

CONFIDENTIAL

Tuesday, September 12, 1967 --

MEMORANDUM FOR THE PRESIDENT

SUBJECT: PL 480 Package I -- Four agreements totaling \$35 million
in commodities

Herewith, as promised, is the first package of new PL 480 agreements. The four of them total \$35.4 million in value, mostly in wheat. All have fairly strong self-help cases except Paraguay, where there is a strong political case for going ahead. Each has been reviewed in full by all your advisers in the usual manner. A thumbnail summary of each proposal follows:

CHILE (Tab A)

Value: \$17.7 million

Commodities: Wheat -- 120,000 tons
Corn -- 25,000 tons
Milk -- 3,000 tons
Oil -- 18,800 tons

Terms: To be repaid in dollars; no grace period; 20-year maturity;
10% down payment.

Frei's self-help program in agriculture continues to be effective. He has pushed through a land reform law, improved agricultural credit, lowered fertilizer prices, and taken steps to assure reasonable commodity prices to the farmer. This agreement will require as conditions an extended list of further reforms, detailed in the Gaud memorandum. Moreover, it is part of a comprehensive package involving an agriculture sector loan and a program loan for budget support, which, together, will provide a solid basis for continued economic growth in Chile.

CEYLON (Tab B)

Value: \$11.5 million

Commodities: Wheat flour -- 80,000 tons
Corn -- 5,000 tons
Tobacco -- 200 tons
Cotton -- 17,000 bales

Terms: Repayment in dollars; 2-year grace period; 20-year maturity
at 2 1/2% interest.

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CEYLON (continued)

This food will fulfill part of an outstanding U. S. commitment to Ceylon under an informal consortium arrangement ~~chaired~~ by the World Bank. Ceylon's food production is growing fast (5% per year), but she still spends half her foreign exchange on food imports. And her foreign exchange position has been badly hurt in recent years by falling tea prices. This will help to keep the current western-oriented government afloat until a combination of self-help and a better world tea market will allow rapid overall growth to resume.

PARAGUAY (Tab C)

Value: \$2.5 million

Commodity: Wheat -- 35,000 tons

Terms: Repayment in dollars; no grace period; 20-year maturity at 2 1/2% interest; down payment of 15%.

Paraguay has ridden the coattails of a general improvement in the world markets for her agricultural exports. Thus, her food production has increased by about 50% per year for the last five years -- and her foreign exchange reserves have tripled -- despite pretty lackluster self-help performance. We will not be able to negotiate a turnaround with this small agreement. But we will be able to get some progress, and the political case for this food is strong:

- Paraguay clearly needs the wheat and cannot get it from Argentina, its normal supplier.
- Paraguay has played ball with us all the way in hemispheric affairs, including sending of troops to Santa Domingo.
- Rightly or wrongly, Stroessner thinks he got a nod of the head from you on this at Punta del Este.

GUINEA (Tab D)

Value: \$3.7 million

Commodities: Wheat flour -- 11,000 tons
Tallow -- 3,000 tons
Oil -- 2,000 tons
Cotton -- 9,200 Bales

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GUINEA (continued)

Food aid is about all we have left in Guinea after last year's "kidnapping" comic opera. The political object is to keep our foot slightly in the door in order to protect very large U.S. industrial investments there and to dissuade Sekou Toure from becoming a full-fledged communist mouth-piece. So far, despite periodic flurries which usually have no ideological flavor, this ~~contact~~ has worked pretty well. Toure continues to be about as unmanageable for the communists as he is for us. This is a cheap price to pay for that benefit. On the self-help side, the Guineans have not done very well in the past but appear to be turning over something of a new leaf. This agreement would help us see that they follow through.

RECOMMENDATION

I recommend that you approve all four agreements.

W. W. Rostow

<u>CHILE</u>	<u>CEYLON</u>	<u>PARAGUAY</u>	<u>GUINEA</u>
approve _____	approve _____	approve _____	approve _____
disapprove _____	disapprove _____	disapprove _____	disapprove _____
Speak to me _____	Speak to me _____	Speak to me _____	Speak to me _____

*A second package will be along tomorrow talking about \$65 million.
Do you wish us to accelerate Pakistan PL480 loan? yes _____*

no _____

see me _____

Hamilton/vmr

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

SEP 12 1967

MEMORANDUM FOR THE PRESIDENT

Subject: P. L. 480 Program for Chile

In the attached memorandum, Orville Freeman and Bill Gaud request your approval to negotiate a \$17.7 million P. L. 480 credit agreement with Chile for wheat, corn, milk, tobacco, and soybean oil. (The oil, valued at about \$4.7 million, has been added since the Freeman/Gaud memo was written). This credit would be repayable in dollars on fairly stiff P. L. 480 terms: no grace period, twenty years' maturity, with a ten percent down payment.

This agreement would serve two purposes:

- It would free some of Chile's scarce foreign exchange for development imports by meeting a part of her 1967 and 1968 needs for agricultural imports on credit terms.
- It would provide support for Chile's budget, thrown into deficit by falling copper prices, this year and next.

Recognizing the need to improve performance in Chile's relatively stagnant agricultural sector, President Frei has already taken several important steps, as outlined in the Freeman/Gaud memorandum. The P. L. 480 assistance will require a series of additional self-help measures:

- Maintain adequate price supports this year.
- Announce support prices well in advance of the next planning season.
- Reduce costs to farmers of key agricultural inputs.
- Maintain a high proportion of public expenditures going to agriculture in spite of cuts required elsewhere in this year's budget.
- Complete the five-year Agriculture Development Plan by December.

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 93-351
By CB, NARA, Date 5-25-95

~~CONFIDENTIAL~~

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AID is preparing two development loans for your consideration in the near future which are related to this P. L. 480 agreement.

- A \$15 million program loan to help meet Chilean budget needs in calendar year 1967.
- A \$23 million agriculture sector loan which will require self-help conditions similar to those in the P. L. 480 agreement.

Ordinarily it would be preferable to review the three loans and to negotiate them in one package. However, from our preliminary review of the two development loans, we see no important advantage in holding up the P. L. 480 agreement. Therefore, in the present commodity situation, I recommend that you approve for negotiation the proposed Chilean P. L. 480 agreement.

Charles L. Schultze

Charles L. Schultze
Director

Attachment

Approve _____

Disapprove _____

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~~CONFIDENTIAL~~

23c

To: The President

AUG 14 1967

Subject: Public Law 480 Program with Chile

We recommend that you authorize us to negotiate a PL 480 sales agreement with Chile to provide approximately 120,000 tons of wheat, 25,000 tons of corn, 3,000 tons of nonfat dry milk and 600 tons of tobacco, of which the current export market value is \$13 million. The proposed terms are payment in dollars of 10 percent on delivery and the balance over 19 years at 2½ percent interest. The Departments of State and Treasury concur in this recommendation.

Need for Program

Since 1950, Chilean agricultural exports have averaged only \$35-40 million while annual food imports have grown from about \$40 million to nearly \$120 million. Because agricultural output has barely kept up with population growth in the past decade, improved consumption levels have been at the expense of a generally growing balance of payments deficit.

This PL 480 dollar credit will contribute to U.S. program objectives by relieving pressure on Chile's balance of payments, providing urgently needed financing for the government's investment budget and strengthening our negotiations with the Chilean Government for a broad program of agricultural improvement.

Basis for Usual Marketing Requirements

The usual marketing requirements of 150,000 tons of wheat, 7,700 tons of dry milk (including 2,700 tons from the U.S.), and 615 tons of tobacco (including 510 tons from the U.S.) are based on trade over the past six years.

Self-Help

Under the Frei administration, the Chilean Government, by means of a series of legislative, policy and organizational measures, including the availability of greater resources, is stimulating the modernization of Chile's agriculture to better serve the needs of the country. A comprehensive land reform law was passed in June 1967; the agricultural credit program continues to be improved; costs of agricultural inputs to the farmer are being lowered, and prices to farmers are being maintained at levels that will provide necessary incentives to increase production. During 1966 farm prices rose faster than the cost of living and costs of agricultural inputs were reduced.

In negotiating this agreement we will seek to obtain self-help commitments from the Government of Chile related to those included in negotiating instructions, which you approved on December 14, 1966, for the forthcoming agriculture sector loan. These commitments are that the Government of Chile:

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E.O. 12356, Sec. 3.4

NJ 93-352

By fw, NARA, Date 9-19-93

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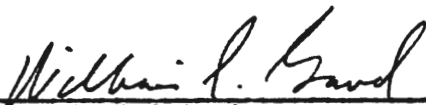
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- (1) Will complete its 5-year Agricultural Development Plan before December 1967. For the period 1967/71 the goal will be to increase the overall agricultural production 5.8 percent annually;
- (2) Will issue regulations for the implementation of the new land reform law that will reduce uncertainty among the farmers by providing specific guidance concerning land which may be expropriated;
- (3) Will continue to give high priority in the allocation of public investment; in 1967 budget investment in agriculture increased by 30% over the preceding year, rising from 9.2 percent to 11.1 percent of public investment;
- (4) Will complete by September 1967 an overall agricultural credit program which will provide for a reorganization of the agricultural credit system, including study of the possibility of establishing an Agricultural Development Bank. For 1967 the goal is to increase the availability of public sector credit to agriculture by 17.6 percent. The GOC will take measures to equalize credit terms for all farmers;
- (5) Will continue to maintain support prices for major food crops at levels that will provide the incentives needed to increase production and will announce support prices well in advance of the planting season;
- (6) Will increase the availability of agricultural inputs by reducing fertilizer prices in real terms; maintain uniform prices to all farmers for key inputs; and limit profit margins of public agencies distributing agricultural inputs to 6.5 percent;
- (7) Will reorganize the various agricultural services and centralize the conduct of agricultural and livestock development policy in the Ministry of Agriculture in accordance with the Agrarian Reform Law of June 1967; and
- (8) Will strengthen systems of collection, computation and analysis of statistics to better measure the availability of agricultural inputs and progress in expanding production of agricultural commodities.

Recommendation

That you authorize us to proceed with the PL 480 sales agreement,

August 12 1967



Administrator

Agency for International Development



Secretary

Department of Agriculture

Approve: _____

Disapprove: _____

~~CONFIDENTIAL~~

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~~CONFIDENTIAL~~

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

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SEP 12 1967

MEMORANDUM FOR THE PRESIDENT

Subject: P. L. 480 Program for Ceylon

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 93-351
By CB, NARA, Date 5-25-95

In the attached memorandum, Orville Freeman and Bill Gaud request your authority to negotiate an \$11.5 million P. L. 480 agreement with Ceylon. The program would provide wheat flour, cotton, tobacco, and corn on twenty year dollar credit terms. The two year grace period would be followed by three token annual payments of \$100,000 each before full amortization begins.

Ceylon's critical balance of payments problems have been the subject of three World-Bank-sponsored meetings of aid donors. As a result of the first meeting, in July, 1965, the U. S. contributed a \$7.5 million development loan and \$4.5 million in P. L. 480. At the second meeting, in May, 1966, we indicated our willingness to provide up to \$15 million more in the form of dollar loans and food aid. We have since signed another \$7.5 million loan agreement, but no further P. L. 480 has yet been supplied. Last April, at the third donors' meeting, we again agreed, subject to Congressional action, to provide \$15 million to help meet Ceylon's needs for 1967 and part of 1968. This P. L. 480 agreement will help us fulfill in part these announced intentions to help Ceylon.

Under President Senanayake, Ceylon has taken several significant steps to improve rice production, which has been growing at an average rate of more than five percent a year. Since almost half of her total import bill is for food, these measures should help to conserve her very scarce foreign exchange. However, major measures -- primarily exchange reform -- are still needed to get at the root of the problem. Although the self-help conditions proposed for this agreement are already incorporated in Ceylon's development plans and will therefore do little to accelerate the present rate of progress, the big step of exchange reform is too politically difficult to negotiate at this point.

Because of Ceylon's serious need and our desire to support the present moderate Government, I recommend that you approve the proposed agreement.

Charles L. Schultz

Attachment

Approve _____

Disapprove _____

Charles L. Schultze
Director

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~~CONFIDENTIAL~~

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SEP 11 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Public Law 480 Wheat Flour, Corn, Tobacco and Cotton for Ceylon
Calendar Years 1967 and 1968

We recommend that you authorize us to negotiate with Ceylon a Public Law 480 sale of approximately 80,000 metric tons of wheat flour, 5,000 metric tons of corn, 200 metric tons of tobacco and 17,000 bales of cotton (upland), with a current total export market value of \$11.9 million including the cost of ocean transportation. Financing would be for 20 years at minimum interest, payment to begin 2 years after date of last delivery. The Department of State and the Treasury Department concur in this recommendation.

Need for PL 480 Wheat Flour Imports

Although Ceylon is a large exporter of agricultural products (87 percent of value of all exports) primarily tea, coconut, and rubber, the country also imports a substantial amount of agricultural products (58 percent of all imports) nearly half of which are cereals, primarily rice. In order to reduce the outflow of scarce foreign exchange, in December 1966 the government took the politically daring and successful step of cutting the rice ration in half in order to reduce the costs of government food subsidies. This is helping to reduce the import of rice and has resulted in a growing demand for imports of wheat flour for distribution to consumers at unsubsidized prices.

Self-Help

The Government of Ceylon is cognizant of the crucial role of agriculture in terms of overall economic development and is actively engaged in improving the production, storage, and internal distribution of agricultural commodities. The agricultural development plan for 1966-70 is supplemented by an implementation program for paddy rice and subsidiary foodstuffs begun in 1966. Despite floods and drought, 95 percent of the 1966 paddy rice target was achieved. The production of subsidiary foodstuffs is being promoted by a guaranteed price scheme and, more recently, by the leasing of public land to private enterprise for production on a plantation scale.

As a follow-up of self-help measures already in progress the proposed sales agreement will state the following measures which the Government of Ceylon, consistent with its own targets and plans, will be requested to undertake:

1. Increase paddy rice production from 50 million bushels per year to at least 70 million bushels by 1970, or about 8 percent per year. Most of this growth will be achieved by expanding yields through improved cultural practices. Increased use will be made of new varieties such as the H-4 and H-8. In addition, more efficient use will be made of the 100,000 acres of paddy land which is now being left fallow each year.

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E.O. 12356, Sec. 3.4

NIJ 93-352

By , NARA, Date 9-19-93

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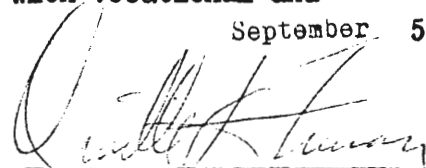
2. Expand fertilizer utilization from 60,000 tons per year to approximately 150,000 tons by 1970.
3. Create a favorable climate for domestic or foreign private investment in agriculture supply industries so that
(a) modern agriculture can be developed without undue dependence on imported agricultural inputs, and (b) dependence on concessional food imports can be eliminated as rapidly as possible.
4. Carefully study the merits of redirecting any additional resources contemplated for the production of export crops such as cocoa (and possibly rubber) now in surplus on the world market to alternative uses in expanding domestic food supplies, especially rice.
5. Review the current and future supply situation for fertilizer and other farm chemicals, considering both imports and real and potential domestic production.
6. Review the adequacy of supplies of trained manpower in agriculture. Particular emphasis should be placed on evaluating the needs for personnel with vocational and university level training.

September 5 1967



Administrator

Agency for International Development



Secretary

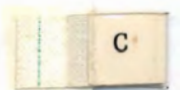
Department of Agriculture

Approve: _____

Disapprove: _____

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

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SEP 11 1967

MEMORANDUM FOR THE PRESIDENT

Subject: P. L. 480 Program with Paraguay

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-351
By CB, NARA, Date 5-25-95

In the attached memorandum, Orville Freeman and Bill Gaud request your approval to negotiate a \$2.5 million P. L. 480 agreement with Paraguay for 35,000 tons of wheat. This dollar credit sale would be repayable in twenty years at 2-1/2 percent interest and would require the equivalent of a fifteen percent down payment.

The case for this program on the basis of need is weak. Although domestic wheat production in Paraguay supplies only about ten percent of annual needs, over-all agricultural production has shown steady increases of 4-5 percent annually over the past five years, providing increased foreign exchange earnings. Foreign exchange reserves have tripled in the last three years, and are expected to continue to increase. Largely because world prices of Paraguay's agricultural exports have risen, the performance of the economy during the last five years has been encouraging, averaging about 4-5 percent growth.

Although Paraguay is taking some steps to increase agricultural output, its general self-help performance has been very poor. Because the Government does not effectively mobilize and control its own resources, the size of the budget deficit has grown from \$6 million in 1964 to \$14 million in 1966. Most of the self-help conditions proposed for this agreement will do little more than reinforce general measures already underway. The tough steps that Paraguay really needs to take -- primarily in the areas of basic tax and budget reform -- are too politically difficult to be negotiated with a small P. L. 480 agreement.

Because of the country's inability to use aid effectively, total U. S. assistance to Paraguay is limited. AID's lending activity was \$1.9 million in FY 1967 and is estimated at about \$4.3 million in FY 1968. Last year's P. L. 480 program, the first since 1962, was valued at \$2.5 million.

President Stroessner is very eager to conclude this agreement and is reported to expect it on the basis of his conversation with you at Punta del Este. (Paraguay requested 90,000 tons of wheat, more than twice the amount proposed here). Further, the Department of Agriculture

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is anxious to move wheat, but this small amount is unlikely to have a real impact on the market.

I believe this agreement is of marginal economic value. I see little basis for approving the agreement, unless you believe that you have an understanding with President Stroessner.

Charles L. Schultze

Charles L. Schultze
Director

Attachment .

Approve _____

Disapprove _____

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SEP 5 1967

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To: The President

Subject: Public Law 480 Program with Paraguay

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-352
By ju, NARA, Date 9-19-93

We recommend that you authorize us to negotiate a PL 480 sales agreement with Paraguay to provide approximately 35,000 tons of wheat, of which the current export market value is \$2.5 million (including certain ocean transportation costs). The proposed terms are payment in dollars of 5 percent on delivery and the balance over 19 years. The first annual installment will be 10 percent of the amount financed. Interest will be $2\frac{1}{2}$ percent per annum. The Departments of State and Treasury concur in this recommendation.

Need for Program

Domestic wheat production supplies only about 10 percent of consumption needs, and wheat imports increased to 97,000 tons in 1966. The purchase of part of the 92,000-ton import needs for 1967 on PL 480 dollar credit terms would provide Paraguay with local currency sales proceeds generated from the agreement to meet development priorities in agriculture. The PL 480 program has been a major element in maintaining monetary stability in Paraguay and in providing non-inflationary local investment funds.

Usual Marketing Requirement

The usual marketing requirement of 45,000 tons is based on Paraguay's commercial imports of wheat during the 1963-66 period.

Self-Help

President Stroessner's government is giving increased recognition to the priority importance of the agricultural sector and has instituted numerous self-help measures and reforms closely related to commitments already made to CIAP and the U.S. earlier this year. These self-help objectives are reinforced under this proposal.

In the negotiation of this agreement, we will seek commitments that the Government of Paraguay will:

- (1) In accordance with the conclusions and recommendations of CIAP in September 1966, take steps to bring about a systematic study of the tax structure, with a view to its reform, paying particular attention to the taxes on agricultural exports and the duties and surcharges on imports needed for agricultural development;

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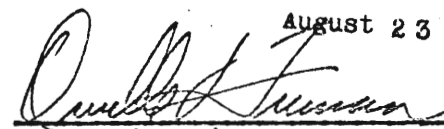
- (2) Increase fiscal support of governmental development programs in agriculture at the rate of 25 percent a year for the next four years;
- (3) Continue to support the National Wheat Program begun in 1965, with a view to expanding domestic wheat production by 20 percent annually during the next five years; and
- (4) Urge prompt enactment of the recently proposed revision of the law on agricultural cooperatives.

Recommendation

That you authorize us to proceed with the PL 480 sales agreement.



Acting Administrator
Agency for International Development

August 23 1967


Secretary
Department of Agriculture

Approve: _____

Disapprove: _____

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23ⁱ



EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

SEP 6 1967

MEMORANDUM FOR THE PRESIDENT

Subject: P. L. 480 Program For Guinea

In the attached memorandum Orville Freeman and Bill Gaud request your authorization to negotiate with Guinea a P. L. 480 agreement for wheat flour, cotton, tallow, and soybean oil. The total \$3.7 million credit would be repayable in dollars or other convertible currency in 30 years with a six-year grace period.

Guinea is by no means the most deserving P. L. 480 recipient, in terms of either self-help or support of the U. S. However, food aid is almost the only program remaining through which we provide President Sekou Toure with an alternative to total reliance on the Soviet Bloc and Communist China and retain some influence with respect to the substantial private U. S. investment in the country. AID loans and grants have declined from about \$13 million in 1965 to \$1 million of technical assistance in 1967; even this small program is scheduled for phase-out in 1969.

Guinea's economic situation, particularly the balance of payments, is extremely weak, and the Government has undertaken very little agricultural self-help effort. But there is now evidence that economic difficulties have made the Government willing to take some small but constructive steps.

- They are attempting to reschedule the country's very high foreign debt.
- They have asked the IMF for Central Bank technicians.
- They have begun to dramatize the need for increased agricultural production.

A great many tough measures and considerable technical and capital assistance are still needed before real progress can be achieved. Because we do not intend to provide bilateral economic assistance, the central self-help condition is that the Government seek the assistance of international organizations (IMF, World Bank, FAO, or the UN Special Fund) in developing policies and programs to increase agricultural production. In considering future requests for P. L. 480, we would review how well they perform both in finding advice and in taking it.

Recommendation

Since this sale includes commodities which we are anxious to move and since, though small, it may help to prevent Guinea's total identification with the Communist world, I recommend that you approve the proposed agreement.

Charles L. Schultz

Charles L. Schultz
Director

Attachment

Approve _____

Disapprove _____

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LIMITED OFFICIAL USE

MEMORANDUM FOR THE PRESIDENT

AUG 25 1961

Subject: PL 480 Program for Guinea

We recommend that you authorize us to negotiate with the Government of Guinea a PL 480 convertible local currency credit sale of cotton (9,200 bales), tallow (3,000 tons), soybean oil (2,000 tons) and wheat flour (11,000 tons). At current export market values, the credit totals \$3.7 million. We propose a 6-year grace period and 25 annual installments with interest at 1% during the grace period and 2½% thereafter. In view of Guinea's current economic condition, we consider it impracticable to require a 5% initial payment.

Need for Program

The proposed PL 480 program would finance commodity imports which Guinea would otherwise forego or could buy only by disregarding a critical foreign exchange shortage. Moreover, the program is one of the few remaining instruments of leverage we now have to lessen bloc influence and to further U. S. interests in Guinea, including roughly \$80 million of U. S. private investment.

Basis for Usual Marketing Requirement

To preserve commercial import levels, usual marketing requirements of 1,600 tons of edible oils and 4,000 tons of flour are proposed.

Self-Help Efforts

In the past year Guinea has faced up to the disappointing facts of declining agricultural production. While Guinea has not taken all the steps that probably will have to be taken, increasing production has become a major goal of Guinea's domestic program and no opportunity is lost to dramatize the necessity.

The effectiveness of Guinea's efforts has been limited by serious economic and financial problems, including inadequacies in the distribution system and a serious shortage of foreign exchange for the purchase of fertilizer, agricultural equipment and incentive consumer goods.

However, the Government has increased acreage for production of food crops such as rice and vegetables, export crops such as pineapples and bananas. The United Nations is continuing an important agricultural research project in the production of improved varieties of rice. Two high level agricultural schools have research and extension service capabilities. During the past

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year, 30 new rural agricultural schools have been established and agricultural education has been added to the curriculum of all schools. There has been a major effort in the construction of improved interior roads to facilitate farm-to-market distribution. An AID-assisted Mack Truck assembly plant is now in operation and contributing to easing inland transportation problems.

Private investment in Guinea is for the time being limited almost exclusively to the mining sector, in which Olin Mathieson, Harvey Aluminum and ALCOA, to mention only American companies, have sizeable investments. These companies, and their European partners, have been asked by the Government of Guinea to undertake agricultural projects in connection with their operations.

In spite of a disappointing record of accomplishment in agricultural development in the past, Guinea has good potential for improvement if the Government will undertake an appropriate self-help program. However, the program will need external assistance. U. S. assistance to Guinea has been drastically reduced from former levels and our new aid policy precludes further direct guidance of Guinea's economic development through AID bilateral commodity, Development Loan or technical assistance. The proposed PL 480 agreement would therefore require Guinea to seek help from international organizations. Any subsequent agreement would be considered only if Guinea had employed well the help it sought.

During negotiations, we will propose that the sales agreement include the following provisions:

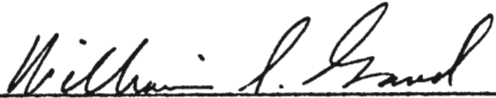
The United States Government shares the view of the Government of Guinea that self-sufficiency in food production is a vital national goal. To this end, the Government of Guinea agrees to:

1. Request the assistance of appropriate international organizations to:
 - a. inaugurate such economic stabilization measures as may be necessary to increase agricultural production;
 - b. make studies of its agricultural programs and policy, especially of the marketing system, in order to improve efficiency and to achieve optimum production levels;
 - c. conduct periodic reviews of the Government's plans and programs for increasing food production.
2. Make available the local currency generated under this agreement for use in agricultural development.

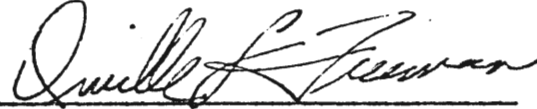
Recommendation:

That you authorize us to proceed with the PL 480 sales agreement described
above.

August 21 1967



Administrator
Agency for International Development



Secretary
Department of Agriculture

Approve: _____

Disapprove: _____

W.R. 24
2 Pres file

Wednesday, September 13, 1967, 9:45 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Lunch for the U.S. -Japan Committee on
Trade and Economic Affairs; 1:00 p.m.,
Wednesday, September 13

At Tab A is Secretary Rusk's memorandum on the U.S. -Japan Cabinet Committee economic talks.

The Japanese group is headed by Foreign Minister Miki, who is ambitious to become Prime Minister.

Our major objective in this year's talks is to pressure the Japanese to take on greater leadership responsibilities in Asia. They have been moving. A week ago they pledged \$100 million to the Special Funds of the Asian Development Bank.

But they can do much more. We want them to: (1) increase their economic assistance in Asia (more for the Asian Development Bank, Vietnam, and Indonesia); (2) cooperate with us in offsetting some of the balance of payments drain from our military expenditures in Japan and the rest of Asia.

At your lunch for the group today, you may want to:

- Congratulate them on their remarkable economic performance. (The economy is overheated now but is growing over 10% this year -- as it has on the average for the past 10 years.)
- Say how much we value the talks and the opportunity they provide to exchange views on regional and world issues.
- Spell out our heavy burden for the security and economic development of Asia, particularly in Vietnam.
- The balance of payments cost of our military expenditures in Asia alone is now running at \$1.8 billion.
- Stress that we can't continue to carry this burden and defend it before the Congress and our people unless we get more support from Asia itself. As the leading country in Asia and the fourth industrial power in the world, Japan is the key.

- Point out, as an example, that it would make it a lot easier for us to get our proposed \$200 million pledge to the Special Fund of the Asian Development Bank through the Congress, if Japan increased its own pledge.

Miki may try to sound you out on returning the Ryukyus and Bonins to Japan. (This is a hot domestic issue for the Japanese.) You will want to hear him out, but remain non-committal. You could tell him you will be ready to discuss this issue with Prime Minister Sato when he comes here in mid-November.

W. W. Rostow

ERF:mst

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THE SECRETARY OF STATE
WASHINGTON

September 12, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Sixth Meeting of the Joint United
States-Japan Committee on Trade and
Economic Affairs

The Joint United States-Japan Committee will hold its Sixth Meeting in Washington September 13-15. The Japanese delegation, led by Foreign Minister Miki, landed at San Francisco Sunday, September 10. They were flown directly by SAM aircraft to Williamsburg, Virginia for two days of rest and recreation as guests of the United States Government. My Cabinet colleagues and I will meet them on their arrival in Washington, tomorrow evening, September 12.

The plenary sessions on the Agenda will take place Wednesday and Thursday morning. Thursday afternoon is reserved for bilateral counterpart discussions. After approval of the communique and general discussion on Friday, September 15, the meeting will terminate at noon when I conduct a joint press conference with Foreign Minister Miki.

You have agreed to host a stag luncheon in the White House Wednesday, September 13 at 1:00 p.m. The Japanese Cabinet delegation to the Sixth Meeting has changed completely from that which you entertained at lunch at the Fourth Meeting in July 1965, with the exception of Foreign Minister Miki, who was at that time Minister of International Trade and Industry.

Miki is the outstanding member of the present delegation. He is an articulate and outspoken politician who has strong ambitions to be Prime Minister. He has shown a constructive approach to Japan's role in Pacific and foreign affairs and he has energized Japan's foreign policy since he took over his portfolio. Miyazawa, Director of the Economic Planning

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-2-

Agency, is brilliant, aggressive, occasionally sharp-tongued, fluent in English, and very informal by Japanese standards. The other ministers are more typical Japanese politicians, stolid, conservative and not particularly inspiring in personality.

Our basic thrust at the Cabinet meeting will be to impress upon the Japanese the need for them to take on a greater share of both regional leadership and the financial burden of Asian security.

Over the past two years, Japan has taken major steps toward assuming broader regional leadership in Asia and greatly increasing its assistance to the economic development of the countries in the region. Most recently, on September 6, Japan pledged \$100 million to Special Funds for the Asian Development Bank. But, we need to inject a sense of urgency towards Japan taking now an even greater share of the economic burden in Asia. In more specific terms, we plan to seek from the Japanese a contribution to the Asian Development Bank special funds matching our proposed \$200 million authorization and cooperative actions to bring a significant reduction in our bilateral balance of payments deficit.

In talking to the Japanese Ministers, I suggest that you spell out the heavy burden we now shoulder for both the security and economic development of Asia, particularly in Vietnam. The Japanese should understand that our ability to maintain continued Congressional and public support for our commitments in Asia -- which Japan wants -- could depend on Japan's assuming, in the financial and political area, responsibilities more commensurate with its growing economic power and its stake in regional security and stability.

The Japanese Ministers will have concerns of their own. The standard of living of the Japanese people remains far below that of the countries of Western Europe and there is great pressure on the Japanese Government to increase markedly investment in social infrastructure. Japan is also currently facing a growing overall balance of payments deficit resulting from its extremely rapid economic growth. The Ministers may

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-3-

also express to you their chronic fear of an increase in trade protectionism in the United States. It would be helpful if you could reiterate your support for a liberal trade policy.

Finally, Foreign Minister Miki will probably try to sound us out on our willingness to move toward reversion of the Ryukyus and Bonins. I propose to adopt a listening brief with Miki, leaving the way clearly open for your more conclusive talks with Prime Minister Sato in mid-November. I will emphasize that any solution to the Ryukyu problem should contribute to -- and not detract from -- the security of Asia.

Dean Rusk

Dean Rusk

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday, September 13, 1967

25

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

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting with European Parliamentary
Delegation; 11:30 a.m. Thursday, September 14

You have agreed to a short picture-taking session with Alain Poher, President of the European Parliament (biographic sketch at Tab A), and 12 of his colleagues (list at Tab B). The delegation just visited Chicago, and will go on to Cape Kennedy on the 15th.

(The European Parliament is the legislative body of the EEC, but has little real power. Its members are drawn from the parliaments of the member states.)

Talking Points (in case you want to say a few words)

- Glad to have a chance to meet all of you. I very much enjoyed meeting the late Gaetano Martino (then President of the European Parliament) here in 1963.
- We maintain our firm commitment to a united Europe. We hope that the European Parliament will play an increasingly important role in Western European affairs.
- We are grateful for the helpful role played by the European Communities during the Kennedy Round negotiations this year.

Ed Fried (who has replaced Francis Bator) will be with the group.

W. W. Rostow

WR

Alain Poher
President of the European Parliament



Biographic Sketch

Alain Poher has been a member of the European Parliament since its foundation in 1958 and was elected President in March 1966. He does not speak English.

Born in Albon, France, in 1909, President Poher is a civil mining engineer by profession. He became active in French politics just after the Second World War. Elected Mayor of Albon in 1945, an office he has held continuously since that time, he entered the French Senate in 1946 and has been a Senator of France for 17 of the past 21 years. In the late Fifties he was for several years President of the Senatorial Group of the Mouvement Republicain Populaire (MRP). From 1958 until elected President of the European Parliament last year, he was Chairman of the Parliament's Christian Democrat Group.

Thrice a cabinet member, he was in 1948 Secretary of State for Finance in Schuman's Government, again in 1948 Secretary of State for the Budget in Queuille's Government, and in 1957-8 Secretary of State for the Armed Forces (Navy) in Gaillard's Government.

President Poher prides himself on his long association with Robert Schuman, one of the authors of European integration. In large part because of his firm commitment to European unification and to close ties with the United States, Poher is an anti-Gaullist.

EUROPEAN PARLIAMENT DELEGATION

Messrs. Alain POHER

President of the
European Parliament,
French Senator, Christian
Democrat Group.

Ludwig METZGER

Vice-President of the
European Parliament,
German M.P., Socialist
Group.

Edoardo BATTAGLIA

Vice-President of the
European Parliament,
Italian Senator, Liberal
and Allied Group.

+ wife

Louis TERRENOIRE

Vice-President of the
European Parliament,
French M.P., European
Democratic Union Group.
(Gaullist)

Hans FURLER

Vice-President of the
European Parliament,
German M.P., Christian
Democrat Group. (Former
E.P. President)

Joseph WOHLFART

Vice-President of the
European Parliament,
Luxembourg M.P., Socialist
Group.

Cornelis BERKHOUWER

Vice-President of the
European Parliament,
Dutch M.P., Liberal and
Allied Group.

Joseph ILLERHAUS

Chairman of the Christian
Democrat Group, German M.P.

Leon-Eli TROCIET

Vice-Chairman of the Committee
on Social Affairs and Health
Protection, Belgian Senator,
Socialist Group.

B

Messrs. Jean BERTHOIN

Member of the European
Parliament, French Senator,
Liberal and Allied Group.

H.R. NORD

Secretary-General of the
European Parliament, Dutch.

Jacques LELIEVRE

Principal Private Secretary
to the President of the
European Parliament, French.

Maurice MESTAT

Head of Protocol Department of
the European Parliament,
French.

ACCOMPANYING WIVES

Mesdames Edoardo BATTAGLIA

Jean BERTHOIN

+ 1

Mr. Rostow

24

~~1. Rostow~~
2. Pres file

~~CONFIDENTIAL~~

Wednesday, September 13, 1967

MEMORANDUM FOR THE PRESIDENT

sent up
9/14/67
8:45AM

SUBJECT: Further Backgrounding on King Constantine

Two sources now--Senator Pell who saw Constantine in Newport and Minister Papagos who was with the King here--have suggested that we let out on background that the King raised the question of our resuming military aid.

The purpose of such backgrounding would be to counter the unfortunate Washington Post headline yesterday which quoted the King as saying the military government "is not my government." He'd like credit for at least raising the subject closest to the junta's heart so it would not look as if he came down here on a purely social fling.

State would do this with the weekly news magazines if at all. But since the King's main talks were with you, State wouldn't think of backgrounding this way without your permission. Is this much OK with you, or would you prefer continued silence on the subject?

W. W. Rostow

OK _____

No _____

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E.O. 12356, Sec. 3.4
NEJ 94-360
By 1-8, NARA, Date 4-13-95

~~CONFIDENTIAL~~

27

Tuesday, September 12, 1967
8:10 p.m.

Mr. President:

Sec. Rusk asks your permission to
be excused from tomorrow's NSC meeting.
He is scheduled to chair the opening
session of the U.S. -Japan Cabinet meeting.
He feels that Nick Katzenbach and
Amb. Goldberg can handle the presentation.

W. W. Rostow

WWRostow:rlh

~~TOP SECRET~~

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Pres file

Lunch Meeting With the President
Tuesday, September 12, 1967 - 1:00 pm

AGENDA

1. Negotiating Position. (Sec. Rusk)

A response will be available for your consideration Tuesday morning.

2. Bombing Policy. (Sec. McNamara)

New proposals may not yet be ready.

3. ABM Scenario. (Sec. Rusk and Sec. McNamara)

Consultations with allies, etc.

4. Other.

W. W. Rostow

WWRostow:rlh

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E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By AG, NARA, Date 9-30-91

~~TOP SECRET~~

WWR

Pres. file 21

Tuesday, September 12, 1967 -- 12:45 PM

Mr. President:

In connection with your meeting with Morarji Desai this afternoon, Orville Freeman thought you might like to see the attached letter he received from the Indian Agriculture Minister after you released the last million tons. The letter thanks you for the grain, predicts a record Indian grain crop (95 million tons), and -- most important -- gives us some indication that the Indians won't fall back exhausted and squander the economic benefits of a good harvest.

The letter also contains a low-key plea that we not eliminate food aid next year if the Indians have a good crop.

W. W. Rostow

Hamilton/vmr



29a

MINISTER FOR FOOD & AGRICULTURE,
GOVERNMENT OF INDIA.
NEW DELHI
September 9, 1967.

Dear Mr. Freeman,

This is to thank you for the interest you have been taking in our agricultural programme and the part you have played in providing us with food aid during these two years of unprecedented drought. We do appreciate that your Government has been able to extend substantial food assistance at a time when the U.S. wheat reserves had reached low levels. May I request you to convey to your President my personal thanks for the recent release of one million tonnes of wheat ? This should help us to keep the public distribution system going during the critical two months before the kharif harvest comes in by the middle of November.

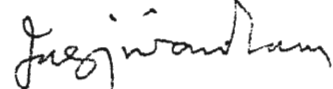
2. We are about to emerge from a prolonged spell of drought and food shortages. It has so happened that during this period a break-through on the agricultural front has been achieved. We can, hopefully, look forward, unless the winter rains fail us, to a record production of about 95 million tonnes. A significant portion of the crop will inevitably go to fill the pipeline and to replenish the depleted stocks of producers, traders and consumers. Prices will decline from the very high levels reached during the past year but certainly not to an extent which will operate as a disincentive to the farmer. In any case, we propose maximising the internal procurement of foodgrains as the principal objective of food policy will be to build as soon as possible a buffer stock. This alone will ease our difficulties on the food front, impart stability to the entire economic scene and enable us to consider the gradual removal of some of the existing restraints on the food economy. It is important, therefore, that Central reserves, which in recent months have been down to a bare week's requirements, are replenished. If significant progress in this direction could be achieved in the coming months, it would help greatly in our procurement operations. A sizable portion of the

buffer will have to be constituted from imports and I am confident that I can count on your interest and assistance in attaining our objectives. In the discussions which my Food and Agriculture Secretaries have had with Mr. Schnittker, whom I was happy to meet, a broad indication has been given of our programmes of agricultural development in the coming year as well as our plans for a buffer stock operation.

I am looking forward to meeting you at the F.A.O. Session in Rome.

With my best wishes,

Yours sincerely,



(Jagjivan Ram)

Mr. Orville Freeman,
Secretary of Agriculture,
U.S. Department of Agriculture,
Washington.

~~TOP SECRET~~ -- SENSITIVE

30

Pres. file

Tuesday, September 12, 1967 -- 11:40 a.m.

Mr. President:

Herewith two additional items for the agenda at today's lunch.

1- Date for Asian Summit meeting. (Sec. Rusk)

Sec. Rusk would like your permission to begin soundings for dates within the last two weeks of November. A consensus appears to be emerging that that would be the right time, if agreeable to you. The Thais have withdrawn their claim and, therefore, Seoul appears to be the agreed location.

-- India-China border clash. (Sec. Rusk)

A brief situation report. At the moment it does not look too serious.

I am expecting momentarily Sec. Rusk and Sec. McNamara's draft response to Kissinger. Attached is Kissinger's own recommendation.

W. W. Rostow

Paris 3143 (Pennsylvania)

WWRostow:rlh

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E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 19, NARA, Date 9-30-91

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E.O. 12356, Sec. 3.4
NJ 93-368
By CB, NARA, Date 5-12-95

SECRET

Tuesday, September 12, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to letter from Korean President Park

President Park has sent you a letter (Tab A) along the same lines as his oral remarks to Ambassador Porter, previously reported to you. In brief, Park is making forthcoming noises about additional troops for Vietnam but is stressing his need for help with his "domestic problems" (North Korean infiltration, modernization of the South Korean army). Attached is a suggested reply to President Park (Tab B).

On the timing for the next Summit meeting, Park indicated a desire to wait until the new Vietnamese government is in full stride. Our suggested reply does not mention the summit, for we thought it best to keep this response focused clearly on the subject of additional troop contributions.

W. W. Rostow

Atts.

Tab A - letter from President Park

Tab B - proposed reply thereto

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SECRET

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~~SECRET/EXDIS~~

9 September 1967

From: AMEMBASSY SEOUL

To : SECSTATE WASH D.C.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-367
By sp, NARA, Date 8-8-94

SECRET SEOUL 1238

EXDIS

REF: STATE 24084

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SEOUL 1121

SUBJECT: Additional Forces for Vietnam

1. Following is text of letter, dated September 8, 1967, from President Park to President Johnson handed to Ambassador by Foreign Minister on the evening of September 8:

"Dear Mr. President:

"I wish to acknowledge with appreciation the receipt of Your Excellency's letter dated July 15, 1967, informing me of the findings of Defense Secretary McNamara's visit to Vietnam and also your letters dated July 20 and August 17, 1967, respectively, which were sent to me before and after the visit to Korea of Mr. Clark Clifford and General Maxwell Taylor.

"It is gratifying to note through your letter that the situation in Vietnam has made a considerable improvement not only on the military, economic and political fronts but also in pacification projects and other fields. I appreciate your thoughtfulness in sharing with me the findings of Secretary McNamara's visit to Vietnam and the explanation of the Clifford-Taylor mission, which were much helpful in grasping accurately the actual situation in Vietnam.

"As you pointed out in your letter, there is as yet no sign that our enemy is prepared to realize the futility of their military efforts, and there still lie ahead many hardships on our path to attaining a solution to the Vietnam issue. In this regard, I am in full accord with your opinion that there is a need for the allies in Vietnam to consider additional effort.

"I wish to pay a high tribute to you for your extraordinary efforts to lead the war in Vietnam to a complete and speedy victory, and I fully understand your view that an additional deployment of forces by other allies, in response to the increase of forces by the Republic of Vietnam and the decision by the United States to increase its forces in Vietnam, would have a very important effect on our war efforts.

"I have given a very careful thought to what effort we are expected to make at this stage and how to make it. Such thought, however, is inevitably affected by various restrictive factors arising from our special domestic situation, and for this reason, it would need some time before a final conclusion could come out. Of this situation I explained to Ambassador Porter a few days ago.

"With regard to the question of additional dispatch of our forces to Vietnam, I have already instructed my Minister of National Defense to examine and report on the possibility as to what size of forces and how we would be able to contribute if we are to make such an additional dispatch of forces to Vietnam. My decision naturally will be based on such report. As prerequisite to this, however, I am faced with two important problems which I must solve. One problem is the apprehension widely entertained by the general public here that our capability for Korea's own defense might be jeopardized in case additional Korean forces are sent to Vietnam. The other is another apprehension that, in view of the marked increase of infiltration by Communist armed agents from the north, we are not yet psychologically accommodated to feel secure unless some effective counter-measures are taken in this field if we are to send additional forces to Vietnam. The very elimination of such apprehension entertained by the general public in Korea will help create a favorable atmosphere in which I would be able to make a decision on the issue of sending additional forces to Vietnam. I believe this special situation of ours has been reported to you by your Ambassador in Seoul as we have explained to him thereof fully.

"Dear Mr. President:

"I am greatly heartened, as no doubt you are, by the fact that Presidential elections in Vietnam have been carried out smoothly and successfully despite the persistent disturbance and sabotage by Communist agents. Such process of establishing a constitutional government will, I believe, mark a milestone towards solving the Vietnam issue.

~~SECRET/EXDIS~~

- 3 -

"As to the timing of the next Summit meeting of the nations contributing forces to Vietnam, of which you mentioned in your letter, I am of the view that such a meeting, although it has to be decided by a majority opinion of the countries concerned, would be more profitably convened a while after the newly-formed government of the Republic of Vietnam had a sufficient time to get on full gear for normal and effective function. Further contacts on this matter will be made with your government in due course of time.

"With my high respects and warm regards,

Sincerely yours,

(signed) Park Chung Hee
President"

~~SECRET/EXDIS~~

SEP 14 1967

Dear Mr. President:

I have your letter of September 8 and Ambassador Porter's report of his September 4 meeting with you. I want, without delay, to tell you how heartened and encouraged I am by the courageous and statesman-like way you are facing up to the free world's need for more troops in Viet-Nam.

I recognize the domestic problems you face in this regard. You can count on our understanding and cooperation in helping you deal with those problems. I look forward to hearing from you on your specific plans after you have considered the report from your Minister of National Defense, and of your views on how we can best help your country in its gallant determination to make its full contribution to the common cause.

With my high respects and warm regards.

Sincerely,

Lyndon B. Johnson

His Excellency
Chung Hee Park
President of the
Republic of Korea
Seoul

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E.O. 12356, Sec. 3.4
NEJ 94-360
By ing, NARA, Date 4-13-95

LBJ:MWright:hg

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E.O. 12356, Sec. 3.4

NEJ 94-360

~~SECRET~~By ig, NARA, Date 4-13-95 Tuesday, September 12, 1967*Pres file
sent to Pres
9/14/67
8:45 AM*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Possible government shuffle in Thailand

General Praphat, Thailand's Deputy Prime Minister, is planning to push Prime Minister Thanom out of office and place himself at the head of the Thai government. The current rumor is that Praphat will move against Thanom shortly after the Thai constitution is promulgated on December 5.

Praphat is the "boodle boy" of Thai politics and his assumption of the leadership would probably involve corruption in Thailand on a scale not seen in recent years. Its effect upon constitutional development is uncertain, but Praphat is no friend of representative institutions and would surely go as slowly as he could, even if he found it impolitic to bring the movement toward constitutionalism to a total halt. On the other hand, Praphat is an able administrator and would certainly continue Thailand's military cooperation with us, albeit on a more hard-eyed, tit-for-tat, basis. Praphat's assumption of power would be unpopular with the international press and we would undoubtedly be criticized for supporting "another corrupt military dictator".

It is by no means certain that Praphat can win the highest job, although he seems already to have organized some impressive supporters. Ambassador Graham Martin thinks the game is still in play and believes we should operate discreetly to discourage Praphat's efforts. As Martin sees it, this can be done through:

1. An October invitation to Thanom to pay a state visit to you in the spring of 1968.
2. Notably favorable treatment of Praphat's number one opponent, Minister of National Development Pote Sarasin, during Pote's October visit to Washington.

~~SECRET~~

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- 2 -

3. Prompt approval by Washington of an incoming package of assistance to Thailand keyed to their additional troop contribution in Viet-Nam.
4. In general, a more forthcoming and generous response to Thailand's military assistance requirements.

The first two of Martin's proposed courses of action seem to me relatively painless and I think we should go along with them. We will also make sure that the support package for additional troops is acted on promptly. As to military assistance in general, Thailand should continue to enjoy a priority claim, but specific action will have to await the details of Thai desires measured against what we have available.

W. W. Rostow

Action:

1. Invite Thanom:

APPROVE _____
DISAPPROVE _____
SEE ME _____

2. Arrange White House call for Pote:

APPROVE _____
DISAPPROVE _____
SEE ME _____

MWright:hg

cc: Mr. Jorden

~~SECRET~~

THE WHITE HOUSE
WASHINGTON
Monday, September 11, 1967; 8:45 PM

Pres file

Mr. President:

Jim Jones asked me to give you a list of possible invitees to the second meeting on Asian Bank legislation you spoke of on Saturday -- a session with all the legislators who would be in a position to help the bill. I wasn't clear after today's meeting whether you wanted to go ahead with this or to leave the further consultation to Black and Katzenbach.

In case you do want to go ahead with the Congressional meeting, the attached list has been checked out with the Treasury people who will have to manage the bill.

Jim tells me the best time available on your calendar is tomorrow afternoon at 6:30. I assume you will want Black, Katzenbach, and Barr there to brief. (We will need to get Black back down from New York, so we need to know early tomorrow whether you wish to proceed with the meeting.)



Ed Hamilton

Go ahead with meeting at 6:30 _____
No meeting _____
Rostow speak to me _____

THE WHITE HOUSE

WASHINGTON

Monday, September 11, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Candidates for your Meeting with Congressional
Representatives on the Asian Bank Legislation

Your instruction was to include in this session all the legislators who can conceivably help. Clearly, the list begins with the leaders of both parties in both Houses, the Chairmen and ranking minority members of the Foreign Affairs Committee, Foreign Relations Committee, and the House Banking and Currency Committee. That comes to 11 people.

In addition, you may want to consider the following:

Senators:

Sparkman _____
Clark _____
Pell _____
McCarthy _____
Aiken _____
Cooper _____
Case _____
Carlson _____
Javits _____
Pastore _____

Congressmen:

Multer _____
Reuss _____
Barrett _____
Halpern _____
Ashley _____
Moorhead _____
Stephens _____
Mrs. Sullivan _____
Brock _____
Fino _____
Dwyer _____
Adair _____
Mailliard _____
Laird _____
Conte _____
Zablocki _____
Frelinghuysen _____

Essentially, this list is drawn from the Foreign Relations, Banking and Currency, and Foreign Affairs Committees -- plus some other people who have been interested in Asian matters in the past.


Ed Hamilton

~~SECRET~~

Monday, September 11, 1967 -- 6:00 PM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your meeting with Morarji Desai, Deputy Prime Minister of India
(5:30 PM, Tuesday, September 12)

Papers

The State briefing paper is at Tab A. Biographic information on Desai is at Tab B. His schedule in Washington is at Tab C. (Note that it includes tea on Wednesday with the Senate Foreign Relations Committee.)

Setting

Morarji Desai is the probably strongest single political figure in India. Yet, despite three hard tries, he has never been able to get enough backing from the Congress Party to make himself Prime Minister. His current offices -- Deputy Prime Minister and Finance Minister -- reflect his decision to accept half a loaf after last winter's elections. At 71, he decided that he couldn't afford to wait out the Gandhi government. As it is, he has almost complete control of Indian economic policy -- foreign and domestic. If Mrs. Gandhi somehow disappears -- an unlikely but not inconceivable event -- he will almost certainly be named Prime Minister.

Desai has maintained strict loyalty to Mrs. Gandhi, but he has quite different views on Vietnam (he is quietly with us) and the Middle East (he thought India was much too pro-Arab.). His most characteristic views are (1) conservative economic doctrine, (2) strong nationalism and commitment to non-alignment, (3) a hard line toward Pakistan, (4) strong opposition on moral grounds to India's becoming a nuclear power, and (5) great sensitivity to any attempt by any outside government to tell India what to do -- particularly in the economic sphere.

Substance

Desai is not here to argue any particular case. He is on his way to the Rio Bank and Fund meetings. He is here primarily to meet you, to keep his other Washington contacts in repair, and to counteract what he regards as an unfortunate trend toward mutual irritation in Indo-American relations.

You may wish to open by asking his views on the Indian economic situation, particularly the outlook for food production. The following are talking points on this and other topics which may arise in conversation:

~~SECRET~~

1. Indian Economy

You might say that you:

- are delighted that the monsoon is going well and that a record grain crop (perhaps 95 million tons) is in prospect.
- hope India will be prepared to make the best possible use of the economic lift a good harvest will bring her.
- specifically, hope India can:
 - .. move ahead with greater public investments in agriculture.
 - .. eliminate barriers against transport of food between the states.
 - .. maintain incentive prices to farmers.
 - .. make the Food Corporation of India into an effective farm price support mechanism a la the CCC.

2. U. S. Aid

If Desai raises this topic, you might say that:

- we have been badly hurt on the Foreign Aid authorization bill, and we face an appropriations fight which may be even tougher. This will greatly affect what we can do in the Consortium.
- the foreign aid action reflects the present mood of the Congress on aid in general and India in particular.
- all of us who are India's friends ^{must} work to repair her image. A good harvest will help. (You may wish to hint that reasonable restraint on political issues would help even more.)
- the President can do no more for India than he can persuade the Congress and the people to support. Right now, India is not a very saleable commodity to many Americans preoccupied with Vietnam and domestic problems. We have to work together to improve both the facts of Indian life and American understanding of them.

- among other things, this means the Indians must go all-out after all the aid donors, not just the U.S. Nothing is more impressive to the Congress than evidence that others are carrying their share of the burden.
- it also means more Indian receptiveness to private investment, particularly in fertilizer. We just can't get large outlays of U.S. public funds if it can be argued that India won't accept reasonable private propositions.

3. NPT/ABM

Secretary McNamara plans to brief Desai on the ABM decision on Wednesday afternoon. (Bowles will brief Mrs. Gandhi at the same time.) You may wish to tell Desai that:

- we very much hope that India will find it possible to sign the NPT.
- we appreciate Desai's efforts to keep Indian defense spending down and his opposition to Indian production of nuclear weapons.
- we are studying the question of joint or parallel U.S.-Soviet security assurances for non-nuclear powers. We will be ready to talk specifics as soon as possible. Meanwhile, the President's October 1964 statement remains the strongest unilateral statement on this subject yet made by any major power.
- you have asked Secretary McNamara to brief Desai on one particular aspect of the strategic problem, and you will be interested to hear Desai's reaction.

4. Indo-Pak Relations

As noted above, Desai takes a pretty hard line toward Pakistan. You may nevertheless want to make the point that a great deal of the disenchancement with India which one finds in capitals of donor nations flows from frustration with the prospect of endless belligerence between India and Pakistan. We know the history and the bitterness. But both countries, if they are to continue to receive Western aid in large amounts, must find a way to begin the process of gradual reconciliation. Small steps in this direction would be most welcome to all the donors -- as well as most beneficial to both of the parties.

W. W. Rostow

~~CONFIDENTIAL~~

34a
DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-361
By inf, NARA, Date 10-14-94

VISIT OF INDIAN DEPUTY PRIME MINISTER
MORARJI DESAI

General Briefing Paper

Indian Deputy Prime Minister and Finance Minister Morarji Desai is visiting Washington September 11-13 en route to the IMF-IBRD meetings in Rio de Janeiro. He will travel to Rio via Washington, New York, Montreal, Ottawa, and Port of Spain, where he will attend the Commonwealth Finance Ministers' Conference. Accompanying him are L. K. Jha, Governor of the Reserve Bank of India and former Secretary to Prime Minister Gandhi, and two Finance Ministry officials: S. Jaganathan, Secretary, Department of Economic Affairs, and Dr. I. G. Patel, Economic Advisor, Government of India. Mr. Desai will call on the President, the Vice President, the Secretary of State, the Secretary of Defense, the Secretary of Agriculture, and the Secretary of the Treasury. He will also see the AID Administrator and call on George Woods of the IBRD and Pierre-Paul Schweitzer of the IMF. Mr. Desai will meet with the Senate Foreign Relations Committee at tea.

1. Background Data:

Morarji Desai rejoined the Cabinet in March 1967 as Deputy Prime Minister and Minister of Finance. He is generally considered, with Home Minister Y. B. Chavan, one of the two most powerful associates of Prime Minister Indira Gandhi in the Government of India. An unsuccessful contender for the Prime Ministership following the deaths of incumbents Nehru in 1964 and Shastri in 1966, Desai was persuaded to give up a third bid in the leadership contest which followed the Fourth General Elections in early 1967 when Mrs. Gandhi offered to make him her Deputy and give him a key portfolio.

As Deputy Prime Minister and Minister of Finance, Desai enjoys a broad range of responsibility. He has emerged as the most powerful Government arbiter in the economic field, where his emphasis on responsible fiscal policies and the containing of inflationary pressures have prevailed. He is a member of key Cabinet subcommittees dealing with foreign and internal political matters. As a seasoned

GROUP 3

Downgraded at 12-year intervals;
not automatically declassified.

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parliamentarian, he has been effective in meeting the determined attacks launched against the Government benches by an enlarged and aggressive opposition. While he is in accord with many of the economic policy measures urged by the IBRD and the United States Government, he was strongly opposed to devaluation.

Desai is highly sensitive to real or supposed efforts on the part of foreign powers or international organizations (such as the World Bank) to bring pressure on the Government of India. He advocates a retention of India's policy of non-alignment and is an outspoken nationalist. He is, however, generally sympathetic to U. S. positions in international affairs, more so than most of his political colleagues. He has privately commended U. S. policy in Vietnam and is more persuaded than most Indian leaders of India's interest in containing Communism in Southeast Asia and in cooperating with other countries to that end. His views on the Arab-Israeli confrontation are also much closer to those of the United States than is the official Government of India position. In the past, Desai has differed most sharply with the United States in his approach to Indo-Pakistan relations. One of the most determined opponents of India's acquiring nuclear weapons, he regards such a step as an immoral negation of the country's principles.

The 71-year-old Desai, a devout Hindu and a firm adherent of Gandhian principles in his personal life, was educated in India.

2. Purpose of the Visit:

Mr. Desai is taking the opportunity presented by his trip to Rio to renew his Washington contacts and explore certain bilateral Indo-U. S. matters, principally the level of U. S. aid and U. S. food-aid policy. Mr. Desai, who last visited Washington in 1962, will be visiting London, Ottawa, Paris and Bonn during the course of the trip.

3. Anticipated Line Discussion Will Take:

Our approach should be to leave the initiative to the Deputy Prime Minister and, as the opportunity arises, make those points which we wish to convey to the Indian Government.

A. Economic:(1) U.S. Food-Aid Policy and Indian Agricultural Policy:

U.S. PL-480 policy, in general, and our program for 1968, in particular, will be on Mr. Desai's mind. He is likely to stress the need for India to go beyond satisfying its food deficit in 1968 and to build up a buffer stock of foodgrains to permit the relaxation of controls on the sale of grain and to control inflationary trends. To this end, Desai may press for a continuing high level of PL-480 foodgrains imports in 1968 and the abandonment of our "short tether" food policy with short-term food agreements.

Desai may voice his scepticism about the food-matching concept and ask whether we plan to support a Consortium-led food-matching exercise in 1968. We expect him to stress that food aid should be additional to capital assistance, as he regards Consortium aid fundamental to India's economic development.

He is also likely to raise the subject of the convertibility of rupees accruing under PL-480 agreements, pointing out that every new request for convertibility further undermines India's foreign-exchange position. Further, he may express his concern over the large accumulation of U.S.-owned rupees. He will probably discuss the terms for payment of future PL-480 agreements, stressing the importance of permitting India to pay in local currency as long as possible.

Mr. Desai is probably more receptive to our views on the related questions of Indian food policy and U.S. food policy toward India than many of his colleagues in the GOI. His visit therefore offers us an excellent opportunity to convey our views. We are impressed with the zeal with which the GOI is pursuing its agricultural improvement programs and believe that the currently good monsoon rains will permit the results of these efforts to emerge. We are pleased with the prospect of a good 1967 crop and hope these prospects will allow the GOI to adopt additional measures such as increased price incentives and the relaxation of the food-zone system within India.

We should inform him that we are well aware of the very high debt burden which India now carries. We also realize that an increasing proportion of sales of PL-480 commodities for dollars rather than rupees places an added burden on India's balance of payments. However, Congress has incorporated the movement towards 100 per cent dollar payment into the legislation and clearly anticipates a gradual shift to dollar payment.

(2) Development Aid:

Concerned about the general aid climate and Congressional cuts in the AID program, Desai will probably press for minimal cutbacks in the India aid program and an idea of what India can expect. He will probably point out that India must be assured of continued foreign-exchange support through the Consortium and World Bank if the liberalization program India launched last summer is to be maintained. He is also likely to raise the question of IDA replenishment.

We too are concerned about the current aid outlook and realize the importance for India of continued foreign-exchange support. In response to Desai's questions about levels of aid, we should point out that we have budgetary and balance-of-payments problems and that there are competing requirements for aid funds.

The current aid climate in the U. S. underscores the necessity for India to renew its efforts to attract private foreign investment. We have been concerned over the effect on the investment climate of the recent call within India for further nationalization (general insurance, foreign trade, banking).

(3) Debt Rescheduling:

He will probably bring up the subject of debt rescheduling, pointing out the extremely high level of India's external debt. He will probably urge the U. S. to use its influence with other Consortium members to bring about long-term debt relief on generous terms as well as to make a favorable settlement regarding the current

Ex-Im debt. Our position vis-a-vis other Consortium members is that we look for some equalization of the burden among creditors as an important aspect of whatever settlement is made.

(4) Fiscal Policy:

We are impressed with the GOI's May 1967 budget submission. We view this balanced and austere budget as evidence of GOI concern over inflationary pressures on the Indian economy, a concern which we share. We hope that the GOI will maintain and expand economic liberalization and export promotion programs, and moderate defense spending with a view toward a decline in both the absolute level of real expenditure and the share of GNP claimed by defense.

B. Political:

In an August 24 conversation with Ambassador Bowles, Desai said he understood the irritation in the U. S. over some of India's foreign policy positions and was hopeful he could clear the air during his forthcoming visit.

(1) Indo-Pak Arms:

Morarji Desai is likely to assure us he is holding GOI defense expenditures to the minimum, but he may also note that any USG action seen by the Indian public as helping the Paks reactivate or strengthen their war machine will complicate his task.

We should respond along the following general line: We recognize that this is an uncommonly sensitive subject in terms of public and parliamentary reaction in both countries: our interest in maintaining some significant though reduced role in Pakistan is readily misinterpreted in India, though we believe it is in India's interest; whereas the development of an arms race between India and Pakistan could create a very serious Congressional and public reaction here. We do appreciate the Finance Minister's efforts to hold down India's defense expenditures and hope he keeps them down.

(2) Security and the NPT:

Morarji Desai personally opposes a nuclear weapons program on

moral grounds. He can be expected to reaffirm his government's policy of eschewing nuclear weapons but note that the NPT as currently drafted has discriminatory provisions and other features that cause India serious problems. He may inquire as to our current thinking re U. S.-Soviet security assurances. (L. K. Jha, who is accompanying the Minister, visited Moscow and Washington last April to explore chances for obtaining such assurances.)

We should express approval of India's no-nuclear-weapons policy but stress the importance we attach to securing the widest possible acceptance of a NPT--all in terms of its importance to the future of humanity. We probably should forego discussion of specific provisions of the NPT which are currently under discussion in Geneva. On joint assurances, we should say we are studying the question, and note that the President's October 1964 statement continues to constitute the major unilateral statement of U. S. policy, which puts us well ahead of any extant Soviet action or statement.

(3) India and East Asia:

Mr. Desai will refer to his August visit to Japan and stress his personal view that Indo-Japanese relations should be strengthened in the interest of regional stability. He may also recall that when in Japan he advocated that existing regional organizations now limited to Southeast Asian and Pacific countries be enlarged to include India. He is likely to touch only lightly on Vietnam--a subject on which he privately differs with the GOI--but if pressed may attempt to minimize our differences and may maintain that India's position as Chairman of the ICC requires strict GOI neutrality.

We should express satisfaction with the position Morarji took in Japan and reiterate our belief that India should play a greater role in countering the Communist Chinese threat, not only in the Himalayas but in Southeast Asia as well. We should note that a sense of friendship and solidarity on the part of India would make a big difference to Southeast Asian countries under the Communist gun.

(4) The Mideast:

Morarji knows that we are aware that his own personal views on the Middle East differ from the GOI position and will be sensitive

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to any effort on our part to have him expand on his views. He will probably express the hope that the U. S. and U.S.S.R., working in conjunction with other members of the Security Council and the affected parties, can move successfully to work out a solution.

We should express appreciation to Morarji for the hearing he gave Ambassador Hare in late June and say that we hope it gave him a better understanding of our position. We should say that we welcome what we consider the more realistic GOI stand adopted but are concerned that although the U.S. and U.S.S.R. have been able to agree on certain measures toward a settlement, the Indians have not been willing to move as far as the Soviets from their pro-Arab stand.

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Morarji Ranchhodji DESAI

Deputy Prime Minister and Minister of Finance

Morarji Desai rejoined the Cabinet in March 1967 as Deputy Prime Minister and Minister of Finance and is generally considered, with Home Minister Y. B. Chavan, one of the two most powerful associates of Prime Minister Indira Gandhi in the Government of India. An unsuccessful contender for the Prime Ministership following the deaths of incumbents Nehru in 1964 and Shastri in 1966, Desai was persuaded to give up a third bid in the leadership contest which followed the Fourth General Elections in early 1967 when Mrs. Gandhi offered to make him her Deputy and give him a key portfolio. Desai's last minute acceptance of this compromise formula was probably prompted by his conviction that despite his politically isolated position in a Cabinet almost entirely of his successful rival's choosing, power and responsibility would naturally gravitate to him because of his greater experience and talent. In the event, this is exactly what has happened in the first six months of Mrs. Gandhi's post-election Government.

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NLJ 00-96

By cb, NARA Date 7-25-00

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As Deputy Prime Minister and Minister of Finance, Desai, 71, enjoys a broad range of responsibility. He has emerged as the most powerful Government arbiter in the economic field, where his emphasis on responsible fiscal policies and the containing of inflationary pressures have prevailed over the more expansionist approach to economic development favored by Planning Minister Asoka Mehta. He is a member of key Cabinet subcommittees dealing with foreign and internal political matters, and evidently plays a significant role on them. As a seasoned parliamentarian he has been effective in dealing with the determined attacks launched against the Government benches by an enlarged and aggressive opposition.

Desai is highly sensitive to real or supposed efforts on the part of foreign powers or international organizations (such as the World Bank) to bring pressure on the Government of India. He advocates a retention of India's policy of non-alignment and is an outspoken nationalist. He is, however, generally sympathetic to US positions in international affairs, more so than most of his political colleagues. He has privately commended US policy in Vietnam, and is more persuaded than most Indian leaders

of India's interest in containing Communism in Southeast Asia and in cooperating with countries in that region. In a visit to Tokyo in August 1967, Desai advocated a closer relationship between India and Japan as a democratic counterweight to Communist China and proposed that existing regional organizations now limited to Southeast Asian and Pacific countries be enlarged to include India, with Pakistan, Ceylon and other nations of the area also invited to join. His views on the Arab-Israeli confrontation are also much closer to those of the United States than is the official GOI position. In the past, Desai has differed most sharply with the United States in his approach to Indo-Pakistan relations.

Desai has been one of the most determined opponents of India's acquiring nuclear weapons. He regards such a step as an immoral negation of the country's principles.

Desai has generally been considered a leader of the conservative wing of the Congress Party. In his aspirations for leadership, Moraji's greatest political handicaps have been his image of rigidity and aloofness, his unwillingness to build up a cohesive national political following through the normal give and take of party politics,

and a self-righteous refusal to compromise his political principles or enter into arrangements with other senior political leaders in return for high office. Many of his party colleagues believe that Morarji is too arbitrary, stubborn, and outspoken, and have feared that were he to become Prime Minister he would pay insufficient heed to their own vested interest. They and other observers agree, however, that Desai is an excellent if occasionally unnecessarily ruthless administrator, an articulate spokesman, and a man with a great sense of integrity and a natural gift for leadership.

Although he has privately been highly critical of Congress Party programs and has at times despaired of the party's future, Desai remains a loyal Congress member and when out of office consistently rejected suggestions that he break with the party to take the lead in forming a right wing political grouping.

Doubtless still convinced that he is far more qualified for the Prime Ministership than Mrs. Gandhi, Desai has nevertheless given the Prime Minister full loyalty and support since he entered her Cabinet and has apparently developed an effective working relationship

with her. While he probably still nurses ambitions for the top position, his sense of integrity and his distaste for political intrigue make it unlikely that he will participate in any effort to unseat her. However, were Mrs. Gandhi to be ousted or resign, Desai, as Deputy Prime Minister; would be an obvious choice to succeed her and would not turn down an offer made to him by his party colleagues.

Desai is a devout Hindu and a firm follower of Gandhian principles in his personal life. A Gujarati Brahmin, he is a very strict vegetarian and a believer in the simple life; he sleeps on a pallet and spends some time each day spinning cotton by hand. He dresses in the orthodox Congress costume of white and pale yellow homespun. Possessing stern puritanical principles, he sponsored the Bombay prohibition act and favors rigorous censorship of the cinema and press to eliminate suggestions of immorality. Desai projects a cold and sometimes forbidding image and tends to be lofty and didactic in argument, but those who have come to know him well have become aware of a quiet sense of humor and a capacity for considerable personal warmth. Although already in

his seventies, he is in robust good health and his appearance and manner suggest a man of considerable physical as well as moral strength. He suffered political imprisonment several times; his longest jail period was during the historic "Quit India" Movement when he was detained from August 1942 until mid-1945.

Desai has travelled abroad considerably, largely in connection with his duties as Minister of Finance, a post he held from 1958 to 1963. (He had earlier served as Minister of Commerce and Industry; before that he had been Chief Minister of Bombay State). These have included acting as India's representative on the International Monetary Fund and the International Bank for Reconstruction and Development. He is a familiar figure in Western European capitals and in the United States, and has also visited the Soviet Union, Japan, Australia, and several African countries. He speaks excellent English, Gujarati and Hindi.

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Schedule

Morarji Desai
Deputy Prime Minister of India

Sunday, Sept. 10, 1967

3:25 p.m.	Arrival New York (JFK) by AI #115
5:00 p.m.	Departure New York EA Shuttle
5:40 p.m.	Arrival Washington D. C. (National)
	Private Dinner at Embassy

Monday, Sept. 11, 1967

9:30 a.m.	Mr. George Woods - IBRD
11:00 a.m.	Arlington Cemetery - President Kennedy's grave
11:30 a.m.	Secretary Rusk
1:00 p.m.	Lunch with Governor Harriman (Blair-Lee House)
3:00 p.m.	Vice President Humphrey
4:00 p.m.	Secretary Freeman
8:00 p.m.	Dinner at Indian Embassy (black tie)

Tuesday, Sept. 12, 1967

9:30 a.m.	Mr. Pierre-Paul Schweitzer - IMF
11:00 a.m.	Press briefing at Indian Chancery for leading U. S. editors and columnists
12:15 p.m.	Luncheon Meeting at National Press Club
4:00 p.m.	Secretary Fowler
5:30 p.m.	President Johnson
8:00 p.m.	Dinner with Mr. and Mrs. George Woods

Cont.....

Wednesday, Sept. 13, 1967

10:30 a.m.

Meeting with Indian community

12:30 p.m.

Working Lunch at the Embassy with
Mr. Gaud and his colleagues

4:00 p.m.

Tea with Senate Foreign Relations
Committee

5:30 p.m.

Secretary McNamara

8:00 p.m.

Dinner with Mr. K. S. Sundara Rajan,
Minister (Economic), Embassy of India.Thursday, Sept. 14, 1967

9:30 a.m.

Departure Washington (National) by
AA #456

10:24 a.m.

Arrival New York (La Guardia)

12:25 p.m.

Luncheon Meeting of the Far East-
America Council (Waldorf-Astoria Hotel)

4:15 p.m.

Visit to SONA

5:30 p.m.

Reception by Consul General of India

7:15 p.m.

Reception followed by dinner at the
Council on Foreign Relations (58 East
68 Street)Friday, Sept. 15, 1967

9:30 - 10:30 a.m.

Visit to the Indian Investment Centre

12:45 p.m.

Call on Secretary-General U Thant

1:15 p.m.

Luncheon hosted by Ambassador Partha-
sarathi at the UN

4:00 p.m.

Meeting with the Business Council on
International Understanding (India
Committee) (University Club, 1 West
54 Street)Private Dinner with Ambassador
Parthasarathi and visit to theatre

Cont.....

Saturday, Sept. 16, 1967

9:05 a.m.

Departure New York (JFK) by Air
Canada #761
Arrival Montreal

10:25 a.m.

Sunday, Sept. 17, 1967

6:00 p.m.

Departure Montreal by Air Canada #185

6:35 p.m.

Arrival Ottawa

Monday, Sept. 18, 1967

Discussions with Government of Canada

Tuesday, Sept. 19, 1967

Departure by special plane to Port
of Spain

Wednesday, Sept. 20, 1967)

Thursday, Sept. 21, 1967)

Commonwealth Finance Ministers'
Conference at Port of Spain

Friday, Sept. 22, 1967

8:30 a.m.

Departure Port of Spain BWIA #371

10:05 a.m.

Arrival Caracas

Saturday, Sept. 23, 1967

11:59 p.m.

Departure Caracas Pan Am #411

Sunday, Sept. 24, 1967

8:05 a.m.

Arrival Rio de Janeiro by Pan Am #411

Saturday, Sept. 30, 1967

Departure Rio by Air France

Sunday, Oct. 1, 1967

1:15 p.m.

Arrival Paris

AMBASSADOR B. K. NEHRU'S

DINNER FOR MORARJI DESAI

SEPTEMBER 11

GUEST LIST

The Vice President

Secretary and Mrs. Rusk

Secretary and Mrs. Fowler

Secretary and Mrs. Freeman

Mr. and Mrs. McChesney Martin, Jr.

Mr. and Mrs. George D. Woods

Mr. and Mrs. Harold Linder

Mr. and Mrs. Walt Rostow

Mr. and Mrs. Pierre-Paul Schweitzer

Ambassador and Mrs. Lucius D. Battle

Ambassador Harriman

Mrs. Fulbright

Mrs. Kay Graham

The Chief of Protocol and Mrs. James Symington

The dinner will be followed by a Sitar Recital by
Ravi Shankar

Monday, September 11, 1967 -- 12:45 PM

WAP 35

*1. susp
2. Pres file*

Mr. President:

Attached is a pleasant reply to
Mrs. Gandhi's birthday message to you.
The Gandhi message is at Tab A.

W. W. Rostow

Approve ✓

Disapprove _____

Speak to me _____

Hamilton/vmr

35a

FROM PRESIDENT JOHNSON TO PRIME MINISTER GANDHI
OF INDIA

Dear Madam Prime Minister:

My thanks to you and your colleagues in the Government of India for your kind wishes on the occasion of my birthday.

I join wholeheartedly in your confidence that the years ahead will bring further strengthening of the bonds of friendship and cooperation between our two countries.

Sincerely,

Message from Prime Minister Gandhi of India to President Johnson

Mr. President:

My colleagues in the Government of India join me in sending you our greetings and good wishes on your birthday. We feel confident that under your leadership the prosperity and welfare of the friendly people of the United States will continue, as will the long-standing friendship between our two countries and our cooperation in many fields of human endeavour, not only for our mutual benefit but in the larger interest of world peace and understanding. With warm regards. Indira Gandhi.

Monday, September 11, 1967 -- 12:45 PM

~~W. W. Rostow~~ 34

Pres file

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Mrs. Gandhi's birthday message to you.
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W. W. Rostow

Approve _____

Disapprove _____

Speak to me _____

Hamilton/vmr

36 a
/

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With warm regards. Indira Gandhi.

✓

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~~CONFIDENTIAL~~

Monday, September 11, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Visit by Australian Foreign Minister

*Pres file
sent to Pres
at about 8:40 am
9/12/67*

Paul Hasluck, Australia's Foreign Minister, will be in Washington October 7-10.

He would greatly appreciate the opportunity to call on you.

He would particularly like to discuss:

- 1) Viet-Nam;
- 2) the security situation in Southeast Asia, particularly in light of Britain's planned withdrawal;
- 3) current Australian thinking, including their coming Senate elections.

As you know, the Australians are considering ways to increase their contribution to the Viet-Nam effort. If you can spare the time, I think a short visit would be useful.

He has appointments with Secretaries Rusk and McNamara.

W. W. Rostow

Will see Hasluck _____
You see him _____
See me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-360
By ig, NARA, Date 4-13-95

~~CONFIDENTIAL~~

~~Handwritten signature~~
2. Pres file

UNCLASSIFIED

Monday, September 11, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Farewell Telegram for King Constantine

When King Constantine leaves Kennedy Airport tomorrow, State recommends that the following farewell be delivered from you:

"Your Majesty:

"It has been an honor and privilege to have received you. Our meeting reaffirmed the ties which have long kept our two peoples close. Whatever difficulties may temporarily intervene, these historic bonds will remain solid.

"Our conversation, although brief, was valuable. It has made clearer to us the problems facing Greece. It was reassuring to hear you express your intention that Greece return as quickly as possible to the path of democracy, a path that our two peoples have historically traveled. You may be sure that the people and government of the United States fully support this objective of return to constitutionalism and representative government, which are the mainstays of democratic society.

"It was a great pleasure to know you personally. It is reassuring to know that the leadership of the great Hellenic people is in such dedicated hands.

"The best wishes of Mrs. Johnson and myself go out to you and to Queen Anne-Marie on your journey home.

"Sincerely, "

W. W. Rostow

Approve 

See me _____

UNCLASSIFIED

37

September 11, 1967
Monday

Mr. President

Attached is today's situation
report on Vietnamese politics.

W. W. Rostow

Pres file

39a

~~CONFIDENTIAL~~

Viet-Nam Political Situation Report

September 11, 1967

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94 361

By ing, NARA, Date 10-14-94

Buddhist Attitudes Toward Elections

Conversations with leaders of all the major Buddhist factions over the weekend show disappointment with the election results. Thich Thien Minh, Tri Quang's chief lieutenant, complained of unfairness and Catholic domination particularly of the Senate elections. He did admit that two or three Senators-elect on General Don's list would be "favorable" to Buddhism. Losing vice-presidential candidate Mai Tho Truyen claimed widespread fraud and that the election "was twice as bad as any election under Diem".

Revolutionary Dai Viets Accept Election

A Dai Viet party leader told our Political Advisor in DaNang that the party had decided to accept the outcome of the election and drop public criticism of it. The party was apparently pleased about the victory of one of their Senate lists and was now looking forward to the Lower House elections. In this connection it is important to note that although several election complaints have formally been lodged with the Assembly, neither Huong nor Ha Thuc Ky, nor important Suu supporters, have associated themselves with these complaints.

Criticism of US Presence

An editorial in a pro-Catholic Saigon daily September 8 sharply criticized recent statements by U.S. officials on the fairness of elections and the formation of the new GVN. The Embassy thinks the editorial reflects growing sensitivity to the heavy U.S. attention focussed on Vietnamese internal affairs since the beginning of the presidential campaign. It may also indicate an increasing self-assertiveness by the Vietnamese vis-a-vis the U.S. presence. The Embassy comments this could be a healthy sign of the genuine nationalism we are trying to encourage in South Viet-Nam.

~~CONFIDENTIAL~~

Pres file

Monday, September 11, 1967 -- 12:25 p.m.

Mr. President:

Herewith, revised as directed by you, Henry Owen's latest paper on the American home front during wars.

It has much more quotable material, plus the material on those who opposed the President, repressive measures, etc.

Henry Owen feels strongly -- and I agree -- that this should be given to publishers and others on a background basis only, not for publication as it stands. The reasons are these:

-- Sophisticated critics of the Administration would debate the details; argue that perhaps the critics were right during the war of 1812 and the Mexican war; that the Civil War is not a good case; etc. The upshot would be a noisy and confusing debate on U. S. history.

-- The Administration would be accused of writing history in a self-serving way.

-- The Policy Planning Council might be accused of engaging in political debate rather than planning.

On the other hand, the material is invaluable as background to editorial writers, columnists, publishers, etc., and should be made available on that basis.

W. W. Rostow

cc: George Christian

WWRostow:rln

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THE AMERICAN HOME FRONT: 1776-1953

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V. World War I	15
VI. World War II	19
VII. Korean War	22

September 9, 1967

The Home Front: 1776-1953

1. This paper describes briefly the state of the home front during seven American wars: The Revolutionary War, the War of 1812, the Mexican War, the Civil War, World War I, World War II, and the Korean War.

2. Five basic conclusions emerge:

(a) Our wars usually begin with considerable enthusiasm on the home front. That enthusiasm drops off, and criticism of the President and his administration mounts, as hardships and frustrations make themselves felt.

(b) Some of the best men - in the Congress, the press, and the academic world - will be found in that opposition.

(c) Economic hardships and dislocations, which attend even the best managed wars, explain a good part of the opposition.

(d) More often than not, there is a fair amount of repression - official or unofficial - of the more unpopular forms of dissent.

(e) Successful conclusion of the war is the great solvent: Opponents of the war proclaim that it was a great act of statesmanship after all, and critics of its management join in celebrating its happy end.

3. This study was done quickly, and covers a great deal of ground. It would be surprising if there were no errors or omissions. Further study could correct these, but it would almost certainly not alter the five key conclusions outlined above.

I. The Revolutionary War

1. Opposition. The Revolutionary War was probably supported by only one half of the population of the colonies, the rest being neutral or loyal to Britain.

And the trend in sentiment during the war was, to a considerable extent, in the wrong direction.

Malone and Rausch indicated that Americans "began the war with the thought that victory would be quick and easy and...were slowly disabused." As Washington's army withdrew to Valley Forge, Davidson tells us that "the privations of the war and defeats dispirited many, even among the leaders." Tom Paine was not far off when he wrote in that dark winter: "The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country..."

The results were evident: Pennsylvania "was so full of disaffection that it was the despair of the patriotic party...In Virginia, the government was plagued by indifference and actual discontent throughout the war...Upstate New York had long been indifferent and Tories abounded". Even in Boston James Warren wrote John Adams in 1778 that "I wish it were in my power to tell you that the number and influence of the Tories here were reduced, but I think they gain ground fast."

2. Opposition Leaders. The opposition, as befits one made up of the "best" people, was led by Anglican churchmen. The most prominent were the Rev. Samuel Seabury, Miles Cooper, and Charles Inglis of New York; Thomas Chandler of New Jersey; and Jonathan Boucher of Maryland. Seabury was most prolific; his stature is indicated by the fact that he became the first post-war Bishop of the American Episcopal Church.

Other critics of the war were also men of substance: Joseph Galloway came from a wealthy family which owned large trading estates in Maryland; Daniel Leonard was one of the leading citizens of the Massachusetts Bay Colony; Jonathan Sewall came from a Massachusetts family even more distinguished than the wealthy and aristocratic Leonards.

Indeed, one of the most interesting results of the war was the change which it brought in the character of American society, as these and other prominent families (the De Lanceys and the Brewtons, for example) discredited themselves through their opposition to the war and were replaced by upstart Whigs.

3. Economic Problems. As the war stretched on, imports ceased from England, which had heretofore supplied most of the colonies' finished goods. Merchants, farmers (notably tobacco and rice planters), and fishermen suffered particularly from the cut-off of trade.

As the supply of goods and services dwindled, the supply of money increased; the war had to be financed somehow. The result was soaring inflation. Hardest hit were the clergy, town laborers, and artisans.

A leading critic of the war spoke for many when he said that if "the calamitous war would be stopped, agriculture, commerce, and industry would resume their wonted vigor...(and) everything would return to its pristine state of prosperity."

4. Repression. Force was used freely against those who opposed the war: The Reverend Seabury was captured and imprisoned; Cooper and Boucher narrowly escaped lynching; Galloway was forced to seek safety behind British lines; Leonard had to defend himself against angry mobs; and Sewall fled the country.

Charles and Mary Beard tell us that "first among their (the new state governments') duties...was to aid the Congress in suppressing the opposition...The most ardent of the known and active opponents of the Revolution were shut up in jail; the prison camp in Connecticut at one time held the former governor of New Jersey and the Mayor of New York. Others less belligerent, after being duly warned, were placed under surveillance...Thousands who could not endure the new order or feared harsh treatment fled to Canada, England, or some other part of the British Empire...By the time the armed conflict was over, statutes of condemnation and forfeiture had been enacted everywhere."

5. Conclusion. When peace and victory came, a romantic view of how they had been achieved soon prevailed. Most people soon forgot that the home front, during most of the war, had been characterized by great hardship and turmoil, in the midst of a conflict that was not generally popular and that many thought could not be won.

II. The War of 1812

1. Opposition. In the first flush of enthusiasm, a majority of the country backed the war of 1812. Opposition was largely regional: Most of the 62 members of both Houses who voted against the declaration of war came from the Northeast. When the Presidential election of 1812 was fought on the war issue, a few months after its outbreak, President Madison won a clear-cut victory.

As the war went on, however, New England's opposition mounted, in the face of defeats, economic problems, and new hardships. Throughout this region, the war was soon attacked in the most extravagant terms; men and money were refused for its prosecution; and the celebration of its heroes and victories was forbidden.

But opposition to the war also grew in the South and West.

Morison and Commager sum up: "The truth seems to be that the war was unpopular throughout the country, after Hull's surrender (of Detroit) had shown that it would not be a walk-over."

When the Secretary of War denied funds to state militias which governors had refused to make available for the war, and the National Congress called for conscription and proposed to allow 18-year olds to volunteer, New England's cup overflowed. Its representatives met at the Hartford Convention to redress their grievances. Although spurning secession, the Convention advised the states to resist operation of the proposed conscription and volunteer bills - and this while a British army was at the gates of New Orleans.

To secure Presidential acceptance of the Convention's demands, the Governor of Massachusetts sent three commissioners to Washington - to take the surrender, so he thought, of a beaten administration and a defeated country.

2. Opposition Leaders. The "best" men in New England led opposition to the war.

Daniel Webster, in a speech so bitter that it was suppressed for 100 years, spoke of a government "more tyrannical, more arbitrary, more dangerous, more allied to blood and murder, more full of every form of mischief, more productive of every sort and degree of misery than has been exercised by any civilized government, with a single exception, in modern times."

In the pulpit William Ellery Channing thundered against the conflict. Some of William Cullen Bryant's first poems were addressed to the same theme. President Timothy Dwight of Yale toasted Britain's victories overseas.

When the Hartford Convention convened, its roster read like a who's who of wisdom and substance: judges, educators, preachers, legislators, authors, soldiers, merchants, lawyers. The names are still those that command respect in the region: Cabot, Lowell, Dwight, Lyman, Bigelow, Longfellow, Prescott, Otis, Bliss, Sherman, Ward, West.

Behind this stood the press: The Boston Gazette, the New York Evening Post (founded by Alexander Hamilton), the Boston Sentinel, etc.

Distinguished Americans from other parts of the country also looked down their noses at the war: The reports of the Twelfth Congress are punctuated with such expressions as: "Mr. Randolph (John Randolph of Virginia, the leader of the "pure" Republicans) spoke for about two and a half hours against the war." And when Robert Smith, Monroe's predecessor as Secretary of State, issued a public address against the war, Chief Justice Marshall wrote him a letter of warm approval.

3. Economic Problems. Growing opposition to the war reflected economic hardship, more than any other single factor.

The war had depressed shipping and trade to the point of extinction.

Inflation mounted as the government sought to finance military expenditures by issuing Treasury notes in large amounts. Its 1814 loan failed disastrously. Its difficulties are understandable when we remember the Boston Gazette's warning: "Any man who lends his money to the government at the present time will forfeit all claim to common honesty and common courtesy among all true friends of the country."

4. Repression. The government was not strong enough to mount repressive measures (except for its denial of Federal funds to the refractory New England militias). But the mob sometimes took a hand. At Baltimore, the plant of a newspaper advocating peace was demolished and its backers (including a Revolutionary general) were murdered or beaten to a pulp.

5. Conclusion. As the war neared its climax, it began to seem that only President Madison and General Jackson, preparing to defend New Orleans, still stood firm.

But, as it turned out, that was enough.

The Treaty of Ghent was signed and Jackson won the battle of New Orleans, while the three Hartford Convention Commissioners were still on the highway to Washington. The New York National Advocate described the outcome:

"Missing: Three well looking, responsible men, who appeared to be traveling toward Washington, disappeared suddenly from Gadsby's Hotel in Baltimore, on Monday evening last, and have not since been heard of. They were observed to be very melancholy on hearing the news of peace..."

The war was over and the Federalist Party disappeared soon thereafter, under the weight of memories created by its opposition to same.

III. Mexican War

1. Opposition. Again, the war was popular at the start. The vote in Congress for war was 174 to 14 in the House and 40 to 2 in the Senate. There was a rush to volunteer. The North American was not far wrong when it said "Our country has but one heart." The Whig opposition proclaimed that "doubt, division, and reproach will be unknown."

But the public mood changed dramatically as the conflict dragged on. Professor Smith tells us that "heedless enthusiasm was (after six months) sobered, if not exactly chilled...large expenses had to be faced, and heavy losses of men seemed inevitable. Many believed that neither troops nor money enough could be raised; many, besides deploring the loss of precious lives, complained that needed laborers had already been drawn away; and many others asked themselves whether the outlay would be really worth the while..."

"When Congress adjourned (in 1846), it was in bad humor...Instead of glorying in the war, Democrats now defended it feebly and a great many regarded it as a grave political blunder. The fall Congressional elections went heavily against them...In countless eyes the war itself soon lost its glamor..."

"We shall make capital out of it," wrote one eager Whig.

Whig journals assured Mexico that "her cause was just, that a majority of Americans detested the war, that our treasury could not bear the cost, that our government was incompetent...that our armies could not win the war, and that soon the administration would be rebuked and its policies reversed."

The high water mark came when an administration resolution declaring the war to be just and necessary was defeated in the Congress, and a resolution condemning the war as "unnecessary and unconstitutionally begun" passed.

2. Opposition Leaders. Intellectuals took the lead in opposing the war. Professor Kent of Harvard was one of the war's milder critics in denouncing it as "maniacal." James Russell Lowell's anti-war poetry liberally featured such cheerful words as "plunder" and "sin". Herman Melville compared his countrymen unfavorably to cannibals.

The press was not far behind.

The New York Tribune urged that all troops be withdrawn: "Be prompt when you are wrong to back straight out."

The Boston Atlas declared that "the course of the war showed unsurpassed inefficiency."

The National Intelligencer presumed "that our President and his Cabinet are by this time convinced that they have forfeited the public confidence..."

Some of the best political names in the country (most of whom had voted for war, in the first place) were of the same view.

Senator Daniel Webster spoke of President Polk's "impeachable offense" in bringing on war.

Senator Corwin (Ohio) said that if he were a Mexican, he would welcome the Americans to a bloody grave.

Senator Berrien of Georgia accused his country of a "horrible crime."

Senator Henry Clay (Kentucky) declaimed: "This is no war of defense."

Senator Sumner (Mass.) thundered: "Stop the war; withdraw our forces."

Markoe wrote from Vera Cruz of these speeches by Clay, Webster, and others: "These great men have by their speeches done more to prevent peace than though they had each of them severally arrayed 10,000 Mexicans against Scott."

The Mexican leader, Rejen, told the Spanish Minister that the key to his policy was the belief that the American people could not bear for any length of time the cost of the contest. "It was, therefore, only necessary to protract the war a little..." Which is just what he did.

Opposition came not only from the opposition Whigs but also from the Democratic Party. Senator Calhoun thought the whole business illegal: As the Congress had not acted, "there is no war, according to the sense of our Constitution." It was, he opined gloomily, entirely uncertain whether our army could reach Mexico City or secure a peace.

3. Economic Problems. In the face of war-engendered uncertainties "businessmen shrank from large enterprises...The currency had been inflated by the paper issues of many banks. Stocks were selling far below the prices of twelve months before...The war bill precipitated a panic in Wall Street and soon business in the South and West was described as prostrate."

When the administration responded with some tough fiscal medicine, the North American exclaimed: "Our administration seems enamoured by ruin, and woos calamity for itself." The new laws were denounced as an unspeakable outrage - in the words of Gideon Wells (who was later to serve in Lincoln's cabinet) an "insane project."

4. Conclusion. Opposition to the war seemed to be reaching its climax when a motion calling for withdrawal of our troops was introduced in the Congress.

But then an untoward event occurred: The battle of Buena Vista made clear that we were going to win the war, after all, and the resolution was smothered in the House 137 to 41.

The real climax came somewhat later - when American forces achieved their objectives, peace was concluded, and the chief Whig organ reprinted in its editorial column, without criticism, the judgment that it was "one of the

most brilliant wars that ever adorned the annals of any nation," while the Whig party, tactfully drawing a veil over the past, chose a leading architect of victory, General Taylor, as its Presidential candidate.

IV. The Civil War

1. Opposition. Again, the outbreak of war was greeted with enthusiasm; Lincoln's call for 75,000 volunteers was quickly met. But that enthusiasm waned as the conflict went on. Here are a few benchmarks:

-- The 1862 Congressional elections went heavily against the administration in the mid-West. A Republican leader explained: "The people have furnished men and means in abundance for all purposes to conquer the enemy; but we have made no progress...and the people are desirous of some change, they scarcely know what."

-- In December 1863, the House of Representatives tabled a resolution calling on the President to open negotiations with the South by only 98 to 59.

-- In the summer of 1864, as Grant's casualties mounted, a group of prominent Republicans came together in a "Lincoln withdrawal" movement - to force Lincoln to withdraw as a candidate for re-election, so that someone with a better chance of election could be nominated.

-- In late August, 1864, the Chairman of the Republican National Committee advised Lincoln: "The tide is setting strongly against us...Were an election to be held now in Illinois we should be beaten... Pennsylvania is against us...and so the rest." Senator Browning, a close friend of Lincoln, summed up the prevailing judgment when he wrote: "I fear he is a failure."

-- In that same month, Lincoln, a shrewd judge of popular temper, recorded his belief that "it seems exceedingly probable that this administration will not be re-elected" and that the winning candidate would be forced by his campaign pledges to conclude a defeatist peace.

-- In early September, as if to bear out his prediction, the Democratic Party nominated General McClellan for President on a platform which proclaimed that "after

four years of failure to restore the Union by the experiment of war...justice, humanity, liberty and the public welfare demand that immediate efforts be made for a cessation of hostilities..."

All this was being watched with rapt attention in the South. General Ramseur, CSA, wrote his wife: "We learn from gentlemen recently from the North that the Peace Party is growing rapidly - that McClellan will be elected and that his election will bring peace, provided always that we continue to hold our own against the Yankee armies."

2. Opposition Leaders. Lincoln was fiercely attacked by both doves and hawks (for not being ruthless enough toward the South).

His Congressional critics were mostly hawks. They included:

-- Senator Sumner of Massachusetts (virtual dean of the Senate).

-- Senator Chandler of Michigan (chairman of the Senate Committee on Commerce).

-- Senator Grimes of Iowa (chairman of the Senate Committee on Naval Affairs).

-- Roscoe Conkling (speaker of the House).

-- Thaddeus Stevens of Pennsylvania (chairman of the House Ways and Means Committee).

-- The famous Ben Wade - head of the Congressional Committee on the Conduct of the War.

If a reader were tempted to conclude from this that most members of the Congress were against Lincoln, he would be right. Supreme Court Justice Davis wrote that "the politicians, in and out of Congress...would put Mr. Lincoln aside, if they dared." The correspondent

of the Detroit Free Press reported: "Not a single Senator can be named as favorable to Lincoln's re-nomination for President."

Behind these imposing critics stood an increasingly hostile press (mostly dovish):

- The New York Daily News.
- The New York Tribune.
- The New York Evening Post.
- The Chicago Times.
- The Detroit Free Press.
- The Cincinnati Inquirer, the Cincinnati Gazette, the Columbus Crisis, and the Indianapolis Sentinel.

3. Economic Problems. Real hardships were suffered by two groups:

- Labor shared little in the new prosperity. Its wages fell far short of rising prices.
- Those on fixed salaries were in dire straits, as greenbacks proliferated.

This economic discontent, as well as opposition to the war, was reflected in draft riots: Homes and offices were burned to the ground; Negroes were seized, hanged, and shot; pitched battles were fought between rioters and police. Before a large contingent of troops quelled the New York riot, at least 1,000 people had been killed or wounded and \$1 million worth of property had been destroyed.

4. Repression. Lincoln went further than any of his predecessors in putting down opposition to war:

-- He proclaimed that all persons discouraging enlistment, or offering aid and comfort to rebels, or suspected of disloyalty should be subject to martial law. Over 13,000 persons were arrested under this proclamation. Many went to military prisons for indefinite terms.

-- He authorized any officer in command to suspend the writ of habeas corpus in certain areas. When the Supreme Court denounced his act, Lincoln was unmoved. In 1862, he denied the privilege of habeas corpus to all persons imprisoned by military order. The next year he suspended habeas corpus throughout the Union, wherever state courts obstructed the draft.

5. Conclusion. After Sherman wired his decisive message: "Atlanta is ours and fairly won," Lincoln's biographer records the result: "The favorable turn of military events brought a scurry to the Lincoln bandwagon. Chase made a peace mission to the White House, then took the stump for Lincoln. Henry Winter Davis (a leader of the "dump Lincoln" movement) toured Maryland on his behalf. Greeley ceased trumpeting for a negotiated peace...At a great Lincoln meeting in New York several leaders of the 'Lincoln withdrawal' movement occupied conspicuous places on the platform."

We have no record of the reaction of the editor of the New York Times, who had advised the President a few weeks before that "the only salt to save us" was the appointment of a peace commission to negotiate with Jefferson Davis.

V. World War I

1. Opposition.

(a) Opposition to US entry into the war: US public opinion was sharply divided on the issue of entry into the war, until Germany declared unrestricted submarine warfare in January 29, 1917. After that public opinion swung around, but some Congressional opposition continued. When President Wilson asked the outgoing Congress for authority to arm merchantmen in February, 1917, twelve Senators filibustered the request to death. When the President asked the incoming Congress for a declaration of war in April, six Senators were opposed (three of the filibustering Senators not having been returned to Congress in the elections).

(b) Continuing objections to US participation in the war: The Left continued to resist even after war was declared. The view of IWW was clear: "This is a business man's war and we don't see why we should go out and get shot". In the New York City 1917 elections Morris Hillquit polled more votes than any previous Socialist; in Chicago, the Socialists polled 34% of the vote; in Dayton, 44%.

(c) Criticism of the administration's management of the war began to mount, as soon as the hardships of war were felt:

-- First, there was sharp Congressional opposition to the President's request for a draft law. That request only passed after a brisk fight.

-- Then came a storm of protest about the administration's handling of war production during the winter of 1917-18. The unusual severity of that winter had momentarily crippled the railroads; soldiers in training camps had not been provided adequate clothing and shelter; while production of aircraft, artillery, small arms, and ships were lagging badly. Charles Seymour describes "furious attacks upon the President's war

policies, led not merely by Roosevelt and Republican enemies of the Administration, but by Democratic Senators... The root of the whole difficulty, they contended, lay in the fact that Wilson had no policy. They demanded practically the abdication of the presidential control of military affairs..."

-- Finally, in 1918, resentment over wheat price ceilings boiled over. This was a major issue in the Midwest, where farmers resented the government's holding down the price of wheat, while other prices and wages soared and Southern Democrats prevented comparable controls from being put on cotton. All this contributed heavily to the Democrats' loss of the House and the Senate in the mid-term 1918 elections. That defeat, a few days before the end of the war, marked the climax in the steady erosion of Wilson's initial commanding wartime position.

2. Opposition Leaders.

(a) Eight of the 12 Senators who filibustered Wilson's attempt to arm merchantmen to death, were chairmen of Senate committees, and one was the chairman of the Foreign Relations Committee. Of the six who opposed his request for a declaration of war, five were chairmen of Senate committees and, again, the Chairman of the Foreign Relations Committee (Stone, Missouri) led the pack.

(b) Wilson's request for a draft was opposed by this distinguished trio: the Speaker of the House - Champ Clark; the Leader of the House - Claude Kitchen, and the Chairman of the House Committee on Military Affairs - Stanley Dent.

(c) His record on war production was criticized by equally distinguished Congressional leaders: The Chairman of the Senate Military Affairs Committee (Chamberlain) proclaimed extravagantly that "the military establishment of America has...almost stopped functioning." Some of the best names on the Eastern seaboard joined in: Theodore Roosevelt, Senator Lodge (who encouraged George Harvey to call Secretary of War Newton D. Baker "shockingly and dangerously unfit for his job"), etc.

3. Repression.

-- Repression by Government fiat: World War I was marked by the passage of two sedition laws -- something both the Federal and Confederate governments had managed to avoid in the Civil War. Altogether over 1500 people were arrested under these laws. When savage sentences were meted out to distinguished Socialists like Eugene Debs and Victor Berger, Wilson refused to commute or pardon. Almost one hundred IWW leaders were packed off to long jail terms. Perhaps the most surprising victim was a "hapless film producer sentenced to ten years in jail for producing a film on the American Revolution called The Spirit of Seventy-six, because it might excite anti-British sentiments..."

-- Repression by private zeal: The Left was the first to suffer from over-enthusiastic "patriots". The most famous incident occurred when the IWW tried to stage a strike in mid-1917 at Bisbee, Arizona; Vigilantes killed two of them and shipped the rest -- over 1,000 men -- in box cars to a waterless New Mexico desert. German-Americans were next: "Schools dropped German from their curricula, and even some universities abolished their German departments; German books were withdrawn from public library circulation and German publications driven under cover. Frederick Stock, distinguished conductor of the Chicago Symphony Orchestra, was deprived of his baton; the patriotic mayor of Jersey City refused to allow Fritz Kreisler to appear on the concert stage; and some universities revoked degrees they had conferred on distinguished Germans..."

4. Economic Problems. There was economic discontent on two fronts:

(a) Middle Classes: A historian of the period points out that "the real incomes of all manufacturers and property owners scarcely increased between 1913 and 1918, while seven-eighths of the new high-income taxes fell upon them.

Below these groups, the white-collar workers and all others with fixed incomes suffered annoyances and even hardships as their incomes failed to keep up with rising prices and they had to put up with wartime scarcities or substitutes. Here were the audiences for right-wing critics of the management of the war."

(b) Farmers: The Middle-Western farmers' resentment of wheat ceilings has already been described.

5. Conclusion. The history of World War I thus suggests that, even in a war of rare popularity, criticism of the President, economic hardship, and internal repression are hard to avoid on the home front.

VI. World War II

A. Before December 7

1. In the Congress, isolationist sentiment was strong and well-led: Taft, Vandenberg, Champ Clark, Nye, Wheeler, Mundt, LaFollette, Shipstead, Walsh, Ellender, Reynolds, among others. Six of these were members of the Senate Foreign Relations Committee.
2. In the press, the Chicago Tribune, the Hearst newspapers, and the New York Daily News led the pack.
3. Distinguished business and labor leaders took a prominent part in opposing the administration's policy including: General Robert Wood (Board Chairman of Sears Roebuck), Hanford MacNider (Iowa manufacturer and past head of the American Legion), Jay Hormel (president of Hormel Meat Packing); Edward Rickenbacker (Eastern Airlines), Louis Tabor (head of the National Grange), Joseph P. Kennedy, Henry Ford, Robert Young (railroads), John L. Lewis, William L. Hutchinson (AFL), Lessing Rosenwald (Sears Roebuck).
4. Noted political and other public figures who joined the opposition included: Charles Lindbergh, Mrs. Alice Roosevelt Longworth, Avery Brundage (the Olympics), Herbert Hoover, Hugh Johnson, George Peek (former AAA head), Chester Bowles, Norman Thomas, Amos Pinchot.
5. Writers and actors included: Oswald Garrison Villard, Irvin S. Cobb, Stuart Chase, Kathleen Norris, Lillian Gish.
6. Distinguished academics included Professors Carlsen (Chicago), Whipple (joint Nobel award winner), Krueger (Chicago), Mason (NYU), Palmer (Chicago Theological Seminary), Borchard (Yale), and Philip Jessup. Also Presidents Valentine of the University of Rochester and Hutchins of Chicago.

7. There was also criticism of proposed military preparations. Perhaps the most dramatic case was Walter Lippmann's argument in September, 1941, for "a clear decision to shrink the army..."

8. Conclusion. The net effect of all this is best indicated by this single fact: A few months before Pearl Harbor a bill to extend the draft for the duration of the emergency passed by only one vote.

B. After December 7

9. Repression. The home front during World War II saw one dramatic case of repression: The enforced internment of 117,000 Japanese-Americans (two-thirds of them American citizens), with loss of about 40% of their possessions - without any evidence, then or later, of disloyalty. This eclipsed, in sheer size, anything that had been done in either the Civil War or World War I.

10. Economic Problems. Tensions created by a major military effort were evident on four fronts:

-- Youth: As mothers went to work, juvenile delinquency increased 56%. As war employment soared, the percentage of eligible young people attending high school dropped to 56%.

-- Race Relations: As labor moved from farm to factory, 5 million people migrated within the South; another 1.6 million left for the North. There a changing population pattern brought new tensions. The Detroit race riots of June, 1943, were only the most dramatic evidence.

-- Labor Disputes: Despite no-strike pledges there were nearly 15,000 work stoppages, involving loss of more than 36 million man days. When the United Mine Workers defied the government in striking in 1943, the Smith-Connally Act was passed over the President's veto, public feeling against unions continued to rise and many states passed anti-labor laws.

-- Inflationary Pressures: Post-Pearl Harbor prices rose 2% per month. Wartime food prices rose 50%. Rents went up only 4%, but this meant little to war workers moving into new areas, where there was no decent housing. Black marketing and overcharging grew in proportions far beyond OPA's policing capacity.

11. Conclusion. The outcome of the 1942 elections showed that these economic problems had dramatically swollen opposition to the President: The Democrats lost heavily in both the Senate and the House (where their majority eventually descended to two votes). Public dissatisfaction over price control, rent control, and gasoline rationing; over the 40-hour week, strikes, and the wage rates being paid to defense workers; over the loss of farm labor to the city, the lack of farm machinery, and the ceilings on farm prices - all these had left their mark.

VII. Korean War

1. Opposition. The trend in the Korean war showed the usual pattern: initial enthusiasm, followed by a sharp falling off as the hardships and frustrations of war grew marked.

At the start of the war, as President Truman's biographer points out, the President's "decision to act promptly...drew an almost unanimous outpouring of praise for the President..." A Gallup poll shortly after intervention found 81% favorable, 13% against, and 6% without opinion.

Professor Bailey records how soon the decline set in: "Truman's courageous and decisive action at the time (late June 1950) won reassuring applause from both the public and Congress, quite in contrast with the noisy condemnation when the going got rougher...The stinging military defeat inflicted by the Chinese (late in 1950), far from arousing the American public, had precisely the opposite effect. Republicans, in particular, branded the conflict 'Mr. Truman's war.' A majority of the American people believed that not only was intervention a mistake but that the United States ought to pull out."

The results were evident in the November election: The Republicans won five seats in the Senate and twenty-five seats in the House.

In January 1951, a Gallup poll showed 66% for pulling out, 25% against, and 9% no opinion.

In April, 1951, when General MacArthur was fired, a Gallup poll showed only 29% favoring the President, as against 69% for the General.

Cabell Phillips reports some other effects of that firing: "Letters by the tens of thousands poured into the White House, Congressional offices, newspapers, and radio stations in every part of the land...Congressional

Republicans...held emergency caucuses in the House and Senate Wednesday morning to vent their wrath against the President...Some Democrats in Congress defended their President but most...stood mute in dismay and indecision."

The trend downward continued into 1952. The President's popularity reached an all-time low of 26% that spring.

Professor Bailly is right, when he says that at the time of the 1952 elections: "The American people, never noted for patience and long accustomed to quick successes, were in an ugly mood."

And Professor Freidel explains why: "President Truman's policy of fighting a limited war of containment continued to baffle and exasperate a considerable part of the American people. It went too completely against the American tradition of total victory; it was too hard to explain to much of the public or even to many of the soldiers fighting endlessly through the rice paddies and on the hilltops of Korea. This was true even though the President's policies bore promise of ultimate success."

2. Opposition Leaders. The attack was so widespread that only a few of its authors can be cited here.

Senator Taft branded Korea an "utterly useless war."

Taft's allies went further. Senator Jenner said that "President Truman had sent United States troops into Korea for the specific purpose of having them defeated..."

Senator Wherry said that Dean Acheson "has the blood of our boys in Korea on his hands".

Eight members of the Senate Foreign Relations and Armed Services Committees issued a joint statement in August, 1951, which attacked the administration for having "squandered" the victory of our armed forces, failed for political reasons to exploit fully "American air and naval superiority in the Korean war", kept "the facts from the Congress and the people", - all adding up to a "catastrophic failure." The signers included Bridges, Wiley, Smith, Hickenlooper, Knowland, Cain, Brewster, and Flanders.

The generals in the field, as contrasted to those in Washington, also opposed the administration's limited war objectives. These included not only General MacArthur but also Generals Courtney Whitney and Edward M. Almond, and General Van Fleet (who argued that the war could be won by an all-out effort but "the Truman administration got weak-kneed...and was wishfully wanting peace without prosecuting the war to win the peace").

Among press critics were U.S. News and World Report, the Luce publications, the Chicago Tribune, the Washington Times Herald, the Hearst newspapers, and a fair number of columnists and radio commentators.

3. Repression. The administration was in no position to repress anybody. But the Congress and public opinion went all-out in attacking those on the Left whose views might conceivably be considered or misconstrued as giving aid and comfort to the enemy in Korea. More need not be said; McCarthyism is too recent a memory. But the excesses to which it gave rise were at least as great as those in any preceding war.

4. Economic Problems. When President Truman had to reinstitute wage and price controls, he was soon attacked by both business and labor. His conflict with both groups continued and deepened, as the war went on. Management and

labor fought each other, as well. And the consumer-at-large was mad at everybody: management, labor, and the administration, which he blamed for painful shortages and controls.

5. Conclusion. As the administration drew to a close, the President and the Army fighting in Korea were all that was left of the initial enthusiastic determination to resist Communist aggression in June of 1950.

Few could see ahead to the judgment that Clinton E. Rossiter would make in 1956: "I am ready to hazard an opinion, to which I did not come easily or lightly, that Harry Truman will eventually win a place as President, if not as a hero, alongside Jefferson and Theodore Roosevelt."

For it was not as clear then as it is now that the Korean War would eventually find its way -- along with the Revolutionary War, the War of 1812, the Mexican War, the Civil War and World Wars I and II -- to the list of conflicts remembered not by their temporary effects on the home front, but by their more lasting effects on the future of our country.

SECRET/SENSITIVE

Monday, September 11, 1967
12:15 p.m.

MR. PRESIDENT:

Here is the latest from Kissinger.

Today Bo responded to M with the same rigid Hanoi formulation with which we are so familiar.

The only possible point of interest is that he asked for a reply.

Secretaries Rusk and McNamara are working on a reply, which should come over mid-afternoon.

This sounds to me a little as though they plan to make the contact in Paris public. But it is barely conceivable that it is the opening move in having a Bo-Kissinger conversation.

Attachment

W. W. R.

DECLASSIFIED
E.O. 12958, Sec. 3.4
BY 94-243
By CL MEMA 3-15-00

Sept. 11, 1967

C/1a

NODIS/PENNSYLVANIA

FROM KISSINGER

M. saw Bo this morning on the basis of a phone call by Bo to M. at 1800 Sunday, Paris time, requesting an appointment with M. as soon as possible. Since M. was expecting dinner guests the appointment was set for 0930 Monday morning. I saw M. immediately afterwards. The following is M's account of the meeting. I had asked him to take notes and to give me as many direct quotations as possible.

After a brief exchange of pleasantries, Bo handed the following text to M as Hanoi's official reply: (WWR's translation from the French)

The essence of the American proposition is a stop of bombing under conditions. The American bombardment of the DRV is illegal. The U. S. ought to end the bombing and cannot pose any condition whatsoever.

The American message was communicated after an escalation of attacks against Hanoi and under the threat of a continuation of attacks against Hanoi. It is clear that that constitutes an ultimatum with respect to the Vietnamese people.

The government of the DRV energetically rejects these American proposals.

The position of the government of the DRV is that the United States ought to stop bombing definitively and without conditions and all other acts of war against the DRV. They ought to withdraw American and satellite troops from South Vietnam, recognize the NLF of South Vietnam, and let the Vietnamese people settle themselves their domestic affairs. It is only after the unconditional cessation of bombing and all other acts of war by the United States against the DRV that the DRV and the United States might engage in conversations.

After M had finished reading the text, Bo said to him, "Give this to Kissinger. As soon as there is a reply, please communicate it to me at any time of the day or night." (Note: I asked whether Bo had not said "if". M insisted that the phrase was "as soon as"...). M. answered: "This reply puts A. and me into some difficulty. We cannot help feeling that it may be due to our failure to explain the American message adequately. This makes it all the more urgent that you see Kissinger. Bo replied: "Give the message to Kissinger and when the reply is here we shall see about a meeting."

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 94-243

By C6, NARA, Date 3-15-00

Asked by M. whether he had any commentary to make on the message, Bo made the following statement as written down by M: (WWR's translation from the French)

"The bombing of Hanoi at the same time as the dispatch of the message constitutes pressure. The cessation of bombing with the threat of resumption has the character of an ultimatum." Bo asked M to let him know of any comments I might make about the message after I read it.*

M. considers it significant that Bo was in such a hurry to deliver the message and that he stressed his expectation of a reply. He believes that this may reflect a desire to take advantage of my presence in Paris to continue conversations.

M. asked me what he should tell Bo about my reaction. I told him to say that the message would be transmitted to Washington and if, repeat if, there was a reply through this channel I would get in touch with M. I made no substantive comments.

The Embassy will know at all times where to reach me.

Monday, September 11, 1967 -- 10:50 a.m.

P. Rostow

Mr. President:

Attached is an evidently well-organized set of telegrams urging you not to relent on military aid to Greece, on the occasion of the King's lunch with you today. The signers are:

Melina Mercouri, Long Island, New York
 Jules Dassin, Long Island, New York
 Theodore Stathis, Executive Secretary, American Committee for
 Democracy and Freedom in Greece, New York
 Greek Swedish Committee for Democracy in Greece and
 Swedish Greek Association and The Greek Students Association
 in Sweden, Stockholm
 Several Members of Parliament and organizations, Stockholm
 Paul Claudato, New York
 Aliki and Paul Nord, New York
 800 Members of Minnesotans for Democracy and Freedom in Greece,
 Minneapolis, Minn.
 A. Vassiliades, Chevy Chase, Maryland
 Amnesty International of the USA, Chevy Chase, Maryland
 Council for Democracy in Greece (Irvington, N. Y.), Chevy Chase, Md.
 D. J. Kostas, Chevy Chase, Maryland
 Helen Gogo, Trenton, New Jersey
 Stephanie Gersten, New York
 A. Gregoriades, New York
 Professor K. Goulianos, Princeton University
 Judith Alwin, Minneapolis, Minn.

W. W. Rostow

WWRostow:rlh

Pres file

~~TOP SECRET~~

Monday, September 11, 1967 -- 8:25 a.m.

Mr. President:

Herewith the pros and cons of attacks on the port of Haiphong and the four airfields (Phuc Yen, MIG base; Cat Bi, MIG capable; Mac Bai, air defense center; ~~Hon Gai~~, MIG capable and transport).

Against bombing port of Haiphong:

- Difficult to avoid hitting Soviet and other ships.
- Alternative offloading facilities available with inconvenience, either across the beaches or at other smaller ports.
- Weather prospects make it likely that attacks could only be intermittent and, therefore, closing of the Haiphong port by bombing may not be possible unless accompanied by intensive mining of harbor approaches.
- Bombing debate would intensify, both here and abroad, as risks of confrontation with Soviet Union and Communist China increased or were judged to have increased.
- Heavy civilian casualties probably unavoidable.

Pro:

- Bombing of North Viet Nam has increased normally large dependence on imports for both military and civilian purposes, notably food imports;
- Haiphong warehouses probably contain substantial stocks of military and civilian goods.
- Effective bombing of Haiphong may bring Hanoi close to necessity for decision on ending the war -- or asking USSR and Communist China radically to enlarge war under circumstances where a positive response from Moscow and Peiping is not foregone conclusion, given state of war in the South and difficulties of intervening effectively in the South.

~~TOP SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-360
By inf, NARA, Date 4-13-95

~~TOP SECRET~~

-2-

Airfields:

Pro:

-- Would reduce not merely MIG attacks on our aircraft but free attacking aircraft from anxiety and diversion, increased bombing accuracy, reduce number of jettisoned bombs and improve pilot morale.

-- Although remaining MIGs may operate from CHICOM bases thereafter, their effectiveness would be reduced because of their short range.

-- Little civilian damage and few, if any, casualties.

-- Little or no increase in public controversy over bombing in U.S. or abroad.

Against:

-- Attacks are not essential: direct and indirect effects of MIGs are not a vital factor.

-- Dispersal of MIGs on airfields, revetments, etc. make it possible that strictly military cost benefit ratio of attacks unfavorable: aircraft and pilot losses may outweigh direct and indirect military gains.

-- Possible shifting of aircraft to CHICOM bases would raise issue of sanctuary and increased pressure for airfield attacks inside Communist China.

W. W. Rostow

WWRostow:rlh

~~TOP SECRET~~

~~SECRET~~

Monday, September 11, 1967
8:15 a.m.

Mr. President:

Herewith Amb. Bunker's response to the outgoing message (also attached), which you instructed me to dispatch, on consultation with us before a bombing pause.

Pres file

W. W. Rostow

~~SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 94-360
By lig, NARA Date 3-29-96

Outgoing CAP 67804 (CAS channel)
Incoming Saigon 276 (CAS channel)

WWRostow:rlh

~~SECRET~~

EYES ONLY

44a

RECEIVED
WHCA

SEP 11 08 24

SANITIZED
E.O. 12958, Sec. 3.6
NLJ 00-96
By cb, NARA Date 7-25-00

DLA506
00 YEKADS
DE YEKADL 223 2540820
O 110815Z ZYH
[REDACTED]

3.4(b)(1)

TO THE WHITE HOUSE
ZEM

~~SECRET~~ EYES ONLY 110746Z [REDACTED]

FM AMB BUNKER SAIGON 276

NO NIGHT ACTION

TO THE WHITE HOUSE, EYES ONLY FOR WALT ROSTOW.

1. PLEASE INFORM THE PRESIDENT THAT I HAVE TOLD THIEU THREE TIMES ALREADY THAT WE WOULD EXPECT HIM TO CONSULT US BEFORE MAKING ANY CONCRETE PROPOSAL TO HANOI ON A BOMBING PAUSE. I HAVE ALSO TOLD HIM THAT WE WOULD EXPECT TO HAVE VERY FULL-CONSULTATION AND CAREFUL PREPARATION BEFORE ANY STEPS WERE TAKEN AND THAT THE OTHER TROOP CONTRIBUTING COUNTRIES SHOULD BE CONSULTED AS WELL.
2. I SHALL SPEAK TO HIM ABOUT IT AGAIN AND EMPHASIZE THE IMPORTANCE OF "RECIPROCITY" RATHER THAN MERELY "GOOD WILL".
3. I DO NOT BELIEVE HE HAS THOUGHT THROUGH ANYTHING YET ON AN APPROACH TO HANOI, BUT THAT, ASIDE FROM A REAL INTEREST SHARED BY ALL VIETNAMESE IN TRYING TO MOVE NEARER TO NEGOTIATIONS, HE FELT IT NECESSARY TO MAKE SOME STATEMENT DURING THE CAMPAIGN IN VIEW OF THE EMPHASIS ON PEACE BY OTHER CANDIDATES, ESPECIALLY DZU.

200

~~SECRET~~

EYES ONLY

NNNN

PRESERVATION COPY

44.8

~~SECRET~~

Sept. 9, 1967

VIA CAS CHANNEL

FOR AMBASSADOR BUNKER FROM WALT ROSTOW *CAR 67804*

The President wishes you at first convenient moment to tell Thieu we expect him to consult us before he makes a concrete proposal on a bombing pause or suspension.

As seen from here, he has thus far linked it to a sign of "good will" much as we have stood by the concept of "reciprocity." In press reports the contingent nature of his position tends to be diluted.

The sensitivity of the matter here needs no explanation to you.

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-360
By mp, NARA, Date 4-13-95

Monday, September 11, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Talks with the Japanese

Pres file
SANITIZED
E.O. 12958, Sec. 3.6
NLJ 00-97
By cb, NARA Date 7-28-00

You asked the Secretaries of State, Defense and Treasury for brief memoranda concerning the things we want to get from Japan. See TABS A, B and C.

The early visits of the Japanese Cabinet (September 13-14) and the Prime Minister (in November) provide forums in which our views can be made known.

I recommend a meeting of the three Cabinet members with you to consolidate our position either Monday or Tuesday (September 11 or 12). That meeting should also settle whether we go to the Congress this week, during the Japanese visit, with Gene Black's Special Fund for the Asian Development Bank.

The requested memoranda suggest:

State

The goals we should pursue with the Japanese are:

- (1) Continuing support on key issues in the U.N;
- (2) increased economic aid to Viet-Nam;
- (3) Japanese adherence to the Non-proliferation Treaty;
- (4) matching contributions on major Asian development programs;
- (5) reduction in our Balance of Payments deficit with Japan.

The Japanese should know that continued support from Congress and the American people for our commitments to Asia could depend on Japan's carrying a heavier share of the burden.

~~SECRET~~

~~SECRET~~

Defense

Like State, Defense recommends a "listening brief" on the Ryukyus and Bonins question. Secretary McNamara suggests:

3.4(b)(6) (1) We explain the broader questions regarding security in Asia -- with the U.S. people and Congress continue to support a one-sided treaty, bases that help Japan more than us, [REDACTED]
[REDACTED]

(2) We should be able to compete on equal terms with Japanese manufacturers for sale of military equipment; our goal should be an increase of Japanese purchases from \$60 million a year to \$200 million.

(3) The Japanese must assume a larger share of the political and economic costs of providing security for Asia.

Treasury

Secretary Fowler urges progress on the Balance of Payments question, regardless of discussions on the Ryukyus.

He proposes we push:

(1) A U.S. -Japan Balance of Payments Committee;

(2) more Japanese purchases in the U.S. of military equipment -- up to a third of the planned \$2.8-\$2.9 billion over the next 5 years;

(3) other measures to cover the payments gap -- i.e. purchase of long-term securities, prepayment of debts, and repurchase of Japanese securities;

(4) joint study of other forms of Japanese sharing of the payments deficit -- relax controls over outward Japanese investment, increased trade with Europe, expanded aid to Asia, more non-military help to Viet-Nam, etc.

Summary

There is general agreement that we should:

(1) do more listening than talking on the Ryukyus and Bonins question this week;

~~SECRET~~

~~SECRET~~

(2) underline our contribution (military and economic) to Japanese and Asian security;

(3) get Japanese assistance on the Balance of Payments problem, through increased Japanese purchases of military equipment from us, and through other measures;

(4) insist on more Japanese involvement in Asia (through the Asian Development Bank, aid to Viet-Nam, aid to others).

In all of this, I see the makings of a mutually advantageous package deal.

The Cabinet sessions next week provide a useful forum in which to lay the groundwork. But the final hammering out of a bargain should await Prime Minister Sato's visit in November.

Thus, during the Cabinet-level talks, we should:

(1) Listen to the Japanese case on the Ryukyus and Bonins; indicate a reasonably forthcoming attitude; make it clear we will be prepared to take this up in detail when the Prime Minister comes;

(2) push hard on the Balance of Payments question -- especially the matter of Japanese purchases of U.S. military equipment, underlining our large outlays in the interest of Japanese security;

(3) stress the need for a greater Japanese role in economic aid to Asia as a whole -- noting our major outlays, military and economic and underlining in particular the need for enlarged Japanese contributors to:

- the Special Fund of the Asian Development Bank;
- Vietnamese industrial development, perhaps initiated by a Japanese industrial mission to Viet-Nam;
- Indonesian development.

When Sato comes, I would take the following line:

We recognize that the Ryukyus and Bonins question is difficult for him politically at home.

He should recognize that our huge outlays in Asia -- in men, in economic aid and in security support -- are a political liability for us; that many Americans get the impression that we are almost alone in helping others in Asia.

~~SECRET~~

~~SECRET~~

-4-

The security, stability and progress of all of Asia are in our mutual interest.

Having studied the whole matter carefully -- and with our mutual concerns in mind -- we are prepared to consider the following:

(1) ~~Early return of the Bonin Islands to Japanese administrative control -- by "early," we mean by mid-1968 or earlier.~~

(2) ~~Forming a joint study group immediately to consider ways in which administrative control over the Ryukyus can be returned to Japan; the target date for accomplishing this goal would be January 1970.~~

3.4(b)(6) (3) ~~We shall meantime be working out ways by which the U.S.-Japan Security Treaty -- perhaps revised -- can apply fully to bases in the Ryukyus.~~

In return for this major Japanese objective, Japan should commit itself to undertake:

(1) ~~Steps to help balance our large outlays for military related expenditures in Japan~~ -- primarily by increasing Japanese purchases of U.S. military equipment, Japanese purchases of long term U.S. securities, and limits on Japanese short term borrowing in the U.S.

(2) ~~A full sharing of costs of the Asian Development Bank on a 50-50 basis, including the Special Fund~~ (an increase in their pledge from \$100 million to \$200 million).

(3) ~~A Japanese share in some areas~~ -- such as Indonesia -- ~~larger than that of the U.S.~~

(4) ~~A significant increase in Japanese economic assistance to South Viet-Nam~~, including enlarged private investment in such areas as small and medium industry.

One issue to settle will be the extent to which we are prepared to trade off Japanese aid increases against additional balance of payments assistance. We shall prepare for you an objective analysis of U.S. interests in such a trade-off.

I do not think that such things as Japanese votes in the U.N. or its signing the Non-proliferation Treaty should be mixed in with the above, at the Presidential level, although Secretary Rusk may wish to discuss them.

W. W. Rostow

~~SECRET~~

~~SECRET~~

Set up meeting Monday or Tuesday _____

No _____

See Me _____

~~SECRET~~

3408
45a

THE SECRETARY OF STATE
WASHINGTON

~~SECRET~~

September 4, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: United States-Japan Cabinet-
Level Talks

You have asked for my views on what we want from the Japanese with more specific reference to the upcoming Cabinet-level talks:

Fundamentally, we want Japan as a partner -- not as a rival -- in Asia, but as partner sharing the political and economic burdens of regional responsibility. While we do not now seek a greater Japanese military role, other than in its own defense, Japan's actions should contribute to -- and not detract from -- effective fulfillment of our military and security commitments to Asia. This is particularly true of any solution to the Ryukyu and Bonins issues.

During the talks with Foreign Minister Miki and his Cabinet colleagues, I would propose to:

-- Adopt largely a "listening brief" on the Ryukyus and Bonins, leaving the way open for more conclusive talks with Prime Minister Sato in mid-November but pointing the Japanese in the direction of interim steps to reduce disparities between Okinawa and Japan and thus to ease our problems of the 1968 Ryukyu elections and Japanese public opinion.

-- Spell out the heavy burden we now shoulder for both the security and economic development of Asia.

-- Press the Japanese to take on a greater share of regional leadership and the financial burden of economic assistance and of redressing the imbalance in our balance of payments.

~~SECRET~~

GROUP 3

Downgraded at 12 year intervals;
not automatically declassified.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-361

By ing, NARA, Date 10-14-94

~~SECRET~~

- 2 -

In more specific terms, the major objectives I would currently seek from the Japanese:

-- Support on key United Nations issues and possibly a role in United Nations peacekeeping in the Middle East if this materializes.

-- Continued support and responsible action on Vietnam, with greater economic aid to the Government of Vietnam.

-- Adherence to the Non-Proliferation Treaty.

-- Matching contributions on major East Asian economic development programs, including the Asian Development Bank Special Funds.

-- Significant reduction in our bilateral balance of payments deficit which results in part from increased military-related expenditures in Japan during the Vietnam conflict.

Basically, what we want and need is a still more mature and responsible attitude on the part of Japan towards the threat posed by the Chinese Communists and by the internal instability of the countries on the periphery of China. Japan has a greater stake than we do in countering this threat. It should understand that our ability to maintain continued support from Congress and the American public for our own commitments in Asia could depend on Japan's assuming responsibilities commensurate with its stake in regional security and stability.

Dean Rusk

Dean Rusk

~~SECRET~~

~~CONFIDENTIAL~~

456

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

DECLASSIFIED

30 August 1967

Authority Group 4By 12/5/91, NARA, Date 10-4-91cy given
Jensen
7/5/67

MEMORANDUM FOR THE PRESIDENT

You have asked for my views on the positions we should take during the Japanese Foreign Minister's visit next month.

I believe we should:

a. Listen to Foreign Minister Miki's proposal for the reversion to Japan of the Ryukyus, Bonins and other Western Pacific islands.

b. Explain to Miki that the issues to be discussed are much broader than the narrow subject of "reversion" -- they relate to fundamental issues of U.S. and Japanese foreign and defense policy. The basic question is not "should the Ryukyus 'revert' to Japan", but rather "will the U.S. Congress and the U.S. public support:


1. Extension of the 'one-sided' U.S.-Japanese security treaty beyond 1970.

2. Retention of U.S. military bases in the Ryukyus for the protection of Japan.

3. Retention of stockpiles of nuclear weapons in the Pacific for the protection of Japan."

c. Ask Japan to permit us to compete on equal terms with her own manufacturers for the sale of military equipment to the Japanese government. The objective should be to increase Japanese purchases of U.S. military equipment from the current level of approximately \$60 million per year to approximately \$200 million per year. \$200 million would represent only 40-50% of the expenditures we are currently making in Japan in support of our joint defense.

I would base our approach to the Japanese, both in September and in the next two or three years, on the propositions that: our people will never again allow our nation to "stand alone" in the far Pacific; our bases in that area are there at least as much for the protection of the Japanese as they are for the defense of the United States; and, it will be impossible for us to maintain those bases unless the Japanese move gradually to share the very heavy political and economic costs of providing security to the area.


Robert S. McNamara

GROUP 4

Excluded from automatic downgrading and declassification; classified in accordance with 25 CFR 17.102.

EOD Date: 1200-20

~~CONFIDENTIAL~~

Sec Def Cont Nr. X-

5357

~~SECRET~~

3367

45c



THE SECRETARY OF THE TREASURY
WASHINGTON

AUG 31 1967

978-791/27

MEMORANDUM FOR THE PRESIDENT

In response to your request at the National Security Council meeting yesterday, I am attaching my views of what the United States should be saying to the Japanese in forthcoming meetings, beginning with the September 13-15 Joint Cabinet Meetings.

It is important that we pursue these balance of payments objectives with Japan independently and separately, regardless of what may evolve in negotiations over the Ryukyu Islands.

The time has passed for general discussion with Japan of balance of payments cooperation, and we should make the specific points set forth in the attached paper.

Henry H. Fowler
Henry H. Fowler

Attachment

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-305
By ig, NARA Date 12-26-96

~~SECRET~~

~~SECRET~~

6367

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Talking Points for Use With Japanese Officials

1. The U.S. proposes that the U.S. and Japan form a balance of payments committee -- under Treasury and Finance Ministry leadership -- which would have the following tasks (among others which may be defined):

- a. To discuss each country's trends and outlooks,
- b. To maintain a current joint accounting of each country's balance of payments, and
- c. To examine the various technical possibilities for balance of payments cooperation, including the field specifically of military transactions.

2. With respect to military-financial planning the U.S. places great importance on complementary U.S./Japanese actions. Within the framework of complementary military roles in the area of Japan and an overall level of defense as determined by the Japanese Government, we believe there is wide potential for increased Japanese military procurement in the U.S. -- up to 1/3 of the \$2.8-2.9 billion in the Five Year Defense Plan earmarked for procurement of new equipment. (See attached principles for military-financial planning which would also be presented to the Japanese.)

3. We should seek to cover by other financial measures any gap which remains between the receipts from Japanese military procurement in the U.S. and the amount of U.S. defense expenditures in Japan (a gap of probably at least 65%). Such measures would expand current cooperation to consider purchase of long-term (4-5 years) U.S. securities, prepayment of debts (PL 480, GARIOA etc., amounting to over \$400 million) and repurchase of Japanese securities held by U.S. agencies. Arrangements might consider earmarking the funds invested in securities for increased Japanese contributions to regional economic development at the time of redemption.

4. The U.S. suggests also that we jointly consider other means for balance of payments cooperation and sharing the non-military economic burdens in Asia, such as Japanese actions to: (a) liberalize its outward investment controls (b) seek increased access to European capital markets (c) remove non-tariff barriers (d) expand markets in Europe and reduce reliance on exports to the U.S. (e) expand its economic aid contributions in Asia and (f) assume a larger share of non-military aid to South Vietnam and plan a major role in rehabilitation efforts there after the conflict ends.

Attachment

~~SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-305
By ijg, NARA Date 12-26-96

45e

~~SECRET~~

Principles for U.S.-Japanese Military-Financial Planning

1. Japanese dependence on local industry for military supply principally when it is cheaper than supply from abroad.
2. Japanese acceptance of the principle that U.S. industry should have a full opportunity to compete with third countries for military purchases.
3. Japanese purchase of military equipment from the U.S. whenever it is desirable to do so for cost, technological or military compatibility reasons.
4. Japanese development and production in selected cases where a premium for the technology rather than employment is considered particularly advantageous to the future national, as distinct from solely military, growth.
5. Establishment of a cooperative research and development program, whereby (a) Japanese interests in military technology can be advanced to the maximum possible extent consistent with most efficient use of its budget resources, and (b) projects in the field of equipment co-production can be facilitated.
6. Japanese cooperation in continuing U.S. efforts to reduce the amount of its defense expenditures in Japan.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-305
By sig, NARA Date 12-26-96

~~SECRET~~

46

~~SECRET/SENSITIVE~~

1 susp
2 Pres file

Thursday, September 14, 1967
8:20 p.m.

Mr. President:

Herewith two cables from Paris indicating the state of the complicated dance between Mr. Bo and Mr. Kissinger. I think Henry is playing it quite correctly.

Also attached is a very odd and rather interesting French newspaperman's report of what Hanoi is really thinking.

W. W. Rostow

Paris 3329
Paris 3383
FBIS 68

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-360
By ijp, NARA, Date 4-13-95

WWRostow:rlh

INCOMING TELEGRAM *Department of State*

3 46a

***** ZZ RUEHC
DE RUFNCR 3383 2571810 ~~SECRET~~
Action ZNY TTTT
Z 141803Z SEP 67
FM AMEMBASSY PARIS
Info TO SECSTATE WASHDC FLASH 5459
STATE GRNC
BT
~~TOP SECRET~~ PARIS 3383

CN 3354
Sept 14, 1967
2:54 p.m.

NODIS/PENNSYLVANIA.

FROM KISSINGER

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-361
By 108, NARA, Date 10-14-94

M SAW BO AT 1200 PARIS TIME. BO ASKED HIM WHETHER HE HAD BROUGHT THE MESSAGE. AS INSTRUCTED BY ME M. SAID THAT I HAD ASKED FOR GUIDANCE FROM WASHINGTON ABOUT WHETHER THE MESSAGE COULD BE TRANSMITTED THROUGH THE A-M CHANNEL. (NOTE: I DID THIS TO GAIN TIME AND TO SEE WHETHER DELAY MIGHT NOT PRODUCE A PERSONAL MEETING.) BO ASKED WHETHER M. WAS SURE THERE WAS A MESSAGE. M. SAID HE WAS CERTAIN THAT A MESSAGE EXISTED AND THAT I WOULD RECEIVE INSTRUCTIONS SOON.

PAGE 2 RUFNCR 3383 ~~TOP SECRET~~

M. THEN HANDED BO THE MESSAGE FROM PARIS 3242 IN A SEALED ENVELOPE CONTAINING AN ENGLISH AND FRENCH TEXT. BO PLACED THIS ENVELOPE UNOPENED ON THE TABLE AND SAID HE WOULD STUDY IT LATER. M. THEN READ TO BO FROM HIS HANDWRITTEN NOTES CONTAINING BOTH "OFFICIAL" AND "PERSONAL" EXPLANATION AS REPORTED. WHEN HE HAD CONCLUDED BO ASKED WHETHER HE COULD SEE THEM. M. POINTED OUT THAT THEY WERE ROUGH NOTES AND NOT PUT IN VERY ELEGANT FRENCH. BO REPLIED THAT HE WOULD LIKE TO STUDY THEM AND WOULD RETURN THEM IN THE MORNING. THIS MEANS THAT BO HAS A TYPED TEXT AND SOME VERY ROUGH NOTES IN M'S HANDWRITING CONTAINING A COMMENTARY. (TO COMPLETE THE RECORD I SHALL SEND THE FRENCH TEXT OF M'S NOTES AS THEY WERE WHEN HE LEFT ME BY SEPTTEL.) M. THEN MENTIONED THAT AT SOME POINT THE ELYSEE WOULD HAVE TO BE INFORMED. BO REPLIED "THE FEWER PEOPLE KNOW ABOUT THIS THE BETTER." WHEN M. LEFT HE SAID THAT HE HOPED BO AND I WOULD BE IN DIRECT CONTACT SOON SO THAT M. COULD RETURN TO HIS LABORATORY AND HIS FAMILY. BO REPLIED, "IF THE PRESENT EXCHANGE LEADS TO PEACE, I HOPE YOU WILL CONSIDER YOUR TIME WELL SPENT". M. WAS STRUCK BY THE FACT THAT BO NEVER SPOKE OF REFERRING MATTERS TO HANOI. FROM THIS HE

~~SECRET~~

~~SECRET~~

-2- PARIS 3383 NODIS PENNSYLVANIA

PAGE 3 RUFNCR 3383 ~~TOP SECRET~~

CONCLUDES THAT BO MAY HAVE ALREADY RECEIVED DISCRETIONARY AUTHORITY TO SEE ME.

I ALSO TALKED TO A. HE CANNOT GET HERE BEFORE TOMORROW EVENING. I HAVE ASKED HIM TO STAY UNTIL MY DEPARTURE (SEPTEMBER 21 OR 22).

RECOMMENDATION: (1) I SUGGEST WE HOLD UP DELIVERY OF THE MESSAGE UNTIL SATURDAY MORNING. A. WOULD BE BACK BY THEN. BO'S CURIOSITY ABOUT THE MESSAGE MAY PRODUCE A PERSONAL MEETING. IN ANY EVENT WE HAVE PASSED NOTES ON TWO SUCCESSIVE DATES AND A DAY'S INTERVAL WILL AVOID AN IMPRESSION OF ANXIETY.

I HAVE, IN ANY CASE, SET A MEETING WITH M FOR 10:00 FRIDAY PARIS TIME. IF YOU APPROVE OF THIS COURSE, I SHALL TELL HIM THAT I AM STILL WITHOUT INSTRUCTIONS, BUT THAT I HAVE DEFINITELY BEEN PROMISED THEM BY THE END OF THE DAY. IF YOU DISAGREE, I SHALL HAND HIM THE MESSAGE IN ENGLISH AND FRENCH IN A SEALED ENVELOPE.

GP-1 BOHLEN
BT

NNNN

~~SECRET~~

INCOMING TELEGRAM *Department of State*

3

46-6

~~SECRET~~

Action DE RUFNCR 3329 2571220
ZNY TTTT
Z 141210Z SEP 67
FM AMEMBASSY PARIS
Info TO SECSTATE WASHDC FLASH 5428
STATE GRNC
BT

CN 32430
Recd Sep 14, 1967
9:12 a.m.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-361
By isp, NARA, Date 10-14-94

~~TOP SECRET~~ PARIS 3329

NODIS/PENNSYLVANIA

FROM KISSINGER

I SAW M. FOR TWO HOURS TODAY. BECAUSE OF BO'S SUGGESTIONS REPORTED IN PARIS 3288, I PROPOSE TO ADOPT THE FOLLOWING PROCEDURE:

(1) FOR EACH MEETING WITH BO I SHALL HAND M (AND A. WHEN HE ARRIVES) A SEALED ENVELOPE CONTAINING AN UNSIGNED STATEMENT ON PLAIN PAPER. I DO NOT TELL THE CONTENTS OF THIS ENVELOPE TO A & M. (2) I SHALL THEN MAKE TWO SETS OF COMMENTS: PERSONAL AND OFFICIAL. I SHALL ASK M. TO TRANSCRIBE THESE IN HIS OWN HAND-WRITING, TRANSLATE THEM INTO FRENCH AND READ THEM BACK TO ME. BO CAN USE THE SAME PROCEDURE IN REPLY. THIS IS TIME-CONSUMING, BUT IT HAS THE ADVANTAGE THAT IT REDUCES A&M'S ROLE IN EFFECT TO THAT OF MESSENGERS AND BRINGS ABOUT A "DIALOGUE" BETWEEN BO AND THE UNITED STATES GOVERNMENT BASED ON WRITTEN COMMUNICATIONS.

PAGE 2 RUFNCR 3329 ~~TOP SECRET~~

I AM RELUCTANT TO PUT EXPLANATIONS IN WRITING LEST IT CREATE CONFUSION DELIBERATE OR UNINTENTIONAL.

AS APPLIED TO TODAY'S DISCUSSION, I HANDED M A SEALED ENVELOPE CONTAINING THE TEXT REPORTED IN PARIS 3257 (IN ENGLISH AND FRENCH). I THEN MADE THE FOLLOWING "OFFICIAL" COMMENT: "THE ENCLOSED PAPER CONTAINS WASHINGTON'S VIEW ABOUT THE SIGNIFICANCE OF THE RESTRAINT IN THE HANOI AREA AND THE UNCONDITIONAL NATURE OF OUR MESSAGE OF AUGUST 25." I ADDED THE FOLLOWING "PERSONAL" COMMENT: "THE ENCLOSED DECLARATION IN MY JUDGMENT ERASES THE POSSIBILITY OF ANY CHARGE THAT WE ARE PROCEEDING BY ULTIMATUM.

I THEN SAID: " I HAVE REPORTED TO WASHINGTON'S M'S COMMENT ABOUT THE DIFFICULTY OF CONDUCTING DISCUSSIONS IN THE FACE OF ESCALATION AND BO'S REMARK ABOUT THE PROXIMITY OF THE RAIDS OF SEPTEMBER 11 TO THE CENTER OF HAIPHONG." I GAVE THE FOLLOWING

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"OFFICIAL" REPLY:

"WASHINGTON DOES NOT CONSIDER THE ATTACKS OF 11 SEPTEMBER AS ESCALATION. THE ATTACKS CLOSEST TO THE CENTER OF HAIPHONG WAS IN AN AREA THAT HAD BEEN ATTACKED THREE TIMES PREVIOUSLY, MOST RECENTLY ON JUNE 26. MR. KISSINGER IS PREPARED TO GIVE

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MORE DETAILED CLARIFICATIONS." I ADDED THE FOLLOWING "PERSONAL" COMMENT: (A) "BO SHOULD REMEMBER THAT THE NUMBER OF OFFICIALS AWARE OF THE CURRENT EXCHANGE OF VIEWS IS VERY SMALL. THIS MAKES IT VERY DIFFICULT TO REVERSE DECISIONS TAKEN PRIOR REPEAT PRIOR TO THE DECISION TO SEND THE MESSAGE OF AUGUST 25 AND MAINTAIN SECRECY. (B) IT SEEMS MORE USEFUL TO SEEK A SOLUTION TO THE PRESENT SITUATION THAN TO DEBATE ABOUT HOW WE GET THERE. HANOI SHOULD REMEMBER THAT THE U.S. MESSAGE OF AUGUST 25 OFFERED TO END THE BOMBING AND ALL OTHER ACTS OF WAR AGAINST THE DRV IN CIRCUMSTANCES WHICH THE UNITED STATES GOVERNMENT CONSIDERS NOT TO INVOLVE CONDITIONS BUT WHICH RATHER REPEAT STATEMENTS MADE BY HANOI. IF BO WANTS CLARIFICATION, I STAND READY TO GIVE IT."

I THEN GAVE M. THE FOLLOWING CONCLUDING "PERSONAL" COMMENT: "THE PRESENT EXCHANGES CAN BE USEFUL IF THEY ENABLE BOTH SIDES TO GAIN A CLEARER UNDERSTANDING OF THE ISSUES BEFORE THEM. I MUST POINT OUT, HOWEVER, THE CONCERN EXPRESSED TO ME BY HIGH OFFICIALS IN WASHINGTON THAT TOO OFTEN THESE COMMUNICATIONS ARE ONE-WAY STREETS."

M. TOOK ALL THIS DOWN, READ IT BACK TO ME AND PROMISED TO READ IT TO BO WITHOUT PERSONAL EXPLANATIONS. HE THEN CALLED BO AND RECEIVED AN IMMEDIATE APPOINTMENT FOR 1200 PARIS TIME. I SHALL MEET M. AT HIS LABORATORY AT 1300.

A IS RETURNING LATE TONIGHT OR EARLY TOMORROW.

GP-1. BOHLEN

BT

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SPECULATION ON DRV-U.S. TALKS

PARIS AFP IN ENGLISH 1639 GMT 14 SEP 67 E

(BY BERNARD-JOSEPH CABANES)

(TEXT) HANOI--TALKS BETWEEN HANOI AND WASHINGTON COULD BEGIN THREE OR FOUR WEEKS AFTER THE AMERICANS STOPPED AIR AND NAVAL BOMBING OF NORTH VIETNAM, ACCORDING TO INDICATIONS AND EXPLANATIONS FROM RELIABLE SOURCES HERE TODAY. A SPEECH BY PRIME MINISTER PHAM VAN DONG ON LAST 30 AUGUST CONTAINED AN ESSENTIAL PHRASE ON THE POSSIBILITY OF PEACE TALKS WHICH READS AS FOLLOWS: IF THE U.S. SIDE REALLY DESIRES CONVERSATIONS, IT SHOULD FIRST UNCONDITIONALLY CEASE THE BOMBINGS AND EVERY OTHER ACT OF WAR AGAINST THE DRV.

ONE THING IS TO BE NOTED: THE WORD PERMANENTLY, WHICH WAS ALWAYS USED IN HANOI'S STATEMENTS ON THE NECESSITY FOR THE UNITED STATES TO WITHDRAW ITS TROOPS AND STOP THE BOMBINGS, DOES NOT FIGURE IN THIS PHRASE. IT DOES APPEAR IN OTHER PARAGRAPHS OF THE SAME SPEECH, BUT NOT IN THIS PHRASE, WHICH DEALS SOLELY WITH THE POSSIBILITY OF TALKS BETWEEN HANOI AND WASHINGTON.

ONE COULD ARGUE THAT PHAM VAN DONG'S EXPRESSION EVIDENTLY IMPLIES THERE CAN BE NO CONDITIONS AS TO THE DURATION FOR THE CESSATION OF THE BOMBINGS. HOWEVER, SUCH AS IT IS, THE PHRASE LOSES ITS ASPECT OF AN ULTIMATUM AND BECOMES MORE CONCILIATORY IN THE LIGHT OF EXPLANATIONS FROM RELIABLE SOURCES.

WHAT THE NORTH VIETNAMESE GOVERNMENT ASKS THE U.S. GOVERNMENT TO DO IS, BRIEFLY, TO STOP BOMBING WITHOUT POSING CONDITIONS, IN OTHER WORDS, WITHOUT SAYING IT WILL DO SO ONLY FOR SUCH AND SUCH A LAPSE OF TIME AND WITHOUT PROCLAIMING THAT DURING THE PAUSE IT WILL SEND OBSERVATION PLANES INTO THE NORTH VIETNAMESE SKY. NO PUBLIC STATEMENT, NO OFFICIAL UNDERTAKING IS DEMANDED OF THE UNITED STATES, FOR, IN THE NORTH VIETNAMESE VIEW, CEASING WARLIKE ACTS AGAINST THEIR COUNTRY, PURELY AND SIMPLY WITHOUT SAYING ANYTHING, WITHOUT MAKING CONDITIONS, IS EQUIVALENT TO CEASING THEM UNCONDITIONALLY.

WHEN THIS FIRST STEP HAS BEEN TAKEN, IT IS UNDERSTOOD THAT IF, THREE OR FOUR WEEKS AFTER THE BEGINNING OF THIS CESSATION OF BOMBING, WASHINGTON QUESTIONS HANOI THROUGH ONE CHANNEL OR ANOTHER ON THE OUTCOME TO THIS CESSATION, A REPLY WOULD BE GIVEN TO THIS QUERY. AND TO REPLY TO A QUESTION IS ALREADY TO BEGIN A CONVERSATION, THE SOURCES SAID.

IN THIS LIGHT, ABSENCE OF THE WORD PERMANENTLY TAKES ON ITS FULL MEANING: WITH A VIEW TO POSSIBLE CONVERSATIONS, THE UNITED STATES IS NOT ASKED TO STOP THE BOMBINGS FOREVER BUT TO STOP THEM WITHOUT POSING CONDITIONSS.

NORTH VIETNAMESE POLITICAL CIRCLES STRESS THAT A CESSATION OF THE BOMBING TO PAVE THE WAY FOR TALKS IS, FINALLY, ONLY AN ELEMENTARY PREREQUISITE WHICH HAS BEEN RECOGNIZED AS INDISPENSABLE BY WORLD FIGURES LIKE GENERAL DE GAULLE, BY INTERNATIONAL AUTHORITIES LIKE UN SECRETARY GENERAL U THANT, AND BY LARGE SECTIONS OF PEOPLES ALLIED TO THE UNITED STATES, SUCH AS THE BRITISH.

TO START CONVERSATIONS WITH AMERICA, NORTH VIETNAM CANNOT GIVE WAY TO THE BLACKMAIL OF BOMBS, THE SAME SOURCES ADD. IT CANNOT ADMIT THAT IT IS BEATEN BY THESE BOMBS, FOR, FIRST, IT IS NOT TRUE AND, SECOND, IT WOULD BE TANTAMOUNT TO ADMITTING THAT IT (WORDS INDESTRUCTIBLE), IN THE START OF THE WAR IN NORTH VIETNAM, WHEREAS