

P file

Thursday, Oct. 12, 1967
9:15 a.m.

51

MR. PRESIDENT:

Here is how [redacted]
[redacted] Senator
Mansfield.

W. W. R.

~~TOP SECRET TRINE~~ attachment

SANITIZED
E.O. 13292, Sec. 3.5
NLJ / RAC 04-54
By cbm, NARA, Date 6-14-04

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-418

By ip, NARA, Date 7-27-95

Free file

~~TOP SECRET~~

Thursday, October 12, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Supplementary Background for Your Appointment with
Congressman Celler--Noon Today

Eshkol's comments on the Mid-East arms balance reported in The Times this morning were made after Celler requested his appointment, but he may use them to buttress his point on Israel's need for arms.

Just so you will have the facts at your fingertips, here are Defense's best current estimates on major items, comparing pre-June with current inventories:

	<u>UAR</u>	<u>Israel</u>
Tanks	1067/634	1255/1255
Jet fighters	365/287	265/218
Jet bombers	69/41	2/2

If Eshkol means that Soviet resupply has brought UAR inventory back to 80% of its pre-June strength--ⁱⁿstead of "replacing 80% of the items lost"--he's close to right on jet fighters but high on everything else. What these figures don't show, of course, is the serious disorganization which the war inflicted on the UAR forces, especially the ground forces.

In preparation for General Weizman's talks in the Pentagon, we had the intelligence community and the JCS do a thorough review of the current Arab-Israeli military balance. It was their estimate then that the UAR forces would not be back to anything approaching their pre-June level of effectiveness (or ineffectiveness) for at least 18-24 months. General Weizman did not disagree with that estimate, and I suspect he would disagree with Eshkol's comment that the balance of power has been "upset."

What concerns Israelis is not the current balance or the near future but the period after 1969-70. Because the aircraft they want have at least a 24-month lead time, they are beginning their pressure campaign now.

W. W. Rostow

~~TOP SECRET~~

~~WWR~~

53

Pres file

Thursday, October 12, 1967

Mr. President:

Attached, for your approval, is a draft
of a warm birthday message to
President de Valera of Ireland, to whom
you have sent such a greeting annually.

W. W. Rostow

RHU:em:

Approved _____

Disapproved _____

See me _____

53a

Text of Proposed Message to
President de Valera of Ireland

Mrs. Johnson and I extend our warmest congratulations and best wishes on your eighty-fifth birthday. Your long years of service in the cause of Ireland's freedom and prosperity have earned you the gratitude of your people and the affection and respect of all who know and love Ireland.

Sincerely,

Lyndon B. Johnson

Thursday, October 12, 1967

1. susp
2. Pres file

MEMORANDUM FOR THE PRESIDENT

Mr. President:

I recommend that you sign the attached letter to Australian Treasurer William McMahon acknowledging his note to you of October 3.

W. W. Rostow

Att.


MWright:hg

54a

October 13, 1967

Dear Mr. McMahon:

I was very glad to have your note of October 3 and the message from the Prime Minister which it conveyed. I enjoyed our talk and trust that you had a pleasant trip back to Canberra.

Sincerely,

Lyndon B. Johnson

The Honorable
William McMahon
Treasurer of Australia
Canberra

LBJ:MWright:hg



16991

AUSTRALIAN EMBASSY
WASHINGTON, D

3rd October, 1967

~~CONFIDENTIAL~~*Dear Mr President*

Shortly after I saw you yesterday I spoke to Mr Holt on the telephone and conveyed to him the substance of what you said to me about additional allied contributions in South Vietnam.

Mr Holt asked me to inform you that he expected to make a public statement in the House on Tuesday, 17th October, or, at the latest, on the Thursday of that week.

The reasons for choosing this day were, first that it would be tactically unwise to make a statement immediately after the Capricornia by-election which was held last Saturday; second, he will be speaking to Mr Holyoake, the Prime Minister of New Zealand, between the 2nd and 4th of this month and clearing our lines with him; and finally, that a statement of such importance should, in accordance with normal procedures in Australia, be made in the House of Representatives. As the House will be in recess from 5th October until 17th October, the Tuesday would be the earliest date on which the statement could be made.

The Prime Minister has also asked me to let you know that it is our present intention to maintain a presence in Malaya. The size and disposition of this contribution will depend on the size of our forces in South Vietnam and the duration of operations there.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-418

By , NARA, Date 7-27-95

Sincerely
William McMahon
(William McMahon)

The President,
The White House,
WASHINGTON D.C.

65

Thursday, October 12, 1967

~~Secret~~
CONFIDENTIAL-EXDIS

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Inauguration of Vietnamese President

~~1 sup~~
2 Pres. file

Attached (TAB A) is a list of Secretary Rusk's nominations for the U.S. delegation to the Vietnamese inauguration on October 30. He favors making it two Senators, two Congressmen, and one prominent public figure.

An alternative would be: one Senator, one Congressman, one Governor, and one public figure.

This is, of course, in addition to the Vice President as Chief Delegate.

Attached also (TAB B) is a suggested itinerary for a possible trip by the Vice President following the inaugural. It includes stops in four key capitals -- Djakarta, Kuala Lumpur, Tehran and Addis.

W. W. Rostow

Attachments

TABS A & B

you have indicated you want John Roche to join the Delegation.

Delegation approved as checked _____

Vice President's Itinerary approved _____

Vice President's Itinerary Disapproved _____

See me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
White House Guidelines, Feb. 28
By kg, NARA, Date 10-21

~~SECRET~~-EXDIS

~~CONFIDENTIAL-EXDIS~~

55a

Delegation to October 30 Vietnamese Presidential
Inauguration

On the assumption that the Vice President will be asked to head the US Delegation to the October 30 Vietnamese Presidential Inauguration, the Department of State suggests for the President's consideration that the accompanying delegation consist of two Senators, two Congressmen, and one prominent public figure.

Public Member of Delegation - William
Randolph Hearst

Congressional Members

We submit the following recommendations, with one choice from each list starting from the top.

Senate Democrats:

1. Senator Mansfield (if Senator Dirksen is asked, although we expect Senator Mansfield will decline).
2. Senator Sparkman
3. Senator Lausche
4. Senator Inouye
5. Senator Jackson
6. Senator McGee

Senate Republicans

1. Senator Dirksen
2. Senator Smith
3. Senator Milton Young
4. Senator Carlson
5. Senator Fong
6. Senator Scott

~~CONFIDENTIAL-EXDIS~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-417
By CB, NARA, Date 1-20-95

~~CONFIDENTIAL-EXDIS~~

-2-

House Democrats:

1. Congressman Morgan
2. Congressman Zablocki
3. Congressman Philbin
4. Congressman Boggs

House Republicans:

1. Congressman Bates
2. Congresswoman Bolton (not if Mrs. Smith is Senate Republican)
3. Congressman Broomfield
4. Congressman Arends

Alternatively, the delegation could be made up of one Senator, one Congressman, one Governor and one prominent public figure.

~~CONFIDENTIAL-EXDIS~~

~~SECRET-EXDIS~~

Possible Trip by Vice President Humphrey to
South Vietnamese Inaugural and other Stops
(Flight times have been checked for feasibility)

1. October 28 (a.m.) - Leave Washington for South Vietnam via Honolulu and Guam/Clark AFB, PI.
2. October 30 (a.m.) - Arrive Saigon; for participation in inaugural ceremonies.
3. October 31 - Visit US troops and pacification centers in South Vietnam.
4. November 1 - Arrive Djakarta for two-day visit.
5. November 3 - Arrive Kuala Lumpur for two-day visit.
November 4 - Possible brief stop in Singapore depending on Lee's views during upcoming visit in Washington.
6. November 5 - Arrive Tehran (p.m.) for one-day visit.
November 6 - One-day rest.
7. November 7 - Arrive Addis (p.m.) for two-day visit.
8. November 9 - Airport stop Rabat (p.m.).
9. November 9 - (p.m.) - Return to Washington.

~~SECRET-EXDIS~~

Pres file~~CONFIDENTIAL~~

Thursday, October 12, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Talk with Congressman Celler--Noon, Thursday,
October 12

Israel's friends have two main subjects on their minds these days:

1. Our military aid freeze. As you know, the Israelis are deeply suspicious that we are trying to use military shipments as leverage to force them to terms with the Arabs. Celler may be especially tough on our resuming aid to the Arabs. He voted for the aid bill so doesn't approach the arms problem as a general opponent of military sales.

It's important that he go away assured of your basic concern for Israel's security and assured that we're not playing games with it. Beyond that, you'll be the best judge of how much to tell him about Secretary McNamara's negotiations with Eban. (Eban sees the Secretary at 4:00 p. m. today.)

2. Our posture in the UN. Although Eban seems satisfied with the course we and the UK are on for the moment, I'm sure the Israelis and their friends still worry that we'll sell them out in some sort of deal with the USSR as the negotiations get hotter over the next couple of weeks.

I think your best answer is that we're sticking by your five principles and we won't do anything we don't believe contributes to a real peace.

Celler has also been deeply concerned about Jewish refugees in Arab countries, but he ought to know that we've been extremely active in trying to help them through third parties. We've kept our role quiet because any obvious US hand would probably hurt the refugees more than help. Celler should understand this too.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-418

By *ij*, NARA, Date 7-27-95

W. W. Rostow

~~CONFIDENTIAL~~

57

Wednesday, October 11, 1967
7:30 p.m.

Mr. President:

Here is Covey's account of where
he stands with Milton Eisenhower.

Pres file

W. W. Rostow

WWRostow:rlh

57a
October 11, 1967

UNCLASSIFIED

MEMORANDUM FOR THE PRESIDENT

Subject: Consultant Status for
Dr. Milton Eisenhower

Dr. Eisenhower told me at the last meeting of the Atlantic-Pacific Interoceanic Canal Commission on September 7, that he would be getting in touch with me as to helping us out in the Bureau of Inter-American Affairs. He has not yet; so I called him today.

I would like for him to work as a senior consultant on the Latin American Strategic Survey that Ambassador Edwin M. Martin will be getting underway in a few days. We think that within thirty days thereafter we will have material for Dr. Eisenhower to review. He is interested, and we plan to talk about it on Saturday, October 14.

Another possibility is for Dr. Eisenhower to counsel Ambassador Tuthill, his Country Team, and the Bureau on "Operation Topsy". This is a very important undertaking directed toward getting our big establishment in Brazil trimmed down without impairing basic operations.

I think we will have as much for Dr. Eisenhower to do as he will want to take on.

We shall begin the paper work on Dr. Eisenhower's designation, with the personal rank of Ambassador, just as soon as we can close with him on his initial assignments and as to the time he can spare us.

Covey T. Oliver

58

Wednesday
October 11, 1967, 7:25 p.m.

Mr. President:

Herewith Bob Ginsburgh undertakes to answer the questions on bombing posed by Roscoe Drummond.

Pres file

W. W. Rostow

WWRostow:rlh

58a

BOMBING POLICY

1. Why are we bombing? What are its military and political purposes?

In his Johns Hopkins speech on 7 April 1966, President Johnson stated:

"Our objective is the independence of South Vietnam and its freedom from attack . . . We will do everything necessary to reach that objective, and we will do only what is necessary."

Our air campaign is one of the interrelated elements of the allied strategy designed to achieve that objective. Other elements are actions against main force units, pacification, security, revolutionary development, and political and economic development.

As one of the elements in our over-all strategy, there are, as President Johnson pointed out in his speech to the Tennessee Legislature on 15 March 1967:

"Three purposes in selective bombing of military targets in North Vietnam:

"(1) To back our fighting men by denying the enemy a sanctuary.

"(2) To exact a penalty against North Vietnam for her flagrant violations of the Geneva accords of 1954 and 1962.

"(3) To limit the flow or to substantially increase the cost of infiltration of men and materiel from North Vietnam."

2. Is it achieving its purposes?

Yes. However, it has not and cannot reduce NVN's capacity to support the South to the extent that they would be forced to abandon the war in the South. But this was never the purpose of the bombing.

- Bombing has denied North Vietnam a sanctuary

- North Vietnam is paying a heavy penalty for continuing the war.

- We have substantially increased the cost of infiltration of men and materiel from North Vietnam.

- We do not know how successful we have been in limiting the flow because we do not know whether the present level of communist effort in the South is what they consider their optimum strategy or whether it is the best they can or are willing to mount in the face of the bombing. Although we can't predict what the North Vietnamese would do, we can say that if we stopped bombing,

a. They would be able to put men and supplies into the South at lower cost.

b. The resources available to them would be increased, which would enable them to put more into the South or make life in the North easier, or both.

c. It would be a lot easier for them to sweat out the war.

3. What are the objective facts and factors behind the conclusion that the purposes are being achieved?

- At little cost in civilian casualties and with loss rates less than World War II and Korea, the bombing has severely curtailed North Vietnam's industrial and agricultural production. Currently out of operation are: 80% of central electric power generating capacity -- the only modern cement plant -- the only metallurgical plant -- the only explosives plant. Production of coal and apatite, both previously exported in quantity, drastically reduced. Production in the small fertilizer and chemical industry curtailed and production of paper reduced by 80%. In 1966, because of weather and the indirect effects of bombing, NVN's rice crop was 300,000 metric tons short; a similar shortfall is expected this year.

- As a consequence, there has been a radical increase in North Vietnam's requirements for foreign aid in order to sustain her war effort and her economy at minimum levels. Imports are

up from 2,100 metric tons a day in 1965 to 4,300 in 1967; Soviet aid up from \$100 million to \$700 million annually.

- Bombing has required the diversion of up to 600,000 workers to defend against or counter the effects of bombing.

- It has caused the damage or destruction of about 5,000 freight cars, 8,000 trucks, and 19,000 watercraft.

- It has increased substantially the number of men and tons which must be dispatched from the North to get one man or one ton into South Vietnam. We don't know just how much, but we do know that it has (1) caused them to resort to the shorter routes across the DMZ and (2) contributed to their abandoning large-scale operations within South Vietnam.

4. Are there other ways to strike at the enemy supply routes?

Yes:

The following alternatives, however, are politically undesirable under present circumstances:

- Invasion and occupation of North Vietnam.
- Mining or blockade of NVN ports.
- Bombing the dikes.
- Introduction of troops into Laos.

Another alternative is the barrier south of the DMZ; this is underway but as a supplement to bombing because it does not contribute to the first two purposes of the bombing campaign.

5. Is the bombing of industrial targets the best way to persuade Hanoi to negotiate?

- No. The purposes of the bombing, including attacks on NVN's limited industrial base, are described above.

- Hanoi will only be persuaded to negotiate -- or quietly quit when her total costs in the North and South exceed her prospects

for political victory in the South (military victory now being beyond her grasp) and when Hanoi is convinced that U.S. public opinion will not bring about a change in U.S. policy. Thus, the single most important factor in prolonging the war is Hanoi's view on the U.S. will to persist.

6. Haven't most of the targets been pretty thoroughly bombed and, if so, is more bombing worth the cost even in military terms?

- Except for a handful of targets, the most lucrative targets have been bombed.

- In any terms, continued bombing is worthwhile.

a. For the same purposes as originally -- no sanctuary, support effort in South, exact penalty for continuing, and limit or increase cost of infiltration.

b. Targets can be rebuilt.

c. Additional targets have been developed either because of new construction or new intelligence.

d. Without continued bombing, North Vietnam would have greater capability for prosecuting the war as indicated above.

7. What are the objective facts which would bear on the question of whether the air war should be expanded in an effort to immobilize Haiphong through which North Vietnam gets so much of its war materiel? What are the gains?

- A number of targets in the Haiphong area have already been bombed. Attacks on electric power, bridges, roads, and railroads have made it increasingly difficult for NVN to unload supplies and move them out of the port area. Thus, the layover times of ships have increased materially (from 10 days in 1966 to over 30 days in August 1967) as have transit times from Haiphong to points in the interior (Hanoi-Haiphong RR up from 5 hours to 18 hours) and supplies have been piling up within the port area.

- The question of whether additional targets should be attacked is a question of judgment rather than objective fact. It depends on a balancing of estimates of military effectiveness, loss rates, and political and military risks. These factors are considered in detail at the highest levels of government before attacks on additional targets are authorized.

8. What is the risk of Red China or the Soviet Union coming into the war?

- The U.S. seeks no wider war. We do not wish to give them either a cause or an excuse to expand their intervention by massive use of combat troops. (Both are supplying massive military and economic aid, military advisors, and, in the case of China, logistic troops.)

- Both have the capability to intervene. Such intervention would not change the military balance, but it would bring about the wider war which we seek to avoid.

- Thus, the U.S. has sought to make it clear by words and deeds that --

-- Our objectives are limited.

-- We do not seek to destroy the NVN regime.

-- We do not wish to invade and occupy NVN.

-- We have no intention of threatening China, and we make every effort to avoid violating ChiCom sovereignty.

9. Why is the bombing restricted? What is the basis behind the restrictions?

- Restrictions on bombing have been based on the following factors:

-- Our objectives are limited. We have sought to limit the level of violence to the force appropriate to our objectives. Based on moral considerations and U.S. and international public opinion.

-- A humanitarian desire to avoid unnecessary civilian casualties and damage.

-- A strategy of gradually increasing pressures designed to try to bring about a satisfactory settlement at the lowest level of damage to the enemy.

-- Minimization of the risk of a wider war.

-- Incentives from time to time to try to stimulate reciprocal de-escalation or meaningful negotiations.

RNGinsburgh/11 Oct 67

THE WHITE HOUSE

WASHINGTON

59

~~SECRET~~

Wednesday - 5:00 pm

October 11, 1967

SANITIZED

MEMORANDUM FOR THE PRESIDENT

Authority NLJ DDI-019-2-26

SUBJECT: Cuba

By ins NARA, Date 7-5-01

Herewith are two intelligence reports on Cuba of particular interest.

1.5(c)
3.4(b)(1)

The first concerns [REDACTED] an extremely detailed criticism of the Castro regime (Tab A). The highlights are:

- Castro has built up his own hegemony at the expense of the Cuban Communist Party.
- The state and party structure has become wholly subordinate to Castro's cult of personality and there is a high degree of resistance to influence from other socialist states.
- The economy is in "very serious" condition and the prospects are gloomy because of the absence of a truly Marxist party and refusal to heed external advice.
- The Cubans persist in intervening in the affairs of local communist parties and in trying to form special groupings of communist states with North Vietnam and North Korea.
- Castro is trying to reduce his dependence on the socialist states and expand his ties with Western Europe and there is a danger of his seeking accommodation with the US.

What is striking about the document is the intensity of the disenchantment. [REDACTED]

[REDACTED] This adds to the significance.

1.5(c)
3.4(b)(1)

The purpose of the document is not clear. It may be to prepare the way inside the Party for a change [REDACTED] But the tone is not severe enough to indicate that such a change is imminent.

~~SECRET~~

-2-

1.5(c)
3.4(b)(1)

The second report (Tab B) is an assessment of Castro's current foreign policy objectives [REDACTED]

[REDACTED] The assessment coincides in many ways with the [REDACTED]

The basic objectives are:

- Weaken US power and prestige by supporting guerrilla movements in Latin America, provoking US armed intervention, exploiting racial unrest in the US, and attacking the US in international forums.
- Make the Cuban economy strong and independent of foreign support by building up its trade relations with Western Europe and reducing its dependence on communist countries, especially the Soviet Union.
- Create a "third force" in international politics responsive to Cuban ideological inspiration instead of Chinese or Soviet. In this connection, Castro is cultivating North Vietnam and North Korea.

This report shows that Castro continues to suffer from a strange mixture of delusions of grandeur and a realization that if in the long run he is to survive, he must achieve these objectives.

Walt Rostow

Attachments

Tab A - State/INR report 774, 9/29/67.

Tab B - CIA report [REDACTED] August-September, 1967.

1.5(c)
3.4(b)(1)

U.S. DEPARTMENT OF STATE

DIRECTOR OF INTELLIGENCE AND RESEARCH W.S.C.

Intelligence
Note - 774 59a

OCT 2 12 24 PM '67

September 29, 1967

To : The Acting Secretary
Through: S/S
From : INR - Thomas L. Hughes *TH*

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-417
By *CB*, NARA, Date *1-20-95*

Subject: Soviet Bloc View of Castro -- Secret Party Document
Details Criticisms of Him and His Brand of Communism

A recent clandestinely-acquired resolution of the Czechoslovak Central Committee contains an extremely detailed criticism of Cuba. This document traces the history of Castro's rule since 1959 and finds serious fault with his internal, economic, and foreign policies. Moreover, it expresses deep concern over the future course of Cuban policy, in relation both to Castro's ambitions within the communist world (which include the formation of special ties with North Vietnam and North Korea) and to the possibility that Cuba might seek a reconciliation with the United States. Although the report contains no indication of what steps may be taken to arrest the deterioration of relations with Castro, it is symptomatic of Soviet and Eastern European disenchantment with Cuba and suggests extensive soul-searching on the subject of future relations.

Petit Bourgeois Radicals Become Marxists. The Czech Central Committee resolution attributes many of Cuba's difficulties to Castro's determination to assure his own hegemony and that of the July 26 Movement. This has meant that "former representatives of the radical, petit bourgeois intelligentsia" have consolidated power in Cuba at the expense of the old communist party of Cuba --

This report was produced by the Bureau of Intelligence and Research. Aside from normal substantive exchange with other agencies at the working level, it has not been coordinated elsewhere.

~~SECRET/NO FOREIGN DISSEM/CONTROLLED DISSEM/~~
~~NO DISSEM ABROAD/BACKGROUND USE ONLY~~

Automatic
Classification

- 2 -

the Peoples Socialist Party (PSP). In 1959-60, the resolution notes, the Castroites "maintained a reserved stand" toward the Cuban communists. Moreover, the radicalization of Cuban life from 1960 through 1962 was not due, according to this document, to a desire "to further the revolutionary process," but to the need to respond to mounting US pressures. The document traces the decline of the old communists, the expulsion of Anibal Escalante from the Cuban leadership in March 1962, and the purging of PSP members in the provinces as a result of the Escalante affair.

Lack of Socialist Democracy in Cuba. In tracing the course of Cuban life since 1959, the Czechoslovak Central Committee stated that the party and the state have become wholly subordinate to the cult of Castro's personality. Behind the document's euphemisms concerning the violation of "Leninist norms," "intra-party democracy," and "collective leadership," as well as references to the "non-conformist character" of the Cuban revolution, is a clear recognition that Castro's emasculation of the PSP has led to the development of a state and party structure unique in communist annals and one which has shown a high degree of resistance to influences from other socialist states.

- 2 -

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Lack of Socialist Democracy in Cuba. In tracing the course of Cuban life since 1959, the Czechoslovak Central Committee stated that the party and the state have become wholly subordinate to the cult of Castro's personality. Behind the document's euphemisms concerning the violation of "Leninist norms," "intra-party democracy," and "collective leadership," as well as references to the "non-conformist character" of the Cuban revolution, is a clear recognition that Castro's emasculation of the PSP has led to the development of a state and party structure unique in communist annals and one which has shown a high degree of resistance to influences from other socialist states.

- 3 -

The Economic Shambles. The Czechoslovak Central Committee concluded that Havana's economic situation is "very serious." The Central Committee attributed the economic decline to the same cause as the chaotic political life in Cuba: "the non-existence of a Marxist party in the early stages and its deformation after it had been instituted." The document was exceedingly gloomy concerning the future of the Cuban economy, noting the lack of genuine socialist planning and the refusal of the Cubans to heed the advice of foreign communist economists.

Relations with Other Communist States. The document observes that Cuban "negative influences" continue to grow in Latin America as Havana persists in intervening in the affairs of local communist parties. The Central Committee noted that the USSR and the Eastern European states have come under increasingly direct Cuban attack and that Havana has sought to displace their influence among the Latin American communist parties. The Czechoslovak document further noted that Castro's ambitions are not restricted to Latin America and that the Cubans in late 1966 attempted to establish a special grouping of communist states with North Vietnam and North Korea.

A Reconciliation With the US? The Central Committee was particularly concerned over Havana's desire to expand its economic ties with Western Europe. Noting "certain indications" that Cuba intends to reduce its dependence on the socialist states, the document asserted that the Cubans consider that cooperation with Western Europe may lead to the establishment of a modus vivendi with the United States. The Czechoslovaks were particularly alarmed by Cuban statements and "confidential feelers" concerning normalization of relations with the US, and concluded that "it is not inconceivable" that Havana is presently preparing for such a normalization.

Why Czechoslovakia? This document shows an extensive and profound Czechoslovak concern with the Cuban situation, reflecting the experience of Czechoslovak experts throughout Latin America. Czechoslovakia established a relatively strong economic and political presence in Cuba shortly after Castro's seizure of power and has been Cuba's major Eastern European aid donor. Because of this relationship, the Czechoslovak party probably considered it necessary to inform at least its senior members of the seriousness of the situation in Cuba. This history of Czechoslovak involvement in Cuba, moreover, gives added weight to the Central Committee document and suggests that Prague's political judgments probably carry great weight within the Soviet bloc and probably very closely parallel

those of Moscow. The economic judgments, particularly those concerning the dangers of Cuban economic relations with Western Europe, seem to be at variance with that of Moscow.

The Intensity of the Disenchantment. There has been ample evidence, including highly critical private remarks by Brezhnev, of Soviet and Eastern European concern over the trend of Cuban policy in the past two years. The length of this document, its detail, and its authoritativeness, however, are somewhat reminiscent of Moscow's documentation of its deepening quarrel with Peking in the early sixties and clearly indicate a major preoccupation with the course of events in Cuba. This document lacks the polemical tone of the early Soviet "secret letters" and appears to have no other purpose than to inform Czechoslovak party members of the Central Committee's views on Cuba. Thus, its tone of concern and alarm over the deterioration of Soviet bloc relations with Havana is all the more striking. Finally, although the document was prepared before it was clear what policies Cuba would pursue at the Latin American Solidarity Organization meeting which opened in Havana in late July, the results of this conference have borne out its appraisal of Cuban international policy.

The Future Unclear. Despite the clear implication in this document of a growing Czechoslovak disinclination to continue to provide sizeable quantities of aid to Castro, there

is no indication in the Czechoslovak Central Committee resolution of the steps, if any, contemplated to arrest the deterioration of political relations. The document may have been issued to prepare party members for a future switch in relations with Castro. The tone of the document suggests, however, that such a switch would only follow a series of highly provocative and hostile Cuban gestures and that for the present at least the Soviet bloc states hope to preserve their uneasy coexistence with the Castro regime.

Intelligence Information Cable

IN 67853

PAGE 1 OF 5 PAGES

STATE/INR DIA ARMY NAVY AIR JCS SECDEF NSA NIC ~~XXX~~ USIA SDO ONE OCR ORR DCS CGS CIA/NMCC
REPCINCLANT FBI 2 DD1 EXD

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GROUP 1
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downgrading and
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25X1A THIS IS AN INFORMATION REPORT. NOT FINALLY EVALUATED INTELLIGENCE.

~~SECRET~~

DIST 9 OCTOBER 1967

25X1A COUNTRY CUBA/INTERNATIONAL Oct 18 17 56'Z

DOI

SUBJECT ASSESSMENT BY HIGH-RANKING CUBAN OFFICIAL OF CURRENT OBJECTIVES
OF CASTRO'S FOREIGN POLICY

25X1A

ACQ

FIELD NO.

SOURCE

25X1X

(SUMMARY: THE BASIC OBJECTIVES OF CASTRO'S FOREIGN POLICY ARE TO SUCCEED IN THE "ANTI-IMPERIALIST" STRUGGLE, TO STRENGTHEN THE CUBAN ECONOMY, AND TO DEVELOP AND LEAD A "THIRD FORCE." PROMOTION OF GUERRILLA WARFARE IN LATIN AMERICA, SUPPORT OF RACIAL UNREST IN THE U.S., AID TO THE NORTH VIETNAMESE, AND REDUCTION OF CUBAN DEPENDENCE ON THE SOVIET UNION ARE THE MEANS BY WHICH CASTRO HOPES TO REALIZE HIS FOREIGN OBJECTIVES. END SUMMARY.)

~~SECRET~~NO FOREIGN DISSEM/CONTROLLED DISSEM/
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(classification)

Approved For Release 1999/10/19 : NL J-001-019-2-27-2

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Authority NLS 001-019-2-27

By us NARA, Date 7-5-01

1.3(a)(4)

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1. COMMENT: IT IS IMPORTANT TO REALIZE THAT THE USE OF SUCH TERMS AS "CUBA'S FOREIGN POLICY" REPRESENTS ONLY A CONVENIENT SHORT PHRASE. CUBAN FOREIGN POLICY IS NOT DEVELOPED AS IN MANY OTHER COUNTRIES, NAMELY, AS THE RESULT OF A COMPLEX STRUCTURE OF OFFICES, COMMITTEES AND AGENCIES. CUBAN FOREIGN POLICY IS ALMOST ENTIRELY A CASTRO FOREIGN POLICY, DEVELOPED AND FOSTERED BY CASTRO HIMSELF. THE COMMENTS BELOW SHOULD BE READ WITH THIS IN MIND.)

2. THE FUNDAMENTAL OBJECTIVES OF CURRENT CUBAN FOREIGN POLICY ARE TO FURTHER THE STRUGGLE AGAINST AMERICAN "IMPERIALISM," TO AID IN MAKING THE CUBAN ECONOMY STRONG AND INDEPENDENT OF FOREIGN SUPPORT, AND TO CREATE A "THIRD FORCE" WITHIN THE COMMUNIST WORLD.

3. AS THE MOST DANGEROUS ENEMY OF CUBA THE UNITED STATES IS THE SUBJECT OF PRIMARY ATTENTION ON THE PART OF CUBA. THE STRATEGY OF THE CUBAN LEADERSHIP CALLS FOR THE CONCENTRATION OF CUBAN "ANTI-IMPERIALIST" ACTION IN THE FOLLOWING SECTORS: THE SUPPORT OF GUERRILLA ACTIVITY IN LATIN AMERICA; THE EXPLOITATION OF RACIAL UNREST IN THE UNITED STATES; THE IMPROVEMENT OF FOREIGN COMMERCIAL RELATIONS; AND THE USE OF CUBAN REPRESENTATION IN INTERNATIONAL ORGANIZATIONS TO DAMAGE U.S. PRESTIGE AND POWER. IN CARRYING OUT THIS STRATEGY CUBA INTENDS TO ACT INDEPENDENTLY. CUBA WILL

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ACCEPT AID FROM OTHER NATIONS AS LONG AS NO CONDITIONS FOR THE RECEIPT OF SUCH AID ARE IMPOSED BY THE DONORS. IF CONDITIONS ARE IMPOSED, CUBA WILL REFUSE THE AID, NO MATTER WHAT DIFFICULTIES THIS REFUSAL MAY CAUSE INTERNALLY OR WITH RESPECT TO EXTERNAL RELATIONS.

4. DESPITE THE PRESSURES FROM THE UNITED STATES AND VARIOUS LATIN AMERICAN COUNTRIES, CASTRO IS DETERMINED THAT CUBA WILL CONTINUE AND EXPAND ITS SUBVERSIVE ACTIVITIES IN LATIN AMERICA. THE CUBAN LEADERS BELIEVE THAT "SMALL VIETNAMS" CAN BE CREATED IN LATIN AMERICA. THEY REASON THAT CUBAN-SUPPORTED GUERRILLAS CAN CREATE ENOUGH PRESSURE IN CERTAIN COUNTRIES TO FORCE THE REGIMES OF THESE COUNTRIES TO SEEK INCREASED AMERICAN FINANCIAL ASSISTANCE AND IN SOME INSTANCES TO REQUEST AMERICAN MILITARY AID IN THE FORM OF MATERIEL AND ADVISORY SERVICES. THE ULTIMATE CUBAN AIM IS TO INDUCE THE U.S. TO SEND AMERICAN MILITARY PERSONNEL TO THESE COUNTRIES. THE PRESENCE OF AMERICAN TROOPS CAN THEN BE EXPLOITED TO DENIGRATE THE U.S. IN THE EYES OF LATIN AMERICA AND THE REST OF THE WORLD, AND TO CREATE TENSION BETWEEN THE POPULACE AND "THE AMERICAN OCCUPIERS."

5. THE CUBAN LEADERSHIP CONSIDERS THAT THE CURRENT RACIAL TENSIONS IN THE U.S. OFFER AN UNUSUAL OPPORTUNITY FOR CUBA, USING ONLY LIMITED RESOURCES, TO EXACERBATE A SERIOUS INTERNAL PROBLEM IN THE U.S. THUS CUBA

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PLANS TO CONTINUE ACTIVITIES AIMED AT OFFERING SUPPORT - MORAL AND FINANCIAL - TO NEGRO EXTREMIST LEADERS IN THE U.S.

6. TO HIS INTIMATES CASTRO STATES THAT HE HAS ABANDONED HOPE OF IMPROVING RELATIONS WITH THE UNITED STATES IN THE FORESEEABLE FUTURE. HE PROCLAIMS THAT CUBA'S STRUGGLE WITH THE U.S. IS "A FIGHT TO THE DEATH." HE ADDS THAT ALTHOUGH U.S. POWER IS VERY STRONG, HE CONSIDERS THAT CUBA IS EMPLOYING SOUND TACTICS IN THE STRUGGLE AND THAT IN THE LONG RUN CUBA WILL ACHIEVE ITS OBJECTIVES. CASTRO MAINTAINS THAT U.S. POWER AND PRESTIGE ARE BEING SERIOUSLY DAMAGED BY THE VIETNAM WAR, RACIAL TROUBLES, AND THE GENERAL STRAINS INHERENT IN THE U.S. ECONOMY, AND THAT THE SITUATIONS WILL CONTINUE TO DETERIORATE DURING THE NEXT SEVERAL YEARS.

7. CUBA CONTINUES TO SEEK WAYS OF REDUCING ITS ECONOMIC DEPENDENCE UPON THE COMMUNIST COUNTRIES, NOTABLY THE SOVIET UNION. CASTRO HAS DIRECTED INTENSIVE EFFORTS TO INCREASE COMMERCE WITH WESTERN EUROPE AND TO OBTAIN THE FINANCING WHICH CUBA URGENTLY REQUIRES TO IMPROVE HER ECONOMY TO DATE CASTRO IS PLEASED WITH THE SUCCESSES ACHIEVED WITH RESPECT TO TRADE WITH SPAIN, FRANCE, ITALY AND THE UNITED KINGDOM. HE ALSO HOPES TO BE ABLE TO USE CUBAN PARTICIPATION IN VARIOUS INTERNATIONAL ORGANIZATIONS AS A CHANNEL THROUGH WHICH CERTAIN TECHNICAL ASSISTANCE TO THE CUBAN ECONOMY CAN BE OBTAINED.

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(dissem controls)

8. CASTRO IS STILL KEENLY INTERESTED IN CREATING A "THIRD FORCE" IN INTERNATIONAL POLITICS. HE ENVISAGES THIS FORCE AS CONSISTING OF A GROUP OF "SOCIALIST NATIONS" WHICH WOULD BE RESPONSIVE TO CUBAN, RATHER THAN SOVIET OR CHINESE OR ANY OTHER COMMUNIST, IDEOLOGICAL INSPIRATION. CASTRO SEES HIMSELF AS THE MAJOR PROPHET CONCERNING THE "LIBERATED NATIONS" AND THE METHODS THROUGH WHICH SUCH NATIONS ACHIEVE AND MAINTAIN THEIR INDEPENDENCE OF THE MAJOR POWERS, COMMUNIST OR NON-COMMUNIST. SINCE THE PRINCIPAL CURRENT "WAR OF NATIONAL LIBERATION" IS OCCURRING IN VIETNAM AND SINCE MANY OF CASTRO'S IDEAS CONCERNING THE CONDUCT OF SUCH WARS RESEMBLE THOSE OF THE NORTH VIETNAMESE LEADERS (CASTRO DOES NOT HESITATE TO CLAIM THAT CUBA'S OWN STRUGGLE FOR INDEPENDENCE WAS THE BIRTHPLACE OF MANY TACTICS CURRENTLY USED BY THE NORTH VIETNAMESE), CASTRO CONTINUES TO ENCOURAGE CLOSE AND COOPERATIVE RELATIONS BETWEEN CUBA AND NORTH VIETNAM. RECENTLY CASTRO HAS PAID INCREASED ATTENTION TO RELATIONS WITH NORTH KOREA, SEEING THESE TIES AS FALLING ESSENTIALLY WITHIN THE SAME FRAMEWORK AS THOSE WITH NORTH VIETNAM.

9. [REDACTED] DISSEM: CINCSO, CINCLANT

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Wednesday, October 11, 1967
4:15 p.m.

Pres file

Mr. President:

Here is Henry Owen's draft
speech for wounded veterans.

It is basically good; but it needs
some simplification.

W. W. Rostow

WWRostow:rlh

502

DRAFT SPEECH TO WOUNDED VETERANS

I. Introduction

I want to talk with you, the men who have borne the battle, to try to tell you how your sacrifice has helped to shape your country's future.

I know the measure of that sacrifice. I have seen you in hospital wards, disembarking from hospital planes, and in your visits to the White House. I have tried to understand what you have given up in the service of your country.

Your sacrifice has helped to accomplish two things:

- to prevent a wider war; and
- to make possible the building of a new Asia.

I would like to talk of each of these, in turn.

II. Preventing a Wider War

The Communists in Vietnam have made plain that the only terms on which they would conclude peace are terms that would ensure their control of South Vietnam.

We have sought other roads to peace. We have sought a settlement which would allow all the people of South

Vietnam - including those now fighting on both sides - freely to decide their own future. But the Communists will not even discuss such a settlement.

So the choice has been to accept Communist control or resist Communist aggression.

If we had accepted Communist control of South Vietnam, what would have been the result?

For the answer, go to the people who live near South Vietnam. Ask the leaders of Thailand, the Philippines, Malaysia, and Singapore.

They will tell you of the direct and mortal threat that a Communist victory in Vietnam would have posed to their countries.

These countries, no more than Vietnam, could have met that threat alone. They would have needed our help.

That help would not have deterred the Communists from using their military power. For they would have already seen America back away, in the face of their power, from a solemn commitment to the defense of South Vietnam.

A long hard war for control of mainland Southeast Asia would have been the likely result. And if we had sought

to avoid this war by giving way we would soon have had to confront direct Communist pressures elsewhere in Asia.

For the plain truth is that the balance of military power in Asia, as in Europe, runs to the Communists' advantage - unless US military power is thrown into the equation. And the Communists are prepared ruthlessly to exploit that advantage.

That is why, if we were not fighting in Vietnam, we would be fighting a bigger war elsewhere in Asia, unless we were prepared to see the Communists gain widening control of half the world's people.

III. What Has Been Made Possible

But you have done more than prevent a wider war.

You have made possible a new era in Asian affairs: an era of cooperation among free countries in pursuit of peaceful ends.

America has a vital stake in this new era.

In the first half of this century, American history was written in Europe. The failure to create a stable

European order twice involved us in European wars. Now we are helping to build a new Europe, one less likely to explode into violence.

In my lifetime, American history has also been written in Asia. Since Pearl Harbor and the Korean war, we have learned that a stable order in Asia is essential to our peace.

We have joined other countries in trying to build such an order.

The outcome of this effort is now being decided in the hills, and jungles and rice paddies of Vietnam. Unless Communist aggression can be defeated there, Asia will be given over to international anarchy, not peaceful progress.

That is why the non-aligned Prime Minister of Singapore, Mr. Lee ^K~~Yuan~~ Yew, has said: "I feel the fate of Asia - South and Southeast Asia - will be decided in the next few years by what happens in Vietnam."

I am confident that the decision will be registered in favor of freedom. Slowly but surely, Communist aggression is being defeated in Vietnam.

And while this goes on, the new era in Asia affairs is already opening up:

- Promising new regional groupings have been launched.
- The Asian Development Bank is beginning operations.
- The rift between Indonesia and Malaysia has been healed.
- Japan is playing an increasingly constructive role.

The signs for the future are bright; the drive for progress is gathering force.

With the advent of peace, that drive can go forward even more rapidly.

Success in Vietnam will then come to be seen as the hinge on which the door of history swung open - to a new era in which the peoples of Asia and the Pacific waged together the only war in which sensible men can rejoice: the war on hunger, and disease, and poverty.

In this war, the idealism and resources of the American people will find their full play.

In this war, those who today call themselves our enemies will, I hope, prove to be our partners.

But this great vision can only be realized if brave young men from many nations are willing to risk their lives to prove that the alternative vision - of an Asia in which

force supplants consent and domination crowds out cooperation - will not be fulfilled.

This is what you have helped to do.

That is why your countrymen, and many others, are in your debt.

IV. Conclusion

Nine years from now, we will be celebrating the two hundredth anniversary of this Republic.

The intervening centuries are more than the history of this land and people. They are the history of an idea: the idea of freedom.

That idea has prospered, with our country.

Our progress has exceeded the Founding Fathers' fondest hopes.

But this progress could not have been achieved unless each generation of Americans had been willing to serve our country and its ideals, at whatever risk to themselves.

There were only a few thousand at Valley Forge. But without them, our country would not have been founded.

There were many more at Manassas, Gettysburg, and the Wilderness. Without them our country would not have endured.

There were more still landing on the beaches of Normandy, and then at Inchon. By then our Republic had become part of a wider world, and its freedom could only survive if that same freedom prospered elsewhere.

Without the sacrifice of all these young men the Republic would long since have crumbled, and its purposes dissolved into empty rhetoric.

Now your service and your sacrifice has been added to theirs.

The debt that we owe you cannot be repaid, any more than the debts incurred at Valley Forge and since.

We cannot offer you any reward, save honor, equal to your sacrifice.

But we can try to ease your suffering and hasten your recovery.

The dedicated doctors and nurses of our great Army and Navy hospitals are doing just that. Your government is backing them with everything it has. If there is more to be done, write me in the White House; I want to know about it.

One problem which has been drawn to my attention is this: I am told that some of your families may not be able

to visit you as often as they would like because of the costs involved. You will be glad to know that I am now asking the Congress for (alternative: I am now setting aside from funds now available to the executive branch) money to pay the transportation costs of any family wishing to visit a wounded veteran in US service hospitals, when other resources are not available.

I hope that this will help.

You have given much, and asked little.

You have helped to save peace and lives of your countrymen - and of many others, too.

You have opened the way to a new era of cooperation for progress in Asia.

In so doing, you have accomplished more, in a brief period, than is given to most of us in a lifetime.

May the knowledge that this is so be a source of comfort and strength to you and your families in the days that lie ahead.

And may God keep you in His care.

Pres Dir

~~TOP SECRET TRINE~~

Wednesday, October 11, 1967
3:30 p. m.

61

MR. PRESIDENT:

You know my general view on negotiations; but just because I prefer a you-call-me line, I would suggest you read the attached marked intercepted passage [redacted]
[redacted]

[redacted]

[redacted]

They are a little country dealing with the most powerful there is. They want to keep a little pride from their defeat. [redacted]
[redacted]

I don't have to put the familiar argument on the other side.

But I thought you might be interested [redacted]
[redacted]

W. W. R.

~~TOP SECRET TRINE~~ attachment

SANITIZED
E.O. 13292, Sec. 3.5
NLJ/RAC 04-54
By abm, NARA, Date 6-14-04

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-418
By ijg, NARA, Date 7-27-95
Lunch Meeting With the President
Wednesday, October 11, 1967, 1:00 p.m.

62

Pres file

1. Radio Free Europe and Radio Liberation. (Sec. Rusk and Sec. McNamara)
See Tab A.
2. Trade Hearings. (Sec. Rusk)
See Tab B on policy towards Sen Long's hearings Oct. 18-20.
3. Nuclear Assurances in Relation to Nuclear Proliferation Treaty.
(Sec. Rusk and Sec. McNamara)
See Tab C (memo to Sec. Rusk from Mr. Foster).
4. PYTHON. (Sec. Rusk)
U.K. request for consultation on general war arrangements.
5. Thieu Inaugural: October 30. (Sec. Rusk)
U.S. delegation. Decision required on head of delegation. Less than three weeks to go.
6. Asia Summit Meeting. (Sec. Rusk)
Should we begin exploring last two weeks of November? Any other stops en route?
7. Middle East. (Sec. Rusk and Sec. McNamara)
 - a. Arms policy.
 - b. Next moves in New York.
8. Targets. (Sec. McNamara)
CINCPAC strongly urges Phuc Yen airfield.
9. Troop Contributions. (Sec. McNamara)
Sec. McNamara suggests we plan to present Thai, Australian, Vietnamese, and Korean troop increases as a dramatic package to match ours: about 80,000 versus our 40,000. State should consider a scenario.

~~SECRET~~

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10. Negotiations: A Fight-Talk Strategy? (Sec. McNamara)

Sec. McNamara would like to discuss the problem. He would also like us to develop a 12-15 month strategy for Vietnam.

11. Personnel. (Sec. McNamara)

a. Marine Corps Commandant

b. Sen. McGee and a possible slot on the Foreign Relations Committee.

12. Other.

W. W. Rostow

WWRostow:rla

~~SECRET~~

Wednesday, Oct. 11, 1967
12:30 p. m.

MR. PRESIDENT:

Here is an outline of a response to one of your three challenges to the educational community at Williamsburg: an "international university."

It would be great to get a global Lyndon B. Johnson University worked out!

W. W. R.

(cys of draft sent to Sect Rusk, Gardner, Mr. Marks, Mr. Hornig, Mr. Cater, Mr. Jessup) (their comments requested)

Proposal for a Global University

63a

I. Operational Steps.

1. Establish the five or ten undergraduate university subjects

where, within the non-Communist world at least, the subject matter, vocabulary, etc., are fairly uniform; for example, the calculus, basic physics, basic chemistry, English literature, and intermediate economics, etc.

2. Put on film carefully prepared lectures by the best men and

women in the world in these fields. These lectures would not be static.

They would use whatever visual aids, charts, film clips, etc., might contribute vitality.

3. These lectures would supplement not substitute for local teaching.

In a 14-week term, for example, with three classes per week there might be eight such filmed lectures.

4. Within countries or regions these lectures would be done for

10/11/67

a good many universities, equipped with closed circuit television, geared into their curriculum after negotiation among them.

5. Towards the end of the term there would be an international session in which the lecturer, operating through satellite television, over the closed circuit educational television systems, would answer questions from individual pupils and classes all over the world.

This is the heart of the matter. Without two-way communication the scheme won't work.

6. Where the field was marked by major differences of view, international sessions could be mounted by satellite involving debate between protagonists with different views.

7. Although English is becoming a second language on a fairly universal basis, provision could be made for dubbing in translation of the taped lectures or for the use of sub-titles to help guide those whose

English was existent but inadequate.

II. Organization.

8. To work effectively the scheme would have to have the participation and support of the major figures in education in each country. This argues either for initiation by an American foundation with wide international ties to the world of education; for example, the Ford Foundation. It might be done through UNESCO; but there is little reason to have faith in its capacity to organize and carry out such an enterprise.

9. Within the U. S. foundation resources are probably sufficient to carry out the planning, feasibility study work, etc., required.

U. S. and other public assistance funds might be required, however, to help develop the closed circuit television networks necessary within countries. The scheme will not work, however, unless all the participating nations put up funds. It should not be an educational hand-out from the rich countries.

10. While the idea was being staffed out on the international level, experiments in the technique might be developed within the U. S. ; for example, among the northeastern U. S. universities; within a large state like Texas or California; or even on a national basis. An Anglo-American experiment might be a good way to start in the international field; although I suspect other nations might pick up the idea as fast as the U. K. ; for example, Japan, Germany, India, etc.

W. W. Rostow

64

Wednesday - 10:45 am
October 12, 1967
11

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your 11:15 am appointment today with Senator Randolph, O'Farrill and Swain

You have an 11:15 appointment this morning with Senator Jennings Randolph, Don Romulo O'Farrill and Robert Swain. Mr. O'Farrill -- a Mexican -- is President of the Executive Committee of the Pan American Highway Congress. Swain is President of the International Road Federation.

I don't know the background to this appointment, but I am sure that O'Farrill will raise with you the issue of closing the Darien Gap of the Pan American Highway between Panama and Colombia.

You will recall that in your Mexico City speech last year, you expressed an interest in seeing the Gap closed (text attached). After that, we went to the Colombians to see if they would be willing to cooperate with us in building the road along the shorter (Caribbean) route which our Bureau of Public Roads says is the only one which makes sense. We thought this an excellent project to announce at the OAS Summit. Because the Colombian Congress is on record as favoring the longer (Pacific) route, President Lleras put off giving an answer. I think it is too hot an issue domestically for him to force a decision.

If Mr. O'Farrill presses you on the Darien Gap, I recommend you tell him:

- what you said in your April 15, 1966 speech in Mexico City continues to be your view.
- we have asked the Colombians if they would be interested in building the road via the shorter Caribbean circuit.
- to date we have received no final response.
- while we are not prepared to help build the long, expensive Pacific road, we are interested in the short route if the Colombians are willing to follow it and share in the cost.

W. W. Rostow

Attachment - Tab A.

THE WHITE HOUSE

WASHINGTON

65

~~SECRET~~

Wednesday - 10:30 am

October 11, 1967

*Reid
11:2 a*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Death of "Che" Guevara

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~~This morning we are about 99% sure that "Che" Guevara is dead.~~

~~These should arrive in Wash-~~
ington today or tomorrow.

~~that the latest information is that Guevara was taken~~
alive. After a short interrogation to establish his identity,
General Ovando -- Chief of the Bolivian Armed Forces -- ordered
him shot. I regard this as stupid, but it is understandable from a
Bolivian standpoint, given the problems which the sparing of
French communist and Castro courier Regis Debray has caused
them.

The death of Guevara carries these significant implications:

- It marks the passing of another of the aggressive, romantic revolutionaries like Sukarno, Nkrumah, Ben Bella -- and reinforces this trend.
- In the Latin American context, it will have a strong impact in discouraging would-be guerrillas.
- It shows the soundness of our "preventive medicine" assistance to countries facing incipient insurgency -- it was the Bolivian 2nd Ranger Battalion, trained by our Green Berets from June-September, ^{of this year} that cornered him and got him.

We have put these points across to several newsmen.

W. Rostow

SANITIZED

E.O. 12356, Sec. 3.4

NIJ 91-32

By *lig*, NARA, Date *2-12-93*~~SECRET~~

~~CONFIDENTIAL~~

Wednesday, October 11, 1967
10:15 a. m.

66

MR. PRESIDENT:

A. rings true. B. shows the rigid line in action.

Pres file

A. (copy of London 2778) Subject: Indonesian Ambassador's Talk with Pham Van Dong.

1. Murray (head of Southeast Asia Dept., Foreign Office) yesterday cited a telegram from Hanoi reporting a conversation of UK Consul with Indonesian Ambassador to North Vietnam, Nugroho, on October 6.
2. Nugroho said he had a meeting lasting more than an hour with Pham Van Dong in mid-September. Nugroho noted to Dong that although there was much sympathy throughout the world for North Vietnam, the doves in the U. S. and elsewhere could make no headway in the face of apparent rigidity of North Vietnam. He said the American position seemed more flexible and suggested Hanoi, too, might take a more flexible stance. Dong's reaction to this was to roar with laughter, slap the sides of his chair, and reply, "We are rigid: we have to be or the U. S. will think we are defeated."

B. (copy of CIA cable) Subject: Uncompromising Attitude of North Vietnamese Diplomat, Vo Van Sung, on the subject of Cessation of Bombing. [REDACTED]

1.3(a)(4)

Vo Van Sung, the Political Counselor of the General Delegation of the Democratic Republic of Vietnam (DRV) in Paris, stated on 3 October 1967 that North Vietnam would not make even the slightest gesture in return for the cessation of bombardments of his country. Sung emphasized that the cessation of bombing must be unconditional. These remarks were made in response to peace proposals made by Canon Francois Houtart. [REDACTED] comment: Sung expressed different views in an interview with a West European journalist on 4 Oct. 1967 when he stated that North Vietnam will commence negotiations with the United States when the bombing of North Vietnam stops.)

1.3(a)(4)

W. W. R.

Approved For Release 2000/08/16 : NLJ-019-024-1-7-0

SANITIZED
Authority NLS 019-024-1-7
By 9, NARA, Date 1-7-02

Wednesday, Oct. 11, 1967
9:30 a.m.

67

MR. PRESIDENT:

Herewith Sect. Rusk's formal proposal on
Senator Long's Oct. 18-20 hearings for discussion
under item 2 at today's lunch.

for file

W. W. R.

~~CONFIDENTIAL~~ attachment (log 3870)



3870
67a

~~CONFIDENTIAL~~
DEPARTMENT OF STATE
Washington, D.C. 20520

October 10, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Trade Policy - Protectionist
Threats and Countermeasures

Recommendation:

To help bolster the forces attempting to throw the current trade protectionist movement off balance, I recommend you authorize me to join other Cabinet members before the Senate Finance Committee October 18-20. In an interagency meeting on October 2, chaired by Bill Roth, it was recommended that the Secretaries of State, Commerce, Agriculture, Labor and Interior should testify, along with Roth and Gardner Ackley. I propose to speak out very strongly against a retreat to protectionism both on foreign policy and economic grounds.

Approve _____ Disapprove _____

Discussion:

There are some encouraging recent signs that the protectionist forces in America may have overreached themselves or at least made a tactical error in pressing simultaneously for trade restrictions covering such major and diverse sectors of the economy as textiles, steel, meat, dairy products, petroleum, lead and zinc. Other protectionist ploys such as the Dent "fair labor standards" bill and restrictionist riders to the Defense Appropriations and Foreign Aid bills have also served to draw more public attention than usual to the threat to our traditional trade policy.

Your own action last week in calling for a Tariff Commission investigation of the economic condition of our textiles and apparel industries has already done a great deal to help slow down precipitate Congressional action in this important sector. I trust your attention

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-417
By Wig, NARA, Date 6-16-95

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

has already been drawn to the Sunday New York Times editorial which begins, "President Johnson once again demonstrated that he does not panic in the face of pressures exerted by an arrogant protectionist lobby."

I strongly feel, however, that your cabinet officers should not sit back and let you take the heat of the protectionist pressures and see if you can turn the tide by your own actions. There are steps we can take to initiate a major campaign to wake up the sleeping majority of American economic and political interests whose fortunes are in jeopardy if the more highly-organized minority of protectionist forces have the field to themselves.

An excellent opportunity is open to us in the public hearings Senator Long and the Senate Finance Committee will hold on trade policy October 18-20. I propose to join my cabinet colleagues in appearing at these hearings.

There is also a need for Cabinet-level and other senior officials to speak out over the coming months in support of a liberal trade policy. I did so myself on September 15. Bill Roth made an excellent speech on this in Detroit last week. Nick Katzenbach will address the National Foreign Trade Council later this month. Failure to speak out would be misunderstood throughout the country; it would tend to undermine the Kennedy Round which is one of the major accomplishments of your Administration.

But more than speeches will be needed to throw the present protectionist movement off balance. We will have to urge leading American exporters, importers, financiers and shippers to be more visible and more vocal.

The need for a major campaign of this kind is, I believe, very real. Quantitatively, the combination of current protectionist pressures pose a threat to our trade policy of an entirely different order of magnitude than we have had to face for many years. US import restrictions on steel and all forms of textiles, for example, would affect close to \$3 billion, or about 11% of our total imports last year.

~~CONFIDENTIAL~~

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If meat, lead and zinc, and a number of other trade interests pressing for protection are added, the figures would, of course, be much higher. By way of comparison, a rough estimate of the trade significance of all US escape clause actions since the end of World War II is less than \$1/2 billion.

The combination of textile and steel pressures for trade restrictions, organized labor's disenchantment, and Congressional receptivity to pressure groups in an election-year adds up to an ominous conjuncture. It is made even more dangerous by the following factors:

- the certainty of retaliation by our major trading partners;
- the undermining of the good faith and credit of the U. S. abroad;
- the strengthening of anti-American sentiment in Europe;
- the unsatisfied trade needs of the developing countries would suffer another blow if trade restrictions break out among the industrialized countries; our efforts to develop a constructive approach to generalized trade preferences for developing countries would have to be abandoned for a number of years.

There is, I am convinced, still a reservoir of support in America for the trade policy we have pursued for so many years and with such demonstrably favorable results for our own economy. With your approval, I propose to launch an effort to reach that untapped reservoir. A strong Administration position will, I believe, win support from the majority of the press, business community and virtually all of the academic community.

The ultimate objective is to convince the Congress that in voting to reverse our traditional trade policy in order to placate one or more disaffected sectors, they run the political risk of incurring much greater

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~~CONFIDENTIAL~~

- 4 -

domestic political disapproval from the larger number of American interests whose well-being rests on liberal trade. We also have to remind the Congress of the contribution of liberal trade policies to our own domestic prosperity.

Dean Rusk

Dean Rusk

~~CONFIDENTIAL~~

Limited Official Use

Wednesday - 9:30 am
October 11, 1967

68
1. *sup*
2. *Pres file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Program for Diaz Ordaz' Visit

Bill Bowdler checked the tentative program for the Diaz Ordaz visit (Tab A) with Tom Mann. He thought it excellent on both the Washington and El Paso ends. Tom feels this visit and the symbolism of the Chamizal settlement will be helpful to you domestically and internationally.

In their discussions, these issues came up with respect to the program in El Paso-Ciudad Juarez on which we would like your guidance:

1. President Diaz Ordaz will ride in your car from the El Paso airport to the new Santa Fe Bridge spanning the border. At the Bridge, there will be a short ceremony before the motorcade drives through Ciudad Juarez to the Chamizal Monument. For the ride through Juarez, President Diaz Ordaz will ride in his car. Will you ride with him, or go in your own car?

I will ride with him _____

I prefer my own car _____.

2. At the Chamizal Monument in the Mexican portion of the Chamizal tract, you and President Diaz will make short statements formalizing the transfer of land. Mexican protocol calls for the visiting President to speak first. However, President Diaz Ordaz will defer to you if you prefer to speak last.

Will you speak first? _____

I prefer to speak last _____.

3. Also, the question arises whether you want consecutive translation of these statements, which will prolong the ceremony. Most of those present will be bilingual. We can have translations of the statements for you and President Diaz Ordaz to follow each other's remarks.

Prefer consecutive
translation _____

Prefer no translation _____.

I recommend that you invite Tom and his wife to accompany you to El Paso for the ceremony.

Approve _____

Disapprove _____.

W. W. Rostow

Attachment

Tab A -- Tentative Program for the visit.

DEPARTMENT OF STATE
Washington, D.C.
OFFICE OF THE CHIEF OF PROTOCOL

68a

TENTATIVE PROGRAM FOR THE STATE VISIT TO THE UNITED STATES OF HIS
EXCELLENCY GUSTAVO DIAZ ORDAZ, PRESIDENT OF THE UNITED MEXICAN STATES,
AND MRS. DIAZ ORDAZ

THURSDAY, OCTOBER 26

11:50 a.m. EDT President and Mrs. Diaz Ordaz will arrive at Andrews Air Force Base, Maryland, aboard a Mexican aircraft.

12:00 noon Departure from Andrews Air Force Base by helicopter.

12:10 p.m. Arrival at the President's Park (Ellipse). Transfer to limousine.

12:15 p.m. His Excellency Gustavo Diaz Ordaz, President of the United Mexican States, and Mrs. Diaz Ordaz and their party will arrive at the White House, where they will be greeted by the President of the United States and Mrs. Johnson, the Secretary of State and Mrs. Rusk, a representative of the Joint Chiefs of Staff and his wife, and other officials. Full military honors will be rendered.

12:45 p.m. President and Mrs. Diaz Ordaz, accompanied by President and Mrs. Johnson, will head a Parade of Welcome through Washington.

1:05 p.m. Arrival at Blair House.

The Commissioner of the City of Washington, D.C., will present the Key to the City to President Diaz Ordaz.

President and Mrs. Johnson will return to the White House.

THURSDAY (Cont'd.)

- 2 -

THURSDAY, OCTOBER 26 (Continued)

1:45 p.m. The Vice President of the United States and Mrs. Humphrey will give a luncheon in honor of President and Mrs. Diaz Ordaz at _____.

5:00 p.m. President Diaz Ordaz will meet with President Johnson at the White House.

8:00 p.m. President and Mrs. Johnson will give a dinner in honor of President and Mrs. Diaz Ordaz at the White House.

Dress: Black tie

FRIDAY, OCTOBER 27

8:00 a.m. President and Mrs. Diaz Ordaz will have breakfast with guests at the Embassy of Mexico, 2829 Sixteenth Street, Northwest.

10:15 a.m. Departure from the Embassy and return to Blair House.

10:30 a.m. Mrs. Lyndon B. Johnson will call on Mrs. Diaz Ordaz at Blair House.

 Mrs. Johnson will take Mrs. Diaz Ordaz on a motor tour to observe playground equipment in Washington, D.C., which has been donated by the Mexican Government.

11:30 a.m. Mrs. Diaz Ordaz and Mrs. Johnson will return to Blair House. Mrs. Johnson will take her leave.

11:35 a.m. President and Mrs. Diaz Ordaz will depart from Blair House.

11:45 a.m. Arrival at the Lincoln Memorial where President Diaz Ordaz will place a wreath.

12:00 noon Departure from the Lincoln Memorial.

FRIDAY (Cont'd.)

- 3 -

FRIDAY, OCTOBER 27 (Continued)

12:10 p.m. Arrival at the Capitol.
President and Mrs. Diaz Ordaz will be escorted
to the Office of the Speaker of the House
of Representatives.

12:30 p.m. President Diaz Ordaz will address a Joint
Meeting of Congress in the House of
Representatives.

1:30 p.m. The Secretary of State and Mrs. Rusk will
give a luncheon in honor of President and
Mrs. Diaz Ordaz in the Benjamin Franklin
Room, Department of State.

3:00 p.m. President Diaz Ordaz will address a Protocolary
Meeting of the Council of the Organization
of American States at the Pan American Union.

4:00 p.m. President Diaz Ordaz will have a press
conference at the Embassy of Mexico.

5:30 p.m. President Diaz Ordaz will meet with
President Johnson at the White House. A
joint communique will be issued.

7:30 p.m. President and Mrs. Diaz Ordaz will give
a reception in honor of President and
Mrs. Johnson at the Embassy of Mexico,
2829 Sixteenth Street, Northwest.

SATURDAY, OCTOBER 28

8:25 a.m. President and Mrs. Diaz Ordaz will depart
from Blair House and proceed to the South
Lawn of the White House.

8:30 a.m. EDT President and Mrs. Diaz Ordaz, accompanied
by President and Mrs. Johnson, will depart
from the White House by helicopter.

8:40 a.m. EDT Arrival at Andrews Air Force Base, Maryland.

SATURDAY (Cont'd)

- 4 -

SATURDAY, OCTOBER 28 (Continued)

8:45 a.m. EDT

Departure from Andrews Air Force Base
aboard the President's aircraft.
(Flying time: 4 hours)
(Time change: 2 hours)
(Luncheon will be served aboard the aircraft)

10:45 a.m. MDT

Arrival at El Paso International Aircraft,
El Paso, Texas.

11:00 a.m.

Departure from El Paso International
Airport. The motorcade will pass through
El Paso.

11:45 a.m.

Arrival at the Santa Fe Street Bridge.

President and Mrs. Diaz Ordaz and President
and Mrs. Johnson, accompanied by the
Commissioners, International Boundary and
Water Commission, United States and Mexico,
will walk to the west side of the bridge,
where they will view the proposed course
of the Rio Grande River.

The Presidents and the First Ladies will
greet Mexican Officials.

President Diaz Ordaz and President Johnson
will unveil the boundary monument.

The Presidents and the First Ladies will
view the construction of the new river
channel, to the east.

12:00 noon

Departure from Santa Fe Street Bridge. The
motorcade will pass through Juarez.

1:00 p.m.

Arrival at Mexican Chamizal Monument

1:10 p.m.

The band will play the national anthems of
Mexico and the United States.

President Johnson will make an address.
(The address will be interpreted into Spanish)

President Diaz Ordaz will make an address.
(The address will be interpreted into English)

SATURDAY (Cont'd.)

- 5 -

SATURDAY, OCTOBER 28 (Continued)

The Presidents will sign documents (one in Spanish and one in English). They will be assisted by the Commissioners, International Boundary and Water Commission, United States and Mexico.

2:30 p.m. The Presidents and their parties will depart from Chamizal Monument.

2:40 p.m. Arrival at the International Cordova Island Bridge.

Mrs. Diaz Ordaz and Mrs. Johnson will dedicate the bridge by cutting a ribbon.

The Presidents and the First Ladies will walk to the flagpole on the Mexican side. The Mexican Flag will be raised while a bugler sounds "Toque a la Bandera" ("Call to the Color").

The Presidents and First Ladies will walk to the flagpole on the American side. The American Flag will be raised while a bugler sounds "To the Color."

The Presidents and First Ladies will walk to the Boundary Monument. The band will play the national anthems of Mexico and the United States.

3:00 p.m. The Presidents and the First Ladies will bid farewell. President and Mrs. Diaz Ordaz and their party will return to Juarez. President and Mrs. Johnson and their party will return to El Paso.

Protocol
October 6, 1967

Wednesday, October 11, 1967
9:30 a.m.

MR. PRESIDENT:

Mac Bundy will be available in Washington:

Pres file

-- this Friday morning, October 13, before a 12:30 lunch;

-- after lunch Friday afternoon;

-- next Tuesday afternoon, October 17.

Mac says he is coming to dinner with you that night.

You may wish to indicate which time is most convenient for you.

W. W. R.

Wednesday,
October 11, 1967

Pres file

MEMO FOR THE PRESIDENT

Mr. President:

Attached is today's situation report
on Vietnamese politics.

W. W. Rostow

Att.

~~CONFIDENTIAL~~ Attachment

70a

~~CONFIDENTIAL~~

Viet-Nam Political Situation Report

October 11, 1967

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 94-417

By CB, NARA, Date 1-20-95

Thieu Speech

President-elect Thieu gave what appears to be an important policy speech at today's installation of the new Senate. We do not yet have the text, but press reports are focussing on his comments on negotiations.

Tri Quang Ceases Vigil

On "orders" from his Supreme Patriarch, Tri Quang returned to his pagoda after a 10-day vigil outside the palace. At a pagoda press conference, he said the Buddhists wished to test the GVN's good will but left the door open for further protests if no satisfactory solution emerges. The Embassy comments that the election validation, lack of strength in the Buddhist/student/Dzu opposition alliance, and GVN skill in handling the dispute so far undoubtedly influenced Tri Quang in calling off his protest vigil.

Lower House Elections

Some 1,200 candidates for the 137-seat Lower House began their election campaign October 6. Early reports indicate the election is being taken seriously at local levels, even if the over-all turnout may be less than for the Presidential/Upper House elections. Campaign issues have not yet clearly emerged.

Our preliminary analysis shows that the Lower House promises much wider representation than the Senate. Hoa Hao and Cao Dai candidates seem certain to win in their areas. Ethnic Cambodians and montagnards are assured of several Lower House seats. More liberal qualification procedures left several candidates in the running with appeal to the "militant" Buddhists (particularly in Saigon and I Corps). The VNQDD and Dai Viet parties are running many candidates. Organized labor is reportedly running or backing 20 to 30 candidates directly.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

The quality of candidates appears high. They include an estimated 40 Constituent Assembly members, many provincial/municipal councillors, several ex-province or ex-district chiefs, and responsible younger politicians and former youth leaders. Disqualifications for "pro-communist or pro-communist neutralist" activity seem to have been made less arbitrarily than before.

~~CONFIDENTIAL~~

Wednesday, October 11, 1967

CONFIDENTIAL

For file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting With Ambassador to Indonesia, Marshall Green,
12:15 p.m., October 12, 1967

The meeting has two purposes:

-- to enable you to review personally with your Ambassador to Indonesia the situation there and the state of US-Indonesian relations;

-- to put Ambassador Green in a better position to represent you personally in his dealings with Indonesia President Suharto.

Apart from the general situation review, you might wish to make the following points:

- the priority you attach to Indonesia;
- whether our current assistance program is adequate;
- what economic assistance Indonesia expects from us and others in the future;
- your willingness to provide wheat if they can use it;
- the political prospects of the Suharto Government;
- what is being done and what might be done to meet Indonesia's needs through private American investment;
- what the Indonesians are doing to meet their basic problem of food production;
- the Indonesian attitude toward Viet-Nam and the prospects for Indonesia playing a role in arranging a settlement;
- Indonesia's future security role in Asia;
- what kind of man is Gen. Suharto?

DECLASSIFIED

Authority NLJ 8303

By 29/10/00, NARA, Date 10-23-00

W. W. Rostow

CONFIDENTIAL

W.W.R.
Pres file
72

Wednesday, October 11, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Report to the Congress on the Kennedy Round Agreement

At Tab A, for your approval and signature, is a draft Presidential report to the Congress on the Kennedy Round. A copy of the agreement (a bulky volume of tariff schedules) will go along with it. The Trade Expansion Act requires the President to transmit to the Congress a copy of each trade agreement entered into under the authority of the Act, together with a statement of his reasons for entering into the agreement.

The report is based on a draft prepared by Bill Roth's people. We have gone over the attached version with Bill, who approves. Harry McPherson has also reviewed and contributed to the revision.

The report highlights the results we achieved -- in overall and specific terms -- and the care we exercised in making and seeking trade concessions.

It states that:

- You expect to issue a proclamation later this year making the reductions in U.S. tariffs effective January 1. (This was agreed in Geneva on the condition that all major countries do the same. We will know what others intend by December 1.)
- You will seek the advice and consent of the Senate on the world grains arrangement. (We expect to initial this agreement next week. Bill Roth and John Schnittker do not expect trouble in the Senate. Carlson is a strong supporter. The Grange and the National Farmer's union are for it and the Farm Bureau is neutral and reconciled.)
- You will submit a trade bill to the Congress to make effective the ASP agreement in the Kennedy Round and to provide authority for making further progress in promoting world trade. (No timing indicated.)

The report on the trade negotiations provides concrete evidence of what we could gain from trade expansion and what we could lose from moves toward protectionism. It would help to have the report released before Senator Long begins his public hearings on import quota legislation on October 18.

W. W. Rostow

(If you approve we will need your signature at Tab A.)

No _____ Speak to me _____

ERF ERF:mst

72a



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WUR
72b

TO THE CONGRESS OF THE UNITED STATES:

I am proud to transmit to the Congress a copy of the multilateral trade agreement signed in Geneva on June 30, 1967 and a report of my reasons for entering into it.

The agreement brings to a successful conclusion what we all know as the Kennedy Round of trade negotiations. It fulfills the purposes and high hopes of the Trade Expansion Act.

The documents contain a mass of detail. On paper those details appear dry and technical. In reality they represent new factories -- more jobs -- lower prices to consumers -- and higher incomes for American workers and for our trading partners throughout the world.

President Kennedy understood their true meaning when he asked for new authority, in 1962, to continue the post-war drive to reduce barriers to international commerce. The Congress responded by passing the Trade Expansion Act.

These decisions rested on solid experience. The remarkable post-war expansion of international trade brought strength and growth to the free world economy. It enriched the lives of people everywhere -- and thus it served the cause of peace. We and our trading partners had an enormous stake in the further removal of trade barriers. Trade expansion would continue to benefit us all -- the more so because of our growing prosperity. Protectionism and trade wars would hurt us all -- the more so because of our growing interdependence.

This report celebrates the wisdom of these decisions and the success of this tremendous effort. As a consequence, international trade can continue to be the world's biggest growth industry. We must continue to provide leadership in international trade policy to realize its vast potentialities and share fully in its benefits.

The results of the trade negotiations are of unprecedented scale. Measured by our 1966 trade, we received tariff concessions from other countries on between \$7 1/2 to \$8 billion of our industrial and agricultural exports. We reduced duties on about the same volume of our imports. The gains will be even greater in future years as world trade grows.

In approaching the trade negotiations, two fundamental standards governed our actions.

First, we sought, and achieved, reciprocity in trade concessions. Our consumers will benefit by lower import costs. Our export industries will benefit by greater market opportunities abroad.

Second, we sought to safeguard domestic industries that were especially vulnerable to import competition. We accomplished this through procedures worked out in accordance with guidelines wisely established by Congress in the Trade Expansion Act.

On October 21, 1963, we issued the first of a series of public notices of our intention to negotiate. Public hearings were held by the Tariff Commission and by the Interagency Trade Information Committee.

From these hearings, and from special studies carried out by the Office of Emergency Planning, we were given advice on each article under review for possible concession. When this expert examination revealed that a particular industrial and agricultural product was exceptionally vulnerable to import competition, it was withheld from negotiation. These background studies also guided our negotiators in determining how large a concession we could reasonably make on each item.

Because of the care exercised in these preparations, the selectivity with which reductions were made, and the fact that most of these reductions will come into effect gradually over a 5-year period, we can be assured that the vital interests of American labor, agriculture and industry have been safeguarded.

Throughout the negotiations my Special Representative for Trade Negotiations worked closely with the bipartisan Congressional Advisors.

The thoroughness of our preparation have borne fruit. We made many concessions. So did our leading trading partners -- the West European nations, Canada, and Japan. The major features of the basic agreement illustrate its depth and potential benefits.

- Tariff cuts of 30% to 50% on a very broad range of industrial goods. For example:
- Canada reduced tariffs on a wide range of machinery from 22.5% to 15%, on metal furniture from 25% to 17.5%, and on coal from 10% to zero.

- Japan cut tariffs on our automobiles from 35% to 75.5%, and on black and white photographic film from 30% to 15%.
- Great Britain cut its tariffs on American electric typewriters from 16% to 7.5%, on circuit breakers from 16% to 8%, and on air conditioners from 12% to 7.5%.
- The nations of the European Economic Community cut tariffs on U.S. pumps and compressors from 12% to 6%, on refrigerating equipment from 10% to 5%, and on automobiles from 22% to 11%.
- Agricultural concessions that will open new trading opportunities for our farmers and set a valuable precedent for bringing the benefits of competition to world agricultural trade. For example:
 - Canada eliminated all tariffs on American apples, halved its tariff on orange and grapefruit juice from 10% to 5%, reduced its tariff on tallow from 17.5% to 10%.
 - Japan reduced its tariff on soybeans from 13% to 6%, on turkey from 20% to 15%, and on prunes from 15% to 10%.
 - The European Economic Community cut tariffs on dried peas and beans from 9% to 4.5%, on variety

meats from 20% to 14%, and on unmanufactured tobacco from 28% to 23%.

-- Great Britain cut duties on soybeans from 5% to zero, on variety meats from 20% to 10%, and on raisins from 7.5% to 3.5%.

-- We gave comparable concessions on a wide range of products that we import. From them, we will gain the opportunity to choose from a wider variety of consumer goods, industrial materials, and capital equipment at lower prices.

Other parts of the Geneva agreement will also promote trade and encourage economic growth in all free world nations. These are:

- The basic elements of a world grains arrangement. This understanding provides for higher minimum trading prices and a program under which other nations will join us in the task of supplying food aid to the undernourished people in many of the developing nations.
- A significant accord on antidumping procedures. This accord -- consistent with existing American law -- binds our trading partners to insure fair procedures to American exporters, while safeguarding American industry.
- Progress in dealing with problem commodities. A 3-year extension of the Long Term Cotton Textile Arrangement was concluded. Useful approaches were developed in negotiating

tariffs for steel, aluminum, chemicals, pulp and paper.

- A separate bargain on the American Selling Price issue. The U.S. stands to gain additional tariff concessions on chemical exports and liberalization of some European non-tariff barriers in exchange for abolishing the American Selling Price System of valuating certain chemicals. This package will require special legislation which I shall submit to the Congress.
- Significant benefits to the developing countries. These countries will get help from the food aid provision of the grains arrangement and from concessions they received from all industrial countries on export products of particular interest to them.

Each member of the Congress has already received a copy of the Report on United States Negotiations. This report summarizes the concessions granted by other countries and the results of special multilateral negotiations in the Kennedy Round. It also lists all tariff concessions granted by the United States in the Kennedy Round. An additional report will soon be transmitted showing the tariff concessions each of the major Kennedy Round participants granted on the principal commodity groups in the negotiations.

I expect to issue a proclamation later this year making the reductions in the United States tariffs effective beginning on January 1, 1968.

I shall seek the advice and consent of the Senate regarding United States participation in the World Grains Arrangement. International agreement on this arrangement was recently reached in Rome as a consequence of the understanding on grains negotiated in the Kennedy Round.

Finally, I shall submit to the Congress a Trade Bill to make effective the American Selling Price agreement in the Kennedy Round and to provide authority that will enable us to make further progress in promoting world trade.

The Geneva Conference set a solid record of achievement, unmatched in world trade history for its constructive and beneficial results. The results represent a monument not only to our late President who gave the negotiations his name, but also to another great American, the late Governor Christian A. Herter, whose inspiration and leadership guided us through the difficult first three years of the negotiations.

I commend this agreement and these reports to your attention.

LBJ:ERF:mst
10/12/67

73

~~SECRET~~

Tuesday, October 10, 1967
8:40 p. m.

Pres file

Mr. President:

These two reports on the mind of
Hanoi will interest you.

W. W. Rostow



~~SECRET~~

WWRostow:rlh

SANITIZED
Authority NLT 019-024-1-8
By 9, NARA, Date 1-7-02

SANITIZED

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

• ROUTINE

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GROUP 1
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declassification

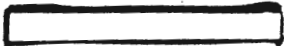
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THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

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OCT 10 20 51EZ

DIST 10 OCTOBER 1967


COUNTRY : VIETNAM
DOI : 
SUBJECT : STATEMENTS BY VO VAN SUNG, POLITICAL COUNSELOR
OF THE DRV GENERAL DELEGATION IN PARIS, ON THE
VIETNAM WAR

ACQ :

SOURCE :



SANITIZED
E.O. 12958, Sec. 3.6
NLI/RAL 00-265
By CBM, NARA Date 5-14-01

SUMMARY : DURING AN INTERVIEW  VO VAN SUNG, THE
POLITICAL COUNSELOR OF THE GENERAL DELEGATION OF
THE DEMOCRATIC REPUBLIC OF VIETNAM (DRV) IN PARIS

~~SECRET~~ NO DISSEM ABROAD/CONTROLLED DISSEM/NO FOREIGN DISSEM

~~SECRET~~ NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM

(classification)

(dissem controls)

MADE THE FOLLOWING COMMENTS ON THE VIETNAM WAR:
THE DRV HAS NO FALSE ILLUSIONS CONCERNING THE
EFFICACY OF INTERNAL US OPPOSITION TO THE VIETNAM
WAR. THE DRV WILL COMMENCE NEGOTIATIONS WHEN THE
US STOPS BOMBING NORTH VIETNAM. ALTHOUGH THE
DRV FEARS THAT THE US WILL TRY TO BOMB THE DIKES,
THE DRV BELIEVES THAT ANTI-AIRCRAFT DEFENSE WILL
PREVENT THIS. THE DRV WILL DEFEAT THE US IN
ANOTHER "DIEN BIEN PHU". END SUMMARY.

1.

THE FOLLOWING QUESTIONS TO VO VAN SUNG. SUNG'S
REPLIES WERE AS SHOWN. QUESTION: WHILE I WAS IN THE UNITED
STATES I LOOKED CAREFULLY INTO THE QUESTION OF INTERNAL US
OPPOSITION TO THE WAR. I FIND THAT, PERHAPS, YOU ARE BANKING
TOO MUCH ON THE EFFICACY OF THIS OPPOSITION. ANSWER: NO,
I CAN ASSURE YOU WE HAVE NO ILLUSIONS ABOUT THIS. WE HAVE READ
THE POLLS AND WE ARE HAPPY WITH WHAT WE SEE. HOWEVER, WE
RECOGNIZE THAT, DESPITE THE EXTENT AND VOCIFEROUSNESS OF THE
OPPOSITION, WE KNOW THAT IT REMAINS INEFFECTIVE AS LONG AS
JOHNSON REMAINS UNCONVINCED.

~~SECRET~~ NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM

~~SECRET~~ NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM

(classification)

(dissem controls)

2. QUESTION: HAS IT OCCURRED TO YOU THAT YOU ARE DRIVING JOHNSON INTO A CORNER; THAT, AS LONG AS YOU PERSIST IN YOUR REFUSAL TO USE DIPLOMATIC TOOLS TO END THE WAR, HE HAS NO ALTERNATIVE TO CONTINUING TO PURSUE THE WAR.

ANSWER: ALL JOHNSON HAS TO DO IS TO STOP THE AGGRESSION. WHEN THE BOMBING STOPS, WE WILL REACH OUR HAND OUT TO HIM. WE WILL THEN BEGIN TO TALK IN A QUIET AND RATIONAL WAY. JOHNSON OFFERED NOTHING NEW IN HIS LATEST SPEECH. THE BOMBING MUST STOP BEFORE WE TALK.

3. QUESTION: SALISBURY, IN HIS BOOK, CITES SOME QUESTIONS HE WAS ASKED IN HANOI WHICH INDICATE THAT YOU MAY SERIOUSLY UNDERESTIMATE THE VASTNESS OF UNITED STATES RESOURCES. ANSWER: OH NO. WE ARE NOT FOOLS, WE KNOW THE POWER OF THE UNITED STATES.

4. QUESTION: THEN YOU KNOW THAT YOU ARE FACED WITH ONLY TWO ALTERNATIVES: THE US CAN ESCALATE THE WAR TO YOUR DISADVANTAGE OR, IF THE US DOES NOT CHOOSE TO DO THIS FOR FEAR OF ADVERSE WORLD PUBLIC OPINION, THE BEST YOU CAN HOPE FOR IS AN INTERMINABLE CONTINUATION OF THE PRESENT SITUATION - A STALEMATE IN OTHER WORDS. YOU SURELY CANNOT

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PAGE 4 OF 4 PAGES

~~SECRET~~ NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM
(classification) (dissem controls)

HOPE FOR ANOTHER DIEN BIEN PHU. ANSWER: BUT YES. WE ARE PREPARING FOR A DIEN BIEN PHU AND IT WILL HAPPEN MUCH SOONER THAN YOU THINK. MORE THAN THAT I CANNOT TELL YOU.

5. QUESTION: WHAT ABOUT FURTHER US ESCALATION. IS THERE ANYTHING YOU REALISTICALLY FEAR? ANSWER: THE US COULD BOMB THE DIKES. QUESTION: I DON'T THINK THEY WOULD DO THAT FOR FEAR OF ADVERSE WORLD PUBLIC OPINION IN VIEW OF THE DIRE CONSEQUENCES OF SUCH ACTION. ANSWER: BUT THEY HAVE BOMBED SOME DIKES ALREADY. QUESTION: IF THEY HAD REALLY WANTED TO DESTROY THE DIKES, THEY COULD HAVE DONE SO. ANSWER: I DON'T THINK SO. OUR AIR DEFENSES ARE VERY EFFECTIVE.

[REDACTED] COMMENT: SUNG'S DISCUSSION ON POTENTIAL BOMBING OF DIKES WAS EVASIVE. HE DID NOT WISH TO DISCUSS THIS SUBJECT IN DETAIL.

[REDACTED] HAD IMPRESSION THAT THE QUESTION OF BOMBING DIKES WAS OF SERIOUS CONCERN TO SUNG.)

6. [REDACTED] DISSEM: CINCPAC, PACAF, ARPAC, PACFLT [REDACTED]
REPORT CLASS: SECRET/NO DISSEM ABROAD/ CONTROLLED DISSEM/
NO FOREIGN DISSEM

~~SECRET~~ NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

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PAGE 1 OF 3 PAGES

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

1.3(a)(4)

DIST 10 OCTOBER 1967

OCT 10 15 52'Z

COUNTRY VIETNAM

DOI LATE AUGUST 1967

SUBJECT 1. ACTIVITIES OF THE NATIONAL FRONT FOR THE LIBERATION
OF SOUTH VIETNAM (NFLSV)
2. ECONOMIC SITUATION IN NORTH VIETNAM

ACQ FIELD NO.

SOURCE 1.3(a)(4)

1. IN LATE AUGUST 1967, TRUONG CONG DONG, A MEMBER OF THE
NATIONAL FRONT FOR THE LIBERATION OF SOUTH VIETNAM (NFLSV)
DELEGATION TO HANOI STATED THAT
MILITARY ACTIVITY IN SOUTH VIETNAM WILL BE INTENSIFIED CON-
SIDERABLY IN THE FOLLOWING TWO OR THREE MONTHS AND, IN ALL
PROBABILITY, THE AMERICANS WILL HAVE TO ESTABLISH MOBILE
SHOCK COLUMNS IN ORDER TO INCREASE THE EFFICACY OF THEIR
ACTIONS AGAINST THE NFLSV. IN TURN, THE NFLSV IS PREPARED
TO TAKE SIMILAR ACTION AND IS PLANNING "FOR THE FUTURE OF THE
AMERICANS MANY DIEN BIEN PHU-TYPE DEFEATS." ORGANIZATIONALLY

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APPROVED FOR RELEASE JUN 1993

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Authority NLT 019-024-1-10
By JDS, NARA, Date 1/7/02

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AND POLITICALLY, THE NFLSV WILL BE ASSERTING ITSELF MORE ON THE INTERNATIONAL LEVEL. "WE ARE A POLITICAL FORCE IN SOUTH VIETNAM AND WE WILL PROVE THIS TO THE WHOLE WORLD, EVEN WITH THE AMERICANS ALL OVER US."

2. AS FOR THE ECONOMIC SITUATION IN NORTH VIETNAM IN AUGUST 1967, THE WAR HAS IMPOSED SERIOUS PRIVATIONS ON THE POPULATION. THE FOOD SITUATION CAN BE REFERRED TO AS CHRONIC FAMINE. THE MAJORITY OF THE POPULATION EATS ONLY ONE MEAL A DAY, CONSISTING OF RICE, VEGETABLES AND FRUIT. THIS IS A FACT, HOWEVER, THAT MANY VIETNAMESE IN RESPONSIBLE POSITIONS RECOGNIZE. THE MAY HARVEST WAS, IN GENERAL, POOR. AT PRESENT, IT IS BEING JEOPARDIZED BY DROUGHT WHICH COULD AFFECT THE OCTOBER HARVEST. ALL FOOD PRODUCTS ARE RATIONED, AND THE RATIONS INITIALLY PROVIDED FOR MANY PRODUCTS SUCH AS CIGARETTES, TEA, SUGAR AND MEAT, HAVE RECENTLY BEEN REDUCED.
3. THE NUMBER OF VICTIMS OF BOMBINGS IS CONTINUALLY INCREASING; THE HOSPITALS ARE FILLED TO CAPACITY. FREQUENT INCIDENTS OF BEGGING, ESPECIALLY ON THE PART OF CHILDREN, ARE SEEN IN THE STREETS OF HANOI. THERE IS INCREASING TALK OF WIDESPREAD PROSTITUTION.

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4. THE MORALE OF THE POPULATION REMAINS GOOD. IT APPEARS THAT THE MAJORITY OF THE VIETNAMESE PEOPLE HAVE BECOME ACCUSTOMED TO THE WAR AND THE EXISTING HARDSHIPS. SHELTERS ARE BUILT EVERYWHERE. THE CENTRAL COMMITTEE OF THE NORTH VIETNAMESE PARTY USES THE OLD SHELTERS IN THE FOREIGN MINISTRY WHICH HAVE BEEN RENOVATED AND MODERNIZED.
5. THE ECONOMIC AID RECEIVED FROM THE SOCIALIST COUNTRIES ARRIVES IN GOOD CONDITION AND ACCORDING TO AGREEMENTS. THE VIETNAMESE PRAISE CHINA FOR ITS TIMELY CONTRIBUTIONS OF AID. ACCORDING TO THE VIETNAMESE, THE PRINCIPAL ROUTE OF AID AT PRESENT IS THROUGH CHINA. THIS ROUTE ACCOUNTS FOR ABOUT 70 TO 80 PERCENT OF TOTAL AID RECEIVED.

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Authority NL 287-231 74
By reg/ep, NARA, Date 10-24-91

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Tuesday, October 10, 1967 -- 7:00 PM

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Agenda for NSC Meeting on Food Aid

You may wish to open by pointing out that we have an urgent need for imaginative thinking on useful ways to expand PL 480 shipments of wheat and food grains:

- we have a wheat price problem at home.
- we are taking a beating on the aid bill; we must do all the substitution of wheat for dollars we can manage.

You might then:

- ask Bill Gaud to lay out the foreign aide of the question -- how much wheat can be absorbed by the major customer countries and what decisions are required to get the maximum amount shipped.
- ask Orville Freeman to comment on Gaud's summary and to discuss the domestic outlook -- what will happen to commodity prices, how they will be affected by various levels of PL 480, etc.
- ask for comments from the others, particularly Charlie Schultze, who may want to discuss the budgetary implications.

In my view, the following discussion should be pointed toward answering these questions:

1. What kind of food aid agreements should we be shooting for in India and Pakistan? (Gaud and Freeman favor immediate negotiation of a six-month, 4 1/2 million ton agreement for India, and a full-year 1 1/2 million ton agreement for Pakistan.) Can we make proposals covering six months to a year?
2. What sort of matching arrangements will we require for India? (Gaud and Freeman favor no bilateral matching requirement; they would argue that the matching principle is taken care of by the International Grains Agreement, which will come into effect on July 1, 1968. It requires other donors to supply the poor countries with 2.3 million tons of grain per year.)
3. Can't we do more substitution of food for AID dollars than is suggested in the Gaud memorandum (Tab A of the briefing papers)? Have we really applied all the imagination we can?

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Rostow Comment

It would go a long way toward moving the bureaucracy if you could end the meeting by giving us some guidance on these questions. I would lean toward the following instructions:

1. Start talking to the Indians about a six-month, 4 1/2 million ton package, finessing the matching question by arguing that the Grains Agreement means no further need for bilateral matching.
2. As soon as Ben Oehlert's present wheat-selling project is over, start talking to the Paks about a full-year 1.5 million ton package covering CY 1968.
3. Send us back to the drawing boards on the substitution question, requesting a final report by the end of next week.

W. W. Rostow

EKHamilton/vmr

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Tuesday, October 10, 1967 -- 6:00 PM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: NSC Meeting on Food Aid (Noon, Wednesday, October 11)

I think this meeting can serve two useful purposes:

- to give you a clear picture of the outlook for food aid; and
- to give you a chance to instruct us on what kind of food aid programs we should try to put together in the major customer countries, particularly India and Pakistan.

Papers

Attached are two Freeman-Gaud papers which have been prepared for this meeting. At Tab A is a response to your request to the Secretary of State to examine each of our present food aid programs to find ways to move more wheat. At Tab B is a special memorandum on India which recommends a large wheat program in 1968 and spells out your major options on amounts, conditions, and matching arrangements.

The Wheat Picture

Orville Freeman's PL 480 wheat target for FY 1968 is about 11 million tons. We have a little less than 6 million tons now contracted or under negotiation. An additional 2 million tons will be provided through our donation programs. The immediate problem is to find ways to move another 3 million tons in the next 8 months. It is clear that we can't hope to do it without big programs in India and Pakistan -- the potential elsewhere won't add up to more than 500,000 tons.

We also have a longer term problem. The PL 480 target for FY 1969 is also 11 million tons, and we must try to meet that in a year of bumper crops in India and Pakistan. Thus, it is to our advantage to do our bargaining for all of CY 1968 now, when our clients need the wheat, rather than wait until next summer when they are rolling in their own. (Obviously, our own concern about domestic wheat prices is not going to decline between now and next November.)

You should know, however, that Freeman and Schultze think that meeting our PL 480 targets will probably not lead to any dramatic rise in domestic wheat prices. The grain traders know what our targets are. They have taken them into account in deciding what price to offer. The only prediction we can make with confidence is that if we do not meet our targets, the wheat price will fall further.

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India

How we handle India will largely determine how much wheat we move. The monsoon is holding up well; chances look better and better for a bumper crop of 95 million tons of food grains. We don't know precisely how much the Indians will need to import, but nobody is guessing higher than 7 - 8 million tons. Estimates of how much they really must import range as low as 3 - 4 million tons. We have settled on a PL 480 target for India of a little more than 6 million tons during calendar 1968.

It seems to me that we have three objectives to serve in designing this year's approach to food aid to India:

- to move as much wheat as possible;
- to get the Indians to take the policy steps necessary to make use of the economic lift provided by a good harvest; and
- to preserve the matching principle.

These objectives are at least partially conflicting. For example, if we insist on full matching of every bag of wheat by other donors, it is the unanimous consensus of your advisers that we will not move more than 1 million tons.

There is an additional complication this year in that 1 - 1 1/2 million tons of the total we can move will be for government-owned buffer stocks that allow the GOI to run a CCC-type price support program, and provide for internal food emergencies. This grain would go directly into the hands of the Food Corporation of India for storage and use from time to time as required. (We would hope to get the GOI to match it with their own domestic buying which in itself would serve to support producer prices and help to avoid a sharp price drop which could undo much of the economic benefit of the bumper harvest.)

The paper at Tab B sets out three policy options for next year:

1. insist on full matching;
2. a one-year agreement to provide a base amount of wheat (say the 3 1/2 million tons we supplied last year), plus an amount for building buffer stocks (1 - 1 1/2 million tons) -- all this without matching. In addition, we would offer to match any contributions from other donors. (The estimate is that these would be about 1 million tons in such contributions. This would result in our moving upwards of 6 million tons.)

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3. A six-month agreement providing for a base amount (again 3 1/2 million tons) plus 1 million for buffer stocks, with no matching requirement and no commitment on what we would do in the last half of 1968. (We would justify the fact of no matching requirement on the ground that the International Grains Agreement is scheduled to take effect on July 1, 1968, and provides that other donors must provide 2.3 million tons of wheat per year to poor countries. Our pitch would be that this guarantees the matching principle.)

Even with our best efforts, option 1 -- full matching -- would move only about 1 million tons of wheat during 1968 and make it impossible for us to meet our target either in this fiscal year or in next fiscal year. It would eliminate any leverage we might have to get the Indians to reform their economic policies.

Option 2 would probably result in our moving about 6 million tons, of which 1 million tons would be matched by other donors. It would give us a reasonable shot at getting the Indians to make the reforms.

Option 3 would result in moving about 4 1/2 million tons of grain in the first half of 1968 and leave room for more. It would give us some basis for negotiating the reform package. This is the option recommended by Freeman and Gaud.

You should be aware that both options 2 and 3 ^{would} probably lead to charges that the Administration, having built the matching principle into a major political asset, has abandoned it as soon as it became clear that other donors wouldn't play. We would have a reasonable defense. But there might well be some heat. (Of course, it is not at all certain that it will be in anyone's interest to make this a cause celebre in an election year.)

The timing of our approach to the Indians is critical. The argument in the attached is that if we go at them with a six- or twelve-month package now before their big harvest hits the market, we have a reasonable chance of moving a lot of wheat and getting a reasonable quid pro quo in terms of economic reforms and commercial sales. If we string it out piece by piece, our bargaining position will suffer as the immediate need for food declines. Thus, the recommendation is for a relatively long-term agreement to be negotiated within the next six weeks.

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In light of the above and the discussion tomorrow, we need your general guidance on the following questions:

- How large an India food package should we put together? One month, six months, or a full year?
- How should we treat matching? Should we insist on dollar for dollar matching; should we confine matching to grain above and beyond a base amount and a contribution for buffer stocks, or should we finesse the problem by maintaining that matching is taken care of by the International Grains Agreement?

Pakistan

You will recall commissioning Ben Oehlert to see whether he could sell some wheat to Ayub on the basis that we would match new sales with PL 480. Oehlert had a good meeting with Ayub last week. There was no specific pledge to buy wheat -- Ayub said he had to talk to his Finance Minister -- but he was friendly and did promise that if he bought wheat from anybody, he would buy it from us. Oehlert sees him again tomorrow morning; we may get an answer then. (This conversation involves only about 120,000 tons -- value: \$9 million.)

Pakistan's crop outlook is at least as good as India's, probably better because they have more than 2 million acres sown with the new high yield wheat seeds. Our estimate is that the best we can do under PL 480 in CY 1968 is about 1 1/2 million tons, of which 500,000 tons would be for buffer stocks. (There is not as much groundwork in Pakistan as in India on the buffer stock proposition. All we have is an educated guess that they will agree to establish such stocks.)

Our bargaining problem in Pakistan is the same as in India -- if we can get a large agreement negotiated before the new crop comes to market, we have a fair chance of moving a lot of wheat and of using the deal to get the Paks to agree to an import reform package which we think is very important. If we can't move quickly, we will be selling a less and less attractive product.

The question on Pakistan is the same as for India: how large a package shall we prepare for immediate negotiation? The recommendation is that you authorize a CY 1968, full-year package calling for 1.5 million tons.

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Other Customers

The memorandum at Tab A reflects a careful canvass of all our PL 480 clients looking for ways to substitute food for AID dollars or otherwise to move more wheat usefully. This review has come up largely empty. The proposals made at Tab A, taken together, will not increase wheat shipments by more than 500,000 tons at the outside -- most of what would be accomplished by expanding our donation programs. The non-donation increases result from conservative re-estimates of the "usual commercial marketings" of the wheat exporters -- including the U.S. -- in these countries. (We have to be very careful about this; in cases like Korea, every cut we make in usual marketings cuts directly into our commercial markets. It does us no good to substitute PL 480 shipments for dollar sales.)

The truth is that ways have not yet been found to make substantial substitution of wheat we have in abundance for dollars we don't. My own recommendation would be that you tell the group you consider this an interim report, and send them back to work on a final report to be submitted to you by the end of next week.

Summary Recommendation

I would vote that you give us the following instructions tomorrow:

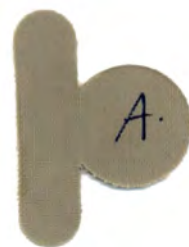
1. Begin talking to the Indians in terms of a six-month, 4 1/2 million ton wheat package, to be negotiated immediately. This package would not mention matching on the ground that it is taken care of by the coming into effect of the International Grains Agreement.
2. After the current wheat-sale proposition is settled, begin talking to the Paks about a CY 1968 package of 1.5 million tons.
3. Accept the memorandum at Tab A as just an interim report on the question of substitution of wheat for dollars. Ask for a final report to reach you by the end of next week.

W. W. Rostow

EKHamilton/vmr

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

OCT 10 1967

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OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: P. L. 480 Program Possibilities

In our memorandum of September 25 we outlined the prospects for maximizing P. L. 480 shipments for the remainder of this fiscal year. We also indicated that we were undertaking an intensive country-by-country program review to ascertain where P. L. 480 might be substituted for dollar aid.

This memorandum outlines additional possibilities for moving commodities under P. L. 480, and poses for your consideration certain related policy issues. We believe that the adoption of these proposals would greatly increase P. L. 480 shipments over levels that otherwise would occur, and serve the twin objectives of stretching our limited funds that will be available for foreign assistance this year and strengthening domestic commodity prices. We propose two approaches to maximizing Title I, P. L. 480 sales:

1. Accelerate normal P. L. 480 programming for major countries including India and Pakistan.
2. Substitute where possible P. L. 480 for dollar assistance.

Under both approaches the amount of commodities that can be moved will be affected by the policies that are adopted. Under the first we can maximize shipments in the year ahead by (a) relaxing our requirements for matching and (b) providing grain for buffer stocks. As indicated in our earlier memorandum, the possibilities of substituting P. L. 480 for other forms of aid are limited by (a) legislative requirements to protect usual commercial marketings of both the United States and friendly countries, (b) self-help requirements that must be observed, (c) the willingness as well as the capacity of recipient countries to absorb P. L. 480 commodities, and (d) in Latin America trade preferences within LAFTA.

The possibilities of substituting P. L. 480 for other dollar aid can nevertheless be influenced to a certain extent by administrative and policy decisions. Usual marketing requirements are a matter of

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Authority 74-87-230
By reg lrp, NARA, Date 10-25-11

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administrative judgment. Also, some countries are uncertain about P. L. 480 because we could not meet all requests last year when grain supplies were short.

We believe these limitations can be mitigated by giving the best possible assurances within the legislation that any P. L. 480 commodities which are programmed will be supplied, and by adopting as a matter of policy the most liberal interpretation possible of usual marketing requirements consistent with the protection of commercial marketing of the United States and friendly countries.

The possible country programs, in light of this approach, are as follows:

India

The new program proposal is contained in a separate memorandum which was forwarded to you today.

Pakistan

By accelerating normal P. L. 480 programming for Pakistan, we can make a major contribution to Pakistan economic policy formulation in the area of agricultural price and import policy. Assurance of supply through the end of calendar year 1968 and a program of building buffers would permit Pakistan to calculate foreign exchange requirements for food in relation to its new import policy to be announced in January 1968 in the knowledge that it could assure stable food prices.

In FY 1968 agreements have been concluded for 1.25 million tons of wheat. The Government of Pakistan has indicated that it requires about an additional 750,000 tons of wheat to meet consumption requirements until the next harvest. Against this requirement the Government of Pakistan has been offered 500,000 tons of Title I wheat and an additional 125,000 tons if this is matched by the purchase of another 125,000 tons commercially. The Pakistan Finance Minister states that Pakistan cannot afford the foreign exchange outlay required to make the additional commercial purchase.

Our tentative estimate of FY 1969 wheat requirements for Pakistan is 1.8 million tons. The amount which can be programmed under P. L. 480 will be influenced by usual marketing requirements. The UMR for wheat in FY 1968 was set at 200,000 tons. This amount reflects Pakistan's substantial FY 1967 wheat purchases which were occasioned by drought. We do not believe this should be established as the new norm for UMR. From 1960/65 Pakistan's annual average commercial wheat imports were 75,000 tons. A UMR of 125,000 tons would appear to be a reasonable compromise. In view of the fact that the agreement under negotiation if completed would be sufficient to meet Pakistan's consumption requirements until the next harvest, we do not believe it would be advisable to try to negotiate more

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than the first tranche of FY 1969 consumption requirements in the near future. To this could be added wheat for reserve stocks. Pakistan's reserve stocks currently stand at 250,000 tons, well below the 950,000 tons considered necessary to prevent the pressure on prices that occurred last year. A possibility to consider would be a new P. L. 480 agreement for 1.5 million tons in January 1968 consisting of 1 million tons for FY 1969 consumption and 500,000 tons for stock buildup beginning in the spring of CY 1968. This would be in addition to the proposed 500,000 tons P. L. 480 agreement currently under consideration. The remaining FY 1969 consumption would be programmed at a later date when requirements and U. S. supplies are clearer.

Ceylon

We plan to use P. L. 480 in FYs 1968 and 1969 as a substitute for development lending. There will be a continuing need for food imports even though the Government of Ceylon is in the midst of a significant program of agricultural development. Given current wheat flour consumption patterns, P. L. 480 up to \$20 million per year can effectively cover a portion of Ceylon's balance of payments gap permitting Ceylon to release equivalent funds to support its development program.

If we were prepared to alter the usual marketing requirement from the current level of 200,000 tons to a more normal 150,000 tons, we could increase potential P. L. 480 assistance by almost \$5 million. The 200,000 ton level was set on the basis of unusually large commercial purchases caused largely by panic buying as a consequence of the rice ration cut which increased wheat consumption.

Korea

Korea presents a somewhat special problem since all its wheat imports are from the United States. Because of the special circumstances that have prevailed, no UMR has been established. In CY 1966 Korea purchased commercially 140,000 tons; and in the first half of CY 1967 about 200,000 tons. Total commercial purchases for CY 1967 are already substantially completed, and may reach 300,000 tons.

We supplied Korea with 175,000 tons of grains under Title I in CY 1967. We had programmed 150,000 tons for CY 1968 and 100,000 for CY 1969, in view of Korea's increasing ability to buy wheat commercially. In CY 1968 Korean requirements are estimated at 550,000 tons. Since there are no formal usual marketing requirements, we could supply this entire amount under P. L. 480 and correspondingly reduce supporting assistance dollars. To the extent we substitute P. L. 480 Title I sales for supporting assistance, however, commercial U. S. wheat sales are reduced, with a resulting adverse impact on the U. S. balance of payments. We believe some move in this direction is justified in light of overall policy considerations.

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A compromise position which would give due weight to conflicting policy objectives would be to hold commercial sales in CY 1968 to the CY 1967 level of 300,000 tons and program P. L. 480 at 250,000 tons, rather than 150,000 tons as currently planned. An increase of this amount would provide about \$5 million equivalent for Korean military budgetary support, net of U. S. uses and Cooley loans, in part offsetting losses from declining Supporting Assistance availabilities.

Colombia

The Government of Colombia has indicated it is not interested in negotiating a new P. L. 480 sales agreement. The principal reasons are:

- (1) It does not believe in long-term dollar financing for food.
- (2) It prefers not to be tied down to usual marketing requirements.
- (3) It wants to maintain a flexible policy toward food imports, in order to take advantage of special trade opportunities such as compensation agreements and arrangements under LAFTA.
- (4) It plans to make a major effort to increase domestic food production and believes a new P. L. 480 agreement would adversely affect prices and thus discourage Colombian farmers from increasing production.

The Mission is being asked to re-open the question with the Government of Colombia. The approximate \$9.5 million of wheat and vegetable oil which could be supplied under P. L. 480 would substitute for A.I.D. dollars.

Peru

An FY 1968 Title I sale of 30,000 tons of wheat is authorized for negotiation. This provides for usual marketings of 400,000 tons. Beyond this there appears to be an import gap of about 100,000 tons which might be supplied by P. L. 480 that would substitute for dollar aid. We are investigating this possibility.

Title II Donations

With an adequate supply of commodities now available, programs can be expanded. Circular instructions to this effect are being prepared for inter-agency clearance and will be sent to the field later this week.

William S. Gaud

William S. Gaud

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OCT 10 1967

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MEMORANDUM TO THE PRESIDENT

SUBJECT: Food Aid for India in 1968

Recommendation:

We should take the initiative now -- in October -- to strike a deal with India involving food price and distribution reforms and major programmed grain exports from the United States.

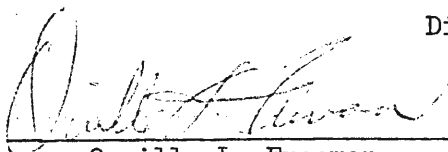
Therefore we recommend that you authorize immediate negotiations with India on the basis of Option III outlined below, offering a 6-month agreement for 3 1/2 million tons of PL 480 grain for 1968. This action:

- offers a good chance for a major self-help reform, one for which the U.S. can justly take a major share of credit,
- justifies export of enough grain to support required reforms in India, and enough to meet our own PL 480 export target, and
- takes into account the expected food aid contributions by countries other than the United States as part of the food aid convention of the Kennedy Round.

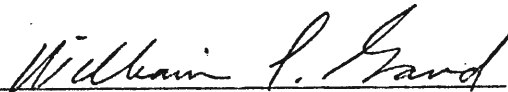
It is understood that this offer is conditional upon Indian adoption of a food policy reform package of: major relaxation of zones, firm incentive support prices, buffer stockbuilding and wider authority for the Food Corporation; as well as India making a substantial portion of her commercial purchases in the United States.

Approved: _____

Disapproved: _____



Orville L. Freeman
Secretary
Department of Agriculture



William S. Gaud
Administrator
Agency for International Development

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Authority 74 87-228

By reg/inf, NARA, Date 10-25-91

The Outstanding Balance of the 1967 Program

Last February you made a conditional offer of 3 million tons of food grains to India. 500,000 tons is still outstanding. It is clear that this amount, for which matching was sought, will not be matched. It is also too late to arrange for additional arrivals to India this year. Accordingly, we propose to focus negotiations exclusively on a comprehensive early 1968 import program with accompanying reforms.

The New Indian Harvest Creates New Problems

To focus now on the negotiation of an early 1968 PL 480 program is appropriate to the present Indian situation.

After two years of drought, India now faces a record crop which might cause wide seasonal and regional swings in food prices. This would reduce farmer incentives to buy fertilizer and new seeds, and pose a serious danger to the success of the new Indian agricultural policies.

A dramatic change in Indian food price and distribution policy is an essential feature of their agricultural development program. India needs a stabilized national grain market -- through the instrumentality of buffer stocks and incentive prices to producers. And it needs to dismantle the cumbersome and inefficient direct controls over food distribution and retail prices.

A successful national food policy would also further one of our political objectives for India -- binding together the states with new ties of interdependence and strengthening the national government.

Indian Food Policy Reforms Needed

The principal reforms required are:

- major reforms to achieve as soon as possible the removal of the present 17-state food zone system which prevents private internal food shipment, backs up production -- and depresses prices -- in the best production areas, and reduces grain flows to shortage areas;
- effective incentive support prices for producers high enough to give them adequate margin and encourage them to buy and use fertilizers and other modern cash inputs;
- deliberate accumulation of buffer stocks in the months ahead, drawn partly from their own crops, to hold against future scarcity and attendant undue price climbs;

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- authorization for the Food Corporation of India to buy foodgrains at market prices, and to store, ship and sell such grain.

Support of Reform Within India -- and Opposition

Reforms of this general nature find supporters in key places within India's central government, including the Minister of Food and Agriculture and the Minister of Finance. But opposition is deeply rooted. It is particularly strong among state officials who seek low prices for consumers and maximum control of their grain supplies. Advocates of controls also lack confidence in the ability of the free market to protect producers and consumers against extreme price fluctuations and regional maldistribution of food. This position is reinforced by the lack of grain stocks controlled by the central government. The creation of such stocks would weaken the position of those favoring a policy of food zones.

The U.S. Supply Situation -- Our Need to Move Grain

The bumper crop in India coincides with the need to maintain a high level of U.S. grain exports in coming months to strengthen U.S. farm prices.

U.S. Leverage May Be Decisive -- If Applied Now

Availability of U.S. wheat under a new PL 480 agreement would strengthen the hand of reform supporters in the Central Government and could be important to overcoming the opposition of critics, mainly in the states. Thus, we may be able to supply the decisive push by conditioning a major 1968 food aid package on Indian implementation of the above reforms.

Despite the heavy crop, India's central government needs grain. It is most unlikely that sufficient grain can be procured internally to build up central stocks and to achieve the needed reforms. Crop estimates now vary between 92 and 98 million tons, with 95 million a good working assumption. After two years of hardship, demand for foodgrain consumption and replenishment of private stocks is expected to total approximately 100 million tons. To this should be added the need for at least two million tons for a central buffer stock. The gap to be filled on this basis by imports is about seven million tons.

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The degree of our influence over Indian food policy is critically related to timing. By the same token, our leverage is both transitory and qualified; it weakens further as India's harvest progresses, and as our need to export grain becomes more obvious.

Immediate action could achieve:

- food policy reforms, and
- maximum export of U.S. grain, perhaps 6 million tons for CY 1968.

Relation to Food Matching for India

Last year we made a major effort on food matching beyond an initial base of 3.5 million tons for India. We contributed to:

- strengthening Indian agricultural performance;
- markedly shifting priorities toward fertilizer and other agricultural inputs;
- inducing better aid from others, both in flexibility and in terms;
- helping pave the way for the International Grains Agreement, thus institutionalizing the matching principle.

We may also have headed off a decline in total aid to India, though this is impossible to know. But in retrospect it is clear that our aim of increased food aid by others on top of continuing development aid has not been realized.

Long-term Food Matching Through the International Grains Agreement

For 1968 and subsequent years the Food Aid Convention of the International Grains Agreement will provide substantial matching of U.S. contributions. Special efforts for additional matching should be limited to emergency situations like India's last year.

For the future, the Food Aid Convention provides for an annual contribution of 2.3 million tons of grain to developing countries by countries other than the U.S. This program is scheduled to begin operation in mid-1968. Together with other contributions it should insure direct food aid to India from other food exporting countries in 1968 of about 1 million tons. This will come primarily from Canada, with lesser amounts from Australia and possibly the USSR. Other donors cannot be counted on for anything but nominal contributions.

Aid budgets are under pressure in all of the major industrial aid donor countries, and none are likely to increase their overall aid programs, either globally or specifically to India.

We Have Three Major Options:

Option I: Full Matching for India. An effort to get full matching of a substantial 1968 U.S. contribution to India is most unlikely to succeed. The Geneva grain talks were, in effect, the negotiations on matching for the period through 1971, barring a new famine emergency. Most important, a requirement of full matching would seriously limit U.S. exports to India in the year ahead -- probably to about one million tons.

Option II: Limited Matching - One Year. This would be a 1-year agreement for up to 5.5 million tons U.S. grain. It would include the base amount of $3\frac{1}{2}$ million tons, the amount we sent to India in 1967 without matching, plus one million tons to be provided for Indian Government stockbuilding. This would be matched by internal procurement of at least 1 million tons. Another 1 million tons would be provided by the U.S., contingent on matching through the Grains Agreement and special arrangements.

This option follows last year's precedent on matching. Unlike Option I, it offers a prospect for moving meaningful quantities of grain -- up to $5\frac{1}{2}$ million tons -- enough to meet India's needs and to achieve policy changes. It would come close to meeting our own needs, but would limit the amount we could ship India in the last half of 1968.

Option III: Limited Matching - Six Months. This would be a 6-month agreement for $3\frac{1}{2}$ million tons through mid-1968 with no firm commitment by the U.S. for the last half of the year. It would exempt from matching a base amount of $3\frac{1}{2}$ million tons as in II, including 1 million tons for Indian Government stockbuilding, to be matched by internal procurement of at least 1 million tons for stocks. We would maintain our flexibility on matching and total shipments for the second half of 1968, when we could make further decisions based on our grain situation, our India policy objectives, and the coming into effect of the International Grains Agreement on July 1.

Tuesday, Oct. 10, 1967
4:20 p.m.

75

MR. PRESIDENT:

Herewith Nick's analysis of Senator Case's
argument and the rebuttal.

W.W.R.

Pres file

~~CONFIDENTIAL~~ attachment

Log 3797

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-417
By WJ, NARA, Date 6-16-95

THE UNDER SECRETARY OF STATE
WASHINGTON

~~CONFIDENTIAL~~

October 3, 1967

MEMORANDUM FOR THE PRESIDENT

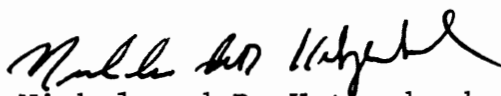
SUBJECT: Senator Case's Attack on the Administration's
Handling of Viet-Nam.

Last week Senator Case of New Jersey made a widely-publicized statement on the Senate floor, alleging that, in a number of ways, "The Johnson Administration's handling of the war in Viet-Nam since 1954 has produced a crisis of confidence." (Tab F) The rebuttal the following day was strong and also well-publicized. (Tab A)

The attached paper sets forth Senator Case's position (Part I), answers it (Part II), and also answers a closely related question, which Senator Case did not raise directly: whether the Southeast Asia resolution is inconsistent with the power of Congress to declare war (Part III). The remainder of the paper (Parts A through F) constitute an appendix of relevant Congressional statements.

The entire paper is what a lawyer might call a "partisan brief" -- accurate, but not attempting complete objectivity or detachment. A similar, but far less convincing brief, could be prepared to support Senator Case's arguments.

Like any brief based largely on legislative history, the paper is persuasive but not exciting reading. For this reason, as well as because of the strength of the prompt rebuttal on the Senate floor, I do not recommend any attempt to make forceful or dramatic use of it at present. I would treat the paper as a reserve of arguments that may, and probably will, prove useful at a future date.


Nicholas deB. Katzenbach

Attachment.

~~CONFIDENTIAL~~

76

Tuesday, October 10, 1967 -- 3:45 pm

Pres file

Mr. President:

You will be interested in Harry's memo and the attached memcon. The Anderson mission is out.*

I do fear the Israelis will overplay their hand; but, then, I don't live in the Middle East.

W. W. Rostow

*I suspect Eban did raise it with Anderson, very cautiously; checked with Jerusalem; and was turned down.

WWR

cc: Mr. McPherson
Mr. Goldstein

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-418
By sig, NARA, Date 7-27-95

WWRostow:rln

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 10, 1967

76a

FOR WALT ROSTOW

The attached notes were dictated by Abba Eban, with the understanding that Eppie would give them to me.

When he delivered them today, Eppie said that the one thing the notes do not convey very well is Anderson's sense of disappointment over the "chill" Eban put on the intermediary idea. Eppie says the Israelis did not intend at any time in the first or second meeting with Anderson to ask him to be an intermediary. Eban did not even report his first conversation with Anderson to Jerusalem, and my call to Eppie was the first indication the Israelis had that we were seriously interested in the matter.

I asked Eppie in all candor whether Jerusalem had in fact suggested intervening between the first and second meetings and he said absolutely not.

The Israeli policy line -- for waiting, for looking to direct negotiations, against talking with Nasser, whom they believe is weak and indeed tottering -- is as you described it to me on the telephone.

Harry C. McPherson, Jr.

Attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-418
By ig, NARA, Date 7-27-95

76b

~~C O N F I D E N T I A L~~

Notes of a meeting between Foreign Minister
Abba Eban and Mr. Robert Anderson in New York
Monday, October 10, 1967

Present: Ambassador Gideon Rafael
Minister Ephraim Evron

Eban: The previous conversation had been in the nature of an informal exchange of personal views and reflections which we would like to consider further whether or when an operational effect should be given to this exchange.

Recent news confirm that Nasser's internal position was increasingly weak. This raised the question whether he had the capacity, literally, to do anything as new, bold and far-reaching as conclusion of a peace settlement with Israel. It might well be that Nasser's successor would be in a position better than Nasser to open a new chapter in Egyptian-Israeli relations. Furthermore, we should consider whether by making an approach mark we might not inadvertently encourage Nasser to prolong his leadership. It was doubtful whether this was in the interests either of Israel or the free world. -

Mr. Eban and Mr. Anderson discussed the problems of a peace settlement, both from the substantive and the procedural point of view.

In response to Mr. Anderson's invitation, the Minister outlined Israel's general thinking on a peace settlement with the three Arab States which had participated in the hostilities.

- (a) Egypt: Here Mr. Eban repeated verbatim the ideas that he had outlined to Secretary Rusk on June 22nd.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-190
By cb, NARA Date 10-25-00

- (b) Jordan: The Minister said that the Israel Government had not crystallized its views. Finally, since no context of negotiation had arisen, there were those who thought that the eventual settlement would have to be between Israel and the Palestine Arabs, either within the framework of a unitary state or through the establishment of a separate Palestinian entity. However, it was evident that if King Hussein were ready for a negotiation the Israel Government would honor its obligation to explore the possibility of a peace treaty with Jordan. All that could be said at this stage was that King Hussein should not hope to recapture the situation which he had in the West Bank on June 4. Having initiated and lost the war he can never attain the same position as if he had not initiated or had won it. No service would be done to King Hussein by concealing the fact that his tragic decision on June 5 must necessarily be reflected in the peace settlement. Israel had not thought out the precise territorial and security implications of a negotiation with King Hussein. It was evident, however, that in Jerusalem there would never again be a division of the city between two sovereign jurisdictions. Israel had already informed the United States of its readiness to agree that the King of Jordan should be the custodian of the Haram-es-Sharif area in Jerusalem. Israel would also honor its obligation to grant free access to that area.
- Other changes in the West Bank would be dictated primarily by security considerations. Israel's main concern was to ensure that her population should

never again be vulnerably exposed to Arab guns or Arab troop concentrations as had been the case until June 1967. There were various techniques and procedures whereby this result could be ensured. It was doubtful whether the Israeli Government would reach a final consensus until it became convinced that a serious peace negotiation with Jordan was imminent. It was evident, however, that the armistice demarcation lines and the permanent frontiers would not be identical. Indeed, by the very terms of the 1949 agreements it was obvious that the final frontiers would be different from the armistice demarcation lines. There is, therefore, nothing juridically eccentric in Israel's emphasis on the need to replace the armistice lines by permanent frontiers which would ensure security. It was noted that this principle had been stated in the President's June 19th statement. The precise interpretation of Israel's policy in this respect would emerge in the peace negotiations themselves.

- (c) Syria: Here, too, Israel's central concern was physical security. It was evident, however, that this could only be achieved by a territorial adjustment. Here again Israel drew attention to the fact that it was agreed in 1949 that the armistice demarcation line and the eventual permanent frontier would not necessarily be identical. In negotiating a peace treaty with Syria Israel would certainly press for a territorial adjustment.

On the procedural question, Mr. Eban's view was that anyone using good offices between Israel and the Arab States should concentrate not on the substantive aspects of a peace settlement but on an attempt to bring the parties together.

Since refusal to negotiate was equivalent to refusal to make peace, the principle involved in Israel's position was incontrovertible. Moreover, the parties would in the end have to give their public and contractual consent to whatever settlement was reached. In some cases, and especially with Jordan, the settlement would involve not only a new demarcation but various arrangements for close economic cooperation, including an outlet to the sea at Haifa, and cooperation in the use of common resources. It was inconceivable that such settlements could be worked out by remote control. There was, therefore, a practical as well as a procedural validity in Israel's emphasis on the need for direct contact.

In replying to Mr. Anderson's scepticism whether any Arab leader would agree to a direct negotiation, Mr. Eban pointed out that the 1949 settlement had been negotiated by the parties and signed by them. Those who had signed the Armistice Agreements had not suffered politically.

Mr. Anderson suggested an indirect procedure for submitting the Israeli proposals. He thought that the proposals themselves would cause less difficulty than the insistence on negotiating them directly. He suggested the signature of simultaneous declarations at the "insistence" of the Great Powers.

Mr. Eban thought that the Arab Governments had not yet reached a degree of realism sufficient to enable them to sign peace agreements or declarations. Nor did he believe that the Soviet Union would join the Western Powers in pressing the Arab States to accept peace settlements. If the Great Powers had this influence they should use it to bring the Arab Governments to a peace negotiation with Israel.

Mr. Eban said that he would be in touch again with Mr. Anderson after reflection and consultation. Mr. Eban thought that as long as the United Nations General Assembly was in session Arab Governments would hope for a "miracle" - namely that Israel would go back to the June 4th situation and that Arab Governments would not have to agree to a settlement. Only when this illusion disappeared would there be room for constructive private diplomacy. He therefore wondered if it was not too early to make specific peace proposals to Arab Governments. The time for this might come in a few weeks, unless the U.N. debate complicated the prospect. Our course should be to overcome the U.N. stage as speedily and innocuously as possible, and then to proceed to intensive diplomatic activity. He invited Mr. Anderson to reflect on this timing and to give his views at the next meeting.

Tuesday, October 10, 1967
3:25 p. m.

77

MR. PRESIDENT:

At your instruction, I evoked these two letters
from Bob Komer on a strictly private basis.

You will find them worth reading.

W. W. R.

Pres file

~~SECRET/EYES ONLY~~ attachments



EMBASSY
OF THE
UNITED STATES OF AMERICA

77a

~~SECRET~~/EYES ONLY

October 4, 1967

Dear Walt:

Enjoyed talking with you. I was concerned because your 23 September letter asking my "quite urgent" views didn't arrive till 3 October. But I am replying in writing as you confirmed was wanted.

We are busting a gut out here to get a positive picture on the record. I convinced Ellsworth to put Zorthian practically full time on this. But we need repeated needles from you know where--and of the type you do so well. *We also should have gotten Kaplan out here, as I repeatedly proposed.*

Continued bombing of the North--especially LOCs--is so critical to a successful 1968 that we should pay more attention to justifying it. Our own ambivalence about the bombing has done a lot to keep the critics going. Hence the time has come for clearcut linking of bombs on the North to success in the South. Saigon can help explain this, but the real job must be done in Washington. McNamara has to do it most of all, because he's caused half the doubts himself.

There is no new way to win this war. Nor can one guarantee definitive results in 1968. But I am more than ever convinced that by pushing harder along present lines we can at least show gathering success by July 1968 at the latest. To the trained eye, this picture is already visible. But this war is so terribly fragmented--so much a mosaic of ten thousand little pieces--that the outsider can only see a fraction at any given time. This causes a large part of our press problem too.

ARVN is getting much better, but not yet better enough fast enough. Washington should ride this harder privately to back our hands. There are a dozen sticks you could use to beat us.

As for pacification, it's getting seriously underway at last. Frankly, there was no US leadership in Saigon on this problem--nor management either--until the new team got out here. Putting it under Westy helped a lot too. Now he backs me to the hilt--we collaborate instead of competing, as Porter did with Westy.

But pacification is 98% Vietnamese, and there's where the frustration lies. Thang's taking over RF/PF is our white hope for a revitalized territorial security effort--the key to pacification.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-456
By cls, NARA, Date 4-5-95

~~SECRET~~/EYES ONLY

Page Two

After a year's work on this, I finally see fruition around the corner if only Thieu doesn't muck things up by insisting he run the show and then not taking any decisions.

I know I've been lax in writing Washington, but remember I'm in a quite different position out here. Bunker and Westy, who'll do anything for me, don't like anyone going over their heads. They suspect Gene Locke of doing it, and aren't happy over that. Anyway, I'm sure you realize how much I'm getting done out here that never shows--and by no means just in pacification either. This depends on close personal relationships which I must not jeopardize. So assure the Boss that I'll keep after things across the board, and that it's helpful to hear from home occasionally.

Warmly,


R. W. Komer

The Honorable
Walt W. Rostow
The White House
Washington

~~SECRET~~/EYES ONLY

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-456
By CL, NARA, Date 4-5-15

778

October 4, 1967

~~SECRET~~/EYES ONLY

Dear Mr. President:

Herewith, at your request, my urgent and literally eyes only assessment of what more we can do to "accelerate" the war. I suspect you are aware why, despite your earlier invitation, I've been reluctant to write directly. Westy and Bob McNamara are rightly sensitive on such matters. Besides, I feel that I can best serve you out here by producing results rather than reports.

To put things in context, let me say first that what I've seen in the last five months reinforces my long-held view that at long last we're forging ahead in Vietnam. Neither the trouble along the DMZ (where the poor Marines provide the shield behind which we're gradually cleaning up the rest of SVN) nor the perennial teapot "crises" in Saigon should be allowed to obscure this fact. Southern VC strength keeps declining, and Hanoi seems unable to replace it with sufficient NVA. So as more US troops arrive--and ARVN gets both bigger and gradually better--the force ratios are changing steadily in our favor. Our combat effectiveness is increasing too, as his declines. This shows not only in 1967's better kill and weapons ratios, but in a hundred little ways throughout the countryside. The whole trouble with analyzing this peculiar war is that it is so fragmented--so much a matter of little things happening everywhere--that the results are barely visible to the untrained eye. Also, enough things go wrong each week (and get sedulously reported) to obscure the larger number that go right.

Nor am I alone any longer in my optimism. Intelligence officers are by nature conservative, but Westy's new J-2 General Davidson (now here five months too) is equally convinced that we're grinding the enemy down much more rapidly than he can recoup.

I could expand on this for pages, but will cite only one key equation. Through 1965 this was a VC war, fought most intensely in the Delta. There were only about 10,000 NVA down here. Today it is more and more an NVA war, fought mostly in I Corps at the opposite end of the country. Today almost half the organized enemy units are North Vietnamese regular army. Since the Americans arrived, Hanoi has had to feed in ever more NVA to

~~SECRET~~/EYES ONLY

compensate for growing VC losses. But for many reasons Hanoi has been unable to maintain more than about 50-60,000 men in the South. We now think VC/NVA "main force" strength peaked out last November, and has declined somewhat since (from 126,000 to 117,000). VC guerilla strength has almost surely dropped much more. Thus, while McNamara is right that we can't stop NVA infiltration, somehow we have been able to clamp a sort of ceiling on Hanoi's ability to replace VC/NVA losses in the South.

A major reason, though no one can prove how major, is the bombing of the northern transport routes from the Chinese frontier right down through Laos. Another is the way we've forced Hanoi to shift from the easy seaborne supply route to the much more difficult overland one.

Hanoi's emerging strategy in South Vietnam also tends to validate my thesis. We out here see an evolving pattern of VC/NVA generally evading contact in most areas but northern I Corps, and partly breaking up into company-sized units in III and IV Corps. This ties in to Giap's 14-16 September articles which seemingly call for a protracted struggle, i.e. maintaining enough of a threat-in-being in the South to deprive us of early success. "Preserving our force" is Giap's new theme. All this suggests that Hanoi thinks its best bet is to wait us out through 1968. This would be all the more tolerable if he could get us to quit bombing the North.

Nevertheless, if we get our reinforcements and keep up pressure on the North, I am more convinced than ever that by mid-1968 at the latest it will be clear to everyone that we are "winning" the military war. We'll show solid progress in pacifying too. This is even harder to demonstrate convincingly, being even more fragmented than the big unit war. But you can depend on it.

With the election validated, I also foresee a period of relative political stability. At least we should do better than the last two months of political jockeying and electioneering. The real problem now is less one of stability than of getting Thieu off his duff and doing enough to convey a sense of GVN movement.

Now for what more we can do to frustrate Hanoi. Even though we are on the right track at long last, pushing yet harder on certain fronts would maximize our chances of early visible results:

A. Improving ARVN even more. Westy is now really hot on this. He's well aware that he's probably getting his last major US reinforcements. So he has Abrams full time on ARVN. He'll produce a better ARVN, but the next step must be to get all of it out fighting more. So keep prodding us. One good theme is how high US casualties are in proportion to ARVN/RF/PF. You might personally write not only Westy but Thieu as well. At a guess, we could get 25% better ARVN results in six months if we really went all-out.

B. Get some more ROKs and Aussies. Even one more ROK brigade and Anzac battalion could make a significant difference if we could get them soonest. Given the lead time needed, why not hit Pak and Holt personally right now?

C. DOD slowness. I'm appalled by the slow response time of the US military machine--not the time it takes to train and ship troops or buy and ship equipment but the interminable decision-making process. For example, we're still waiting for final Defense OK on US military advisors that McNamara approved in July. The justification and re-justification process MACV must go through--with CINCPAC, the Services, and finally DOD level--may save money but doesn't help win wars quickly. Protect me on this as Bob McNamara will shrewdly suspect whence it comes, but Bob himself may not realize how long it takes--and how many man hours--to get even piddling requests approved.

D. Don't stop bombing the North--even for Tet. No one can prove it conclusively, but I am flatly convinced that the bombing helps greatly in keeping a lid on NVA ability to fight in the South. We need it for at least another six months--without the pauses which Hanoi utilizes so well. Why not get it ratified by the next Summit? A strong US declaration that we intend to keep bombing till Hanoi stops infiltrating would also clear the air (and maybe even cause some critics to lay off agitating the issue as futile).

E. Do more about Cambodia and Laos. Bunker and Westy make great sense on small ARVN raids into Laos, especially since the barrier seems to be delayed. When you see Souvanna, just convince him we're winning and he'll be a lot less edgy. As for Cambodia, State has been fudging for a year even on a psywar campaign to clue Sihanouk that we're on to him--and that he's foolish because we're winning. State will plead not guilty, but ask what they've done in a year. We might also use a little carrot and stick on Sihanouk--promises of goodies if he behaves better plus a few steps to worry him (such as delays on Mekong convoys). Only if you prod on this will we get anywhere. And I'm not advocating high-risk enterprises--simply enough action to help minimize enemy use of these invaluable sanctuaries.

Thieu is critical, Mr. President.

F. Last but not least, exert much greater pressure on GVN to perform. Now that Thieu is solidly in the saddle--legally too--his passivity is our greatest obstacle. Thieu is no Ky. So if a bright, shiny new-model GVN is essential to attract the people, we have to work a lot harder at it than before. Bunker is superb (a great choice on your part), but needs more personal backing of the sort I used to draft for you to send Lodge. I know you'll take Thieu up on a mountain at the Summit, but a few private messages beforehand would help mightily. Thieu needs a dynamic program, top quality cabinet, and above all a little decisiveness. I'd almost say categorically that the GVN will do almost nothing into which we don't push it. Hence I'm breaking eggs out here (and may get in trouble because of it), but it's the only way to get reasonably prompt results.

Walt says you also want my views on Abrams. From what he says there may be some concern lest Westy lacks "military imagination in pressing forward to get definitive results." I now feel able to size both up, having lived with them. Both are exceptional generals--either could in my judgment complete the job of grinding down the VC/NVA. Their styles are quite different, and Abe is a bit in Westy's shadow. He's more direct and less prideful than Westy. Once Abe made up his mind, he would doggedly work away at the goals he'd set.

But I don't see Abe as any more dynamic than Westy, and certainly no more imaginative militarily--in fact probably less so. Indeed, he doesn't seem quite as flexible as Westy in adjusting to changing situations. Equally important, Westy has an intimate relationship with the ARVN leadership that I doubt Abe could duplicate. In a way, they respond better to a MacArthur type than to a solid no-nonsense soldier. Westy may coddle ARVN too much, but he really runs them more and more behind the scenes. Also, while Abe would be every bit as responsive to "political" guidance as Westy, he strikes me as more narrowly professional and likely to show less skill in dealing with the ARVN generals on political matters than Westy. Bunker now relies on Westy a lot to help out in this field, and rightly so. Lastly, Westy's experience seems to me invaluable. With Abe and me here now, Westy's less tired than he was and better able to focus on the big issues. In sum, he still nets out to me as the best man for this particular job, even on grounds of flexibility and imagination. But Abrams could unquestionably do the job well too.

All this is in haste, because Walt said to reply quite urgently. I won't attempt to polish my rambling prose, and will follow up later with any more ideas. You can depend on my candor as always, despite the dangers.

Respectfully,

R. W. Komer
R. W. Komer

The President
The White House
Washington

Tuesday, October 10, 1967
3:10 p.m.

Mr. President:

This is a pretty comprehensive set of U.S. and foreign reactions to your San Antonio speech, some of which may not be familiar to you.

Pres file

W. W. Rostow

~~SECRET~~

Tuesday, October 10, 1967
12:50 p.m.

Mr. President:

This is a solid French report on
the effectiveness of our bombing around
Haiphong.

W. W. Rostow

Paris 4737

~~SECRET~~

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 10-21-91

WWRostow:rlh

~~SECRET~~

Oct. 9, 1967

NODIS MARIA THREE

Copy of PARIS 4747

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-417
By Cb, NARA, Date 1-20-95

79a

SUBJECT: Eye-witness report of Hanoi-Haiphong trip

Source showed Counselor telegram dated September 23 from Quirielle in Hanoi, notes on which follow:

Counselor obtained authorization to go to Haiphong to assist in clearing goods through customs. Trip made September 21 at which time he witnessed two bombardments and was able to make several observations on efficacy of U. S. attacks and situation at port.

1. Haiphong had four alerts that day, the last of which occurred from about 12:30 to 13:00 and at about 16:45 accompanied by rather violent bombardments. U. S. planes attacked in successive waves the city area and at different points in the outskirts (Banlieu). Bridges and roads going out of the city were cut. The North Vietnamese claimed 7 planes were destroyed, which seems very plausible.

2. It was observed that preceding raids on September 18 and 19 had hit several roads and destroyed notably one of two bridges on the Haiphong-Hanoi road. The car of my collaborator had to make a detour to the North to reach.

3. It was thus over almost all the distance between Haiphong and Hai Duong. One sees numerous craters, some not yet filled, and demolished trucks. The railroad parallel to the road was hit at at least one location which workers were repairing at nightfall. Truck traffic was dense after dark, but was slowed down by the state of the road, craters and wrecks.

4. The port, spared by the bombing, harbored 8 or 9 cargo vessels, among which were a British ship, the Starford, and one Chinese vessel of the "Red Star" series. It is apparent that this is the maximum number of ships which the port can receive. The port area was encumbered with large crates which it had apparently not been possible to move out of Haiphong. The majority of crates came from the USSR and other East European Communist countries.

5. It is necessary on the Hanoi-Haiphong road to go over three ferries and two bridges of boats. To go 100 kilometers required 4 hours to Haiphong and 5-1/2 hours to return to Hanoi.

~~SECRET~~

BOHLEN

Tuesday, October 10, 1967 -- 12:45 p.m.

Mr. President:

Pres. file

Stu Symington called to say he is going on "Face The Nation" on Sunday. He was sure to be questioned on arms to Israel.

I pressed him very hard on the point that we need the change in the Church amendment and authorization if we are to have a Middle East policy that is capable of fulfilling our own interest, including the protection of Israel.

He told me of the briefing he had received from the commanding officers of the Sixth Fleet and their anxiety about Soviet penetration of the Middle East and the Mediterranean.

I said we fully shared his concern; but what the Senate was doing was forcing us to fight the battle with one arm tied behind our back. He said "It is possible we made a mistake; but the Executive Branch made mistakes in presenting it to us; we were sore about this presentation. The Chairman of the Foreign Relations Committee tells me we are being played for suckers on the Israel issue."

I repeated my arguments. I cannot vouch for what he will say in the end, but he seemed to hear a little.

W. W. Rostow

WWRostow:rlh

Tuesday, Oct. 10, 1967
12:45 p. m.

MR. PRESIDENT:

Herewith the Clifford-Taylor report, with
all troop references marked.

W. W. R.

~~SECRET~~/SENSITIVE attachment (C-T report to the Pres 5 Aug 67)

Tues., Oct. 10, .967
12:30 p. m.

82

MR. PRESIDENT:

Per file

Herewith a draft message to Prime
Minister Holt, as you requested.

W. W. R.

Approved _____

Disapproved _____

DRAFT

Oct. 10, 1967

82a

FROM THE PRESIDENT TO PRIME MINISTER HOLT
VIA AMBASSADOR CLARK

A quarter-century ago I found out that if you had to be away
from home and fighting a war, the best country to be in is Australia.
I am sure the first group of our men to come to you from Viet Nam
have arrived at the same conclusion.

I know the thought and care and warmth that went into the
arrangements made for our men.

I wish to thank you, and, through you, the people of Australia
for what you are doing.

##

~~WWA~~
83
Pusey

Tuesday, October 10, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting with European Journalists,
Wednesday, October 11, 5:30 p.m.

You have agreed to meet sixteen editors from ten west European countries and Canada for an off-the-record session. (They are listed at Tab A.) We have grouped their questions, together with some suggested talking points.

Vietnam

- They have asked your opinion of pressures in the UN for us to stop bombing North Vietnam.
- They will want your opinion of how the war is going.

Middle East

- They have asked your opinion of the situation and future prospects.

Europe

- They want to know your views on the future of Europe, specifically:
 1. What do you think of De Gaulle's effort to build Europe into a third Superpower along side the U.S. and Russia?
 2. How do we want to see the European Communities (the Common Market, etc.) develop? What can the U.S. do to encourage political and economic integration?
 3. Would a tighter, more integrated Europe pose greater obstacles for Atlantic cooperation?

You may wish to say:

Our basic ties with Western Europe stem from a shared culture, shared objectives, and shared interests.

We welcome a Western Europe willing and able to play a more active role in the world and to share with us the responsibilities of the

common defense. Greater unity in Europe will make this more likely. A more unified and active Europe has been an American objective for two decades.

How European integration should proceed is a matter for the Europeans themselves to decide. Our main concern is that an integrated Europe should be more outward-looking.

We hope the British and other applicants for full membership will get into the Communities: they will contribute to building Europe.

We achieved much in the Kennedy Round and we are moving ahead together to strengthen the international monetary system. We look forward to expanding economic cooperation with Europe and to working together to help poorer countries. A more integrated, stronger Europe should further this kind of cooperation.

W. W. Rostow

476
RHU/em

LIST OF EUROPEAN AND CANADIAN JOURNALISTS

<u>Austria</u>	Hubert E. Feichtlbauer, Domestic Policy Editor, <u>Salzburger Nachrichten</u> , Salzburg
<u>Belgium</u>	Leo Siaens, Assistant Chief Editor, <u>Het Laatste Nieuws</u> , Brussels
<u>Denmark</u>	Laust Jensen, Editor-in-Chief, <u>Jyllands-Posten</u> , Viby, Jutland Sven V. Munkebo, Manager Editor, <u>Aalborg Stiftstidende</u> , Aalborg
<u>England</u>	Edward N. Ireland, Editor, <u>Shropshire Star</u> , Kentley, Shropshire Peter Stephens, Editor, <u>The Journal</u> , Newcastle-upon-Tyne
<u>Germany</u>	Heinrich Heinen, Co-Publisher, <u>Kolnische Rundschau</u> , Cologne Reinhard Mundhenke, Assistant to the Publisher, <u>Frankfurter Allgemeine Zeitung</u> , Frankfurt-on-Main
<u>Ireland</u>	Joseph F. Walsh, Editor, <u>The Irish Press</u> , Dublin
<u>The Netherlands</u>	Jan A. C. Demen, Deputy Editor-in-Chief, <u>De Volkskrant</u> , Amsterdam
<u>Norway</u>	Ingemund Faenn, Chief Editor, <u>Bergens Tidende</u> , Bergen Egil Remi Jensen, Managing Editor, <u>Faeredlandsvennen</u> , Kristiansand
<u>Scotland</u>	Eric B. Mackay, Deputy Editor, <u>The Scotsman</u> , Edinburgh
<u>Sweden</u>	Erik Forsell, Managing Editor, <u>Goteborgs Handels-och</u> <u>Sjofarts-Tidning</u> , Gothenburg
<u>Canada</u>	W. Ivor Williams, Managing Editor, <u>The London Free</u> <u>Press</u> , London, Ontario

~~SECRET~~

Tuesday, October 10, 1967

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Your Meeting with Australian Foreign Minister Paul Hasluck,
5:30 p.m., October 10

Hasluck is in the U.S. to attend the UN General Assembly. You last saw him in April of this year when he was in Washington for the SEATO and ANZUS meetings. Hasluck will be accompanied by Ambassador Waller, and Deputy Assistant Secretary of State Sam Berger and I will be standing by if you want us.

Subjects for discussion:

Vietnam - You will want to express your thanks for Prime Minister Holt's letter of October 6 stating that the Australians will augment their forces by 1,700 men before the end of the year, and will announce these plans in Parliament on October 17. I suggest you give Hasluck your current assessment of the situation in Viet Nam, and of the prospects for additional troops from other troop contributing countries.

Thailand - Chances good for announcement soon of 8,000 to 10,000 additional troops.

Korea - President Park waiting for report from his Defense Ministry but we have hopes for a substantial increase, perhaps a division.

New Zealand - Understand cabinet decision expected within a week or so.

Philippines - Marcos unwilling consider augmentation until after November elections.

Malaysia-Singapore Defense. Hasluck discussed this subject in detail with Secretary Rusk yesterday. He pointed out that, despite the British withdrawal, Australia is willing to maintain a military presence in Malaysia-Singapore. Their forces, however, will clearly be inadequate

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By *lip*, NARA, Date 7-27-95

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to deal with any major security threat and they are, therefore, interested in our intentions should such a threat develop. Hasluck is not asking for any decisions from us at this point. He is merely acquainting us with his thinking.

You might wish to indicate that we look forward to discussing this problem with the Australians, particularly in view of their contribution in Viet Nam, but that we think the first step is consultations among the four Commonwealth partners (Australia, New Zealand, Malaysia and Singapore).

W. W. Rostow

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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for file

~~CONFIDENTIAL~~

Tuesday, October 10, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Contribution to the International Red Cross for Middle East

Back in June you established a \$5 million reserve fund for emergency aid in the Middle East. We required that each disbursement be approved by you because Mac Bundy felt strongly that we should maintain a tight control over donations to refugee relief lest the bureaucracy further entrench UNRWA rather than trying to bring the old refugee dole to an end and to get the refugees permanently settled. This Red Cross program is strictly an emergency relief operation so doesn't really fall in that category, though the money comes from the same fund.

In June we donated \$2 million for UNRWA and \$100,000 for the International Red Cross. Now Secretary Rusk recommends an additional \$200,000 for the Red Cross. This is justifiable both in terms of the need and in terms of other contributions. The cost of the Middle East operation through the end of November is estimated at \$718,000. To date, other governments have contributed \$348,000. This contribution would bring our total to \$300,000.

An additional reason for doing this right now is that the Red Cross is moving slowly to carry out its arrangements for getting the mercenaries out of the Congo because it is short of money. Putting this contribution into its account now will help relieve its operating deficit and may make it feel more able to move ahead quickly in the Congo.

I recommend you approve.

W. Rostow

Approve _____

See me _____

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P.S. On his own authority - because of extreme
urgency - Sec. Rusk released \$50,000.

~~CONFIDENTIAL~~

Walt

THE SECRETARY OF STATE
WASHINGTON

October 9, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Further Contribution of \$200,000 to the
International Committee of the Red Cross
for Middle East Emergency Assistance

Recommendation:

That you approve a further contribution of \$200,000
from your Middle East emergency assistance reserve to
the ICRC.

Approve _____ Disapprove _____

Discussion:

On June 27 you established a reserve fund of \$5,000,000
from AID's contingency fund for emergency assistance in the
Middle East. You have so far used that fund to provide
\$2,000,000 for UNRWA, and \$100,000 for the International
Commission of the Red Cross in support of its activities on
behalf of "all victims of the conflict" in the Middle East.

During the last two months the ICRC has repeatedly
told us that its need for funds remains urgent. The group
has not only been deeply engaged in fulfilling its traditional
responsibilities in the wake of the Middle East war but, in
addition, has increased its activities in Yemen at our urging
and is being particularly helpful in the Congo.

The expense of the ICRC's Middle East operation from
the end of the hostilities through November are estimated
at \$718,000.

To date the Swiss Government has contributed \$175,000
in cash and air services, France has contributed \$50,000 in
air services, other governments have contributed \$92,600,

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and we have contributed \$100,000. An additional \$300,000 is needed to fund the operation.

In view of the importance of this operation to us, I believe a further contribution of \$200,000 from the AID contingency fund bringing the total U.S. contribution to \$300,000, 40% of the estimated total cost, is reasonable and fully consistent with our interests.

The ICRC will make every effort to secure the additional \$100,000 needed from other sources.

Dean Rusk

Dean Rusk

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Pres file
Tuesday, October 10, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Attached recommendation from Secretary Rusk that you see Malaysian Finance Minister Tan Siew Sin

There are good arguments against your seeing Tan:

- We have no contribution to make to the Malaysian problem with declining rubber markets.
- The Malaysians announced publicly that Tan was coming to see you without checking with us.
- Your seeing Tan could arouse unjustified expectations.
- Our continued sales from the rubber stockpile may, as in the past, be used by the Malaysians as a whipping boy for the declining rubber market.

However, the arguments for seeing Tan are better:

- The Malaysian Prime Minister is a good friend of ours and has, rather foolishly, gotten himself out on a hook by announcing that he was sending Tan to see you. He would lose much prestige if you decline to see Tan.
- The Prime Minister feels that he established a close, personal rapport with you during your visit to Malaysia last year. He would feel hurt and rejected if you refused to see his emissary.
- The Malaysians have gone to such lengths to obtain the appointment that a refusal will appear to them as a brutal indication of indifference to their major political and economic problem.

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By ip, NARA, Date 7-27-95

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THE SECRETARY OF STATE
WASHINGTON

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October 9, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Possible Appointment with Malaysian
Minister of Finance, Tun TAN Siew Sin

The Malaysian Minister of Finance has been in Washington for ten days as a Special Emissary of the Malaysian Prime Minister, to explore with us ways of alleviating the situation in rubber whose price has fallen to an eighteen year low. He has asked us in the strongest terms for at least a courtesy appointment with you. Our recommendation is that you agree to such an appointment on Tuesday, October 10, or Wednesday, October 11, with the understanding, already obtained from the Minister, that he would make no requests of you with respect to rubber, would make South-east Asian regional cooperation, and the role of the Asian Development Bank in particular, the major focus of the exchange of views he desires, and would agree to issuance to the press of the release attached.

Recommendation

That you agree to a short courtesy call with the Minister of Finance on October 10 or 11 with the understanding that a public statement would be made along the lines of the enclosed.

Approve _____

Disapprove _____

Background

The Malaysian Minister of Finance left Kuala Lumpur with the Malaysian press stating that his purpose was to request you to suspend sales from the GSA stockpile. For a considerable period of time, Malaysia has attributed an entirely disproportionate importance to stockpile disposals as a factor in the downward trend of rubber prices

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which currently are at their lowest level in 18 years. They have taken hitherto no account of the difficulties you would face in reducing disposals below the present level of 70,000 tons being sold exclusively for U.S. Government purposes. We have said in the strongest terms that reduction below 70,000 would be impossible. The Finance Minister brought with him to Washington a proposal to purchase the whole of the 360,000 tons of stockpile rubber. Under what precise arrangements such a transaction may be possibly completed without adverse effect upon either the U.S. or Malaysian budget and balance of payments situations has been under urgent study for the past week. After very careful calculations, it was the opinion of both sides that the gap between the price Malaysia was prepared to offer and that which GSA could accept was too wide to offer any promise that a transaction could be closed without some other, perhaps radically different, approach to the possibility of a sale. Discussion of possibilities can be resumed if the Malaysians desire.

We have been impressed by the way Minister Tan and his colleagues have begun to search for realistic solutions to the problems of natural rubber and are gratified that they seem ready to try to deflect Malaysian public opinion from a long-standing preoccupation with our stockpile sales. He has accepted, with disappointment but in seeming good spirit, our judgment that an international rubber agreement, dealing with synthetic and natural rubber, is impractical and that the United States could give no encouragement to holding conferences or commencing discussions for the purpose of establishing such an agreement.

Minister Tan faces real problems in returning to Malaysia if he can offer no credible explanation for why he remained ten days in Washington as Special Emissary of the Tunku and failed to see you. Minister Tan is prepared to make firm commitments that in a call on you he would ask nothing of you nor raise any points brought up in our recent discussions on rubber. Instead he would be prepared to express appreciation for reductions you have made in rubber stockpile disposals, and would wish otherwise to use the occasion of his call to discuss Southeast Asian regional cooperation and, in particular, the important role of the Asian Development Bank.

Dean Rusk
Dean Rusk

Enclosure:

Draft Public Statement.

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DRAFT PUBLIC STATEMENT

The Malaysian Minister of Finance, Tun Tan Siew Sin, called on President Johnson today as a special emissary of Prime Minister Tunku Abdul Rahman to discuss matters of common interest.

The President and the Minister agreed that in the recent past there had been welcome advances made by countries of Southeast Asia in regional cooperation. They agreed that the multilateral approach offered promise of accelerating orderly growth within the economies of these countries. The Minister expressed great satisfaction that the United States was giving support to the Asian Development Bank and that the President had requested Congress to authorize vitally needed resources for the Bank's Special Funds.

The Minister expressed appreciation for the personal interest shown by the President in world rubber prices and for the two decisions as to levels of stockpile disposals made during the past year with the intent of helping to stabilize rubber prices. The Minister stated that the Government of Malaysia understood fully that the basic problems relating to rubber prices were complex and

involved many factors.

The President and the Minister were gratified that the Minister and his colleagues had explained to United States Government officials the problems with which rubber producers are faced, had outlined some possibilities for alleviating these problems, and had obtained the views of United States officials on them. They look forward to further consultations of this nature.

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NEJ 94-418

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By *ig*, NARA, Date 7-27-95

Tuesday, October 10, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Mid-East Military Aid Freeze

Even though we may not have a paper from Secretaries McNamara and Rusk in time for lunch, I think we ought to spend a moment on this subject. As you know, the pro-Israeli pressure is building up. A modest step now could cool it off. I'd hate to see an explosion that we could have avoided.

The Israelis' problem has become clearer in the past couple of weeks. They now have production lines about to close down for lack of spare parts that they buy here.

We've told them we'd move soon if we found we could move something simultaneously to the moderate Arabs without upsetting the Congressional applecart. Our talks with Feinberg have helped pave the way.

What we want to do at lunch is to be sure we understand each other on next steps to cut this campaign off before it becomes a serious problem.

One additional element we haven't talked about is that the Navy has to put out bids by 15 October--this Sunday--for transport if the first four Israeli Skyhawks are to be delivered on schedule in December. The purpose of this shipment will become known in the trade. I can't see our delaying it. On the other hand, we'd all like to be moving something to the reasonable Arabs when this news gets out.

Jordan is a special problem. Bob McNamara's position, as he outlined it last night, includes military shipments to Jordan, mainly to pre-empt Soviet offers. This is the one program the Israelis have always objected to strenuously. There's considerable debate in the tanks over where we should--or can--go with Jordan now. I doubt we should get into a wrangle with the Israelis and their friends over this in the current go-round until we are clearer about our own position.

W. W. Rostow

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- The press statement, to which Tan has agreed, will help put stockpile disposals in a proper context.
- Your meeting with Tan will put the Malaysians under a moral obligation to down-play the importance of our stockpile sales as a factor in the rubber price decline.

Our Ambassador to Malaysia, Jim Bell, happens to be in town. By having him present at your meeting with Tan we can pretty much insure against any subsequent misrepresentation in Malaysia of the implications of the meeting.

I recommend that you see Tan for 15 minutes at any time on October 10 or 11.

W. W. Rostow

Approved _____ Date and Time _____

Disapproved _____

See Me _____

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E.O. 12958, Sec. 3.6

NLJ 00-191

By cl, NARA Date 10-25-00*Pres file*
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Tuesday, October 10, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: King Faisal's Reaction to Your Letter

Since you've now seen King Hussein's somewhat bitter letter, you will also want to be aware of King Faisal's testy reaction to your recent letter. Both reflect Arab feeling that we have let them down and are taking a pro-Israeli line by not pressing Israel to withdraw as we did in 1957. Ambassador Eilts reports that he had about as difficult a session with Faisal as he's ever had when he presented your letter.

Faisal is sensitive about our intimating that the Arabs didn't go far enough at Khartoum. He feels we don't understand the risks Arab leaders are taking by any show of moderation toward Israel.

He, like Hussein, clearly sees Israel as the aggressor. He's no longer willing to admit that Arab provocation played a role in bringing on the June war.

Significantly, he says he'd be willing to end the "state of belligerency" provided Israel recognized such Arab rights as the refugees' right to go home. He, like Hussein, feels we're asking them to give up their hole card--ending the state of war--in return for Israeli troop withdrawal but not for settlement of their main long-term grievances. (This same theme creeps into Hussein's report that Nasser now links opening the Canal with a refugee settlement.)

At the root of Faisal's reaction are 20 years of frustration beginning with the UN resolution creating Israel, which he believes came about only as a result of US pressure. He was at the UN himself in 1948 and speaks from deep personal conviction. Ever since, with the exception of 1956-57, he believes we have leaned toward Israel. He just doesn't believe--no matter how many times we say it--that we can't influence Israel.

Jerusalem is his most sensitive spot. As guardian of Islam's holy places, he believes he has a special obligation. Our abstention on the Jerusalem resolutions in July hit him especially hard--as it did most Moslems.

Eilts did his best to calm Faisal, but he was clearly upset. He may relax a little when he has time to reflect.

W. W. Rostow

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TO SECSTATE WASHDC 2497

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1. HAD TWO-HOUR AUDIENCE WITH KING FAISAL IN TAIF OCT 4 TO PRESENT PRESIDENT'S LETTER. WHEN DOING SO, I SAID PRESIDENT HAD MUCH APPRECIATED KING'S THOUGHTFUL MESSAGE AND AS PERSONAL FRIEND WANTED KING HAVE HS OWN FRANK THOUGHTS ON ME SITUATION. WHILE COURTEOUS THROUGHOUT, KING CLEARLY MUCH EXERCISED ABOUT SITUATION. TALK VIRTUAL MONOLOGUE ON HIS PART. AT TIMES I HAD DIFFICULTY GETTING WORD IN EDGEWISE.

2. AFTER BEGINNING READ LETTER, HE PICKED OUT PHRASE IN EIGHTH PARA READING "...LINKING TROOP WITHDRAWAL TO AN END OF BELLIGERENCY AND RENUNCIATION OF ATTENDANT RIGHTS OR CLAIMS BY ALL THE PARTIES...". HE WAS OBVIOUSLY SENSITIVE ON OUR VIEW THAT KHARTOUM DECISIONS MIGHT HAVE LEFT SOMETHING TO BEDESIRED ON MATTER OF RENUNCIATION RIGHTS OF BELLIGERENCY. HE RECALLED THAT, AS HE HAD PREVIOUSLY TOLD

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ME, HE AND OTHER ARAB MODERATES HAD DIFFICULT BATTLE AT KHARTOUM TO WIN DAY FOR MODERATION. BUT THEY HAD GONE AS FAR AS THEY CAN GO. ARAB-ISRAELI ISSUE IS EMOTION-PACKED, AND

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E.O. 12958, Sec. 3.6

NLJ 00-190

By cb, NARA Date 10-25-00

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What is aggression?

ARAB PUBLIC OPINION WOULD NOT TOLERATE GOING ANY FARTHER. TO ARABS SINGLE MOST IMPORTANT ELEMENT IS REMOVING "RESULTS ISRAELI AGGRESSION". ISRAELIS THEMSELVES ADMIT THEY ATTACKED FIRST. AGGRESSORS SHOULD NOT BE REWARDED. I POINTED OUT TO HIM THAT, AS HE HAD HIMSELF ADMITTED TO ME IN THE PAST, THERE HAD BEEN SO MUCH PROVOCATION IN WEEKS PRECEDING HOSTILITIES, THAT ISSUE COULD HARDLY BE CASE IN SIMPLE TERMS OF WHO ATTACKED FIRST. EVEN ON THIS POINT THERE ARE DIFFERENCES OF OPINION. KING RESPONDED RATHER TARTLY ANY SUCH DIFFERENCES OF OPINION EXIST ONLY WITH USG, NOT ISRAELIS. HE REITERATED ISRAELI LEADERS HAVE PUBLICLY ADMITTED THEY ATTACKED FIRST.

3. KING THEN RECALLED PRESIDENT JOHNSON AND SOVIETS HAD ASKED BOTH NASSER AND ISRAELIS NOT TO START FIGHTING. NASSER HAD COMPLIED; ISRAELIS HAD NOT. THEY THEREFORE DESERVE CENSURE. IN ANY CASE, HE CLAIMED NASSER HAD ASSURED U THAT THAT STRAITS OF TIRAN WOULD BE REOPENED TO ISRAELI SHIPPING. NEVERTHELESS ISRAELIS HAD ATTACKED. I SAID THIS NEWS TO ME,

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AND I KNEW OF NO SUCH ASSURANCE. KING CLAIMED AHAM RECENTLY PUBLISHED THIS INFO.

4. ADVERTING TO AFOREMENTIONED PHRASE FROM PRESIDENT'S LETTER, KING SAID IT WOULD HAVE BEEN ALL RIGHT IF SENTENCE HAD STOPPED WITH "...END OF BELLIGERENCY". BETTER STILL IF LETTER HAD SAID "END STATE OF WAR", HE PERSONALLY COULD ACCEPT THIS, BUT TO GIVE UP ALL ARAB CLAIMS AND RIGHTS IS ASKING TOO MUCH. ARABS HAVE BEEN HUMILIATED. THEY HAVE JUST CAUSE EVEN THOUGH WORLD AND USG HAVE TOO LONG IGNORED THIS. ISRAEL IMPOSED ON ARABS IN DISREGARD ALL RIGHTS OF ARABS. THESE RIGHTS, SUCH AS RIGHT OF ARAB REFUGEES TO RETURN TO THEIR HOMES, CANNOT BE GIVEN UP. AS HE HAD INDICATED IN HIS SEPT 6 LETTER TO PRESIDENT, ARABS CAN NEGOTIATE ALL ISSUES EXCEPT FOUR POINTS MENTIONED THEREIN. GIVING UP ARAB RIGHTS AND CLAIMS ENTIRELY UNACCEPTABLE.

I wonder whether he knows what this bit of western jurisprudence means. Down. This

5. BY THIS TIME HE WAS WAXING EMOTIONAL. I FINALLY MANAGED TO EXPLAIN THAT NO ONE QUESTIONS THAT ARABS AS WELL AS

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ISRAELIS HAVE RIGHTS AND CLAIMS WHICH CAN LEGITIMATELY BE NEGOTIATED. AS I HAD PREVIOUSLY TOLD HIM, USG REFERENCE TO RENUNCIATION OF RIGHTS OF BELLIGERENCY ENTAILS WILLINGNESS

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ON PART ARABS BEGIN SEARCH FOR MEANS SETTLE VARIOUS ROOT CAUSES OF ARAB-ISRAELI PROBLEM, SUCH AS TRANSIT SUEZ CANAL, REFUGEES, RIGHT OF FREE PASSAGE, ACCEPTABLE BOUNDARIES, ETC. PRESIDENT HAD MENTIONED THESE IN HIS JUNE 19 SPEECH. I POINTED OUT TO HIM THAT USG NOT PRESSING FOR DIRECT NEGOTIATIONS, BUT ANY ACCEPTABLE MEANS OF COMING TO GRIPS WITH THESE PROBLEMS. USG BELIEVES THAT BOTH SIDES WILL HAVE TO COMPROMISE IN INTERESTS FUTURE STABILITY MIDDLE EAST AREA IN WHICH BOTH SIDES MUST CONTINUE TO LIVE.

6. KING RESPONDED ROOT CAUSE OF DISPUTE NOTHING LESS THAN I POINTED OUT UN RESOLUTION CREATING ISRAEL HAD SUBSTANTIAL MAJORITY BACKING. KING INSISTED THIS CAME ABOUT ONLY THROUGH US PRESSURE. HE HAD BEEN AT THAT UN SESSION. US HAD ASKED FOR 48 HOUR DELAY IN VOTE DURING WHICH TIME USG HAD TWISTED ARMS TO OBTAIN FAVORABLE VOTE. IT WAS UTTERLY UNJUST AND IN COMPLETE DISREGARD RIGHTS OF ARABS. EVER SINCE USG POLICY HAS BEEN PRO-ISRAELI EXCEPT IN 1956 WHEN USG SPOKE UP BRAVELY AGAINST ISRAELI AGGRESSION. AND, KNOWING THIS, ISRAEL HAD CONSTANTLY BEEN AGGRESSIVE AND CONTINUES

PAGE 5 RUQVRA 1356/1 ~~SECRET~~

TO BE SO. WHAT, HE ASKED, WOULD US HAVE DONE IF ARABS HAD OCCUPIED ISRAELI TERRITORY? HE WAS SURE US REACTION WOULD HAVE BEEN FAR STRONGER THAN IT HAS BEEN WITH ARABS AS OFFENDED PARTY. ISRAELI ACTIONS IN OCCUPIED ARAB AREAS AND BELLIGERENT STATEMENTS ESHKOL, EBAN AND DAYAN MADE IN KNOWLEDGE USG WILL NOT REACT. I SAID HAD TO DIFFER WITH HIM. USG HAS SOUGHT MAINTAIN EVEN-HANDED POLICY AND HAS OFTEN BEEN CRITICIZED FOR ITS PAINS BY BOTH PARTIES. WE HAVE GONE ON RECORD OPPOSING FINALITY OF ANY ISRAELI MEASURES ON JERUSALEM, URGING ISRAELIS TO ALLOW REFUGEES TO RETURN TO

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WEST BANK AND INDICATING ESTABLISHMENT NAHAL SETTLEMENTS IN
OVERRUN AREAS, IF TRUE, INCONSISTENT WITH ISRAELI ASSURANCES
TO US. KING DISMISSED THESE US ACTIONS AS FEEBLE WITH NO
ATTEMPT FOLLOW UP. ON CONTRARY, ISRAELIS COMPLETELY DISREGARD
THEM. ISRAELI ACTIONS AND US INACTION CAUSING HARDENING OF
SITUATION.

EILTS

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TO SECSTATE WASHDC 2498

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STATE 45719

7. I TOLD KING THAT, AS I HAVE FREQUENTLY REMINDED HIM, USG DOES NOT CONTROL ISRAEL. HE MIGHT OR MIGHT NOT BELIEVE IT, BUT THIS IS THE CASE. KING DISMISSED THIS COMMENT. HE INSISTED THAT IF USG REALLY WANTED TO DO SO, IT COULD MAKE ISRAEL DESIST FROM THESE INFLAMMATORY ACTIONS AS IT HAD DONE IN 1956. HE HOPING THAT USG WILL SHOW MORE VIGOROUS AND FAIR ATTITUDE AT CURRENT UNGA. IF NOTHING COMES OUT OF PRESENT SESSION, SITUATION WILL DRIFT TO SOMETHING WORSE.

8. HE THEN BECAME EMOTIONAL ON JERUSALEM. IT THIRD HOLIEST CITY OF ISLAM WHICH HE, AS GUARDIAN HOLY PLACES, HAS OBLIGATION TO SAFEGUARD. HE PERSONALLY, AS MUSLIM, DEEPLY DISTURBED THAT ISRAELIS HAVE DESECRATED AQSA AND OMAR MOSQUES. KORAN POINTS OUT JEWS HYPOCRITICAL EVEN IN TIME OF PROPHET, AND KING CLAIMED HE HAS RELIGIOUS OBLIGATION FIGHT JEWS WHO SEIZE OR DESECRATE ISLAMIC SHRINES. UNLESS UNGA RESOLVES ISSUE, HE WARNED JIHAD WILL BE DECLARED WHICH NOT ONLY MUSLIMS BUT CHRISTIANS WILL SUPPORT. HE HIMSELF WOULD LEAD IT. ARABS AND MUSLIMS MIGHT WIN OR LOSE, BUT ISSUE WILL BE ONE OF "HONOR OR DEATH". ALL HE ASKED THAT USG STAY OUT. I MANAGED CALM HIM DOWN. POINTED OUT ANY

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SUCH IDEA SEEMED UNNECESSARY AND STERILE. WE ALL HAD SAME OBJECTIVE OF SEEKING BRING STABILITY BACK TO MIDDLE EAST. (UNFORTUNATELY, ABOUT HALF HOUR LATER CROWN PRINCE KHALID ENTERED ROOM WITH DRAMATIC ANNOUNCEMENT THAT DAYAN HAD ALLEGEDLY STATED NOT ONLY WILL ISRAELIS HOLD JERUSALEM, BUT WILL IF NECESSARY SEIZE MEDINA. IN ANSWER MY QUERY, KHALID WAS FUZZY RE ORIGIN ALLEGED DAYAN STATEMENT, BUT IT SET KING OFF ONCE AGAIN. WITH EARLIER EMOTION, HE REVERTED NEED CALL FOR JIHAD TO RECOVER ISLAMIC SHRINES, THIS TIME STATING HE AND HIS BROTHER, KHALID, WOULD HEAD IT. KHALID LEFT FEW MINUTES LATER, BUT HIS BRIEF APPEARANCE MOST UNHELPFUL.)

9. KING THEN LASHED OUT THAT MOST OF PROBLEMS OF MIDDLE EAST DUE TO ZIONISTS. THEY HAD INTRODUCED HATEFUL MARXISM INTO AREA. HE ASKED IF I HAD READ PROTOCOLS OF ZION WHICH OUTLINED ISRAELI EXPANSIONIST AMBITIONS. FROM 1948 ONWARDS EVERY AGGRESSION IN MIDDLE EAST, HE CHARGED, HAD COME FROM ISRAELIS. AND ONLY IN 1956 HAD USG DONE ANYTHING ABOUT IT. PLEASE, HE ASKED, TAKE SAME POSITION YOU DID IN 1956. "BE PROUD OF IT, IT WAS A GOOD ACT ADMIRABLE BY ALL, UNLIKE WHAT YOU ARE DOING NOW." I SAID USG INDEED PROUD OF ITS ACTIONS

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IN 1956 AND OF OTHER OCCASIONS WHEN WE HAD HELPED ARAB STATES, INCLUDING SAUDI ARABIA, TO PROTECT THEMSELVES. IF WE DO NOT WANT TO GO BACK TO SIMPLE 1956 PRECEDENT, IT IS BECAUSE RECENT EVENTS HAVE CONCLUSIVELY DEMONSTRATED ACTION AT THAT TIME INSUFFICIENT. ISRAELIS HAD WITHDRAWN IN 1956 AS RESULT STRONG USG URGINGS, BUT ON CERTAIN UNDERSTANDINGS RE FREEDOM OF PASSAGE OF GULF OF AQABA WHICH HAD BEEN PUBLICLY STATED. IN MAY, 1967, UAR, WHICH HAD BEEN FULLY AWARE OF EARLIER COMMITMENT, BLITHELY JETTISONED IT AND LED MIDDLE EAST DOWN PATH CULMINATING IN HOSTILITIES. HE KNEW SIGNIFICANCE OF "FACE". OUR "FACE" HAD BEEN INVOLVED IN THIS UAR ACTION. WHAT IS MORE ISRAELIS HAD FELT THAT OUR RESPONSE TO CLOSURE NOT ADEQUATE AND HAD TAKEN MATTERS INTO OWN HANDS. WE HAD INDEED SOUGHT PEACEFUL MEANS TO SETTLE ISSUE, AND WAR HAD

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NOT STARTED BECAUSE OF US. HOWEVER, LESSON WHICH WE HAD LEARNED AND WHICH ARABS AND ISRAELIS SHOULD ALSO HAVE LEARNED FROM DEBACLE, IS THAT SIMPLE REVERSION TO JUNE 4 SITUATION UNSATISFACTORY. AS I HAD REPEATEDLY TOLD HIM, WE WANT ISRAELI WITHDRAWAL FROM OVERRUN AREAS, BUT ALSO BELIEVE ARAB RENUNCIATION OF RIGHTS OF BELLIGERENCY NECESSARY IF PEACE IS

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TO BE ASSURED.

10 FAISAL COMMENTED IT WOULD HAVE BEEN BETTER IF USG HAD FORCED STRAITS OF TIRAN IN LATE MAY TO INSURE FREEDOM OF PASSAGE THAN ALLOWING PRESENT ISRAELI AGGRESSION TO STAND. AS FOR MY COMMENTS ON UAR, HE HAD BEEN WARNING USG FOR YEARS NOT TO TRUST NASSER AND SYRIANS BUT TO NO AVAIL. NOW USG RECOGNIZED UNTRUSTWORTHINESS THESE REGIMES, BUT TOO LATE AND IN A CONTEXT WHERE ITS ARAB FRIENDS ARE BEING HURT. I SAID AWARE HIS FREQUENT WARNINGS, BUT REMINDED KING THAT IN 1956 SAG HAD ACTIVELY HELPED EGYPTIANS. HE GRUMBLY AGREED.

11. HE AGAIN ADVERTED TO OFFENDING PHRASE STATING HE COULD PERSONALLY ACCEPT END OF "STATE OF WAR". THEREAFTER OTHER ASPECTS COULD BE NEGOTIATED. BUT ALL OF THIS SHOULD BE DONE IN STAGES. ARAB PUBLIC OPINION WILL NOT AT PRESENT ACCEPT MORE. IF USG SEEKS TO FORCE PACE, IT IS PLAYING INTO HANDS OF ARAB EXTREMISTS. AS FOR BOUNDARIES, KING NOTED PEACE CAN EXIST WITHOUT RECOGNITION OF BOUNDARIES. HE CITED WEST GERMANY'S REFUSAL TO RECOGNIZE POLISH AND CZECH BOUNDARIES. GET ISRAELIS TO GO BACK TO JUNE 4 BORDERS HE PLEADED, AND GO ON FROM THERE.

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12. SINCE KING BECOMING MORE AND MORE UPSET, THERE SEEMED LITTLE POINT CARRY ON. I REITERATED USG AND SAG SHARE OBJECTIVE OF STABILITY IN MIDDLE EAST, ALTHOUGH WE MAY NOT

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YET HAVE REACHED AGREEMENT ON MEANS FOR ACHIEVING THIS. HOWEVER, I TOOK SOME COMFORT FROM HIS COMMENT THAT HE AGREED WITH NEED TO TERMINATE "STATE OF WAR". HE QUICKLY INTERPOSED THAT HE SPEAKING PERSONALLY AND WOULD NOT BE PREPARED ACTIVELY URGE THIS ON OTHER ARAB STATES. THEY MUST MAKE OWN DECISIONS. IF THEY AGREE, THIS FINE. I SAID DID NOT KNOW REACTION OF OTHER ARAB STATES, BUT HOPEFULLY SOMETHING MIGHT BE WORKED OUT. KING COMMENTED HE WOULD PRAY FOR THIS.

13. I SUGGESTED THAT HE STUDY THE PRESIDENT'S LETTER CAREFULLY AFTER WHICH WE MIGHT HAVE LATER TALK. I INDICATED OUR DESIRE MAINTAIN CLOSE CONTACTS DURING COMING UN SESSION. HE SAID HE WOULD DO SO, BUT DID NOT FEEL TALK HELPFUL IF USG POSITION SIMPLY RESULTS IN MORE "FRUSTRATIONS". I SAID I HOPED HE WOULD GIVE US CREDIT FOR BEING AS SINCERE AS HE IN SEEKING MEANS OF SETTLING PROBLEMS. HE DID NOT DEMUR, BUT EXPRESSED CONCERN THAT USG POLICY-MAKERS DID NOT SEEM TO UNDERSTAND DYNAMICS AREA WITH WHICH THEY ARE DEALING. I TOLD HIM HE COULD REST ASSURED ON THIS POINT.

14. COMMENTS BY SEPTEMBER

GP-3. EILTS

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~~Long~~
2. Pres file

Tuesday
October 10, 1967

Mr. President:

Attached is the letter to Mr.
Taylor modified as you sug-
gested.

W. W. Rostow

Attachment

October 10, 1967

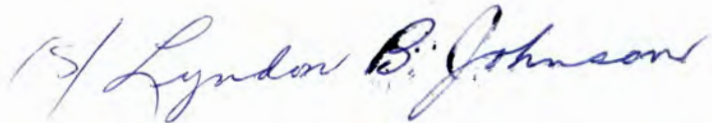
Dear Tony:

I have your telegram of October 6 suggesting that the University of New Mexico award an honorary degree to President Diaz Ordaz when he visits Washington later this month.

We have been working on the program for the visit for several weeks. It is now so full that I do not see how we can include another event. Your idea is a good one. We have scheduled the award of one honorary degree to President Diaz Ordaz. I am sorry I did not get your suggestion earlier. Please express my regrets to President Popejoy.

Lady Bird joins me in sending our love to you and Matiana.

Sincerely,

A handwritten signature in blue ink that reads "Lyndon B. Johnson". The signature is written in a cursive, flowing style with a large initial "L".

Mr. Anthony J. Taylor
221 Sena Street
Santa Fe, New Mexico

LBJ/WGBowdler:mm

90

October 10, 1967

Send LDX to Ben Read from Walt Rostow

The President would like the following telegram to Prime Minister Holt go thru Ambassador Clark

QUOTE A quarter-century ago I found out that if you had to be away from home and fighting a war, the best country to be in is Australia. I hear that the first group of our servicemen to come to you from Vietnam has arrived at the same conclusion.

I know the thought and care and warmth that went into the arrangements made for our men.

I wish to thank you and, through you, the people of Australia for what you are doing. UNQUOTE