

Thursday, September 21, 1967
10:20 a.m.

Mr. President:

Herewith the draft response to
Mr. Fry of the Veterans of Foreign
Wars, for your signature.

W. W. Rostow

WWRostow:rlh

September 20, 1967

31a

Dear Mr. Fry:

I very much appreciate your valuable report on public attitudes toward Vietnam as observed during your year as Commander-in-Chief of the Veterans of Foreign Wars. I have studied it closely, as have my advisors, and I have asked a senior member of my staff to write you concerning some of the specific points you mention.

Finally, it is heartening to have your assurances of the continued support and counsel of the Veterans of Foreign Wars in our efforts to achieve peace and stability in Vietnam and the rest of the world.

Sincerely,

15/ Lyndon B. Johnson

Mr. Leslie M. Fry
Veterans of Foreign Wars
of the United States
200 Maryland Avenue, NW
Washington, D. C.

LBJ:HK:PG:mdr

Thursday, Sept. 21, 1967
9:40 a.m.

32

MR. PRESIDENT:

Nick wishes to propose the following language for Arthur's speech:

"President Johnson stated as recently as August 18 that the United States would be glad to consider and discuss any proposal -- including a cessation of bombing -- that would lead to productive discussions that might bring about peace in that area. He pointed out that we would, of course, welcome any indication that the North Vietnamese would not take advantage of such action on our part. "

Nick believes that with this explicit paraphrase of something the press already has from your press conference, the language will not be headlined. He feels that in his most difficult negotiation with Arthur, this is pretty near the best he can do.

W. W. R.

Approved _____

Disapproved _____

See me _____

Thursday, Sept. 21, 1967

33

MR. PRESIDENT:

I think you will wish to get the full flavor of President Park's anxieties and intentions with respect to North Korean infiltration across the 38th parallel.

Pres file

W. W. R.

~~TOP SECRET~~/EXDIS attachment (Seoul 1392)

33a

~~TOP SECRET/EXDIS~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

Tuesday, September 19, 1967

NJ 93-367

By ing, NARA, Date 2-7-94

TEXT OF CABLE FROM AMBASSADOR PORTER (Seoul, 1392)

SUBJECT: Internal Security: Views of President Park

On September 16, General Bonesteel in his capacity as Commander in Chief, United Nations Command, briefed President Park Chung Hee at the latter's request on the Demilitarized Zone infiltration problems and North Korean subversive activities. The briefing lasted over one hour and was attended on the Korean side also by the Minister of National Defense and Yi Hu-Rak. Brig. General Huffman was also present.

General Bonesteel first briefed the President, following an outline in English and Korean which had been distributed. President Park listened attentively. The outline covered: (1) enemy threat, both conventional and subversive war aspect; (2) actions taken by friendly elements with regard to increased Demilitarized Zone incidents; (3) actions taken regarding North Korean agent and guerrilla activities in the interior; and, (4) future cooperative self-help, mutual support and development of further plans.

When the briefing was finished, the President himself spoke at length. He stated that he and the people of Korea fully respected and supported United Nations Command authority over the Republic of Korea Armed Forces and he had full confidence in the United Nations Command's ability to carry out its mission for defending the Republic of Korea.

The President indicated he agreed with General Bonesteel's detailed views on anti-infiltration operations and was well satisfied with actions taken or being taken. He would like to see comprehensive requirements plan now being completed worked out as soon as possible and hoped that it would stop enemy infiltration through the Demilitarized Zone and along the coast.

The President said that he had been a division commander along the Demilitarized Zone and fully understands the problem. A full effort would limit enemy activities but would not, he feared, stop them completely because of the great length of the coast line and the Demilitarized Zone.

He said he would like to get at even more basic factors. The basic problem is that the North Koreans do not intend to abide by the armistice nor will they. Unless they give up their announced goal, we can expect further intensification of efforts to cause sabotage and subvert the Republic of Korea next spring and on indefinitely.

~~TOP SECRET/EXDIS~~

The difference between United Nations Command and North Korean operational concepts is as follows: Our concept is defensive -- to defend the Republic of Korea against aggression; North Korean concept is offensive -- to wage subversive aggression against the Republic of Korea, to reconnoiter and attack industrial and military installations and to create continuously what damage to the feeling of security of the South Korean people that they can. They will do this so long as they feel that it can be done at no risk to North Korea and from the sanctuary the United Nations Command provides by unilaterally abiding by the armistice.

The President said that during the past fourteen years, there have been about 5,000 significant North Korean violations of the armistice. As for our side, he said, he would have to admit to some few violations by Republic of Korea. These occurred because of the hatred engendered by North Korean attacks on our soldiers. However, the ratio of violations is several hundred to one on the enemy side.

Whenever the North Koreans violate the military demarcation line, the President said, all the United Nations Command has done so far is to table the complaint at Panmunjom, where the North Koreans categorically deny it. For the last 14 years, the United Nations Command has abided by the armistice while the North Korean side has ignored it.

The President believes that we must do our best to capture or kill every North Korean infiltrator into the Republic of Korea in order to make enemy abandon his plans. He foresees, nevertheless, that this alone will not stop the North Koreans and he expects more violations along the Demilitarized Zone and increased efforts to sabotage industrial and military installations. We should, he said, do more than table the problem at Panmunjom.

The President said he believes that counter-measures are most important to stop North Korean attacks, whenever the North Koreans violate the armistice they must be made to pay by retaliation.

The President went on to make the following interesting statement. He said that he respects the fact that Republic of Korea forces are under the operational control of the United Nations Command and therefore retaliations will never be done without due coordination with the Command. However, unless the United Nations Command undertakes strong measures, the people of Korea will complain increasingly against the Korean Government. We have, he said, almost 600,000 men in the armed forces. If no counter-measures are taken, the people's patience will wear very thin. The President then said he would be very grateful if General

Bonesteel would tell him what countermeasures the United Nations will take if the enemy continues and intensifies his attacks.

General Bonesteel stated that he was sure the President understood his position. That he is a soldier and he follows orders and that his mission was very clear, that he was not only to defend the Republic of Korea against Communist aggression but also to enforce the armistice. He had to agree that there was a plausibility to the President's evaluation of North Korean intentions but that the matter was a most complex one and that there were many factors of great policy import to Korea and to U.S. involved in this question.

General Bonesteel said that he thought that the name and the meaning of the "United Nations Command" is highly useful and important to the Republic of Korea, especially in these days of Communist activity over much of Asia. It should be remembered that the United Nations Unified Command in Korea was established by the Security Council of the United Nations in 1950. The United States Government had been designated as the executive agent for the Security Council to direct the operations of the Unified Command in Korea.

The composition of the United Nations has changed greatly since 1950. Undoubtedly, one of many reasons for the increased North Korean activity was a hope by the Communists that they could at some time in the proximate future get the U. N. General Assembly to repudiate the United Nations Command in Korea.

Since the matter was of such great importance and so complex, unilateral action by the Republic of Korea would be bad and it would be wisest course for the President to discuss the matter with the personal representative of President Johnson in Korea, that is, Ambassador Porter. General Bonesteel said he felt it important both for Korea and the U.S. that the integrity of the United Nations Command be preserved. It might not be impossible to find other adequate answers to President Park's expressed concept but this should be done by explorations in greatest confidence with Ambassador Porter. President Park, he felt sure, appreciated that President Johnson himself had troubles with small but vocal elements of the U. S. public and that there were many critics of U.S. policy towards Vietnam who confused some of the American public. Certainly the wisest course would not be to totally abandon to the Communists the full initiative to do what they wished, but it was a fact that it would be hard to preserve and continue the United Nations Command in Korea if the Command were party to violating the armistice.

President Park stated he fully understood General Bonesteel's position. He said he did not mean to imply that the United Nations Command should take the total retaliatory reaction against North Korean aggression. However, he felt

if the North Korean actions continued to increase, authority should be given to the Commanding Chief of the United Nations Command to wage coordinated, carefully controlled, small-scale retaliatory action. He said he would talk to Ambassador Porter about this. The President went on in an apparently philosophical mood and said that it was his frank view that the United States Government applies too many restrictions and red tape on the authority of U.S. theater commanders. This, he said, applies also to Vietnam. His next sentence, as interpreted into English, went to the effect that the U.S. Government might lose something but so does the Republic of Korea through continued and vicious North Korean aggressions. The North Koreans, he said, are fully aware of the heavy U.S. commitments in Vietnam and believe the U.S. does not want the extension of another front in Korea. Hence, the North Koreans feel relatively safe against retaliation. He thought the North Koreans do not want open hostilities but felt secure against risk in the subversive actions they were now taking increasingly.

In closing the meeting, the President said that the matter requires most serious thought and a prudent approach. However, only positive and appropriate counter-measures will stop the North Koreans.

Mr. Rostow

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Pres file

~~SECRET~~

September 21, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Thai Prime Minister Thanom's Official Visit

You agreed on September 15 to invite Prime Minister Thanom to visit the U.S. early next year. You also agreed to the announcement of the visit in October or November.

January 14-20, 1968, appears to be a convenient time for the Thanom visit. I recommend that you authorize Ambassador Unger privately to extend the invitation for a visit during that week.

W. W. Rostow

Approved _____

Disapproved _____

See me _____

MWright:hg

cc: Mr. Jorden

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 7-30-91

~~SECRET~~



C.C. Mr. Rostow

35

W. Helms

Pres file

Thursday, September 21, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Balance of Payments Meeting at 6:45 p.m., Today

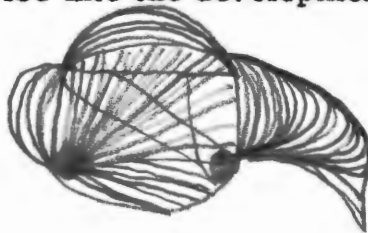
At Tab A, is Fowler's memo for the meeting (Fowler, Trowbridge, Rostow, Ed Fried).

The issue is how to put some bite into the Commerce Voluntary Program on direct investment. This is the one area where some big savings are practical. Up to now, Trowbridge's clients have not really been squeezed.

The first step is to agree on a greatly reduced target for 1968. Fowler and Trowbridge are both for a big cut; their remaining difference is small. As Trowbridge will report, the business community will grumble, but probably will go along with any of the proposed figures.

The main point is to announce a new program soon and get some push behind it. Trowbridge and Fowler will have to talk turkey to a lot of individual companies that are now exceeding their foreign investment targets. Anything you can say to back them up will help.

There is a second issue: Trowbridge may pass on the view of his advisory committee that a ceiling should be put on private investment in developing countries. (They are now excluded from the program.) The Federal Reserve (Andy Brimmer) also supports this. Everyone else on the Cabinet Committee is opposed. It would not give us much real savings, would contradict our efforts to get more private enterprise into the development business, and is bad foreign policy.



W. W. Rostow

ERF:mst

35a





THE SECRETARY OF THE TREASURY
WASHINGTON

SEP 21 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: 1968 Balance of Payments Program

In my memorandum of August 8, 1967, which brought you up to date with the thinking of the Cabinet Committee on Balance of Payments about the 1968 program, I indicated that the greatest single source of balance-of-payments improvement next year must come from a reduction in direct investment under the Commerce Voluntary Program. At that time we felt that about a \$500 million reduction in outflows should be achieved along with an increase of possibly \$500 million in remitted profits.

Commerce Department Target

An inter-agency group has been working closely with the Commerce Department in an effort to map out a suitable target for 1968. Secretary Trowbridge's Advisory Council recommends a net capital outflow level of about \$1.3 billion, arguing that a level below this could cause the program to fall apart and they may be unwilling to add their names to the target. Such a figure is about \$250 million below what we expect the net capital outflow to be this year.

The inter-agency group feels that a level of \$1.050 billion is more appropriate although there is some thought a level of \$1.175 billion would be adequate.

We all agree that if we are to come anywhere near to the target of \$1 billion balance-of-payments savings tough administration right here in Washington of the Commerce Voluntary Program is necessary. This will not be easy, since at least 70 and maybe up to 150 firms will have to be dealt with individually. It will require a lot of Secretary Trowbridge's time as well as that of other members of the Cabinet. Some of your own time may be needed to give added emphasis to these efforts. It is necessary to put this weight behind this program to achieve this target.

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

~~CONFIDENTIAL~~

cont./

The Treatment of LDCs

The Commerce Department and the Federal Reserve echo the concern of the corporations that the less developed countries (LDCs) are not included in the over-all guidelines which restrain capital outflow. As you know, the LDCs have been excluded from the guidelines by careful design, and to include them would work counter to the basic thrust of our economic assistance program. We would not want to restrain direct investment to these countries and including the LDCs under the guidelines would certainly be misunderstood abroad. It looks as though 1967 will show a substantial jump in U.S. direct investment in LDCs -- up from \$371 million in 1966 to perhaps \$675 million in this year. The corporations claim that we have had to be more severe in our Commerce program target than would otherwise have been necessary because of this rise in outflows to LDCs. While there may be some substance to this argument, it cannot be forgotten that increased direct investment by U.S. corporations in the LDCs is a fundamental objective of this Administration's aid program.

Announcement of the Program

We are shooting for an announcement of the 1968 Commerce and Federal Reserve voluntary programs by mid-October and are hoping that by that time we will be able to unveil the outline of an Export Expansion Act which would include administrative actions and legislative intentions designed to stimulate corporate interest in exporting more. It would also demonstrate the determination of this Administration to help industry increase exports. Specifically, I hope to have ready (1) administrative actions in the field of export finance and perhaps export tax incentives; and (2) the broad outline of an Export Expansion Act of 1968 which would have financing, tax, and export promotion features. This legislation would be an appropriate follow-up to your May 23, 1967, Rose Garden speech in which you instructed Secretary Trowbridge and the Cabinet Committee on Balance of Payments to come forth with recommendations for expanding exports.

Henry H. Fowler
Henry H. Fowler

September 21, 1967

*Prep file
Chen*

MEMORANDUM FOR THE PRESIDENT

Regarding your question on the number of wounded who are immediately returned to duty, I have been able quickly to get figures for the past three weeks.

	Week ending September		
	<u>2</u>	<u>9</u>	<u>16</u>
Hospital care required	745	752	787
Hospital care not required	<u>843</u>	<u>738</u>	<u>985</u>
Total wounded	1588	1490	1772

I am having this run back on a monthly basis and will get this to you later this afternoon.

Walt W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-362
By CB, NARA, Date 4-18-95

39

~~CONFIDENTIAL~~

Thursday - September 21, 1967

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Meeting of OAS Foreign Ministers

Tomorrow morning the 12th OAS Meeting of Foreign Ministers opens at the Pan American Union.

Arrangements for the Meeting

All the Foreign Ministers are expected to attend, except possibly Chalmers of Haiti.

The meeting is scheduled from Friday to Sunday noon (September 22-24) but will probably carry over into Sunday evening.

The OAS -- not the US -- is the host.

Background to the Meeting

The meeting was originally called to consider Venezuela's complaint against Cuban infiltration of guerrillas last spring. Bolivia, Nicaragua and the Dominican Republic are also expected to present evidence of Cuban subversion.

The Bolivian will be sensational because they will exhibit their evidence of "Che" Guevara being in Bolivia, buttressed by fresh material uncovered in the roll-up of the guerrilla support apparatus in La Paz.

The Draft Resolution

The draft resolution sponsored by Venezuela has been cooking for months and, except for Mexico, has general support. The Mexicans, because they maintain relations with Castro, are always reluctant to denounce Cuba by name. The Chileans and Brazilians are a little wobbly, but will probably go along with the majority.

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~~CONFIDENTIAL~~

-2-

The resolution:

1. denounces Cuba for promoting subversion.
2. asks the governments supporting Cuba to tell Castro to stop his intervention.
3. asks free world countries trading with Cuba to restrict their commerce, especially official credit guarantees.
4. recommends to OAS members that they not ship government or government-financed cargoes by vessels in the Cuban trade.
5. urges OAS governments to increase their cooperation in dealing with subversive activities, including setting up subregional security arrangements.

No surprises or major controversy are anticipated. Depending on what line Chile and Brazil take, the vote should range from 17-19 in favor and the balance abstentions.

Secretary Rusk's Speech

Secretary Rusk is expected to speak sometime tomorrow afternoon. We have seen an advance copy of his remarks. It contains:

- a strong denunciation of Castro.
- equally strong support for Venezuela and other countries under Castro pressure.
- full endorsement of the resolution.
- appropriate references to the Alliance for Progress.

W. W. Rostow

~~CONFIDENTIAL~~

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

38

September 21, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Call upon you by Thai Ministers

You agreed on September 15 to receive at a convenient time Pote Sarasin, Thai Minister for Economic Development, and Foreign Minister Thanat Khoman.

Pote will be in town from Noon on October 5 until the early afternoon of October 7. I recommend that you agree to see Pote and Thanat during that time.

W. W. Rostow

Approved: _____ Date and Time _____

Disapproved: _____

See Me _____

MWright:hg

for RKS:

Oct. 6, 12:30

old s/s, Sharon 9/23 arc

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-362
By CB, NARA, Date 4-18-95

THE WHITE HOUSE
WASHINGTON

3-1

Pres. file

September 21, 1967

Dear Mr. President:

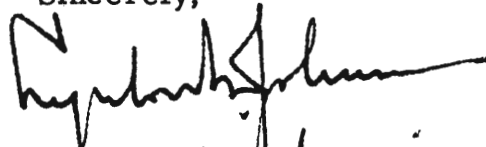
I was most pleased and interested to receive your letter of August 30. Ranching in the dry, rugged hills of Texas taught me the value of good watershed management and control of soil erosion. I can well understand the importance you attach to these programs as you press forward to make effective use of Pakistan's impressive water resources.

We will be happy to try to help with your study of these problems. I have asked Administrator Gaud and his associates to work out arrangements with Ambassador Hilaly whereby a panel of our senior experts in the relevant fields may cooperate with appropriate officials of your Government in a survey of watershed and erosion problems. The Mission to Pakistan of the Agency for International Development will support this effort.

I was most gratified by your kind words about the work of the earlier U. S. Panel on waterlogging and salinity. I trust this new enterprise will be as useful. As always, Mr. President, we support Pakistan's efforts to help herself, particularly in the vital area of food production. You and your countrymen have already built a proud record in this respect. You have my active support and best wishes as you move ahead to new goals and new achievements.

With warmest personal regards.

Sincerely,



Spent last week with your great admirer
His Excellency
Mohammad Ayub Khan, H. Ph., H. J. *Ambassador Rork*
President of the Islamic Republic of Pakistan
Rawalpindi

*and he sends warm regards
in which Mrs Johnson and I heartily join.*

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Pres. file

~~SECRET/NODIS~~

Wednesday, September 20, 1967
8:30 p.m.

Mr. President:

Herewith Amb. Bunker's latest: the political scene seems gradually to be improving; the price index is down; and, pages 4-5, Bunker reports the first run of the new population control system.

We are in the midst of preparing the data on the new and old GVN population control systems. I am pretty well convinced that the figures will be of the same order of magnitude and may even show greater GVN control than under the old system.

You will note that Bunker's percentages only add up to 85. He leaves out contested hamlets (D and E categories). If they are split the GVN figure goes to 75.5%. The percentage on your blue card is 72%.

W. W. Rostow

~~SECRET/NODIS~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 10-3-91

WWRostow:rlh

40a

~~SECRET/NODIS~~

Wednesday, September 20, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon, 6460)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-363
By ing, NARA, Date 1-13-95

A. General

The past week has been characterized by gradual relaxation of some of the post-election tensions. The Central Election Council has been receiving the official tabulation of the voters for the Senate slates and examining complaints of irregularities in the recent elections. Little has been heard from the protesting Presidential candidates. Truong Dinh Dzu, the runner-up, seems to have subsided, at least temporarily, achieving prominence chiefly through his sentencing to six months imprisonment and a substantial fine on two bad check charges and holding an unauthorized bank account (in the Bank of America in San Francisco). He has a month in which to appeal and he has, of course, denied the charges, but there are fairly substantial rumors that the Government has considerable evidence of further irregular dealings on his part. When I talked to Thieu last Friday afternoon, he had been unaware of Dzu's sentencing by the court Friday morning, and I cautioned him against the possibility of making Dzu appear a martyr at the present time before the Assembly had acted on validation of the election returns. Several reputable Saigon lawyers to whom we have spoken feel that substantial evidence exists that Dzu is guilty as charged, and one of them feels Dzu could have escaped with a fine had he appeared in court. While we had originally anticipated that there might be some outcry charging Government "persecution" of Dzu, this has not happened. Dzu does not enjoy a very high personal reputation, and Phan Khac Suu, for example, told an Embassy officer September 18 that he considered Dzu guilty as charged.

The relationship between Thieu and Ky seems to have been improved during the past week. A meeting of Thieu and Ky with the inner circle of Generals, including the four Corps Commanders, General Vien, Chief of the Joint Generals Staff, General Tri, Minister of Information, and General Thang took place on Monday, the 11th, and was devoted principally to a discussion of the formation of the new Government and to possible assignments of Cabinet posts. No decisions were taken at this meeting. It was agreed that members would give further thought to the problem and meet again on Saturday, the 16th.

~~SECRET/NODIS~~

We have had reports from four of the Generals who were present at the meeting on Saturday and these are in general agreement as to what transpired. All of them expressed satisfaction with the results of the discussions which had taken place. General Lam, First Corps Commander, and General Minh, Fourth Corps Commander, expressed themselves as being happy about the meeting and said that Thieu and Ky had been brought back closely together again, recognized the importance of their unity, and agreed to work as a team. General Khang, the Third Corps Commander, expressed the view that while there is some understandable friction between the two, it has been exaggerated by the entourages while maneuvering for position. Although the main purpose of the meeting was to reach decisions on appointments for Prime Minister and Cabinet posts, it was agreed not to decide on the appointment of Prime Minister and the civilian Cabinet posts until after October 2, by which time the Assembly should have authenticated the election.

Thieu outlined his views of the future Government which he said he expects to be inaugurated on November 1. He proposed that Cabinet Ministers be appointed on the basis of honesty and ability rather than for political or religious affiliations. He believes that if Cabinet posts were to be divided among the Hoa Hao, Cao Dai, Dai Viets, Buddhists, and Catholics, it would not only create disorder but would prove to be unworkable. This is in line with the view which Ky had earlier expressed to me, i. e., that individuals appointed to Cabinet posts on the basis of such affiliations would end up working for the interests of their own organizations rather than the country as a whole. Ambassador Bui Diem expressed a somewhat similar view to me in a conversation we had last Monday. He felt that because of the limited availability of men of outstanding ability and competence, the first consideration in Cabinet appointments should be given to these qualities rather than to broadening the base of the Government. I expressed the view to him, as I had already done to Thieu and Ky, that these were not necessarily exclusive considerations, and I felt that weight should be given to both in order to enlist the broadest possible support of the people.

Thieu apparently did mention at the meeting the name of Truong Thai Ton, now a Special Assistant to Ky (with rank of Secretary of State) and formerly Minister of Economy and Finance, as a possibility for the post of Prime Minister. Ky apparently still leans toward Nguyen Van Loc. I believe that while neither would be ideal, Ton would not be a considerably better appointment than Loc. It was pretty well agreed that since under the Constitution, General Cao Van Vien cannot fill concurrently the posts of Minister of Defense and Chief of the Joint Generals Staff, he will continue as Chief of the Joint Staff. General Nguyen Van Vy will be appointed Minister of Defense and General Tri, presently Minister

of Information, is slated to succeed General Vy as Chief of Staff of the Joint Generals Staff. I think General Vy will make an excellent Defense Minister, and General Tri will be in a more appropriate and congenial post than the one of Minister of Information where he has not been a success. It was further agreed that only the Ministries of Defense, Revolutionary Development, and Security would be held by military appointees and that the other posts would go to civilians. Thieu and Ky agreed to prepare a list of joint recommendations for Cabinet Ministers by October 2.

An evidence of a constructive attitude on the part of the military toward the new Government is the fact that General Cao Van Vien, Chief of the Joint Generals Staff, is having copies of the Constitution printed together with explanatory notes for distribution to all of the Armed Forces so that there will be a widespread understanding of the Constitution and the obligations of citizens, including the military, toward it.

The Central Election Council has finally completed its tabulation of the returns of the Senate election and announced the six leading tickets. As a result of the final tabulation, Ticket No. 10, headed by Pham Ba Cam, was superseded by Ticket No. 3, headed by Tran Van Lam. This increased number of Catholics, which we had estimated to be 25 to 30, or one-half the total seats. Of the remaining seats, 15 are Buddhists, 3 Cao Dai, 2 Hoa Hao Buddhists, one Animist, and 9 are unknown. There was some feeling that the increase in Catholic representation resulting from this switch might result in suspicion and uneasiness among other elements of the population, but it seems to have passed over without incident.

One amusing and interesting development took place in connection with the Senate elections. Le Phuoc Sang, leader of the Democratic Alliance Bloc in the Assembly, ran for the Senate on the list headed by La Thanh Nghe. His ticket lost and Sang is now attempting to have the Assembly invalidate the election because he is sure he was prevented from winning by the machinations of President-Elect Thieu. Sang has been showing anyone who will look at it a document he calls evidence of fraud. In an effort to pin him down, we sent an officer to see him who found him in low spirits. He moaned about his lack of a job, automobile, money, and other prerogatives that would have been his had he succeeded in his bid for the Senate. He said that Ky had promised his list Government support, but that Thieu had rigged the election. When pressed for evidence, Sang stated that Thieu had prevented his election by going to the Province Chiefs, the military and other Government officials associated with the election and insisting on a fair election. And, Sang said, "That is what he got." I have a feeling that while there were undoubtedly some irregularities

(these will be discussed in the political section which follows), much of the evidence will prove to be quite insubstantial and based on the personal animus of the defeated candidates.

Some fears that dissident Buddhists and students might attempt to foment trouble and state demonstrations have been pretty well dissipated. Mien Nam, the Buddhist-oriented paper, took the practical point of view and noted that the Government was better organized than before even to control possible disorders and that the An Quang faction was seriously divided within itself. Thieu told me that the An Quang faction lacked money and financially was not in a position to create trouble. There were a couple of minor student demonstrations, but these too petered out. Thieu said that these had been stimulated and financed by some of the losing civilian candidates. He said that some of the students had approached the An Quang Buddhists for financial support but had been turned down and that some so-called "contractors" had offered to stage demonstrations but had been unable to get anybody to come forward with funds.

We are, of course, doing all we can to assist in keeping forward momentum in this period. We have developed within the Mission a suggested Government program which I shall present to General Thieu in the next day or so, designed to make clear to the people that the Government is theirs, dedicated to the promotion of their welfare and to the resolution of their problems.

Pacification:

We have spent the last several months refining and perfecting a new computerized technique for measuring progress in population and area control on a hamlet-by-hamlet basis. It is called the Hamlet Evaluation System (HES), and is based on detailed monthly reports of changes in the status of every hamlet in Vietnam as seen through the eyes of our District Advisors, who are closest to the cutting edge. This new system has now shaken down, and we think it much more reliable than the old Government of Vietnam figures.

It gives a fascinating picture of what is happening month-by-month throughout rural South Vietnam. For example, we are constantly discovering new hamlets and scratching abandoned ones. The latest total at the end of August is 12,642. Each hamlet's pacification status is scored from A (top grade) to E (lowest grade above Viet Cong control) for such factors as strength of Viet Cong infrastructure, capabilities of local Viet Cong guerrillas, adequacy of hamlet security forces, status of hamlet education program, and amount of medical assistance provided the hamlet populace. We can retrieve from the computer any hamlet's security score by averaging nine security factors, its

development score based on averaging nine development factors, or a composite pacification score. The monthly figures show a slow but consistent trend toward greater Government of Vietnam population control. While we only list 201 "A" hamlets in all of South Vietnam at the end of August (up from 149 in May), the number of "B" hamlets is also up to 1,895 (compared to 1,676 in May). Midway in the scale are 3,092 "C" hamlets, which are the lowest category considered under Government of Vietnam control, and in which local elections are held. Lumping A, B, C categorically together gives us our so-called secure hamlets which now number 5,188. The Viet Cong more or less control 4,038. The remainder make up the contested category.

Of course, the population figures developed by the system are more meaningful than hamlet figures because hamlets vary so widely in size. The end August population control estimate is more heartening. It shows population in A, B, and C hamlets, plus that in towns and cities, as 11,610,000 or 68 percent of the 17.2 million total we now carry. Viet Cong-controlled hamlet population has declined to 2,821,400 -- just 17 percent of the total, though of course some of the population in contested hamlets must also be recognized as under Viet Cong control. Now that the new system's bugs are largely worked out, I will be reporting these figures to you monthly, as the best available indicator of pacification trends.

B. Political

The political scene focussed on validation of Presidential and Senatorial elections, screening of multitudinous candidates for Lower House elections and debate over problems of formation of the new Government.

As I mentioned in last week's letter, the National Assembly was to meet September 13 to announce the temporary results of the election. The Assembly met on September 13 and on September 14 as well, but it declined to announce the temporary results of the election, on the basis that it needed to check the village and hamlet returns that were used to prepare the provincial returns previously made available to the Assembly. Nguyen Thanh Vinh, Chairman of the Assembly's Special Committee which is looking into the Presidential election returns, told an Embassy officer September 19 that what he called "serious irregularities" had occurred in ten provinces and minor discrepancies in the vote count occurred in 30 other provinces (there are 44 provinces and 6 incorporated cities in the whole Republic of Vietnam). Vinh described "serious irregularities" as instances of forged signatures or altered returns. He declined to define how many votes were involved in the "serious irregularities," though he said that

General Thieu's vote total had been padded to the extent of 7,000 votes in Phu Yen province in Central Vietnam. Under the law, the total number of registered voters at polling stations where irregularities occur must exceed the difference in the number of votes received nationwide by the two leading lists before the Assembly can declare null and void the votes cast at the polling stations affected. Since the difference between the Thieu-Ky list and the Dzu-Chieu list, nationwide, was more than 800,000 votes, it is highly improbable that enough irregularities will be discovered to affect the outcome. We continue to believe that the Assembly will validate the results of the Presidential elections.

Sour grapes continue to be a real factor in Assembly action, however, and may delay its action on validating the Presidential elections. The case of Nguyen Thanh Vinh, who told us of the "irregularities" described above, is a case in point. He is a defeated Senatorial candidate, his list having placed twelfth. The Chairman of the National Assembly, defeated civilian candidate, Phan Khac Suu, told an Embassy officer September 18 that the National Assembly will not meet again to discuss validation of the election until September 29 and will not complete action on validation until October 2, the date specified by statute for completion of Assembly action. Suu is still very bitter about the election results and predicts the Assembly will refuse to validate the results. His judgment has surely been affected by his venom, however, as most other observers indicate that Assembly sentiment is presently at least 50-50. General Ky has told me that there are many ways to put pressure on the Assembly and that the Government would use them. He has told me not to worry about the Assembly action. If General Ky uses his considerable influence in the Assembly, as he has told me he would do, there is little doubt the Assembly will validate the election. Thieu has also expressed himself very positively to me on this score. Even Truong Dinh Dzu, the most bitter critic of the Thieu and Ky in the campaign, has told us that the Assembly "would not dare" refuse to validate the Presidential election results.

The Central Election Council for the Upper House announced the results of the Senate elections on September 18. As I have mentioned the only substitution of List No. 3 (headed by Tran Van Lam, formerly active in the Diem administration and a Catholic) for List No. 10 (headed by Pham Ba Cam). The Council noted that a substantial copying error had occurred in totalling Lam's vote in Saigon, where the return in one district for Lam was 28,517 votes, but was added as 2,815 votes. The successful Senate slates are List No. 13 (headed by retired Lt. Gen. Tran Van Don), List No. 40 (headed by Catholic engineer Nguyen Gai Hien), List No. 31 (headed by retired Gen. Huynh Van Cao, also a Catholic), List No. 3 (headed by Catholic pharmacist and banker Tran Van Lam), and List No. 21 (headed by Revolutionary Dai Viet Party figure Nguyen Ngoc Ky).

The change in the Senate results brings the number of Catholics in the Senate to 29 and possibly 30, if a lapsed Catholic, Hoang Xuan Tuu, is included. He had become a Catholic on his marriage but is not a practicing Catholic. While the Catholics themselves admit that it is not desirable to have such a large group of Catholics in the Senate, we do not believe that any serious problems will result. The Buddhists and other groups now have seen what even a moderate amount of organization can do, and we can already observe the beginnings of an effort by several groups to organize joint slates of from 50 to 100 candidates in the Lower House elections scheduled for October 22. From the Government's point of view, we believe that Tran Van Lam, will, on the whole, support the Government rather than oppose it, and the Government's position is probably the stronger for the election of this list.

In the early part of the week, the defeated Presidential candidates were not entirely idle. On September 14 Truong Dinh Dzu, Phan Khac Suu, Nguyen Hoa Hiep, Vu Hong Khanh, and Hoang Co Binh held a joint press conference, with representatives of seven defeated Senate slates also in attendance. Suu opened the conference (which was not authorized by the police, but which the police wisely made no effort to prevent from being held), but Truong Dinh Dzu completely dominated it. An organization called "Front Struggling to Carry Out Democracy" or "Democratic Front" for short was established to provide a focus for opposition to the Government of Generals Thieu and Ky. The declaration of the new front denounced the honesty of the elections, alleged that two thirds of the people had voted no confidence in Thieu and Ky (because they received only 34.8 percent of the vote), then called on the Vietnamese people to join the Democratic Front to build legitimate democracy, struggle for social justice, and bring about true and lasting peace. The Democratic Front obviously serves the political advantage of Truong Dinh Dzu alone, since the other candidates joining with him were so badly defeated that they have no real political future. This seems to have been implicitly admitted Phan Khac Suu, at least, for he told an Embassy officer September 18 that the Democratic Front is a "temporary" body, and he predicted it would not directly support candidates in the Lower House elections.

Preparations for the Lower House elections are well advanced, though the campaign will not begin until October 6 and will run until noon, October 21, the day before election day. A total of 1,650 candidates were listed on the first posting, or an average of 12 candidates per seat (in Saigon, 301 candidates were listed for 15 seats, or 20 candidates per seat). We estimate that some 10 percent of the candidacies will be eliminated by screening or withdrawal prior to the second posting of candidates on October 1. The same electoral register used in the Presidential and Senate elections will be used again for the Lower House.

This will be an election fought largely on local issues, within the 53 constituencies into which the country is divided. The provincial administrations will be responsible for the printing of the ballots, the local election councils will proclaim the results. Official results of these elections should be available by the end of October.

We have so far seen only about 40 percent of the names of those who have submitted their candidacies in the Lower House elections. (Applications were submitted to the 44 provincial capitals and to the city halls of the six incorporated cities.) A number of the Senate candidates also filed for the Lower House (filing was closed August 31, three days before the Senate election), and a fair number of Village Council members, elected last spring, also filed their candidacies. We anticipate that the proportion of Catholics elected to the Lower House will be less than in the Senate, since local factors will weigh heavily. However, some Vietnamese observers tell us the proportions may well be similar, since the local parish priest will undoubtedly tell his people for whom to vote. With some 12 candidates per seat (a higher number per seat in the cities), the influence of the parish priest could again be a major factor, as it evidently was in the Senate elections.

While the extremist Buddhists had strongly condemned the elections (as I noted in my twentieth weekly telegram), they have been at some pains to make clear that their major concern at present is their continuing opposition to the revised Charter of the Unified Buddhist Association, which was issued by General Thieu in July. In the background is the continuing rivalry in the Buddhist camp between the faction favoring the Government, led by Thich Tam Chau (General Ky's uncle by marriage), and the faction opposing the Government, led by Thich Thien Hoa and Thich Tri Quang. The latter faction interpreted the new Buddhist Charter as favoring the Tam Chau faction. No doubt, there are several ways to handle this problem. Dr. Phan Quang Dan, defeated Vice-Presidential candidate, has commented privately that, since there are two Buddhist factions, each should have its own Charter. At this point, this is a matter which might well be referred to the newly-elected National Assembly.

The morning of September 19, a bomb was set off, evidently by the Viet Cong, inside the Chinese Nationalist Embassy in Saigon. Twenty-seven persons were injured, 18 seriously. In addition, a Vietnamese bystander was killed, evidently by a sniper in the vicinity. One wall was blown away, and extensive damage was done to this building, which is two blocks away from the U.S. Embassy Chancery. The terrorists believed responsible for the incident have been arrested. They are reportedly Chinese members of the Viet Cong apparatus although details of their relationship to the Viet Cong are not yet available. Their interrogation is continuing.

The Saigon press has begun to carry clearly inspired articles on the forthcoming purge of a number of ARVN officers, due to affect a number of Generals and other officers above the rank of Lieutenant Colonel. The material makes clear that the officers affected are being dismissed or retired for corruption or incompetence. The purpose of leaking the stories appears to be to place the officers concerned on the defensive and to lessen the impact on public opinion, before going ahead with needed changes in ARVN.

As one of the consequences of the steady progress being made toward political consolidation in South Vietnam, the Peoples Army Council adopted a motion September 15, calling on General Thieu to issue a decree dissolving the Council. The Council was an emergency institution with quasi-legislative powers, established in June 1966, to advise the Government of Vietnam on political, economic, cultural, and social matters during the period of transition towards Constitutional Government. The Council did not have a particularly outstanding record, and attendance at its sessions was generally poor. However, perhaps like the Japanese Samurai, it was more useful at its death than at its birth, as its demise is a sign of the progress being made in the political field.

C. Economic

The Saigon Retail Price Index declined to 301 during the past week, compared to 307 last week. Retail prices declined as a result of increased arrivals of foods. Bread, charcoal, and firewood prices were up; vegetable prices were mixed. The Imported Commodity Index fell to 221, down from 229 last week. The major decreases were in wheat flour, sugar, iron and steel products, and fertilizers. Galvanized sheet prices fell in response to a Government announcement that further shipments of galvanized sheet would arrive before October 30.

D. Chieu Hoi

Returnees during the reporting period rose to 355, compared to 204 during the same period last year. They reflected an increase over the previous week's total of 333, which was perhaps unusually low, due to Viet Cong vigilance in connection with the elections. The year's total to date is 22,495.

E. Vietnamese Killed

During the week ending September 16, the enemy killed 69 Vietnamese civilians, wounded 149, and kidnapped 303. The dead included six Revolutionary Development workers, five Hamlet Chiefs, one former Hamlet Chief, and two Hoi Chanh. Since January 1, 1967, the Viet Cong have killed a total of 2,475 civilians, wounded 4,850 and kidnapped 3,787.

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Wednesday
September 20, 1967 -- 8:20 pm

Mr. President:

I believe you should make sure
you are satisfied with Amb. Goldberg's
passages on Viet Nam, pages 6-11.

You may also wish to read the
Middle East passages, pages 15-17.

W. W. Rostow

Wednesday, September 20, 1967, 5:00 p.m.

MEMORANDUM TO THE PRESIDENT

SUBJECT: Your Appointment with Ambassador Thompson,
September 21, Thursday, noon

Ambassador Thompson is in Washington on consultation. The purpose of his call is to give you his views on recent developments in Moscow. He has no special problem he wishes to discuss.

You may wish to ask him his estimate of whether the Russians will talk to us seriously about strategic capabilities--whether our deployment of a thin ABM system will influence their decision.

In view of revised press reports of differences within the Kremlin, you might ask for his estimate of the seriousness of any split among the Russian leaders.

W. W. Rostow

WWR:BKS:amc

43
Cy sent 9/5
to Ben Read

Wednesday, September 20, 1967 -- 1:25 p.m.

MEMORANDUM FOR THE PRESIDENT:

SUBJECT: News Media Contact

Stewart Loory, The Los Angeles Times, came in today with some very sharp questions:

1. He says he has a story that there was a letter from the President to Kosygin waiting for him in London when he arrived to see Wilson and that Wilson and Kosygin were annoyed by the letter to Ho Chi Minh and the Moscow contact.

I told him that there were exceedingly good reasons which could bear on the future prospects for peacemaking, why we did not discuss the substance of communications to London when Kosygin was there; and I did not propose to do so now. I could tell him, however, that to the best of my knowledge there was no conflict or incompatibility between what was done in London, and what was done in Moscow.

2. Loory said the Los Angeles Times ran a story out of Saigon about a week ago that there was a ten-mile circle limitation on bombing in Hanoi. The last time we had such a circle was in the context of the Warsaw talks. Were we now having talks?

I said that I had no comment on the question of a circle; and I could assure him that as of the moment there was absolutely no evidence that Hanoi was interested in serious negotiations.

3. The rest of the time was spent in general discussion of our position in Viet Nam and the character of our bombing of North Viet Nam, in which I took the line that we were simply pounding away at transport and electric power. I confirmed that we had evidence that turnaround time in the port of Haiphong had sharply increased.

W. W. Rostow

WWRostow:rlh

44

Wednesday, September 20, 1967
11:15 a.m.

Pres. file

Mr. President:

Herewith Nick suggests a man
for Thieu's inaugural.

W. W. Rostow

WWRostow:rlh

44a

THE UNDER SECRETARY OF STATE
WASHINGTON

September 19, 1967

MEMORANDUM FOR THE PRESIDENT

In line with our discussion this afternoon, how about sending Hearst on the delegation to South Vietnam's inauguration?

NB

Nicholas deB. Katzenbach

45

Wednesday, September 20, 1967
10:45 a.m.

Pres file

Mr. President:

You may wish to read this memorandum to me analyzing what the Thais want in return for an additional 8500 men in Viet Nam.

My first impression is that there is some play here for a deal.

W. W. Rostow

WWRostow:rlh

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

45a

~~SECRET-EXDIS~~

September 19, 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Additional Thai Troop Contribution in Viet-Nam

The current state of play is:

1. The Thai Offer. The Thai have offered to send a 10,800-man brigade group. The group would be composed of 3 Infantry, 1 Artillery, and 1 Engineer Battalion, plus supporting units. This unit would include the 2,300-man unit which should be leaving Thailand for Viet-Nam very soon. In other words, the Thai are offering an additional 8,500 men.

2. The Price. The Thai have tied to this offer a statement of their military requirements which, if taken at face value, is huge. Our Embassy, however, has isolated those elements of the Thai request on which quick action is necessary to obtain the additional troops in Viet-Nam. It is much more modest.

The Thai want:

- a. 1 U.S. Hawk Battalion
- b. 1 Helicopter Battalion
- c. Equipment for a 10,000 man "compensating force"
- d. Equipment, and maintenance and training costs for a 5,000-man replacement pool for the unit in South Viet-Nam.
- e. Assumption by us of all charges to the Thai budget incurred in equipping, training and maintaining in South Viet-Nam of the brigade group.

The Embassy also believes the Thai will require accelerated delivery of some airplanes and patrol boats already scheduled under MAP, and some long-term extension of MAP support to elements of the Thai armed forces not now receiving assistance.

Very tentatively, the cost of the package has been figured at a maximum of \$149 million. This estimate is being refined, but should not prove too much off the mark. At that price, the 8,500 men will cost us about \$17,529 a piece.

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E.O. 12958, Sec. 3.6

NLJ 00-136

By cb, NARA Date 10-23-00

~~SECRET-EXDIS~~

3. Problems. The initial reaction in DOD is fairly favorable. They see the following potential problems:

a. There is some sentiment in Defense that the Hawk Battalion just makes no sense for Thailand.

b. All agree it makes excellent sense to give the Thai a Helicopter Battalion for use against the insurgency in the North East. There is, however, a real problem in physically providing the helicopters as quickly as the Thai want them. It is probable that delivery during CY 1968 and 1969 (as urged by our Embassy) could only be made at the expense of the requirements of our forces in Viet-Nam.

c. The Thai probably expect us to pay the per diem costs of the men in Viet-Nam, which is offensive, in principle, to DOD and which would set an unhealthy precedent in regard to other troop contributing countries. (The actual amount of money is small, however, and it should not be hard to find a way around this problem.)

d. I am told that Secretary McNamara takes a dim view of financing "compensatory forces". I would guess, however, that this will be a sticking point with the Thai, and we have already agreed to a similar arrangement with the Koreans.

e. Secretary McNamara had taken the position that it was not worthwhile getting involved in an additional Thai contribution of less than 10,000 men. The Thai are actually offering only 8,500 additional men. The total Thai force, however, would total over 10,000 and this, I expect, will be treated as meeting the McNamara formula.

4. Political Strategy. Our Embassy in Bangkok believes that with a quick response to the package cited above, the Thai could put 5,000 men in Viet-Nam by mid-1968 and an additional 5,000 by early 1969. These are "the most optimistic dates possible" and would be dependent on quick delivery by us of the necessary equipment as well as a good deal of Thai vigor in the follow-through.

Any attempt to negotiate a significantly different package would be difficult and very time-consuming, according to our Embassy. Should we decide that the price is too high and choose to forget the whole thing, the Embassy believes the Thai would immediately become less willing to cooperate in making Thai real estate available for a broad range of Viet-Nam-related projects.


Marshall Wright

cc: Mr. Jorden

Have read.

WJ

46

Limited Official Use

Wednesday - 10:00 a.m.
September 20, 1967

Mr. President:

Profile

President Diaz Ordaz has sent you the following reply to your Mexican independence anniversary message:

"Dear Mr. President:

I had the pleasure of receiving the cordial message which you were so kind to send me on the occasion of the 157th anniversary of the proclamation of national independence.

On thanking you for this friendly act, I am happy to say that I fully share your view as to the importance of the visit which my wife and I shall shortly be making to Washington, D.C., to the strengthening of the bonds which fortunately exist between our two countries. My wife and I are both looking forward to greeting such valued friends as you and Mrs. Johnson.

Gustavo Diaz Ordaz
President of the United Mexican States".

W. W. Rostow

Limited Official Use

47

Pres file

Wednesday - 10:00 a.m.
September 20, 1967

Mr. President:

This is a fine over-view speech of
our objectives in Latin America
which Covey Oliver gave in Chicago
last week.

I thought you might want to glance
through it.

W. W. Rostow

Attachment

cy of State's Release No. 195,
9/13/67 -- Covey Oliver's
speech on 9/13/67 at luncheon
meeting of Council for Latin
America, Drake Hotel, Chicago.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 94-362
By ig, NARA Date 3-29-96

48

~~CONFIDENTIAL~~

Pres file

Wednesday, September 20, 1967 -- 9:10 a.m.

Mr. President:

With respect to Sec. McNamara's recommendation that the population control figure on the attached card be verified by the CIA, you should know:

1. I am having mounted a CIA-Defense analysis of these figures, which were collected by the GVN and verified by our military advisers in the provinces.
2. The figures will be checked against the new wholly U.S. system being developed to rate hamlets and villages, in the period where the two systems overlap. (The new system is in an experimental stage but there are some data for crosscheck.)
3. The data will be crosschecked for broad direction of movement against other data on the course of the war since, say, mid-1964.
4. The data will be crosschecked for order of magnitude correctness against:
 - captured documents;
 - election registration figures.
5. The data will finally be crosschecked against non-statistical data on population control -- notably the monthly CIA reports on the situation in each province.
6. We are aiming to have this material technically completed by September 26 so you can use it at a session with leading press figures George tells me you have scheduled for 28 September.

W. W. Rostow

cc: Art McCafferty

~~CONFIDENTIAL~~

WWRostow:rlh

~~TOP SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-362
By cb, NARA, Date 4-18-95

49

Pres file

Wednesday, September 20, 1967 -- 8:20 a.m.

Mr. President:

These two cables from Gen. Westmoreland and Adm. Sharp -- of September 16 and 19 -- foreshadow problems and possible controversy of which you should be aware. On Westy's part they reflect significant tactical difficulties with proceeding with the barrier program in the eastern part of the DMZ on schedule due to enemy artillery strength and weather -- the northeast monsoon lasting at its full strength through November and tapering off in December and January.

The underlying resistance of Adm. Sharp to the whole concept comes through clearly in his following cable of comment. You will note his flat statement at the top of page 2.

I would think it possible that we are going to have a quite open debate on the question: Is the barrier a proper use or a misuse of scarce military resources?

W. W. Rostow

30673 MACCOC, 16 Sept 1967
CINCPAC 180740Z, 19 Sept 1967

WWRostow:rln

~~TOP SECRET~~

49a

~~TOP SECRET~~

Text of cable from Westmoreland 30673 MACOOC 16 Sept. 1967

1. The changing situation within and to the north of the DMZ over the past several weeks has prompted my study of adjustments in the plan for installing the Strong Point Obstacle System (SPS). Based on the critical factors enumerated below, I have made changes in the plan. These changes are compatible with the design for emplacement of the entire Dye Marker system and are consistent with the recent announcement by the Secretary of Defense.

2. Paramount reasons influencing these adjustments are:

A. Disclosures in the press, such as the one reported in reference, have given the enemy valuable information on the location, size, and general concept of the Strong Point Obstacle System, thus making it easier for him to target the construction area.

B. The enemy continues to increase his capability to deliver a high daily rate of fire into the Con Thien, Gio Linh, Dong Ha complex. At the present time, in the general area of the DMZ, there are up to 15 North Viet Nameese Army Infantry Battalion equivalents. With strong enemy forces infiltrating behind the proposed obstacle trace, they could assault from both sides. The enemy has an estimated 100 to 108 artillery pieces which can deliver up to 500 rounds per day into our positions. This includes an air burst capability. In one recent attack, deployed U. S. Marines suffered 47 casualties principally from fire with air burst fuzing.

C. I have been gravely concerned over the numbers of troops that must be placed in the open under direct enemy observation and artillery fire during the installation of the trace for a period of approximately six weeks. Based on practical past experiences, the Commander III Marines estimates that under the original installation plan we could anticipate as many as 780 killed and 4400 wounded during construction of the Strong Point Obstacle System. I consider this estimate reasonable and cannot accept such a high cost.

D. Heavy rains preceding the northeast monsoon have begun and will last through November. These rains are expected to impair the smooth flow of materials to the forward sites, delay construction, and increase the period of troop exposure if the full Dye Marker construction is carried out.

E. Because of the situation in Quang Nam and Quang Tin provinces, I am reluctant to move four additional Marine battalions north at this time, as would be necessary to screen effectively construction forces. These units now have plenty to do south of Danang and against the 2nd North Vietnamese Army Div.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 10-111
By isal, NARA, Date 6-4-10

~~TOP SECRET~~

in Quang Tin. I cannot reinforce I Corps any further without jeopardizing gains that have been made in other parts of the country. However, I do have contingency plans to reinforce in an emergency.

F. Our logistic buildup at the Dong Ha Base was heavily damaged last week, dictating the construction of a previously surveyed airstrip and the establishment of an alternate supply dump near Quang Tri City which will be out of effective artillery range of enemy guns now north of the Ben Hai River. This construction will commence on 15 September and will be completed on an emergency basis. Many Dye Marker materials scheduled for June arrival are only now coming in. To correct our overtaxed port thru-put capacity and provide a safety factor, III Marines is building additional landing craft ramps at Dong Ha, doubling the quantity of loading equipment and men to support the effort and expediting the construction of landing craft ramps at the alternate port at Hue.

3. The 2nd ARVN regiment of four battalions will occupy and assist in organization of combat operating bases and strong points in the Dye Marker system. A new regiment will be organized and assigned to I Corps. Meanwhile, several airborne battalions of the Vietnamese general reserve will be deployed to the 1st Division tactical zone.

4. The 7 U. S. Marine battalions now in the Quang Tri area, augmented as required by the tactical situation, and supported by heavy engineer and logistic elements, will continue construction of the strong points and the combat bases. Work will proceed as rapidly as weather and enemy reaction will permit.

5. During this period, we will continue an all-out effort with arc light, tactical air, naval gunfire and artillery to suppress or destroy the enemy firing positions north of the DMZ, and to impede the infiltration of troop units. Any cessation in our maximum air effort in the north would have a serious impact upon our Dye Marker program, as well as our total posture in Quang Tri province.

6. Therefore, my plan during the winter monsoon will encompass:

A. A forward system of battalion strong points (three manned by ARVN forces and one by US) situated to the rear of the cleared trace to interdict enemy invasion and infiltration routes.

B. Supporting US Marine Corps and ARVN base areas in depth, each with its own fire support capability, to also conduct anti-infiltration operations.

C. Visual observation and patrolling of the coastal/Piedmont area as well as maximum use of advanced sensor and surveillance systems in the strong point and base areas.

D. U. S. Marine Corps battalion combat operating bases in the western Piedmont/mountainous area extending from Camp Carroll along Route 9 to the Laotian border.

E. Security and screening patrols, reconnaissance in force and surveillance between combat operating bases to maintain an anti-infiltration screen and keep roads open. Sensors and surveillance systems will be employed by these units.

F. Maintenance of the greatest practicable control over the area bounded on the north by the Ben Hai River; the east, by the South China Sea; the south, by Route 9, Ba Long valley and the Quang Tri complex; and, the west, by the Laos border.

G. Installation of components of the anti-infiltration system in a manner that will facilitate subsequent full development of the obstacle system, including employment of future detection devices in the R&D program.

8. Upon termination of the northeast monsoon season, and based on enemy capabilities at that time, I will consider resumption of construction and installation of obstacles and devices along the trace of the Strong Point Obstacle System (SPOS).

~~TOP SECRET~~

Text of cable from Admiral Sharp (CINCPAC 180740Z) 19 Sept. 1967

1. I concur with General Westmoreland that design for the implacement of the Strong Point Obstacle System must be changed in view of the situation in the vicinity of the DMZ.
2. The heavy concentration of enemy artillery, rocket and mortar capability in and north of the DMZ, coupled with his knowledge of the nature of the Strong Point Obstacle System could result in extremely heavy and unacceptable casualties if the Strong Point Obstacle System were installed as planned. In the last four months the casualties, both killed and wounded, in I Corps have been higher than in all other corps zones combined. A significant proportion of these casualties have resulted from artillery, rocket and mortar fire.
3. Additionally, the heaviest rains in the eastern part of Quang Tri province are in the period September, October, and November, tapering off in December and January. These rains have begun, making transport difficult.
4. Dong Ma can no longer be depended upon as a logistic base. The LST landing area at Cua Viet could become untenable, thus requiring LST unloading at Hue, a facility that is not yet completed. Road upgrading in I Corps is badly needed. Heavy demand on construction troops has delayed necessary road work. Recent and continuing rains will result in further deterioration of the roads. There have been numerous bridge interdictions by the Viet Cong. Cincpac has directed that the "Seabee" battalion on Okinawa be deployed to I Corps as soon as possible.
5. I concur with General Westmoreland's appraisal that the situation in Quang Nam and Quang Tin provinces requires all forces now stationed there. Consequently, four Marine battalions could not be moved north for the purpose of providing security and cover for those forces which would be engaged in construction along the trace unless I Corps was reinforced.
6. I believe arc light and heavy tactical air support as well as our artillery and naval gunfire are causing the enemy heavy casualties in the north of DMZ. However, his artillery is well dug in and difficult to knock out. It is particularly important that our heavy air effort in North Viet Nam continue without any let-up in intensity. A 7-day stand-down as suggested by Pres. Thieu would be disastrous.
7. While the Marines have their hands full in I Corps, they are inflicting serious losses on the enemy and preventing him from gaining any tactical advantage.

~~TOP SECRET~~

-2-

The installation of the Strong Point Obstacle System (SPOS) as originally planned is not now feasible, nor would it be useful under present circumstances. I believe there has been too much emphasis on the November date for the Dye Marker operation, so that it has to some degree been taking priority over more important operations. Westmoreland's plan, as outlined, in his message, provides for a realistic approach to countering enemy activity in I Corps under the prevailing tactical situation, and permits orderly planning to cope with future developments.

##

cc: Mr. Rostow

Wednesday, September 20, 1967

Mr. President:

At his balance of payments meeting with you on August 10, Fowler recommended a sharp tightening in the Commerce Program on Direct Investment.

Fowler and Trowbridge are now trying to work out a program and want to report to you. Fowler wants to do so before he leaves early Friday morning for Rio.

- Trowbridge will want to tell you how much flak he expects from businessmen. (He took some soundings with his Advisory Committee of Business Council types.)
- Fowler wants Trowbridge to begin putting pressure on individual firms that are over their investment targets. He would also like to have this decision in his pocket for possible use in private discussions with European Finance Ministers.

If your schedule is manageable, I recommend a brief meeting before Friday to get the program going. If you agree, I will have the issues laid out for you beforehand.

W. W. Rostow

OK for Marvin to set up meeting_____

Set meeting up after Fowler returns from Rio_____

Speak to me_____

ERF:mst

Wednesday, September 20, 1967

u. a. R

51

*1. [unclear]
2. Pres file*

Mr. President:

Attached, for your signature, is a proposed reply to President Ayub's recent letter requesting that we send a team of experts to Pakistan to help survey problems of watershed management and soil erosion. The draft grants the request, but commits you to nothing beyond help with the study.

I recommend that you sign.

W. W. Rostow

Hamilton/vmr

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-362
By CB, NARA, Date 4-18-95

512

September 21, 1967

Dear Mr. President:

I was most pleased and interested to receive your letter of August 30. Ranching in the dry, rugged hills of Texas taught me the value of good watershed management and control of soil erosion. I can well understand the importance you attach to these programs as you press forward to make effective use of Pakistan's impressive water resources.

We will be happy to try to help with your study of these problems. I have asked Administrator Gaud and his associates to work out arrangements with Ambassador Hilaly whereby a panel of our senior experts in the relevant fields may cooperate with appropriate officials of your Government in a survey of watershed and erosion problems. The Mission to Pakistan of the Agency for International Development will support this effort.

I was most gratified by your kind words about the work of the earlier U. S. Panel on waterlogging and salinity. I trust this new enterprise will be as useful. As always, Mr. President, we support Pakistan's efforts to help herself, particularly in the vital area of food production. You and your countrymen have already built a proud record in this respect. You have my active support and best wishes as you move ahead to new goals and new achievements.

With warmest personal regards.

Sincerely,

Lyndon B. Johnson

*Spent last week with your great admirer
Ambassador Locke*

His Excellency

Mohammad Ayub Khan, H. Pk., H. J.

President of the Islamic Republic of Pakistan

Rawalpindi

Hamilton/vmr
9/20/67

*and he sends warm regards
in which Mr. Johnson and I heartily agree*
L

52

Wednesday,
September 20, 1967

Pres file

MEMORANDUM FOR THE PRESIDENT

Mr. President:

Attached is today's situation report
on Vietnamese politics.

W. W. Rostow

Att.

SECRET-EXDIS Attachment

~~SECRET EXDIS~~

Viet-Nam Political Situation Report

September 20, 1967

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-363
By ing, NARA, Date 1-13-95

Validation of Presidential Elections

The Embassy continues to believe that the Assembly will validate the results of the presidential elections. The Assembly's special committee is unlikely to discover irregularities sufficient to warrant invalidation of the election. Moreover, probably a majority of the Assembly Deputies are inclined to accept the election on its merits and to vote for validation.

Formation of a Government

According to a reliable source, the inner circle of generals, which met on September 16, decided that Thieu and Ky together would prepare recommendations regarding a Prime Minister and civilian Cabinet ministers, and present these recommendations to the inner circle of Generals after October 2. By this date the Assembly should have validated the presidential election. The Generals reportedly decided that military men would continue to control the Ministries of Defense, Revolutionary Development, and Security. The Generals reportedly postponed decisions on the Cabinet because those decisions would become known and would add to an already disturbed situation, possibly even affecting the Assembly's action on the election.

Thieu and Ky apparently got along satisfactorily at the meeting. While there is undoubtedly friction between them, this friction is probably exaggerated and manipulated by their entourages who are maneuvering for position.

A separate report, regarded as reasonably reliable, indicates that at the September 16 meeting the Generals lined up solidly behind Ky in maintaining that the balance of power between Thieu and Ky had tipped too far in favor of Thieu. Thieu reportedly asserted that he is ready to cooperate with Ky.

~~SECRET-EXDIS~~

Senate Developments

Discovery of a "substantial copying error" has changed the winners in the recent Senate election. The Hoa Hao Social Democratic Party list has been eliminated and the so-called "Diemist" list of Catholic lay leader and ex-Diem official Tran Van Lam has been officially declared a winner instead.

This is an unfortunate development in current political terms. It casts some doubt on the propriety of the election process even though the error may well have been a completely honest one. It also raises the number of Catholics in the 60-man Senate from 21 to 29, making Catholic over-representation even greater than before. Finally, it virtually eliminates Hoa Hao influence from the Senate, and it greatly reduces Southern representation in general.

Lower House Preparations

Local election councils have completed their consideration of the original 1,650 candidates for the Lower House election. Of 535 applicants in Saigon-Gia Dinh, 76 were disqualified -- 49 for insufficient documentation, and 27 for "cause". Seven of the latter were disqualified for "pro-communist" activities. Disqualified candidates can appeal to the Central Election Council. The latter must decide on these cases by September 28, and the final candidate lists are to be posted on October 1.

~~CONFIDENTIAL~~

September 20, 1967

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Jewish Eternal Light Vigil

For several years a group of Jewish religious and lay leaders have come to Washington each autumn to talk about the plight of the Jewish community in Russia. They are distinguished men, and have met with people at State, Senators and Congressmen, and also have come to the White House.

Mac Bundy received the group in 1965 and I met with them last year. Nick Katzenbach, Harry McPherson and Luke Battle are urging me to do so again, and a refusal to let them come to the White House might stir up some resentment in the Jewish community and on the Hill.

I could receive them again this year. Having already seen them, however, I think there may be some advantage in this not becoming a regular annual thing. Another possibility would be for Nat Davis on my staff to receive the group. He is knowledgeable on the subject, and this would mean that the group was received at the White House.

W. W. Rostow

Have them come to State Dept
but not the White House _____

Rostow see _____

Davis see _____

Speak to me _____

WWR
WWR:ND:gg

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER R. 1.3 AND
SEC. 1.3 AND ARCHIVIST'S BUREAU OF
MAR. 16, 1983.

BY *lg* ON *10-4-91*

~~CONFIDENTIAL~~

64
Tuesday, September 19, 1967
6:50 p.m.

~~1. Susp~~
2. Pres file

Mr. President:

Herewith the draft letter to
Amb. Lodge, which you requested.

W. W. Rostow

WWRostow:rlh

54a

September 19, 1967

Dear Cabot:

This is just to tell you how effective I thought you were in your Sunday television performance.

I believe you know how much I value your help in what we both understand to be the critical task before us: maintaining the understanding and support at home necessary to see it through in Viet Nam.

Sincerely,

15/ Lyndon B. Johnson

The Honorable Henry Cabot Lodge
275 Hale Street
Beverly, Massachusetts

LBJ:WWRostow:rlh

55

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-362
By CG, NARA, Date 4-18-95

~~SECRET~~

Tuesday - 6:30 p.m.
September 19, 1967

Pres file

Mr. President:

Herewith Covey Oliver's report on his conversation with the Ecuadorean Ambassador this afternoon on the PL 480 loan. He wants to inform Ambassador Coerr that he may proceed with negotiations.

W. W. Rostow

Approve _____

Disapprove _____

Speak to me _____.

Attachment

9/19/67 memo from
Assistant Secretary Oliver
to the President.

55
ASSISTANT SECRETARY OF STATE
WASHINGTON

~~SECRET~~

September 19, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Ecuadorean PL-480 Loan

I have had the conversation with the new Ecuadorean Ambassador that I sketched to you on Tuesday, September 12. He said he understood and agreed with us. More than that, he said he had held out for four months before taking this post and that his conditions about taking it had been related to the Ecuadorean President's attitude about the Alliance. He believes that the conversation and the approval of the PL-480 loan will have positive and desirable results.

I would like to be able to inform Ambassador Coerr that the loan is approved.


Covey T. Oliver

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-363
By ing, NARA, Date 1-13-95

~~SECRET~~

Group 3

Downgraded at 12-year intervals;
Not automatically declassified.

SECRET

Meeting with the President

Tuesday, Sept. 19, 1967 5:30 p.m.

Agenda

1. Viet Nam Negotiating Position: Situation Report (Under Sect. Katzenbach)
2. Asian Development Bank: Message (Under Sect. Katzenbach)
3. NPT: Situation Report (Under Sect. Katzenbach)
4. Targetting: Status Report, no Recommendations (Sect. McNamara)
5. ABM: Situation Report (Sect. McNamara)

W. W. R.

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

Pres file

Tuesday, September 19, 1967 -- 5:25 p.m.

Mr. President:

Ed Fried is fully aboard now. I had hoped he might shake your hand when you had in the Western Europe Parliamentarians; but they didn't make it. If you have a few minutes, it might be nice if I were to bring him in and you were to have a few words with him.

W. W. Rostow

Bring him in _____

No _____

See me _____

WWRostow:rlh

~~TOP SECRET~~ -- SENSITIVE
EYES ONLY

Lamp
2. Pres file

Tuesday, September 19, 1967
3:30 p.m.

Mr. President:

As background to today's meeting (5:30 p.m.) here is the last report we have from Kissinger. The interesting passages are marked.

We are, in fact, instructing Kissinger to discourage M from filing a substantive report with the Elysee.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-362
By CB, NARA, Date 4-18-95

W. W. Rostow

Paris 3536

~~TOP SECRET~~

PENNSYLVANIA

INCOMING TELEGRAM *Department of State*

58a
4

~~TOP SECRET~~

Action

CONTROL: 4 1 6 3
SEPTEMBER 18, 1967
11:15 A.M.

Info

DE RUFNCR 3536 2611440
ZNY TTTT
P 131421Z SEP 67
FM AMEMBASSY PARIS
TO SECSTATE WASHDC PRIORITY
STATE GRNC
BT
~~TOP SECRET~~ PARIS 3536

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-363

By inf, NARA, Date 1-13-95

NODIS/PENNSYLVANIA FROM KISSINGER

I HAD DINNER WITH M. LAST NIGHT (A. HAVING LEFT FOR ROME). M. SHOWED ME THE DRAFT OF A REPORT TO THE ELYSEE TO BE SUBMITTED EITHER IF THIS CHANNEL COLLAPSES OR IF IT IS PUBLICLY IDENTIFIED. THE REPORT IS VERY FACTUAL AND MENTIONS ONLY THE DATES OF MAJOR CONVERSATIONS WITHOUT GOING INTO DETAILS. HOWEVER, AN APPENDIX INCLUDED OUR MESSAGE OF AUGUST 25 AND HANOI'S RESPONSE OF SEPTEMBER 11. M. DOES NOT, OF COURSE, HAVE THE TEXT OF THE MESSAGES SENT TO BO LAST WEEK. I TOLD M. THAT I WAS CERTAIN WASHINGTON WOULD STRONGLY OBJECT TO THE INCLUSION OF THIS MATERIAL. HE PROMISED TO DELETE IT AND TO GIVE ME A COPY OF THE REPORT ON WEDNESDAY. I SHALL FORWARD IT IMMEDIATELY. IF, FOR ANY REASON, YOU WANT THE ELYSEE TO HAVE THE TEXT OF THESE MESSAGES, THEY CAN, OF COURSE, EASILY BE RESTORED. (I TOLD M. THAT HE SHOULD, IN ANY EVENT, CHECK WITH BO BEFORE RELEASING HANOI'S NOTE TO THE ELYSEE). PLEASE ADVISE.

ON THE WAY TO THE AIRPORT A STOPPED TO SEE BO FIVE MINUTES TO SAY GOODBYE. AT MY REQUEST, A. TOLD BO THAT HANOI'S RESPONSE NEED NOT BE CONFINED TO ANY ONE PARTICULAR CHANNEL. THE FOLLOWING POSSIBILITIES SUGGESTED THEMSELVES: (A) A PERSONAL MEETING BETWEEN BO AND ME, (B) A MESSAGE IN A SEALED ENVELOPE VIA A & M TO BE GIVEN TO ME; (C) AN OPEN MESSAGE VIA A & M SENT AS HANOI'S NOTE OF SEPTEMBER 11; (D) A MESSAGE TO BE GIVEN TO A U.S. OFFICIAL EITHER IN PARIS OR ELSEWHERE; (E) ANY OTHER CHANNEL THAT SEEMED APPROPRIATE TO HANOI. BO REPLIED: "THERE WILL BE ANSWER. THINGS MAY SEEM TO MOVE SLOWLY. IN FACT, THEY ARE MOVING AT THEIR NORMAL SPEED FOR EXCHANGES OF THIS KIND."

THE PRESENT PLAN IS FOR A. TO RETURN WEDNESDAY. IF THERE HAS BEEN NO WORD FROM BO BY THEN, A & M WILL REQUEST A MEETING WITH BO FOR THURSDAY.

GP-1. BOHLEN

BT

~~TOP SECRET~~

Tuesday, September 19, 1967
3:30 p. m.

59

MR. PRESIDENT:

Herewith Westy's reaction -- and action --
in relation to Arnett's story on ARVN weaknesses.

Pres file

Kaplan's press committee is discussing it this
afternoon.

W. W. R.

~~CONFIDENTIAL~~ attachment MACI 30002)

~~CONFIDENTIAL~~

596
Tuesday, September 19, 1967

TEXT OF CABLE FROM GENERAL WESTMORELAND (MACI 30002)

SUBJECT: Arnett Story

Full text of Arnett Story received. The story has many flaws and is generally most misleading since the ARVN are definitely improving, not becoming more inefficient. However, the story also hits close to the truth in some areas.

The facts are that more ARVN units have shown more improvement in the last six-eight months than at any time in recent years. Nonetheless, there remain a sizable number of ARVN units which tend to fit Arnett's characterization. Moreover, measurement of improvement in some instances is primarily subjective and therefore subject to valid argument.

In view of the above, a point by point rebuttal is not possible. A strong general rebuttal is possible, but in view of the general press knowledge here of ARVN weakness, a general rebuttal would be viewed primarily as a whitewash and further weaken already strained credibility. I conclude therefore that dignifying the story with an official MACV rebuttal would serve only to keep the story alive without disproving it.

Action is already underway here to try to convince in-country press leaders that the ARVN actually is improving. At present, the program is concentrating on individual press members via in-depth briefings, backgrounders which stress actual unit improvement and the likelihood of eventual overall success due to thoroughness of the training program, effectiveness of supervision, and willingness of top Republic of Vietnam commanders to cooperate. The leadership problem still plagues the ARVN but the story is quite similar to the Republic of Korea Army only circumstances are far more difficult. The test case may be the next NEWSWEEK story on the ARVN, due out soon, since an in-country contributor was given in depth treatment on a similar story. A field trip program for non-believers is also underway with participation of all elements of my command. Progress in the ARVN is always pushed by MACV personnel when dealing with newsmen, but it must be handled carefully as progress has not occurred in many areas. We are working on a fact sheet to reinforce the effort with concrete proof of progress and will provide the text if a convincing case can be made on paper.

I strongly urge Washington spokesmen not to oversell or overstate ARVN progress since past over-enthusiasm is one of the key sources of the so-called "credibility gap" problem.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.3

DA Memo. Jan. 5, 1988

By 129 NARA, Date 10-4-91

60

Pres file

Tuesday - September 19, 1967
12:30 pm

Mr. President:

President Lleras sent you a cable on September 5 (Tab B) expressing concern over the progress of the London meeting of the International Coffee Council. He was worried that the revision of the basic export quotas would work against Colombia.

Since then, the Council has completed its sessions after reaching a consensus on the quotas. The results will not satisfy President Lleras since he wants action which will hike the price of coffee by some 20%. To accomplish what he wants, we, and the other major consuming countries, would have to agree to measures which would almost certainly result in our Congress refusing extension of the International Coffee Agreement.

State recommends that you send the reply at Tab A. I concur.

W. W. Rostow

Approve ____.

Disapprove ____.

See me ____.

Attachments

Tab A - Recommended message to Lleras

Tab B - September 5 message from Lleras

602

PROPOSED PRESIDENTIAL MESSAGE TO COLOMBIAN PRESIDENT

DR. CARLOS LLERAS RESTREPO

His Excellency
Dr. Carlos Lleras Restrepo
President of the
Republic of Colombia
Bogota

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-362
By cb, NARA, Date 4-18-95

Excellency:

Thank you for your message concerning the recent Coffee Council meetings in London on major issues affecting the International Coffee Agreement. I share your concern about the future of this important Agreement.

As you know, the representatives at the Council meeting ~~have now~~ reached a consensus on the revision of basic export quotas under the Agreement. I am hopeful that the resolution of this problem will be followed by consideration and approval of other necessary changes at the special Council meeting scheduled for November.

You may be sure that I will continue to work for a strengthened and more effective Agreement representing the best interests of all its members.

Lyndon B. Johnson

606

MESSAGE FROM COLOMBIAN PRESIDENT CARLOS LLERAS RESTREPO
TO PRESIDENT JOHNSON, SEPTEMBER 5, 1967

The President

Bogota, Colombia, September 5, 1967

White House

Accept, Mr. President, my cordial and respectful greetings. . . .
The serious coffee problem, about which I communicated with you
last year and which was also the subject of talks with Secretary Rusk
at Punta del Este, has developed toward a most critical situation,
and I do not believe that I am mistaken in thinking that the coffee-
producing countries of Latin America are on the verge of an economic
and political crisis of unpredictable scope. I take the liberty, Mr.
President, of calling your attention to this danger, which I see with
the utmost clearness through the information I am receiving on the
course of the negotiations of the Coffee Agreement in London.

Respectfully yours,

Carlos Lleras Restrepo
President of Colombia

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-362
By CL, NARA, Date 4-18-95

61

Tuesday - September 19, 1967
12:30 pm

Mr. President:

President Lleras sent you a cable on September 5 (Tab B) expressing concern over the progress of the London meeting of the International Coffee Council. He was worried that the revision of the basic export quotas would work against Colombia.

Since then, the Council has completed its sessions after reaching a consensus on the quotas. The results will not satisfy President Lleras since he wants action which will hike the price of coffee by some 20%. To accomplish what he wants, we, and the other major consuming countries, would have to agree to measures which would almost certainly result in our Congress refusing extension of the International Coffee Agreement.

State recommends that you send the reply at Tab A. I concur.

W. W. Rostow

Approve ____.

Disapprove ____.

See me ____.

Attachments

Tab A - Recommended message to Lleras

Tab B - September 5 message from Lleras

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

62
Tuesday, September 19, 1967
10:55 a. m.

MR. PRESIDENT:

Aside from the joint press statement, which I have already sent up to you, there are no major items of business with Saragat at 11:30. He has made his complaint about the NPT; but he has also told you that in the end they will sign it. ~~I would not advise your using any capital at this time to wring his arm.~~

One thought occurs: talking to him about the **Prek Thnot Dam in Cambodia.**

You will recall that he kept saying yesterday: **We are a European and Mediterranean power; you are a world power.** You might say that you can understand this position so far as the use of Italian military forces in Southeast Asia is concerned. But 2/3 of humanity live in Asia; Italy trades with Asia now and will trade increasingly with Asia in the future; and it seems to you that Italy should soberly consider assuming some equitable responsibility for economic and social development in that region. Right now we have a particular problem where Italy could be helpful. The next big project in the Mekong Valley is the **Prek Thnot Dam in Cambodia.** The UN needs another \$6 million to complete the \$22 million in soft loans required to set this important project in motion. Because of Cambodia's relation to the war in Viet Nam, the U. S. Congress refuses to put up the money. An Italian contribution **to the Prek Thnot Dam** could break the bottleneck and give vitality and momentum **to the Mekong Coordinating Committee** at a critical moment.

Further, you should recall his statements about Italy as a Mediterranean power. **We are anxious to have NATO assume increasing responsibility in the Middle East and the Mediterranean area.** Italy is in an ideal position to take the lead in getting NATO to interest itself systematically in Middle East and Mediterranean problems. **The U. S. would back strongly Italian initiatives in this direction.**

Secretary Rusk concurs **strongly in these two points.**

Walt R.

PRESERVATION COPY

Tuesday, Sept. 19, 1967
10:30 a. m.

63

MR. PRESIDENT:

Herewith Harold Brown contributes some insights into President Lincoln's burdens.

The marked item, on the next to the last page, recalls the Republican dilemma of 1968.

Pres file

W. W. R.

attachment

DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330

OFFICE OF THE SECRETARY



September 16, 1967

Dear Mr. President:

You may already have the attached historical material, but it seems especially interesting in the light of recent charges of discord between the Generals and the Administration. It was taken from Bruce Catton's Centennial History of the Civil War.

These anecdotes and comments make our current problems seem less new and less formidable, if no less problems. They also underline my conviction that civil-military relations within the Air Force are on a very smooth basis, indeed.

Respectfully,

Harold Brown
Harold Brown

Attachments

The President

The White House

Political limits on military operations and negotiations with the enemy were evident in the crisis period. Lincoln gave the following order on the reinforcement of Fort Sumpter:

"You will proceed directly to Charleston, South Carolina, and if, on your arrival there, the flag of the United States shall be flying over Fort Sumpter, and the Fort shall not have been attacked, you will procure an interview with Gov. Pickens, and read to him as follows: 'I am directed by the President of the United States to notify you to expect an attempt will be made to supply Fort Sumpter with provisions only; and that, if such attempt be not resisted, no effort to throw in men, arms or ammunition will be made without further notice, or in case of an attack upon the Fort.'"

Catton, The Coming Fury, p. 301

Lincoln's effort to reassure General McClellan concerning the Joint Committee on the Conduct of the War:

"I hear that the doings of an investigating committee give you some uneasiness," the President wrote. "You may be entirely relieved on this point. The gentlemen of the Committee were with me an hour and a half last night, and I found them in a perfectly good mood. As their investigation brings them acquainted with the facts, they are rapidly coming to think of the case as all sensible men should."

Catton, Terrible Swift Sword, p. 188

In Catton's view, a general needed political wisdom:

It was time for the Army of the Potomac to move, and when it moved there were in the background these two seemingly unrelated factors: President Lincoln's desperate attempt to get the slavery issue settled before it changed the character of the entire war, and the radicals' implacable determination to destroy any general who, being unsound on "the Negro question," was not waging war with ruthless speed and effectiveness. Taken together, these factors would affect every move the Army made and every decision its commander reached. Unless he understood their implications the Army commander would be contending with incomprehensible shadows.

Catton, Terrible Swift Sword, p. 193

63a

In 1861-62, the Generals sided with the Doves (at that time the conservatives were doves as on the T raeli, Congo and Rhodesian questions today!). Catton also implies that even in Lincoln's day there were many absolute judgments about both the utility of force and the need for negotiations:

Quite openly, these men (conservative officers) were saying that the administration wanted McClellan to fail so that it could impose anti-slavery doctrines on the South. This they said meant final disruption of the Union, because no matter how badly the southern states were beaten they would never come back into the Union unless the government promised not to touch slavery. The Union could not possibly be restored by sheer force. Secession needed a beating, but it also needed reassurance, kind words and a lot of coaxing.

Catton, Terrible Swift Sword, p. 346

McClellan's view of Lincoln in July 1862:

"I cannot regard him in any respect my friend. I am confident that he would relieve me tomorrow if he dared to do so. His cowardice alone prevents it. I can never regard him with other feelings than those of thorough contempt."

McClellan's view of the Secretary of War:

"So you want to know how I feel about Stanton, and what I think of him now. I will tell you with the utmost frankness. I think that he is the most unmitigated scoundrel I ever knew, heard or read of; I think that (and I do not wish to be irreverent) had he lived in the times of the Savior, Judas Iscariot would have remained a respected member of the fraternity of the apostle, & that the magnificent treachery & rascality of E. M. Stanton would have caused Judas to have raised his arms in holy horror, & he would certainly have claimed & exercised the right to have been the betrayer of his lord & master, by virtue of the same merit that raised Satan to his 'eminence.' I may do the man injustice."

Catton, Terrible Swift Sword, p. 348

53

Lincoln found that Gen. McClellan's professionalism left something to be desired (October 62):

"I peremptorily ordered him to advance. It was nineteen days before he put a man over the river. It was nine days longer before he got his army across, and then he stopped again, playing on little pretexts of wanting this and that. I began to fear he was playing false -- that he did not want to hurt the enemy."

A few days later Lincoln responded to McClellan's request for more horses:

"Will you pardon me for asking what the horses of your army have done since the battle of Antietam that fatigues anything?"

McClellan's comment to his wife regarding Lincoln:

"If you could know the mean character of the despatches I receive you would boil over with anger. When it is possible, misunderstand, and when it is not possible; whenever there is a chance of a wretched innuendo, then it comes. But the good of the country requires me to submit to all this from men whom I know to be greatly my inferior socially, intellectually and morally! There never was a truer epithet applied to a certain individual than that of the 'Gorilla.'"

Catton, Terrible Swift Sword, p. 476

Effects of the war on politics:

Secretary Seward's political mentor, canny Thurlow Weed of New York, told Lincoln early in August that his re-election was an impossibility, and a little later he wrote to Seward: "Nobody here doubts it; nor do I see anybody from other states who authorizes the slightest hope of success...The people are wild for peace." Made desperate by the rising argument that peace could never be had under Mr. Lincoln because of his inflexible stand against slavery, Raymond (New York Times) made a desperate proposal, urging the President to appoint a commission "to make distinct proffers of peace to Davis as the head of the Rebel armies, on the sole question of acknowledging the supremacy of the Constitution -- all other questions to be settled in a convention of the people of all the states."

This pessimism briefly infected Mr. Lincoln himself, and on August 23 he wrote a memorandum, folded and sealed it, asked his cabinet members to sign their names on the outside so that it could be identified later, and put it in his desk. Opened after the election, the memorandum read: "This morning, as for some days past, it seems exceedingly probable that this Administration will not be re-elected. Then it will be my duty to so co-operate with the President-elect as to save the Union between the election and the inauguration; as he will have secured his election on such ground that he cannot possibly save it afterward." The somber final clause reflected his analysis of the problem that confronted the Democrats, and Mr. Lincoln bluntly stated the case to the reporter, Noah Brooks: "They must nominate a Peace Democrat on a war platform, or a War Democrat on a peace platform; and I personally can't say that I care much which they do."

634

The opposition party convention (Democrats) nominated a "War Candidate" (McClellan), but adopted the plank of the peace wing:

"After four years of failure to restore the Union by the experiment of war, during which, under the pretense of a military necessity, or war power higher than the Constitution, the Constitution itself has been disregarded in every part, and public liberty and private right alike trodden down and the material prosperity of the country essentially impaired -- justice, humanity, liberty and the public welfare demand that immediate efforts be made for a cessation of hostilities, with a view to an ultimate convention of the states, or other peaceable means, to the end that at the earliest practicable moment peace may be restored on the basis of the Federal Union of the States."

Catton, Never Call Retreat, p. 382

64

Presfile

Tuesday - 10:30 a.m.
September 19, 1967

Mr. President:

You have agreed to an office appointment
for Jamaican Prime Minister Shearer on
October 13.

The Prime Minister leaves tomorrow on
a trip which will take him to several
European capitals before coming to
Washington.

He would like to announce before starting
his trip that he will see the heads of state
of the countries he will visit and asks if
you have any objection.

W. W. Rostow

No objection ____.

Prefer he not
announce ____.

Tuesday, September 19, 1967
9:50 a.m.

65

MR. PRESIDENT:

Pres file

We are starting a file on VC manpower problems. The Situation Room team will work on it in quiet times. It will be systematic, by provinces. We shall check it against all statistical evidence, including the new village and hamlet rating scheme being installed.

But we shall send you items like this from time to time as well as more general evaluations when we assemble enough to make sense.

The manpower problem in the South is one of the four elements in the equation which will determine when the war ends. The other three are:

- the burden of bombing in the North;
- the political situation in Saigon;
- Hanoi's judgment of the political situation in the U. S.

W. W. R.

THE WHITE HOUSE

WASHINGTON

Monday, September 18, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Viet Cong Manpower Difficulties as Reflected in Intelligence Reports
and Captured Documents

The following are some excerpts from intelligence documents which indicate Viet Cong problems in recruitment throughout the country during the month of August. These reports come from captured documents, prisoners, Chieu Hoi and US and South Vietnamese intelligence sources. They are arranged by corps and province.

THIRD CORPS

Nau Nghia Province

Major problems confronting the Viet Cong in Hau Nghia Province in August were food and manpower shortages. The Viet Cong used methods ranging from public appeal to coercion in an effort to gain from the populace the economic support and recruits needed for Viet Cong military units.

Long An Province

The Viet Cong infrastructure was directed to concentrate on the problems of recruitment and low morale. Recruitment difficulties to be overcome included the general exodus of youth out of the Viet Cong-controlled rural areas into the cities, youth's fear of difficulties and danger, and the Viet Cong failure to follow up with help for those families whose sons leave home to join the Viet Cong.

To counter movement from Viet Cong-controlled to Government of Vietnam-controlled areas, the Viet Cong were to redistribute land confiscated from families who had moved out of Viet Cong-controlled into Government of Vietnam-controlled areas and to have people in Viet Cong-controlled areas encourage relatives serving the Government of Vietnam to return to the Viet Cong.

FOURTH CORPS

Recruiting continues to be a grave Viet Cong problem. There are difficulties in getting and retaining recruits, especially at lower levels. In An Giang Province

the Viet Cong have concluded that defections are induced by the cadre's family. To counteract this, the Viet Cong An Giang Province Committee (Government of Vietnam An Giang and Chau Doc Provinces and Ha Tien District of Kien Giang Province) has ordered the District Committees to limit contact between cadres and their families. In Dinh Tuong Province, the Viet Cong are endeavoring to recruit young females to take jobs held by men in the rear services section so as to release more men for combat duty.

The Viet Cong are unable to stop the movement of people from Viet Cong-controlled areas to the Government of Vietnam-controlled territory. Those remaining under Viet Cong control are weary of the fighting and threats of air and artillery strikes.

Ba Xuyen Province

As was the case in July, recruiting continued to be the Viet Cong's number one problem. A recent Hoi Chanh/rallier from Guerrilla Company C-71 stated that his unit was understrength. Increased reaction both in air and on the ground by US and ARVN elements in Ba Xuyen is a strong contributing factor to the overall Viet Cong recruiting problem.

Kien Hoa Province

Captured letter stated that a meeting was held on August 8, 1967 (at Son Phu Village, Truc Giang District) attended by 28 Viet Cong cadres (subordinate to the Giong Trom District Committee). The following problems were discussed at the meeting:

1. The majority of the Viet Cong soldiers in Giong Trom District are tired of the length of the war.
2. They are afraid of air strikes, artillery and M113 armored personnel carriers.
3. Leadership cadres do not want to work harder to indoctrinate guerrillas.
4. Many Viet Cong soldiers robbed or oppressed the people.
5. Many Viet Cong soldiers were undisciplined, used weapons to kill each other or have caused dissension among various units.
6. Many Viet Cong cadres were not dedicated politically.

7. Many Viet Cong soldiers were tired of warfare and did not think they would defeat the Government of Vietnam or the Allies.

Desertions and defections were also on the increase.

Phong Dinh Province

The greatest problem which the Viet Cong currently encounter, which will manifest itself through September, is their lack of influence on the electorate. Large turnout of registered voters (75 percent) showed the local population's contempt for the Viet Cong. Other problems are the same as reported before, namely, raising recruiting levels and keeping the support of the people. Both of these problems should be aggravated by the election results.

Sadec Province

Viet Cong Committee of the National Front for the Liberation of South Vietnam had issued instructions to Local Forces, i. e. , to train replacements on a crash basis to replace losses in local force units and regional Main Forces.

Military Viet Cong POW's and Chieu Hoi (Open Arms) returnees were, on the average, less than 20 years old, and at least half of them claimed to have been recruited since the first of the year. Recruitment of new men is becoming an increasing problem.


Arthur McCafferty

*transp
2. Profile*~~SECRET~~

Tuesday, September 19, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to King Faisal

Arab leaders at the Khartoum summit commissioned Faisal to write you. His letter (Tab B) says the Arabs will study any proposal for an Arab-Israeli settlement which doesn't require them to recognize, negotiate or accept reconciliation with Israel or prejudice Palestinian claims. He hints that now is the time for us to reconsider whether we don't want to propose terms for settlement while Arab positions are still fluid.

Faisal claims Khartoum was a victory for moderation. In the context of inter-Arab relations, it was. Faisal scored a major gain in making Nasser agree to get out of Yemen and knock off his propaganda attacks in return for aid.

In the Arab-Israeli context, however, the gains were not so great. The radicals had argued for renewing the war, but the majority decided to go the political rather than the military route because they were economically and militarily unable to do otherwise. That's a gain for realism, but beyond that, all they did was decide to look for the best deal they can get without giving in on the main point--admitting that Israel is here to stay.

Since your reply to Faisal is our response to Khartoum, we want to be especially careful with it. The Arabs have taken a first short step toward realism and, while it isn't enough, we don't want to throw such cold water on it that we discourage further efforts or cause our friends to give up all hope of sympathy from us.

We propose your telling Faisal in effect: We're not going to provide a solution as we did in 1957, though we are willing to help. But before we can, we need to know what concrete steps the Arabs have in mind.

Attached (Tab A) is a good draft reply, but since it's another milestone in your Mid-East policy, it's worth pausing a moment to look at how this draft handles the main issues:

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-136
By cb, NARA Date 10-23-00

~~SECRET~~

1. Should we be more or less responsive to the Arab moderates? They (and our oil companies) will be disappointed in this reply since they think they've taken a big step and expect us now to come up with a formula for regaining their lost territories. We're refusing until they get specific because we think they still have to face up to the tough decision of accepting Israel. Both this letter and our proposed UN tactic essentially buys the Israeli line of sitting tight until the Arabs come around further. To be as positive as we can, we're saying we'll help work out a settlement when they come up with a concrete proposal. This is consistent with our past position, but since it moves us a little closer to the time when we might have to get in the middle and press Israel, it's worth making sure this letter strikes the right note.

2. Should we go on implying that we are ready to press Israel to give up the West Bank, the Sinai, and the Syrian Heights, if the Arabs forswear belligerence? We are now interpreting "territorial integrity" like this: We can't press Israel to withdraw (in order to assure future Arab territorial integrity) unless the Arabs first forswear belligerency (in order to assure future Israeli territorial integrity with which we are equally concerned). This squares with your June principles. But in view of Israel's hardening line, it's worth taking another look each time we re-commit ourselves to "territorial integrity" because this does assume Israeli withdrawal from most of the conquered territories under reasonable conditions.

I'm satisfied this draft strikes the right position, but I want you to be aware before you sign that these were the issues argued in its drafting. If you have any doubts, you might want to discuss it with Secretary Rusk. When you are satisfied, the letter (Tab A) is for your signature.

W. W. Rostow

~~SECRET~~

66a

September 19, 1967

Your Majesty:

In view of my continuing close concern with the difficult situation in the Near East, I particularly welcomed your thoughtful letter of September 6 and have carefully considered Your Majesty's views. Our warm personal relationship permits us to speak as friends, and I would like to reply in the same spirit of frankness and constructive concern which characterized Your Majesty's own message.

I agree that the recent Khartoum conference marked notable progress for the forces of Arab moderation. Your Majesty's own statesmanlike role at these meetings was a major contribution to this result.

I am especially encouraged by the decision to liquidate the long-standing Yemen problem. It will, I hope, mark the beginning of a return to stability in Southwest Arabia in which both your country and mine are so deeply interested. I congratulate Your Majesty warmly on this happy result of your long efforts, as well as on the progress already discernible in implementing the decision.

The decision to lift the oil embargo was also welcome. This action has removed a complicating factor in relations between the Arab countries and the West which was not of our making. American public opinion has reacted favorably to this evidence of Arab desire to return to business as usual.

The Khartoum decisions regarding an Arab-Israel settlement are encouraging but at the same time more difficult for us to evaluate. The final communique states what the Arabs will not do but, except by indirection, is silent on what the Arabs may be willing to do. The evident Arab desire for a peaceful solution is most welcome. But the absence of any statement on the key issue of belligerency leaves a major obstacle to settlement unresolved.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-238
By cb, NARA Date 10-27-00

*not sent
rewritten*

Frankly, we do not see how one party can continue to invoke rights of belligerency while attempting to impose on the other obligations of a state of peace. An Israeli withdrawal, unaccompanied by appropriate assurances from the Arabs, would seem to us prejudicial to Israel's territorial integrity, in which we are as interested as we are in the integrity of each Arab state. Return to the unstable armistice existing before June 4, 1967, can hardly be in anyone's interest, since this very instability led to such grave consequences.

I believe what is needed is a more permanent settlement to which all governments in the area would in some manner be committed. Only this result will assure peace and progress for the region in which both the Arabs and Israelis must live together.

The draft resolution tentatively agreed upon by the United States and the Soviet Union during the Emergency Session of the General Assembly, linking troop withdrawal to an end of belligerency and renunciation of attendant rights or claims by all the parties, could in our view be a useful basis for such a settlement. The United States Government has, however, no fixed position as to exactly how a settlement may be achieved. We are aware that no formal recognition of Israel by the Arab states is to be expected. In this connection, when I spoke on June 19 of the need to recognize rights of national life, I of course meant the acceptance by each state of its neighbor's right to exist free from any menace of belligerency.

The United States Government played a central role in bringing about Israeli withdrawal in 1957, but at that time no such mutually accepted basis for coexistence was established. Those arrangements accordingly did not endure. I do not think it possible to travel the same road again. In our view, those who inhabit the area must themselves take the primary responsibility for finding a mutually acceptable basis on which coexistence is tolerable. This naturally applies to both sides, and we are, of course, ready to help when it is clear what concrete steps are envisaged.

I cannot stress too strongly to Your Majesty that our policy -- which I outlined publicly on June 19 -- is designed to be both even-handed and beneficial to all parties concerned. We oppose threats or use of force by both Arabs and Israelis. We favor Israeli withdrawal and an end to military or paramilitary actions by either side. Above all, we see a vision of the better life which peace would bring to all the people of the Middle East.

Our position is not based on transient considerations, such as the attitude towards us of certain Arab states, but rather on an assessment of what we believe is required to prevent yet another round of warfare at some later date. We naturally hope that those Arab states that have broken relations with us will soon manifest an attitude towards us that will permit relations to return to normal. It is hard to have understanding without contact, and restoration of our relations with these Arab countries would be helpful. But we believe that realism and willingness to compromise by the parties directly concerned are the basic ingredients needed to end the present Arab-Israeli impasse.

In closing, I should emphasize to Your Majesty that I continue to value highly our close and friendly relations with you and your government. We will try at the coming session of the United Nations to help find some way to resolve the current difficulties. Meanwhile, I welcome our continuing personal exchanges as a means of strengthening our mutual understanding of the great difficulties which still lie ahead.

All best personal regards,

Sincerely,

/s/ Lyndon B. Johnson

His Majesty
Faisal ibn Abd-al-Aziz Al-Saud
King of Saudi Arabia

LBJ:State:HHS:tmt 9/19/67

not sent

67

September 19, 1967

TO THE PEOPLE

OF CIRIPACA, BOLIVIA:

I am honored that you have chosen my name for the school which you have built for your children.

The school is an example of the Alliance for Progress in action. It also symbolizes what the Bolivian people, through their own efforts, can do to assure a better future. May the spirit of this project continue until education is brought to all children in Bolivia and throughout the Americas.



LBJ:WWR:gt

THE WHITE HOUSE
WASHINGTON

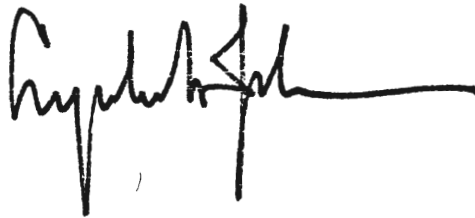
68

September 19, 1967

TO THE PEOPLE
OF CIRIPACA, BOLIVIA:

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The school is an example of the Alliance for Progress in action. It also symbolizes what the Bolivian people, through their own efforts, can do to assure a better future. May the spirit of this project continue until education is brought to all children in Bolivia and throughout the Americas.

A handwritten signature in black ink, appearing to be "Lyndon B. Johnson", with a long horizontal line extending to the right.

THE WHITE HOUSE
WASHINGTON

Tuesday, September 19, 1967

Mr. President:

Attached is the draft Saragat visit
communique worked out with the Italians
and ok'ed by Rusk and Fanfani.

W. W. Rostow

69
Pres file

SUGGESTED JOINT COMMUNIQUE BY PRESIDENT JOHNSON AND
PRESIDENT SARAGAT FOLLOWING DISCUSSIONS HELD IN
WASHINGTON, D.C., SEPTEMBER 18-19, 1967

President Johnson and President Saragat had two conversations at the White House on September 18 and 19. Secretary of State Rusk and Foreign Minister Fanfani were present on both occasions.

The two Presidents had a broad and thorough exchange of views on the international situation. There was also a review of issues of bilateral concern, with a view to strengthening further the close relations between the two countries in accordance with the long-standing ties of friendship and alliance which exist between Italy and the United States.

It was agreed that the common goal of both nations is the maintenance and the strengthening of peace. The two Presidents reaffirmed their confidence in the essential role played by the UN in achieving that objective.

There was complete agreement on the importance the North Atlantic Alliance, which from its inception has served both as an instrument of defense and as a vehicle for progress, continues to have for the security of its members and for world peace. By reinforcing international stability, it contributes to mutual understanding and confidence among peoples. It was also agreed that security and peace in the Atlantic area are based on a partnership between Western Europe and North America, founded on equality of rights and duties and on a balanced development which may be furthered through ever closer technological

cooperation. The two nations share a common desire to create an atmosphere of cooperation and to bring about the relaxation of tensions among all the nations of the European continent.

The prospects for broadening the foundations of peace were examined. In this connection, it was agreed that a treaty to limit the dissemination of nuclear weapons, which takes into account the legitimate interests of all countries concerned, would contribute to that end.

It was agreed that the two countries, deeply concerned by recent events in the Middle East, share a particular interest in the reestablishment of peace and stability in that area. With respect to Southeast Asia, confidence was expressed that an equitable settlement of the present conflict will be reached on the basis of freedom so as to strengthen the fabric of peace everywhere.

The two Presidents welcomed the recent agreements reached in London on international monetary liquidity and agreed on the importance of achieving agreement on this matter at the meeting of the International Monetary Fund at Rio de Janeiro later this month. They expressed satisfaction at the successful conclusion of the Kennedy Round trade negotiations, and underlined the great importance which they attach to assisting the developing nations in obtaining a higher standard of living and greater economic growth.

The two Presidents agreed on the great importance of these consultations among close allies, which contribute to the strengthening of understanding and cooperation between the two countries, and thus to the achievement of the common objectives of progress and peace for all mankind.

Monday, September 18, 1967
4:30 p.m.

Pres file

Mr. President:

Herewith another try at the
Vietnamese statistics with percentage
increases and decreases since the
first six months of 1965.

If it still doesn't suit, we're
ready to try again.

W. W. Rostow

72a

Index of Figures: War in Vietnam
(for first 6 months of year)

	<u>1965</u>	<u>1966</u>	% of Increase or Decrease since 1965	<u>1967</u>	% of Increase or Decrease since 1965
Weapons Losses					
GVN	10,441	5,226	-49	4,161	-60
VC/NVA	4,626	9,482	+104	15,459	+234
Enemy Casualties	11,881	24,932	+109	46,145	+288
Ratio Enemy/Friendly	2.2	3.3		4.2	
Chieu Hoi	3,954	9,794	+147	18,076	+357
VC-Initiated Incidents	10,884	15,351	+41	11,021	+1
Enemy-Initiated Attacks (bn-size or larger)	28	35	+25	23	-17
Population Control (millions) as of June					
GVN-Aligned	8.3	9.6	+15	12.1	+45
VC-Aligned	6.3	5.4	-14	4.7	-25

71

Pres file

Monday, September 18, 1967 -- 3:40 p.m.

Mr. President:

Herewith a request that you briefly meet with the distinguished group of trustees of the Asia Foundation on October 8 or 9. A list of their names is attached at Tab A. The case for it is that they are nursing the Asia Foundation through a difficult transition away from CIA financing.

All hands agree that the Asia Foundation is a first-class operation and should be preserved.

The case against it is simply the pressure on your calendar.

Seeing you would be a boost to morale; and they are a distinguished group of citizens.

W. W. Rostow

Will see them _____

No _____

See me _____

WWRostow:rla

71a

THE ASIA FOUNDATION

550 KEARNY STREET
SAN FRANCISCO, CALIFORNIA

OFFICE OF
THE PRESIDENT

September 2, 1967

The Honorable Walt W. Rostow
Special Assistant to the President
Washington, D. C.

Dear Walt:

Sometime ago it was suggested to me when I was in Washington that the President might on some occasion be willing to meet our Trustees as an indication of his interest in the continuing work of the Foundation.

Our Trustees will be meeting in Washington on October 8 and 9. Would it be possible for the President to spare 15 minutes to meet the Trustees on the afternoon of the 9th? I know they would greatly appreciate such an invitation and the occasion would be of great value in terms of inspiring the Board members to an even greater effort in preserving and strengthening the Foundation.

A private expression by the President of the importance he attaches to private efforts in the international field and the continuing need for the kind of special contribution the Foundation can make in furthering U. S. interests in Asia through private endeavor would be a real shot in the arm. He, of course, knows many of our Board members and for the others, a meeting with the President would reaffirm their belief in the importance that the Government attaches to our work.

I would also like to take this occasion to invite you and Mrs. Rostow to be the guests of the Trustees at our Board dinner which will be held at the Sulgrave Club on Sunday evening, October 8, at 7 o'clock. The dinner will be hosted by Dr. and Mrs. Caryl Haskins, President of the Carnegie Institution of Washington. I am attaching a list of the names of our other Trustees.

HAYDU will call you Friday on this and this

I leave for Asia in the morning. I will call you on my return on September 15. In the meantime, my thanks for the vital support you have given us and my very warmest best wishes.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Haydn".

Haydn Williams
President

Enclosure

BOARD OF TRUSTEES

Stanley C. Allyn

George F. Jewett, Jr.

Robert B. Anderson

Grayson L. Kirk

Barry Bingham

Walter H. Mallory

Ellsworth Bunker
(on leave)

Turner H. McBaine

Mrs. John Sherman Cooper

Robbins Milbank

Arthur H. Dean

Mrs. Maurice T. Moore

Mortimer Fleishhacker, Jr.

Lucian W. Pye

R. G. Follis

Edwin O. Reischauer

R. Allen Griffin

Russell G. Smith

Caryl P. Haskins

J. E. Wallace Sterling

Charles J. Hitch

Haydn Williams

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-362
By CB, NARA, Date 4/8/95

72

[Signature]
2. Pres file

~~CONFIDENTIAL~~

Monday, September 18, 1967
3:00 p.m.

Mr. President:

In asking you to clear the PL 480 package, I failed to underline a special problem with Morocco; namely, that you would have to render a judgment (see attached) that PL 480 assistance is in the national interest despite some Moroccan trade with Cuba. Nick's paper argues that Hassan has honored his assurance to stop all strategic trade with Cuba and to stop all trade with North Viet Nam. Therefore, he recommends that you check the Presidential finding attached at "X".

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rlh

~~CONFIDENTIAL~~

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72a

MOROCCO (Tab A)

Value: \$23.4 million

Commodities: wheat -- 300,000 tons
cotton -- 30,400 bales

Terms: One-half of the total to be repaid in local currency, 20% of which will be used to pay U.S. bills in Morocco and 80% loaned and granted back to the Moroccans for economic development projects.

One-half of the total to be repaid in dollars; 2-year grace period; 20-year maturity at 2 1/2% interest.

This is an add-on to the agreement you authorized last April. It does not have a new set of self-help conditions attached to it. The Moroccans seem to be performing pretty well on the conditions set in the Spring and AID does not have further steps worked out which it wants to enforce ~~by~~ this agreement. As Charlie Schultze points out, we would normally hold this agreement until later so as to combine it with next year's AID lending to produce the strongest possible negotiating package. But there is a strong political case for moving now. We have been trying without success to find something to do for the moderate Arabs. This agreement and the following one for Tunisia represent about all we can manage. Schultze recognizes these facts and has no objection to your going ahead now.

There is one special problem with this agreement. It requires a renewal of your April finding that it is in the national interest to carry out PL 480 programs in Morocco despite the fact that she has some trade with Cuba and has in the past exported a few items to North Vietnam. Nick Katzenbach's formal recommendation that you make this determination is at the special colored tab marked X. Nick argues persuasively that Hassan has effectively followed up his assurance to stop all strategic trade with Cuba and to stop all trade with North Vietnam. If you approve, we need your mark on Nick's memo at Tab X.

Approve ☒

Disapprove ☐

Speak to me ☐

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 00-238

By CB, NARA Date 10-27-00

~~CONFIDENTIAL~~

- 3 -

TUNISIA (Tab B)

Value: At least \$21.9 million, and perhaps as much as \$26.6 million
(if we can get them to take more wheat)

Commodities: wheat -- 150,000 - 210,000 tons
corn -- 40,000 tons
oil -- 35,000 tons
cotton -- 9,500 bales

Terms: One-half of the amount to be paid ~~for~~ in local currency; 80%
would be loaned back to the Tunisians for economic develop-
ment projects.

One-half the total to be repaid in dollars; 2-year grace period;
20-year maturity at 2 1/2% interest.

Bourguiba is doing a good self-help job. There is no need for new con-
ditions. Again, standard procedure would be to hold this agreement until
the AID dollar side was ready -- which won't be until after the AID appropri-
ation bill is through the middle of December. The political case for helping
the moderate Arabs now is just as strong in this case as in Morocco. Again,
Charlie Schultze has no objection to the Gaud/Freeman recommendation.

Approve _____ Disapprove _____ Speak to me _____

BOLIVIA (Tab C)

Value: \$9 million

Commodities: wheat & wheat flour -- 114,000 tons
cotton -- 4,770 bales

Terms: To be repaid in dollars; 2-year grace period; 5% down
payment; 18-year maturity at 2 1/2% interest.

This proposal is in two parts. The bulk of the commodities would go to
the Government of Bolivia in the standard way. But 10,000 tons of wheat
would go to the government-owned mining corporation called COMIBOL.
The Government's self-help record is probably as good as a weak, back-
ward regime can manage -- and far better than could be expected if
Barrientos were overthrown. On the political side, Barrientos is just

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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BOLIVIA (continued)

holding his own against the various communist-led rebels and needs all the help he can get. On the other hand, COMIBOL is a huge, inefficient concern which could stand a lot of improvement. But AID hasn't yet got the specific program of reform worked out. Therefore, Schultze recommends -- and I agree -- that you:

-- authorize the government portion of this agreement for immediate negotiation, and

-- approve the COMIBOL portion now but instruct Freeman and Gaud not to begin negotiations until self-help conditions are ready.

Approve _____ Disapprove _____ Speak to me _____

INDONESIA (Tab D)

Value: \$4.3 million

Commodities:	bulgar (wheat)	-- 5,000 tons
	oil	--10,000 tons
	tallow	-- 5,000 tons

Terms: To be repaid in dollars; 10-year grace period; 40-year maturity at 2 1/2% interest.

This small agreement is one of our best hopes for finding a way to meet Indonesia's requirements in the future when AID money is likely to be even more scarce. The problem today is quite simple: the Indonesians have an excellent market for rice, but we have very little rice to give them through PL 480. We have a lot of wheat, but they have no market for wheat at all. The wheat provided for here is in a form (bulgar) which is very much like rice. It is designed to begin the difficult task of building demand for wheat. We need to push this as hard as possible if we are to have much of a chance of meeting our share of the Indonesian donor club's commitments in future years.

Approve _____ Disapprove _____ Speak to me _____

~~CONFIDENTIAL~~

CONFIDENTIAL

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GHANA (Tab E)

Value: \$2.3 million

Commodities: cotton -- 6,000 bales
tallow -- 7,400 tons
tobacco -- 350 tons

Terms: To be paid back in local currency, 65% of which would be loaned back to the Ghanians for economic development projects.

This is the second part of an agreement you signed last Spring. It is part of our general support of the post-Nkrumah crowd's attempts to put Ghana's economic house in order. (We pay only one-third of the contributions to an informal consortium led by the IMF.) The self-help case is excellent. And the political case is even stronger.

Approve _____ Disapprove _____ Speak to me _____

PAKISTAN

See needed
You approved one million tons of wheat for Pakistan in July. There is a request outstanding for 750,000 tons more. Agriculture will maintain that 750,000 tons would cut into commercial sales -- ours and other people's. But we could get quick agreement on 500,000 tons.

The present plan is for the Deputy Planning Minister of Pakistan to come here the first week in October to negotiate for this additional wheat. We know he's coming and they know we know. Your options are two:

-- You can approve the wheat now, but wait three weeks to tell the Paks in the normal course.

-- You can instruct us to get the Paks to ask for the wheat right away. (We could sign the agreement in a matter of one day if we wanted to.)

The second course demonstrates how anxious we are to move wheat, cutting down our ability to enforce self-help conditions. I would recommend that you take the first.

500,000 tons OK, but hold off telling Paks _____

Get the Paks to request it now _____

Speak to me _____

W. ROSTOW



15801

DEPARTMENT OF STATE

Washington, D.C. 20520

September 13, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: New Presidential Finding that Morocco is
a Friendly Country for Concessional Sales
Under Public Law 480, As Amended

Recommendation:

I recommend that you again make the finding that it is in the national interest to make concessional sales to Morocco under Section 103(d)(3) of Public Law 480, as amended by Public Law 89-808. Under Section 103(d)(3) you must inform the Senate and the House of Representatives of your finding and the reasons therefor which also must be published in the Federal Register. On February 27, 1967, you originally made a finding that Morocco was a friendly country under this section, the text of which was published in the Federal Register, Volume 32, Number 50, March 15, 1967. The present finding must also be published in the Federal Register and will cover Public Law 480 sales agreements in the future unless there is a change in the performance of Morocco under the terms of Section 103(d)(3).

Approve ☒ Disapprove ☐~~CONFIDENTIAL~~

Group 3
Downgraded at 12 year
intervals; not auto-
matically declassified

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-353
By JW, NARA, Date 5-4-94

~~CONFIDENTIAL~~

-2-

Discussion:

During Fiscal Year 1967, Morocco suffered a substantial shortfall in grain production as a result of a drought, which was partially met by a Public Law 480 sales program. You will recall that at the time of King Hassan's visit to you last February, there was still unresolved the question of Moroccan commitments to eliminate the exports to Cuba which were prohibited under Section 103(d)(3) of Public Law 480, as amended (Findley-Belcher Amendment). King Hassan gave satisfactory assurances during his visit that these exports would be stopped and that other exports to Cuba would be reduced. As a result of these assurances, a sales agreement for 168,000 Metric Tons of wheat was signed with Morocco on April 20, 1967, making a total of 335,000 Metric Tons of wheat supplied during Fiscal Year 1967.

The Moroccan grain crop this year is an improvement over last years. However, there is still a substantial shortfall which will have to be partially filled by Public Law 480 sales. It is estimated that Morocco will require wheat imports of 700,000 Metric Tons to meet its basic needs. We are programming 300,000 Metric Tons under Public Law 480 sales for this Fiscal Year and have also made available a Commercial Credit Corporation credit of \$14.7 million with three year payment terms (payable in three equal twelve monthly installments) for the remaining urgent wheat and barley requirements. In addition, we are including in this sales agreement 30,400 bales of cotton, and 12,000 Metric Tons of tallow which meet part of Morocco's import needs.

In 1965, Morocco's non-strategic agricultural type exports to Cuba were valued at about \$7 million and in 1966 at about \$6 million. For 1967, it is estimated that such exports will fall to \$5 million. For the first time in recent years following discussion with us, the Moroccan Government has taken action to reduce its reliance on Cuban sugar. A contract for the purchase of 160,000 tons of sugar was signed with the United States suppliers who were expected to procure most of the sugar from Brazilian sources. It may be anticipated that there will be a gradual reduction in Moroccan exports to Cuba over the immediate future.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

As for the items exported to Cuba for which no Presidential exception is possible under the legislation, this trade amounted to \$941,000 in 1965 and about the same amount in 1966. For the first five months of 1967, these exports were about \$340,000 of which \$103,000 took place after the Moroccan Government had given assurances on the termination of this trade. The items exported were cardboard paper, refractory brick, and asbestos cement pipe. There was no trade with North Vietnam except for \$3,700 of automobile radiators in the first quarter of 1967. Since both the \$103,000 of Cuban trade and the \$3,700 North Vietnam trade were private, not governmental, the statutory prohibitions on negotiating Public Law 480 agreements with nations that sell to North Vietnam or Cuba would not apply. Although the General Accounting Office takes the position that the statute does not make this distinction between private and government trading in the case of Yugoslavia, the Justice Department has ruled otherwise.

In addition, these items escaped the control system set up by the Moroccan Government. Minister of Foreign Affairs Laraki has informed our Ambassador that King Hassan on August 21 issued a letter of instruction to all pertinent ministries ordering a cessation of all exports to North Vietnam as well as the prohibited items to Cuba. Minister Laraki said that any violation in the future would, therefore, be deemed to be a violation of the King's own order. Prime Minister Benhima has confirmed these statements of the Foreign Minister. Our Ambassador in Morocco believes that the Moroccan Government is fully committed to terminating this trade and that this should prove adequate to meet our objectives.

Harold G. K. [Signature]
Under Secretary

Enclosures:

1. New Presidential Finding Under Section 103(d)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended.
2. Draft Statement of Reasons that Public Law 480 Sales to Morocco are in National Interest.

~~CONFIDENTIAL~~

CONFIDENTIAL

72c

PRESIDENTIAL FINDING

MOROCCO--Finding that Sales Agreements are in the
National Interest

In accordance with Section 103(d)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended, I have again reviewed the status of Morocco for purposes of sales of agricultural commodities under Title I of that Act.

As a result of that review, and as required by Section 103(d)(3) of the Act, I hereby find that the making of sales agreements with Morocco under Title I of the Act is in the national interest of the United States. This finding applies to such agreements with Morocco which may be entered into the future as long as the existing conditions prevail. The reasons for this finding are set forth in the accompanying statement, which shall be made available to the Senate and House of Representatives and published in the Federal Register together with this finding. The previous finding for Morocco was published in the Federal Register, Volume 32, Number 50 of March 15, 1967 and a sales program was signed with Morocco on April 20, 1967.

CONFIDENTIAL

DECLASSIFIED
Authority 32 FR 14885 10/27/67
By JDW, NARA, Date 10/28/91

72d

~~CONFIDENTIAL~~

STATEMENT OF REASONS THAT PUBLIC LAW 480 SALES TO MOROCCO ARE
IN NATIONAL INTEREST

The United States and Morocco have enjoyed cordial relations since the United States obtained its independence. The strategic importance of these cordial relations is evident from Morocco's geographical position at the entrance to the Mediterranean and its proximity to the United States along the Atlantic. Since Moroccan independence its government has been stable and moderate, exercising a positive influence with other non-aligned African nations and in the Arab world, the Organization of African Unity and the United Nations. It is our policy to support this government which is developing Moroccan economic resources. These resources will be devoted to attaining higher standards of living, broader educational opportunities and improved health facilities in order for the Moroccan people to achieve a fuller participation in the benefits of modernization.

In both 1966 and 1967, Morocco experienced severe droughts with serious effects on foodgrain production and with consequent effects on the whole Moroccan economy and on the level of national income. In Fiscal Year 1968, estimated Moroccan wheat import requirements will amount to at least 700,000 Metric Tons and this the second successive year of high import needs will place a heavy burden on foreign exchange reserves. Despite Morocco's increasing and strenuous efforts to augment foodgrain production, the country faces the need for large commercial purchases from abroad, including the United States.

To alleviate the burden created by this exceptional situation, the United States is programming 300,000 Metric Tons of wheat for delivery during Fiscal Year 1968 under the sales provisions of Public Law 480, as amended. In an effort to assist Morocco to meet her needs for other agricultural products, the United States is also programming 30,400 bales of cotton, and 12,000 Metric Tons of tallow under Title I of Public Law 480, as amended.

~~CONFIDENTIAL~~

DECLASSIFIED

Authority 32 FR 14885 10/27/67
By JDW, NARA, Date 10/28/91

~~CONFIDENTIAL~~

-2-

In 1965, Morocco exported to Cuba non-strategic foodstuffs, agricultural products and raw materials for agriculture valued at about \$7 million. In 1966, these exports amounted to about \$6 million. Morocco has been heavily dependent on Cuban sugar and has paid for this sugar under barter terms. Morocco has, however, been making efforts to reduce its dependence on Cuban sugar and to seek other markets for exports which have been sent to Cuba in payment for the sugar. In 1967, the Moroccan Government entered into a contract with American firms to purchase 160,000 tons of Western Hemisphere (free world) sugar. Exports of the non-strategic items in question, for which the President may make an exception if he finds it in the national interest, declined appreciably during the first part of 1967 and available statistics indicate that during the first five months of the year such exports took place at an annual rate of less than \$5 million.

In 1965, private Moroccan exports to Cuba were \$941,000 including footwear, leather, leather manufactures, refractory brick, asbestos cement pipe, buttons and plastic containers. The amount and type of such exports was approximately the same in 1966. For the first five months of 1967, about \$340,000 of the above type of items were exported to Cuba. About \$103,000 of this amount was exported after the Moroccan Government had indicated it was terminating such trade. In addition, early in 1967, private exporters sent about \$3,700 of automobile radiators to North Vietnam. These exports escaped the Moroccan controls. Moroccan officials have been firmly instructed by their highest authorities to make sure that such transactions do not occur in the future.

~~CONFIDENTIAL~~

Limited Official Use

Monday - September 18, 1967
11:00 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Lyndon Baines Johnson School -- Ciripaca, Bolivia

Ambassador Henderson has asked that you send an autographed picture for the school which the people of Ciripaca, Bolivia have named after you.

The people of this village built the six-room school with the help of AID and the Peace Corps. More than 50% of the cost of labor and construction materials came from local contributions.

A suggested inscription (Tab A) and message (Tab B) are attached.

W. W. Rostow

Attachments

Tab A - Suggested inscription.

Tab B - Suggested message.

Approve message
and inscription

Disapprove

Speak to me

_____.

73a

**Suggested Autograph
for Presidential Photograph for Presentation to the Village of
Giripaca, Bolivia
at the Inauguration of the Lyndon Baines Johnson School**

**"To the people of Giripaca, Bolivia with my warmest
congratulations,**

Lyndon B. Johnson".

736

Suggested Presidential Message

to the People of Ciripaca, Bolivia
at their Inauguration of the Lyndon Baines Johnson School
in Ciripaca

"To the People of Ciripaca, Bolivia:

I am honored that you have chosen my name for the school
which you have built for your children.

The school is an example of the Alliance for Progress in action.
It also symbolizes what the Bolivian people, through their own
efforts, can do to assure a better future. May the spirit of this
project continue until education is brought to all children in
Bolivia and throughout the Americas.

Lyndon B. Johnson"

74

Pres file

Monday, September 18, 1967 -- 10:10 a.m.

Mr. President:

As you recall in dealing with Moro at Bonn, Italian politics requires Fanfani be along.

Therefore, in talking with Saragat this afternoon, Fanfani will have to be present.

You can let us know if you want also:

- Katzenbach (in Sec. Rusk's absence)
- W. W. Rostow
- or anyone else.

My advice: the smaller the better.

W. W. Rostow

WWRostow:rlh

75

Monday, September 18, 1967
9:45 a.m.

Mr. President:

You will be interested in how the Indian newspapers responded to the million tons of wheat. On the whole, a wholesome reaction.

Pres file

W. W. Rostow

WWRostow:rlh

75-a

U.S. WHEAT FOR INDIA

Indian editors said their nation should appreciate the one-million-ton U.S. wheat agreement and emphasized that India should strive to become self-sufficient in food production.

Bombay's Marathi-language Lok Satta said:

"India should be grateful to America for the convenient conditions under which this food aid is given.... But India must remember that American food aid and concessions are not going to continue forever.

"It is not the responsibility of the American government and American farmers to feed India and the world for an unlimited period of time. That responsibility lies on the respective governments and farmers of the hungry countries..."

Pro-West Times of India of Bombay and New Delhi said the agreement would "avert calamity" and called U.S. terms "generous." But it warned that "other members of the aid India club seem to be in no mood to match U.S. food aid." It urged India to realize that it cannot count on foreign food and that it must "muster the will to grow enough for its needs."

USIA
Worldwide Treatment }
Current Issues
Sept. 15, 1967

76

Monday, September 18, 1967
8:50 a.m.

Pres file

Mr. President:

Herewith draft remarks for possible
delivery by Sen. Dirksen.

W. W. Rostow

WWRostow:rin

76a

DRAFT -- September 18, 1967

I see by the papers that a statesman from Arkansas, Mr. Harry S. Ashmore, has felt called upon to reveal his efforts to end the war in Viet Nam in January and February of this year.

It seems to me that his ego is larger than his information and much greater than his good sense.

It so happens that, along with a few other members of the Congressional leadership, I was pretty well informed of what the President was doing and trying to achieve in those days.

For reasons of its own, Hanoi was putting out all sorts of noises that it might under certain circumstances be willing to negotiate. There must have been a half dozen fellows like Ashmore in various parts of the world who came running to our government with similar reports. As I understand it, none of these was turned away. We told them our position and let them go back to their sources.

But we also decided to find out if there was anything solid in all this by approaching directly the North Vietnamese Embassy in Moscow. During the whole period about which Mr. Ashmore is writing -- from January 6 down to February 15 -- we were exchanging detailed messages and putting in proposals to the North Vietnamese in Moscow. They accepted these messages.

Meanwhile, in London Mr. Kosygin arrived on February 6 and stayed until February 11. Mr. Wilson and Mr. Kosygin were in touch with President Johnson and they put various proposals to Hanoi through Mr. Kosygin.

On February 13 and then again on February 15 we got our reply in the form of letters from Ho Chi Minh to the Pope and then to the President.

Those authoritative letters showed no movement whatsoever. He called for unconditional and permanent cessation of the bombing; for the withdrawal of U. S. forces; for recognition of the legitimacy of the National Liberation Front as representing the people of South Viet Nam. So far as I know, that is Hanoi's position right now; and it's no good.

Now there are some lessons here:

-- Mr. Ashmore should remember that private citizens who get involved in diplomacy have a duty to all parties to keep their mouths shut and leave their memoirs for their grandchildren. He has mistaken a bit of a sideshow for the main tent.

-- The government in Hanoi should remember that if it wants to end this war, the United States has a government to talk to, with experienced, professional men all over the world. We have ended conflicts in Berlin and Korea and Cuba by responsible talk between responsible ^{officials} ~~men~~. That is the way to end the war in Viet Nam.

-- Finally, the American people should remember that our first duty right now is to back our men and our allies fighting shoulder-to-shoulder in Viet Nam. That is the quickest way to peace. We'll know soon enough and surely enough when those who decided to attack South Viet Nam are ready for an honorable peace.

WWR

77

~~1. Summary~~
2. Pres file

Monday, September 18, 1967

Mr. President:

Attached, for your approval, is a warm
farewell message to Saragat. It will be
sent to him in Los Angeles just before
he leaves. State approves.

If this is OK, we will release the message
here after delivery.

W. W. Rostow

OK

☒

No

☐

Speak to me

☐

RHU:em

FAREWELL MESSAGE TO PRESIDENT SARAGAT

772

President Saragat of Italy
20th Century Plaza Hotel
Penthouse Suite, 19th Floor
Los Angeles, California

Dear Mr. President:

As you leave our country, I should like to tell you once more how very pleased Mrs. Johnson and I were to have had you with us in Washington. Your visit and our talks together enabled us to come to know each other better. They also permitted us to reaffirm to you the friendship and respect which we in this country hold for the Italian people and their Chief of State.

I found our exchange of views immensely rewarding. These discussions strengthen the close friendship between our two peoples, and they play an essential role in our mutual efforts to promote the cause of peace and freedom.

Mrs. Johnson joins me in sending you our best wishes and warmest personal regards and in wishing you a very pleasant journey and a safe return to Italy.

Sincerely,

Lyndon B. Johnson

~~WOT~~

78

Monday, September 18, 1967

Mr. President:

Gene Black called today to suggest that, if at all feasible, you ask President Saragat to consider a soft loan for the Prek Thnot Dam in Cambodia. The UN needs \$6 million to complete the \$22 million needed. The U.S. cannot participate in view of Congressional attitudes (the Senate is for, the House against it).

This would open the door to the possibility of getting the Mekong Coordinating Committee cooperating again.

W. W. Rostow

77

Pres file

September 18, 1967

Mr. President:

Glenn Seaborg has submitted for clearance the attached message from you to the Eleventh General Conference of the International Atomic Energy Agency, which convenes in Vienna, Austria, on September 26, 1967. Glenn will lead our delegation to the Conference and deliver your message.

W. W. Rostow

Attachment:
Statement

Approved ✓

Disapproved _____

See me _____

SMKeeny:jb:9-18-67, 5:15 pm
bcc: SMK file&chron
WWR (2)
CEJ
SMK comeback copy

79a

MESSAGE FROM PRESIDENT JOHNSON TO THE IAEA CONFERENCE

I welcome this opportunity to speak, through Chairman Seaborg, to the Delegates to the Eleventh General Conference of the International Atomic Energy Agency.

Today, we realize, more than ever before, the power of science and technology to influence economic, social and political developments in all nations and regions of the world. We also realize that the fullest development of scientific knowledge and the effective peaceful uses of that knowledge demand international cooperation and good will of an unprecedented degree.

We stand today at a crossroad in man's quest for peace and progress. If we can confine its future development to peaceful purposes, the atom will be a powerful force for improving the lives of people all over the world. If more and more nations follow the costly road toward military exploitation, the atom will be a heavy burden on their ascent to a better life - and an increasing threat to the peace of the world.

We still have the chance to do something about this. In Geneva and the world's capitals, we see hopeful progress toward a treaty which will halt the spread of nuclear weapons. Your task here is the exciting and hopeful one of finding more and better ways of putting the peaceful atom at the service of all mankind. As you accomplish

your task and as you return to your scientific institutions and your capitals, I urge you to reflect on the danger to our common goals and even to our very existence which lies along the path of nuclear proliferation.

In sending you the best wishes of the American people for another successful and productive Conference, I commend to you the inspiring words of your own Statute:

"The Agency shall seek to accelerate and enlarge the contribution of atomic energy to peace, health, and prosperity throughout the world...."

Sent via LHX
180250 LOCAL *BP*

80

THE WHITE HOUSE
WASHINGTON

September 18, 1967

Pres file

To: Ben Read

From: Walt W. Rostow

The attached message to the Pope from the
President has been approved. Please dispatch.

86a

His Holiness
Pope Paul VI
Vatican City

September 18, 1967

Your Holiness:

I wish you to know ^{of} my distress at ^{the} news of your illness and of my
profound hope for your early and full recovery.

Lyndon B. Johnson

81

Monday, September 18, 1967

Pres file

MEMORANDUM FOR THE PRESIDENT

I asked the Situation Room to check out the North Vietnamese claim that they downed two aircraft yesterday. Information available in Washington is as follows:

One aircraft was downed on Sunday by a SAM in the vicinity of Haiphong. It was on a strike mission against the rail yard at Haiphong. The pilot was able to bail out over the sea and was rescued.

On Saturday, two reconnaissance aircraft were lost. One is listed as overdue and we have no information on why it went down. A second was downed by a SAM approximately 20 miles southwest of Hanoi. It was on a routine photography reconnaissance mission. No information is available on the crew.

W. W. Rostow

82
Pres file

September 18, 1967.

Mr. President:

State says that they have just learned that Saragat may raise the question of Italian immigration quotas. There are some 100,000 Italian brothers and sisters of US citizens who wish preferential status. Under existing legislation it will be possible to issue visas to them at a rate of only about 5,000 per year.

You may wish to tell Saragat:

- Under the Immigration Reform Act of 1965 total immigration from Italy rose from 10,344 in FY 1965, the last full year before the act, to 26,077 in FY 1967 -- second only to Great Britain and Northern Ireland (27,364) in the Eastern Hemisphere.
- The new Act sets an annual limit for any one country of 20,000. Parents, spouses, children -- but not brothers and sisters -- are exempted.
- There are several bills before Congress to provide "immediate relative status" (and thus exemption from the limit to brothers and sisters and their spouses and children. But chances of passage are not great.

W. W. Rostow

83

Pres file

Monday, September 18, 1967

MEMORANDUM FOR THE PRESIDENT

Mr. President:

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

W. W. Rostow

MWright:hg

~~CONFIDENTIAL~~ ATTACHMENT

~~CONFIDENTIAL~~

83a

Viet-Nam Political Situation Report

September 18, 1967

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-363
By ing, NARA, Date 1-13-95

Dzu Conviction

The Embassy confirms that Dzu was sentenced and fined on two charges: holding an unauthorized bank account in the United States and writing bad checks in 1962. The case against Dzu had been pending for about six months. Dzu has until tomorrow to appeal; a final decision could take several weeks if he chooses this course of action. We have no confirmation of press reports that he does plan to appeal. He may prefer instead to play the role of political martyr.

Validation of Election Results

According to the Assembly's chief administrative officer, about half the Deputies presently seem in a mood to invalidate the election. He felt that a majority would eventually see the light, however, and vote for validation. Several irregularities have been noted, but they seem honest mistakes and not sufficient so far to open the results to serious question.

Thieu-Ky Differences

Differences between Thieu and Ky have evidently spilled over into local Vietnamese press. Reports of dissension are receiving extensive coverage and editorial comment, some of the latter decidedly pro-Ky in nature.

~~CONFIDENTIAL~~

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-362
By CB, NARA, Date 4-8-95

84
September 18, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Port Restrictions on Soviet Ships

When this question was put to you last May (Tab A), your reaction was to hold it "for the present."

The original idea was:

- To increase the number of American ports open to Soviet and Eastern European ships from 12 to about 50;
- To provide for board and search on a spot-check basis (instead of the present full coverage);
- To reduce advance notification from 30 days to 7.

Nick Katzenbach, Foy Kohler and others at the State Department have looked at the problem again. They have come back recommending we take only the third step -- reducing advance notification to 7 days. The original 30-day requirement was a rule the State Department set up for its own convenience in processing visas and export licenses for bunker fuel. (The Coast Guard has never required more than 7 days advance notice for its search and surveillance responsibility.)

The change might result in a few more Soviet and Polish freighters calling at U.S. ports, and this might increase the chances of labor union opposition and political flak. However, easing the requirement would go a long way toward quieting the Russians and preventing retaliation (which the Russians have threatened) against our cruise-ship calls at Leningrad and Odessa. Kosygin raised the matter personally with Ambassador Thompson a few months ago.

Nick does not believe we need Congressional consultation -- as it might actually stir up the issue over a minor administrative change. We would advise interested commercial shipping agents but not issue a press release. I recommend approval.

W. W. Rostow

Approve ✓

Disapprove _____

Speak to me _____

WWR:ND:gg

~~SECRET~~

Copy for Mr. Rostow

84a

THE WHITE HOUSE
WASHINGTON

May 12, 1967

Mr. President:

The Russians last gave us a prod on this two or three days ago. Nevertheless, we would hold up on consultation until it is clear that the game of naval "chicken" in the Japan Sea does not show a pattern.

Francis M. Bator

THE WHITE HOUSE

WASHINGTON

Friday, May 12, 1967, 1:30 p.m.

846

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Port Restrictions on Soviet Ships

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ

91-442

By *[Signature]*, NARA, Date 7/21/94

The Russians are once again putting pressure on us (Kosygin - Thompson) to reduce our present tough restrictions on access by Soviet ships to U.S. ports. On the face of it, they have a beef. They treat U.S. ships on a par with others. We keep them out of all but 12 of our ports, and put them through a lot of red tape, frisking, etc. before we let them in anywhere -- restrictions which we do not apply to non-communist nations. The result is that they almost never use our ports. Our ships don't much use theirs either, but that is by choice.

On the basis of an interagency staff level recommendation, Nick Katzenbach suggests that we explore with key labor people (Meany, Gleason, et al) -- and then on the Hill -- the possibility of some careful easing of the restrictions. A brief summary of the kind of easing we have in mind is at Tab A. It would be designed to forestall a row with Moscow, without any risk to the security of our ports. (The present arrangements were designed to keep the Russians from sneaking nuclear weapons into U.S. big-city harbors. This made some sense in the mid-50s before the Russians developed intercontinental missiles with hydrogen warheads. It makes little sense now. In any case, we would maintain enough control to hedge our bets.)

In any case, we must proceed carefully. This is the sort of thing that could cause a rapid rise of George Meany's temperature. And he would have plenty of allies among the more edgy of our security people, who tend to think there is a communist under every bed.

The recommendation to consult comes from Katzenbach and has the support of the appropriate people in the other agencies, including Defense and the Chiefs. If you approve, we would go ahead only after it is clear that the current game of naval chicken in the Sea of Japan does not develop into a pattern. And after taking soundings, we would lay out for you the choices for final decision.

Fm
Francis M. Bator

OK for Katzenbach, Wirtz/George Weaver, et al, to take soundings with Meany/Gleason and then on the Hill _____

No _____

Speak to me _____

~~SECRET~~*Pres. Note - I would hold this for the president*

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-362
By CG, NARA, Date 4-8-95

TAB A

PROPOSED CHANGES IN REGULATIONS

Ports of Call:

At present 12 American ports are open to Soviet and Eastern European ships.

The proposal is to increase this number to about 50 -- opening no ports which the Joint Chiefs of Staff say are near sensitive areas.

Boarding, Search and Surveillance:

At present, classified regulations require boarding, search and surveillance of all Soviet bloc ships.

The proposal is to provide boarding, search and surveillance on a selective, spot check basis, as the Coast Guard says it does not have the staff or men to guarantee full coverage in every case. We would have full coverage whenever there are any suspicious circumstances, and often enough to prevent the visiting ships from thinking they might not be inspected.

Advance Notification:

At present we require 30 days advance notification of any visit.

The proposal would be to reduce advance notification to 7 days -- although visa requirements would remain unchanged and would continue to require longer notice. (Soviet freighters calling at Canadian ports are getting private U.S. orders for merchandise at the last minute and want to be able to swing down to a U.S. port on shorter notice.)

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-362
By CLG, NARA, Date 4-18-95

85

~~1. Pr. file~~
1. Pr. file

~~TOP SECRET~~ -- SENSITIVE

Saturday, September 16, 1967
6:20 p. m.

Mr. President:

Although it doesn't get anywhere in particular, you will wish to read this report of how the message we gave Kissinger was finally delivered and what was said.

Whatever comes of it, I am sure you will enjoy my friend Bo's comment on Dzu (marked passage, page 5).

W. W. Rostow

Paris 3501

~~TOP SECRET~~ -- SENSITIVE

WWRostow:rlh

INCOMING TELEGRAM *Department of State*

with
2 *85a*

~~TOP SECRET~~

Action

ZZ RUEHC
DE RUFNCR 3501 2591720

CONTROL: 3931Q

ZNY TTTT

Rec'd: September 16, 1967
3:27 p.m.

Info

Z 161605Z SEP 67
FM AMEMBASSY PARIS
TO SECSTATE WASHDC FLASH 5542
STATE GRNC
BT

~~TOP SECRET~~ PARIS 3501

NODIS/PENNSYLVANIA

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-363
By *48*, NARA, Date *1-13-95*

FROM KISSINGER

I LUNCHEd WITH A. AND M. WITHIN MINUTES OF THEIR INTERVIEW WITH BO WHICH LASTED FOR OVER AN HOUR. THE FOLLOWING REPORT IS THEIR ACCOUNT BASED ON EXTENSIVE NOTES TAKEN BY A. I READ MY OWN NOTES BACK TO THEM TO CHECK THEIR ACCURACY. A. DID MOST OF THE TALKING AT LUNCH AND ALSO AT THE INTERVIEW WITH BO. QUOTATIONS REFLECT THE BEST RECOLLECTION OF A. AND M. BASED ON NOTES MADE DURING RPT DURING THE INTERVIEW.

BO GREETED A. AND M. VERY AFFABLY AND OFFERED THEM WHISKEY.

~~PAGE TWO RUEHC 3501 TOP SECRET~~

A, WHO IS SUFFERING FROM A SCIATIC CONDITION WHICH DELAYED HIS ARRIVAL FROM ROME, DECLINED ON DOCTOR'S ORDERS. BO SAID THAT HE DID NOT LIKE WHISKEY BUT, LOOKING AT M., THAT WHISKEY DID HELP TO REDUCE ANXIETIES. HE THEN OFFERED TEA AND PASTRY. HE SAID THAT HE HAD BEEN ESPECIALLY CHARGED BY PRESIDENT HO TO INQUIRE INTO THE HEALTH OF A'S FAMILY, ESPECIALLY HIS DAUGHTER.

A. THEN HANDED HIM THE U.S. MESSAGE IN A SEALED ENVELOPE. BO ASKED WHETHER HE KNEW ITS CONTENT. A. REPLIED THAT ALL HE KNEW WAS THAT I HAD DESCRIBED IT AS "CONCILIATORY". (HE USED THE ENGLISH WORD AND BO MADE HIM WRITE IT DOWN. BO DID NOT OPEN THE ENVELOPE IN A & M'S PRESENCE.

A. NEXT SHOWED BO THE STORIES IN LE MONDE OF YESTERDAY AND OF LE FIGARO THIS MORNING AND INQUIRED ABOUT THEIR SIGNIFICANCE. BO, WHO HAD OBVIOUSLY BEEN EXPECTING THE QUESTION REPLIED THAT THE THREE TO FOUR WEEK INTERVAL BETWEEN THE END OF BOMBING AND THE BEGINNING OF NEGOTIATIONS WAS AN INVENTION OF JOURNALISTS. PHAM VAN DONG'S

~~TOP SECRET~~

~~TOP SECRET~~

-2- PARIS 3501, September 16---NODIS/PENNSYLVANIA

PAGE THREE RUFNCR 3501 ~~TOP SECRET~~

STATEMENT HAD GIVEN NO GROUND FOR THE TIME PERIOD MENTIONED IN THE NEWSPAPERS..

A. THEN TURNED THE CONVERSATION TO THE CONTINUED VALIDITY OF THE A-M CHANNEL. HE SAID HE DID NOT MIND ACTING AS A MAILMAN BUT THERE WAS NO SENSE IN CONTINUING IF IT LED NOWHERE OR EMBARRASSED EITHER PARTY. "WE ARE, IN MY JUDGMENT, AT THE END OF OUR TETHER (AU BOUT DE NOTRE ROULEAU). WE HAVE ESTABLISHED CONTACT AND WE SHOULD "WITHDRAW" BO REPLIED: "MY DEAR FRIENDS, YOU ARE NOT IN MY JUDGMENT AT THE END OF YOUR TETHER. YOU HAVE BEEN RECEIVED AS FRIENDS. WE TRUST YOU AND YOU TRUST KISSINGER. WHAT YOU HAVE BEEN DOING IS USEFUL. IF WE THINK WHAT YOU ARE DOING IS NOT USEFUL, WE SHALL TELL YOU. WHEN YOU ASKED FOR A VISA CONCURRENT WITH THE BOMBARDMENT OF HANOI, WE REFUSED. TO LET YOU COME WOULD HAVE DISCREDITED US AND ULTIMATELY YOU. BUT YOU SEE YOU HAVE PRODUCED RESULTS. THERE WAS A MESSAGE TO US FROM THE UNITED STATES GOVERNMENT WHICH WE ACCEPTED. WE REPLIED, TO BE SURE, NEGATIVELY. THIS WEEK WE HAVE HAD TWO BRIEF COMMUNICATIONS AND TODAY A FORMAL MESSAGE. SO YOU ARE BEING USEFUL."

PAGE FOUR RUFNCR 3501 ~~TOP SECRET~~

M. THEN SAID THAT HE THOUGHT THE TIME HAD COME FOR BO TO SEE ME. BO ASKED MANY QUESTIONS ABOUT MY PLANS FOR NEXT WEEK. (NOTE: FOR WASHINGTON'S INFORMATION, I HAVE CANCELLED MY VISIT TO BONN BUT AM COMMITTED TO A SPEECH IN HANOVER ON SATURDAY. I SHALL STAY HERE UNTIL ABOUT NOON SEPT 22.) M. SAID THAT ONE WAY OF ARRANGING A MEETING WOULD BE TO HAVE COFFEE TOGETHER IN SOMEBODY'S HOUSE. BO REPLIED: "LET ME THINK ABOUT HOW BEST TO ARRANGE A MEETING AND I WILL LET YOU KNOW. I WILL CALL YOU AS I CALLED YOU LAST WEEK."

M. THEN RETURNED TO HIS THEME OF REPORTING TO THE ELYSEE IF THE PRESENT EFFORT FAILED BUT OFFERING TO CHECK WITH BO FIRST. TURNING TO A. BO SAID: "OUR FRIEND M. IS VERY IMPATIENT. FIRST HE WANTED TO REPORT TO PUGWASH, NOW TO THE ELYSEE. I CAN TELL YOU NOW THAT I SHALL NEVER TELL YOU NOT TO REPORT TO THE ELYSEE BUT ALSO I SHALL NEVER TELL YOU TO REPORT THERE. YOUR CHANNEL IS NOT AT THE END OF ITS USEFULNESS. I SEE NO NEED TO BRING ANYONE ELSE IN. COMPLICATED MATTERS TAKE SOME TIME TO MATURE AND BECOME MORE COMPLICATED IF TOO MANY PEOPLE INTERVENE." (NOTE: A. COMMENTED THAT HANOI AND WASHINGTON OBVIOUSLY SAW PROCEDURAL MATTERS IN THE SAME LIGHT.)

~~TOP SECRET~~

~~TOP SECRET~~

-3- PARIS 3501, September 16---NODLS/PENNSYLVANIA

~~PAGE FIVE RUENCR 3501 TOP SECRET~~

N. RETURNED TO THE INTERVIEW OF A. AND M. WITH PHAM VAN DONG. HE ASKED WHETHER DZU (THE RUNNER-UP IN THE PRESIDENTIAL CAMPAIGN IN SVN) WOULD BE ACCEPTABLE TO THE NLF IN THE MORE BROADLY BASED GOVERNMENT. PHAM VAN DONG HAD MENTIONED IN JULY. BO SAID THAT HE HAD GONE TO UNIVERSITY IN PARIS WITH DZU AND KNEW HIM. DZU WAS A HEEL (SALAUD), WHO ALL HIS LIFE HAD BEEN INVOLVED IN CURRENCY MANIPULATIONS. HE COULD NOT BE COUNTED ON. THERE WERE, HOWEVER, MANY REASONABLE PEOPLE IN THE SOUTH, INCLUDING HIGH-RANKING MILITARY OFFICERS. WHEN A. ASKED ABOUT THIEU BO REPLIED: "I DO NOT UNDERSTAND A MAN WHO GETS HIMSELF ELECTED ON THE BASIS OF INVITING FOREIGNERS TO BOMB HIS COMPATRIOTS." A WAS STRUCK BY THE RELATIVE MILDNESS OF HIS COMMENT.

IN CONCLUSION BO ASKED A. AND M. WHETHER I HAD SAID ANYTHING ABOUT THE POLITICAL SITUATION IN THE U.S. BECAUSE OF PARIS 3341 I HAD THOUGHT THAT THIS ISSUE MIGHT COME UP. FOLLOWING MY RECOMMENDATIONS, A. AND M. SAID THAT THE MAIN LINES OF AMERICAN FOREIGN POLICY WOULD NOT CHANGE NO MATTER WHO WON IN 1968 - UNLESS IT WAS REAGAN IN WHICH CASE THERE WOULD BE A GREATER POSSIBILITY OF ESCALATION THAN OF PEACE OVERTURES.

~~PAGE SIX RUENCR 3501 TOP SECRET~~

BO SEEMED SURPRISED AT THIS NEWS.

A. DID NOT RAISE THE NUANCE HE MENTIONED ABOUT THE TEXT OF THE HANOI MESSAGE OF SEPT 11 (SEE PARIS 3492) BECAUSE HE WAS AFRAID IT MIGHT INVOLVE AN IMPLICATION THAT THE VIETNAMESE LACKED ADEQUATE FRENCH.

AT THE END OF THE MEETING BO RETURNED M'S HANDWRITTEN NOTES OF THURSDAY (SEE PARIS 3383). M. APOLOGIZED FOR THE INADEQUATE FRENCH AND POOR HANDWRITING. BO SAID THAT THE NOTES HAD BEEN VERY USEFUL. M. OFFERED TO TYPE THEM UP. BO, FOLLOWING THE RULES OF THE "GAME" SAID THAT THIS WAS NOT NECESSARY. HE HAD STUDIED THEM SUFFICIENTLY.

CONCLUSIONS: (1) A. WHO ON THE WAY FROM THE AIRPORT HAD BEEN VERY PESSIMISTIC ABOUT THE CONTINUED USEFULNESS OF THE A-M CHANNEL HAS CHANGED HIS VIEW. WHERE THIS MORNING HE THOUGHT THAT THE BASIC PROBLEM WAS THAT HANOI EITHER COULD NOT OR WOULD NOT TALK HE NOW BELIEVES THAT IT IS TORTUOUSLY GROPING ITS WAY TO A DIALOGUE WITH THE U.S.

~~TOP SECRET~~

~~TOP SECRET~~

-4- PARIS 3501, September 16, ---NODIS/PENNSYLVANIA

~~PAGE SEVEN RUFNCR 3501 TOP SECRET~~

(2) A BELIEVES THAT BO ALREADY HAS AUTHORITY TO SEE ME BUT WANTS TO WAIT UNTIL CLOSER TO MY DEPARTURE. HE WANTS, IN A'S JUDGMENT, TO AVOID AN IMPRESSION OF OVEREAGERNESS. HE DID NOT ONCE MENTION THE NEED OF REFERRING THE REQUEST TO HANOI.

(3) A. & M. CONSIDER IT SIGNIFICANT THAT THE BOMBING OF HANOI OR HAIPHONG WAS NOT MENTIONED BY BO (EXCEPT PERIPHERIALLY TO EXPLAIN THE REFUSAL OF A VISA) EVEN THOUGH THE LAST U.S. COMMUNICATION REFERRED TO THEM (SEE PARIS 3383 & 3415).

(4) A. WAS EAGER TO RETURN TO ROME. I ASKED HIM TO STAY OVER THE WEEK END. HOWEVER, HE PLANS TO LEAVE MONDAY MORNING AND RETURN WEDNESDAY.

(5) MY RECOMMENDATION IS THAT WE SIT TIGHT. IF WE HAVE NOT HEARD FROM BO BY WEDNESDAY AFTERNOON, A. CAN CALL AND REQUEST AN APPOINTMENT FOR HIMSELF AND M FOR THURSDAY. THIS MEETING COULD

~~PAGE EIGHT RUFNCR 3501 TOP SECRET~~

DISCUSS HOW TO USE THE A-M CHANNEL AFTER I LEAVE PARIS. I WOULD BE GRATEFUL FOR GUIDANCE ON THIS POINT AS ON ANY ADDITIONAL POINTS TO DISCUSS WITH BO IF THE MEETING TAKES PLACE. GP-1 BOHLEN
BT

~~TOP SECRET~~

86

Saturday, September 16, 1967
6:20 p.m.

Pres file

Mr. President:

Herewith Bill Leonhart's
report on rice prices and rice
strategy in Viet Nam, with charts
I recommended he include.

W. W. Rostow

WWRostow:rlh

Mr. Rostow

86a

September 16, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Rice Prices and Rice Strategy in Vietnam

1. The three basics in the Vietnam rice situation seem to us:

a. Rice price is probably the single most important variable for economic strategy in Vietnam. It is critical for inflation vs. stabilization, for direction of scarce manpower, and for government policy toward its rural and its urban constituents.

b. Our PL-480 rice dominates the market. Total commercial sales of rice in 1967 will amount to about 960,000 tons of which over 75 percent (740,000 tons) will be PL-480. The proportion will be as large or larger in 1968. Thus the price we set for PL-480 controls the price of domestically produced rice. We can raise it, roll it back or hold it constant.

c. Prices fell about 12 percent last April and have remained virtually constant since. This six months of price stability followed a 200 percent increase in the previous year. (See chart.) The 1965-66 spurt contributed to the inflation that gave us much trouble. But it helped spread urban prosperity to the countryside, redressing prices for the grower and adding incentive to produce.

2. The pros and cons of alternative price policies have been argued extensively for the past year and a half -- here and at Saigon. Some -- notably the Department of Agriculture -- have favored, and continue to contend for, increasing rice prices substantially above present levels. Agriculture believes that this would:

- induce Vietnamese farmers to grow more rice and thus reduce PL-480 needs;
- increase rural incomes and presumably improve peasant attitudes toward the GVN;
- move Vietnam toward post-war economic self-sufficiency.

3. Our recent PL-480 negotiations were deadlocked for a time on Agriculture's price policy. Embassy Saigon, State, AID, and this office resisted the effort to write new price increases into our PL-480 agreement, because:

a. The main reason for low rice production is rural insecurity. Even a large price rise might not yield much additional output against the constraints of VC terror and rice levies, military combat operations and population movements from the countryside to the cities.

b. Higher rice prices mean more inflation, the main burden of which falls on the GVN civil servants and military.

c. Laying too much stress on economic inducements to rice growers would draw manpower away from other high priority uses, such as armed forces, police and RD teams, or growing vegetables and other necessary crops which, unlike rice, cannot be imported.

d. Finally, the GVN is opposed on political grounds to raising rice prices now. To force them far along this road would require much pressure -- more than the results would justify -- in a situation in which we need to relate our leverage carefully to our priorities.

4. While the case for price increases was unconvincing, the opposite policy of sharp price reductions now would also have serious disadvantages:

a. Consumers would clearly benefit but, granted higher urban prosperity, they seem to have adjusted to present levels without major political repercussions. Rice prices have not been a significant issue in the election campaigns, and the GVN has not sought our help in lowering local selling prices for PL-480 rice.

b. Growers would be seriously hurt, just at the time economic benefits have begun to spread in the countryside and rural pacification is moving ahead faster. Producers have based this year's fertilizer and insecticide purchases on present price levels. A roll back now, just as the harvest is beginning, could cause them losses; leave them unwilling to invest in fertilizer, etc. next year; and cut 1968 production.

c. We have tried out with the GVN a number of subsidy schemes and "rice stamp" proposals to keep grower prices high and consumer prices low. There is a case for increasing supplies of subsidized rice in ARVN and GVN commissaries which we are actively exploring with our Mission. But the GVN has been negative to any general subsidy program because of its desire to avoid complex administrative schemes open to graft and corruption.

5. Present and Recommended Rice Strategy. With all the above in play, the main elements of our 1968 strategy have been worked out over the past year here and in Saigon as the best balance between rural and urban interests. It has the concurrence of Embassy Saigon, State and AID -- and the reluctant acquiescence of Agriculture:

a. Plenty of Imported Rice. Our PL-480 projections for 1968 (800,000 tons) should, on all present estimates, permit us to maintain adequate stocks and avoid rice crises like that in the first quarter of 1967. We will keep these estimates under close review and submit a revised PL-480 budget for your approval in November.

b. Stable Uniform Prices. We aim to keep Saigon retail prices within the range of the last six months and well below the levels of last March. We can hold within this range, make necessary minor upward adjustments for higher milling standards to adapt PL-480 to Vietnamese tastes, and maintain farm prices at no less than ten percent above the average of last harvest season.

c. Higher Rice Productivity. We will continue to encourage the use of fertilizer and machinery by keeping prices of these items low, providing farm credit, and removing administrative bottlenecks to distribution and marketing in the countryside. We want to maintain strong grower incentive to use modern technology to increase yields.

d. Post-War Planning for Rice Exports. Vietnam will be dependent upon imported rice as long as the countryside is insecure and the war demands large local manpower inputs. But our aid programs are developing and distributing improved strains of rice and adapting modern methods to Vietnam's environment to make the country again a major rice exporter after the war.

6. If you approve this strategy, we will continue on these lines. If you would like to hear more discussion of the pros and cons of alternative price strategies, we would be glad to set up a meeting with State, AID and Agriculture.

OK on present lines ✓ 9/18/67

Set up a meeting _____

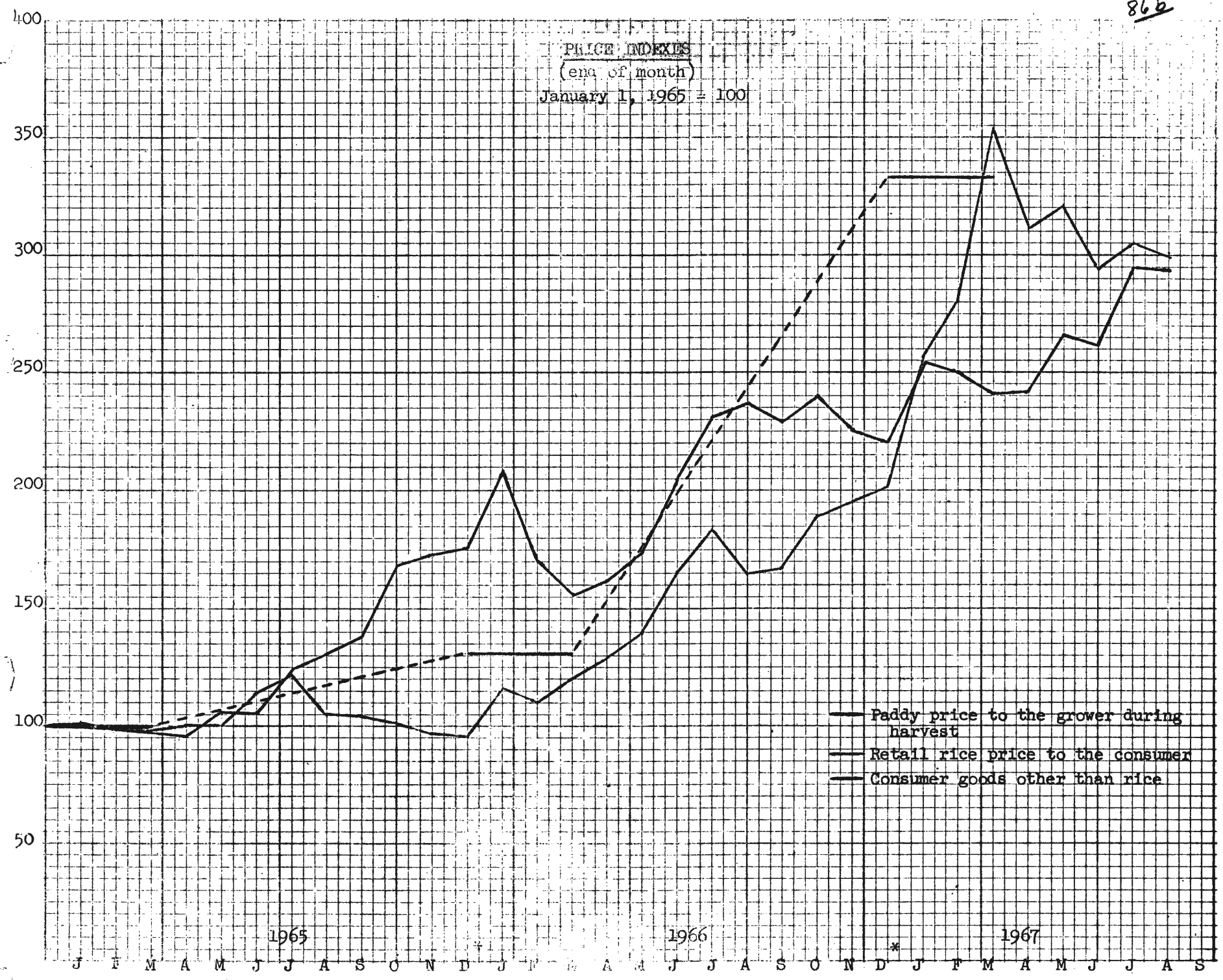
See me _____

William Leonhart

Enclosure:

Chart on Price Indexes.

WmL:sc



~~SECRET--EXDIS~~

Saturday, September 16, 1967

11:30 a. m.

*went up at about
3:40 pm*

Pres file

Mr. President:

This cool French assessment of
Hanoi's basic attitude towards negotiating
now will interest you.

W. W. Rostow

Paris 3341

*Another report - in same
ven - is attached.*

~~SECRET--EXDIS~~

WWRostow:rln

DECLASSIFIED
E.O. 13526, Sec. 3.4(b)
White House Conf. Room, Feb. 24, 1983
By rg, NARA, Date 10-1-91

87a

~~SECRET--EXDIS~~

September 16, 1967

Paris 3341

SUBJECT: DRV Attitude Toward Negotiations

Embassy Official asked Manac'h, September 13, whether Qual had detected any change in DRV position over last few weeks toward negotiations. Manac'h replied that if anything DRV attitude had "hardened" and DRV may even be less inclined to make "gesture" to obtain negotiations than some months ago (as, for example, Trinh's January 28 statement). He based this assessment on his two conversations this month with DRV representative in Paris Mai Van Bo, cables from French representative Hanoi De Quielle, and report from Algerian Ambassador, Peking, who recently visited Hanoi. Reasons cited by Manac'h for what appeared to him as possible hardening of DRV position can be found in: (a) feeling DRV leaders that already much of their country destroyed and DRV has little to lose by continuing struggle; (b) conviction North Vietnamese leaders that 1968 U. S. presidential elections -- regardless of who elected -- will bring about favorable change in U. S. policy toward Vietnam; (c) impression North Vietnamese leaders that U. S. negro problem (which Manac'h thinks is exaggerated in their minds) will force U. S. to disengage in Vietnam in order to devote energy and resources to domestic problems; (d) increasing opposition to continuation of present U. S. - Vietnam policy by leading Americans. "One merely has to read newspapers to see how split U. S. is on this subject." All of these factors taken together, Manac'h said, makes North Vietnamese conclude that time is on their side, that all they have to do is to hang on and that, therefore, they do not have to change their present intransigent policy.

BOHLEN

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-363
By inf, NARA, Date 1-13-95

~~SECRET--EXDIS~~

SANITIZED
E.O. 12958, Sec. 3.6
NLJ / RAC 00-307
By sj, NARA Date 7-4-01

CENTRAL INTELLIGENCE AGENCY

ROUTINE

876

Intelligence Information Cable

PAGE 1 OF 3 PAGES

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

EXO DD/

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

~~NO FOREIGN DISSEM~~

GROUP 1
Excluded from automatic
downgrading and
declassification

THIS IS AN INFORMATION REPORT. NOT FINALLY EVALUATED INTELLIGENCE.

~~SECRET~~

CITE [REDACTED]

DIST 15 SEPTEMBER 1967

COUNTRY NORTH VIETNAM/FRANCE

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

DOI EARLY SEPTEMBER 1967

SUBJECT NORTH VIETNAMESE OFFICIAL'S COMMENTS ON PEACE NEGOTIATIONS

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

ACQ 13 SEPTEMBER 1967

FIELD NO.

SOURCE

[REDACTED]

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

1. LE DINH NAHN, THE NORTH VIETNAMESE DIPLOMAT IN PARIS WHO HANDLES LIAISON WITH THE FRENCH COMMUNIST PARTY ON PROPAGANDA MATTERS, MADE THE FOLLOWING COMMENTS IN EARLY SEPTEMBER 1967 ON PEACE NEGOTIATIONS

[REDACTED]

A. THE PRINCIPAL OBJECTIVE IN PROPAGANDA ACTIVITY CONTINUES TO BE THE ADVOCATION OF COMPLETE AND UNCONDITIONAL CESSATION OF BOMBARDMENTS OF NORTH VIETNAM BY THE UNITED STATES. THIS OBJECTIVE MUST CONTINUE TO STAND BY ITSELF AND SHOULD NOT BE TIED TO ANY QUID PRO QUO ON THE PART OF THE NORTH VIETNAMESE GOVERNMENT.

B. IF THE BOMBARDMENT OF NORTH VIETNAM BY THE UNITED STATES CEASES, NORTH VIETNAM WOULD BEGIN NEGOTIATIONS WITH THE UNITED STATES. HOWEVER, THE NORTH

~~SECRET~~ NO FOREIGN DISSEM
(classification) (dissem controls)

~~SECRET~~ NO FOREIGN DISSEM
(classification) (dissem controls)

VIETNAMESE GOVERNMENT WOULD TAKE NO POSITION ON THE FORM THESE NEGOTIATIONS WOULD TAKE PRIOR TO THE UNCONDITIONAL CESSATION OF BOMBARDMENTS.

C. THE NORTH VIETNAMESE GOVERNMENT IS OPPOSED TO ANY NEGOTIATIONS BETWEEN THE UNITED STATES AND THE NATIONAL LIBERATION FRONT. THE UNITED STATES MUST NEGOTIATE DIRECTLY WITH NORTH VIETNAM.

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

D. THE NORTH VIETNAMESE GOVERNMENT IS OPPOSED TO ANY NEW GENEVA CONFERENCE ON VIETNAM. [REDACTED] COMMENT. [REDACTED] THIS NORTH VIETNAMESE POSITION, WHICH IS SHARED BY THE SOVIET UNION, REFLECTS THE NEED FOR EXCLUDING COMMUNIST CHINA FROM ANY ROLE IN NEGOTIATIONS ON THE VIETNAM WAR. COMMUNIST CHINA, [REDACTED] IS OPPOSED TO THE PRESENT NORTH VIETNAMESE POSITION ON NEGOTIATIONS.)

2. LE DINH NAHN COMMENTED THAT THE SOUTH VIETNAMESE ELECTION RESULTS CAUSED INCREASED DISUNITY IN SOUTH VIETNAM AND THAT HE EXPECTED THAT ALL SORTS OF PROPOSITIONS ON PEACE NEGOTIATION WOULD SOON BE FORTHCOMING AS A RESULT. NONE OF THESE PROPOSITIONS WOULD BE CONSIDERED, HOWEVER, UNLESS THERE WAS FIRST AN UNCONDITIONAL CESSATION OF BOMBARDMENTS OF NORTH VIETNAM.

3. LE DINH NAHN EXPRESSED GRATIFICATION THAT IN FRANCE AND THE UNITED STATES PUBLIC OPINION WAS INCREASINGLY FAVORABLE TO NORTH VIETNAM'S POSITIONS. IN HIS VIEW, THERE APPEARS TO BE ALMOST COMPLETE UNITY OF OPINION THAT THE UNITED STATES SHOULD CEASE ITS BOMBING OF THE NORTH. NAHN ATTACHED PARTICULAR IMPORTANCE TO THE FAVORABLE TREND HE BELIEVES IS DEVELOPING IN AMERICAN PUBLIC OPINION.

4. SOURCE COMMENT. [REDACTED] NAHN IS VERY OPTIMISTIC ABOUT NORTH VIETNAM'S POSITION ON NEGOTIATIONS.

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(C)

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(classification)

(dissem controls)

VIETNAMESE PROSPECTS FOR SETTLING THE VIETNAMESE WAR ON ITS OWN TERMS, AND HE APPEARS TO EXPECT THAT THE UNITED STATES, IN RESPONSE TO PUBLIC OPINION, WILL SOON STOP ITS BOMBING OF NORTH VIETNAM.

5. FIELD DISSEM. STATE (AMB, DCM, POL COUNSELLOR ONLY), CINCPAC, ARPAC, PACAF, PACFLT (ALSO SENT SAIGON, PARIS, BANGKOK, HONG KONG).

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~~SECRET~~

~~NO FOREIGN DISSEM~~

(classification)

(dissem controls)

~~CONFIDENTIAL~~

Saturday
September 16, 1967

88

Pres file

Mr. President:

Attached is a letter just received from President Kaunda of Zambia asking our help in:

- finding two light freighters for sale to Zambia and Tanzania to start a joint shipping line on Lake Tanganyika.
- building weapons and munitions factories in Zambia.

State is working up an answer. We can certainly be helpful on the first request; this is precisely the sort of sub-regional trade in East Africa we are trying to encourage. The second request is tougher. We will have a recommendation for you along with the proposed reply to Kaunda.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-362
By cb, NARA, Date 4-18-95

~~CONFIDENTIAL~~

Hamilton, 9/16
88a

~~CONFIDENTIAL~~

September 16, 1967

Text of Cable from Ambassador Good (Lusaka 350)

Subject: Letter from President Kaunda to the President

Here follows text of letter to the President handed to me September 9 by President Kaunda:

"I take this opportunity to approach you, Mr. President, once again because in the past my country, Government and myself have rushed to you for aid in times of great need. This time I have two matters on which I seek your immediate help.

"The first is that both Tanzania and Zambia have agreed to pioneer the establishment of a shipping line on Lake Tanganyika. This will obviously serve the immediate needs of Zambia. Perhaps I should mention here that this is not a selfish move to leave out our other neighbors, namely the Republic of the Congo (Kinshasa), Burundi and Rwanda. In fact we have already taken the initiative in the direction of establishing a jointly-owned shipping line. However, our needs are such that we must act at once and this is why Tanzania and Zambia are going ahead to do this. I know that the right thing would have been for me to make this an ordinary business deal, but again we desperately need two boats urgently and this is why I ask for help.

"May I here conclude by saying the following:

A. Zambia and Tanzania will pay for these boats.

B. We need your personal, as well as your Government's support, to get through the business of getting to know where in the United States we can get these boats on the same terms as we got the diesel locomotives which are, by the way, doing a wonderful job here.

C. May I emphasize the urgency of the matter

"The next matter, in many ways of equal importance, is that I would like to see my Government build up an arms and ammunitions factory here in Zambia. The range of weapons I am thinking of is anti-personnel, anti-tank and anti-aircraft. What I would like to know is whether your Government can help us in principle to build such factories and once this is agreed to we could then go into details.

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E.O. 12356, Sec. 3.4

NEJ 94-363

By ip, NARA, Date 11-1-95

~~CONFIDENTIAL~~

PRESERVATION COPY

"Mr. President, I appreciate that you are a very busy man, so allow me to repeat that I am encouraged by the way you have responded to our call in the past." End text.

Comment: Respecting the munitions plant, I explained to Kaunda that, while my knowledge of U. S. law was deficient, I suspected this would be difficult for the United States Government to consider and asked whether others had been approached. He said he had written both British and Swedish Prime Ministers with no reply yet. As previously reported the Anglo-American Corporation is putting up an explosives factory but, Kaunda explained, Harry Oppenheimer of the Corporation adamantly refused to move beyond explosives to munitions manufacture.

We have good reason to be quickly responsive to his first request. I hope the Department will press Commerce to explore the relevant manufacturers. If there is interest in pursuing the matter, it would be wise for a Company representative to visit the area as soon as possible. In the meantime, we are getting specifications for ships from the Ministry of Transport. Kaunda tells me no other country has been approached on this project as yet.

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~~CONFIDENTIAL~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

89
Mr. Rostow
Pres file
September 16, 1967.

Secret
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Saragat Visit, September 18-19, 1967.

SCHEDULE

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-362
By CB, NARA, Date 4-18-95

Monday, September 18.

5:00 PM Arrival ceremony

5:30 PM Meet with Saragat and Fanfani (advisors in Cabinet Room).

Tuesday, September 19.

11:30 AM Meet with Saragat and Fanfani

8:00 PM Dinner

GENERAL OBJECTIVES

For Saragat and the Italian Government the visit is an affirmation of Italy's position as a "major" power in Western Europe. The Italian President's powers are sharply limited by the Constitution, but Saragat has personal political power and considerable influence.

For us, this is primarily a hand-holding operation. The visit will get a big play in Italy. Saragat is a strong supporter of close US-Italian relations and NATO.

At Tab A is Secretary Rusk's briefing memo and talking points. A shorter version follows:

TALKING POINTS

Topics You May Wish to Raise.

1. The US, Italy and NATO.

- Close relations with Italy are important to us, and have paid dividends for the Alliance.
- We appreciate Italy's contribution to the Kennedy Round and the international liquidity negotiations.

Secret

- US commitment to Western Europe and NATO remains solid; cooperation essential; major interests coincide.
- Easing of East-West tensions requires unified, strong Western base.

2. Relations with the USSR.

(You may want to tell him about Glassboro.)

3. Vietnam.

(Saragat privately supports US policy. As President, his ability to speak out on controversial issues is limited. Fanfani has been active in trying to promote negotiations, and has come close to advocating that we stop bombing. Both will want your estimate of the situation and the prospects for negotiations.)

4. Aid to LDC's.

- We are impressed by Italy's strong recovery from its 1964 recession (the economy is now growing at about 5.5% per year -- the highest in the EEC).
- We hope Italy can increase its foreign aid, particularly in Africa and Latin America. This is important if we are to get Congressional and public support for our own aid program.

Topics Saragat May Raise.

1. Middle East.

(The Italians are worried about increased Soviet influence there. You will want to give him your views and thank him for Italian protection of US interests in Syria and the Yemen.)

2. ABM Deployment.

Saragat may ask about our decision on ABM's (McNamara informed the Italians beforehand).

You may want to say:

- Our decision implies no shift away from Europe. In fact, ABM's will protect Minuteman, to the benefit of the Alliance.
- The main purpose is to assure Asian nations we will protect them against Chinese nuclear blackmail. Chinese nuclear capability is small, and they are not likely to be irrational. But this is cheap insurance.

- This is not an attempt to protect cities against Soviet missiles. We rely on the Alliance deterrent for that.

3. Non-proliferation Treaty.

(Saragat has been critical of the NPT. He fears it would reduce Italy to second-class industrial status, deprive Italy of a weapon she might some day need, and obstruct European integration. He wants a treaty of limited duration.)

You may want to say:

- We consider an NPT would be an essential step toward a more secure world.
- We will continue to give close attention to Italian concerns about the Treaty.

4. Technology Gap.

(Saragat may refer to Fanfani's proposal in NATO for a common effort to close the technological "gap" between the US and Western Europe.)

You may want to say:

- We are cooperating in studies now underway in NATO and the OECD. Hornig is also doing a study.
- We are just beginning to define the problem and to see where possibilities exist for cooperative action.

For Italian domestic political reasons, Rusk urges that Fanfani be included in your private talks with Saragat.

The Italians want a joint communique. They gave us a draft (Tab B) which Moro and the Cabinet went over in Rome.

You met Saragat in 1964 when he came here as Foreign Minister with President Segni. You last saw Fanfani here in June. Biographic sketches on both are at Tabs C and D.

W. W. Rostow

THE SECRETARY OF STATE
WASHINGTON

3586

892

September 16, 1967

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-363
By lip, NARA, Date 1-13-95

MEMORANDUM FOR THE PRESIDENT

Subject: Your Meetings with President Saragat of Italy

Our objectives are to recognize President Saragat's strong and consistent personal support of our policies and to reaffirm our close relationship with Italy. We want to demonstrate also our recognition of Italy's role as a major NATO ally. A briefing memorandum with suggested talking points is enclosed for your use. Because of Italian constitutional and political requirements, I recommend that Foreign Minister Fanfani be included in all your substantive discussions with President Saragat.

The Italians have expressed a particular desire to have a joint communique issued after the talks. They have given us a draft which has been approved in substance by Prime Minister Moro and Vice Prime Minister Nenni. In view of the constitutional limitations on President Saragat, it was necessary for him to have this Cabinet approval. We have examined the Italian draft carefully and have made certain changes. The enclosed draft is now submitted for your consideration and discussion with President Saragat.*

I shall be present for the meetings. Assistant Secretary for European Affairs Leddy, Ambassador Reinhardt, Deputy Assistant Secretary for European Affairs Stoessel, and Wells Stabler, Country Director for Italy, Austria, and Switzerland, will also be available.

Dean Rusk
Dean Rusk

Enclosures:

1. Briefing Memorandum.
2. Suggested Joint Communique.

Saragat's constitutional position makes it difficult to put much substance in the communique.

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~~GROUP 1~~

Excluded from automatic downgrading and declassification

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VISIT OF
ITALIAN PRESIDENT SARAGAT
September 1967

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E.O. 12356, Sec. 3.4
NEJ 94-363
By ig, NARA, Date 1-13-95

BRIEFING MEMORANDUM FOR THE PRESIDENT

Topics the President Might Wish to Raise

1. U.S.-Italian Relations

Stress the great importance the United States places on its close relations with Italy, and the high value you place on your friendship with President Saragat. Note President Saragat's personal contribution to the continued healthy development of Italian democracy, to close U.S.-Italian relations, and to our common efforts to strengthen the Atlantic Alliance and to achieve world peace.

Applaud the constructive Italian contribution to the successful conclusion of the Kennedy Round and to the negotiations on international liquidity.

2. Continued U.S. Commitment to Europe and to the Atlantic Alliance

Stress the continued commitment of the United States to the defense of Europe and to the Atlantic Alliance. Our commitment to help Viet-Nam against Communist aggression in no sense lessens our conviction that the defense of Europe and the defense of the United States are indivisible. Strong Western defenses, European unity within the framework of the Atlantic partnership, and measures easing East-West relations together offer the best prospects for world peace and security.

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President Saragat may say that he approves of American efforts to reach broader areas of understanding with the Soviet Union; he hopes, however, that the United States will carefully avoid any arrangements, such as unbalanced NPT, which could be detrimental to the security of Western Europe.

3. Viet-Nam and the Far East

President Saragat privately supports U.S. policy on Viet-Nam. He may say that although he himself understands that a defeat of the U.S. effort there would have damaging repercussions in Europe and elsewhere, this is not generally appreciated in Italy. Political campaigning in Italy for next spring's legislative elections may cause further deterioration in public attitudes toward the American position.

President Saragat will want your estimate of the situation in Viet-Nam and the prospects for a negotiated settlement. He will also want your evaluation of the situation in Communist China.

4. Italian Aid to Less-Developed Countries

Express admiration that Italy has recovered from the 1964 recession and has entered a new phase of prosperity, marked by international reserves of \$5.5 billion. Encourage Italy to expand its assistance to developing countries, particularly in Africa and Latin America where there are important Italian interests.

Topics President Saragat Might Raise

1. Mediterranean Basin

President Saragat may indicate Italian concern over the situation in the Middle East, which has been heightened by the

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increased Soviet presence in the Mediterranean and the earlier French withdrawal from the NATO military command. He may inquire about our view of Tito's ideas for a Middle East settlement.

Express appreciation for Italian protection of U.S. interests in Syria and The Yemen. Explain your view of the current situation and reaffirm our desire to work closely with the Italians toward the achievement of lasting peace and security in the area. Say you do not think Tito's plan offers the basis for an equitable settlement.

2. ABM Deployment

President Saragat may refer to Secretary McNamara's letter of September 13 to the Italian Minister of Defense informing him of his forthcoming speech (on September 18) announcing the U.S. decision to deploy a "thin" ABM system. He may ask:

a) if deployment against Chinese missiles symbolizes a new Far Eastern orientation of U.S. policy at the expense of Europe, and

b) if this U.S. deployment will make the American people "safer" against Soviet missiles than Europeans.

Make clear to President Saragat that we do not view the threat by the Chinese nuclear capability as very great, or the Chinese as potentially irrational. The U.S. deployment, however, will be relatively cheap insurance--\$4 billion over five years--and will serve to reassure free Asian nations that we will protect them against possible Chinese nuclear blackmail. This deployment implies no shift in orientation of U.S. policy. It will serve to protect the Minuteman against Soviet attack; any broader

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effort to protect populations on either side of the Atlantic against Soviet missiles would be fruitless. Our population will thus remain in exactly the same position as the European population.

3. NPT

President Saragat may say that Italy wants a nonproliferation treaty, but is particularly concerned that the treaty not undermine Italian security, obstruct European unity, or restrict access to nuclear technological developments for peaceful uses. Italy is especially concerned by the lack of a time limit-- "eternity is a long time"--and is pressing for a fixed duration of between 15 and 25 years.

Reassure the President that we will continue to give careful attention to Italian concerns about the draft treaty. Because of its vital importance to world security, we must take advantage of the present atmosphere to try to conclude a treaty, while fully protecting the vital interests of our Allies.

4. U.S.-European Technological Cooperation

President Saragat may refer to Foreign Minister Fanfani's proposal in NATO for international cooperation in closing the "technological gap" between the United States and Western Europe. He may recall that, in your speech of October 7, 1966, you remarked that this proposal "deserves very careful study and consideration."

Reply that the matter is under consideration in NATO and related studies are being made in the OECD. The United States is cooperating fully in these studies. Note that a number of factors, such as education and business management techniques,

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complicate greatly the whole question of our technological lead over Europe in certain fields. The agreement signed in June 1967 on scientific cooperation between the United States and Italy was a useful step.

5. Twenty-second General Assembly Agenda

President Saragat may ask what you anticipate will be the major issues before this General Assembly. (We understand the Italians have decided not to push their proposal for a study committee to deal with Chinese representation.)

Reply that the Middle East will clearly be the dominant question; Viet-Nam will be very much on everyone's mind although it is not on the agenda. We think the Chinese representation question can be handled with less difficulty than last year in view of the situation on the mainland and the worsening of Red China's relations with its neighbors. However, we will watch developments on this question carefully and will keep in close touch with the Italians.

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VISIT OF
ITALIAN PRESIDENT SARAGAT
September 1967

SUGGESTED JOINT COMMUNIQUE BY PRESIDENT JOHNSON AND PRESIDENT
SARAGAT FOLLOWING DISCUSSIONS HELD IN WASHINGTON, D.C.
SEPTEMBER 18-19, 1967

President Johnson and President Saragat had two conversations at the White House on September 18 and 19. Secretary of State Rusk and Foreign Minister Fanfani were present on both occasions.

The two Presidents had a broad and thorough exchange of views on the international situation. There was also a review of issues of bilateral concern, with a view to strengthening further the close relations between the two countries in accordance with the long-standing ties of friendship and alliance which exist between Italy and the United States.

It was agreed that the common goal of both nations is the maintenance and the strengthening of peace. The two Presidents reaffirmed their confidence in the essential role played by the UN in achieving that objective.

There was complete agreement on the importance the North Atlantic Alliance, which from its inception has served both

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Declassified after Saragat Visit.

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as an instrument of defense and as a vehicle for progress, continues to have for the security of its members and for world peace. By reinforcing international stability, it contributes to mutual understanding and confidence among peoples. /A sentence dealing with security and peace in the Atlantic area and partnership between Western Europe and North America is to be inserted here. We are still discussing language for this sentence with the Italians.7 The two nations share a common desire to create an atmosphere of cooperation and to bring about the relaxation of tensions among all the nations of the European continent.

The prospects for broadening the foundations of peace were examined. In this connection, it was agreed that a treaty to limit the dissemination of nuclear weapons, which takes into account the legitimate interests of all countries concerned, would contribute to that end.

It was agreed that the two countries, deeply concerned by recent events in the Middle East, share a particular interest in the establishment of peace and stability in that area. /A sentence on Southeast Asia is to be inserted here. We are still discussing language with the Italians.7

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The two Presidents welcomed the recent agreements reached in London on international monetary liquidity and agreed on the importance of achieving agreement on this matter at the meeting of the International Monetary Fund at Rio de Janeiro later this month. They expressed satisfaction at the successful conclusion of the Kennedy Round trade negotiations, and underlined the great importance which they attach to assisting the developing nations in obtaining a higher standard of living and greater economic growth.

The two Presidents agreed on the great importance of these consultations among close allies, which contribute to the strengthening of understanding and cooperation between the two countries, and thus to the achievement of the common objectives of progress and peace for all mankind.

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Giuseppe SARAGAT
(giu-SEHP-pay SAH-rah-gaht)
President of Italy

Giuseppe Saragat, one of the strongest friends of the US in Italy and a consistent supporter of the Atlantic Alliance, has been President of Italy since December 1964. Former head of the Socialist Democratic Party (which in October 1966 merged with the Socialist Party to form the United Socialist Party-PSU), he previously served as Minister of Foreign Affairs (1963-64), with earlier appointments as Vice Premier (1954-57 and 1947-49), as Minister of Merchant Marine (1948-49), and as Ambassador to France (1946). Both in his ministerial capacity and as a political leader, Saragat has been a strong defender of Italian democracy against Communism and Fascism. For years he had advocated the rapprochement with Pietro Nenni's Socialist Party (PSI), claiming that the formation of a center-left government would facilitate the implementation of long overdue social and economic reforms. Although constitutionally the office of the Presidency is largely ceremonial, Saragat has continued to exert considerable influence on the direction of the government's domestic and foreign policy.

The son of a well-known journalist and writer, Saragat was born in Turin on September 19, 1898. He served as an artillery lieutenant in World War I, and in 1920 obtained a degree in political science and economics from the Advanced Commercial School of Turin. For the next six years he worked for the Italian Commercial Bank. Saragat joined the Socialist Party in 1922, and by 1925 he was a member of its National Directorate. Forced into exile in 1926, he fled to Austria and later (1930) to France, where he became associated with Pietro Nenni. Returning to Italy in 1943, he continued his collaboration with the PSI. In 1947, however, he and his democratic-minded followers broke away from the PSI in opposition to its close ties with the Communist Party (PCI), and in 1951 he formed the Socialist Democratic Party (PSDI). Saragat thereafter made several attempts to reunite the two Socialist factions, but negotiations lagged until 1956, when, following the Hungarian uprising, the PSI repudiated its unity of action pact with the PCI, adopted a "neutralist" rather than a firm pro-Soviet line, and subsequently expressed its acceptance of NATO.

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By fw, NARA, Date 6-8-00

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Despite his behind-the-scene efforts to keep Premier Aldo Moro's center-left coalition government a going concern, Saragat has found time to make several state visits, including trips to the Vatican (June 1965), West Germany (July 1965), Latin America (September 1965), Poland (October 1965) and Sweden (June 1966). He also met French President Charles de Gaulle at the opening of the Mont Blanc tunnel in July 1965, and in January 1967 he was host to Nikolay Podgorny, Chairman of the Presidium of the Supreme Soviet. Throughout his private conversations with the various statesmen and political leaders encountered both at home and abroad, Saragat has repeatedly emphasized Italy's attachment to the US, not for the "servile reasons" as charged in the Communist press, but for sentimental and political reasons and the conviction that such a relation is in the fundamental interest of Italy. In a speech to leaders of the Common Market nations gathered in Rome in May 1967 to celebrate the tenth anniversary of the signing of the Rome Treaties, Saragat reminded those present (which included French President de Gaulle) that "twice in this century the US has contributed decisively to save the liberty of Western Europe."

Described as a profound and sincere man, and one who is willing to stand or fall on his own convictions, Saragat has a thorough knowledge of Marxism, and is well informed on economic, social, and political problems throughout Europe. Although nominally a socialist, he is not doctrinaire and favors moderate, gradual reforms. He is an intellectual and an excellent polemicist; however, he is not a very good organizer, nor does he like to become involved with the detailed problems of his office. He prefers to grapple with the basic political issues of the Italian State. He is a great admirer of American democratic traditions, and of the writings of Thomas Jefferson.

A widower, Saragat is the father of one son, Giovanni, who is a member of the Italian Foreign Service, and a daughter, Ernestina, who is married to an orthodontist. A very affectionate and expressive individual, Saragat was very much affected by the death of his wife in January 1961. He has since become deeply attached to his daughter's children, especially to his seven-year old grandson Augusto with whom he is often seen walking hand in hand in the gardens of the Presidential Palace. He speaks excellent French, some German but only very little English.

President Johnson last met with President Saragat in Washington in January 1964, when then Foreign Minister Saragat accompanied President Segni on a state visit.

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Aminatore FANFANI
(ah-MEEN-tow-ray fahn-FAHN-nee)
Minister of Foreign Affairs

Aminatore Fanfani, who was reappointed Minister of Foreign Affairs in Prime Minister Moro's center-left coalition government in February, 1966, is no stranger to US officials. He previously served briefly in the same capacity in 1959, 1962, and again from March to December 1965. In addition he served as Prime Minister four times between 1954 and 1963, and during the 20th session of the UN General Assembly in 1965, he served as its President.

Born on February 6, 1908 in Piave Santo Stefano (Tuscany), Fanfani holds degrees in economics and social sciences and lectures on economic history at the University of Rome. He is the author of numerous works on economics and related subjects. Previous cabinet posts also include Minister of Labor (1947-50), Minister of Agriculture (1951-53), and Minister of the Interior (1953-54). He headed the Christian Democratic Party (DC) from 1954 to 1959.

Fanfani has, in the past, consistently supported Italy's basic policies in NATO, the UN, the Common Market, and other international organizations. Motivated by personal ambition and the Italian political situation, Fanfani personally has not been entirely in agreement with US policy in Viet-Nam. He has usually been cautious in his choice of words, generally but not always following Prime Minister Moro's official line of "understanding" of the difficult task faced by the US in Viet-Nam. On May 22, 1967, in a statement to the Italian Parliament on the Far East conflict, Fanfani appealed to the US to suspend the bombing, but at the same time chided Hanoi for having taken advantage of previous suspensions to step up infiltration into the south rather than to agree to negotiate. In June 1967 he was widely criticized in Italy for the neutralist "equidistant" position he took vis-a-vis the Israeli-Arab conflict. A man of action, initiative and ambition, Fanfani has made various proposals which have attracted world attention, i.e., that the UN General Assembly establish a "restricted committee" to study the admission of Communist China to the UN, and that the North Atlantic Council

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institute a serious study of the "technological gap" which exists between the US and Europe. As Foreign Minister, he has supported close ties with the US and has generally supported US policies although he has clearly wanted to demonstrate a more "independent" Italian posture than was previously the case.

A convincing, and at times a rousing speaker, Fanfani has a gift for analyzing facts and presenting them with clarity and frankness. He is considered intelligent, able, energetic, and forceful. While on occasion he has been accused of being arrogant and self-righteous, he exhibits excellent mental qualities, capacity for work, and organizational ability which are recognized even by his enemies. Nevertheless, his sharp tongue and often sudden shifts in political direction have antagonized many of his former admirers and collaborators. A devout Catholic, Fanfani has always been opposed to any political alliance with forces of the extreme left, but appears convinced that the future of Italy's democratic institutions depends on the ability of the DC to foster socio-economic programs capable of attracting left-of-center support. Although his following within the DC Party declined during his tenure as President of the UN General Assembly in 1965 and after the La Pira affair concerning Viet-Nam later that year, some new support has subsequently gravitated to him. Fanfani is a devoted family man with seven children. He does not speak English but is fluent in French and Portuguese.

The President last met with Foreign Minister Fanfani on June 22, 1967 at the White House.

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Friday, September 15, 1967
6:50 p.m.

Pres. file

Mr. President:

Herewith my letter to
Bill Moyers, as you requested.

W. W. Rostow

WWRostow:rlh

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September 15, 1967

Dear Bill:

Many thanks for your letter of September 11. It clearly defines our central problem.

I have never seen our military and civilians -- here and in Saigon -- more confident that we are on a winning track; nor has there been more solid evidence that the stake is the shape of all of Asia, and that Asia is gradually shaping up. This includes not only men like Westy and the others engaged in the battle, but Bunker and Locke, Nick Katzenbach and Bill Bundy.

Somehow -- as you pointedly suggest -- we have to find the ways to make this clear.

In this effort you should know, Bill, how greatly the President appreciates your development of the fine forum you now command; your lucidity and eloquence; the wisdom with which you have brought to bear your remarkable experience of government.

In short, it is more comfort than even you can guess to have a friend out there.

Yours,

W. W. Rostow

W. W. Rostow

P.S. I thought you might like to have a printed copy of my Leeds speech.

Honorable Bill Moyers
Publisher
NEWSDAY
Garden City
Long Island, New York 11530

WWRostow:rlh

Friday, September 15, 1967
6:00 p.m.

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MR. PRESIDENT:

Herewith a rather full compilation of statements by President Kennedy regarding Viet Nam and U. S. interests and commitments in Southeast Asia.

I have marked in yellow what I regarded as the most significant passages, with red markings for items particularly quotable. But I concluded that you might want to look at the whole file rather than merely the marked passages.

What emerged for me more sharply even than what I would have predicted are these basic elements in President Kennedy's position:

- his explicit linkage of the commitment in Viet Nam to the SEATO Treaty;
- his flat acceptance of the domino theory in Southeast Asia (see especially page 38 -- but the point is made many times);
- his recurrent linkage of Viet Nam to Berlin, and the general theme that the fate of our own liberty was involved in Viet Nam.

I don't believe any objective person can read this record without knowing that President Kennedy would have seen this through whatever the cost.

On page 33 the record states: "In my opinion, for us to withdraw from that effort would mean a collapse not only of South Viet-Nam, but Southeast Asia. So we are going to stay there." That is the nut of the story.

W. W. R.

Attachment