood, Benn and Callaghan must have found Jay and Stewart pretty uninspiring. Coordination at Cabinet level should thus improve, although not without some vigorous debates.

The key point is that they give the impression of more vitality in economic policy, within the framework of continued support for stability of the sterling, and of progress toward balance of payment solvency. Callaghan's continuation as Chancellor seems essential to this object for some time to come, and his recent brilliant success in the group of ten meetings is a real feather in his cap for him and the United Kingdom. In general, the country

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may react favorably to the new Cabinet deal in the economic area, and may expect more ingenious ventures into solving the politically unpleasant problem of unemployment. Results will depend on many factors of chance, and also on the response of business groups and unions, who have been reasonably well educated on why there was a need for deflation, and who now expect some leadership of a positive nature.

Other than economic, it is hard to put a particular style to the Cabinet changes. The average age is somewhat younger (53 as against 55), some tired old faces are gone (Jay, Bottomley, Wiley), and a few young, able men have been promoted (Thomson, Shore, Dell). Conspicuously, advancement has gone to those identified as "Wilson men" or at least good loyalists. The more critical among the able members of the young generation -- the "Jenkins men" and those sometimes less enthusiastic about the Prime Minister -- are notably absent. Among the crown princes of labor there is almost no change -- Callaghan, Jenkins and Healey remain in place, and Crosland moves sideways.

On the foreign policy side, George Thomson has been a success story in the Foreign Office and his promotion to the Cabinet as Commonwealth Secretary will be universally approved. His status among his colleagues and his skills as a diplomat and negotiator represent an asset and a power in the Cabinet the Commonwealth Office has not previously had in this Administration.

Mulley will succeed Thomson as number one Deputy in the Foreign Office. However, a reshuffle of specific responsibilities (Thomson had Soviet and East Europe, Middle East and Africa) remains to be worked out. Goronwy Roberts who moves from Education to fill Thomson's slot in the Foreign Office will not get the full Thomson portfolio. Parliamentary Secretary Rodgers, who is close to Brown, will probably add to his present Far East responsibilities. Roberts is a Welsh, 22-year veteran in Parliament, competent but not particularly conspicuous or impressive. He has little foreign affairs background and the appointment was something of a surprise. He may be a personal choice of Brown or moved into a vacant slot for political, non-Foreign Office reasons. He is not likely to be a major figure in foreign policy.

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HORY OF THEIR

Comment: All in all, this was probably a sensible reshuffle for interim purposes. Some net gain on the economic side, some reward for talents, and no major political upheaval. The diversity of press comment -- from commendatory through cautious to critical -- suggests that if dividing the critics is any criterion the Prime Minister got the mix about right.

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SANITIZED E.O. 12958, Sec. 3.6 NLJ <u>00-204</u> By <u>5j</u>, NARA Date 5-15-01

Wednesday, August 30, 1967

E0 12958 3.4(b)(1)>25Yrs

TEXT OF CLA REPORT



Ambassador Herve Alphand, Secretary General of the French Foreign Ministry, said on August 28, 1967, that it was the conclusion of his government that the Vietnam war cannot be won and that the only solution is an American initiative for a ceasefire and a complete withdrawal over a period of two years. The withdrawal should be accompanied by guarantees for the integrity of both North and South Vietnam, and these guarantees, as well as the ceasefire, should be supervised by a consortium of nations organized for the purpose.

Alphand said his government was in touch with the Hanoi government and also with representatives of the Viet Cong in Algeria and Phnom Penh. The French government, therefore, believes that the proposition Alphand is describing would not be unacceptable to North Vietnam and the Viet Cong. The war cannot be won because Ho Chi Minh is prepared to take any punishment that can be meted out, including even the destruction of Hanoi, and because the North Vietnamese are willing to live in the hills for years rather than capitulate. At the same time, the Hanoi government would want a guarantee of the integrity of North Vietnam because it fears the Chinese. A supervised ceasefire and a withdrawal with guarantees of integrity might eventually result in a combined Vietnam, but probably not for a period of at least fifteen years.

Alphand expressed the opinion that an approach such as he described would bring about results. He considered that previous gestures by the American President had always been accompanied by conditions and that the only proposal that would work would be a simple proposal which would involve ceasefire, timed withdrawal, and supervised guarantees of integrity.



PRECERVATION COPY

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SECRET

SANITIZED E.O. 12958, Sec. 3.6 NLJ 00-204 By 51, NARA Date 5-15-01 Wednesday, August 30, 1967

36-0

TEXT OF CIA REPORT

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

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

Begin Text

In a letter dated June 9, 1967, a Chinese resident of Haiphong writing to his relatives in Hong Kong made the following comments about effects of the air raids, the costs of evacuating his dependents from the city and other financial complaints:



a. "At the present time, Haiphong is daily being subjected to United States attack. This wild and savage bombardment by the American imperialists, particularly against Haiphong, has resulted in the large scale evacuation of the factories and population, and in turn has brought extreme poverty to the people.

b. "There are ten persons in my family, most of whom have no independent means of support, except my eldest son who has recently obtained a job at a plastics factory where he earns 50 dongs a month which just meets his own expenses. The second son drives an oxcart which is of some help. My third and fourth sons and fifth daughter are at school; my old mother and my wife live with a sixth daughter and seventh son, both of whom are of school age, but unfortunately, because of my financial situation, I cannot pay for their schooling.

c. "We have not been able to send all of our children to safety in the countryside. Three have gone with their school evacation group but their monthly board and lodging costs 100 dongs. Since I have been unemployed since March (1967), I grow deeper in debt. With no income and no reasonable work, I have volunteered to work in the forest, but while waiting for action on my application, I have been without a cent of income.



STREET VALUE COPY



which is made at official prices.)

d. "Last month we received your package of medicines by post which helped expenses for a short time, but the money did not go very far towards paying the debts owed to my friends. I again beg you to send more medicine to help me in my present hardship. This time, send two packages, one to my wife and one to my friend. It is important that two different addresses of senders be used. This way I will be able to keep more of the B-12 (vitamins); otherwise, most if not all of it will be purchased by the government. Before sending the packages, first advise me of the name and address of each sender, so that due application to customs can be made. " Comment. Gift packages, particularly drug shipments, are highly valued for the price the drugs can be E0 12958 3.4(b)(1)>2! sold on the blackmarket. It is the standard practice of the North Vietnamese authorities, however, to appropriate as much as ninety percent or more of such scarce goods, reimbursement for



CONFIDENTIAL

SANIFIZED

E.O. 12958, Sec. 3.6

NLJ 00-204

By 51, NARA Date 515-01

36-d

Wednesday, August 30, 1967

TEXT OF CIA REPORT

E0 12958 3.4(b)(1)>25Yrs

E0 12958 3.4(b)(1)>25Yrs (C)

North

E0 12958 3.4(b)(1)>25Yrs

(C

Vietnam does not reer a need for peace. He said North Vietnam advocated support of the four principles of the North Vietnamese and the five principles of the National Front for the Liberation of South Vietnam as a means to settle the war.

E0 12958 3.4(b)(1) 2860 (C)

E0 12958 3.4(b)(1)>25Yrs (C)

Regarding the effects of bombings of North Vietnam,

E0 12958 3.4(b)(1)>25Yrs

a. There was no restriction on the use of electricity in Hanoi.

b. On 12 August the Long Bien Bridge was

bombed and destroyed.

although the Ham Rong bridge had been attacked

700 times and was a twisted mess, it was still usable.

E0 12958 3.4(b)(1)>25Yrs

c. On 13 August two waves of bombers attacked saw an American plane snot down. E0 12958 3.4(b)(1)>25Yrs (C)

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the Hanoi area

E0 12958 3.4(b)(1)>25Yrs

d. Hung Yen Province,
South of Hanoi, peasants, almost all of them women
or children, were working the land in broad daylight in spite of
continuous and intense air activity overhead.

- e. There were no signs of a food shortage.
- f. All industrial plants had been evacuated from urban areas. The 38 spinning plant outside of Hanoi was running at 20 percent of its original capacity.

being transported at night. Unguarded missiles E012958 3.4(b)[1]>25Yr parked on roads.

in North Vietnam are mobile.

Haiphong
Harbor was filled with British, Italian, Greek and Chinese Communist E0 12958 3.4(b)(1)>2:
freighters.

Poland and repair trucks from Rumania being unloaded.

that if Haiphong Port were attacked, North Vietnam would suffer greatly.

took the same line as the North Vietnamese regarding the war.

[C]

[C]

[C]

[C]

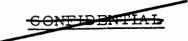
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SANITIZED

E.O. 12958, Sec. 3.6

NLJ 00-204

By 51 , NARA Date 5-15-01

360

Wednesday, August 30, 1967

TEXT OF CLA REPORT

E0 12958 3.4(b)(1)>25Yrs

Begin Text

E0 12958 3.4(b)(1)>25Yrs

June 30, 1967. Grandmother Nam Ha. is very old and weak now. You would not recognize her because she is so thin. I am still all right. I still work at the company, but E0 12958 3.4(b)(1)>25Yr: I have been evacuated to another place. My brother works at (C) a textile factory and has been evacuated with his factory to Lang Son Province, far away on the China border. He is only an apprentice, so he gets only 27 dong a month. It is only enough for him and he cannot send anything back to support grandmother. I make only 37 dong a month when there is much work, but then there is little work I get only 34 dong. That is my net pay, but when I am ill the company has to pay for my medical care, and when I have children I will get a family allowance. If they are ever sick the government has to take care of them too. We work for the government so we belong to the government and we are under government administration. We have sold all that we have to buy medicine for grandmother because she gets ill very often. Now we have only our salary to depend on, which is very sad. Moreover, the war is spreading all over the country and no one can feel secure in his life. Who knows whether or not I will die in the next minute. The American bombs and bullets make no distinction between persons, they threaten everybody.

Hanoi, June 29,1967. Our health situation is not very good, even though we are not really ill. My daughter is rather small and thin and she does not have a good appetite. My wife is also getting thinner and sometimes has to use medicine. Due to the difficult war situation, nourishing food is lacking and medicines are rare. Our only solution is to try and bear it.





Ha Bac, June 15, 1967. At present our family is meeting many material difficulties. Because our salary is just sufficient for ourselves, we really cannot afford to help father and mother. I try very hard to save money to help our parents, but it is still very scarce. As to the war situation, it is very hard. Living conditions are very poor because we have to reserve everything for the front. Our food is now composed of 70 percent rice and 30 percent wheat flour, and you know the nutritional value of wheat flour is very low. Living is very difficult.

Huong Phuong, May 30, 1967. These days mother is not as strong as before. Because we have been evacuated medicine is rather rare, and on the other hand, becuase of the war, food is not sufficient. Since we are engaged in a war, want is the common situation of everybody.

Viet Bac - Hanoi), May 20,1967. An evacuated student. In general our activities and studies are getting more burdensome. Not only do we have to concentrate on our E0 12958 3.4(b)(1)>254(Sies, but we also have to work to promote production. Specifically, we have to plant vegetables, raise pigs and poultry, etc. to support ourselves with food in this hard time. In the botany class we plant mushrooms for the whole faculty. According to science, one kilogram of mushrooms is more nourishing than one kilogram of fresh beef. This is why this is a very important task. In addition, we have to "make artificial meat." In a word, we try to make everything ourselves.



(C)

Wednesday, August 30, 1967

MR. PRESIDENT:

Bill Moyers called this morning about his proposal.

I told him we were all grateful for his willingness to pitch in; that you were thinking it over; that the major questions were whether:

- -- a piece by him would be regarded as an Administration hand-out;
- -- the rest of the press would regard it as unfair that he had access to special information.

He said:

- -- the article would not contain special information beyond what he would know from his time in the White House;
- -- he wished to come down to refresh his memory on dates and facts bearing on the situations at the time when you had to make key decisions == not to acquire fresh hot information not available to the rest of the press;
- -- he could, he believed, slip in and out of town quietly.

On balance, I am for letting Bill write the article because he is not viewed as a hawk and because he is in a position to say things about the situation you confronted in 1964 and 1965 which could clear away misunderstandings generated by Hilsman, Galbraith, etc.

W. W. R.

cc: George Christian

38 Presfile

TOP SECRET

Wednesday, August 30, 1967 9:50 a.m.

Mr. President:

You asked, the other day, for an account of where precisely the barrier program now stands. Attached is Bus Wheeler's response.

W. W. Rostow

-TOP SECRET

Memo for Mr. Rostow from Gen E. G. Wheeler, 29 August 1967 -- CM-2615-67, Top Secret

WWRostow:rln

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By Ag., NARA, Date 9-9-91

FOR SECRET



THE JOINT CHIEFS OF STAFF WASHINGTON 25, D. C.

29 AUG 1967

CM-2615-67

MEMORANDUM FOR MR. ROSTOW, SPECIAL ASSISTANT TO THE PRESIDENT

SUBJECT: Anti-infiltration System

Attached for your information is a brief paper on the antiinfiltration system being readied for Southeast Asia. Included are
statements on the background, concept and progress to date. Also
attached is a map showing the general location of the various
subsystems under consideration.

EARLE G. WHEELER Chairman Joint Chiefs of Staff

DECLASSINIED

B.O. 12356, Sec. 3.4

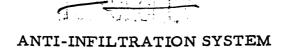
NIJ 94-301

NARA, Date 1-16-96

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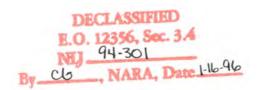


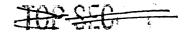
BACKGROUND

- 1. Project DYE MARKER is an anti-infiltration system currently being readied for employment to Southeast Asia as an additional means of impeding overland infiltration from North Vietnam into South Vietnam. This system is divided into two subsystems:
- a. A linear strong point/obstacle system to be installed just south of the DMZ, extending from the coast inland for 35 km.
- b. An air-supported anti-personnel and anti-vehicular system consisting of air-delivered sensors and specialized munitions which will be employed in the panhandle of Laos in the vicinity of the DMZ extended.

CONCEPT

- 2. Strong point/obstacle system.
- a. Current plans for the strong point/obstacle system include 23 km from the South China Sea to a point Southwest of Con Thien. The obstacles trace will be supported by six strong points. Backing up the strong points will be three battalion base areas. The obstacle system will be a combination of physical barriers, mine fields, and a passive sensor/detector system. Also associated with the obstacle trace, will be a series of observation posts and towers. Actual installation and manning of the system is to be accomplished by the tactical forces currently operating in the area. These troop units will man positions and conduct operations both forward and rearward of the obstacle trace, without being tied to fixed positions in a The manning force which is currently proposed is an ARVN Regiment in the east sector of the trace manning two of the strong points and one of the base areas, with a reinforced battalion at each. A USMC Regiment will man the remaining company strong points and battalion base areas.





b. Western Quang Tri Province will ultimately be developed according to the DYE MARKER plan. In this area a series of defile obstacles will be placed in likely infiltration corridors, supported by mobile forces in a series of strong points from Dong Ha Mountain to the border. The locations of the strong points are being determined by an analysis of the terrain.

3. Air-Supported Anti-Infiltration Subsystems.

- a. The anti-personnel portion is planned for installation initially in eastern Laos. Components consist of mines, warning bomblets, sensor devices, delivery, surveillance and strike aircraft. Sensors will be delivered in this area by fixed wing and helicopter aircraft and by PRAIRIE FIRE teams.
- b. The anti-vehicle portion is planned for use in Central Laos. Similar components will be employed and emplaced by fixed wing aircraft and possibly Laos CAS teams.
- c. Aircraft will monitor the sensor and mine fields emplaced in these areas for signals indicating infiltration and will relay these signals to the Infiltration Surveillance Center (ISC) at Nakhan Phanom, which is the heart of the Command and Control System. The ISC will assimulate and evaluate all of the information provided by the sensors and other sources and will recommend air strikes against those targets which have been validated.
- d. The DYE MARKER capability will be integrated into the existing command structure. The Commanding General, III MAF, will have operational control of the strong point/obstacle subsystem in I Corps. The Commander, 7th Air Force, using a special task group, will have operational control of the air-supported antiminfiltration subsystem as an extension of the existing STEEL TIGER task force. Close coordination between III MAF and 7th Air Force

2

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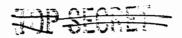
in areas of mutual interest will be accomplished through direct communications channels and exchange of liaison officers. SOG will provide direct support to 7th Air Force and will coordinate the use of PRAIRIE FIRE teams with the 7th Air Force Task Group through liaison officers.

- e. All programs are designed to protect the option of executing the DYE MARKER plan with the following initial operational capabilities:
 - (1) Strong points/obstacle system -- 1 November 1967.
 - (2) Air-supported anti-vehicle system -- 1 November 1967.
 - (3) Air-supported anti-personnel system -- 1 December 1967.

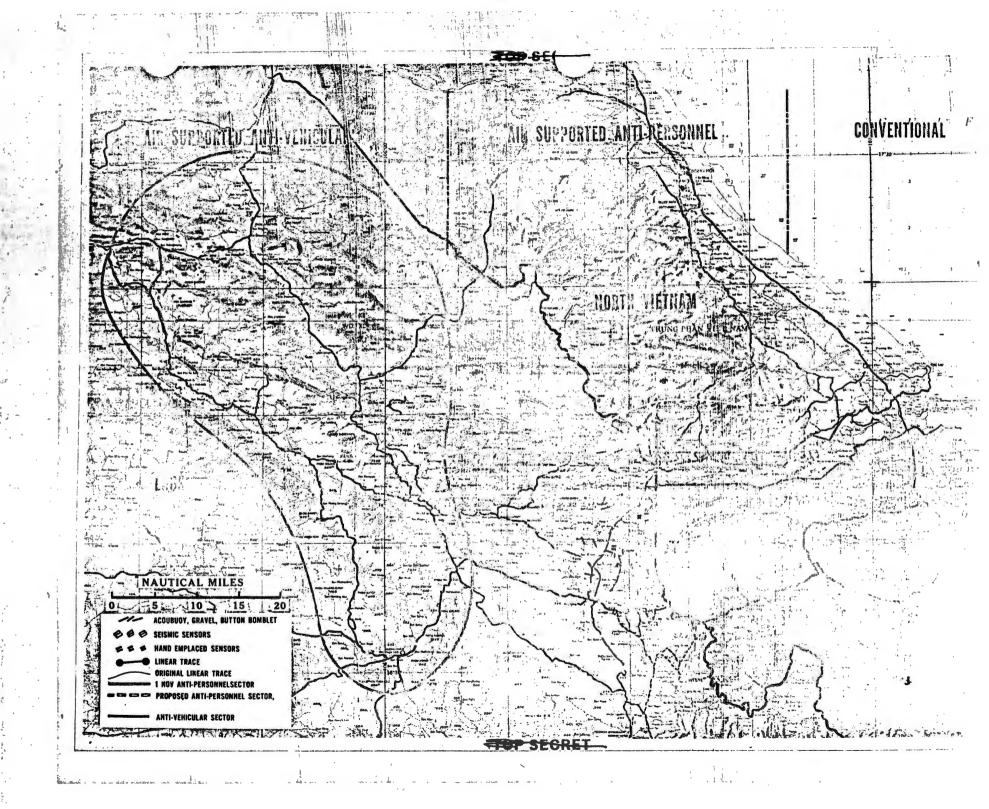
PROGRESS TO DATE

- 4. a. Vietnamese civilians in the vicinity of the strong point/
 obstacle trace have been relocated. A continuous strip of obstacle
 trace 600 meters wide between Con Thien and Gio Linh and east
 of Gio Linh to the flood plain, has been cleared of vegetation.
 Additionally, an area out to a radius of 500 meters has been cleared
 at the base camp positions at Con Thien and Gio Linh. Clearing of
 one other strong point area and two base areas is 20% complete.
 By 1 November 1967, it is planned to clear, construct and man four
 strong points and three base areas, and to complete a 13 kilometer
 obstacle system between Con Thien and the flood plain. With the
 end of the Northeast Monsoon season (Spring 1968), work is planned
 to construct two additional strong points west of Con Thien and to
 add 10 kilometers to the obstacle trace.
- b. Materials for the system are being procured and are already available in Vietnam in quantity.

3



- c. A wing (21 aircraft) of EC-121 aircraft is being converted for use in the surveillance role. A squadron (8 aircraft) of OP-2E aircraft is being converted for initial sensor delivery. In view of the vulnerability of OP-2E, plans are underway to develop a high-speed sensor delivery capability by F-4 aircraft. A-1 aircraft will be made available from theater resources and a squadron (18 aircraft) of F-4D aircraft will be made available at a later date primarily for use in delivery of sensor and munitions. 12 CH-3C will be used for sensor emplacement, supported by 12 UH-1B gunships.
- d. First generation acoustic and seismic sensors are in production and are under test at Eglin AFB. There are some problems in sensitivity and vulnerability to enemy countermeasures in the early equipment. Substantial improvement is expected in the second generation equipment.
- e. Varying types of bomblets are being developed for warning and area anti-personnel mining. Early versions should be available in adequate quantities by 1 November 1967.
- f. 7,578 personnel have been approved for deployment to South Vietnam in support of DYE MARKER strong point/obstacle system. Deployments will be completed by 1 November 1967. An additional 4,080 personnel have been approved in support of the air-supported anti-infiltration system.



NARA, Date 10-26-95 August 30, 1967

I Pur ple 3

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting Today With Yugoslav Foreign Minister Nikezic (7:00 p.m. -- assuming his 5:45 landing at Dulles is not delayed)

Secretary Rusk's briefing paper is at Tab A.

It seems clear that T to's message is the first gun in a world-wide consultative campaign. Reportedly Nikezic plans to deliver another message to Thant after seeing you, and other Yugoslav officials are fanning out to call on De Gaulle, the Africans, the Maghreb Arabs and even some Latin Americans. Yugoslav Ambassadors will deliver letters to Wilson, Kosygin and others.

The outlines of Tito's proposal will probably be the following:

- -- Israeli withdrawal to the June 5 lines (which Israel is now unwilling to do, at least in Jerusalem).
- -- De facto Arab recognition of Israel's existence (but not explicit acceptance of this).
- -- An end to belligerency (permitting passage through the Straits of Tiran, but no recognized rights through Suez, at least until after withdrawal).
- -- Great Power or Security Council guarantees of the settlement (ignoring the need for the parties to the conflict to work out and accept a settlement).
 - For refugees, compensation or the right of return.

The Yugoslavs will probably be fuzzy on the linking of withdrawal on the one hand and an end to belligerency and recognition of Israel's existence on the other. It is already clear the Yugoslavs are not proposing a formula we can accept.

Talking Points:

- 1. Hear Nikezic out. Say we shall carefully consider President Tito's proposals (without encouraging him to believe he is likely to get our blessing).
- 2. Refer to the five principles set forth in your June 19 speech which remain the heart of our position.

- 3. Suggest that President Tito consider ways we could work together to limit the shipment of arms to the Middle East.
- 4. Say we seek peace in the Middle East, not just another armistice. This will require us -- including the parties involved -- to deal with Israel's right to exist free of claims of the belligerency at the same time we deal with the question of withdrawal.

Secretary Rusk can follow up with Nikezic after we have studied Tito's message -- as they are having breakfast together tomorrow morning. Nikezic sees Ambassador Goldberg on Tuesday.

Luke Battle and Ambassador Elbrick will accompany Nikezic (prounced Neek-eh-zich) and Yugoslav Ambassador Crnobrnja (Sir-nah-bir-nyah).

W. W. Rostow

Attachment As stated

cc: Mr. Saunders

WWR:ND:HS:gg

SECRET

THE SECRETARY OF STATE WASHINGTON

39a

August 30 1967

SECRET-EXDIS

MEMORANDUM FOR THE PRESIDENT

Subject: Discussion with Foreign Minister Nikezic on Middle East

Foreign Minister Nikezic is expected to inform you of the results of Tito's recent discussions in the UAR, Syria, and Iraq, and may outline specific ideas for "next steps" at the United Nations. Tito is reported to have returned optimistic about finding a political solution; he apparently bases this on the fact that the UAR seems to be favorably disposed to finding a settlement. We expect the Yugoslavs to be very active at the UN over the next few weeks, as they were during the past Special Emergency Session, and the formula which they seem to have in mind is based on: (a) withdrawal of Israeli forces; (b) some vague form of de facto recognition of Israel's right to exist; (c) freedom of passage through the Straits of Tiran, but not Suez; and (d) some form of international guarantee of the situation that existed before the recent hostilities broke out.

From the Israeli point of view, the Yugoslav ideas will be considered to have one major flaw: failure to recognize the need for <u>simultaneous</u> action on Israeli withdrawal and Arab renunciation of belligerency and acceptance of Israel's right to exist. In addition, the Israelis will have serious reservations about any formula which does not provide for agreement between themselves and the Arabs on border and security arrangements.

SECRET-EXDIS

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-299

By NARA, Date 12-15-94

RECEIVED ROSTOW'S OFFICE

1967 AUG 30 PM 5 50

SECRET - EXDIS

- 2 -

Nevertheless, to the extent to which Tito has been trying to move the Arabs to face reality, the Yugoslav effort could be helpful, even though its principal objectives are to build up Tito and extricate Nasser from a difficult situation. Nikezic has asked to see Goldberg next Tuesday in New York to discuss more fully possible next steps at the UN. I suggest therefore that in your conversation this evening you might include several of the following points:

- 1. We appreciate President Tito's efforts in trying to contribute to a peaceful solution of the Middle Eastern crisis. We want friendly relations with all countries in the Middle East and, within the framework of the principles you stated on June 19, we intend to continue our best efforts to find a just and lasting solution. In keeping with these efforts, we will give careful consideration to any thoughts President Tito might have.
- 2. We seek peace in the Middle East, not just another armistice. We foresee difficulties with any formula which does not simultaneously deal with the question of withdrawal and the right of Israel to exist as an independent state free of claims and acts of belligerency. We see difficulty also in achieving a durable and lasting peace unless the border and security arrangements are a result of mutual agreement. Neither Israel nor the Arabs want any formula imposed, and for this reason we believe the search should be directed towards viable arrangements acceptable to the parties directly involved.
- 3. I am having breakfast with Nikezic tomorrow and Ambassador Goldberg is meeting with him next Tuesday which will afford further opportunity for continuing the talks.

Dean Rusk



Wednesday, August 30, 1967

MEMORANDUM FOR THE PRESIDENT

Mr. President:

Attached is the daily situation report on Viet-Nam political situation.

W. W. Rostow

Att.

-SECRET-EXDIS Attachment

40 a

Viet-Nam Political Situation Report

August 30, 1967



Ky made an appearance with presidential candidates or their representatives before a large crowd in Hue. The crowd was unsympathetic and at times hostile to Ky.

Huong held a press conference on August 29 in Saigon and made the following major points:

- 1. The campaign has proceeded normally despite the great discrepancy between the means available to the Thieu/ Ky slate and those available to the other slates;
- 2. Pressure and intimidation by local authorities against civilian campaign workers has declined as a result of denunciations by Huong and other candidates;
- 3. The reduction of pressure tactics does not mean that the elections will be entirely honest; and
- 4. The elections hopefully would be an opportunity to unite rather than further divide the nation.

,5(c) ,3.4(b)(1)

A reliable source.

Thieu/Ky slate is elected, Ky will wield more power than Thieu only as long as he behaves properly toward Thieu. The Generals do not expect any difficulty in this arrangement, the source said, but if friction should develop at a later date the "inner circle" will be forced to make the necessary adjustments. The inner circle of Generals is supporting Ky's former vice presidential running mate, Nguyen Van Loc, as the best man to be Prime Minister. Thieu has said that he will withhold judgment until he knows Loc better, and we understand he may have in mind as alternative candidate. The inner circle assumes that Thieu will eventually accept Loc. Loc is a Southern civilian lawyer, respectable but undistinguished.

SECRET EXDIS

SECRET-EXDIS

-2-

A CIA assessment concludes that the Viet Cong regard political development in South Viet-Nam as a serious threat to their objectives. The assessment points to strong evidence that the Viet Cong are making a serious and sustained effort to disrupt the forthcoming elections. The VC plans to do so are basically the same as those used against earlier elections and involve propaganda, terrorism, harassment and military activity, time to occur during the immediate pre-election period. There has been an increase in VC incidents in this immediate pre-election period, and the VC are enjoying somewhat greater success than during the Constituent Assembly election last year. Nonetheless, the Embassy believes VC efforts will probably not have a significant over-all effect on the elections.

The Mayor of Saigon has expressed concern that defeated candidates and the militant Buddhists may join forces to foster civil disturbances in the post-election period.

-SECRET-EXDIS

Meeting With the President Tuesday, August 29, 1967, 6:00 pm

AGENDA

- Bombing Policy. (Sec. Rusk and Sec. McNamara)
 - The issue of Phuc Yen Airfield is still unresolved, as well as the other additional targets you requested.
- 2. Accelerated Ground Action in Viet Nam. (Sec. McNamara) Interim report on possibilities.
- 3. Moss Committee and Our Reply. (Sec. Rusk)
 - Sec. Rusk, at your request, has taken this matter in hand and will report.
- "Negotiate Now" Meeting in Department of Interior Auditorium. (Sec. Rusk) Sec. Rusk wishes to raise an issue with respect to this meeting.
- 5. Other.

W. W. Rostow

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

White House Guidelines, Feb. 24, 1983

DECLASSIFIED

By A.g., NARA, Date 9-4-9!

WWRostow:rln

MR. PRESIDENT:

Herewith Dick Helms' personal evaluation of the effects of bombing in the North.

He will submit shortly two supplementary papers:

- -- on the North Vietnamese manpower problem;
- -- on direct and indirect limitations on operations against the South imposed by the bombing.

W. W. R.

-SECRET attachment (CIA paper 29 Aug 67 "Effects of the Intensified Air War Against North Vietnam")



CENTRAL INTELLIGENCE AGENCY WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

DECLASSIFIED E.O. 12356, Sec. 3.4 NLJ 94-297 By 15-95

29 AUG 1967

MEMORANDUM FOR: The President

SUBJECT

Effects of the Intensified Air War Against North Vietnam

SUMMARY

The intensified air war against North Vietnam has shown increased effectiveness in several ways:

(1) the cost of bomb damage in the past four months almost equals the total damage inflicted in 1966;

(2) most of modern industry is now at a standstill, thus neutralizing a decade of economic growth; (3) the rail transport system is now coping with its most serious disruption to date; (4) the port of Haiphong is confronted with a growing resupply burden; and (5) the regime has been forced to adopt a more rigid evacuation program, now involving essential as well as non-essential activities and personnel. At the same time, however, Hanoi continues to meet the needs of the Communists in South Vietnam and essential military and economic traffic continues to move.

SECRET NO TURE

- 1. Since March 1967 over 10,000 attack sorties per month have been flown against targets in North Vietnam, compared to 6,500 per month during the same period in 1966. An increased hammering is being given to the more lucrative targets in the north. During January-March 1967, less than 10 percent of all attack sorties were flown in Route Package VI; in July the share had increased to 33 percent. Since March, 78 important targets have been struck for the first time, including 25 SAM sites and 29 targets within 10-mile radii of Hanoi and Haiphong.
- 2. The intensified air war has increased North Vietnam's economic losses and compounded management and logistical problems. The direct cost of damage to economic and military targets during March-July 1967--about \$110 million--was almost equal to the total damage inflicted in 1966.
- 3. Damage to electric power generating facilities has been particularly severe and brought much of the country's modern industry to a standstill. All of the central generating plants in the main Hanoi-Haiphong

network, with the exception of the Hanoi plant itself, have been out of service since early June.

- 4. The country's only cement plant and its only metallurgical plant have ceased production because of bomb damage and the loss of electric power supply. One of the two major textile plants has been heavily damaged; production in the small fertilizer and chemical industry has been curtailed and paper production has been reduced by 80 percent. Thus, many achievements of a decade of industrial growth have been neutralized and, in some cases, lost.
- 5. During recent weeks the main thrust of the air attack has been against key bridges and LOC's in the Hanoi area. The vital rail line2 to China and Haiphong were particularly hard hit. Attacks on the Doumer Bridge and the rail bypass over the Canal des Rapides have effectively limited through rail traffic from China to a rail ferry bypass around the Doumer Bridge. This bypass has been seeded with magnetic influence bombs. The combination of these measures has resulted in the most serious disruption

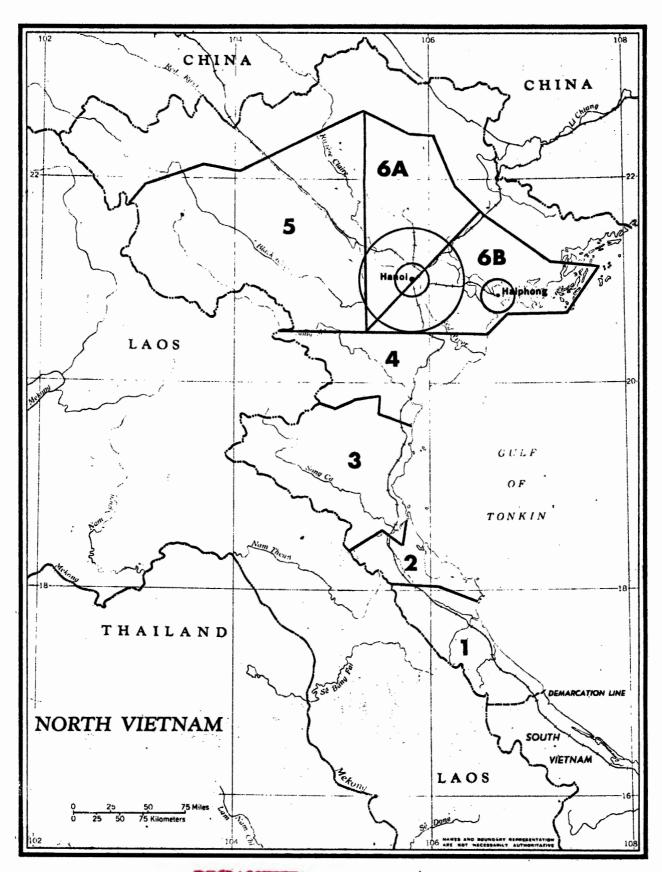
to the rail system since the start of the bombing. Although essential military and economic traffic continues to move, this effort is taxing the system heavily and is done with far more difficulty and cost than previously.

- 6. Much of the resupply burden is being handled at the port of Haiphong where port congestion has increased significantly. The time required to unload ships has doubled in the past few months. These delays result from the sharp increase in imports since March, reflecting in large part the material requirements imposed by the air attack and the use of the Haiphong sanctuary area for mass storage of supplies.
- 7. Reports from Hanoi indicate that the evacuation program is now being enforced more rigidly. A recent order reportedly now in effect repeats earlier directives calling for the removal of children and non-essential personnel as well as the personnel of all small industries and handicraft cooperatives, merchants, and their families. More significantly, the new order also calls for some large state

enterprises and ministries to begin evacuation. Thus, there is now a much greater emphasis on evacuation of essential as well as non-essential activities from the Hanoi area, with all its attendant negative effects on productivity and public morale.

8. Despite the increasing hardships, economic losses and mounting problems in management and logistics caused by the air war, Hanoi continues to meet its own needs and to support its aggression in South Vietnam. Essential military and economic traffic continues to move.

Richard Helms Director



DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94-297

By , NARA, Date 3-15-95

Pre- file

SEGRET

Tuesday, August 29, 1967 -- 5:20 pm

Mr. President:

This remarkably relaxed conversation between two members of Bill Foster's staff and two Russians siggests:

- Any arms supply agreement on the Middle East will be slow and implicit -- not formal.
- There is a better possibility of movement on ABM's and that Bob McNamara should write a letter to his opposite number, Marshal Grechko, if he has "something new to offer."

W. W. Rostow

Geneva 640

DECLASSIFIED

-SECRET-

WWRostow:rln

Tuesday, August 29, 1967

TEXT OF CABLE FROM AMBASSADOR TUBBY (Geneva, 640)

SUBJECT: Informal Views of Soviet Diplomats on Arms Control Measures

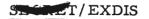
Bunn and Gleysteen had an informal outing with Antyasov and Shustov on August 27. The latter two were more communicative and easygoing than during the six-week period preceding the tabling of the Non-proliferation Treaty. The following subjects were touched upon:

Arms Transfers. We expressed the necessity for finding some form of joint approach to limit arms transfers to the Middle East, recognizing the ideological difficulties for the Soviets. We particularly urged the registration of arms traffic to the Middle East. Shustov said the Soviets would like to respond, but political considerations are paramount. He considered arms registration procedure as an ineffective method to reduce arms shipments to the Middle East, because this would not stop shipments, ut nevertheless entail compromising political costs for the U.S.S.R. The Soviets would thus get nothing out of such a procedure. He and Antyasov were of the opinion that the best approach was agreed self-limitation by the users, but they readily recognized this has no prospects of success in the near future. They thought the supplier agreement might be workable, but this also fraught with political difficulties, such as how to get suppliers like Communist China, Germany, and Italy included. The Soviets exhibited an interest in continuing the discussion of this subject but made it plain that the going would be slow and any agreements would have to be of a tacit nature. Shustov observed that, in any event, what is shipped to the U.A.R. is known by Israel, and vice versa.

Delay in Non-proliferation Treaty Tabling. Antyasov lamely said that the delay was due to vacations and the Middle East

SECP 1 EXDIS

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By NARA, Date 5-11-60



crisis. Shustov said he could not volunteer any explanation but the issue is extremely complex. Both Soviets later suggested that Communist ideological issues were decisive. They said the Soviets recognize the need for arms control measures with the U.S., but these would be most difficult to implement in view of Vietnam. Although the Soviets were prepared for a Chicom propaganda onslaught, in practice they find it exceedingly difficult to swallow.

AMB's. Shustov said there is a much better chance to getting U.S.-Soviet agreement on this than on conventional arms transfers. He said that the situation should be considered in the context of dialogue on how to prevent accidental nuclear war on a surprise attack. He hastened to add that the surprise attack issue had changed fundamentally since the 1958 conference. A delegation officer recalled the Soviet 1966 suggestion of a letter from the U.S. to the Soviet Defense Minister. Shustov thought it might be useful if Secretary McNamara addressed a letter to Marshal Grechko on this subject, "provided McNamara has something new to say."

Communist China. We queried the Soviets about events in China. One of them said we should read the recent article of Italian Communist Party L'Unita on this subject which was similar to their views. The source said that there was organized opposition to Mao Tse-tung in Peking and implied that the U.S.S.R. is in touch with that element. He thought "Thoughts of Liu Shao-Chi" were genuine Liu quotations.

Article III. The Soviets said they wanted to reach a rapid solution of this outstanding issue. They said the Article should be simple and straightforward. Our draft Article III was too long and ambiguous. The Soviets would prefer their Article III with changes to take account of known problems, but they said it would be a waste of time to start talking on the basis of the Article III we submitted to them on April 25. The Article III could be worded to allow scope for EURATOM problems. They said the Soviets will stonewall and would not be embarrassed about the issue of inspection of their peaceful nuclear installations. They said in the scientific world, the Soviet facilities are well known through frequent scientific exchanges. The sources said the Soviets will argue their case on this basis, as

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well as on the well-known Soviet position that the inspection of nuclear weapon states is not necessary for the purpose of the Treaty.

Fanfani Proposal. Shustov described the Fanfani proposal regarding a cheap price for fissionable materials as an example of "Imperialism of the Poor." (This is a quotation from Lenin applying to Italy.)

Tuesday, August 29, 1967 4:45 p.m.

MR. PRESIDENT:

Herewith a report of my conversation today with Evron.

W. W. R.

SECRET attachment

MEMORANDUM

THE WHITE HOUSE

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-298

By 4-29, NARA, Date 10-24-95

SECRET

August 29, 1967

MEMORANDUM OF CONVERSATION

Minister Evron came in, at his request, to make two points on direct instruction from Foreign Minister Eban.

1. The Macomber letter to Senator Fulbright of August 15, 1967

Eban respects the candor of our response to question 2 relating to commitments in the Middle East. He notes, however, the narrowness of our interpretation of our commitment to Israel. In the light of that statement he observes that Israel cannot be assured beforehand of help from the U. S. in case of attack. In his judgment, it follows that:

- -- the U. S. should continue its support for Israel in its search for a secure peace settlement as the only realistic and safe alternative to the present situation; and
- -- the U. S. should accept a responsibility for insuring a flow of necessary arms to Israel.

Evron also noted that the narrowness of this statement of the U. S. commitment to Israel could prove "pernicious"; that is, it might encourage the Arabs and the Soviet Union to engage in future aggression against Israel.

2. The UN Resolution

The heart of the Israeli objection to the joint U. S. -Soviet resolution is its implication that Israel must return to the territories occupied on June 4. Even in exchange for a peace treaty Israel is not prepared for a simple return to the June 4 boundaries. What Israel will seek by agreement with the Arabs are "secure" boundaries, in addition to maintaining the unity of the city of Jerusalem. When I noted that we had not accepted the June 4 date in the UN resolution, Evron said the resolution still contained the language: "withdrawal from all occupied territories." He said that the Israeli Government was quite content with the carefully designed language used by the President with respect to boundaries, most recently in his communication with Tito; but it was essential that the U.S. position in the UN not clash with the President's formula of "secure and agreed borders."

Egypt

In the course of a general conversation on events in the Middle East over

the last month, Evron noted that their information about the political situation in Cairo was not very good. It was his feeling, however, that three forces were at work, all pushing Egypt towards a more moderate position:

- -- the economic situation;
- -- a growing feeling among Egyptians that they were becoming excessively tied to Moscow and losing their independence; and
- -- a deep struggle for power which Nasser could not or would not control -- evidenced by open polemics in the Cairo press usually tightly controlled.

w. R.

Distribution: The President

Harry McPherson Hal Saunders

SS--for distribution

free file

TOP SECRET -- RESTRICTED DATA

Tuesday, August 29, 1967 3:05 p.m.

Mr. President:

You may wish to see this letter to Bob McNamara in which I raise the question (para. 2) of a bare announcement of a thin ABM system rather than a long speech.

W. W. Rostow

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By 1997, NARA, Date 9-4-91

THE WHITE HOUSE

WASHINGTON

August 29, 1967

Dear Bob:

Herewith some quite informal comments on your draft speech.

I make these with real diffidence, since your experience in expounding these matters -- before the Congress and elsewhere -- is so extensive and mine is so limited. I doubt, in fact, whether I shall be raising any points that you have not already considered and ruled on for good and sufficient reasons. Nevertheless, for what they may be worth, my reactions.

- 1. I do not wish to fight the problem of an early announcement; but, on the whole, I feel it would be better if it could be delayed until it were embedded in your massive total presentation to the Congress via the Defense budget. The reason is that a speech of this kind cannot do full justice to the reasoning; but it does leave open rather starkly some of the debating issues which, as today's Congressional Record indicates (pp. H 11369-70) are already before us. Matters like the "megatonnage gap" may be better dealt with at greater length with more numbers.
- 2. If it is judged that the announcement should be made soon rather than late, perhaps a simpler statement of the decision to go ahead with a thin system might be preferable. The statement would simply say that we are proceeding with a thin system to protect against a future act of Chinese irrationality, with benefits for protection of our MINUTEMEN. Both consequences should make our nuclear umbrella more reliable to our Allies. We shall be pursuing ABM/ICBM discussions with the Soviet Union, should they be willing. The point is that the simple decision to proceed should ease the pressure on the President on the nuclear question; but some of the surrounding argument in the full text may prolong and heighten the debate.
- 3. With respect to the \$4 billion cost, the time period of the outlays should be indicated and the compatability of such expenditures with adequate resource allocations to the domestic economy. To the extent that we can, it would be desirable to minimize the pressure from those who feel that Viet Nam plus ABM's must necessarily starve welfare outlays.
- 4. Following are some specific notations which, I confess, have been stirred to some extent by a reading of the attached paper of Ray Garthoff's,

which you undoubtedly know. From my limited knowledge of the numbers racket approach to the strategic balance, I sense we are on firmest ground when we simply state flatly what our capacity for human and material destruction is in the face of a Soviet first strike. When we move off that proposition into numbers of weapons, delivery vehicles, and megatonnage, we enter an unreal world where debating points can be scored on either side and where arguments become sensitive to such issues as:

- -- the exact time period referred to;
- -- whether Soviet weapons targeted on our Allies are taken into account;
- -- what the penetration capabilities are believed to be for our aircraft; etc.

Specific:

a. page 3, line 16

The "worst case" really means the "worst plausible case." No opportunity should be given to those who would dream up a case unreasonable and improbable and argue that our security should be adequate to deal with it.

b. page 6, line 6

Do we have "massive superiority over the Soviet Union?" There are those who would confuse the argument by debating this point.

In addition, use of the word "increase" in this context would open the debate on whether our relative strategic position vis-a-vis the Soviets is now on the uptrend.

c. page 6, line 15

Should mention be made of the fact that in the 50's a massive preemptive first strike on the Soviet Union could probably have resulted in substantial U. S. civilian casualties?

d. page 7, line 13

Do we have a substantial superiority over the Soviet Union in terms of gross megatonnage? Does gross megatonnage include Soviet missiles targeted on our NATO forces or allied forces? Unless there is no doubt, should debate be invited on this subject which again is beside the main point?

PRESERVATION COST.

e. page 8, line 7

If we say flatly that the U. S. currently possesses a superiority over the Soviet Union of at least four to one, do we not make it more difficult for the Soviets to consider a freeze by publicly claiming such a tremendous military superiority? Does this not give opponents of existing deterrent policy an opportunity to argue for the reduction of our existing nuclear forces?

f. page 8, line 15

Should not a check be made of all earlier statements in order to be sure that no problem is caused by using, in the present situation, the phrase "greater than we had originally planned?"

g. page 9, line 20

Does it not cause problems in justifying the present increase in our forces if we flatly say that such forces would not be needed if we knew more about planned Soviet strategic forces?

h. page 17, line 8

Do we know that the individuals listed have not changed their positions? If we list them as authorities on this problem, should we not take into account the possibility that some of them will probably oppose the proposed deployment?

Finally, a small point on page 18. I presume the second sentence in the fourth full paragraph should begin, "Should these talks not come about -- or fail -- we are fully prepared, etc...".

All the best,

Yours,

W. W. Rostow

Honorable Robert S. McNamara Secretary of Defense The Pentagon - Room 3E880 Washington, D. C.

Enclosure - Copy of TOP SECRET-RESTRICTED document



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FROM:	G/PM -	Raymond	L. Garthof:	e (M)P			
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GROUP 1 EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION

FORMERLY RESTRICTED DATA Unauthorized disclosure subject to Administrative and Criminal anctions. Handle as Restricted Data in Foreign Discernination Section 144.b., Atomic Energy Act 1954.

SANITIZED E.O. 13292, Sec. 3.5 NLJ 00-205 By is, NARA, Date 12-8-04 4. The US has only a 2 to 1 superiority in ICBMs over the USSR.

(6)(5)

vs. USSR launchers (US plus the fact 145 of the Soviet operational launchers are soft and have a refire capability,

5. By late 1969 the USSR will have as many operational ICBMs as the US

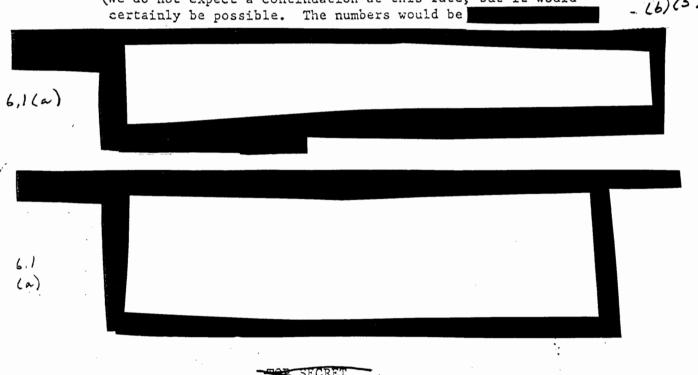
(Assuming continuation of the current Soviet rate of starting construction of new ICBM launchers, by September 1967 they will have started construction of TCBM launchers, and by late 1969 that number will be operational. The US is not planning to build any additional launchers beyond the now in advanced stage of construction and indeed plans to phase out the

3,3 (b)(5)

6. By 1976, with no increase in the rate of ICBM launcher construction, the USSR could have a 4 to 1 superiority over the US in ICBM salvo.

> (We do not expect a continuation at this rate, but it would certainly be possible. The numbers would be

3,3 - (6)(5)





6.1 (a)

10. In missile payload delivery ("kilopounds", or weight of reentry warheads) the USSR already has a superiority of over 3 to 1, and this superiority will increase.

(The US

vs. USSR

in mid-1967, with the Soviet ICBM force increasing by nearly by 1970.)

3,3 (b)(5,

11. The US and NSSR have strategic parity.

(Apart from particular existing and prospective advantages in strategic forces and capabilities on either side, both the US and USSR now have and will continue to have secondstrike capabilities adequate to deter any deliberate attack by the other. This of course depends on each side exerting certain efforts to ensure the continuance of its secondstrike capability, but both are virtually certain to do so in the eyes of each other, even though some on each side will feel still more should be done in one or another respect.)

TOP SECRET

Missile Launching Submarines

1. The US has a 6 to 1 superiority over the USSR in submarine launched ballistic missiles.

(The US has launchers in completed submarines, while the USSR has only Not all of our ships are at sea, but an even smaller proportion of the Soviet ballistic missile fleet is ever at sea.)

3,3 (b)(5)

2 The US has only a 1.5 to 1 superiority over the USSR in submarine launched missiles.

(While the US has missiles, the U oR has ballistic missile launchers and cruise missile launchers on operational submarines as of mid-1967.)

3,3, (b)[5]

3. The USSR has a better than 2 to 1 superiority over the US in missile launching submarines.

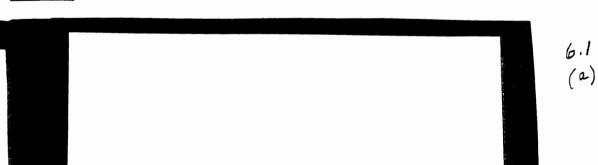
(The USSR at present has ballistic missile launching submarines and cruise missile launching submarines, while the US has submarines and cruise missile launching submarines in commission.)

3,3 (b) (5,

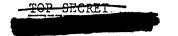
4. By 1976, the USSR will have a superiority of at least 3 to 1 over the US in missile launching submarines.

(By 1976, it is estimated that the USSR will have missile launching submarines; if present building rates continued, they would have submarines. The US is not presently programmed to have more than the submarines.)

3,3 (b)(5)



TOP SECRET



Strategic Bombers

1. The US has better than a 2.5 to 1 superiority over the USSR in the number of heavy bombers.

(At present the US has while the USSR has heavy bombers, including about used as tankers.)

2. The USSR has a superiority of 3 to 2 over the US in strategic bombers.

(At present, the USSR has medium bombers, while the US has and and operational

Anti-Missile Defenses

1. The US is ahead of the USSR in anti-missile defenses.

(It is generally agreed that the system as presently devised would have superior performance to the current Soviet ABM system or systems.)

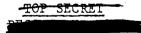
3,3 (b)(5)

3,3

2. The USSR is ahead of the US in anti-missile defenses.

(The US has not started to deploy any operational antimissile system, whereas the USSR is deploying the GALOSH system around Moscow, some elements of which probably will become operational this year; in addition, some would include the TALLINN system now being widely deployed in the Soviet Union. At the present time, the Soviets are building about 100 GALOSH launchers and nearly 600 TALLINN launchers; for comparison, he postulated "light" US ABM deployment would have about

3,3 (b)(5)





Medium and Intermediate Range Missiles

1. The USSR have a 20 to 1 superiority over the US in medium and intermediate range missiles.

(The USSR has MREM/IRBM launchers, while the US has only launchers. Of course, since the US has MRBM/IRBM deployments, comparison could be expressed as over

3,3 (b)(5)

Aircraft Carriers

The US has a 15 to 0 superiority in attack aircraft carriers.

(The Russians are now building two possible helicopter carriers, but they have never had and have no known interest in acquiring attack carriers.)

General Purpose Forces

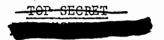
1. The US has the largest armed forces in the world.

(In 1966, the US armed forces passed the Soviet armed forces in personnel strengths; now 3.35 to 3.25 million. Communist China remains third with 2.5 to 3.0 million men. The US last had the largest armed forces in the world in 1945, when we had 12.30 million to the Soviet 11.36 million.)

- 2. The US and its NATO, SEATO and CENTO Allies have a combined superiority over <u>all</u> Communist powers (including China and Cuba) of over 8 million to about 7.5 million men under arms.
- 3. NATO has larger armed forces than the Warsaw Pact.

(In overall personnel strengths of the member states, wherever deployed worldwide, NATO members have over 6 million men while the Warsaw Pact has under 4.25 million.)





5. The USSR has 143 divisions to the US 17.

(Total numbers of Army divisions.)

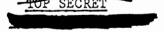
6. The USSR has only 56 divisions compared to the US 22 divisions, and the US divisions are 50% larger and have twice the staying power.

(This counts only Category I Soviet divisions, omitting the 48 understrength--60 to 75%--Category II divisions, and the 39 mobilization cadre--only 10 to 30%--divisions; it also counts the 4 US Marine divisions and 1 Army division equivalent.)

Copies To:

G/PM Mr. Kitchen INR Mr. Hughes S/P Mr. Owen EUR Mr. Stoessel DOD/ISA Mr. McNaughton CIA/ONE Mr. Sherman Kent ACDA - Lt. General Davis White House - Mr. Nathaniel Davis

G/PM:RLGarthoff:pep





Tuesday, August 29, 1967 -- 2:15 p.m.

Mr. President:

General Taylor dropped in today and we discussed further his idea of organizing a group of responsible officials to be available to lay out the facts on Viet Nam to responsible leadership groups in various parts of the country, after the Vietnamese election has taken place and a government has been formed.

As we discussed this proposal General Taylor would now expand it into a team which we would make available not only to these regional groups but to all the potential Presidential candidates and to key Senators and Congressional leaders as well. We agree that the facts laid out wholly and soberly indicate that this war is being won in Viet Nam. We agree that the hope of Hanoi and the danger to our cause is in the U.S. We agree that the thing our people most need is confidence that we are on a winning track.

I know how much briefing you have personally done with the press, Senators, etc. And there is no substitute for a certain amount of this kind of direct talk by the President. On the other hand, the issue of understanding and support for our Viet Nam policy is so critical that I now believe, even more strongly than when I sent up General Taylor's memorandum, that you should get this kind of team organized; arrange that its materials be regularly updated from Saigon and all Washington sources; and put it on the road . shortly after the Vietnamese election.

W. W. Rostow

cc: Gen Taylor

WWRostow:rln

Tuesday, August 29, 1967
2:15 p.m.

Purfule

-GONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Tito's Message

The Yugoslavs have just told us (Tab A) that Foreign Minister Nikezic is coming to Washington tomorrow evening to deliver a personal message from Tito. The message will be an answer to your letter, and will discuss Tito's talks with Nasser and other Arab leaders.

So far as we can tell, Tito's proposed terms of settlement will not meet Israeli terms; and it is by no means clear that Tito will play a large role in a settlement.

Nevertheless, his moderation is an asset at this stage; and he is clearly anxious to convey his reflections to the President via his Foreign Minister.

I am, of course, conscious of your desire to minimize all but the most essential meetings. But, on balance, I believe you should see him because:

- -- he is conveying a response to a Presidential message;
- -- he is a Foreign Minister;
- -- the issue is the Middle East.

Are you willing to receive Nikezic on Thursday? (He will be accompanied by Ambassador Crnobraja -- whose credentials you are scheduled to receive the day before along with those of the Jordanian.)

W. W. R.

No	DECLASSIFIED E.O. 12356, Sec. 3.4 NEJ 94-298 By NARA, Date 10-26-95
Speak to me	

TEXT OF CABLE FROM CHARGE TOBIN (Belgrade, 636)

SUBJECT: Tito Message to the President

I was received at my request at 5 P. M. today by acting Foreign Minister Dimitrije Vosnjak. Vosnjak expressed regret that Deputy Foreign Minister Pavicevic had been unable to receive me owing to his consultation the past week in Brioni, and his departure this afternoon for Kranj to see Tito prior to taking off on an extensive tour of the non-aligned capitals in Africa. Foreign Minister Nikezic is still on leave.

Vosnjak informed me a personal message from Tito to President Johnson was being sent to Washington. Although Vosnjak had not seen the message, he described it generally as covering Tito's conversations in the UAR, Syria, and Iraq and setting forth the Government of Yugoslavia point of view on ways to approach a political settlement in the Middle East. The broad lines of such settlement, he said, as already foreshadowed in Tito's public statements, require:

- (1). Is raeli withdrawal to pre-June four borders, and;
- (2). some form of guarantee of security of all states in region.

Vosnjak said Tito had returned from his Middle East trip in an optimistic mood. This attitude is based on the fact that Nasser had demonstrated a realistic and understanding approach to matters in his discussions with Tito, including agreement with the Yugoslav view that all states in the area have a right to exist. According to Vosnjak, one of most important conclusions drawn by the Yugoslavs from the visit is that Arab leaders are thinking in terms of a realistic solution to problems, although extremists on both sides will make the attainment of a political solution difficult. The duty of both our governments, he said, is to overcome extremist opinions to facilitate a solution.

When I asked whether the Government of Yugoslavia anticipates taking action within the United Nations framework in search of a political settlement, Vosnjak replied no concrete answer can be given at this time. An exchange of messages with certain chiefs of state as well as consultations with other Eastern, non-aligned and Western powers may suggest realistic steps that might be taken in the future. Since Vosnjak was either unable or reluctant to discuss the detailed thinking of the Government of Yugoslavia on the Middle East settlement of contemplated actions, I did not press him further. However, he did in response to my question indicate that in addition to personal letters to chiefs of state of the great powers, Tito has addressed a letter to U Thant, sent Pavicevic to inform non-aligned colleagues in Africa, and instructed Ambassadors elsewhere to inform host governments of the substance of his Middle East conversations and current Government of Yugoslavia thinking.

Tito is sending Foreign Minister Nikezic to deliver his letter to the President. Tito is designating Nikezic as his special envoy for this purpose. He had previously planned to have it delivered by the new Yugoslavian Ambassador Crnobrnja; no reason was given for the change.

Vosnjak said President Tito is particularly anxious that the President receive this letter before letters to other chiefs of state are delivered, since the President had been the first to communicate with him. However, the Government of Yugoslavia could not hold up delivery to others if a delay is encountered in Washington.

Nikezic departs Belgrade tomorrow morning, August 30, and will arrive Washington, 5:45 P.M. on Pan American Airlines 107 from London. I plan to see him off at the airport, and would of course find helpful any information bearing upon his call on President that I could pass on to him.

CONFIDENTIAL/EXDIS