MR. PRESIDENT:

Herewith Gen. Taylor makes two proposals for strengthening the base of public support for our Viet Nam policy -- abroad and at home.

I believe both should be explored, as General Taylor suggests.

W.W.R.

-CONFIDENTIAL attachment

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED E.O. 12356, Sec. 3.4 NLJ 92-374 August 25, 1967 By Cb , NARA, Date 9-15-94

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

During our recent tour of the Far East, allied leaders of the countries visited often expressed concern to Mr. Clifford and me over the unconvincing quality of the defense of our common policy in Southeast Asia before the outside world. They generally expressed the view that they were sure that we are doing the right thing but we are failing to get the message across. When we asked them for specific suggestions as to how to do better, they were obliged to admit that they had nothing constructive to offer.

Since returning home to what Clark has called the "miasma of pessimism of Washington," I have given some additional thought to this question of how to present our case better both on the international and on the domestic front. I have developed no profound thoughts on the subject, but would advance the following suggestions:

- a. For the purpose of establishing a common front in explaining the events of Southeast Asia to the rest of the world, I would suggest that the State Department organize a monthly meeting of representatives of the seven Manila Conference nations for the purpose of identifying informational problem areas and of preparing replies to the critics for common use. Various U.S. agencies have prepared question-and-answer background documents from time to time for use of our own spokesmen on Viet-Nam policy at home and abroad. I would think there would be some merit in organizing a community effort in this field to assure that we are all speaking with a common voice. If such documents were then placed in every Embassy of all seven of these countries throughout the world with instructions to Ambassadors to speak out vigorously in behalf of our Southeast Asia policy, we might do somewhat better in shaping international opinion.
- b. The domestic problem is deeper and more serious than the international one. You and your principal officials have given vast amounts of time and effort to keeping a strong majority of our people on the side of our Southeast Asia policy. However, there is endless work which remains to be done and I am sure that you share my concern over the signs of defections among some of these who have supported the policy in the past.

Apart from continuing past efforts, a new device worth considering would be the creation of a high-level touring panel of Viet-Nam experts who would make the rounds of the U.S. publicity media (press, TV, radio, Hollywood) on the kind of schedule which you had me follow shortly after my return from Saigon as Ambassador. Such a panel would be headed by a national figure with broad experience in the problems of Southeast Asia-

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PRESERVATION COPY

(for example, Cabot Lodge); a qualified spokesman for the military situation (for example, Major General William E. Depuy, former J-3 to Westmoreland, and Commanding General of the 1st Division; a political expert such as Philip Habib (former head of the Political Section of the Saigon Embassy); a specialist on the Pacification program (such as Mr. Richard Holbrooke or Lieutenant Colonel Robert Montague from Mr. Komer's old office in the White House); a spokesman for the economic situation in Viet-Nam (such as Mr. Leroy S. Wehrle, presently Economic Counselor in Saigon but soon to return); and a State Department representative familiar with our efforts to open negotiations and with the difficulties and pitfalls attendant upon such negotiations.

I could conceive of a number of uses for such a touring panel not only in off-the-record contacts with the leaders of publicity media, but possibly in extended TV discussions of the basic problems of Viet-Nam. While there has never been a dearth of TV discussions by all manner of people, the usual half-hour discussion period is never adequate for an exposition in depth of some of the basic problems.

Also, the academic world is always seeking spokesmen qualified to deal with the broad aspects of the Viet-Nam problem. This panel could be made available to meet with university groups, faculty and student, and perhaps allay some of the concerns which are disturbing our college campuses.

For such a panel to justify itself in terms of effectiveness, I would think it should be prepared to be on the road intermittently for about a three month period. The individuals whom I have mentioned are all convincing speakers.

M.D.Z. M. D. T.

Rostow to	try out a on State
Christian	to try out b on State and Defense
See me	

CONFIDENTIAL

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Monday, August 28, 1967

Pres. file

MEMORANDUM FOR THE PRESIDENT

Mr. President:

Attached is today's report on the Viet-Nam political situation.

W. W. Rostow

Att.

-SECRET-EXDIS Attachment

- SEGRET-EXDIS

DECLASSIFIED Viet-Nam Political Situation Report

E.O. 12356, Sec. 3.4

NLJ 94-299

August 28, 1967

By NARA, Date 12-15-54

Over the week end presidential candidates or their representatives appeared before fairly large crowds in My Tho in the Delta and in DaNang. Thieu was present with the other candidates in My Tho.

In a conversation with Bunker on Saturday, Ky said he thought the Thieu-Ky ticket would get about 40 to 45% of the vote. Bunker notes Ky has lowered his sights from 50 to 60% that he projected a week or so ago. Bunker also believes that Thieu and Ky are not running scared and that they remain confident of victory.

Huong told an Embassy officer yesterday that he will not withdraw from the presidential race. Huong claimed that Suu also will not withdraw and that Suu has made a deal with Ky, whose machine is now supporting him. According to Huong, Suu will name Ky Prime Minister if he is elected. Suu's running mate, Dan, stated separately to the Embassy that the Suu/Dan slate has at least considered Ky as a possible Prime Minister but that they are now leaning toward General Thang.

The Embassy believes both Huong and Suu will stay in the race and that the withdrawal of any minor candidates would not change the outcome of the elections. The Embassy doubted Huong's claim that Ky and Suu have made a secret deal.

In a press conference on Friday, Suu's running mate, Dan, said that the current election campaign is as free as any election campaign anywhere, including the U.S., and that all candidates have to recognize this. Dan went on to say, however, that there were irregularities on the part of the government. He said that Ky's pre-campaign electioneering is grounds for disqualification under the election law and claimed that if Thieu and Ky win they will be taken to court and disqualified.

An election handbill mimeographed on USIS letterhead has recently been circulated in the Saigon area. The handbill

SECRET-EXDIS

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lists the Thieu-Ky presidential slate and six senatorial lists, as if these candidates had U.S. support. The Embassy has issued a statement pointing out that such stationery has not been in official use in the Mission since July 1965 and that any implication that the U.S. Mission is supporting any particular candidate is completed unfounded.

fres file

Monday, August 28, 1967

SECRET

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Election Observers

For your meeting at 12 noon today:

Attached is a run-down on the proposed schedule for the observers during their Viet-Nam visit. Included are the suggestions we have made for changes.

The additional starters are --

Ed Munro, President, National Association of Counties

Rev. Edward L. R. Elson, Pastor, National Presbyterian Church, Washington

FSO Peter Tarnoff (served in Viet-Nam)

You may wish to consider:

- (1) possible briefing of group at Andrews by Secretaryl Rusk in which he would thank them for going, urge them to avoid too much public comment, remind them anything they say may be interpreted by some as intervention, etc;
 - (2) press problems while group is in Viet-Nam;
 - (3) line we should take here regarding observers.

W. W. Rostow

Att.

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 129, NARA, Date 9-4-91

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Schedule for U. S. Observers in Viet-Nam

DECLASSIFIED

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

White House Guidelines, Feb. 21, 1983

By 13, NARA, Date 9-4-91

Following is the schedule worked out by Embassy Saigon and Government of Viet-Nam. At the end of each entry (in parenthesis) are the comments we have made to Saigon.

August 30

5:00 p.m. --Arrival at Tan Son Nhut. Ministry of Foreign Affairs in charge of arrangements. Bunker and Westmoreland will be present.

No formal press conference.

5:30 p.m. -- To quarters in private homes.

6:30 - 8:00 p.m. --Informal cocktails at Ambassador Bunker's residence.

(Comment: Arrival arrangements look o. k. Observers should be told that cocktail party is completely optional.)

August 31

9:30 a.m. - 12 noon --Briefing at MACCORDS conference from. Greeting by Bunker and Westmoreland. Election briefing by Political Section. Small number of reporters on pool basis.

(Comment: Briefing o.k. but we think press should <u>not</u> be included. If they are, observers may think they are getting "sanitized" briefing; also, briefers will not be able to give frank answers.)

- 2:00 6:00 p.m. --Observers divided into groups (5 or 6) for visits to nearby provinces. Two groups may go to distance areas where they will remain overnight.
- 6:00 p.m. -- Return Saigon (except groups from distant points).
- 9:00 10:00 p.m. --For those desiring, arrangements will be made for viewing TV appearances by candidates. Interpreters will be present.

(Comment: Concur in field trips. Urge groups visit I, II, and IV Corps, remaining overnight if prac tical and security permits. Evening schedule o.k. for those remaining in Saigon.)

September 1

9:00 - 11:00 a.m. -- All observers (except those in field) will attend (or watch on TV) election rally in front of Saigon City Hall.

(Final rally for Presidential candidates and only one scheduled fluring observers' visit.)

(Comment: We agree, weather and physical accommodations permitting. Urge that optional tour of Saigon to view election preparations be available for those who uninterested in rally or who would find it fatiguing.)

11:00 a.m. -- Observer groups depart on visits to provinces. One group to tour Saigon.

Lunch

5:00 p.m. -- All observer groups return to Saigon.

6:30 - 8:00 p.m. -- Informal reception by Ambassador Bunker.

9:00 t 10:00 p.m. -- Viewing candidates speaking on TV.

(Comment: Concur in tours, reception and TV viewing. Urge reception be completely optional, with alternative arrangements available -- e.g. tour of Saigon election preparations for those who had been in provinces.)

September 2

(September 2-3 schedule under auspices of Government of Viet-Nam. Other foreign observers will be included.)

8:00 a.m. -- Meet at Foreign Ministry. Go to Special Commission for Administration (which runs elections).

8:40 a.m. -- Briefing at Special Administration

9:40 a.m. -- To National Assembly, meet Assembly Chairman Phan Khac Suu (a presidential candidate).

10:15 a.m. -- To GVN General Staff

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10:30 a.m. -- Vietnamese military briefing

11:15 a.m. -- To Independence Palace, meet Thieu and Ky

(Comment: Briefing at SCA and meeting with Suu. Suggest eliminate ARVN military briefing or at least make it optional. Tour of Saigon election preparations could fit between calls on Suu and Thieu-Ky.)

Lunch

2:40 p.m. -- Meet at Foreign Ministry. To JUSPAO for Allied Forces military briefing.

4:20 p.m. -- Leave JUSPAO. Observe election preparations

6:30 - 8:00 p.m. -- Reception by Foreign Minister

(Comment: Strongly recommend field trips for observers to Saigon-Gia Dinh-III Corps areas. Military briefing is desirable but can be handled by Westmoreland and staff on September 4 -- see below. Evening schedule is **6**. k.).

September 3

6:00 a.m. -- One group departs for Hue. Full schedule observing local elections. Lunch by Mayor of Hue

7:00 a.m. -- Other groups go to Gia Dinh, Bien Hoa, one group in Saigon.

Observe balloting.

Another group goes to Can Tho (in Delta).

Observe voting.

Lunch by Can Tho province chief.

7:00 p.m. -- All groups back in Saigon

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September 3 (continued)

8:00 p.m. -- Observe vote tallying at Bien Hong Conference Hall. Returns will be coming in from provinces. (We think more observation posts necessary. Strongly prefer dispersal of U.S. observers in small groups not associated with other foreign delegations. Mission should try for maximum independence and mobility for U.S. groups. Think banquet like lunches by province officials should be replaced with box lunches or other informal arrangements in the field. Hope observers can spend as much time in field as possible, returning to Saigon late for tallying.)

September 4

9:30 a.m. -- Meet Foreign Minister Do (also a Senate candidate) at Foreign Ministry.

12 Noon -- Lunch

3:30 p.m. -- Meet General Tri, Minister of Information and Chieu Hoi.

4:00 p.m. -- Observe any official ceremonies or announcements of elections results.

(Comment: GVN schedule for observers runs through September 9. We have informed Embassy that since U.S. group probably will leave evening of September 4, they will not be able to follow Vietnamese schedule. We suggest that U.S. group have briefing on the 4th by Westmoreland on military developments and Bob Komer on pacification and other civil side programs. We also suggested meetings with Central Election Committee -- which handles complaints -- or other appropriate Vietnamese groups.)

Group now planning to leave Saigon evening of September 4, stopping over in Honolulu (crew rest mandatory). Arrival Washington evening of the 5th.

Saturday, August 26, 1967 (4:00 pmc)

MEMORANDUM FOR THE PRESIDENT

Mr. President:

Attached is Ambassador Bunker's cable outlining plans for the election observers. It looks quite good to me. The schedule for September 2-4 (referred to at the bottom of page 3) is just arriving. I will get it to you as soon as possible.

William J. Jorden

Att.

SECRET/EXDIS Attachment

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SECRET-EXDIS

FM: AMEMBASSY SAIGON

TO: SECSTATE WASHDC IMMEDIATE

SECRET

SAIGON 4107

Aug 26, 1967

EXDIS

REF: STATE 27362

SUBJECT: U.S. ELECTION OBSERVERS

1. Embassy has now completed tentative outline of program for observers. This has been formulated with careful regard for various instructions and guidance received from Department. Following is outline of proposed program:

August 30:

5 P.M. - Observers arrive. Received at VIP entrance Tan Son
Nhut Airport. Reception Committee, Ministry Foreign
Affairs in charge reception arrangements. Minister
of Foreign Affairs Dr. Tran Van Do expected greet
observers on behalf GVN. Ambassador Bunker and
General Westmoreland will be present. Press will be
present but there will be no formal press conference.

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E.O. 12356, Sec. 3.4

NEJ 94-299

By WP, NARA, Date 12-15-54 SECRET-EXDIS

- 5:30 P. M. Observers transported to respective quarters.

 Present plans are to house observers in private homes). Transportation by Ministry of Foreign Affairs with Ministry escorts.
- 6:30-8:30 P.M. (for those desiring) Informal cocktails at residence of Ambassador Bunker.

August 31:

- 9:30 A.M. 12:00 Noon Observers will gather at MACCORDS

 Conference Room. Limited number of press will be
 invited to attend on pool basis. Observers will be
 greeted by Ambassador Bunker and General Westmoreland.

 Following remarks by Ambassador and Westmoreland,
 there will be a briefing on the elections by the Political
 Section.
- 2 6 P. M. Observers will be divided into five or six groups for visits to nearby provinces. Possibly two of these groups will be scheduled for more distant visits to points where they will remain overnight.
- 6 P.M. Return Saigon.

SECRET-EXDIS

- 3 -

9 - 10 P. M. - For those desiring, arrangements will be made for viewing television appearances by candidates.

Translators will be present.

September 1:

- 9 11 A. M. All observers (except those who remained in field overnight) will attend (or be able to view) election rally in front of Saigon City Hall. (This is final rally for Presidential candidates and only one scheduled for period during which observers will be in Viet-Nam.)
- 11 A. M. Observer groups will depart on visits to provinces.

 (One group, or more should the observers desire,
 will tour Saigon to view election preparations and
 activities.)
- 5 P. M. All observer groups return Saigon.
- 6:30-8 P. M. Informal reception by Ambassador Bunker.
- 9 10 P. M. Viewing candidates' television appearances.

September 2 to 4:

All observers join GVN schedule (see Septel).

SECRET EXDIS

September 5:

Meeting with General Westmoreland and other senior Mission Officers. Classified Mission briefing and field trips (Military and Revolutionary Development for all observers. No press attendance.)

September 5:

All observers depart for Washington.

- 2. We believe it essential that observers be exposed to press sufficiently to assure that press can assert they have not be closeted with and "brainwashed" by Embassy. Thus, we favor press attendance at August 31 briefing and also favor permitting prepresentatives of press (on pool basis) to accompany each of groups on visits to provinces, etc. We see no need for mass press conference although possible that observers themselves may wish such conference prior to their departure from Saigon.
- 3. We consider above proposed schedule offers maximum opportunity for observers to get around as much as possible and yet provides necessary flexibility to meet various needs individual observers.

 Obviously we will tailor schedules to individual needs to maximum extent possible, but we feel that to assure adequate security preparations and

SECRET-EXDIS

other arrangements necessary to give observers opportunities for meaningful visits to provinces, advanced planning is necessary.

Accordingly, we plan to make basic arrangements in advance for group tours, offering within these proposed tours as wide a variety of opportunities geographically and politically as possible. The "guided tour" aspect of this is unfortunate, but in view of importance of personalities involved, we feel security risk in any more informal arrangement for visits to provinces too great, particularly in view enhanced dangers during election period.

- 4. We recognize that membership of observer group covers wide spectrum of professional, experience and personal interests and we are bearing this in mind. We do not intend to do any advanced individual scheduling but we shall make every effort to meet observers' varied desires promptly and with maximum flexibility, bearing in mind again that security considerations may limit opportunities for movement outside of Saigon.
- 5. The GVN schedule as presently planned for September 2 through 4 is not ideal, particularly with respect to election day. We are urging GVN to include more places of observation on election day than the three now scheduled, and we hope final version will be an

improvement. In any event, however, we feel most strongly that at least a majority of the observers should join in full with the GVN schedule for those three days. Not only does GVN (which is sensitive about appearances with respect to its sovereignty) set great store by the participation of the American observers as an integral part of the invited observer groups from other nations, but arrogating special status to U.S. observers would seriously detract from the impression, just as essential to us, that these elections are completely a Vietnamese show.

- 6. While we would hope that a goodly percentage of the group would follow the GVN schedule, we recognize that some may feel strongly about not doing so and we are prepared to make alternative arrangements for them. In order that this whole problem does not get out of hand, however, we would greatly appreciate it if the group could be informed in advance at as high a level as possible of the importance of remembering that in the eyes of the GVN they are here as guests of the GVN and that both U.S. and GVN interests will be served by their cooperating, to the extent feasible, with GVN arrangements.
- 7. We are planning to send an officer to join the observers' plane at Yokota AFB, Japan and to be available on balance of flight to brief them on arrangements and provide certain advance material which may be helpful. We greatly appreciate Department's inclusion of Marsh and

SECRET-EXDIS

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Teare as escort officers. If a third language officer is available, we could use him.

8. We will, of course, keep Department fully informed of all plans and developments with respect to observers and on how their visit proceeds after their arrival.

BUNKER

Superice J Saturday, August 26, 1967, 1:00 P.M. MEMORANDUM FOR THE PRESIDENT In order to send prompt replies to congratulatory birthday cables coming from abroad, may we authorize the use of the following language for messages which do not require special treatment? "Thank you for your kind message of congratulations on my birthday. I very much appreciate your thoughtfulness and extend to you my warm personal regards. Sincerely, Lyndon B. Johnson! Bromley Smith No BKS:amc

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Saturday, 1:00 P. M. August 26, 1967

Mr. President:

Ambassador Bunker has had talks in the last two days with both Chief of State Thieu and Prime Minister Ky. His attached reports give some of the flavor of the election campaign.

Thieu predicted his ticket would get 50%, but certainly no more, of the vote.

Ky thought the ticket would get 40-45% of the vote which he considers is about right, since a higher percentage might be misunderstood.

Bromley Smith

Friday, August 25, 1967

TEXT OF CABLE FROM AMBASSADOR BUNKER (Saigon, 4057)

I had a relaxed and interesting talk with General Thieu the morning of August 25.

Thieu said that he had intended to go to the joint campaign appearance at Rach Gia on August 24 but that he had not been well and had, therefore, asked Nguyen Van Loc to speak for their slate. He said that he was definitely planning to attend the meeting with other candidates at My Tho on August 26. He thought that it might be a very interesting meeting since this was the town where Huong had taught school and was also his own wife's home town. Both of them were well known to the populace.

I asked Thieu about some of the charges and complaints that had been aired by the candidates and in the press. He said that there was no substantiation of these charges and that there had been no resort to the procedures provided in the Electoral Law for appeal to the local committees. In response to my question, Thieu confirmed that there had been some trouble in Hue where it was reported that quite a number of Dai Viets had been arrested. He said that this had been straightened out, however, and they had been released.

percentage he anticipated his ticket would draw. He thought that it might go as high as 50 percent but certainly no more. He added that it could be 40 percent or even less. I commented that in some respects it might even be better to have a lower percentage, for example between 35 and 45 percent, since it would be much more difficult for critics to allege in these circumstances that the election had been rigged. Thieu reiterated his earlier comment to me that he was not sure in the last analysis that he would be elected.

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E.O. 12356, Sec. 3.4

NLJ 94-299

By , NARA, Date 12-15-94

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Thieu remarked that he understood some of the civilian candidates would probably meet today or tomorrow and make a joint request that Thieu and Ky step down from their offices. He also anticipated that the Assembly at its meeting on August 28 would consider extending the hours for balloting on Election Day but he did not seem to expect that they would vote for postponing the elections, which had been suggested by some candidates.

In discussing the other candidates, Thieu said he had recently heard that Huong might pull out of the campaign. He explained this by saying that Suu appeared to be gaining support and he felt he had already passed Huong. Thieu said that, in his opinion, Huong wished to be the opposition and that if the vote threatened to make him second to Suu, this would be a blow to his prestige which he would not willingly accept. Thieu. acknowledged that if Huong should withdraw, then the race would indeed be a close one. He thought that other candidates, specifically Binh, Khanh, and Ly would probably follow. He believed that Dzu, Ha Thuc Ky and Hiep would not withdraw since they all are supported by party organizations which they wish to keep intact and strengthen. Thieu thought that if Huong withdrew, he (Thieu) would pick up Catholic votes and Suu would pick up Southern votes, thus to some degree canceling each other's gains out.

In elaborating on his own uncertainty about how the election would come out, Thieu said there is no real way to know what the Vietnamese are thinking. They are not naive and they are perfectly capable of agreeing to vote one way now and then voting quite differently on Election Day. Thieu said he had concluded that what Vietnam needed at this stage was not elections, but elections that are truly free and fair. He said this was the first chance the Vietnamese electorate had had for such elections, and if this failed, then they would become disillusioned and would lose any interest in elections in the future. He thought this was a very fundemental and important point.

I asked Thieu how he thought the Senate race was going. He said that most of the campaigning for the Senate was

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"underground." He remarked that he was fairly certain that the professors' ticket (No. 4) would be elected since the prestige of intellectuals in Vietnam society was very great. He thought that one of the Palm Tree tickets would be elected, but not the other two. He anticipated that La Thanh Nghe's ticket (No. 2), which had strong Hoa Hao support, would be successful. Thieu also said that he thought one of the Dai Viet-supported Senate tickets and one of the Catholic tickets would be elected. He did not make clear what Senate tickets he was supporting himself.

In discussing some of the sharp criticism of the Government of Vietnam leadership made by Dzu during the campaign, Thieu said that he ignored this type of criticism rather than reacting to it. The implication of his statement was that Ky's sharp comments in the morning paper today that he would put Dzu in a cage, had not pleased him.

I asked Thieu whether the promulgation of the Special Law for the Montagnards would proceed as planned. He confirmed that the ceremony would take place at Ban Me Thuot on August 28 and that he planned to be there.

Comment: We had not heard prior to this talk that Huong was possibly again contemplating withdrawal from the race and will be checking further on this. There have been some indications that Suu is pulling up, and if so, it is not inconceivable that Huong might choose to step out. As reported earlier, however, he had stated to an Embassy Officer that he planned to stick out the campaign.

We have had other reports that some of the civilian candidates would be discussing a joint request that Thieu and Ky step down from their offices. Plans have reportedly been made for a joint press conference August 26 and this might be the scene for any such announcement if it is made. We will report any further indications we have on this subject.

-10-b

Saturday, August 26, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon 4139)

I saw Prime Minister Ky the morning of August 26, shortly before his full-dress press conference at which apparently the Cabinet was going to be present. He said the other generals were in field uniform, Ky with his customary pink scarf.

I asked Ky how the electoral campaign was going and what he thought the prospects for their ticket were. Ky said it was going well and that he had also had a very good day yester ay in Long Xuyen. Ky claimed he had been urging Thieu to go on joint appearances with the civilian candidates and was sorry that Thieu had not gone to Rach Gia but he had cancelled out at the last minute on the ground he was not feeling well. He said he would have gone in his place if he had known in time. Ky added that he would probably accompany the other candidates to Da Nano and Hue, in fact fly them up there in his DC-6, as he had threatened some days ago to do.

I asked Ky about the recent charges by Ha Thuc Ky that members of the Dai Viet party were being arrested and harassed in Hue. Ky said there was a continuing problem there, and the Revolutionary Dai Viets, the Vietnam Quoc Dan Dang and the extremist Buddhists were carrying on a constant factional struggle among themselves. He said this particular struggle was not necessarily related to the elections and he thought the Buddhists were trying to stir up the pot in whatever way they could. He went on to say that there had apparently been a meeting here of the An Quang Buddhists who had tried to get the civilian candidates to agree on a single competing ticket against Thieu and Ky, but they had not succeeded. Ky doubted very much that the civilian candidates would get together in this way. With respect to the various charges against the Government, Ky said there had been no substantiation of them as yet and the general election campaign committee had not received any formal complaints. He characterized Dzu's charges against the Government as "wild" and then described the background to his comment to the press that he would build him a cage.

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E.O. 12356, Sec. 3.4

NEJ 94-299

By NARA, Date 12-15-514

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In terms of the election outcome, Ky said he thought their ticket could get about 40-45 percent of the vote and he considered this about right, since a higher percentage might be misinterpreted. He also said that the Vietnamese people were very independent in their voting choice and it was difficult to predict the outcome with any accuracy. He added that support for the civilian candidates were coming up and he did not think they would withdraw from the race. Ky said that in his recent trip to the Delta, he found that many of the people there did not even know the candidates by name, adding that he was only known to them as Mr. Moustache.

I asked Ky about the reports that dismissals of Army of the Republic of Vietnam officers for corruption or inefficiency would take place in the immediate future. Ky said this action would not be started before the elections but that thereafter, General Cao Van Vien would call in the officers one by one to discuss their cases. He said they had evidence of corruption on some 20 to 30 general officers. Vien would point out to the individual officers that the Government and the armed forces inspectorate have evidence on hand regarding such corruption and would then permit them to resign rather than be formally charged. Ky added that when it was merely a question of inefficiency, the Government of Vietnam would try to help out the officers in finding new civilian jobs. Some six or seven generals have already been retired and are drawing pay, but since they are blocking promotion for more promising officers, they would be asked to resign as well. Ky said that all of this had been discussed and a final decision taken at a meeting of the top generals two days ago.

Comment: Ky's estimate of the probable percentage that he and Thieu will get indicates that he has lowered his sights from the 50-60 percent that he projected a week or so ago. His comments and general attitude belie the many rumors around town that he would sabotage their ticket or throw his weight to a civilian ticket such as Suu-dan. Ky was in good form and cheerful spirits and apparently eager to take on the press in full array after our talk.

SECRET/EXDIS

Saturday, August 26, 1967, 11:30 A.M. MEMORANDUM FOR THE PRESIDENT During the meeting Thursday evening, you asked for a more complete account of what happened on Monday when two U.S. aircraft were shot down over Communist China. Attached are two reports on the incident: one prepared here in the Situation Room containing all of our classified information; the other prepared at the request of Deputy Secretary of Defense Nitze which is unclassified and can be used with the press if you desire. Bromley Smith Attachments BKS:AMcC:amc

TOP SECRET SENSITIVE

August 26, 1967

MEMORANDUM FOR MR. SMITH

SUBJECT: Chicom Shootdown of Two U.S. Aircraft on Monday, August 21

Chinese Communist MIG-19s engaged two U.S. Navy A-6A aircraft near the Sino-North Vietnamese border on Monday, August 21, 1967, shooting down one and possibly both aircraft.

Mission

Four A-6A Navy attack aircraft took off from the aircraft carrier, Constellation, on a mission against the Duc Noi Railroad yard, six miles north of Hanoi, and approximately 75 miles from the Chinese border. As the aircraft started in on their bombing run, one of the four was downed by a direct SAM hit. Another was hit by anti-aircraft fire prior to his bomb run, but completed his attack.

After the aircraft had dropped their bombs and were starting back, they were forced to employ evasive maneuvers in reaction to the firing of more than 20 SAMs and heavy anti-aircraft fire. Severe thunderstorms were also encountered in the area. At this point the three aircraft became separated. The surviving pilot states he saw the other two join formation about 10 miles east of Kep Airfield. He then followed them, remaining several miles to the south.

Penetration of the border

According to U.S. operational reports, the two A-6As probably violated Chinese airspace about 1:10 AM EDT. Three border warnings were issued to the aircraft by the carrier prior to the violation and another two warnings were issued by Elint aircraft in the area.

SENSITIVE

SANITIZED E.O. 12958, Sec. 3.6 NIJ/RAC 00-278 By SL, NARA, Datel 2903 These warnings were not heard by the surviving pilot and it is assumed they were not received by the two missing pilots.

At least six Nanning based Chicom MIG-19 fighters scrambled and attacked the U.S. planes. The surviving pilot reports hearing one of the aircraft radio warnings, "MIGs, MIGs, Farmers, Farmers."	<u>.</u>
(The Farmer is a MIG-19)	34 (6)(1)/3)
The confirmed shootdown occurred at about 1:13 AM EDT.	3.4(b)(1),(3)
U.S. operational reports indicate that the U.S. aircraft flew as far as ten miles inside China. A map showing the probable track of the aircraft is attached.	
Chinese reaction	
Although the attack by the MIGs shows an extreme sensitivity to the threat of intrusion into China's airspace, the relatively restrained propaganda threatment of the incident indisates that the Chinese continue to be cautious and that their posture remains defensive.	
Peking's public response to the incident was comparatively mild. On the day of the shootdown they announced that two U.S. planes had been brought down and claimed that one pilot had been captured. The incident was treated as a "provocation" but was not played up as a threat to China.	
·	
	3.4(b)(1),(3)

TOP SECRET SENSITIVE

TOP-SECRET	F
SENSITIVE	•

-3-

Conclusions

The border violation was probably due to a combination of navigational errors, weather conditions, evasive maneuvering, and equipment failure in one or both aircraft. Poor radio reception probably contributed inasmuch as border warnings apparently were not heard.

Arthur McCafferty

AMcC:amc

SENSITIVE

Four A-6A Navy attack aircraft took off from the aircraft carrier CONSTELLATION August 21 on a mission against the Duc Noi Railroad yard, six miles north of Hanoi (the target is more than 75 miles from the Chinese border).

This mission was an element of the coordinated strikes in the Hanoi area which included an attack on the Hanoi Thermal power plant. One of the four was downed by a direct SAM hit while on his bomb run.

Another was hit by anti-aircraft fire prior to his bomb run, but completed his attack. More than 20 surface-to-air missiles were fired against the damaged plane and the two others as they began their egress from the target on an easterly heading.

All three employed evasive maneuvers in reaction to the SAMs and heavy anti-aircraft fire. Severe thunderstorms were also encountered during the egress.

During one evasive maneuver, one of the three A-6As (the surviving aircraft) lost sight of the other two. Then he saw them join formation about 10 miles east of Kep Airfield. The third plane remained several miles south of the first two. ((Preliminary reports indicating that the third plane had seen MIGs over NVN were not substantiated by the later debriefing of the surviving pilot.))

It is believed that the surviving plane also elightly penetrated into

China, although the Defense Department has not suggested this publicly.

Three border warnings were issued to the aircraft by the USS

CONSTELLATION prior to the violation and another two warnings were
issued by an E-2A aircraft. These warnings were not heard by the
surviving pilot and it is assumed they were not received by the two
missing pilots.

After the surviving pilot reached the border he heard the radio warning from the others: "MIGs, MIGs, FARMERS, FARMERS, FARMERS, FARMERS," (A MIG-19 is a Farmer.)

It is presumed that the two missing aircraft were attacked by MIGs and were shot down or crashed during evasive maneuvers in the mountainous terrain. The third A-6 returned safely to the carrier.

Reasons for the border violation include a combination of navigational errors, weather conditions, evasive maneuvering, possible malfunctioning radar in the lead aircraft and possibly damaged flight controls in the second one. Poor radio reception probably also contributed inasmuch as border warnings apparently were not heard.

Hordfor Rostow 1.

SECRET_NODIS

Saturday, August 26, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Viet-Nam Election Observers

Ambassador Lodge will be coming in at 1 P. M. to discuss the put off observers' trip to Viet-Nam.

For possible use, I am attaching to this memo the following:

Tab A - List of observers announced thus far

Tab B - List of others who will accompany observers

Tab C - Tentative Schedule

Tab D - Guidance cable to Embassy Saigon

Tab E - NODIS cable to Ambassador Bunker on scheduling and press handling

I conveyed your thoughts to Ambassador Lodge yesterday by phone. He may raise:

- possibility of shortening the trip (he may argue three days in Viet-Nam is enough); shortening will raise charges of trying to restrict the observers;
 - 2) importance of avoiding social functions (covered in Tab D);
- 3) Thieu and Ky on MEET THE PRESS; he may suggest discouraging this; any move in this direction would probably get back to Spivack:
- 4) ways of trying to limit press contacts in Saigon; the only hope is to keep them as busy as possible and moving around the country.

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By 49, NARA, Date 9-9-9/

-SECRET-NODIS

State is pulling together a briefing book for all observers. It will cover:

Chronology of political development in Viet-Nam

Biographies of all candidates

Report on Vietnamese politics

Copy of the Constitution

Platforms of all candidates

Election laws (Presidential, Upper House, Lower House)

Organizational Chart of the Vietnamese Government

Maps of Viet-Nam (political, physical)

Summary of Bunker cable on elections

Memo (25 pp.) covering common allegations and factual answers (political, military, economic)

Matters you may wish to discuss:

- 1) should observers have a brief meeting with the President or Secretary Rusk before departure (Monday afternoon)?
 - 2) Lodge's plans for handling briefings of observers;
 - 3) additional ideas for scheduling in Viet-Nam;
 - 4) should there be any kind of group report on return to Washington?
 - 5) will observers meet with President or others on their return?

William J. Jorden

SECRET NODIS

Vietnam Election Observers

Senators Banking Republican Member of the Foreign Bourke B. Hickenlooper Relations Committee 2. Edmund S. Muskie Chairman, Senate Democratic Campaign Committee George Murphy Chairman, Senate Republican Campaign 3. Committee Governors Democrat of North Dakota William Guy Thomas McCail Republican of Oregon 5. Richard Hughes Democrat of New Jersey 6. Mayors Joseph Barr Mayor of Pittsburgh 7. Theodore McKeldin Baltimore Republican Veterans Incoming Commander, VFW Joseph Scerra Eldon James Former National Commander, Amer. Legion 10. Labor Dave Sullivan President, Building Services Employees 11. Union (Vice President, AFL-CIO) Business James Antell President, Junior Chamber of Commerce 12. 13. Warner P. Gullander President, National Assn. of Manufacturers Churches 14. Archbishop Robert E. Archbishop of the Diocese of San Antonio

President, Synagogue Council of America

Lucey

Rabbi P. Rudin

15.

News Media

16.	John S. Knight	President, Knight Newspapers
17.	Stanford Smith	General Manager, American Newspapers Publishers Association
18.	Eugene Patterson	Editor, Atlanta Constitution
19.	Donald McGannon	Westinghouse Broadcasting Company

20. Whitney Young

President, Urgan League

726

Others Accompanying Observers

Ambassador-at-Large Henry Cabot Lodge

Election and Political Experts

Mr. Richard Scammon (Government Affairs Institute)
Professor Howard Penniman (Georgetown University)
Professor Donald Herzberg (Rutgers University)

Department of State

William H. Marsh Richard W. Teare

White House

William Stinson

120

TENTATIVE SCHEDULE

PLACE	DATE	TIME
Lv. Washington (Andrews)) August 28	6 P.M.
Arr. Seattle		8:10 P.M.
Lv. Seattle		9:10 P.M.
Arr. Elmendorff		9:20 P.M.
Lv. Elmendorff		10:20 P.M.
Arr. Tokyo (Yokota AFB)	August 30	12:30 A.M.
	(overnight)	
Lv. Tokyo		12:20 P.M.
Arr. Saigon		5:00 P.M.
	Aug. 30-Sept. 4	
	In Viet-Nam	
Lv. Saigon	Sept. 4	Evening
Arr. Honolulu	Sept. 4	Evening
	(overnight - crew rest mandatory)	
Lv. Honolulu	Sept. 5	Morning
Arr. Washington	Sept. 5	Evening
(Alternative)		
Lv. Saigon	Sept. 5	Morning
Arr. Honolulu	Sept. 5	Morning
	(spend day in Honolulu)	
Lv. Honolulu	Sept. 5	Evening
Arr. Washington	Sept. 6	Morning

72d

SECRET

ACTION:

AmEmbassy SAIGON

IMMEDIATE

26 Aug 67

STATE

NODIS

FOR AMBASSADOR

SUBJECT: ELECTION OBSERVERS

Trust that in programming for observers it will be possible:

- to keep them active as possible and exposed to as much of country as possible;
- 2. to minimize exposure to press -- especially to avoid mass press conference and to permit as little opportunity as possible for particularly critical reporters to try to poison outlooks before visitors have a chance to see for themselves.
- 3. to give them a chance to see everything they want to see and to get an honest picture of election proceedings;
- 4. to arrange individual programs that will suit the observers likely interests and will take into consideration such factors as age, profession, previous Viet-Nam experience, etc. For example, Archbishop Lucey is in his seventies and should not have too rigorous schedule;

SECRET

5. urge care in selecting escort officers who should be appropriate to observer's position, personality, etc; for example, it would be good to assign good gung-ho Jewish chaplain for Rabbi Rudin, an officer who would be sensitive to thinking in Jewish community here.

Best arrangement may be to split group into four or five sections and send them to various parts of country. You will need language officers to accompany each group. Marsh and Teare will accompany. Is supply of language officers adequate to above or should we consider sending along one or two more?

Suggest you have each of the election experts (Scammon, Penniman and Herzberg) accompany one of the groups at all times.

There is highest level interest in this mission. Please keep us fully informed of planning and of progress after they arrive. If you see any requirements we can meet at this end, please inform.

We recognize, of course, there will be widespread press interest in observers and it will be impossible to isolate group. But a busy schedule should minimize opportunities for exposure to emotional and slanted attitudes.

You will undoubtedly want one group to be in Saigon where much political activity taking place. But hope that any who remain Saigon are most mature and experienced observers.

Planned media coverage as outlined in USIA Saigon's 3950 seems somewhat excessive, but you are best judge. Main story remains the election itself and what Vietnamese are doing.

2 Pravidertil 1.40 Friday, August 25, 1967 6:40 p.m. MEMORANDUM FOR THE PRESIDENT Mr. President: For your information --Prime Minister Ky will be on FACE THE NATION this The show has already been taped; we have no information on Sunday. content. Larry Spivack and a crew are in Saigon to tape Thieu and Ky on MEET THE PRESS after the election. The show would be aired on Sunday, September 10. Ambassador Lodge thinks this is a mistake, that Thieu and Ky cannot handle the rough-and-tumble on MEET THE PRESS. We are asking Ambassador Bunker's views. I think Lodge is underestimating these two men. In any case, it is not clear how we could discourage them without insulting them. John Scali is in Saigon. He undoubtedly will be trying to get the successful candidate for ISSUES AND ANSWERS, but we have no word on this one. William J. Jorden

August 25, 1967 (6:30 pm) Mr. President: President Leoni has sent you a message expressing sympathy over the destruction caused by recent floods in Alaska. (Tab B). State recommends that you send the acknowledgment at Tab A. I concur. William G. Bowdler Tab A - Suggested reply Tab B - Leoni message Approve____ Disapprove ____

742

SUGGESTED REPLY

Dear Mr. President:

On behalf of the people and Government of the United States, I thank you for your expression of sympathy over the destruction caused by the recent floods in Alaska.

Sincerely,

Lyndon B. Johnson

His Excellency

Dr. Raul Leoni,

President of the Republic of Venezuela.

August 25, 1967 +6:30 pm + Mr. President: Ambassador Kennedy Crockett has sent me the attached letter reporting that he carried out your three requests when he presented credentials to President Somoza on August 21. 1. He conveyed your personal greetings and President Somoza was delighted. 2. He relayed your thanks for President Someza's letter of July 21 on our help in stemming the polio epidemic, and Somoza again expressed deep appreciation. 3. He made clear your desire that the Nicaragua people know of your concern and help. Somoza replied that he fully understood. Ambassador Crockett hopes this reminder will produce some results, and, if not, he will find another occasion to do some prompting. William G. Bowdler

CONFIDENTIAL



EMBASSY
OF THE
UNITED STATES OF AMERICA

750

Managua, Nicaragua

August 22, 1967

OFFICIAL-INFORMAL

William G. Bowdler, Esquire Executive Office Building Room 380 The White House DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94 299

By 120, NARA, Date 12-15-94

Dear Bill:

We arrived here late on the evening of August 13 and last week was devoted to briefings and visits to each U.S. office or installation in the Managua area. We also met with all employees and wives (or husbands) socially in a series of five evening receptions. I presented my credentials yesterday afternoon and hope that starting this morning I can get down to business, although I still have to make calls on the Cabinet and the Diplomatic Corps.

During my visit with the President prior to departing Washington he authorized me to convey his personal greetings to President Somoza. I did this as the first order of business during my private conversation with President Somoza yesterday and he was delighted to say the least.

The President also asked me to thank President Somoza for President Somoza's letter of July 21 expressing his appreciation and the appreciation of the Nicaraguan people for our help in stemming the polio epidemic here and in working toward the rehabilitation of those affected by the disease. I complied with this request immediately after conveying the President's greetings to President Somoza. President Somoza was very pleased to have this additional personal message and took the occasion to reiterate his deep appreciation for all of our help.

At a later point during our conversation a convenient opportunity arose for me to comply with

the President's third request. I told President Somoza that during my visit with the President he had reiterated his deep personal concern over the polio epidemic and expressed satisfaction and some relief from preoccupation on just having received reports that the epidemic appeared to be coming under control. I went on to say that the President was very anxious that the people of Nicaragua should know of his concern and the concern of the people of the United States for their general wellbeing and particularly, of the actions that had been taken by the United States Government and private United States organizations to be of every possible assistance in stemming this particular epidemic and alleviating its consequences.

President Somoza replied that he fully understood and I hope we will see some results from this reminder. This is a particularly propitious time as the second round of innoculations took place the day prior to my conversation with President Somoza. If we do not get the desired results I'll find another occasion to do some prompting.

I leave to your judgment the question of how and whether the foregoing should be passed to the President. I have used no other channel to report this information and I do not intend to do so in the future.

It was a real pleasure to have a visit with you and I hope that the occasion to do so again will come around soon. Meanwhile please let me know if there is anything special that I can do for you from here. It would give me great pleasure to be of service at any time, in any way.

Warmest regards as always,

Kennedy M. Crocket

Sincere

25, 1967

ENT

mbassador
views as

Friday, August 25, 1967 6:20 p.m.

MEMORANDUM FOR THE PRESIDENT

Mr. President:

Attached is a draft cable for Ambassador Bunker. It reflects, I think, your views as expressed this morning.

I thought you would want to see it before it goes out.

Are there other points that need covering at this stage?

I think this should go to the Ambassador only. In other messages, we have made clear that tush things as press guidance and coverage should take their cue from the Ambassador himself.

William J. Jorden

SECRET-NODIS Attachment

SECRET

NODIS

FM SECSTATE WASHDC

TO AMEMBASSY SAIDON

FOR AMBASSADOR

SUBJECT: ELECTION OBSERVERS

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94-299

By NARA, Date 12-15-94

8/25/6

Trust that in programming for observers it will be possible:

- (1) to keep them active as possible and exposed to as much of country as possible;
- (2) to minimize exposure to press -- especially to avoid mass press conference and to permit as little opportunity as possibility or particularly critical reporters to try topoison outlooks before visitors have a chance to see for themselves;
- (3) to give them a chance to see everything they want to see and to get an honest picture of election proceedings;
- (4) to arrange individual programs that will suit the observers likely interests and will take into consideration such factors as age, profession, previous Viet-Nam experience, etc. For example, Archbishop Lucey is in his seventies and should not have too rigorous schedule;
- (5) urge care in selecting escort officers who should be appropriate to observer's position, personality, etc; for example, it would be good to assign good gung-ho Jewish chaplain for Rabbi Rudin, an officer who would be sensitive to thinking in Jewish community here.

SECRET-NODIS

Best arrangement may be to split group into four or five sections and send them to various parts of country. You will need language officers to accompany each group. Marsh and Teare will accompany. Is supply of language officers adequate to above or should we consider sending language of the language of the language along one or two more? The total language of the gauge at all times. There is highest level interest in this mission. Please keep

us fully informed of planning and of progress after they arrive. If you see any requirements we can meet at this end, please inform.

We recognize, of course, there will be widespread press interest in observers and it will be impossible to isolate group. But a busy schedule should minimize opportunities for exposure to emotional and slanted attitudes.

You will undoubtedly want one group to be in Saigon where much political activity taking place. But hope that any who remain Saigon are most mature and experienced of observers.

Planned media coverage as outlined in USIA Saigon's 3950 seems somewhat excessive, but you are best judge. Main story remains the election itself and what Vietnamese are doing.

SECRET NODIS

Mr. Smith

17

August 25, 1967 (6.15 (...)

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

SUBJECT: \$30 million Program Loan for Turkey

Bill Gaud asks your approval for releasing the second slice of this year's \$65 million program loan. You approved this loan in principle back in January before we released the first slice of \$35 million. It's FY 67 money. The only reason Gaud is coming back is to report on his efforts to meet the two conditions we set:

- 1. We required good performance under Turkey's IMF stabilization program. An IMF team has just judged the Turks' record satisfactory, and AID agrees.
- 2. We wanted other donors to come up with enough aid to decrease our share of program lending. To date, it has dropped from 64% to only 63% instead of the 59% we'd hoped for. Sticking strictly to our March target, we'd reduce this loan from \$30 million to \$25 million. However, even Secretary Fowler -- who was the main advocate of the 59% target in March -- now recommends going ahead with the full \$30 million. He had a team in Ankara in June working out ways to decrease further any adverse impact on our balance of payments and is satisfied with what they brought back.

No one would argue that another \$5 million cut would gravely hurt Turkey's economic performance, although Turkey will use well all it gets. We have already cut from \$70 million last year. On top of good Turk performance and Secretary Fowler's feeling that we've made adequate progress on balance of payments protection, we don't feel that a small further cut would be worth the political misunderstanding we'd create. Basically the Demirel Government has done all we've asked in the economic field and has continued a good ally against mounting leftist pressures to back away from the U.S. and move closer to the USSR. Moreover, Turkey's economic performance is such that we expect it to become one of our next AID success stories along with Pakistan.

In addition to Messrs. Fowler and Gaud, Charles Schultze recommends approval.

Approve______ Harold H. Saunders

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94-278

By Lip , NARA, Date 10-26.95

CONFIDENTIAL

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

AUG 1 4 1367

MEMORANDUM FOR THE PRESIDENT

Subject: Release of the Second Tranche of the Program Loan for Turkey

In the attached memorandum, Bill Gaud seeks your authority to release the remaining \$30 million tranche of the \$65 million program loan you approved for Turkey in March.

Because of concern over the balance of payments impact of our aid to Turkey, one of our goals was a significant reduction in the U. S. share of program aid. AID was to come back to you before release of the second tranche if such a reduction was not achieved. It was not.

Our program aid pledge dropped from \$70 million last year to \$65 million this year. To achieve a substantial reduction in our share, other donor program aid would have had to increase. Despite strong efforts on the part of the Turks and the U. S. to increase aid from others, their contribution is expected to be \$37 million, \$2 million less than last year. With our reduction, our share will be only slightly less than last year.

AID and the IMF agree that Turkey's performance on the stabilization program has been satisfactory. This was the primary condition for release of the second tranche.

AID is negotiating with the Turks a revised list of commodities to be financed under the program loan. Secretary Fowler agrees that these measures will further reduce the balance of payments impact of our assistance.

In view of Turkey's performance, their determined efforts to secure more aid, and the new balance of payments safeguards, I recommend going ahead with the release of the full \$30 million.

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Clives L Schulty

Charles L. Schultze Director

Attachment
Approve
Disapprove

E.O. 12356, Sec. 3.4 NIJ. 94-298 By 1-9, NARA, Date 10-26-95

- CONFIDENTIAL

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

776

OFFICE OF THE ADMINISTRATOR

AUG 2 1967 DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-303

By , NARA, Date 9-21-59

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Release of the Second Tranche of the Program Loan to Turkey

In January 1967 you approved a pledge of \$65 million in program assistance to the Government of Turkey. This loan was to be released in two tranches of \$35 million and \$30 million. The first tranche of \$35 million was released in March 1967 and the second tranche of \$30 million was to be released at midyear coinciding with the Turkish import program beginning July 1, 1967. Release of the second tranche was conditioned on Turkish adherence to an International Monetary Fund (IMF) stabilization program which included specific limits on credit to the commercial banking system and central bank advances to the Treasury and various governmental corporations. It was also agreed that in releasing the second tranche we would take into consideration the level of program assistance pledges from other Consortium members. Specifically, if the other members of the Consortium fail to pledge at least \$45 million in program assistance we would reconsider, in the light of the situation then existing, the amount to be released in the second tranche.

During the first six months of 1967, the Turkish Government exceeded the ceiling on central bank advances to the commercial banking system and the ceiling on advances to TMO (the Turkish grain management agency). It is the view of the International Monetary Fund representatives recently returned from Turkey, in which we concur, that this situation does not represent any lessening of Turkish determination to maintain stable economic growth. The initial ceilings were intentionally restrictive in order to maintain tight control on credit during the early months of the year and until more accurate estimates of agricultural output were available. The Turkish economy continued to grow at a rapid rate during the first six months of 1967 and our midyear forecast is that the rate of increase in Gross National Product should, for the second year in a row, exceed the Plan target of seven percent. In addition our forecast is that the agricultural harvest will match if not exceed the record harvest of 1966. Given this level of economic activity exceeding the credit ceilings was not only unavoidable but necessary for continued rapid

CONFIDENTIAL

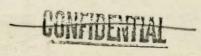
GROUP 3
Downgraded at 12 year
intervals; not
automatically declassified

economic progress. The International Monetary Fund concurs in this assessment and has agreed to new credit ceilings. It should also be noted that the wholesale price index has stayed level since February. Consequently, we feel the Government of Turkey has substantially met this condition on release of the second tranche.

The purpose of the second condition was to stimulate an increase in program assistance pledges from other Consortium members and conversely a decrease in our percentage. In 1967 as in 1966, the Consortium target for new program assistance pledges was approximately \$110 million. The U.S. 1967 pledge was \$65 million which is 59% of the target. In 1966 the Consortium pledged \$109 million in program assistance and the U.S. pledge was \$70 million or 64% of the total. To date in 1967, the other Consortium members have pledged nearly \$35 million in program assistance. Thus, at this moment, the total Consortium program assistance pledge is nearly \$100 million and the U.S. share is 65%, one percentage point higher than in 1966. However, the Netherlands and Norway have not yet pledged. If they make program assistance pledges in 1967, which are not less than their 1966 pledge (\$2.5 million), the total pledges would be nearly \$102.5 million and the U.S. pledge of \$65 million would represent 63%, one percentage point lower than in 1966. As in previous years they will probably make their pledges late in the year. Delaying our release is unlikely to affect either the size or timing of their pledges.

The Turkish Government had during the first five months of 1967 made direct efforts to increase the pledges of the European donors. These efforts included personal visits by President Sunay, Prime Minister Demirel and Foreign Minister Caglayangil to the capitals of principal European countries. For our part, we supported these efforts through diplomatic channels in Ottawa and in the European capitals. Although these efforts were not as successful as we would have hoped, we feel that, in view of the Turkish development effort and the steps now being taken to deal with our balance of payments problem, we should release the full amount of the second tranche.

We share Treasury's concern for the balance of payments impact of our aid program in Turkey. In an effort to improve the U.S. trade position with Turkey, an Interdepartmental Team headed by Deputy Assistant Secretary of the Treasury Petty went to Turkey in June 1967 to study the problem of export additionality. The Team made a number of recommendations of which the principal one deals with the selection of aid-financed commodities. We are now discussing with the Turkish Government the 11st of commodities to be financed by this second tranche. We hope to eliminate commodities which may supplant U.S. commercial exports and add commodities which are clearly additional to our normal commercial sales. We share the view of the Interdepartmental Team which concluded that: "...adjustments in the list of commodities eligible for A.I.D. financing were the most appropriate mode of attacking the additionality problem in Turkey."



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Any formula for burden sharing which ties the level of our program assistance rigidly to the level of program lending from other donors has a number of disadvantages. It does not take into consideration the other forms of assistance (e.g., project loans) provided by the Consortium members. In 1967 project loan pledges were \$152 million, which is an increase of \$10 million over total 1966 project loan pledges of \$142 million. The U.S. share of project loan pledges in 1967 is 40% which compares with 42% in 1966.

In addition, such a formula does not take into consideration the Government of Turkey's developmental efforts. The Turkish Government is successfully concluding its First Five-Year Plan. In 1968 it will start its Second Five-Year Plan which has as an objective ending concessional assistance by 1973. A cut in our program lending which was based solely on a burden sharing formula would retard the Turkish development program and seriously hamper the attainment of U.S. objectives in Turkey, political as well as economic.

Recommended Action: For the above reasons, we recommend that you approve release of the full \$30 million second tranche of the Turkey program loan.

William S. Gaud

William P. Sand

Attachment:

1. OECD Consortium for Turkey Record of Pledges

OECD CONSORTIUM FOR TURKEY RECORD OF PLEDGES

(Millions \$)

PROGRAM ASSISTANCE	<u>1965</u>	<u>1966</u>	1967
France Germany Italy United Kingdom United States Other Bilateral International Organizations	12.37 7.00 11.20 75.80 6.21	7.29 10.00 7.00 8.40 70.00 6.32	7.29 10.00 7.00 7.00 65.00 3.36
Total Program	112.58	109.01	99.65 2/
PROJECT ASSISTANCE			
France Germany Italy United Kingdom United States	20.00 10.00 -	17.29 3.75 - 60.00	8.29 6.25 5.00 - 60.00 3/
Other Bilateral International Organizations	70.00	60.90	22.70 49.30
Total Project	160.00	141.94	151.54
TOTAL PROGRAM AND PROJECT	272.58	250,95	251.19

- (1) A \$25 million credit from the EMA has not been included.
- (2) Does not include anticipated pledges totalling \$2.5 million from the Netherlands and Norway.
- (3) Not formally pledged.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 54-303

By ____, NARA, Date 5-36-51

CONFIDENTIAL

SECRET/NODIS

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Follow-up on Your Talks with the Shah

You will be pleased to know that the Shah left extremely happy. Your taking him over to the East Room Wednesday made a big impression. Ambassador Meyer asked me to thank you.

DECLASSIFIED E.O. 12356, Sec. 3.4 NU 94-298

In Walt's absence, he has suggested that I send you this memo to make sure we issue any instructions that need to be given.

We also want to be sure Ambassador Meyer is able to handle effectively any misinterpretations the Shah may have taken away.

Pilot Training. Secretary Nitze has arranged jet training for 60 Iranian pilots. He will enter 44 in regular advance jet training school here in the U.S. The rest will go through basic propeller training here and transition to jets under U.S. instructors in Iran. Mr. Nitze has so far arranged for 60, instead of the 75 the Shah mentioned, because our chief of military mission in Tehran understands from the Shah's Supreme Commander that this is the number required this year.

I would propose offering the above program to the Iranians with the understanding that Defense will go to 75 if that turns out to be the number needed. Is this consistent with your promise to the Shah?

Yes. I only promised to meet his need	No. I promised 75
to continue our military rela	We suggested saying only that you want tionship beyond current agreements but til we know what limits Congress has set.
Yes. I said we'd do everyth possible to meet his needs	ing No. I stuck to the above line
	ent. Did the Shah indicate his intention to ssing Hussein to come to terms with Israel?
YesNo_	Didn't come up
	SECRET

7	the Shah to ask that you urg ke from Iran. Did you give esponse from them?	
Yes. I said we'd talk to them	No. I said these are company matters	Didn't come up
responsible countries to Rusk recommended that y	th is considering collecting a hasten a peaceful solution in you simply offer to be open h . Did your discussions with	Vietnam. Secretary nanded and frank in
Yes. I asked him to press this	No. I stuck to the Secretary's line	Didn't come up

Harold H. Saunders

SECRET

Friday, August 25, 1967 4:05 p.m. MEMORANDUM FOR THE PRESIDENT SUBJECT: Election Observers Ambassador Bunker reports that his Mission and the Vietnamese Government are "in full gear" on preparations for handling observers. He will supply details as they are developed. We are going out this afternoon with specific suggestions for handling. All abservers have been contacted and advised on passports, shots, clothing, tentative schedule, etc. Contact included low-key suggestion to avoid any substantive comment to the press before departure. Reactions thus far have been good. William J. Jorden

Francisco Con

80

Friday, August 25, 1967 4:00 p.m.

MEMORANDUM FOR THE PRESIDENT

Mr. President:

Attached is the daily Viet-Nam political report.

William J. Jorden

Att.

SECRET-EXDIS Attachment

SECRET EXDIS

80 a

Viet-Nam Political Situation Report

August 25, 1967

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-299

By 2-7-96

Campaign Developments

Joint appearances of presidential candidates or their representatives in the provinces are continuing, but neither Thieu nor Ky has yet participated.

Registration began today of candidates for the Lower House election on October 22. Reports indicate that as many as 1,000 candidates may file for the 137 Lower House seats. (532 candidates ran for the 117 Constituent Assembly seats.)

We are receiving an increasing number of reports that provincial and district officials are being instructed to ensure a Thieu-Ky victory. We have asked for Ambassador Bunker's judgment as to whether Thieu and Ky are beginning to run scared and the lengths to which they might be prepared to go to rig the election. We have also requested Bunker's current thinking on the most likely contingencies to arise after September 3 and what courses of action we should consider for meeting such contingencies.

Bunker-Thieu Conversation

Thieu told Bunker he planned to participate tomorrow in a joint appearance with other candidates. Thieu asserted that continuing charges of irregular election practices had not been substantiated and no one had resorted to the legal complaint procedures. Thieu estimated that he would receive at the most 50% of the vote but could get 40% or less. He said he understood some civilian candidates might make a joint request that Thieu and Ky step down from their offices. He had also heard that Huong still might withdraw from the campaign, making the race an even closer one. The Embassy is checking further on these two reports.

SECRET-EXDIS

-2-

Impending Military Shake-Up

The press quotes General Thieu as announcing that 50 military officers, including some Generals, will be tried on charges of inefficiency and corruption. Thieu reportedly said that no decision had yet been taken but that such actions were planned. This press report is consistent with CIA reporting in the past two or three weeks.

Post-Election Thinking

A Huong supporter stated to an Embassy officer that Huong, if elected, intended to appoint a military man (unmarried) as Prime Minister. He said that Huong also was considering the establishment of a unified command for Vietnamese, U.S. and free world forces. Huong's supporter clearly indicated that Huong would not enter a government headed by the generals and would instead become a very vocal part of the opposition.

3. Presidential file

81

Friday, August 25, 1967 3:50 p.m.

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Summit Meeting on Viet-Nam

Bill Porter reports from Seoul:

A Korean newspaper quotes a "high-ranking Korean government source" as saying there is a strong possibility the second 7-Nation summit meeting will be held in Seoul late this year or early next. The story notes Korea offered Seoul as the next conference site when the 7-Nation foreign ministers met in Washington in April.

A foreign ministry official privately quotes his Foreign Minister as saying the latter hopes the meeting, if held, can be postponed until after the first of the year. He notes that the Koreans will be concentrating until then on handling the Korea Question in the U. S. General Assembly.

Porter says he finds no enthusiasm among any highranking Koreans for a summit conference before January 1st.

William J. Jorden

DECLASSIFIED E.O. 12356, Sec. 3.4 NEJ 94-278 By NARA, Date 10-26-75

CONFIDENTIAL

- Preside 7.30 file 82 Friday, August 25, 1967 1:00 p.m.

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Rabbi Election Observer

I was told the list of religious leaders for the observer team came from Secretary Rusk after the White House meeting last week. I assumed at the time that included the rabbi. It did not. With Fleming, Lucey and Graham on the original list, Secretary Rusk thought a rabbi skould be added.

Harry Seamans, who has been dealing with the religious community throughout the country for many years, was consulted. Rabbi Rudin was his recommendation.

He knows Rudin and regards him as an intelligent, moderate and very influential man. He is certainly among the outstanding leaders of Judaism in the country. The organization of which he is president -- the Synagogue Council of America -- is the only leading Jewish organization that combines the three mainstreams of Judaism -- Reform, Conservative and Orthodox.

Rudin's views on Viet-Nam are known to be moderate. One rabbi who knows him well said he is much more of a "hawk" than a "dove." He has publicly argued with and challenged Rabbi Jacob Weinstein, one of our most rabid critics. He is said to share your views wholeheartedly on the kind of settlement that would be desirable.

If Rudin said anything that might be considered rough, those who know feel certain he did so in order to add credibility to his position and to the views he will express when he returns from Viet-Nam. In this connection, I can find no record that any of the wire services or any major newspaper picked up any of his alleged remarks. There was apparently a short interview in NEWSDAY. Another rabbi who was present at the interview says the NEWSDAY story misquoted Rudin and did not use much that he said that was moderate and thoughtful. Apparently there was also a brief item on CBS news, but I can find no record.

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CONFIDENTIAL

ev 15 00 9-41-91

Rudin is 65. He was a Lieutenant Commander in the Navy in World War II. He has had a distinguished career. He has real standing in the Jewish community.

The consensus I get from those who know him is: he will be as open-minded as anyone on the panel.

I will ask Bunker and Westmoreland to assign a good and gung-ho Jewish officer or chaplain to serve as Rudin's escort officer. I believe this will turn out all right.

William J. Jorden

-CONFIDENTIAL_

Friday, August 25, 1967, 10:30 a.m.

Mr. President:

At Tab A, Bill Roth recommends yousign a letter (Tab B) requesting the Tariff Commission to study the effect of mink skin imports on the domestic mink industry. All interested agencies concur (State, Agriculture, Commerce, Labor, Treasury, Interior, Defense).

There has been a lot of pressure from the Wisconsin, Minnesota, and Michigan delegations (where most of the mink industry is located) for imposition of restrictions on imports which now enterduty free. Some 20 bills have been introduced -- one of them by John Byrnes.

The domestic industry claims it is in trouble: imports over the past 5 years have risen some 39%. Domestic production has also increased -- by 28% in 5 years. But, the industry claims -- with some reason, I suspect -- that the import rise, principally from Canada and Scandinavia, has caused a sharp drop in prices (about 23% over the past year).

Roth doubts that the industry's case is open and shut. A Tariff Commission study would establish exactly how much the industry has been hurt by imports and what kind of relief -- if any -- we should give.

I think this would make sense. A study by the Tariff Commission would let the industry know we are taking its problem seriously. More important, Roth reports that both Wilbur Mills and John Byrnes think it's a good idea.

Francis M. Bator

(If you approve,	we will need ye	our signature a	t Tab B)
No			
Speak to meast			
FMB:LSE:mst			

EXECUTIVE OFFICE OF THE PRESIDENT



OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

WASHINGTON 25, D.C.

LIMITED OFFICIAL USE

Monday, July 31, 1967 4:30 P.M.

MEMORANDUM FOR

THE PRESIDENT

SUBJECT: Tariff Commission Study of the Domestic Mink Industry

Recommendation

I recommend that you sign the enclosed letter requesting the Tariff Commission to report to you under section 332(g) of the Tariff Act of 1930 as to the economic situation of the domestic mink industry, including employment and the returns to both labor and management, and the effect of imports of mink skins on that industry.

All the agencies concerned concur in this recommendation.

Discussion

In recent months, an increasing number of communications has been received from the domestic mink industry and its Congressional representatives, alleging that American mink ranchers are facing an economic crisis requiring the immediate imposition of restrictions on imports of mink skins.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

- 2 -

The industry is centered in Wisconsin, Minnesota, and Michigan, and Congressmen from these states have indicated their concern in all of the usual ways. Approximately 20 bills to restrict mink imports are pending before the Congress, including one introduced by Congressman Byrnes of Wisconsin.

The industry claims that increased imports are responsible for a drop in the price of mink skins in the U.S. market from an average of \$19.48 last year to \$15.00 in the current season. Although imports rose from 4.1 to 5.7 million skins between 1961 and 1966, there was in the same period an even greater increase in domestic production, from 6.4 million to 8.2 million skins. Imports come principally from the Scandinavian countries and Canada.

The duty-free status of mink skins has been bound in the General Agreement on Tariffs and Trade (GATT) for the last 20 years. In 1959 the Tariff Commission, following an escape-clause investigation instituted by the mink industry, found unanimously that imports were not injuring the domestic industry. Although the industry has complained of difficulties intermittently since then, it has not again attempted to invoke the escape clause as a means of obtaining relief from import competition.

Section 332(g) of the Tariff Act of 1930 directs the Tariff Commission to make such investigations and reports as may be requested by the President. From the economic information available to us, we have some doubts as to the economic validity of the case being presented by the mink industry. The investigation which we suggest should provide us with additional data which will make it possible to determine whether and what kind of relief should be

LIMITED OFFICIAL USE

- 3 -

afforded in this situation. Additionally, your request for the investigation should prove to be sufficient to forestall further action in the Congress on any of the bills now before that body.

> William M. Roth Special Representative

Attachment:

Letter to Tariff Commission

LIMITED OFFICIAL USE

33b

DRAFT LETTER TO CHAIRMAN OF TARIFF COMMISSION

Dear Mr. Chairman:

I request, in accordance with section 332(g) of the Tariff Act of 1930, that the Tariff Commission make an investigation of the conditions of competition in the United States between mink furskins produced in the United States and in foreign countries.

The report of the Commission shall include (but not be limited to) data with respect to U.S. consumption, domestic production, imports, exports, prices, employment, the financial returns to domestic producers, and the effect of imports on the industry.

I request that you report the results of this investigation to me at the earliest practicable date.

W.W.R. 830 AUG 2 8 1967 Dear Mr. Chairman: I request, in accordance with section 332 (g) of the Tariff Act of 1930, that the Tariff Commission make an investigation of the conditions of competition in the United States between mink forskins produced in the United States and in foreign countries. The report of the Commission shall include (but not be limited to) data with respect to U.S. consumption, domestic production, imports, exports, prices, employment, the financial returns to demestic producers, and the effect of imports on the industry. I request that you report the results of this investigation to me at the earliest practicable date. 15/ Lyndon B. Johnson Honorable Glena W. Sutton Acting Chairman United States Tariff Commission Washington, D. C. LBJ: FMB:mst Aug. 25, 1967

2. Presidential file

E.O. 12356, Sec. 3.4 By ..., NARA, Date 10-26-95 August 25, 1967 94-298

Mr. President:

President Sanchez of El Salvador is thinking of sending ex-President Rivera to Washington ostensibly to seek an increase in Salvador's sugar quota. He has asked Ambassador Castro to relay a request that you receive him.

DECLASSIFIED

We suspect that a more important reason for the Rivera mission is to get the ex-President out of the country and hopefully to entice him -- through high level attention in Washington -- to take the Salvadorean ambassadorship here. President Sanchez is bothered by having as dominating a political figure as Rivera in the country. Rivera -- unlike other ex-presidents -- has not taken the customary long trip abroad immediately after leaving office.

I have discussed the request with Covey Oliver. We think the mission makes no sense. We can give them no satisfaction on sugar. If the trip were to be publicly billed as a sugar mission, it is fore doomed to failure and will hurt US - Salvadorean relations rather than help.

If Rivera comes here to catch "Potomac fever," fine but we don't like the idea of using you as the "infecting agent."

Subject to your concurrence, Covey plans to instruct Ambassador Castro to discourage the trip, and particularly the chances of ex-President Rivera seeing you if he does come.

William G. Bowdler

Approve discouraging the	Do not discourage mission as
mission	long as it is not billed as a
	sugar mission
I prefer not to see Rivera if he	
comes regardless of his mission	I will see Rivera if he comes

2- Professor 11 () 11

August 25, 1967

Mr. President:

President Balaguer celebrates his 60th birthday on September 1.

State recommends that you send him a congratulatory message.

From a personal standpoint it is a nice gesture. In the Dominican political context it will also be helpful.

I recommend you approve the attached message.

Approve ______ William G. Bowdler
Disapprove _____

354

SUGGESTED BIRTHDAY MESSAGE TO PRESIDENT BALAGUER

Mr. President:

I send you warm congratulations and best wishes as you celebrate your 60th birthday. May the coming years bring you continued good health and happiness as you direct the affairs of the Dominican nation.

Lyndon B. Johnson

2- Nacidential file Thursday, August 24, 1967 (7:30) MEMORANDUM FOR THE PRESIDENT Mr. President: I thought you would be interested in the attached memo on the atmosphere in Manila. Marshall Wright is the very able officer who has replaced Don Ropa on our staff. I agree heartily with his estimate that something is souring our dealings with Marcos -- and that we should find out what it is. I will be working on this. William J. Jorden Att. SECRET Attachment

THE WHITE HOUSE

86a

SECRET

August 22, 1967

MEMORANDUM FOR MR. JORDEN

SUBJECT: Something's Wrong in Manila

A weather change seems to have set in in our relations with the Philippines, or, more precisely, our relations with President Marcos.

The tone of Marcos' reply to President Johnson's letter of August 17 is stiff and unforthcoming. That is, however, only the latest of several pieces of evidence of strain in our relations with Marcos:

- -- Marcos is considering the appointment of J.V. Cruz as his Press Secretary and Blas Ople as his Secretary of Labor. Both are so notoriously anti-American that their consideration by Marcos is difficult to understand.
- -- Recently, Marcos indicated a reluctance to announce our agreement to provide equipment for 5 more engineering construction battalions. This is a complete turnabout on his part and his explanation of it is unconvincing.
- -- Marcos was adamantly uncooperative on the Clifford-Taylor visit, which simply would not have caused him as much political difficulty as he pretends.

It seems to me evident that something is going on in Manila or in Marcos' own mind which we do not understand. Whatever it is, it is already creating substantial problems for us. I have talked to the people in State about this and they are hoping that Bill Blair's imminent return to Manila will precipitate an Embassy assessment of the difficulty. Blair, however, is somewhat crippled by a lameduck status.

I hope that there will not be too much delay in naming and getting to Manila a new ambassador. I think we need one even more than we had realized earlier.

Marshall Wright

SECRET

DECLASSIFIED

Authority ML 988-130 appeal

By 18/100, NARA, Date 9-9-91

MEMORANDUM

2- Presidentil file

THE WHITE HOUSE

SECRET

Thursday, August 24, 1967, 6:30pm.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Will China Go Back to Warlordism?

There has been much speculation that the current chaos in China will result in the collapse of central authority and the rebirth of regional warlords. Attached is a cable from Ed Rice, our Consul General in Hong Kong, on this possibility. Briefly, Rice believes that the current disorders have already put regional military commanders under pressure to behave in a more autonomous way. However, he does not expect the relapse of the country into the warlord system of the 1920's because:

- -- The regional military commanders are not, generally speaking, local figures, but men with a strong sense of the army as a national institution.
- -- China's modern military is dependent for its existence on the national industrial sector, and the continued flow of material requires each regional commander to recognize interdependence with other regions.

In short, the regional army commanders are not potential warlords, and warlordism is not likely unless the army dissolves into the general chaos.

(3) William J. Jorden

Att.

Hong Kong 1126, dtd 8/23/67

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 9/-2/2

By ig, NARA, Date /- 22-93

SECRET

87-

TO THE PRESIDENT

FROM CONSUL GENERAL RICE IN HONG KONG (Hong Kong 1126)

SUBJECT: Possible Reversion of China to Warlordism.

I wish comment on statement of Nationalist China's Ambassador Cheng to effect he believes China is fragmenting into separate power bases somewhat similar warlord situation of 1920's.

China had what in effect were warlords, in periods when central authority was weak, long before 1920's and she may have them again. However, it seems to me unlikely that we shall soon see emergence of regional figures who bear close resemblance to warlords of 1920's.

Communist China divided naturally wish to maintain some semblance of order in their respective spheres, and to prevent popular disaffection from infecting forces they command. Accordingly, they have interest in preventing outward shipments of foodstuffs if they have reason to fear local shortages and in preventing travel into their areas of rabid Red Guard units intent on shaking their authority or otherwise stirring up disorder. Thus, military commanders in provinces have vested interest in increasing own de facto autonomy vis-a-vis Peking-e.g. by limiting interregional transport and communications.

This is different situation from 1920's when various warlords were attempting enlarge their respective spheres at expense of each other. The men involved, too, are a different breed: some have deep roots in their respective areas. But most have come up through military organization which is national in scope and instrument of party of which many were leaders. Accordingly their normal expectation has been advancement via normal steps in unified service rather than hope of carving out independent fiefdoms. Finally, they have been largely dependent for military material on industrial sector which is far more complex and interdependent than that of the 1920's. I suspect that, crudely speaking, China's modern industrial sector will have either to work as a whole or grind to something approaching a halt.

SECRET

Authority State Sta 2/28/78

By 18/11, NARA, Date 9-9-91

People's Liberation Army remains the only organ of the Government with largely intact chain of command are nationwide system of communications. By and large, PLA commanders have saved it by staying above the struggle and just holding the ring. In consequence, commanders of major regions and units have potential for influence far beyond that which they could have exercised during previous recent years. But there is as yet no convincing evidence that they will forge a unity which would enable them exercise it on a national level. They could lose the play by trying too long to save it—i.e., by losing country to anarchy and chaos. Such a development could, of course, open the country to banditry and warlordism more closely resembling that of the 1920's and previous periods.

A foreign visitor some time ago remarked to a Chinese that under communists, China at least no longer had the old system of squeeze. His interlocutor, doubtless thinking of the new system of official exactions, replied that was true, China now had a new system of squeeze. Similarly, I feel China will not soon see the return of old warlord system, but may be in for something which bears no less heavily on suffering populace.

SECRET

2- Pos. file

THE WHITE HOUSE WASHINGTON

August 24, 1967 5:55 pm

President:

Honduran President Lopez has sent you an album of photos taken during the visit to South Viet-Nam of a Honduran Red Cross team and a group of military observers last February (Tab B).

State recommends that you send a hort acknowledgment along the lines of the draft at Tab A.

WGB-William G. Bowdler

August 24, 1967

Dear Mr. President:

Thank you for your thoughtfulness in sending me the album of photographs taken during the visit of the Honduran Mission to the Republic of Viet-Nam. They are a reminder of the generosity of the people of Honduras.

Honduras' firm support of the efforts to defend democracy and secure a just peace in Viet-Nam is greatly appreciated. I am confident that the united efforts of the Free World will bring the achievement of these goals.

With warm regards,

Sincerely,

[5/ LBJ

Lyndon B. Johnson

His Excellency
Oswaldo Lopez Arellano,
President of the Republic
of Honduras,
Tegucigalpa.

DEPARTMENT OF STATE DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

R-XX/R-XV Spanish

Office of the President of the Republic

Tegucigalpa, D.C., August 4, 1967

Dear Mr. President:

I have the honor to transmit to Your Excellency an album of photographs showing various aspects of the visit made by the Mission of Honduras to South Viet-Nam in February of this year.

May this occasion serve to call to Your Excellency's mind again the firm purpose of my Government to cooperate, within the realm of our abilities as a nation, in all activities that may help to strengthen democracy and to maintain peace and harmony in the free world.

Accept, Excellency, the assurances of my highest and most distinguished consideration.

[s] O. López A.

Oswaldo López A.

[Seal - Office of the President of the Republic of Honduras]

His Excellency
Lyndon B. Johnson,
President of the United States
of America,
Washington, D.C.



Tegucigalpa, D.C., 4 de Agosto de 1967

Excelentísimo Señor Presidente:

Tengo el honor de remitir a Vuestra Excelencia un Album de Fotografías que recoge distintos aspectos de la visita efectuada por la misión de Honduras a Viet-Nam del Sur en el mes de febrero del presente año.

Sirva esta ocasión para reiterar a Vuestra Excelencia los propósitos permanentes que animan a mi Gobierno de cooperar, dentro del radio de las posibilidades nacionales, en toda actividad que tienda a fortalecer la democracia manteniendo la paz y la armonfa en el mundo libre.

Reitero a Vuestra Excelencia las seguridades de mi mas alta y distinguida consideración.

OSWALDO LOPEZ A.

Excmo. Señor Lyndon B. Johnson Presidente de los Estados Unidos de América Washington DC.

02- Precidenteal file

THE WHITE HOUSE

WASHINGTON

WAS	WASHINGTON	
-SECRET- FORMERLY RESTRICTED DATA	August 24, 1967 Thursday, 5:20 P.M.	
MEMORANDUM FOR THE PRESID	•	j.1(a)
UBJECT:		,,,,,,,
·		6.164
	spersal authorization of the actual ou approved the dispersal of these we poses (NSAM 3.4(b)(6)	eapons
link installation (PAL) in accordan		5 3.4(6)(6)
Your approval of the attached is retine attached memorandum for the	ecommended. If you approve, I will Deputy Secretary of Defense.	l sign
	ිදිදි Bromley Smith	-

SECRET - FORMERLY RESTRICTED DATA ___

SANITIZED E.O. 12958, Sec. 3.6 NLJ 00-187 By cbm, NARA, Date 3-18-02

Approve

Disapprove ____

See me ____

WASHINGTON

SECRET FORMERLY RESTRICTED DATA

8/25/67

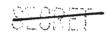
MEMORANDUM FOR THE DEPUTY SECRETARY, DEPARTMENT OF DEFENSE SUBJECT:	J 6.1(a)
	6.1(a
It was noted the Department of State and the Atomic Energy Commission concur in requested dispersal.	
The President has approved the requested authority with the understhat all weapons to be dispersed under this authority will be prografor permissive link installation in accordance with NSAM It has a second and the second accordance with the link installation in accordance with NSAM It has a second accordance with NSAM	ammed nas 3.4(b)(b)
been noted that U. S. unilateral communications to the U. S. custo detachment will be operational prior to weapon dispersal and that a other requirements for custodial facilities, personnel, security an communications will be completed prior to the dispersal of these	all - id
additional weapons. It is further understood that the approval of the request will not involve any increase in the area total of nuclear we proposed for dispersal to West Germany over the dispersal ceiling established for planning purposes by NSAM 3.4(b)(6)	eapons

Bromley Smith

SEGRET - FORMERLY RESTRICTED DATA







THE DEPUTY SECRETARY OF DEFENSE WASHINGTON, D. C. 20301



8 JUL 1987

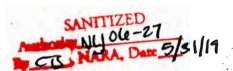
MEMORANDUM FOR THE PRESIDENT
SUBJECT:
ditional dispersals are consistent with the proposed FY 67/68 Nuclear Weapons Dispersal Plan which was forwarded to you for approval on 26 May 1967. Installation of permissive action links (PAL) will be completed before
the weapons are dispersed. U.S. unilateral communications to the U.S. custodial detachment will be operational prior to weapon dispersal. All other requirements for custodial facilities, personnel, security and communications will be completed prior to dispersal.
The Department of State and the Atomic Energy Commission have con-
curred in this dispersal action.

Attachments 2

No. Def Sent We. X-____

FORMERLY RESTRICTED DATA

Handle as Restricted Data in Jan Dissemination
Section 144b, Atomic Energy Act, 1954



EXCLUSED FROM AUTOMATIC REGRADING: BOT OF SPOOL 10 DOES NOT A PLY

The proposed FY 67/68 Nuclear Weapons Dispersal Plan was for to the President for approval on 26 May 1967. This plan, when a will supercede NSAM 334, which is the current planning document the support of NATO with nuclear weapons.	pproved,
NSAM 143 requires specific Presidential approval for the dispersional weapons on a case-by-case basis as the forces become optional. This unit is scheduled to attain a In order to meet this operational date, weapons show in place	pera-

FORMERLY RESTRICTED DATA

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Section 144b, Atomic Energy Act, 1954

SANTTIZED

Authority NU 06-27

By NARA, Dete____

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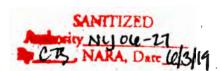
The proposed FY 67/68 Nuclear Weapons Dispersal Plan was forwarded to the President for approval on 26 May 1967. This plan, when approved, will supercede NSAM 334, which is the current planning document for the support of NATO with nuclear weapons.				
nuclear				
•		to attain a nuclear delivery cap- this operational date, weapons		
	The first way.			

SECRET

FORMERLY RESIDENCE DATA

Handle as Restricted DATE in Fc organization.
Section 1445, Atomic Energy Act, 1954

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NATIONAL SECURITY COUNCIL

5

SECRET-

August 24, 1967

Formerly Restricted Data

MEMORANDUM FOR MR. BROMLEY SMITH

SUBJECT: 6.1(4)

Here is a routine dispersal action for the President's consideration. It has no unusual features. The President had previously (August 14, 1967) approved for planning purposes the dispersal of these weapons to West Germany (NSAM Presidential 3.4(1)(6) authorization is required on a case-by-case basis to disperse weapons to each squadron as it reaches operational status and this is the request for specific dispersal authorization of the actual weapons. The applicable PAL instructions have been observed.

I recommend that you submit this request to the President.

Charles E. Johnson

SEGRET - FORMERLY RESTRICTED DATA-

SANITIZED E.O. 12958, Sec. 3.6 NLJ 00 - 187 Hycbm, NARA, Date 3-18-02

- Freed less tra Copile qu

CONFIDENTIAL

went up ang 25 August 24, 1967 (11:45 am)

Mr. President:

Next Monday the South and Central American Foreign Ministers meet in Paraguay to discuss how they will proceed in carrying out the Punta del Este decisions on economic integration. The results will tell us how serious they are about moving toward a common market beginning in 1970.

Last week the middle-size group of countries -- Venezuela, Colombia, Ecuador, Peru, Bolivia and Chile -- agreed on a subregional arrangement for integration of their economics as a step toward the Latin American Common Market. This is a favor development. It shows that they want to put themselves in a better position to compete with the more industrialized big three -- Mexico, Brazil and Argentina.

William G. Bowdler

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 94-298

By 10-26.95

2- Presidential file

August 24, 1967

Mr. President:

AEC Chairman Seaborg has requested your approval of the attached statement which he would like to use when he visits the Livermore Laboratory on September 9. It will be the 15th Anniversary of the founding of the laboratory.

Bromley Smith

Approved 8/31/67

Disapproved ____

See me ____

pent through Harry me Pherson

Presidential Statement for LRL-LIVERMORE 15th Anniversary

On this 15th Anniversary of the Lawrence Radiation Laboratory at Livermore it is my pleasure to extend, through Chairman Seaborg, my congratulations to the Director and the entire staff of the laboratory.

For 15 years the Lawrence Radiation Laboratory at Livermore has been making an outstanding contribution to our national security and defense. On this occasion I want you to know that your important work, carried on in strict secrecy and unheralded by the American public, is recognized and appreciated by your President and your nation.

Your work has been essential to maintaining world peace as well as to advancing man's knowledge about the atom and its ever-growing potential for progress as well as security. On this anniversary I hope you will all take pride in what has been accomplished by the Lawrence Radiation Laboratory at Livermore, and will continue your efforts which result in the many contributions this laboratory makes to the nation.

THE WHITE HOUSE

August 24, 1967

Your Imperial Majesty:

Your visit here has given us all great satisfaction. Once again, talks between us have brought us closer and have made more vivid the community of purpose which we share. In addition, Mrs. Johnson, my colleagues and I have very much enjoyed the pleasure of your company.

We send with you our continued encouragement as you celebrate this fall the achievements of your reign to date and re-dedicate yourselves to an even brighter future for the people of Iran. We send also our warmest wishes to the Empress and your children.

Sincerely.

His Imperial Majesty

Mohammed Reza Shah Pahlavi

Shahanshah of Iran

Wednesday, 7:30 P.M. August 23, 1967

Mr. President:

Ambassador Bunker reports in his weekly that the prospects now look promising for a reasonably fair and free election.

He lists the issues of major importance as:

peace the conduct of the election corruption, and proper role of the military.

Bromley Smith

SECRET/NODIS

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-29

By 12-0, NARA, Date 12-15-94

Wednesday, August 23, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon, 3824)

Herewith my seventeenth weekly telegram:

A. General

The campaign has continued to pick up momentum during the past week and going well after the initial uproar over the Dong Ha affair. Most of the candidates have continued their joint appearances and since my last message, they have been to Qui Nhon, Gai Dinh (outside Saigon), Nha Trang, Banmethout, Tay Ninh, and are in Can Tho today. The arrangements have been well handled and the crowds have ranged from 2,000 to 5,000, which is a relatively good size by Vietnamese standards. Radio and television appearances continue and the Senate campaign is also going forward in a satisfactory way.

Neither Thieu nor Ky have appeared in any of the joint engagements so far but have let their local representatives appear for them. The latter have not done much more than present their excuses. I think this has been a mistake, for it tends to lead to an assumption that they feel that they have the Government apparatus under such control and can use it to such advantage that their election is assured. They, on the other hand, have given a number of reasons for non-participation. One is that they propose to campaign in low-key. Thieu told me just before the campaign started they proposed to do this because, as incumbents, certain advantages accrued to them and they did not want to appear to be profiting unduly from this fact. The second reason advanced was that because of their respective positions as Chairman and Prime Minister, they would be accorded special consideration by the people and this might offend the rival candidates. A third reason which we have heard, and to which I would give some credence, is the fact that Thieu is fearful that a joint appearance

with other candidates, Ky might react impulsively to criticism and give vent to some ill-considered statements. I do not think these reasons are adequate, however, and I have told them both I think they ought to make some joint appearances. When I saw Thieu last Saturday, he agreed that they would join the other candidates in Saigon and adjacent areas, and Ky told me that he proposed to pilot the candidates on one of their trips. (I am not sure whether this will add to or detract from their feeling of security.)

As a matter of fact, Thieu and Ky have been doing some very effective campaigning on extensive trips throughout the countryside, turning official appearances and functions to good political advantage. While they have played each trip in low-key, they have received good press coverage. The civilian candidates have also received good press coverage. I do not believe that any of them can have any complaints on this aspect of the campaign. It is worth noting, too, that two of the civilian candidates, Binh and Co, have abandoned the joint meetings and have been campaigning on their own.

A number of other things are worth noting about the campaign. One is the fact that the Government is being publicly severely criticized by almost all the civilian candidates. This is an evidence of freedom which has not heretofore existed under any previous regime. The second point is that these criticisms have been fully reported in the Vietnamese press. The third point is that although there were interruptions in the joint campaign tours while candidates were in Saigon bickering over the Dong Ha incident, the activities of their organizations and representatives outside of Saigon were not affected and the campaign was being actively pursued. In some instances, representatives have met jointly and applied the same ground rules as those which applied to the joint meetings of the candidates themselves. Many of these meetings have been well attended by crowds of 1,000 to 2,000 people. It is our impression that all the major slates have quite active representation at least at the provincial levels and sometimes in villages and districts.

There have been some charges, particularly by Huong and Ha Thuc Ky, that in some areas, Province Chiefs or

District officials have restricted campaign activities in the countryside. So far, I have not seen any substantiation of these charges.
In fact, some of Huong's own personnel whom he claimed were
subject to pressures have themselves denied that this was so.
In my last talk with Thieu, I referred to these charges and he
replied that none of the candidates had presented proof of
their charges, but if they did, the Government would investigate
them promptly.

As a matter of fact, while many Province and District Chiefs evidently favor Thieu and Ky and have worked for their election, it is evident from reports of our Provincial Reporting Officers that this is by no means true of all of them. Deputy Province Chiefs for Administration, who are almost always civilians, frequently favor other candidates, usually Huong or Suu.

In his radio broadcast on the evening of August 21, Ky said that the freedom enjoyed by candidates in the present campaign, including the freedom to criticize the Government of Vietnam in fairly harsh terms, is a sign that the country is moving steadily toward democracy. He observed that, "At no time in the history of Vietnam have journalists been given so much freedom." He again stated that the Government of Vietnam officials at all levels had been instructed to insure that elections are free and impartial.

While it is our estimate that Thieu and Ky are in the lead, and should probably win with 35 to 45 percent of the vote, I believe that Huong and Suu are doing quite well. In Cholon, the Chinese section of Saigon where most of the betting takes place, the odds on Thieu versus Huong are even. On Thieu versus Suu, they are 10 to 8. In fact, Thieu told me last Saturday that he did not feel sure of being elected. He added that whether he was elected or not was not the important thing. What was important was that the election should be honest and the Government which emerged should have the support of the people and of the Armed Forces. He said that he would gladly support whomever was elected and would be happy to return to the Armed Forces and work patriotically for this country. He repeated this statement at a conference with the foreign press. I may say that I think Thieu has made a good impression in this campaign. He has handled himself

with dignity, restraint and modesty and has not reacted to criticisms by other candidates. During tours of the countryside and in contacts with the press, he has quite consistently made constructive remarks reflecting a sober and mature approach toward the evolution of the Constitutional process.

The proposal by Senator Javits for a four-week postponement of the elections met with mixed reaction. Some of the civilian candidates were in favor of a two-week extension, such as Huong. He felt that it should be brief lest, as he put it, "people get bored." In any case, extension of the campaign period would require legislative action by the Assembly and this, I am certain, could not be secured. Most of the members are campaigning either for the Senate or the Lower House and, so far, it has been impossible to get a quorum even to consider extending the voting hours on September 3, something which, in my opinion, would be advisable due to the complexity of the elections. In my view, it would be very unwise to extend the campaign period. The country is at war and it should not be diverted more than is necessary from this or from pacification, or from the many other things that need urgently to be done. The Viet Cong are intensifying measures to disrupt the elections by increasing terrorist attacks. An extension of the campaign simply gives them greater opportunities to carry on these disruptive efforts. I think the point Thieu made to me is also well taken, that the country is small, all of the candidates are well known, so are the issues. Aside from criticisms of the Government which, as I have said, have been fully reported in the press, the main issues which the candidates keep emphasizing are peace, corruption, security, democracy, and the merits of civilian versus the present military government rule, and these have been repeated so often that the candidates' views are widely known.

While much could happen during the next eleven days, I believe that the prospects now look promising for reasonably fair and free elections, and that with the elections for the Lower House in October, we shall be on the way to achieve one of our main objectives, the establishment of a functioning,

Constitutional government. It is my hope, of course, that whatever government emerges from the elections will take steps to broaden its base through the inclusion of competent individuals from the opposition and that the resulting administration will represent a broad spectrum, civilian and military, of the Vietnamese social structure. I think the importance of this is recognized by all the leading candidates, but we should continue to urge it on the successful ticket.

While the responses to the Government of Vietnam invitation to other governments to send observers are slow in coming in, there appears to be good prospects of fairly broad representation. It is probable that some Parliamentarians will come from Australia and Japan; Belgium, New Zealand, Turkey, Korea and Laos have definitely accepted invitations.

The more balanced tone of the U.S. press has also been helpful. The reaction of the U.S. press and of other groups in the early days of the campaign, triggered by the Dong Ha incident, seemed to me hasty, ill judged, and an effort to pre-judge the whole affair such as you will recall we had at times in the Dominican situation. But your speech last Wednesday at the awards ceremony and your answers to the questions at the press conference on Friday put the situation here in balance and in much better perspective and the resultant change in tone of the press has been most helpful here. Your joint letter to Thieu and Ky, while stressing the importance we attach to free and fair elections, gave them encouragement at a psychological moment when it was needed.

I shall be reporting in greater detail on the campaign in the Political section.

Military activity during the past week continued at a relatively low level. On the other hand, terrorist attacks by the Viet Cong aimed at disruption of the elections and of creating an atmosphere of fear and apprehension on the part of the public have increased. A Viet Cong terrorist arrested by the Saigon police last week told of seven targets in Saigon selected

to be hit by recoilless rifle fire before the elections. A number of other terrorist incidents in and around Saigon confirm the fact that the Viet Cong are stepping up their general terrorist activities in the vicinity of the capital. Agent reports from other parts of the country and captured documents have confirmed the Viet Cong plans for sabotage and disruption of the elections. The Government on the other hand has expressed its confidence that it will be able to adequately control the situation as it did in the Assembly elections last year.

General Westmoreland continues to report evidence of improved performance of the Vietnamese military forces.

A. In Thua Thien province, at 1:23 a.m. on August 13, a subsector headquarters was attacked by an estimated enemy battalion, supported by mortars. Two Regional Force companies, supported by artillery, flareships and gunships, successfully held their positions and the enemy broke contact at 7:00 a.m. The Regional Force lost 4 killed and had 20 wounded; they killed 45 of the enemy, detained 4, and captured 12 individual weapons.

B. At about 1:20 p.m. on August 12, the 39th ARVN Ranger Battalion became heavily engaged with an estimated enemy battalion in Quang Tin province. Intermittent heavy contact continued until 1:00 a.m. on August 13, followed by sporadic contact until 3:00 p.m., August 13. The 39th Ranger Battalion killed 150 of the enemy and captured 33 individual and 2 crewserved weapons. Their losses were 22 killed and 21 wounded.

C. The 533rd Regional Force Company apparently prevented a mortar attack on Tan Son Nhut Air Base when, supported by a flareship and armed helicopters, it engaged an unknown size enemy unit 3,000 meters south of the base between 8:14 and 8:20 p.m. on August 19. The Regional Force men took 3 detainees, one 81mm mortar, and 18 rounds of 81mm mortar ammunition. During interrogation, the detainees said the base was to be mortared from various positions on the night of August 19-20. The Regional Force Company detained 5 more suspects at 1:15 a.m. later on that night. (General Westmoreland

has sent a letter to the Commanding Officer of the Regional Force company commending him for this expeditious action in preventing possible disastrous damage to the base.)

General Westmoreland also reports progress in the very difficult but absolutely essential task of destroying the Viet Cong infrastructure which for many years has been working under deep cover in the villages and hamlets. For example, in Hau Nghia province, which has been one of the most difficult, John Vann, the Corps senior representative in the Third Corps, who has been in Vietnam for five years and who is not given to optimism, reports that the infrastructure in Hau Nghia is "on the verge of collapse."

B. Political

Probably the major issue in the campaign is peace. While other matters -- notably the conduct of the campaign itself and the new charter for the United Buddhist Association -- have generated some heat, I believe the greatest interest remains focused on the problem of finding a way to end the war with freedom and honor. There has been no real debate on the subject, and with the exception of Truong Dinh Dzu and Phan Huy Co, the candidates are putting forward very similar ideas. Nevertheless, recognizing the importance of this problem to the people, the candidates rarely miss an opportunity to take their stance on peace and how to achieve it.

The high cost of living and the general state of the economy have figured surprisingly little in the campaign. Phan Quang Dan has discussed the need for land reform several times in his public appearances, and on one or two occasions he has attacked the Government for failing to deal effectively with inflation, but he is relatively alone in this tactic. The other candidates have preferred to make generalized charges of corruption. Huong in particular has based his campaign in part on the problem of corruption, and nearly all of the others have tried to exploit the issue at one point or another.

Notable with regard to both the peace and the corruption issues is the failure of most candidates to get down to specifics. No candidate has tried to bring to light any particular scandal, though it would probably not be difficult to find and publicize evidence of Governmental corruption. For example, the charges against former Industry Minister La Thanh Nghe have appeared in the local press (Shiech takes its copy from western wire services) but no candidate has seen fit to use these stories as fuel for his own campaign.

In the case of the peace issue, General Thieu has indicated that he may call for a bombing pause after the election. Truong Dinh Dzu has said that he favors a halt in the bombing, reconvening the Geneva Conference, direct talks with Hanoi, and U. N. membership for both North and South Vietnam. Other candidates have been less specific, however, with a general refusal to treat the National Liberation Front on equal terms being about the only clear feature of their peace programs.

The conduct of the campaign, particularly charges that the Government is pressing and threatening representatives of the other slates, is an important issue. Not only Huong, but several other candidates have tried to exploit such charges. Dzu is among the leaders, always complaining about the arrangments for the campaign meetings regardless of how adequate they are. A variant of this issue is the complaint that Thieu and Ky have so far failed to appear with the other candidates but instead choose to do their campaigning under the guise of "inspection trips" and presiding over various ceremonies. The candidates also came back from time to time to the charge that Thieu-Ky are taking unfair advantage by their failure to resign their Government positions in order to become candidates.

The new Tam Chau Charter for the United Buddhist Association was seized upon by several of the candidates, notably Suu, Mai Tho Truyen, and Dzu. They apparently see it as a means of attacking the Government and winning Buddhist votes without seriously antagonizing any potential supporters. They evidently reason that those Buddhists who are loyal to Tam Chau

will be committed to the Thieu-Ky slate in any event, so that an attack on the new Charter cost them nothing while possibly gaining them some militant Buddhist support. As one might expect, this issue is used most in the areas where the Buddhist population is believed to be largest and most militant.

Another issue, used mostly by Huong but touched on by some of the other candidates, is the alleged remarks of Generals Ky and Thang. Thang's comment that the future of the country depends on the Army and that elected government is not necessarily efficient government has drawn particularly heavy fire from Huong. He has also frequently referred to Ky's alleged threat of a coup against an "unworthy" elected government. (Thang has privately expressed regret for this ill-considered statement which he claims was reported out of context.)

Some of the minor candidates are stressing other themes.

Phan Huy Co takes a determinedly hawkish attitude, calling consistently for all-out war against the Communists and urging total victory. Quat speaks of little besides his unsuccessful 1961 bid for the Presidency when he ran against Diem, while Khanh likes to stress his long revolutionary record.

It is difficult to measure the response of the voting public to these issues and appeals. Perhaps, as Huong is fond of saying, most voters pay little or no attention to what the candidates are saying, but are instead influenced mostly by their reputations and their appearance. Judging from crowd reaction at the public meetings, however, the Vietnamese public is keenly interested in peace, the conduct of the election, corruption, and the proper role of the military.

I have mentioned the charges that the Government is pressuring the representatives of the other candidates. I have the feeling that this issue is less appealing than it first appeared. The public has noted the charges and in many cases is no doubt prone to believe them. Still, I think the public is also taking note of the fact that despite such allegations, the campaign

machines of the major candidates are very active in the provinces, that the press is obviously quite unafraid to attack and criticize both the Government and the military, and that the Government has, in fact, done a good job of providing campaign facilities for the civilian candidates ever since the Dong Ha furor.

When I discussed the problem of a fair and free election once more with General Thieu on August 19, he again assured me that he would make every effort to see that the elections will be honest and that the people understand there will be no pressure and no intimidation. He specifically denied the charge that military personnel will get two voting cards and will thus be able to vote twice. (This charge was first made publicly by Tran Van Huong on August 15, with no supporting evidence. No candidate has since brought forward any evidence, though several have echoed Huong's remarks. The Special Commissioner for Administration, Nhuyen Van Tuong, was prompted by these charges to make a statement to the Vietnam press August 21 to the effect that military voters can register their names only once and will get only one voting card. Tuong pointed out the legal penalties for voting twice -- they are very stiff and are doubled if the offender is a civil servant or a military man -- and the administrative safeguards against such an action.)

Of course, Ky has also defended the Government's conduct of the elections in his August 21 letters to Vice President Humphrey and Speaker McCormack. I am not sure how the letter will be received, but I think it is a fair statement of the Government's actions and present attitude toward the problem of insuring a free and fair election. Copies have been sent to the Prime Ministers of other troop-contributing countries by Ky.

At the same time I should say that I think there is probably some substance to the charges of attempts to intimidate and pressure the campaign workers of the other candidates. We have a number of reports that suggest such things are taking place here and there. Given the authoritarian nature of Vietnamese government in the past and the natural desire of Vietnamese officials to please their superiors, a certain amount of this kind of activity is probably inevitable. The public outcry against such tactics

plus our more or less constant reminders have so far probably served to keep such things within fairly acceptable limits, however. Certainly, as I noted above, the campaign machines of the major civilian contenders are reported to be very active in the provinces, a sign that they are not encountering very effective pressures from the Government in any event.

It is true that the Thieu-Ky slate has been able to use Government facilities in a fashion which gives them a marked advantage; this was of course to be expected. They are also probably much better off financially than the other candidates, though we continue to get reports which suggest that the Thieu-Ky campaign organization is short of funds. Thieu and Ky are using fully their normal incumbents' advantages. A favorite Thieu-Ky campaign tactic, for example, is to hand out land titles. Thieu and Ky have also frequently met with newly-elected village and hamlet officials in what is clearly a bid for their support.

We have some reports that indicate the Government will back six Senate slates. There is as yet no clear indication of the form this backing will take, and I think it quite natural that Thieu and Ky should seek to insure the election of a Senate they believe they can work with. Unfortunately, one of the slates which the Government is reportedly backing is for that of La Thanh Nghe, while the others are not particularly distinguished in terms of talent and prestige. Ky seems to be covering his bets, however, by offering some less official support to their slates. There are also some indications that Thieu has not concurred in Ky's selection of the six slates concerned and may back some others himself.

The final posting of registered voters took place August 14, and the totals show a rather surprising increase of 11 percent over the total registered for the 1966 elections for the Constituent Assembly. The total now is 5,853,251 as compared with last year's 5,288,512.

Much of the increased registration is in the First Corps, and a primary reason for it is probably our military operations and the resulting flow of refugees. Other factors include

the natural increase of the population and a well-organized and systematic Government effort to register the greatest number of people possible. However, the increase also reflects a real improvement in security in some areas and a significant increase in the Government-controlled population throughout.

There have been charges that this increased registration is fraudulent, and that it means the Government is padding the voting rolls. We have seen no evidence of this, and we do not believe it is true.

We calculate that this level of voter registration means about 76 percent of the voting-age public is actually registered to vote. This is a conservative calculation, based on the assumption that the present population is about 17 million, which about 50 percent are voting age, and that in a normal situation about 90 percent of the voting-age population would register. Thus, we estimate that, if Government of Vietnam control were undisputed throughout the country, about 7,650,000 people would appear on the voting rolls. The actual number registered is 76 percent of that figure. Thus, this election can certainly not be dismissed as a process confined to a limited part of the people. On the contrary, the great majority of the voting public will have an opportunity to vote in this election, and the result can certainly be defended as the expression of the will of the Vietnamese people.

Some time ago I reported the results of our preliminary estimate of the voting strength of the major candidates. As I indicated then, this estimate is necessarily based as much on intuition as fact. We have, nevertheless, tried to refine and update our estimate. As I mentioned previously, we now believe that if the election is honest and both Suu and Huong remain in the race, the Thieu-Ky ticket will win with between 35 and 45 percent of the vote. Huong seems likely to be in second place, with somewhere between 25 and 30 percent of the vote. Suu we give only about 20 percent at this reading, though he has seemed to be running stronger in recent days and could do substantially better when the voters actually make their decision. Ha Thuc Ky will

probably draw about 8 percent, and the minor candidates somewhere between 10 and 15 percent. This is still very much a horseback opinion, I should stress.

I have mentioned the fact that the Viet Cong will undoubtedly try to mount a major effort to disrupt the elections in South Vietnam. While we do not expect them to be any more successful than they were last year, the threat must be respected and provided against. The thing I most fear from them is the assassination of one of the civilian Presidential candidates under circumstances which would make it appear at least possible that the Government was responsible. If any Presidential candidate were to be killed in this way, the elections would be heavily discredited. (If the victim was Huong or Suu, the surviving major civilian candidate would also have a much better chance to being elected, an outcome which might or might not suit the purposes of the Viet Cong.) While the main target of such an attack would be the Presidential candidates, the Senate candidates are also a possible and a more vulnerable target.

Our latest report from the First Corps also reflects increased indications that the Viet Cong intend to step up violence against the electoral process. Military intelligence there shows that enemy intentions include the following: (a) obstruct voter registration; (b) confiscate or destroy identity documents and records; (c) ambush and booby trap routes to polling stations; (d) sabotage polling places and steal ballot boxes; (e) induce fraudulent voting and generally discredit elections; and, (f) assassinate, kidnap, and threaten candidates, officials and the public.

At the same time, the enemy is stepping up his antielection propaganda drive. Hanoi and Viet Cong radio have recently increased propaganda against the elections by reporting critical statements by candidates, comments by U.S. Congressmen and western newspapers which questioned the honesty of the elections, and more appeals from "Front" representatives for a boycott of the "election farce." Viet Cong radio commentary said all South Vietnamese Presidential candidates have expressed opposition to Communism, and thus opposition to the people, which

exposes their "reactionary" nature. The Viet Cong radio said, "Now is the time for the South Vietnamese people to eliminate the country-invading U.S. imperialists and country-selling lackeys."

The Electoral Law for the Lower House was promulgated August 19. It provides for a Lower House of 137 members elected from individual constituencies. Sixteen seats are reserved for ethnic minorities, ten for Montagnard Deputies and six for Cambodians.

A number of politicians are already evincing interest in running for the Lower House, including a number who are now running for the Senate. As the filing deadline for the Lower House is August 31, those Senate candidates who want to hedge their Senate bet by running for the Lower House will have to file before they know whether or not they have won a Senate seat. Initial reports suggest that there may be as many as 1,000 candidates for the Lower House, another encouraging indication of the level of Vietnamese interest and belief in the movement toward democratic institutions.

C. Chieu Hoi

Returnees during the reporting period totaled 418. This may be compared with 254 during the same period last year. The year's total to date is 20,816.

The Viet Cong attacked two Chieu Hoi centers within four days in the Third Corps. The latest attack took place August 14 when the Viet Cong used rockets and mortars as well as grenades and small arms in an effort to penetrate the Tay Ninh Provincial Center. The Viet Cong were repulsed mainly by Popular Force and armed propaganda teams, but friendly casualties included six dead and 35 wounded. Three of the dead were returnees.

The number of Viet Cong incidents directed against Revolutionary Development and Truong Son (Montagnard) Revolutionary Development workers and teams for July totaled

126; 47 in the First Corps, 38 in the Second Corps, 23 in the Third Corps, and 18 in the Fourth Corps. This matches the high for the year of 126 in March, although the number of workers killed is much lower -- 63 in March versus 32 in July. Preliminary figures for August show 60 incidents as of August 17.

D. Vietnamese Killed

During the week ending August 19, the enemy killed 167 Vietnamese civilians, wounded 252, and kidnapped 126. The dead included 12 Revolutionary Development workers, one Hamlet Chief, 7 Chieu Hoi returnees, and one policeman.

Since January 1, 1967, the Viet Cong have killed a total of 2,027 Vietnamese civilians, wounded 3,683, and kidnapped 2,783.

E. Economic

The Saigon Retail Price Index stood at 295 on August 15, down 2.7 percent from the previous week. This figure is up 4.6 percent over one month ago and 31 percent above the level at the beginning of the year. The Imported Commodities Index was 217, up from 212 last week and 203 last month.

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THE WHITE HOUSE WASHINGTON

August 23, 1967 Wednesday 8:20pm

Mr. President:

State Department experts conclude that there is nothing in the Tass statement on recent US bombing in the Hanoi area to suggest that the latest raids have led Moscow to revise its policies on? Vietname or to increase materially its aid to Hanoi.

3KS Bromley Smith

94.2

CHODEM

Subject: TASS Issues Statement for the Record on Recent US Bombing in Hanoi Area

The TASS statement of August 23 protesting US bombing on August 22 in the Hanoi area fits into a pattern of periodic Soviet statements on this subject. The level of Soviet response in this case, in fact, is somewhat less than on the occasions of Soviet government statements of June 30, 1966 and December 15, 1966 protesting US bombing of these areas. In issuing each of these statements the major Soviet intention is to remain in step with the DRV in protesting US attacks and to render full verbal support to an ally under attack. The timing of this particular statement is possibly related not only to stepped-up activity over the DRV but also to the decision to table the NPT in Geneva tomorrow.

There is nothing in the TASS statement to suggest that the latest raids have induced Moscow to revise its policies on Vietnam or to increase materially its aid to Hanoi. The statement concludes with the assertion that every new US step "inevitably leads to the necessary answering steps."

This formula has periodically appeared in Soviet Statements.

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E.O. 12356, Sec. 3.4

NEJ 94-279

By , NARA, Date 12-15-94

since Kosygin asserted on July 17, 1965 that new US actions would be met with increased support for the DRV, since "in politics as in physics, for every action there is a corresponding reaction."

-OTODEM

SECRET

Wednesday, August 23, 1967 (6 40 500)

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Soviet Espionage Case Involving Two Americans

The Army has arrested two U.S. non-commission officers, both Negros, for conspiring to deliver national defense information to the Russians. They are Sgt. Ulysses L. Harris of Neptune, New Jersey, and Specialist Leonard J. Safford of Chillum, Maryland.

A third Negro noncom, serving as a double agent, is the hero of the twoyear effort to prove the guilt of the two men charged.

Announcement of the arrest of the two men will be made by the Pentagon, probably Friday.

A Soviet First Secretary in Washington and known intelligence officer, Nikolai Popov, has been photographed meeting with one of the men charged. Popov departed the U.S. on home leave yesterday. State plans to notify the Soviet Embassy that his reentry visa is cancelled.

A counselor at the Soviet UN Mission in New York, A. T. Kireev, is also involved in a minor way. State plans to warn the Soviet Mission about Kireev's activities.

Bromley Smith

BKS:ND:amc

and aire this fice Wednesday, August 23, 1967 6:30 p.m. (7:30 pm) MR. PRESIDENT: Attached is a "sanitized" version of Ambassador Bunker's cable of yesterday which I asked State to prepared William J. Jorden Att.

Subject: Elections in Viet-Nam

Rising popular interest and vigorous activity by candidates characterize the election campaigns in Viet-Nam. Ambassador Bunker in Saigon has described these developments as follows:

1. Popular Interest

With twelve days still remaining in presidential and senate campaign, public interest and candidate activity are mounting, and there is every prospect of high voter turnout in an election which we can fairly regard as a good step forward in the development of democratic institutions in South Viet-Nam.

2. Campaign Materials

Election news continues to dominate the Vietnamese press, and candidates continue to put up election posters and replace old ones which have become weather-beaten or damaged by rain and wind. Viet-Nam Information Service posters designed to encourage citizens to vote are all over Saigon and are increasingly to be seen in provincial capitals as well. Voter interest in villages and hamlets is still fairly limited, but is reported to be increasing.

3. Free Campaigning

Previous allegations of unfair activities by GVN continue, but seem less of a threat to the electoral process as candidates have now been able to cover a large part of country and appear to have had generally good cooperation from local authorities. We have many reports indicating that the civilian campaign machines are both active and effective in the provinces.

4. Candidates Tours

The presidential candidates have now held joint meetings in Bien Hoa (August 16), Qui Nhon (August 17), Nha Trang (August 20), Ban Me Thuot (August 21), and Tay Ninh (August 22), all of which seem to have gone off well, with crowds attending ranging from 2500 to 4000. In addition, presidential candidates' representatives have held series of meetings organized by local campaign committees in many areas. Candidates' representatives either deliver short speeches themselves or broadcast tape recordings of talks by their principals.

5. The Generals' Positions

Speaking in English to foreign journalists on August 19 Chief of State Thieu said he was prepared to serve under a civilian president and he deplored civilian-military bickering of past years. Thieu also praised his two principal rivals, Suu and Huong, as good nationalists. In a radio broadcast on the evening of August 21 Prime Minister Ky said that the freedom enjoyed by candidates in present campaign, including the freedom to criticize the GVN in fairly harsh terms, is a sign that SVN is moving steadily towards democracy. He expressed regret that personal recriminations had become common and he appealed to candidates to refrain from personal accusations during rest of campaign. Ky again stated that GVN officels at all levels had been instructed to ensure that elections be held in an atmosphere of freedom, fairness, and honesty. (The press continues to be very outspoken in its criticism, especially of the government.) Both General Thieu and Special Commissariat for Administration Director Tuong have clearly denied the opposition charge that military personnel would be enabled to vote twice.

6. Election Regulations

The National Assembly met August 21 to consider legislation extending the voting hours on September 3 due to the complexity of elections (combination of presidential and senatorial elections). Action was not taken since there was no quorum, which in itself is evidence that many Assembly members are fully involved in the election campaign in one form or another. Election postponement never had much support here, and this issue appears closed.

7. The Senate and House Campaigns

The senate campaign is also developing rapidly. While there are many allegations that the GVN is supporting six senate lists there is little evidence that the GVN is doing much about it. A senate candidate has expressed doubt that GVN plans to do much to support specific senate lists. In any case, GVN support for Senate lists seems reasonable enough since the GVN will have to work with Senate. The leading civilian candidates have associated themselves with certain Senate lists. Activity is already under way preparing for the House elections October 22. Nominations must be submitted between August 24 and 28. Some Senate candidates have told us they are planning to file for the House, even though they must do this prior to Senate elections, a sign of the "election fever" affecting many South Vietnamese.

8. Observers

Responses to GVN invitations to foreign governments to send election observers are slow in coming in, but there appear to be good prospects of fairly broad representation, including some parliamentarians from countries such as Japan, and Australia. Other countries which have definitely accepted are Laos, New Zealand, Belgium, Turkey, and Korea.

rid 5 - Tourpens

THE WHITE HOUSE WASHINGTON

Wednesday, August 23, 1967 4:30 P.M

Mr. President:

Attached, for your approved is a proposed reply to a recent letter from President Bokassa of the Central African Aepublic. Bokassa wrote to thank you for sending the C-130's to the Congo. In passing, he also indicated that he is with us on Viet Nam. The reply comments briefly on both points.

Ed Hamilton

Approve	
Disapprove	
Speak to me	

Dear Mr. President:

Thank you very much for your good letter, which Ambassador

Gallin-Douathe was kind enough to deliver. I am most grateful for your thoughts and your kind words with respect to our action in the Congo.

Our response to President Mobutu's request for assistance reflected the long-standing policy of the United States to support the territorial integrity of the Congo, in conformity with the resolutions of the United Nations. It is most gratifying to know that you and the people of the Central African Republic understand and support this action.

I was also moved by your encouraging words about our efforts in support of the people of Viet Nam. As you know, we are doing everything in our power to move the struggle from the battlefield to the conference table. Until we succeed, however, we will resist aggression with whatever force is required. As you point out, our success in this conflict is of great significance to all young nations, and to the cause of freedom everywhere. I very much appreciate your support in this vital matter.

Accept, Mr. President, my warm personal regards and best wishes.

Sincerely,

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B.O. 17336 94- 248

By 19 10-21-45

Lyndon B. Johnson

J. Prisice til

Wednesday, August 23, 67 4:00 p.m. (4:30)

MEMORANDUM FOR THE PRESIDENT

Mr. President:

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

William J. Jorden

Att.

SECRET-EXDIS Attachment

-SECRET-EXDIS

Viet-Nam Political Situation Report

August 23, 1967

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E.O. 12356, Sec. 3.4

NEJ 94-299

By NARA, Date 12-15-99

Campaign Developments

Presidential campaigning continues on schedule. Embassy Saigon notes that public interest and candidate activity are mounting and that there is every prospect of a high voter turn out. The Embassy states that village interest in elections is reportedly increasing. In summary, the Embassy considers prospects are now promising for reasonably free and fair elections, though it cautions that a great deal could still happen in the next 12 days before election day.

In a revised but still very tentative assessment based largely on additional information and impressions from the provinces, the Embassy estimates that Thieu and Ky will get between 35 and 45% of the vote, that Huong will be second with between 25 and 30%, and that although Suu appears to be stronger now, he will run third with around 20%.

The Embassy states that the Senate campaign is developing rapidly. There are increasing indications that the Vietnamese Government is supporting six Senate lists, but the Embassy says that there is little evidence that this support amounts to much. The Embassy points out that even if the reports are true, it seems to be a reasonable enough action since the Vietnamese Government will have to work with the Senate. Moreover, the leading civilian candidates have associated themselves with certain Senate lists. Nevertheless, the issue of Government support for six Senate lists could be seized upon by civilian candidates and other Upper House slates as further evidence of the Government's bad faith and attempts to rig the elections.

Thieu-Ky Relations and Post-Election Thinking

Ky recently stated to an American observer that he plans to announce "later" that Thieu and he, if elected, will offer

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government positions to some of the more competent defeated candidates. Ky claimed, for example, to be considering offering Huong the position of Chairman of the Inspectorate. Ky foresaw an effective working relationship with Thieu in the new government, but stressed that it would be a delicate relationship which would evolve over a period of time. Ambassador Bunker has had very much in mind how some of the defeated candidates might be utilized to broaden civilian participation in the new government if the Thieu-Ky slate wins.

MEMORANDUM

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THE WHITE HOUSE

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E.O. 12356, Sec. 3.4

NEJ 94-298 inp , NARA, Date 10.26.95

Wednesday, Aug. 23, 1967 1:45 p.m.

MR. PRESIDENT:

Here are some thoughts about Viet Nam policy after the election.

- 1. Obviously, however it comes out, we must try to hold the military and civil elements together and encourage them to build a broad based government of maximum talents.
- 2. The new government should then draw up an appeal of maximum effectiveness to the Viet Cong to stop the war and join in the political process under the constitution. The heart of the matter here -- and it is not easy -- will be an offer to let the Viet Cong take part in political life on an organized basis under the constitution if they stop fighting. This means offering a formula not unlike that available to the Greek Communists. In Greece the Communists are also forbidden by the constitution to operate as a party; but by changing their name and accepting the constitution they do in fact operate.
- 3. The reason the Vietnamese have always feared this gambit is that they lack a big national political party capable of defeating the Communists in an election; and they lack the organizing gifts which the Communists have in Vietnam, as elsewhere.

You will recall that this point was discussed between Foreign Minister Do and Clifford/Taylor.

Therefore, we must proceed vigorously after a broad based government is formed to help the Vietnamese build a big national political party organization which would assemble as wide a spectrum of the non-Communist elements in the population as possible. This is a purpose for which we should be willing to provide them both funds and quiet technical assistance.

4. Against this packground -- jointly with the new South Vietnamese government -- we should be prepared to have a pombing pause. We should go not merely to Hanoi through diplomatic channels but to the Russians, U Thant, the Indians, etc., and, in effect, tell them to put up or shut up.

Kosygin, for example, has reportedly said he could deliver them if we stop bombing. He should be reminded of this. Similarly, U Thant. The pause should be without conditions but, of course, not permanent

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and with the understanding submitted privately that we shall be watching closely whether they take advantage of the pause.

5. If this maximum effort doesn't work, we should then consider making the war very rough indeed for Hanoi.

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Wednesday, August 23, 1967 10:30 a.m.

MR. PRESIDENT:

I talked with Senator Baker at some length this morning explaining why it was unhelpful to associate the Middle East water potentialities with the Strauss proposal.

I took the occasion to brief him even more fully on what we have been doing over the years than the text of your letter.

He responded by saying that he has no desire to make this a partisan matter; he does not wish to push a particular dogmatic formula; he does not wish to complicate our problems of timing; and he does not intend to imply implicitly or explicitly any criticism of the Administration in this matter.

He has already been in touch with Senator Mansfield and proposes to move forward on a strict bipartisan basis so as to maximize the support the President will have when and if he launches his own Middle East water proposals.

W.W.R.

Tuesday, August 22, 1967 3:15 p.m.

MR. PRESIDENT:

Herewith, as requested, a draft response to Senator Baker.

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Dear Senator Baker:

I thank you for sending me your draft resolution on water development in the Middle East.

We have been at work for some time in the Executive Branch on programs for developing the water resources of that region.

On October 13, 1966, I appointed Ellsworth Bunker to take charge of the organization of a desalting program in the area. Before undertaking his mission in Saigon, significant progress was made on both the technological and economic aspects of the problem.

From the onset of the Middle East crisis, on the basis of these studies we have been quietly working both within the government and with the relevant international institutions to establish precisely how a water development program might play its part in the Middle East settlement we all seek.

You understand, I am sure, that the timing of the presentation of such a plan must be related carefully to diplomatic progress towards a settlement; but, as I said in my talk of June 19:

"In a climate of peace, we here will do our full share to help with a solution for the refugees. We here will do our full share in support of regional cooperation. We here will do our share, and do more, to see that the peaceful promise of nuclear energy is applied to the critical problem of desalting water and helping to make the deserts bloom."

As in other parts of the world, the governments and peoples of the region must assume a primary responsibility for their own development; but they already know of our interest and readiness to help.

I am glad that I shall be able to count on your support as our nation plays its part in seeking to bring this vision to life.

Sincerely,

sel Lyndon Estate

Honorable Howard H. Baker, Jr. United States Senate Washington, D. C.

LBJ:WWR:mz

THE WHITE HOUSE

August 22, 1967

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Sincerely,

Honorable Howard H. Baker, Jr. United States Senate Washington, D. C.

2- Presidential file

THE WHITE HOUSE WASHINGTON

Wednesday, August 23, 1967

(Mrough: Din Jones)
Mr. President:

We need your guidance on the details of two upcoming visits.

1. The King and Queen of Nepal will be here November 1 and 2. You will recall that you granted Ambassador Bunker's request that this be a state visit. Normally -- and I am afraid the King knows our procedures at least as well as we do -- a state visit involves (1) a "return" visit by the President to a reception given by the visitor at his embassy, and (2) an arrival parade. The King is already arranging to give a reception on November 2, and our people in Kathmandu have received polite feelers on the parade. Carol Bunker feels very strongly that we should agree to both, particularly a brief Presidential appearance at the King's party. In terms of relations with Nepal, I think she's right. But we can survive a wrinkle in those relations if your schedule is simply too tight to permit the usual frills. On balance, I would offer a mild second to her recommendation.

	T T
O.K. to schedule brief appearance at King's reception	O.K. to schedule arrival parade
No	No
2. General Ankran of Ghana has responded Monday, October 9, as the date for his inferplan the usual Expo-visit formula: a short House lunch. As of now, your schedule is clear on October 10, if you would rather man a weekend.	business meeting and a White clear on that date. It is also
October 9 O.K.	
Try to make it October 10	
Speak to me	

Ed Hamilton

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94-278

By , NARA, Date 10-26-95

-CONFIDENTIAL-

Wednesday, August 23, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Contribution to the African Development Bank

In the attached, Messrs. Katzenbach, Barr and Gaud recommend that you:

- -- approve in principle a U.S. contribution of \$60 million -- \$20 million a year for three years -- to a new soft-loan fund of the African Development Bank. (We would place several restrictions on our money, mainly that it could be no more than 40% of the total in the fund; other donors would have to come up with the other 60%.)
- -- agree that we will not seek the necessary legislation this session.
- -- authorize our people to tell the President of the Bank that we will seek the legislation next session if he lines up other pledges and puts together a complete package by then.

Their summary memorandum to you is at Tab 1. At Tab A is a langer Barr memo describing the proposal in detail. At Tab B is a draft letter from Fowler to Mamoun Beheiry, the President of the Bank, pledging to go for legislation next session.

The Merits

This is very much like the Asian Bank problem you reviewed last week -except that much less money is involved and your advisers are agreed that we
should not go to the Congress this year. The other main difference is that the
African Bank is a totally African institution; there is now no outside money in
it at all. But, as with the Asian Bank, it is clear that the Bank should finance
projects in such fields as agriculture and education where the direct payout is
small and slow, and the client is often too poor to repay on terms as hard as
the Bank has to charge for loans from its ordinary capital. And it is also
clear that donations from others will be negligible without some prior
indication of what we might be willing to do.

Beyond this, our attitude toward this Bank is the principal litmus by which many Africans will decide whether our new aid policy is a sincere attempt to build up regional and multilateral institutions in Africa or whether, as many of them believe, it is a smokescreen for U.S. withdrawal. As we phase out our small bilateral programs on grounds that we are shifting to

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"regional and multilateral channels," we will have a major credibility problem if we haven't taken some steps to help the only well-established institution in Africa which meets that description. Your Foreign Aid Message was carefully limited to a pledge to "seek an appropriate means of responding" to the Bank's request. You are not formally committed to any action. But there is no question that the Africans will regard a further delay (the request is already a year old) as evidence of bad faith. This would not be the end of the world, but it would hurt us badly in terms of relations with Africa, and to some degree with poor countries elsewhere.

Handling Congress

After much soul-searching, your advisers have decided to recommend that you approve use of the \$60 million figure without a canvass on the Hill. Katzenbach and Barr are convinced that soundings would produce no real answers, and that the mere fact of such soundings would hurt the aid bill and the Inter-American and Asian Bank bills. They point out that Mr. Multer's delegation -- primarily from the Banking and Currency Committee which would handle this legislation -- visited Beheiry last spring and returned with a favorable attitude toward a U.S. contribution to the Bank. On the Senate side, such key people as Fulbright, Mansfield, and Sparkman were friendly to the idea a few months ago when Joe Barr took his soundings on IDA replenishment.

Nobody argues that this is conclusive evidence that the Congress would support the idea now. But there is a strong consensus that it would be worse to try to get a signal now than to lose a year. Thus, if it comes to a choice, your advisers would prefer to have you turn down the proposal for now rather than instruct them to mount a new operation on the Hill.

Recommendation

On foreign policy grounds there is a powerful case for going ahead, both to give substance to our aid policy in Africa and to give the Bank seed money to use in going after other donors. I also agree with Katzenbach and Barr that more soundings on the Hill now would only complicate the passage of related bills without getting us any real protection. If, in terms of the general state of your 1968 legislative program, you feel you can commit yourself now to legislation next year, I would recommend you approve the tripartite memorandum at Tab I.

If you feel you can't commit yourself now, you may want to consider authorizing a tentative commitment along the following lines:

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- -- Our budget problem may be impossible by winter. We simply can't give a guarantee that a particular proposal will be in the President's legislative program.
- -- The best we can do now is promise to try to do our share in a softloan fund along these lines, the precise timing of our legislative proposal to be decided in the light of circumstances at the time a specific package is worked out.
- -- If Beheiry is willing to make this clear, we would not object to his using the \$60 million figure as the appropriate U.S. share in his talks with other donors.

I would not argue that this would give you anything like complete protection. It will be very difficult to avoid proposing legislation when and if the fund is constituted. But it would provide an emergency exit if you were forced to delay. And, most important for our position in Africa, it would be a cautiously positive response to Beheiry and his constituents.

Ed Hamilton

l.	Approve Katzenbach/Barr/Gaud memo (Tab I)	
2.	Use tentative commitment approach outlined above	
3.	Disapprove	
4.	Speak to me	

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STATEMENT BY THE PRESIDENT on Presentation to the 18-Nation Disarmament Committee of Non-Proliferation Treaty

Today at Geneva the United States and the Soviet Union as Co-Chairmen of the Eighteen-Nation Disarmament Committee are submitting to the Committee a draft treaty to stop the spread of nuclear weapons.

For more than twenty years, the world has watched with growing fear as nuclear weapons have spread.

Since 1945, five nations have come into possession of these dreadful weapons. We believe now -- as we did then -- that even one such nation is too many. But the issue now is not whether some have nuclear weapons while others do not. The issue is whether the nations will agree to prevent a bad situation from becoming worse.

Today, for the first time, we have within our reach an instrument which permits us to make a choice.

The submission of a draft treaty brings us to the final and most critical stage of this effort. The draft will be available for consideration by all governments, and for negotiation by the Conference.

The treaty must reconcile the interests of nations with our interest as a community of human beings on a small planet. The treaty must be responsive to the needs and problems of all the nations of the world -- great and small, aligned and non-aligned, nuclear and non-nuclear.

It must add to the security of all.

It must encourage the development and use of nuclear energy for peaceful purposes.

It must provide adequate protection against the corruption of the peaceful atom to its use for weapons of war.

I am convinced that we are today offering an instrument that will meet these requirements.

If we now go forward to completion of a worldwide agreement, we will pass on a great gift to those who follow us.

We shall demonstrate that -- despite all his problems, quarrels, and distractions -- man still retains a capacity to design his fate, rather than be engulfed by it.

Failure to complete our work will be interpreted by our children and grandchildren as a betrayal of conscience, in a world that needs all of its resources and talents to serve life, not death.

I have given instructions to the United States representative,
William C. Foster, which reflect our determination to ensure that a
fair and effective treaty is concluded.

The Eighteen-Nation Committee on Disarmament now has before it the opportunity to make a cardinal contribution to man's safety and peace.