

~~CONFIDENTIAL~~

Wednesday - 5:30 pm
October 18, 1967

56

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Increase in Liquor Exemption for Returning Tourists

Since the Congress in 1965 lowered the duty free allowance for returning tourists to \$100 and the alcoholic exemption to one quart, the Mexicans have pushed us to restore the cuts. President Diaz Ordaz raised it with you during the Mexico City trip and at Amistad Dam. You indicated that you would have the issue studied.

During the current session, three border district Congressmen -- de la Garza, White and Udall -- have introduced bills which would increase the duty free allowance and the liquor quota by giving returning travellers from contiguous countries the same exemptions as those from our insular possessions. This would raise the exemptions from \$100 to \$200, and one quart to one gallon.

The Bureau of the Budget has consulted the interested agencies on these bills. There is general agreement that we cannot endorse them because of balance of payments considerations and inconsistency with our non-discriminatory trade policy.

In an effort to help you go part way in meeting the Mexican desires, State came up with the idea of re-establishing the duty free exemption for one gallon of certain alcoholic beverages within the existing \$100 overall duty free allowance. The categories of beverages would be largely indigenous to Central and South America -- tequila, mescal, coffee liqueur, aguardiente cachaca and pisco -- and not include types which we produce.

State argues that under this proposal the balance of payments effect would be negligible. Enforcement would not create that many problems for Customs. It is not discriminatory because it distinguishes among types of beverages instead of country of origin. Because of

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Authority State ltr 11/30/78
By lg/tp, NARA, Date 11-15-91

~~CONFIDENTIAL~~

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its location and production of indigenous liqueurs, Mexico would be the principal beneficiary.

If you want to be partially forthcoming with President Diaz Ordaz, I will ask Charlie Schultze to staff out State's proposal and give you a specific recommendation.

W. W. Rostow

Approve —

Disapprove —

See me —.

~~TOP SECRET/NODIS/PENNSYLVANIA~~

57

Pres file

Wednesday, October 18, 1967 -- 4:00 p.m.

Mr. President:

Herewith some Vietnam negotiating items.

1. Henry Kissinger, whose views I summarized yesterday, sets them out on his own.

2. A report (marked on page 2) that Maurer had found the men in Hanoi somewhat more flexible, plus some comments on the Chinese.

3. A Norwegian report that the Yugoslav Foreign Minister believes that Hanoi had decided to await U.S. elections in hope situation would shift favorably for North Vietnam."

Sec. Rusk, Sec. McNamara and I will be meeting with Kissinger tonight. We ought to budget for a meeting with you some time tomorrow morning on:

- Whether Kissinger should go to Paris this week end.
- What he should say to M and A, if he goes.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-452
By 129, NARA, Date 7-17-95

~~TOP SECRET/NODIS/PENNSYLVANIA~~

W/d 57a
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E.O. 12356, Sec. 3.4

NEJ 94-452

By up, NARA, Date 7-17-95

Memorandum by Mr. Kissinger

The decisions with respect to next moves in the A-M/K channel involve complex considerations in which the balance of judgment is inevitably close. This memo sets out three assumptions for discussion and two policy options. The assumptions are:

(1) The policy of Hanoi reflects the internal stresses of a group of men, largely cut off from world affairs, to whom the decision to enter discussions with the US has overriding importance for the future of their country. We have some evidence of differing views on their part this key issue. Hanoi's situation is complicated by an extremely complex external situation. As a result what appears to the outsider as deliberate delay may in reality reflect uneasy navigating between Peking and Moscow, coupled with uncertainty about internal cohesion under the stress of negotiations (especially as Peking disapproves) and deep distrust of the United States. The prospect of talks thus confronts Hanoi with a dilemma which can be resolved only by a set of compromises between individuals jockeying for political survival.

(2) Whatever the ultimate decision, Hanoi's course is likely to be tortuous and complicated rather than clear cut; groping rather than definite with efforts made to keep open as many escape hatches as possible.

(3) Whatever our reading of Hanoi's intention, the minimum US interest with respect to the present channel should be to demonstrate that we have gone to the limit in testing Hanoi's willingness to negotiate -- especially if this can be done without paying an appreciable price.

It is the purpose of this memo to argue (1) that the last communication from Hanoi contains among the usual intransigent formulations sufficient positive elements to raise doubts about breaking the channel now by refusal to answer the communication and an immediate resumption of full scale activities; (2) that even should we decide to end the channel, it would be wiser to give Hanoi a reasonable time to react to notification of this fact before we terminate current restrictions.

The following positive aspects can be found in the October 17 note on the assumption that it was carefully drafted: The first paragraph spoke of what Hanoi would not do under conditions of escalation, i.e., talk to me or comment on our proposals. For the first time in a written message from the DRV, the implication seems clear that it is US escalation, not the bombing itself, that rules out such talks and comments.

The last paragraph states the usual pre-condition of stopping bombing for talks but adds for the first time that if the United States ends its bombing talks can (not could; peuvent, not pourraient) take place.

If this interpretation is deliberate, and Bo has appeared to convey messages only when he has instructions, the intransigent phrases in this latest message may reflect Hanoi's fear caused by weakness of seeming to ask for a bombing pause.

Two options present themselves, both involving a formal reply:

Option 1

A message which contains the following element:

(a) we interpret the communication from Hanoi in the above affirmative sense;

(b) we notify Hanoi of a further unilateral de-escalation designed to establish a climate for secret preliminary talks which would fix the timing and mode for substantive negotiations;

(c) we state that during the first preliminary exchange we would advise the DRV of a definite date for a complete cessation; and

(d) the rest of the message would restate the other essential elements of our proposals.

Option 2

A message containing the following elements:

- (a) We sum up in concise and non-argumentative fashion the offers made in this channel: - to end the bombing; to accept unilateral restrictions without time limit; and to set a date for the cessation of the bombing.
- (b) We state that the last DRV message appears to us as a flat rejection and an indication of unwillingness to make a commitment to enter discussions, even if the bombing had stopped.
- (c) Since we do not want to reach this conclusion lightly the purpose of this communication is to ask Hanoi to confirm our interpretation or to tell us where it is mistaken.
- (d) We would affirm that the US offers remain open. We should wait ten days (the average turn-around time) before resuming activities. To avoid the charge of an ultimatum this time limit would not be part of the record but it would be communicated in approximate terms orally to M and A as my impression of Washington's mood.

Option 1 involves risks of domestic debate and of leading to another set of delays. The latter danger could be minimized by a personal word to A and M of growing US impatience. It has the following advantages: (a) it would offer Hanoi cessation and discussions under the most tempting and face-saving circumstances; (b) if a pause is apt to be tried in the next 3 or 4 months, it would be desirable to approach it with an existing, operating channel to Hanoi and an established diplomatic framework. If rejected and publicized, such a move might tend to quiet for a while the clamor for a pause, at least among more responsible elements.

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Option 2 seems to me the minimum notification needed to avoid charges of duplicity, whatever our reading of Hanoi's intention. To close the channel abruptly after receipt of a DRV message that contains some movement and follow it immediately with a removal of restrictions would in all likelihood trigger A and M into a public declaration against us; it will give color to the option that Hanoi was not given a sufficient opportunity to consider our final position or that we failed to respond to a conciliatory change in phraseology on their part. Option 2 would be accomplished by a grave warning by me to A and M of Washington's growing impatience. The marginal cause of a delay of ten days does not seem to me to outweigh its benefits.



Department of State

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TELEGRAM

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PAGE 01 BUCHAR 00566 171924Z

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ACTION SS 70

INFO /070 W

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E.O. 12356, Sec. 3.4

NEJ 94-449

By *kg*, NARA, Date 12-23-94

R 171445Z OCT 67
FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 1617
INFO AMEMBASSY MOSCOW 300
USMISSION USUN 063
AMEMBASSY PARIS 277
AMEMBASSY LONDON 239
AMCONSUL HONG KONG 074
AMEMBASSY SAIGON 062

~~CONFIDENTIAL~~ BUCHAREST 566

LIMDIS

SUBJECT: MAURER'S TRIP TO HANOI

1. AT CLOSE RECEPTION FOR INDIRA CHANDI OCTOBER 16, FRENCH AMBASSADOR PONS HAD THREE MINUTE CONVERSATION WITH PRIME MINISTER MAURER ON SUBJECT LATTER'S RECENT RIP TO FAR EAST WHICH PONS

PAGE 2 RUFUHT 566 ~~CONFIDENTIAL~~
RELATED TO ME THIS MORNING.

2. MAURER SAW KOSYGIN ENROUTE TO PEKING-HANOI FOR APPROXIMATELY TWO HOURS CONVERSATION AND ALSO STOPPED OVER BRIEFLY UPON HIS RETURN THOUGH HE DID NOT MENTION WHOM HE SAW ON THIS OCCASION. HE REVEALED NOTHING OF HIS MOSCOW TALKS.

3. MAURER SAW CHOU EN-LAI BOTH ENROUTE AND ON RETURN JOURNEY SAYING THAT A TECHNICAL STOP-OVER OF TWO HOURS ON

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Department of State

TELEGRAM

(2)

~~CONFIDENTIAL~~

PAGE 02 BUCAR 00566 171924Z

OCTOBER 1 BROUGHT CHOU TO AIRFIELD WHERE THEY LUNCED TOGETHER AND HAD GOOD TALK. PONS COMMENTED MAURER OBVIOUSLY PLEASED WITH THIS GESTURE ON CHINESE NATIONAL HOLIDAY AND HAD ASKED PONS WHAT COULD HE EXPECT IF HE ARRIVED AT PARIS ON JULY 14 -- "POMPIDOU?"

4. PONS, WHO HAD PREVIOUSLY RECEIVED MESSAGE FROM FRENCH MISSION IN HANOI REPORTING VIETNAMESE HAD TAKEN VERY TOUGH LINE WITH MAURER ON THEIR DETERMINATION TO PERSEVERE IN THE WAR, THEN ASKED MAURER IF HE HAD FOUND VIETNAMESE AS "HARD" THIS TIME AS ON OCCASION HIS LAST VISIT APPROXIMATELY YEAR

PAGE 3 RUFUHT 566 ~~CONFIDENTIAL~~
AGO. MAURER'S IMMEDIATE REPLY WAS: "NOT AT ALL" AND REMARKED WITHOUT AMPLIFICATION THAT HE WAS CONFIDENT IF AMERICANS STOPPED THE BOMBING "SOMETHING COULD BE ARRANGED." PONS COMMENTED TO ME MAURER HAD NOT USED WORD NEGOTIATIONS AND THERE WAS NOT OPPORTUNITY TO ACQUIRE FURTHER CLARIFICATION OF WHAT MAURER MEANT BY PHRASE HE USED.

5. PONS ALSO ASKED MAURER WHETHER HE THOUGHT CHINESE WERE OPPOSED TO SETTLEMENT VIETNAM WAR TO WHICH MAURER REPLIED THEY WERE IN SUCH AN INTERNAL MESS WITH CULTURAL REVOLUTION THAT HE HAD IMPRESSION THEY WOULD NOT BE OPPOSED TO NEGOTIATED SETTLEMENT.

6. PONS RELATED MAURER IN CONCLUSION HAD SAID HE WAS TELLING HIM THESE THINGS, WHICH HE HAD NOT EVEN TOLD AMERICAN AMBASSADOR, IN CONFIDENCE AS HE KNEW PONS WAS DISCREET DIPLOMAT.

7. ON ANOTHER SUBJECT PONS REFERRED TO POSITION OF SHELEPIN IN KREMLIN HIERARCHY. MAURER AGREED WITH PONS' OBSERVATION THAT SHELEPIN STILL HAD PROMISING FUTURE COMMENTING, "HE

PAGE 4 RUFUHT 56J6 ~~CONFIDENTIAL~~
IS NOT AS STUPID AS THE OTHERS." PONS DEDUCES FROM THIS THAT MAURER'S TALKS WITH KOSYGIN AND OTHERS IN MOSCOW MAY NOT

~~CONFIDENTIAL~~



Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 03 BUCAR 00566 171924Z

HAVE GONE WELL.

8. ONLY OTHER INFORMATION HWE HAVE RECEIVED COMES FROM BRITISH AMBASSADOR WHO SAW MAURER AT AIRPORT EVENING OCTOBER 14 WHILE BOTH AWAITING ARRIVAL OF SHAH OF IRAN'S BROTHER. WHEN CHADWICK ASKED MAURER IF HE HAD FOUND SITUATION IN FAR EAST MORE TRANQUIL THAN IN JULY, MAURER COMMENTED HE WAS OPTIMISTIC ON SOLUTION FOR VIETNAM WAR.

9. COMMENT: PONS' OPPORTUNITY TO CONVERSE WITH MAURER WAS SO LIMITED THAT INFORMATION REVEALED OBVIOUSLY MEAGER. I HAVE DELIBERATELY REFRAINED FROM REQUESTING APPOINTMENT WITH MAURER TO AVOID POSSIBILITY OF EMBARRASSMENT EITHER SIDE THOUGH I HAD SOUGHT OPPORRTUNITY (WHICH NEVER AROSE) LAST EVENING TO SEEK OUT ACTING FONMIN MACOVESCU TO SAY (MAKING CLEAR I WAS SPEAKING WITHOUT INSTURCTIONS AND PURELY ON PERSONAL BASIS) THAT IF MAURER WISHED TO TELL ME ANYTHING OF HIS RECENT RIP, I WAS CERTAIN MY GOVERNMENT WOULD APPRECIATE

PAGE 5 RUFUHT 566 ~~CONFIDENTIAL~~
INFORMATION. I STILL INTEND MAKE SUCH INFORMAL APPROACH
MACOVESCU WHENEVER THERE MAY BE SUITABLE OCCASION.
GP-3 DAVIS

~~CONFIDENTIAL~~



Department of State

INCOMING

TELEGRAM

57c

~~SECRET~~

PP RUEHCR
DE RUDKSO 1739 2911540
ZNY SSSSS
P 181530Z OCT 67
FM AMEMBASSY OSLO
TO SECSTATE WASHDC PRIORITY 1117
STATE GRNC
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~~SECRET~~ OSLO 1739

NODIS, - OHIO

REF: OSLO 1567 AND 1597

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-449

By , NARA, Date 10-23-94

1. FONMIN POL DIRECTOR ANSTEENSEN HANDED ME OCT 18 TRANSLATION OF MESSAGE SENT FROM PEKING OCT 16 BY AMB ALGARD. ALGARD IS HERE PRESENTING GLOSS ON CONVERSATION BETWEEN NORWEGIAN CHARGE AND LOAN DESCRIBED FIRST REFTEL AND CLARIFYING VERBAL PROBLEM ALREADY SIGNALLED. DEPT WILL ALSO NOTE THAT QUOTE ALL PARTIES UNQUOTE HAS NOW BECOME QUOTE BOTH PARTIES UNQUOTE, PRESUMABLY MEANING NORWEGIANS AND NVN REP.
2. REGIN MSG: AMB NGO USED THE EXPRESSION QUOTE INSECURE TO BOTH PARTIES UNQUOTE REGARDING A CONTINUATION OF EXCHANGE OF VIEWS IN PEKING. THE REFERENCE TO THE SOVIET MINISTRY OF FOREIGN AFFAIRS WAS CLEARLY INTENDED TO GIVE A HINT TO ALTERNATIVE POSSIBILITIES FOR CONTACT.

PAGE 2 RUDKSO 1739 ~~SECRET~~

THE GENERAL TENOR OF AMB NGO'S STATEMENT GAVE THE IMPRESSION, ON THE OTHER HAND, THAT HANOI FOR THE TIME BEING IS NOT RPT NOT VERY INTERESTED IN MAKING CONTACT. END MSG.

3. LONGER REPORT RE LOAN-CHARGE CONVERSATION NOT RPT NOT YET RECEIVED OWING COURIER DELAY BUT FONOFF ANTICIPATES IT SHOULD LEAVE PEKING OCT 20.

4. ANSTEENSEN SAID FONMIN LYG HAD ALSO ASKED HIM TO GIVE ME SUBSTANCE HIS CONVERSATION YUGO FONMIN NIKEZIC AT NEW YORK OCT 6. NIKEZIC SAID YUGOSLAWS HAD HAD SOME CONTACTS WITH HANOI BUT WITHOUT SPECIFYING WHEN. HE TOLD LYG TANJUG JOURNALIST HAD RECENTLY FAILED RECEIVE PERMISSION VISIT HANOI ON GROUNDS NVN COULD NOT RPT NOT BE RESPONSIBLE HIS SAFETY. NIKEZIC ALSO

~~SECRET~~

~~SECRET~~

-2- OSLO 1739, OCTOBER 18

SAID HANOI HAD ESTABLISHED PATTERN OF ESTABLISHING INFORMAL CONTACTS WITH VARIOUS COUNTRIES, MAINTAINING THEM FOR SOME TIME, AND THEN FADING OUT. YUGO FOMIN'S HYPOTHESIS WAS THAT DRVN BELIEVES IF IT ACCEPTED NEGOTIATIONS NOW, IT WOULD BE ASKED TO OFFER CONCESSIONS SO LARGE THAT NET RESULT OF TALKS WOULD BE POOR. SUFFERINGS NORTH VIETNAMESE HAD EXPOSED THEMSELVES TO WOULD THEN BE PROVEN VAIN. NIKEZIC BELIEVED HANOI HAD DECIDED TO AWAIT US ELECTIONS IN HOPE SITUATION WOULD SHIFT FAVORABLY FOR NVN.

GP-1. BOVEY

~~SECRET~~

~~SECRET~~/
SENSITIVE

Wednesday, Oct. 18, 1967
3:15 p. m.

58

Pres file

MR. PRESIDENT:

Herewith Secretary McNamara resolves
the dilemma of the Israeli response
to his letter in an elegant and statesman-
like way.

W. W. R.

~~SECRET~~/SENSITIVE attachment

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By 126, NARA, Date 11-4-91

~~SECRET~~ SENSITIVE

58a

THE SECRETARY OF DEFENSE
WASHINGTON

18 October 1967

MEMORANDUM OF CONVERSATION

At my request Ambassador Harman joined me this morning to discuss the resumption of arms deliveries to Israel and the associated Israeli support of the resumption of arms deliveries to certain of the Arab nations. After a long conversation during which I expressed our need for their support of our deliveries to moderate Arab states and our understanding that they could not be expected to announce that support publicly, I suggested that we act as though there had been no letter from us to them and hence no reply required in writing from them to us. I emphasized that when queried on this subject by Members of Congress, we would say that we had discussed with representatives of Israel the resumption of deliveries to the Arab countries and that Israel recognized the necessity for our taking the action we did. Harman agreed to my proposal and stated that while even in private he might find it impossible to state categorically that Israel supported our action, he would find a way of indicating, perhaps by silence, that they did not oppose it.

Harman asked, as he did yesterday, whether they could be assured of future consultation on U.S. arms deliveries to Arab countries. I said the future would have to take care of itself and our action would depend upon the circumstances existing at the time, including the support we had had from the Israeli Government between now and then.

Harman also asked whether we would agree now to accept in the future orders from Israel for spare parts, ammunition, and similar kinds of military equipment and supplies. I stated, as I had yesterday, that we would examine lists of whatever they wished to buy and promptly give our answer with respect to each item on the list.

Robert S. McNamara

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Authority: FRUS, 64-68, vol. 19, #477

jc NARA Date 12-15-09

~~SECRET~~ SENSITIVE

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday, October 18, 1967 -- 2:30 PM

~~CONFIDENTIAL~~

59
Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Food Aid to India

SANITIZED
E.O. 12356, Sec. 3.4
NLJ 94-452
By ing, NARA, Date 7-17-95

As you instructed at last week's NSC meeting, Messrs. Freeman, Gaud and Schultze have put into writing their joint proposal on wheat for India. Their memorandum is at Tab A. It argues for:

- a six-month agreement providing for 3 1/2 million tons of wheat (plus minor amounts of other commodities as appropriate);
- very tough self-help conditions;
- acceptance of the International Grains Agreement formula as sufficient guaranty of matching by the donors;
- an informal but tough line on commercial purchases, making it clear that it is important to us that the Indians buy American if they buy any wheat abroad;
- no new approach to the Congress;
- immediate commencement of negotiations. (Our negotiating leverage declines as the Indians move closer to a bumper harvest.)

Nick Katzenbach has reviewed and approved this proposal. Joe Fowler has decided to write a separate memorandum (Tab B). He argues that:

- we should condition our PL 480 wheat on Indian agreement to buy at least 500,000 tons from us for cash;
- we should not accept the Grains Agreement formula as fulfilling the matching requirement for the first half of 1968, since the Grains Agreement does not come into effect until July 1 of next year. In the meantime, we can't get any more matching resources, we ought to insist that our food be counted as dollar aid in the Indian Consortium.

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The rest of us have been over Fowler's points very carefully. He may well be right on his second count, but we don't need to decide that issue here. If Passman & Company gut the AID appropriation bill, it is very likely that we will have to insist that at least part of our food be counted as dollar aid. (There are some costs to this -- e.g., the Canadians and the Australians will take a similar stand and cut down their dollar aid accordingly -- and there is a serious risk that the Consortium might dissolve under such pressure.) But we don't need to face this question directly until we know how much AID money we will have. We will come back to you when that decision needs to be made, and Fowler will have a full voice in the recommendation. Making this decision now does not mean that you are overruling him on this point.

Joe's first point is tougher. Everybody wants to sell as much grain as possible. Freeman would be delighted to back any tactic he thought was likely to extract more commercial sales. But the truth is that the Indians are very unlikely to buy any wheat abroad in a year of record domestic harvests and severe foreign exchange shortage. They certainly aren't going to buy anything like 500,000 tons, and the leverage of this PL 480 offer is not nearly sufficient to get them to do so. They didn't buy quite that much from us last year in the second consecutive year of the worst drought in recent history. This year's Indian grain crop will be nearly 20 million tons more than last year's. The prospect of another 3 1/2 million tons in imports just isn't attractive enough to make them spend scarce foreign exchange on wheat.

Joe's proposal has other drawbacks:

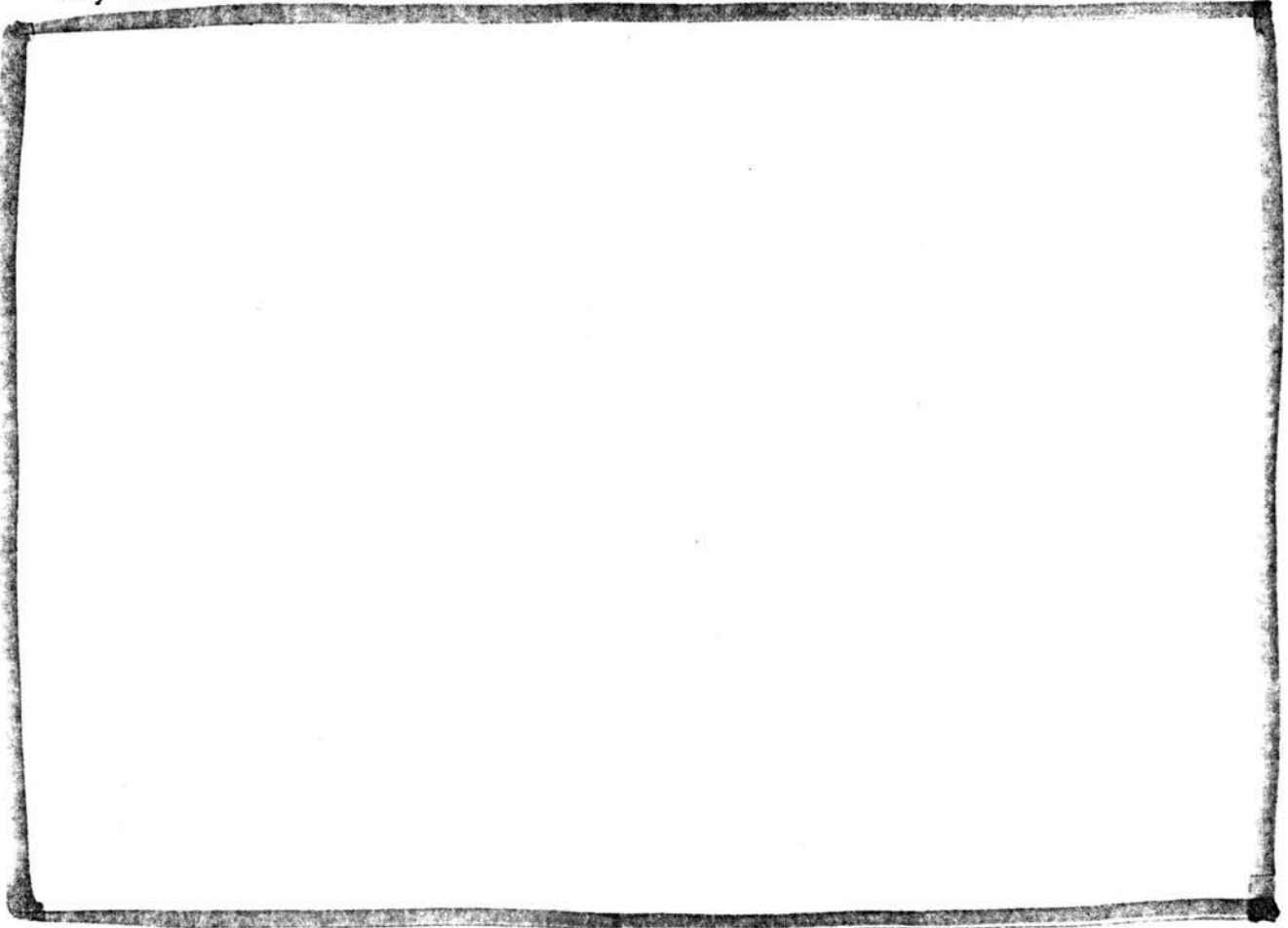
- a flat condition such as he proposes would be a clear violation of our pledge in the International Grains Agreement not to tie any PL 480 sales to cash sales. (The language in the Freeman/Gaud/Schultze memo is already right on the borderline in this respect; some State lawyers are concerned that even this may be too strong.)
- if such a condition became widely known in the diplomatic community -- and it would become widely known -- the Canadians and Australians, from whom we now expect upwards of a million tons of food aid to India, would either scrap those plans or insist upon the same conditions we impose. The result might well be no wheat sales for anybody, and the others, particularly Australia, would be very bitter;
- such a condition would rob us of all our leverage to get the internal policy reforms we want from the Indians. They would see it as a straight commercial proposition which they would almost certainly refuse. But even if they bought it, they certainly wouldn't feel they owed us anything on the policy front.

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- 3 -

Thus, although everybody agrees with Fowler's objectives, the rest of us would argue that his condition would: (i) keep us from moving the wheat we have to move if we are to meet our FY 1968 PL 480 targets and support domestic prices, (ii) weaken our influence on Indian internal agricultural policy, (iii) sour the other donors on helping India, and (iv) get us into international legal trouble which could sink the Grains Agreement before it is even ratified.

My vote is with the Freeman/Gaud/Schultze recommendation at Tab A.



W. W. Rostow

Approve Freeman/Gaud/Schultze memo (Tab A) _____

Use Fowler's formula -- 3 million tons in PL 480 if they
agree to buy 500,000 tons commercially from us _____

Speak to me _____

~~CONFIDENTIAL~~

59a



~~CONFIDENTIAL~~

October 17, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Food Aid for India

You asked that we put into writing our recommendation on PL 480 grain for India. We propose immediate negotiation of an agreement along the following lines:

Amount of Grain: 3 1/2 million tons, of which 1 million tons would be for government-owned buffer stocks to regulate prices and provide for local food emergencies.

Duration: Six months, ending June 30, 1968.

Conditions: We would insist upon a package of Indian policy reforms designed to make the best possible use of the bumper harvest. The major elements would be:

1. Elimination of the administrative barriers which now divide India into 17 separate food zones. (If elimination proves politically impossible for the GOI, we should have some leeway to settle for somewhat less. But we should negotiate hard for a commitment to complete elimination.)
2. Indian contributions to buffer stocks at least matching our own.
3. Implementation of the authority of the government Food Corporation to operate throughout the country in essentially the same manner as our CCC.
4. Maintenance of incentive prices to farmers so that they will continue to invest in the fertilizer, the pesticides, and the new seeds required to keep Indian grain production rising.

Release Procedure: We would handle this the same way we handle some program loans -- an agreement for the full amount, but a two-stage process of release. We would:

- announce an agreement for 3 1/2 million tons, subject to satisfactory Indian performance.
- tell the Indians that we will release the grain in two portions: 2 million tons immediately, and a further 1 1/2 million tons after the turn of the year, contingent upon a review of their crop conditions, their import needs, their grain prices, and their progress on the reform package.

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E.O. 12958, Sec. 3.6
NLJ 96-275
By Cg, NARA Date 6-30-99

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- 2 -

Position on Commercial Purchases: Though we would acknowledge that it is unlikely the Indians will be buying much grain abroad in this bumper crop year, we would make it clear that our ability to deliver promptly on this agreement and to come through with another agreement for the second half of 1968 will be greatly improved if the GOI does its commercial grain buying in the United States. (This is delicately phrased because we would not want any stronger statement to become public knowledge. In private, we would make it clear to the Indians that any wheat they buy should come from us if we are going to supply this much PL 480 grain.)

Matching Arrangements: We would put our emphasis on the matching formula worked out during the Kennedy Round for the International Grains Agreement. It was always our purpose to get the matching principle established in an international agreement binding on all the major aid donors. We have done this. The grains agreement requires other donors to supply 2.3 million tons of food (or equivalent resources) every year. This takes care of the matching requirement for 1968; we need not insist upon bilateral matching. (This reflects our unanimous judgment that no new U.S. effort to extract more matching food or money from other donors would be successful this year.)

Budgetary Costs: With the present wheat price outlook, Director Schultze estimates that this agreement would involve no additional costs to the budget. It is included within his budget planning figures after the recent revisions. The two-step release procedure gives us an opportunity to back out of the second tranche in the unlikely event that our wheat price rises and the Indian crop is even better than expected. Thus, we will be in a position to realize any budgetary savings which might become possible if circumstances change.

Handling the Congress: We do not believe a new Congressional resolution is necessary. The Congress knows our farm price situation. They are under as much heat as we are. We think informal conversations between Secretary Freeman and the major agriculture and foreign relations figures would be sufficient to get their support. If you approve this proposal, we will begin those conversations immediately.

This is a complicated proposition. We can't predict with certainty that it will proceed precisely as planned. You were quite right, for example, to question whether the present Indian government can bring off the reforms. However, we think this proposal provides us with maximum flexibility to

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59c
OCT 10 1967

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.

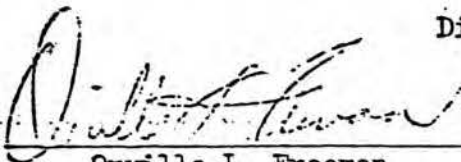
Therefore we recommend that you authorize immediate negotiations with India on the basis of Option III outlined below, offering a 6-month agreement for 3 1/2 million tons of PL 480 grain for 1968. This action:

- 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

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLI 96-275

By CB, NARA Date 6-30-99

~~CONFIDENTIAL~~

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;

~~CONFIDENTIAL~~

3

- 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 93 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.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

4

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.

~~CONFIDENTIAL~~

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 3½ 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 5½ 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 3½ 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 3½ 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.

59d

B.



~~CONFIDENTIAL~~
THE SECRETARY OF THE TREASURY
WASHINGTON

59e
OCT 17 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Food Aid for India

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

I wish to comment on two points in the memorandum signed by Secretary Freeman, Mr. Gaud and Mr. Schultze proposing an offer of 3-1/2 million tons of PL-480 grain for India during the six months ending January 30, 1968.

1. Commercial Purchases. In my view the proposed position does not adequately safeguard U.S. commercial exports. Their memorandum merely provides that we tell the Indians, in delicate phrases, that our ability to deliver promptly on the 3-1/2 million ton offer and to make additional offers later will be "greatly improved" if the GOI does its commercial grain buying in the United States. At the same time it would acknowledge that it is unlikely that the Indians would be buying abroad this year. If we are to avoid cutting into our cash exports I believe we must state as a precondition to our sizeable offer a requirement that the Indian Government agree to purchase commercially a specific amount of U.S. wheat. If we are overly generous to the Indians in our offers of PL-480 grain on concessional terms, they will have added reason to avoid buying any commercial wheat from any source. If they do have to buy some wheat commercially, it is unlikely they will buy it from the U.S. unless, as in 1967, we require that some of their purchases be directed to the United States as a precondition to our PL-480 assistance. I would propose a level of GOI purchases of at least 1/2 million tons, which is approximately the level of Indian commercial purchases in the U.S. in 1967. (Note: Total Indian commercial purchases in 1967 are estimated at 1-1/2 million tons, of which purchases in the U.S. are believed to be 425,000 tons, or about \$35 million.)

2. Matching Arrangements. The Freeman-Gaud-Schultze memorandum says that we can assume matching is taken care of through the Kennedy Round International Grains Agreement formula. This arrangement does not take effect until July 1, 1968, which is after the termination of the PL-480 assistance proposed in

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

the Freeman-Gaud-Schultze memorandum. More important, I do not believe that we can as a general matter rest matching requirements on the arrangements worked out in the International Grains Agreement which covers only a small part of the total food aid effort -- annually 1.9 million tons for the U.S. and 2.3 million tons for others. If, as that memorandum asserts, no new matching effort would be successful, then I would suggest that we try to ensure that our PL-480 assistance be credited to U.S. overall aid targets and shares in the Indian Consortium.

Henry H. Fowler
Henry H. Fowler

~~CONFIDENTIAL~~

~~SECRET/EXDIS~~

Wednesday, October 18, 1967
12:15 p.m.

60
Pres file

Mr. President:

Herewith Arthur Goldberg's
account of Souvanna Phouma on a
bombing pause.

It will interest you in view of
your appointment with him on Friday,
October 20.

W. W. Rostow

USUN 1490, October 17, 1967

~~SECRET/EXDIS~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 123 NARA, Date 11-4-91

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94-449

By WJ, NARA, Date 12-23-94

600

~~SECRET/EXDIS~~

Tuesday, October 17, 1967

CABLE TO THE PRESIDENT FROM AMBASSADOR GOLDBERG (USUN, 1490)

SUBJECT: Souvanna Urges Vietnam Bombing Pause

In his October 16 meeting with Goldberg, Souvanna Phouma recommended the U.S. attempt a 15-day pause in bombing of North Vietnam to test the North Vietnamese willingness to come to the conference table.

Prince Souvanna Phouma opened the conversation by asking the U.S. position on the Vietnamese war. Goldberg drew his attention to the President's San Antonio speech and his own statement to the UN General Assembly. Goldberg underlined the formulation which the President had used by first making a flat statement of willingness to stop the bombing when this will lead to peace talks and then adding the assumption that North Vietnam would not take advantage. Goldberg emphasized the U.S. has always talked of both Geneva Conferences, 1954 and 1962, since the latter is directly concerned with the security of Laos. He said the heart of the problem was not cessation of bombing but unwillingness of the other side to abide by the Geneva Accords. U.S. policy is not based on gaining popularity abroad or at home.

Souvanna said the Laos experience is one chance of attaining peace. There is an obligation to try it. Souvanna would envisage that during the fortnight pause of military operations within Laos, including both Laos ground forces and bombing operations, would continue. He also believed continued military operations within South Vietnam could minimize dangers of the North Vietnamese taking advantage of the bombing pause. Souvanna also suggested that the U.S. reveal its plans and intentions to the Soviets in advance, and ask that Moscow intercede so that the pause would have a maximum chance of leading to peace talks.

Goldberg said it might be useful if Souvanna, in a conversation with the North Vietnamese representative in Vientiane, could ask strictly on his own if a 15-day pause would bring North Vietnam to the peace table. Similarly, Goldberg suggested Souvanna might ask the Soviets, also on his own, what action they could take in connection with such a pause proposal.

Souvanna assured Goldberg he would raise these questions as appropriate. He closed the conversation with emphasis on the importance of isolating Chinese Communist influence in the Far East by such actions.

~~SECRET/EXDIS~~

In a parenthetical conversation regarding the Pathet-Lao, Souvanna said the Soviets take the position that the Pathet are still part of the Laotian Government; they urge him to be patient, claiming the end of the Vietnamese war will solve Pathet problems. Souvanna insists in his talks with the Soviets that this relationship is non-existent, as recognized officially and publicly during his visits to Hanoi and Peking in 1964. Souvanna said the Pathet-Lao is the creation of, and controlled by, Hanoi; its real leaders are Kayson and Nouhak (phonetic). In answer to Goldberg's direct query, Souvanna said Hanoi's aims in Laos are not only territorial gain but also support of its military operations in South Vietnam. He considers this a continuation of the historic Vietnamese desire to command the entire Mekong Valley.

~~SECRET/EXDIS~~

61

Pres file

Wednesday, October 18, 1967
12:10 p.m.

Mr. President:

Herewith an objective analysis
of Gov. Romney's reference to your
July 28, 1965, press conference.

W. W. Rostow

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 17, 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Romney's Appearance on "Meet the Press"

Romney referred to the President's press conference of July 28, 1965, at which the President announced that our forces in Viet-Nam were being raised immediately from 75,000 to 125,000 men and that additional forces would be sent later as required. Romney said, "He was asked very directly at a press conference on July 28, 1965, if that represented any change in policy or objectives and he said, no. That we were still only going to protect our own installations and step into emergency situations to help the South Vietnamese. And I got this story all the time I was in South Viet-Nam because that was established policy. But it wasn't an accurate reflection of what we were in the process of doing and that is why I am concerned about whether this talk about self-interest and national interest means we are now going to broaden our effort in a military way."

The transcript of the President's July 28 press conference gives the following exchange:


"Question: Mr. President, does the fact that you are sending additional forces to Viet-Nam imply any change in the existing policy of relying mainly on the South Vietnamese to carry out offensive operations and using American forces to guard American installations and to act as an emergency backup?"

"The President: It does not imply any change in policy whatever. It does not imply any change of objective."

I do not think we can take exception to Romney's description of the press conference exchange. We could cavil about his using part of the question as if it were an answer, but that would be nitpicking and a losing gambit.

Nor, in view of later developments, is there any profit for us in arguing with Romney's assertion that the "established policy" was not "an accurate reflection of what we were in the process of doing."

Romney's comments about the July 28 press conference was not picked up by the AP, UPI, the Washington Post, or the New York Times. We would lose more than we would gain from calling attention to it. In short, my strong recommendation is that we not try to rebut this particular comment by Romney. He will undoubtedly give us more attractive targets to shoot at in the weeks to come.



Marshall Wright

62

Wednesday, October 18, 1967
10:55 a.m.

Mr. President:

I forward herewith, as Sec. Rusk directs, a note on Luke Battle's recent performance before an important group of Jewish community leaders.

Pres file

W. W. Rostow

3965

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THE SECRETARY OF STATE
WASHINGTON

October 17, 1967

Dear Mr. President:

I think you will be interested in the enclosed letter about Luke Battle.

I have acknowledged Dr. Prinz's generous comments and am sending the letter along only for your information.

Faithfully yours,

Dean Rusk

Dean Rusk

The President,
The White House.

CONFERENCE OF PRESIDENTS
OF MAJOR
AMERICAN JEWISH ORGANIZATIONS

626
515 PARK AVENUE
NEW YORK 22, NEW YORK
PLaza 5-9316-7-8
Cable Address: COJOGRA

Chairman,
AMERICAN ISRAEL PUBLIC AFFAIRS
COMMITTEE

President,
AMERICAN JEWISH CONGRESS

Chairman,
AMERICAN ZIONIST COUNCIL

Chairman,
AMERICAN TRADE UNION COUNCIL
FOR HISTADRUT

President,
B'NAI B'RITH

President,
COUNCIL OF JEWISH FEDERATIONS
AND WELFARE FUNDS (observer)

President,
HADASSAH

President,
JEWISH AGENCY FOR ISRAEL—
AMERICAN SECTION

President,
JEWISH LABOR COMMITTEE

Commander,
JEWISH WAR VETERANS
OF THE U.S.A.

President,
LABOR ZIONIST MOVEMENT

President,
MIZRACHI-HAPOEL HAMIZRACHI

Chairman,
NATIONAL COMMUNITY RELATIONS
ADVISORY COUNCIL

President,
NATIONAL COUNCIL OF
JEWISH WOMEN

President,
NATIONAL COUNCIL OF
YOUNG ISRAEL

President,
UNION OF ORTHODOX JEWISH
CONGREGATIONS OF AMERICA

President,
UNION OF AMERICAN HEBREW
CONGREGATIONS

President,
UNITED SYNAGOGUE OF AMERICA

President,
ZIONIST ORGANIZATION OF AMERICA

16664

September 26, 1967

My dear Mr. Secretary:

I thought you might be interested in knowing that the Assistant Secretary, Mr. Lucius H. Battle, addressed the Presidents Conference a few days ago. It was a brilliant performance. Very rarely have the members of the Conference, all astute and sophisticated people, responded to a speech by a government official as warmly and as enthusiastically as they did to Mr. Battle's address. He was concise, blunt and frank, and we all appreciated the manner in which he presented the complex problems of the Near East.

I have often had the opportunity to express to you personally the concerns of the American Jewish community in this area. This concern has been heightened by the events of the last months, and we are following the debate in the United Nations with more than mere interest. To have had Mr. Battle address us and place himself at our disposal for clarification of the issues is a source of great satisfaction, and I thought you might want to know about it.

The Presidents Conference has not had an opportunity to discuss matters with you personally. We have great respect for the heavy burden which you carry and we have

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FOR HISTADREUT

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AND WELFARE FUNDS (observer)

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HADASSAH

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ZIONIST ORGANIZATION OF AMERICA

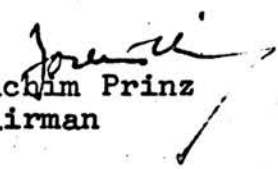
page 2

therefore not asked you to receive us. That day, however, may come and I am sure that such a meeting will be arranged if it proves to be necessary.

Let me again express our collective thanks for Mr. Battle's appearance.

With personal regards, I am

Very sincerely yours,


Joachim Prinz
Chairman

The Honorable Dean Rusk
Secretary of State of the United States
Department of State
2201 C Street, N.W.
Washington, D.C. 20520

63

Pres file

~~SECRET~~

Wednesday, October 18, 1967
10:50 a.m.

Mr. President:

This Brosio interview with
de Gaulle is worth reading, including
his odd but interesting definition of
"hegemony" (p. 4).

W. W. Rostow

NATO 005, October 15, 1967

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-452
By ip, NARA, Date 7-17-95

~~SECRET~~

Copy of US NATO 005

15 Oct. 1967

63a

1. Brosio spent 45 minutes with General de Gaulle October 13 for his farewell call. There was no ceremony, or attempt on either side to make publicity. De Gaulle's opening summary of his NATO policy was predictable from other indications in recent weeks. But by asking him several direct questions, Brosio elicited answers which were interesting and, in some measure, surprising.

2. In summarizing the conversation for me, Brosio divided it into two parts -- a summary of de Gaulle's views on NATO which de Gaulle had "authorized" him to impart to other governments (though not to the press or public), and a private and confidential discussion of some of these points. Brosio has told us the whole story, but asks that we not discuss with other governments the "private and confidential" portion, until he himself decides how much to say to other delegations, in what form, and when.

3. The "authorized" summary of de Gaulle's NATO policy was organized (by de Gaulle) into four points:

a. The position of France with respect to the Alliance is unchanged, i. e., it is still the policy described in de Gaulle's March 1966 letter to President Johnson.

b. The question of future adherence to the North Atlantic Treaty will not be raised in 1968 unless "unforeseeable and extraordinary" events take place. (Brosio said implication clearly was change of "earthquake" proportions in the world situation.) In de Gaulle's view, the reconsideration of the situation takes place only in 1969 -- for France, as for other countries.

c. With respect to its behavior in 1969, France, of course, takes no engagement now. But de Gaulle said he did not, repeat not, foresee now a sufficient reason for abandoning the Alliance then. But that would, of course, depend on external changes, particularly in East-West relations.

d. However, one new element requiring reconsideration of France's position could be that the other Allies would decide to "transform" the Alliance "in such a way as not to be recognizable to France." (Comment: in this "authorized" part of the conversation, de Gaulle referred to the Harmel exercise only thus obliquely, and not by direct reference to current studies on future of Alliance.)

4. Remainder of this message is subject to the "private and confidential" caveat indicated in paragraph 2.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-449
By lip, NARA, Date 12-23-94

5. On the question of 1968 and 1969, Brosio commented that while legal interpretations obviously would not necessarily be overriding, some lawyers felt the treaty could be denounced in 1968 with the withdrawal taking place in 1969, whereas others thought the treaty meant the one where notice could be given in 1969 with effect in 1970. He asked de Gaulle whether his policy was based on the second of these legal interpretations. De Gaulle confirmed that in his view the 69-70 interpretation is the correct one.

6. In the discussion of East-West relations, Brosio said de Gaulle insisted on the importance of relations between the USSR and US. If the Vietnam war is somehow liquidated, de Gaulle thinks a wholly new situation would arise. The United States would then make a general settlement with the USSR and there would be no need for the Alliance any more. (Brosio said de Gaulle made this as a flat prediction of US behavior, leaving no room for the notion that the US might consult its allies or consider their views in dealing thus directly with the Soviet Union on matters of Allied concern.)

7. Brosio then asked de Gaulle whether there was not also some possibility, which some people were predicting, of a European security pact between the USSR and European countries only. (Brosio did not in his question attribute this view to de Gaulle himself, but he said the reference must surely have been obvious.) To Brosio's surprise, de Gaulle replied that this Europe-only option was merely "theoretical." Nobody wants it, he said -- not the British, not the Germans, not the Italians. He therefore dismissed it and returned to the theme of US-USSR relations as the real problem.

8. In commenting on de Gaulle's fourth point (para. 3 d above), Brosio explained the present state of Harmel exercise, which de Gaulle said he was generally familiar with, but not in detail. Brosio developed the theme that the political rôle of NATO was not new, had always been inherent in the treaty, and was reconfirmed and developed by the report of the Three Wise Men a decade ago. He also told de Gaulle he thought no hasty conclusions were likely to emerge.

9. De Gaulle said that if the Alliance should become a political alliance, designed "to control and direct East-West relations," and to impose on them an allied policy, this was just the kind of substantial transformation that France would not accept. In such a case, France would have to reconsider whether to stay in the Alliance. In any case, de Gaulle said France might refuse to accept the Allied policy. (Brosio described this to me as de Gaulle's fallback position, i. e., Brosio thinks he was leaving room for withdrawing from Alliance work on East-West relations without withdrawing from the Alliance as such.)

10. Brosio then told de Gaulle he was puzzled about what subjects might be treated in the way France objects to. He asked directly: What kinds of common policies do you fear?

11. Again to Brosio's surprise, de Gaulle picked an economic example. If the Six want to have an economic agreement with the Soviets, he said, why should the Alliance control that? Brosio told him that NATO had never tried to set broad Alliance economic policies, and most of what was done along that line was the work of OECD (Organization for Economic Cooperation and Development) anyway. De Gaulle indicated OECD did not worry him because it did not represent "control" of policy, but he was concerned about NATO.

12. Brosio then told de Gaulle he would himself mention the kinds of issues on which he had assumed France would be reluctant to concert Allied policies and actions. One of these was the future of Central Europe and the German question, where the United States, with its special responsibility in Germany, would clearly have to be in the picture. De Gaulle readily agreed that the German problem cannot be solved without the US.

13. Brosio then mentioned as another example the possible need for consultations on the increasingly dangerous security situation in the Mediterranean area with special reference to Soviet penetration and maritime build-up there. Again de Gaulle readily agreed that the Mediterranean was a case in which the Alliance should consider "the military and maybe also the political issues" involved.

14. But then de Gaulle went on to say that Germany and the Mediterranean, on which he did contemplate Allied political consultation, are not at all the same thing as the general problem of East-West relations, on which France cannot accept development of Alliance policy. (Brosio said he did not pursue that question further, but that he could not for the life of him figure this out. He himself had thought that the two major East-West issues, on which Allied consultations and negotiations with the Soviets might be required during the next few years were precisely the Central European and Mediterranean questions.)

15. Part of the interview was taken up with general discussion of matters not directly related to French attitudes about NATO. These subjects were:

a. Vietnam: de Gaulle said he saw little possibility of any agreement. Soviets cannot stop their aid to Vietnam, he thought, without throwing North Vietnam into the arms of the Chinese.

b. Hegemony: de Gaulle commented that the Soviet Union does not want a hegemony in Europe because she has more to ask from Europeans than to give them. The US, by contrast, has more to give Europe than to ask from it, and that is the formula for hegemony. (Brosio is not clear what this means, but that is what was said.)

c. Russian leadership: de Gaulle speculated on who is boss in Russia. He said Brezhnev was clearly the No. 1 man in the discussions de Gaulle had in Moscow. On the other hand, he judged Brezhnev to be not as human and as appealing a person, or as "rich in political qualities," as Khrushchev.

CLEVELAND

Wed., Oct. 18, 1967
10:40 a.m.

64

MR. PRESIDENT:

Herewith more on San Antonio.

On balance, good.

W. W. R.

Pres file

Attachment

Wednesday - 10:00 a.m.
October 18, 1967

45
1. ~~Pres file~~
2. Pres file

Mr. President:

I propose the following official delegation to accompany you and Mrs. Johnson to the Chamizal ceremony:

The Secretary of State and Mrs. Rusk
Assistant Secretary Covey Oliver and Mrs. Oliver
Ambassador Fulton Freeman and Mrs. Freeman
Ambassador Sol Linowitz and Mrs. Linowitz
Ambassador James Symington and Mrs. Symington
Governor John Connolly and Mrs. Connolly
Mr. Thomas Mann and Mrs. Mann
Senator Mike Mansfield and Mrs. Mansfield
Senator Everett Dirksen and Mrs. Dirksen
Senator Ralph Yarborough and Mrs. Yarborough
Congressman Richard C. White and Mrs. White
Mr. Joseph F. Friedkin,
Commissioner, International Boundary and Water
Commission, and Mrs. Friedkin.

Approve ☒
Disapprove ☐
See me ☐

For their work in seeing the Chamizal settlement through the Congress, you might consider adding:

Deputy Assistant Secretary of State Robert Sayre and Mrs. Sayre	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Congressman Jim Wright and Mrs. Wright	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Congressman Armistead Selden and Mrs. Selden	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Senator Wayne Morse and Mrs. Morse	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Selden and Morse are the Latin American Subcommittee Chairmen.

You might want to add the ranking Republicans:

Senator Bourke Hickenlooper and Mrs. Hickenlooper	{	Yes <u>✓</u>	No <u> </u>
Congressman William Mailliard and Mrs. Mailliard		Yes <u>✓</u>	No <u> </u>

I have checked the congressional names with Mike Manatos and Barefoot Sanders. Barefoot tells me he does not think you need to invite Selden.

W. W. Rostow

cc: Mike Manatos
Barefoot Sanders
George Christian
Jim Jones

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET/SENSITIVE~~

Wednesday, October 18, 1967
9:30 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Strategy on Negotiations and a Pause

As I see it, we have three alternatives:

1. ~~To take the latest Paris message as a flat negative and move into a posture of you-call-me, resuming our full bombing program in the north, including Hanoi.~~
2. ~~Close out the Paris channel, resume bombing, including Hanoi, for an interval; and then find a fit occasion for a pause.~~
3. ~~Build a scenario on the Paris channel which would lead us into a pause at or very close to the time of Thieu's inaugural, October 31. (Since drafting this, the attached cable from Bunker came in suggesting as one option a pause timed to Thieu's inaugural (Tab A).)~~

This memorandum explores the third option.

~~Its basic disadvantage is, it would put off for perhaps 5 or 6 weeks a resumed attack on Hanoi.~~ (I do not share the view that we should be at all sensitive concerning an attack on Phuc Yen, which is a narrow military target and would be understood as such.)

The virtues of building on the Paris channel into a pause on or about October 31 are threefold:

- ~~It would avoid a big debate on whether we had correctly interpreted the Paris exchanges and lost the opportunity for a serious negotiation.~~
- ~~It would cover the possibility -- small as it may be -- that Hanoi is, in fact, groping its way uncertainly towards a serious negotiation.~~
- ~~It would permit us to orchestrate three elements into quite a dramatic scenario which might, if well handled, leave us both with a clean record for LIFE magazine, the more moderate doves like Senator Brooke, etc.; and leave us with a more united political and international base for the conduct of the war over the next year.~~

The ~~three elements~~ that would have to be orchestrated are these:

- ~~The Paris channel itself;~~

DECLASSIFIED

Authority MLJ 86-292

By Rg/lip, NARA, Date 11-4-91

-- Diplomatic approaches to the Russians, British, U Thant, and others who have urged a bombing cessation, to put up or shut up in getting Hanoi to perform;

-- Political consultations and actions at home to unite the nation during and after the pause.

But other factors would have to be dealt with in a full scenario which might look something like this:

1. An early attack on Phuc Yen (see TabB on recent aircraft losses due to MIG's). This assumes, of course, that we would be bombing heavily in the North -- especially in the Haiphong area -- until the pause. There may be other military actions we would wish to undertake in this interval; e.g., planting a maximum number of Mark 36 destructors.

2. An early instruction to Bunker to approach Thieu and tell him we have come to the conclusion we will probably have to have a pause in bombing; we think that it would be wise to make the test soon rather than late; that his inaugural speech might have maximum effectiveness if accompanied by the opening of a bombing pause which fitted his campaign talk; that his speech should state that he has asked the U.S. to cease bombing to "test Hanoi's good intentions"; it should appeal to the NLF to accept the Constitution (and the rules for changing the Constitution) and shift from violence to politics. (It would, of course, also contain his own positive program, plus the commitment to continue the struggle inside South Viet Nam.)

3. We would send Kissinger back to Paris at this time with a message to M and A that would, by asking certain clarifying questions, keep the channel going for another round, planning, however, at a certain point to tell Bo that, as of a certain date, we shall stop bombardment of the North to test the meaning of the shift in language from talks "could take place" to "can take place", but letting them know also that our three criteria still hold:

- "Prompt"
- "Productive"
- "No taking advantage."

4. Shortly before the cessation actually begins (or at the time) we would tell the USSR, the UK, the Indians, Indonesians, Japanese, Canadians, U Thant, etc., about the Paris channel and inform them that

here is their chance to test the hypothesis which they have urged upon us, by bringing maximum pressure to bear against Hanoi. We would emphasize that those who give international advice assume responsibilities. We would have to make clear that while we would not formally state conditions, that in fact the San Antonio formula would govern our subsequent action and, in particular, we could not accept shelling or other major action across the DMZ during the cessation.

5. A maximum effort would have to be made at about the same time to unite the leadership of this country for the effort, building our argument for hawks on the fact that Thieu's campaign commitment and other circumstances made a pause inevitable at some time and there were advantages in facing it soon rather than late, in the light of the Paris channel, among other factors. For the more reasonable doves, we would say: Here is what you wanted. Now your job is to send a signal through public statements to Hanoi that if they do not move now we will have to join those in the U.S. who believe that intensified military action is the only possible route to ending the war.

W.W.R. Rostow

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-449

~~SECRET/EXDIS~~

By NARA, Date 12-23-94

Saigon 8854, October 18, 1967, from AMB. BUNKER

1. During my call on Thieu with Habib and Jorden, President-Elect discussed plans for an approach to Hanoi. He is frankly skeptical a move now will produce a favorable response from Ho. Nonetheless, he feels obligated to follow up on his campaign promise.
2. His present intention is to cover the peace theme in a general way in his inaugural address. He will stress that his government wants to "open the door to peace -- and keep it open." Desire for peace will be balanced by expression of South Vietnamese determination to continue to fight against aggression from the North and for Southern independence.
3. Thieu plans to follow inaugural with a direct message to Ho Chi Minh. He sees two possible approaches:
 - a. An expression of desire for peaceful settlement and for direct discussions to achieve that end. If this produced a favorable response, Thieu would ask us to halt bombing. We would assume that reciprocal action would be forthcoming from the other side.
 - b. A halt in bombing to be followed immediately by a message to Ho proposing immediate talks.
4. Thieu is aware of the desirability of avoiding the kind of message that would be read in Hanoi and elsewhere as an ultimatum. He seems anxious to avoid the appearance of adopting a propaganda gimmick. Even so, he fully expects Ho to reject any initiative from Saigon at this time. "But at some time he may respond -- in two months, or six months, or a year."
5. I told Thieu I would report his views immediately and would come back to him with our reactions. We agreed that close and full consultation between us on this matter was necessary.
6. Comment: The first of Thieu's proposed alternatives seems to me clearly preferable. A simple, straightforward message from Thieu to Ho expressing a desire for peace and a willingness to talk would, when surfaced, put the new Saigon regime in a favorable light internationally and at home. If rejected, as we must assume it would be, the offer would highlight the contrast between Hanoi's intransigence and Saigon's reasonableness. This approach would, of course, leave room for the critics to charge that an offer to talk without an end to bombing was meaningless. Saigon's answer to that would be: We are interested in ending the war, not half of it, and attacks from the North and infiltration has not ended.

~~SECRET/EXDIS~~

~~SECRET/EXDIS~~

-2-

7. Thieu's second course, a bombing halt followed by a message to Ho, would require far more elaborate preparation and coordination. In undertaking a bombing stoppage, we would want to maximize chances for a favorable response and it is questionable that a proposal from Saigon would achieve that end.

8. Would appreciate soonest Department's reaction to above. If we come down on side of first alternative, it may be desirable to go back to Thieu with suggested language for at least the key portion of any message to Ho.

BUNKER

~~SECRET/EXDIS~~

66c

B

B 66d

Increased North Vietnamese MIG Effectiveness.

The increased effectiveness of the North Vietnamese Air Force is apparent in the ratio of MIG kills to US losses in aerial combat.

Since 1 January, 16 US aircraft have either been confirmed as lost or considered probably lost to MIGs while 60 MIGs have been downed -- a ratio of almost four to one in the US favor. Most North Vietnamese losses were, however, during the first half of this year; since 1 June, six US aircraft have been shot down by MIGs while the North Vietnamese have lost 13 MIGs to US fighters -- a ratio of two to one favoring the US. Since 1 August, the ratio has changed to three to two in favor of the North Vietnamese -- six US aircraft downed versus four MIGs.

The MIG-21 has recently been the most effective of North Vietnam's fighters; it has scored all the aerial kills since 20 May. The improvement in the MIG ability to intercept and destroy US aircraft is probably due to the increased experience of both pilots and ground controllers, which results in more efficient employment of the MIGs.

During the past few months, the MIG force has developed from a harassment weapons system to an effective defense force. (SECRET SAVIN)

DECLASSIFIED
E.O. 12958, Sec 3.6
NLJ 96-38
By cbm, NARA, Date 1-14-02

66e

SUMMARY OF AIR ENGAGEMENTS OVER NORTH VIETNAM SINCE 21 SEP 1967 & AND AIRCRAFT LOSSES SINCE APR 1965

DATE TIME HANOI	ACFT NO. & TYPE		WHERE	HOW ENCOUNTER DEVELOPED	NO. & TYPE WEAPONS FIRED		KILLS		REMARKS
	US	NVN			BY US	BY NVN	BY US	BY NVN	
1967 21 SEP 1630	2 F4B	4 MIG-17	HAIPHONG	F4- ON TARPAC ENGAGED MIG- IN TARGET AREA.	3 SPARROW 4 SIDEWINDER	AAM PROB. IR HOMING	0	0	MIG- PAINTED BROWN AND GREEN. ONE MIG PROB. DAMAGED. MIG- AGGRESSIVE. GIA LAM MIGS
26 SEP 0757 0805	8 F4D 4 F-105	2 MIG-21	40 NM NW OF HANOI	MIGS ATTACKED US ACFT ENROUTE TARGET	8 SPARROW 1 SIDEWINDER	4 AAM	0	0	MIG-21- ATTACKED F-105. THEN WERE EN- GAGED BY F-4. SCOTCH FLT (F-105. HAR- POON-PORTLAND (F-4D). 2 MIG-21- FROM PHUC YEN.
26 SEP 0810	4 F-105	2 MIG-21	40 NM NW OF HANOI	MIG- MADE FIRING PASS ON F-105. ENROUTE TARGET	0	2 AAM	0	0	RAINBOW FLT
26 SEP 0801- 0804	15 F-105D	8 MIG	40 NM NW OF HANOI	MIG- MADE FIRING PASS EN- ROUTE TARGET	0	4 AAM	0	0	VEGAS FLT. WOLF FLT. (F-105. ALSO OBSERVED MIG. THIS AREA WHICH MADE A PASS BUT DID NOT FIRE. PROB. GIA LAM MIG-17.
26 SEP 1608	3 F-105F 1 F-105D	4 MIG-17	KEP AF	MIG- MADE FIRING PASS ON ONE F-105	0	CANNON	0	0	BARRACUDA FLT. KORCOMS FROM KEP
27 SEP 1515	1 F-105F 2 F-105D 4 F4D 4 F4C	2 MIG-21	30 NM NW HAIPHONG	MIG- ATTACKED F-105. EGRESSING TARGET. F4C- ENROUTE PURSUED MIG.	2 AIM-7E BY F-4	2 AAM	0	0	1 F-105 DAMAGED BY MIG FIRING AAM. AFTER MIG- ENGAGED F-105. F4. CHASED OUT OF AREA. 2 MIG-21- PHUC YEN
30 SEP 1520	2 F-105F 2 F-105D	2 MIG-17	KEP AF	MIG- MADE ONE FIRING PASS AFTER F-105. FIRED ON PROB. SAM SITE	0	CANNON	0	0	KORCOM. FROM KEP. WHO RECOVERED AT PHUC YEN AFTER ATTACK. COMINT INDICATES ONE OF THESE MIG-17- DOWN TO UNKNOWN CAUSES. PROB. OPERATIONAL MALFUNCTION.
3 OCT 1355	2 F4D 2 RF4C	MIG-21	30 NM SW HANOI	MIG-21 MADE FIRING PASS ON FLT	0	AAM	0	1 F4D	F-4D DAMAGED BY AAM FLEW INTO LAOS WHERE CREW EJECTED. 2 MIG-21- FROM PHUC YEN.
3 OCT 1630	4 F-105	2 MIG-21	20 NM NW HANOI	MIG-21- MADE FIRING PASS ON RESCAP	0	CANNON	0	0	NO COMINT
4 OCT 1555	4 F-105	2 MIG-21	30 NM NW HANOI	MIG-21- MADE ONE FIRING PASS ON F-105. ENROUTE TO TARGET	0	2 AAM	0	0	CHICAGO FLT
5 OCT 1144- 1146	11 A-4	6 MIG-17	5 NM S HAIPHONG	MIG- MADE FIRING PASSES ON A-4s	CANNON	CANNON	0	0	1 MIG DAMAGED. 2 US ACFT DAMAGED. GIA LAM MIG.
7 OCT 0745	4 F4C	2 MIG-21	HOA LAC AF	MIG- ATTACKED FLT EGRES- SING TARGET	4 AIM-8 3 AIM-7	AAM	0	0	VESPA FLT. 1 F4C DAMAGED. ALSO OBSERVED BY KAISER FLT (BELOW). 2 MIG-21 PHUC YEN
7 OCT 0733	4 F-105	2 MIG-17	30 NM W HOA LAC	MIG- ATTEMPT TO ATTACK OTHER US FLT (SHARK) AT- TACKED BY F-105.	CANNON	0	0	0	BARRACUDA FLT. GIA LAM MIG.
7 OCT 0748	8 F4D	4 MIG-17	HOA LAC AF	MIGS ATTACKED BY F4- EGRESSING TARGET	4 AIM-7	CANNON	0	0	MIG- PAINTED GREEN BROWN. KAISER FORD FLTS. 1 MIG DAMAGED. GIA LAM MIG.
7 OCT 1550	3 F-105F 1 F-105D	4-6 MIG- 21	15 NM N HAIPHONG	MIG- ATTACKED SAM SUP- PORT ACFT SEARCHING FOR TARGET	0	8 AAM	0	1 F-105	F-105 DAMAGED BY AAM. CREW EJECTED OVER WATER AND WERE RECOVERED. ANOTHER F-105 ALSO DAMAGED. COMINT INDICATES 2 MIG-21- PHUC YEN INVOLVED. 4 KORCOM PILOTED MIG-17. KEP ALSO AIRBORNE. BUT DID NOT ENGAGE
9 OCT 1536- 1540	12 F-105	4 MIG-21	55 NM N HANOI	MIG-21- MADE FIRING PASSES AT F-105. ENROUTE TARGET	0	5-8 AAM	0	1 F-105	WARHAWK FLT. CROSSBOW FLT. VAMPIRE FLT. WARHAWK FLT OBSERVED 2 MIG-21- MAKE SINGLE NON-FIRING PASS. MIG. THEN ATTACKED VAMPIRE DOWNING 1 F-105. AND THEN MADE FIRING ATTACK ON CROSSBOW.
9 OCT 1541	3 F-105	2 MIG-21	55 NM N HANOI	MIG-21 MADE FIRING PASSES ON F-105. ENROUTE TARGET	0	2 AAM	0	0	HATCHET FLT. POSSIBLE ALSO SAME MIG-21- INVOLVED IN ABOVE. COMINT SHOWS 2-4 MIG-21- FROM PHUC YEN. INVOLVED.

OVERALL TOTAL AIRCRAFT LOSSES IN AIR ENGAGEMENTS SINCE APRIL 1965

	CONFIRMED	PROBABLE/ POSSIBLE	TOTAL
BY US	11 F-105 3 F-8E 3 F-4C 3 F-4D 1 A-1E 1 A-4E 1 C-47 1 RF-101	1 A-1E 2 F-4C 2 F-105	29
BY NVN	58 MIG-15/MIG-17 24 MIG-21 1 TRANSPORT	9 MIG-17 1 MIG-21 1 TRANSPORT	64

~~SECRET SAVIN~~
DELETION OF RED TYPE
DOWNGRADES THIS CHART
TO SECRET

18 OCT 67

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-38
By cbm, NARA, Date 1-14-02

SPECIAL INTELLIGENCE MATERIAL ON REVERSE OF PAGE

THE WHITE HOUSE

WASHINGTON

TOP SECRET/SENSITIVE

Wednesday, October 18, 1967
9:30 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Strategy on Negotiations and a Pause

DECLASSIFIED

Authority MLJ-86-292By 18/10/1967, NARA, Date 11-5-91

As I see it, we have three alternatives:

1. ~~To take the latest Paris message as a flat negative and move into a posture of you-call-me,~~ resuming our full bombing program in the north, including Hanoi.
2. ~~Close out the Paris channel, resume bombing, including Hanoi, for an interval; and then find a fit occasion for a pause.~~
3. ~~Build a scenario on the Paris channel which would lead us into a pause at or very close to the time of Thieu's inaugural, October 31.~~ (Since drafting this, the attached cable from Bunker came in suggesting as one option a pause timed to Thieu's inaugural (Tab A).

This memorandum explores the third option.

~~Its basic disadvantage is, it would put off for perhaps 5 or 6 weeks a resumed attack on Hanoi.~~ (I do not share the view that we should be at all sensitive concerning an attack on Phuc Yen, which is a narrow military target and would be understood as such.)

The virtues of building on the Paris channel into a pause on or about October 31 are threefold:

- ~~It would avoid a big debate on whether we had correctly interpreted the Paris exchanges and lost the opportunity for a serious negotiation.~~
- ~~It would cover the possibility -- small as it may be -- that Hanoi is, in fact, groping its way uncertainly towards a serious negotiation.~~
- ~~It would permit us to orchestrate three elements into quite a dramatic scenario which might, if well handled, leave us both with a clean record for LIFE magazine, the more moderate doves like Senator Brooke, etc.; and leave us with a more united political and international base for the conduct of the war over the next year.~~

The ~~three elements~~ that would have to be orchestrated are these:

- ~~The Paris channel result.~~

100 Bus Read
320g Unknown

-- ~~Diplomatic approaches to~~ the Russians, British, U Thant, and others who have urged a bombing cessation, to put up or shut up in getting Hanoi to perform;

-- ~~Political consultations and actions at home~~ to unite the nation during and after the pause.

But other factors would have to be dealt with in a full scenario which might look something like this:

1. ~~An early attack on Phuc Yen~~ (see TabB on recent aircraft losses due to MIG's). This ~~assumes, of course, that we would be bombing heavily in the North -- especially in the Haiphong area -- until the pause.~~ There may be other military actions we would wish to undertake in this interval; e.g., planting a maximum number of Mark 36 destructors.

2. ~~An early instruction to Bunker to approach Thieu and tell him we have come to the conclusion we will probably have to have a pause in bombing;~~ we think that it would be wise to make the test soon rather than late; that his inaugural speech might have maximum effectiveness if accompanied by the opening of a bombing pause which fitted his campaign talk; that his speech should state that he has asked the U.S. to cease bombing to "test Hanoi's good intentions"; it should appeal to the NLF to accept the Constitution (and the rules for changing the Constitution) and shift from violence to politics. (It would, of course, also contain his own positive program, plus the commitment to continue the struggle inside South Viet Nam.)

3. We would send Kissinger back to Paris at this time with a message to M and A that would, by asking certain clarifying questions, ~~keep the channel going for another round,~~ planning, however, at a certain point to tell Bo that, as of a certain date, we shall stop bombardment of the North to test the meaning of the shift in language from talks "could take place" to "can take place", but letting them know also that our three criteria ~~still hold.~~

-- ~~"Prompt"~~

-- ~~"Productive"~~

-- ~~"No taking advantage"~~

4. Shortly before the cessation actually begins (or at the time) we would tell the USSR, the UK, the Indians, Indonesians, Japanese, Canadians, U Thant, etc., about the Paris channel and inform them that

here is their chance to test the hypothesis which they have urged upon us, by bringing maximum pressure to bear against Hanoi. We would emphasize that those who give international advice assume responsibilities. We would have to make clear that while we would not formally state conditions, that in fact the San Antonio formula would govern our subsequent action and, in particular, we could not accept shelling or other major action across the DMZ during the cessation."

5. A maximum effort would have to be made at about the same time to unite the leadership of this country for the effort, building our argument for hawks on the fact that Thieu's campaign commitment and other circumstances made a pause inevitable at some time and there were advantages in facing it soon rather than late, in the light of the Paris channel, among other factors. For the more reasonable doves, we would say: Here is what you wanted. Now your job is to send a signal through public statements to Hanoi that if they do not move now we will have to join those in the U.S. who believe that intensified military action is the only possible route to ending the war.

W.W.R. Rostow

67a

A

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 74-449

By , NARA, Date 12-23-94

676

~~SECRET/EXDIS~~

Saigon 8854, October 18, 1967, from AMB. BUNKER

1. During my call on Thieu with Habib and Jorden, President-Elect discussed plans for an approach to Hanoi. He is frankly skeptical a move now will produce a favorable response from Ho. Nonetheless, he feels obligated to follow up on his campaign promise.
2. His present intention is to cover the peace theme in a general way in his inaugural address. He will stress that his government wants to "open the door to peace -- and keep it open." Desire for peace will be balanced by expression of South Vietnamese determination to continue to fight against aggression from the North and for Southern independence.
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 - a. An expression of desire for peaceful settlement and for direct discussions to achieve that end. If this produced a favorable response, Thieu would ask us to halt bombing. We would assume that reciprocal action would be forthcoming from the other side.
 - b. A halt in bombing to be followed immediately by a message to Ho proposing immediate talks.
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5. I told Thieu I would report his views immediately and would come back to him with our reactions. We agreed that close and full consultation between us on this matter was necessary.
6. Comment: The first of Thieu's proposed alternatives seems to me clearly preferable. A simple, straightforward message from Thieu to Ho expressing a desire for peace and a willingness to talk would, when surfaced, put the new Saigon regime in a favorable light internationally and at home. If rejected, as we must assume it would be, the offer would highlight the contrast between Hanoi's intransigence and Saigon's reasonableness. This approach would, of course, leave room for the critics to charge that an offer to talk without an end to bombing was meaningless. Saigon's answer to that would be: We are interested in ending the war, not half of it, and attacks from the North and infiltration has not ended.

~~SECRET/EXDIS~~

~~SECRET/EXDIS~~

-2-

7. Thieu's second course, a bombing halt followed by a message to Ho, would require far more elaborate preparation and coordination. In undertaking a bombing stoppage, we would want to maximize chances for a favorable response and it is questionable that a proposal from Saigon would achieve that end.

8. Would appreciate soonest Department's reaction to above. If we come down on side of first alternative, it may be desirable to go back to Thieu with suggested language for at least the key portion of any message to Ho.

BUNKER

~~SECRET/EXDIS~~

47c

B

~~TOP SECRET TRINE~~

B 67d

Increased North Vietnamese MIG Effectiveness

The increased effectiveness of the North Vietnamese Air Force is apparent in the ratio of MIG kills to US losses in aerial combat.

Since 1 January, 16 US aircraft have either been confirmed as lost or considered probably lost to MIGs while 60 MIGs have been downed -- a ratio of almost four to one in the US favor. Most North Vietnamese losses were, however, during the first half of this year; since 1 June, six US aircraft have been shot down by MIGs while the North Vietnamese have lost 13 MIGs to US fighters -- a ratio of two to one favoring the US. Since 1 August, the ratio has changed to three to two in favor of the North Vietnamese -- six US aircraft downed versus four MIGs.

The MIG-21 has recently been the most effective of North Vietnam's fighters; it has scored all the aerial kills since 20 May. The improvement in the MIG ability to intercept and destroy US aircraft is probably due to the increased experience of both pilots and ground controllers, which results in more efficient employment of the MIGs.

During the past few months, the MIG force has developed from a harassment weapons system to an effective defense force. (SECRET SAVIN)

DECLASSIFIED
Authority NSA-141.021.012/5
By je, NARA, Date 10-29/09

~~TOP SECRET TRINE~~

67e

SUMMARY OF AIR ENGAGEMENTS OVER NORTH VIETNAM SINCE 21 SEP 1967 & AND AIRCRAFT LOSSES SINCE APR 1965

DATE TIME HANOI	ACFT NO. & TYPE		WHERE	HOW ENCOUNTER DEVELOPED	NO. & TYPE WEAPONS FIRED		KILLS		REMARKS
	US	RVN			BY US	BY RVN	BY US	BY RVN	
1967 21 SEP 1630	2 F4B	4 MIG-17	HAIPHONG	F4- ON TARCAP ENGAGED MIG- IN TARGET AREA.	3 SPARROW 4 SIDEWINDER	AAM PROB. IR HOMING	0	0	MIG- PAINTED BROWN AND GREEN. ONE MIG PROB. DAMAGED. MIG- AGGRESSIVE. GIA LAM MIGS
26 SEP 0757 0805	8 F4D 4 F-105	2 MIG-21	40 NM NW OF HANOI	MIGS ATTACKED US ACFT ENROUTE TARGET	8 SPARROW 1 SIDEWINDER	4 AAM	0	0	MIG- 21- ATTACKED F-105s. THEN WERE EN- GAGED BY F- 4s. SCOTCH FLT (F-105. HAR- POON-PORTLAND (F- 4D). 2 MIG-21s. FROM PHUC YEN.
26 SEP 0810	4 F-105	2 MIG-21	40 NM NW OF HANOI	MIG- MADE FIRING PASS ON F-105s. ENROUTE TARGET	0	2 AAM	0	0	RAINBOW FLT
26 SEP 0801- 0804	15 F-105D	8 MIG	40 NM NW OF HANOI	MIG- MADE FIRING PASS EN- ROUTE TARGET	0	4 AAM	0	0	VEGAS FLT. WOLF FLT. (F-105s. ALSO OBSERVED MIG- THIS AREA WHICH MADE A PASS BUT DID NOT FIRE. PROB. GIA LAM MIG-17.
26 SEP 1606	3 F-105F 1 F-105D	4 MIG-17	KEP AF	MIG- MADE FIRING PASS ON ONE F-105	0	CANNON	0	0	BARRACUDA FLT. KORCOMS FROM KEP
27 SEP 1515	1 F-105F 2 F-105D 4 F4D 4 F4C	2 MIG-21	30 NM NW HAIPHONG	MIG- ATTACKED F-105s. EGRESSING TARGET. F4C. ENROUTE PURSUED MIGs.	2 AIM-7E BY F-4	2 AAM	0	0	1 F-105 DAMAGED BY MIG FIRING AAM. AFTER MIG- ENGAGED F-105s. F4. CHASED OUT OF AREA. 2 MIG-21s. FROM PHUC YEN
30 SEP 1520	2 F-105F 2 F-105D	2 MIG-17	KEP AF	MIG- MADE ONE FIRING PASS AFTER F-105s FIRED ON PROB. SAM SITE	0	CANNON	0	0	KORCOMs FROM KEP. WHO RECOVERED AT PHUC YEN AFTER ATTACK. COMINT INDICATES ONE OF THESE MIG-17s. DOWN TO UNKNOWN CAUSES. PROB. OPERATIONAL MALFUNCTION.
3 OCT 1355	2 F4D 2 RF4C	MIG 21	30 NM SW HANOI	MIG-21 MADE FIRING PASS ON FLT	0	AAM	0	1 F4D	F- 4D DAMAGED BY AAM FLEW INTO LAOS WHERE CREW EJECTED. 2 MIG-21s. FROM PHUC YEN.
3 OCT 1630	4 F-105	2 MIG-21	20 NM NW HANOI	MIG-21s. MADE FIRING PASS ON RESCAP	0	CANNON	0	0	NO COMINT
4 OCT 1555	4 F-105	2 MIG-21	30 NM NW HANOI	MIG-21s. MADE ONE FIRING PASS ON F-105s. ENROUTE TO TARGET	0	2 AAM	0	0	CHICAGO FLT
5 OCT 1144- 1146	11 A-4	6 MIG-17	5 NM S HAIPHONG	MIG- MADE FIRING PASSES ON A-4s.	CANNON	CANNON	0	0	1 MIG DAMAGED. 2 US ACFT DAMAGED. GIA LAM MIGs.
7 OCT 0745	4 F4C	2 MIG-21	HOA LAC AF	MIG- ATTACKED FLT EGRES- SING TARGET	4 AIM-9 3 AIM-7	AAM	0	0	VESPA FLT. 1 F4C DAMAGED. ALSO OBSERVED BY KAISER FLT (BELOW). 2 MIG-21 FROM PHUC YEN
7 OCT 0753	4 F-105	2 MIG-17	30 NM W HOA LAC	MIGs. ATTEMPT TO ATTACK OTHER US FLT (SHARK) AT- TACKED BY F-105s.	CANNON	0	0	0	BARRACUDA FLT. GIA LAM MIGs.
7 OCT 0748	8 F4D	4 MIG-17	HOA LAC AF	MIGS ATTACKED BY F4s. EGRESSING TARGET	4 AIM-7	CANNON	0	0	MIGs. PAINTED GREEN BROWN. KAISER FORD FLTS. 1 MIG DAMAGED. GIA LAM MIGs.
7 OCT 1550	3 F-105F 1 F-105D	4-6 MIG- 21	15 NM N HAIPHONG	MIG- ATTACKED SAM SUP- PORT ACFT SEARCHING FOR TARGET	0	6 AAM	0	1 F-105	F-105 DAMAGED BY AAM. CREW EJECTED OVER WATER AND WERE RECOVERED. ANOTHER F-105 ALSO DAMAGED. COMINT INDICATES 2 MIG-21s. PHUC YEN INVOLVED. 4 KORCOM PILOTED MIG-17s. KEP ALSO AIRBORNE. BUT DID NOT ENGAGE
9 OCT 1536- 1540	12 F-105	4 MIG-21	55 NM N HANOI	MIG-21s. MADE FIRING PASSES AT F-105s. ENROUTE TARGET	0	5-8 AAM	0	1 F-105	WARHAWK FLT. CROSSBOW FLT. VAMPIRE FLT. WARHAWK FLT OBSERVED 2 MIG-21s. MAKE SINGLE NON-FIRING PASS. MIGs. THEN ATTACKED VAMPIRE DOWNING 1 F-105. AND THEN MADE FIRING ATTACK ON CROSSBOW.
9 OCT 1541	3 F-105	2 MIG-21	55 NM N HANOI	MIG-21 MADE FIRING PASSES ON F-105s. ENROUTE TARGET	0	2 AAM	0	0	HATCHET FLT. POSSIBLE ALSO SAME MIG-21s. INVOLVED IN ABOVE. COMINT SHOWS 2-4 MIG-21s. FROM PHUC YEN. INVOLVED.

OVERALL TOTAL AIRCRAFT LOSSES IN AIR ENGAGEMENTS SINCE APRIL 1965

	CONFIRMED	PROBABLE/ POSSIBLE	TOTAL
BY US	11 F-105 3 F-8E 3 F-4C 3 F-4D 1 A-1E 1 A-4E 1 C-47 1 RF-101	1 A-1E 2 F-4C 2 F-105	29
BY NVN	58 MIG-15/MIG-17 24 MIG-21 1 TRANSPORT	9 MIG-17 1 MIG-21 1 TRANSPORT	64

*** SECRET SAVIN**

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18 OCT 67

DECLASSIFIED

Authority 1123.141-021-012/5
By JC, NARA, Date 10-29-09

SPECIAL INTELLIGENCE MATERIAL ON REVERSE OF PAGE

Pres file~~SECRET~~Wednesday - 9:30 am
October 18, 1967

Mr. President:

Herewith a fascinating report on a sharp exchange of letters between Castro and Brezhnev over Castro's sending Guevara to Bolivia without consulting the Soviets.

The exchange was one of the reasons for Kosygin going to Havana after Glassboro.

W. W. Rostow

Attachment

CIA field report, October 1967
(TDCS DB-315/04192-67 - 17 October, 1967)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 91-389
By mg, NARA, Date 8-9-93

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

PRIORITY

IN -73140 *68a*

PAGE 1 OF 6 PAGES

STATE/INR DIA ARMY NAVY AIR JCS SECDEF NSA NIC ~~XXXXXXXX~~ SDO ONE OCS CIA/NMCC
REPCINCLANT FBI 2 DDI EXO

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

THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

1.3(a)(4)

LIBRARY DIST 17 OCTOBER 1967

Mandatory Review
Case # NLJ *94-455*
Document # *68a*

COUNTRY CUBA/USSR

DOI SEPTEMBER 1966 *7/7* JUNE 1967 *21 15.2*

SUBJECT 1. BACKGROUND OF SOVIET PREMIER ALEKSEY KOSYGIN'S VISIT
TO HAVANA

2. CONTENT OF DISCUSSIONS BETWEEN KOSYGIN AND CUBAN

PREMIER FIDEL CASTRO
OCTOBER 1967

FELD NO.

SOURCE

(SUMMARY: [REDACTED])

[REDACTED] IN LATE 1966 [REDACTED]

[REDACTED] BREZHNEV STRONGLY CRITICIZED THE DISPATCH OF ERNESTO "CHE" GUEVARA TO BOLIVIA AND CASTRO'S POLICY WITH RESPECT TO THE SUPPORT OF REVOLUTIONARY ACTIVITY IN LATIN AMERICA. DURING KOSYGIN'S VISIT CASTRO EXPLAINED THE BASIS OF HIS REVOLUTIONARY POLICY. CUBA EVALUATED

SANITIZED

Authority *NLJ 019-024-2-2*
By *[initials]*, NARA, Date *1-7-02*

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(classification)

(dissem controls)

APPROVED FOR RELEASE JUN 1965

(classification)

(dissem controls)

THE KOSYGIN VISIT AS PRODUCTIVE, ALTHOUGH IT WAS CLEAR THAT DIVERGENT VIEWS CONTINUED TO EXIST REGARDING REVOLUTIONARY ACTIVITY IN LATIN AMERICA. END SUMMARY)

1. [REDACTED]

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[REDACTED] IN THE FALL OF 1966 CASTRO [REDACTED]

INFORMED BREZHNEV THAT ERNESTO "CHE" GUEVARA, WITH MEN AND MATERIAL FURNISHED BY CUBA, HAD GONE TO BOLIVIA TO MOUNT A REVOLUTION WITHIN THAT COUNTRY. [REDACTED]

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[REDACTED] IN JUNE 1967, BREZHNEV, IN RESPONSE TO A QUESTION ABOUT GUEVARA, [REDACTED] REPLIED THAT HE (GUEVARA) WAS THERE IN LATIN AMERICA "MAKING HIS REVOLUTIONS." [REDACTED]

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[REDACTED] BREZHNEV EXPRESSED HIS DISAPPOINTMENT AT THE FAILURE OF CASTRO TO GIVE THE SOVIET UNION ADVANCE NOTICE CONCERNING THE DISPATCH OF GUEVARA, AND IN STRONG TERMS CRITICIZED THE

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DECISION OF CASTRO TO UNDERTAKE GUERRILLA ACTIVITIES IN BOLIVIA OR OTHER LATINAMERICAN COUNTRIES. BREZHNEV STATED THAT SUCH ACTIVITIES WERE HARMFUL TO THE TRUE INTERESTS OF THE COMMUNIST CAUSE AND INQUIRED AS TO "WHAT RIGHT" CASTRO HAD TO FOMENT REVOLUTION IN LATIN AMERICA WITHOUT APPROPRIATE COORDINATION WITH THE OTHER "SOCIALIST" COUNTRIES.

2.

IT

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APPEARS THAT CASTRO WAS IRRITATED AT BREZHNEV THE SOVIETS DECIDED THAT A VISIT TO CUBA BY ONE OF THE SOVIET LEADERS WAS ADVISABLE. PLANS FOR THE VISIT HAD BEEN COMPLETED BEFORE THE MIDDLE EAST CRISIS ERUPTED IN THE SPRING OF 1967. SUBSEQUENTLY, WHEN IT WAS DECIDED THAT PREMIER KOSYGIN WOULD VISIT THE UNITED STATES TO ADDRESS THE UNITED NATIONS GENERAL ASSEMBLY CONCERNING THE MIDDLE EAST CRISIS, IT WAS AGREED THAT KOSYGIN WOULD RETURN TO MOSCOW VIA HAVANA.

3. THE PRIMARY PURPOSE OF KOSYGIN'S TRIP TO HAVANA 26-30 JUNE 1967 WAS TO INFORM CASTRO CONCERNING THE MIDDLE EAST CRISIS, NOTABLY TO EXPLAIN SOVIET POLICY REGARDING THE CRISIS. A SECONDARY

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BUT IMPORTANT REASON FOR THE TRIP WAS TO DISCUSS WITH CASTRO THE
SUBJECT OF CUBAN REVOLUTIONARY ACTIVITY IN LATIN AMERICA.

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KOSYGIN REPEATED THE SOVIET
VIEW THAT CASTRO WAS HARMING THE COMMUNIST CAUSE THROUGH HIS
SPONSORSHIP OF GUERRILLA ACTIVITY IN LATIN AMERICA AND THROUGH
PROVIDING SUPPORT TO VARIOUS ANTI-GOVERNMENT GROUPS, WHICH ALTHOUGH
THEY CLAIMED TO BE "SOCIALIST" OR COMMUNIST, WERE ENGAGED IN DISPUTES
WITH THE "LEGITIMATE" LATIN AMERICAN COMMUNIST PARTIES I.E., THOSE
FAVORED BY THE USSR. KOSYGIN SAID THAT THE INTERNECINE STRUGGLES
AMONG THE VARIOUS LEFT REVOLUTIONARY GROUPS WERE PLAYING INTO THE
HANDS OF THE IMPERIALISTS AND WERE WEAKENING AND DIVERTING THE
EFFORTS OF THE "SOCIALIST WORLD" TO "LIBERATE" LATIN AMERICA.

4. IN REPLYING TO KOSYGIN CASTRO

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STATED THAT "CHE" GUEVARA HAD GONE TO BOLIVIA IN ACCORDANCE WITH
THE SAME "RIGHT" AS THAT UNDER WHICH GUEVARA HAD COME TO CUBA TO
AID CASTRO IN THE REVOLUTIONARY STRUGGLE AGAINST BATISTA: THE "RIGHT"

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OF EVERY LATIN AMERICAN TO CONTRIBUTE TO THE LIBERATION OF HIS COUNTRY AND THE ENTIRE CONTINENT OF LATIN AMERICA. CASTRO THEN SAID THAT HE WISHED TO EXPLAIN THE REVOLUTIONARY TRADITION IN LATIN AMERICA, AND WENT ON TO DESCRIBE THE FEATS OF THE LEADING LATIN AMERICAN "LIBERATORS," NOTABLY BOLIVAR AND SAN MARTIN.

5. CASTRO ADDED THAT CUBA DID NOT AGREE WITH THE SOVIET APPROACH TO "WARS OF NATIONAL LIBERATION" IN LATIN AMERICA. HE ACCUSED THE USSR OF HAVING TURNED ITS BACK UPON ITS OWN REVOLUTIONARY TRADITION AND OF HAVING MOVED TO A POINT WHERE IT WOULD REFUSE TO SUPPORT ANY REVOLUTIONARY MOVEMENT UNLESS THE ACTIONS OF THE LATTER CONTRIBUTED TO THE ACHIEVEMENT OF SOVIET OBJECTIVES, AS CONTRASTED TO INTERNATIONAL COMMUNIST OBJECTIVES. CASTRO SAID THAT IN RECENT YEARS THE SOVIET UNION HAD NOT HONORED THE PRINCIPAL AIM OF TRUE COMMUNISM, I.E., THE LIBERATION OF MANKIND THROUGHOUT THE WORLD. CASTRO CONCLUDED BY STATING THAT REGARDLESS OF THE ATTITUDES OF THE SOVIET UNION, CUBA WOULD SUPPORT ANY REVOLUTIONARY MOVEMENT WHICH IT CONSIDERED WAS CONTRIBUTING TO THE ACHIEVEMENT OF THIS OBJECTIVE.

6. DESPITE THE OPEN DISAGREEMENT CONCERNING REVOLUTIONARY ACTION, THE DISCUSSIONS WITH KOSYGIN CONCERNING ECONOMIC AND

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MILITARY AID FROM THE SOVIET UNION TO CUBA WERE HELD IN AN AMICABLE ATMOSPHERE. THE SOVIETS INDICATED THAT THEY WERE WILLING TO CONTINUE TO SUPPLY CUBA WITH CONSIDERABLE AMOUNTS OF ECONOMIC AID AND THAT THE MILITARY AID PROGRAMS, ESPECIALLY THOSE CONCERNED WITH THE MODERNIZATION OF THE CUBAN ARMED FORCES, WOULD BE CONTINUED.

7. AFTER KOSYGIN'S DEPARTURE THE CUBAN LEADERSHIP ASSESSED THE VISIT AS HAVING BEEN A USEFUL ONE. THE CUBAN LEADERS JUDGED THAT THEY HAD CLEARLY EXPLAINED THE CUBAN REVOLUTIONARY ATTITUDE TO THE SOVIETS, BUT THAT THERE HAD BEEN NO SERIOUS DETERIORATION OF RELATIONS BETWEEN THE TWO NATIONS. THE CUBANS WERE ESPECIALLY PLEASED TO SEE THAT ALTHOUGH MAJOR DISAGREEMENT EXISTED IN THE POLITICAL SECTOR, RELATIONS IN THE ECONOMIC AND MILITARY SECTORS HAD REMAINED ON A FRIENDLY AND PRODUCTIVE BASIS.

8. [REDACTED] DISSEM: CINCSO, CINCLANT.

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(ADVANCE COPY TRANSMITTED TO STATE, NSA,

WHITE HOUSE, DIA, ARMY, NAVY, AIR, JCS, NIC, OCI)

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Wednesday, Oct. 18, 1967
9:10 a.m.

69

MR. PRESIDENT:

Herewith Saigon reports the security situation
and makes recommendations on the Vice
President's trip.

Pres file

W. W. R.

~~SECRET~~ attachment (Saigon 8778)

1967 OCT 17 16 19

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Rostow

~~SECRET~~ SAIGON 8778

FOR SITUATION ROOM ATTN: SAIC WEAVER, VPPD AND SIAC TOWNS,
ID, USSS FROM: BURKE AND SIMS, USSS

1. DISCUSSIONS HAVE BEEN HELD WITH AMB BUNKER, GEN WESTMORELAND AND HIS ADVISORY STAFF, KEY PERSONNEL AT THE EMBASSY INCLUDING MAJ GEN LANSDALE, AND ☐ RELATIVE TO THE SECURITY OF THE VP DURING HIS PROPOSED TRIP TO THE REPUBLIC OF VIETNAM TO ATTEND INAUGURAL CEREMONIES.

2 AS OF OCT 17, 1967 INTELLIGENCE SOURCES ADVISE THAT NO INFORMATION HAS BEEN RECEIVED CONCERNING ANY PLANNED VIET CONG TERRORIST ACTIVITY DURING THE INAUGURAL CEREMONIES ON OCT 31, 1967.

3. WE BELIEVE THAT THIS FACT HAS LIMITED SIGNIFICANCE BECAUSE OF THE AMOUNT OF TIME LEFT BEFORE THE EVENT.

PAGE 2 RUMJIR 8778 ~~SECRET~~

4. TRAVEL OF THE VP OUT OF THE SAIGON AREA.

VISITS TO US MILITARY FORCES AND A REVOLUTIONARY DEVELOPMENT PROJECT WHICH HAVE BEEN CAREFULLY SELECTED, CAN BE CONDUCTED WITH SECRECY AND IN THE SECURITY OF AMERICAN MILITARY FORCES. WITH VERY LIMITED DISTRIBUTION OF INTERARMY AND NO PRIOR ANNOUNCEMENT SUCH VISITS CAN BE MADE WITH AN ACCEPTABLE DEGREE OF RISKS.

5. TRAVEL OF THE VP INSIDE THE CITY OF SAIGON

THE INAUGURATION PROGRAM HAS YET TO BE RECEIVED BY THE AMERICAN EMBASSY; HOWEVER, IT IS KNOWN THAT THE ACTUAL CEREMONY WILL TAKE PLACE IN AN OPEN AREA LOCATED IN FRONT OF THE NATIONAL ASSEMBLY HALL IN DOWNTOWN SAIGON ON OCT 31, 1967. THIS IS CONSIDERED TO BE THE MOST CRITICAL PART OF THE VISIT FROM A SECURITY STANDPOINT.

6. THE VP WILL BE LOCATED ON A CEREMONIAL STAND FACING AN AVENUE LINED BY FOUR AND FIVE STORY BUILDINGS. HIS MOVEMENTS WILL BE PREDICTABLE AS HE WILL BE IN AN EXACT LOCATION FOR A SPECIFIED PERIOD OF TIME.

7. THE VIET CONG HAVE DEMONSTRATED THEIR CAPABILITY TO

SANITIZED

Authority NLT 019-004-2-3
By ☐ NARA, Date 1-7-02

PAGE 3 RUMJIR 8778 ~~SECRET~~

MORTAR THIS GENERAL LOCATION AS EVIDENCED BY THEIR ATTACK DURING THE NATIONAL DAY PARADE ON NOV 1, 1966, A NUMBER OF ROCKETS WERE DROPPED ON THE CATHOLIC CATHEDRAL A SHORT DISTANCE FROM THE INAUGURAL STAND. THE VIET CONG HAVE ALSO DEMONSTRATED THEIR CAPABILITIES IN PLANTING EXPLOSIVE DEVICES AT PUBLIC GATHERINGS. BRIEFINGS HAVE INDICATED, IN GENERAL, THAT AN ORGANIZED VIET CONG ATTEMPT ON THE VP OR OTHER DIGNITARIES IN THE INAUGURAL STAND IS POSSIBLE; HOWEVER, IT IS THE CONSENSUS THAT THE VIET CONG WOULD CONSIDER THIS UNWISE AT THIS TIME FOR THE FOLLOWING REASONS:

A. POSSIBLE MILITARY RETALIATION

B. THE CONSENSUS IS THAT THE VIET CONG NOW BELIEVE THAT AMERICAN PUBLIC OPINION WILL FORCE A FAVORABLE CONCLUSION TO THE WAR AND THAT THE ASSASSINATION OF THE VICE PRESIDENT WOULD REVERSE THIS PROCESS.

3. IT IS OUR CONCLUSION THAT THE THEORY, THE VIET CONG WILL NOT ORDER THEIR UNITS TO TAKE ACTION AGAINST THE VICE PRESIDENT, CANNOT BE RELIED UPON BECAUSE OF POSSIBLE POOR COMMUNICATIONS WITH THEIR UNITS AND THEIR UNPREDICTABILITY.

PAGE 4 RUMJIR 8778 ~~SECRET~~

9. THE VIET CONG HAVE AGENTS IN SAIGON WITH GENERAL ORDERS TO SEEK TARGETS OF OPPORTUNITY. SOME OF THESE INDIVIDUALS ARE BELIEVED TO BE OUT OF TOUCH WITH THE VIET CONG COMMAND STRUCTURE AND CONSEQUENTLY MAY TAKE ACTION ON THEIR OWN INITIATIVE.

10. RECENTLY A FEMALE AGENT APPEARING TO BE IN THIS CATEGORY SHOT 3 AMERICANS AND 3 NATIONAL POLICEMEN. ACTION AGAINST THE VICE PRESIDENT BY SUCH AN INDIVIDUAL IS IN OUR OPINION A VERY SERIOUS CONSIDERATION.

11. AN ATTEMPT BY THE ORGANIZED TERRORIST GROUPS AND THE INDIVIDUAL AGENT JUST DESCRIBED, MIGHT BE CONSIDERED PROBABLE IF JUST PRIOR TO OR DURING THE VISIT OF THE VICE PRESIDENT, SOME HIGHLY SIGNIFICANT ACTION WERE TAKEN AGAINST THE NORTH, FOR EXAMPLE BOMBING HAIPHONG OR SOME OTHER TARGET OF THIS NATURE.

12. IT IS THE UNANIMOUS CONCLUSION OF PERSONS CONTACTED THAT THE VICE PRESIDENT SHOULD DEPART SAIGON PRIOR TO THE NATIONAL DAY CELEBRATIONS ON NOV 1 AS THIS WILL PRECLUDE ADDITIONAL EXPOSURE IN A VULNERABLE POSITION. ALSO, BECAUSE THIS IS THE OCCASION AND LOCATION WHICH LAST NOV 1 WAS THE TARGET OF MORTAR FIRE.

PAGE 5 RUMJIR 8778 ~~SECRET~~

13. WE RECOMMEND THAT NEITHER MRS. HUMPHREY NOR ANY MEMBER OF THE VICE PRESIDENT'S FAMILY ACCOMPANY HIM DURING HIS VISIT TO THE REPUBLIC OF VIET NAM.

14. IN CONCLUSION WE BELIEVE THAT THE VISIT TO SAIGON AND, IN PARTICULAR THE ATTENDANCE AT THE INAUGURAL CEREMONY, PRESENTS AN UNACCEPTABLE DEGREE OF RISK UNLESS THE FOLLOWING ITEMS ARE RIGIDLY OBSERVED.

A. VERY LIMITED DISTRIBUTION OF THE SAIGON AND OUT OF SAIGON ITINERARIES.

B. RIGID ADHERENCE TO THE ABOVE ITINERARY AFTER IT HAS BEEN ESTABLISHED TO PROVIDE FOR MAXIMUM COVERAGE BY SECURITY FORCES.

C. THE VICE PRESIDENT DOES NOT ATTEND THE NATIONAL DAY OBSERVANCE.

D. NEITHER MRS. HUMPHREY NOR ANY MEMBER OF THE VICE PRESIDENT'S FAMILY VISIT THE REPUBLIC OF VIETNAM.

E. POSTPONEMENT OF PUBLIC COMMITMENT AS LONG AS POSSIBLE TO ALLOW FOR THE VARIOUS INTELLIGENCE AGENCIES TO MAKE MORE DEFINITE ASSESSMENTS OF THE VIET CONG INTENTION TOWARD INAUGURAL CEREMONIES.

PAGE 6 RUMJIR 8778 ~~SECRET~~

F. THE VICE PRESIDENT RESIDES IN THE AMERICAN AMBASSADOR'S RESIDENCE.

G. ON OUT OF SAIGON VISITS NEWSMEN ARE ASSEMBLED FOR DEPARTURE WITHOUT PRIOR NOTIFICATION OF DESTINATION.

BUNKER
BT

~~SECRET~~

NNNN

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday, October 18, 1967

70

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Talk with Six Western Ambassadors at Ernie Goldstein's
Lunch Thursday, October 19, 1:00 p.m.

The Group

Ambassador Lemberger -- Austria
Ambassador Ritchie -- Canada
Ambassador Fay -- Ireland
Ambassador Gunneng -- Norway
Ambassador Merry Del Val -- Spain
Ambassador Dean -- United Kingdom

(Attached are State's fact sheets for each country, summarizing bilateral issues and giving a biographic sketch of each Ambassador.)

These six Ambassadors represent countries which have little except the West in common. Three are members of NATO (Canada, Norway, UK), one has other military ties to us (Spain), two are neutrals (Austria, Ireland). None are members of the Common Market. All except Canada would ultimately like to join.

Issues

Multilateral issues on which you might get questions are:

1. The NPT

All of the countries believe it is desirable to get an NPT soon.

2. East-West Relations

All are anxious for detente (Spain, the least enthusiastic, has recently been warming up to the Russians). None, including the two neutrals, wish to see a weakening of the West's military posture.

3. Future Shape of Europe

All agree with us in hoping for a larger, more outward-looking Europe. Apart from Canada, all seek full membership in the European Community, which we would support. Austria is severely limited by the

Soviets on her ties with the West, and would probably not be able to get more than associate status.

4. Protectionism

The Europeans fear we will not meet our Kennedy Round commitments, and set off a trade war. Restrictionist proposals in Congress get a lot of play in their press but the efforts of the Administration and the large segment of business to head them off are not so well known. At the same time Europeans both inside and outside the Common Market are making protectionist noises themselves.

5. Vietnam

The six governments line up as follows:

UK -- declared support for war effort, including objectives of bombing.

Canada -- official support of war effort, but growing more muted; they have recently come out for a bombing halt as a way to get negotiations.

Spain -- no official declared position, but private support.

Norway -- no official declared position on war, but support for an end to bombing as a means to negotiations.

Ireland and Austria -- no official declared position, but unofficial understanding, if not support.

* * * * *

Selected talking points for your use are at Tab A.

W. W. Rostow

SUGGESTED TALKING POINTS -- Western Ambassadors' Lunch

Our country is closely linked with each of yours. With some we are allied. With others we have shared experiences and aspirations no less profound because they are not drawn up in legal documents.

We are all beneficiaries of a common cultural heritage which is a most treasured asset and our most important common bond.

We also share a standard of life which is a model for much of the rest of the world. Developing peoples are striving to reach this level. We are assisting them because it is right and in our interest as well.

As you know, many of my waking hours are spent on the problem of establishing peace and stable progress in those parts of the world now in turmoil. This has led some to say that we are losing interest in Europe, which is fortunately free of disorder and turmoil.

This mistaken view overlooks the extraordinary breadth of relations between our two continents. Because it is so much taken for granted, the remarkable degree of unity achieved by the Atlantic nations is often overlooked. Yet I am convinced that future histories will record the rise of the Atlantic Community after the Second World War as one of the great achievements of our era.

Both now and in the future our security is linked with yours.

People naturally concentrate on domestic problems and immediate concerns. We Americans are no different. We are now engaged in dealing with some deep-rooted problems in our own society and in fulfilling our commitments to the peoples of Southeast Asia.

Our European friends should understand our preoccupations. You Ambassadors can make a significant contribution to this understanding.

One of your first duties is to appraise accurately and understandingly events in this country. Your efforts weigh heavily in forming the views of your governments and people.

We have distinguished envoys at this gathering. I am reassured that this is so. I am confident that you will continue to interpret to your countrymen -- with care, with wisdom, and with compassion -- the deeds and aspirations of this country.

W. W. Rostow

71

Wednesday, October 18, 1967

Free file

MEMORANDUM FOR THE PRESIDENT

Mr. President:

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

W. W. Rostow

Att.

~~CONFIDENTIAL ATTACHMENT~~

71a

~~CONFIDENTIAL~~

Viet-Nam Political Situation Report

October 18, 1967

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-449
By sig, NARA, Date 12-23-91

Plans for Inauguration Ceremonies

The Vietnamese Government has informed us that the presidential inauguration ceremonies have been changed from October 30 to October 31, with delegations invited to present credentials to President-elect Thieu on the afternoon of October 30. The Vietnamese Foreign Ministry has informed us that inauguration invitations have been issued to Chiefs of State of 26 countries, and that thus far 6 countries (excluding the U.S.) have announced their decision to attend. Korea will be represented by its Prime Minister, Australia and the Philippines by their Foreign Ministers, and Laos by the President of the King's Council.

Lower House Elections

Active campaigning for the Lower House elections Sunday began in earnest this week. So far no clear or specific issues have emerged -- though general criticism of the GVN and of corruption is being expressed by candidates. Candidates seem to be relying mainly on their local reputation and/or organization and on promises to represent local interests effectively in "far-off" Saigon. As a result, public interest in the candidates themselves is reported higher than in the Upper House race.

Latest statistics on the 1,200 or so candidates show 355 Northerners, some 385 Central Vietnamese, and 465 Southerners running. (This overrepresents the Northerners, most of whom are running from Saigon and nearby provinces.) About 150 military personnel and 240 civil servants are candidates (many others were denied leave from official duties to run). 42 women are running, as are 19 ethnic Cambodians, 23 Montagnards, and 5 ethnic Chams.

~~CONFIDENTIAL~~

72

Pres file

October 18, 1967

MEMORANDUM TO THE PRESIDENT

SUBJECT: 81st Birthday Message to President Chiang

On October 31 President Chiang Kai-shek will be 81 by Chinese reckoning, 80 by Western. You sent a congratulatory telegram in 1965 and a letter last year because of the special 80th anniversary.

The State Department recommends that this year you send the attached suggested telegram.

I recommend approval.

W. W. Rostow

___ Approved
___ Disapproved
___ See me

AJ:mlc

cc: Mr. Jorden

72a
/

SUGGESTED MESSAGE

Dear Mr. President:

Mrs. Johnson and I join with the American people in offering to you our warmest congratulations on your birthday. We send you, in friendship and with high regard, our best wishes for continued success and good health.

Sincerely,

Lyndon B. Johnson

His Excellency
Chiang Kai-shek,
President of the Republic of China,
Taipei

Pres file

~~CONFIDENTIAL~~

Tuesday, October 17, 1967 -- 6:30 PM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed AID exceptions to the freeze on new commitments

When Charlie Schultze transmitted your instructions to put a freeze on new AID loan commitments, he and Gaud agreed to look through the new loans now in the pipeline to see what things couldn't wait without serious consequences. In the attached, Gaud and Schultze -- with Joe Fowler's concurrence -- recommend that you authorize the following loans as exceptions to the freeze:

-- two loans for Chile, with a total value of \$38 million:

.. an agricultural sector loan of \$23 million; and

.. a program loan of \$15 million.

-- a program loan to Indonesia of \$7.5 million as the last part of our 1967 commitment.

(Schultze's summary memorandum is at Tab 1.)

There is a strong case, argued in detail below, for approving these exceptions. They are the survivors of a careful review process in which it was decided not to recommend exceptions for important loans in Brazil, the Dominican Republic, Korea, India and Laos. There will be no further recommendations for exceptions for at least thirty days.

On strict foreign policy grounds, I recommend that you approve the Gaud/Schultze recommendations. But if you feel this would derail your whole tax effort, we can find a way to live without the exceptions.

CHILE (Tab 2)

The papers on the Chile loans are at Tab 2. The \$23 million agricultural sector loan will finance tractors, fertilizer, and cattle. We hope to help Frei pull off a hard push on agricultural production, primarily by making fertilizer and tractors cheaper and more plentiful during the wheat planting season which has already begun. The \$15 million program loan will pay for trucks and jeeps also largely for use on private farms. Together, these two loans make up our most important single means of stimulating agricultural self-help in Chile.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

The urgency of the agricultural sector loan is dictated by the farmers' calendar. The fertilizer has to arrive during the planting season or it can't be used in time to effect the Spring wheat crop. We should be buying cattle in the southwest now during the prime buying season. If we don't move quickly, we will lose an entire crop year and the Chilean farmers' confidence in Frei and in the Alliance for Progress will suffer.

The urgency of the program loan is somewhat more political in character. The negotiation of this loan has helped us quite a lot with the Christian Democratic Party which controls the Ministry of Agriculture. (I think Frei has discussed this loan with you at Punta del Este.) The loan will generate local currency to support the investment part of the Chilean budget. The alternative is further borrowing by the Central Bank, which is already too deeply into internal debt. Moreover, the loan is already a month behind schedule. A further delay would make Frei queasy about our willingness and ability to come through as he thinks we have promised. Ed Korry is particularly concerned that if we don't deliver on these loans his own relation with Frei will wither in the bud.

INDONESIA (Tab 3)

As you know, we have a commitment to supply \$65 million in aid deliveries to Indonesia in calendar year 1967 as our share in the Intergovernmental Group. We are now the only donor that has not said precisely how we will meet our pledge. The 100,000 tons of rice you approved last month got us within \$7.5 million of our total pledge. This loan would provide the last small piece.

This loan is urgent on several counts:

- our commitment is not just to authorize loans, but to deliver on loans before the end of the calendar year. (Even with this approval now, we may have to shave this a bit.)
- the Intergovernmental Group is meeting this week in Paris in a debt-relief session which will set the tone for the pledging meeting next month at which donors will indicate what they are willing to do for Indonesia in calendar year 1968. If we want the others to be forthcoming, we need to be in a fairly solid position ourselves. At the very least, this means that we should be able to say how and when we will meet this year's commitment.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 3 -

-- Suharto (and the other donors) will consider any further delay on our part as evidence of a declining U. S. interest in Indonesia.

The complication of the Continuing Resolution

The present Continuing Resolution runs out on Monday, October 23. It now appears that the language in the renewal will prevent any new obligations not necessary for direct security or emergency purposes. Therefore, if we do not go ahead with these loans now, it will probably not be possible to do so for at least a month.

W. W. Rostow

Approve Chile agricultural sector loan (\$23 million) _____
Disapprove _____
Speak to me _____

* * * *

Approve Chile program loan (\$15 million) _____
Disapprove _____
Speak to me _____

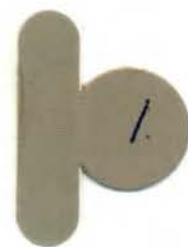
* * * *

Approve Indonesia program loan (\$7.5 million) _____
Disapprove _____
Speak to me _____

EKHamilton/vmr

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~~CONFIDENTIAL~~

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

OCT 13 1967

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 93-351

MEMORANDUM FOR THE PRESIDENT

Subject: Economic aid new commitments

By cb, NARA, Date 5-25-95

Bill Gaud and I have reviewed the need for new AID loan commitments over the next thirty days. We have concluded that as of now only two commitments -- Chile and Indonesia -- have an immediate urgency that you should consider.

We need to commit a \$7.5 million program loan to Indonesia soon if our 1967 commitment of \$65 million of aid to the Indonesian stabilization effort is to be completed. We are the only donor that has not fulfilled its pledge. Further delay could create embarrassment in our relations with the Indonesian government and weaken our leverage in obtaining other donor contributions to Indonesia for next year. (Requirements for 1968 are to be discussed with other donors on October 17.)

We have largely completed discussion with the Chileans on a \$23 million agricultural sector loan and a \$15 million program loan. I understand that President Frei discussed his agricultural plans and the proposed agricultural sector loan with you at Punta del Este. The Frei Administration is on record with Chilean farmers to reduce fertilizer and tractor prices. The sector loan must be available to do this. Much more delay will be politically embarrassing to the Frei Administration. It also will complicate our working relationship with the Chilean Ministry of Agriculture, which has been built-up slowly and with great effort.

Bill Gaud indicates that program loans to Brazil and the Dominican Republic may have to be committed during the next 30 days. At this time, however, he hopes that they can wait until mid-November. Gaud has agreed to make every effort to postpone the need for a definite U. S. commitment.

The loan commitments for Chile and Indonesia are discussed in more detail in the attached memorandums.

Charles L. Schultze

Charles L. Schultze
Director

Attachments

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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

OCT 13 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Agriculture Sector Loan and Program Loan for Chile

Bill Gaud and Covey Oliver request your approval of a \$15 million program loan and a \$23 million agriculture sector loan for Chile. Both loans form a mutually reinforcing package and are part of our general strategy in Chile which you approved last December when you authorized negotiations for an economic assistance package in CY 1967 of up to \$65 million.

Gaud feels we should move forward on both loans now because the timing is urgent. A delay would:

- cause the fiscal impact of the program loan to come too late and lead to excessive Central Bank borrowing,
- nullify production benefits of the farm price policy changes we are seeking in the agriculture sector loan,
- create political difficulties between the Frei administration and Chilean farmers because of the government's inability to reduce fertilizer and tractor prices.

The agricultural sector loan will support and accelerate Chile's own efforts to modernize farm production. By providing the resources to reduce fertilizer and tractor prices sharply and by requiring the government to increase farm price supports, the loan will stimulate production, a prime objective of our aid to Chile.

The program loan is designed to support the 1967 Chilean investment budget, thrown into deficit by falling copper prices this year and projected in deficit next year. (President Frei declined a program loan last December when copper prices were high.) By reducing the amount of Central Bank borrowing needed to finance the budget deficit, the program loan would help to achieve Chile's stabilization target, holding inflation to 12 percent in 1967, compared with 17 percent last year.

Both loans will be tied to self-help actions as outlined in the Gaud memorandum including:

- maintenance of the high proportion of public investment in agriculture in 1967 and 1968,

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 93-351
By 06, NARA, Date 5-25-95

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2

- maintenance of adequate price supports, announced in advance,
- continued progress on the stabilization program.

Both loans will also support sound economic measures already in progress. President Frei has resisted strong political pressure for wage and budget expenditure increases. In agriculture, he has taken several important steps to improve performance, including:

- passage of comprehensive land reform law,
- expansion of agricultural credit,
- the first forward price support announcement for 1967-1968 harvest season.

Balance of Payments

Funds provided under both loans will be used for purchase of goods and services in the United States. Secretary Fowler agrees that the procedures to be used for procurement will minimize the impact on our balance of payments. (H17)

Recommendation

In view of the economic soundness and the importance of these loans to the Frei administration, I recommend that you approve these two loans for Chile.

Charles L. Schultze

Charles L. Schultze
Director

Attachment

Approve _____

Disapprove _____

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

73 e

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington 25, D. C.

OFFICE OF
THE ADMINISTRATOR

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 93-352
By gw NARA, Date 9-17-93

OCT 2 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: CHILE - Proposed Development Loan Assistance in 1967

I recommend that you authorize me to proceed with two loans to the Government of Chile - a \$15 million program loan and a \$23 million loan for the agriculture sector.

Background

Last December you authorized negotiations with the Chilean Government for an economic assistance package in 1967 of up to \$65 million, consisting of a \$35 million program loan, a \$20 million sector loan for agriculture, and a \$10 million sector loan for education. You approved the \$10 million education sector loan on June 28, 1967. I now request your approval of a \$23 million agricultural sector loan and a program loan of \$15 million. Both loans have been carefully negotiated with the Chilean Government on an ad referendum basis and have been approved by the inter-agency Development Loan Committee. I consider these loans as necessary to further our objective in Chile of helping to create an economy which is viable without concessional U.S. assistance.

Program Loan (\$15 million)

In December, President Frei decided to try to do without program assistance this year, because of relatively high copper prices which then prevailed and his desire for Chile to stand on its own economic feet to the maximum extent possible. However, copper prices dropped by mid-year, and the GOC was forced to request some program assistance for 1967, although considerably less than we had originally contemplated would be necessary.

The Frei Administration's economic and social program is clearly at a critical juncture both for political and economic reasons. The proposed program loan of \$15 million, although small in comparison to similar loans in 1965 and 1966, will be a significant factor in strengthening President Frei's ability to continue his efforts to bring inflation under control in the face of substantial political pressures to water down the stabilization effort. The \$15 million will be used to purchase from the United States

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-2-

certain essential automotive equipment, such as refrigerator trucks, bus chassis, jeeps, and other trucks which will contribute to development primarily in the private agricultural sector. These items are now either not being imported or are being imported in small amounts due to outright prohibitions or restrictions. Import restrictions will be lifted for these commodities financed by this loan, thereby assuring major, and in most cases complete, additionality of U.S. exports, as well as creating a need in later years for follow-up spare parts. The local currency created by the sale of program loan dollars to importers of the equipment will be used to help finance the Government's 1967 investment budget. The GOC will also receive additional revenues in early 1968 from the import duties to be collected on the items as they arrive in Chile.

The GOC economic program is running into rough waters, but its direction and emphasis continue to be consistent with what both President Frei and the U.S. Government have been urging. The Government's target of holding price increases to 12 percent this year has already been exceeded and the rise is likely to be closer to 20 percent. The slippage on the price target is the result of wage increases in the private sector well above government guidelines, plus devastating frosts which killed vegetables and resulted in large food price increases.

Together with these difficulties on the economic front, the President is being subjected to serious political pressures to abandon his efforts to end Chile's chronic inflation. Elements within his own Christian Democratic Party are pressing for measures which would have an inflationary impact, such as higher wages over and above the substantial real increases of recent years. The President, however, has insisted on the primacy of ending inflation as being in the best social and economic interest of the wage earner. He has pointed to continuing high growth of the economy and the rising share of wage-earners in gross national product since he assumed office. He has not conceded to leftist groups within the party which have been demanding a more active government role in areas of the economy now mainly in the province of private business. The President has also faced serious strikes of public employees, frequently leftist-instigated, demanding wage increases which, if granted, would have ended all hope of stabilization. He has preferred to face the political disadvantages of the strikes, rather than give in to the excessive wage demands. President Frei recognizes, however, that government wages are low, and has promised to give special increases in 1968 to various key groups, such as teachers, health workers, postal employees, and members of the armed forces. These would be within the over-all stabilization for 1968.

The President and his advisors have also shown political courage in cutting back on government expenditures from the levels authorized by the original 1967 budget. The GOC has taken this unpopular step in order to compensate for the sharp decline in U.S. program assistance (which was at the level of \$80 million in each of the last two years) and less favorable copper prices.

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-3-

As a result of these cuts, the 1967 level of central government expenditures shows almost no real increase over last year; yet within this tight program funds are being reallocated to give an increasing share to agriculture and education.

In spite of the budget cuts, some deficit financing from the Central Bank will be necessary; however, this borrowing will be within the GOC's self-imposed ceiling on over-all monetary expansion, which is the tightest yet under this Administration. The proposed program loan will permit the GOC to stay within its monetary targets; more than that, it will provide President Frei and his supporters with evidence of continuing USG backing for their efforts to accomplish basic reforms in Chilean society while building a sound financial structure.

As noted earlier, this loan also will provide assistance for 1968. We anticipate that the GOC will require further program loan assistance in their FY 1968 (which is the same as the calendar year). Specific conditions in essential areas to assure continued stabilization and development in 1968 will be negotiated later this year, although some broad understanding regarding the GOC's 1968 program will be made a condition of this 1967 loan.

Agriculture Sector Loan (\$23 million)

This loan has been under continuous discussion between the U.S. AID Mission and the Chilean Government since early in 1967. During these discussions the Mission and the government considered various possibilities for maximizing the effectiveness of U.S. sector lending for agriculture. One of the major benefits of this process was that the Chilean Government - including the multiplicity of Chilean institutions concerned with agriculture - really began to look at the country's agriculture problems in a comprehensive and organized way for the first time.

One of the key problems which emerged was the unfavorable terms of trade of the agriculture sector relative to the rest of the economy; the return to agriculture does not offer adequate incentive to insure a continuing flow of economic resources into the sector. Since the Chilean economy is extremely sensitive to increases in the prices of basic cost-of-living items, the increase in agricultural income which can realistically be derived from higher product prices is limited. Therefore this loan was designed mainly to have a major impact on the prices of key farm inputs. By sharply reducing the prices of such things as agricultural machinery and fertilizer, farm income can be increased in the context of increasing output without the necessity of substantially higher farm product prices, although some increases in these prices are needed and are an important part of the loan. The loan consists of three major parts, a fertilizer program of \$8.6 million, a machinery and equipment program of \$11.3 million, and a livestock program of \$2.0 million. In addition, small amounts are earmarked for pesticides, seeds and technical assistance.

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-4-

The objective of the fertilizer program is to increase sharply the use of phosphate fertilizers through a reduction in the delivered price to the farmer by a minimum of twenty percent. This reduction will partly be achieved through the pooling of AID-financed and non-AID-financed fertilizers and the use of local currency proceeds from the sale of the AID-financed fertilizer to offset losses on Chilean-financed fertilizer at the new low price.' A major part of the reduction will, however, be accounted for by reductions in the profit margins and distributing costs of the main fertilizer distribution organization, the State Bank. The Government has agreed to maintain the twenty percent reduction through 1968 and it expects that the lower prices can be maintained indefinitely and possibly be further reduced. The government and the State Bank have also agreed to a comprehensive study of Chile's fertilizer distribution system with a view to improving distribution efficiency and lowering costs.

The machinery and equipment portion of the loan will substantially reduce delivered prices to Chilean farmers for agricultural machinery, principally tractors. The machinery part of the loan is in two parts, one part of \$8.27 million which will provide machinery through public agencies, mainly the Land Reform Corporation, to the Chilean agrarian reform program. The second portion of \$3.0 million will finance tractors and equipment for the private sector. The Chilean Government will match this amount to set up a joint \$6.0 million fund to be administered through the Chilean Development Corporation for import credits for private farmers. Substantial price reductions will be possible on tractors and other machinery, running as high as twenty to twenty-five percent below normal quotations in Chile. This is possible because of savings accruing from cash purchases, rather than the previous system of supplier credit and from bulk purchases, and reduced margins to Chilean importers.

Chilean Self-Help

Pursuant to the loan Chile will undertake a variety of self-help commitments. Some of these will be specific conditions to the loan which must be satisfied either prior to signing or prior to subsequent releases of loan tranches. Other conditions of a more far reaching nature are contained in a mutually agreed Memorandum on Agrarian Policy which will be a part of the loan agreement. It should be noted that during the past several months while the loan was under negotiation Chile has undertaken self-help measures which we sought including announcement of forward price policy for the 1967-1968 harvest season and the initiation of a reorganization of public agricultural agencies pursuant to the agrarian reform law which was passed in June of this year.

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-5-

The principal self-help conditions incorporated into the body of the loan agreement are:

- (1) Immediate announcement of a twenty percent reduction in the price of phosphate fertilizers and assurance that this reduction will be maintained at least through 1968.
- (2) GOC contribution of \$3.0 million to the agricultural machinery financing pool to match the \$3.0 million provided under the loan.
- (3) Announcement of agreed upward adjustments in meat prices and a statement of price policy for meat.
- (4) Agreement on a schedule of forward pricing announcements for major crops and announcement of these prices before the end of February 1968 at levels at least equivalent to the real levels attained in 1966.
- (5) Agreement that the announced wheat price for 1969 will be at least five percent higher in real terms than the 1968 levels.
- (6) Publication of a satisfactory point system by which farmers can evaluate their status with respect to possible expropriation under the agrarian reform law.
- (7) Completion of a detailed study of the fertilizer marketing and distribution system.
- (8) Maintenance of an agreed level of public investment in agriculture in 1967 and assurance that in the 1968 budget agriculture will receive a proportionately larger share of public investment funds.

The Memorandum on Agrarian Policy which will be a part of the loan agreement sets forth a broad range of Chilean agricultural policy goals and intentions. The Memorandum will set the general context in which the program reviews under the loan will be carried out although the specific points of the Memorandum will not be considered as rigid conditions of the loan. Among the more important points contained in the Memorandum are statements of Chilean Government intentions on agricultural investment, credit, price policy, input policy and marketing.

There will be two formal reviews of performance under the loan, one on February 1, 1968 and one on September 1, 1968.

William S. Gaud

William S. Gaud

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

73g

OCT 13 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Development loan to Indonesia

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

Bill Gaud requests your approval to make a program loan to Indonesia for \$7.5 million to fulfill the balance of our CY 1967 commitment of \$65 million.

In February, you approved a P.L. 480/Supporting Assistance package of up to \$85 million to provide one-third of Indonesia's estimated CY 1967 foreign exchange requirements, on the condition that our pledge was matched two-thirds by other nations. The IMF subsequently revised downward its estimate of the requirement, and the U. S. share now stands at \$65 million, of which \$57.5 million has been committed.

<u>U. S. pledges to date</u>	<u>Dollars (millions)</u>
Supporting assistance loans	\$30.0
P.L. 480 (cotton)	8.0
P.L. 480 (rice)	<u>19.5</u>
Total	\$57.5

Other donor nations have fully committed their two-thirds share. The U. S. thus now stands as the only nation that has not completed its CY 1967 pledge. This loan would allow us to complete our pledge and enter discussions of CY 1968 requirements -- now scheduled to begin on October 17 -- on an equal footing with other donors. We will return to you with a full package prior to making any pledge for CY 1968.

Indonesian performance on the IMF-endorsed stabilization program has been encouraging. The Indonesian Government is moving toward greater reliance on free market forces to allocate resources. It is making a determined effort to balance its budget. It has adopted a sound foreign investment law and is restoring properties nationalized under the Sukarno regime to the original owners. It appears likely that the annual rate of inflation will be reduced from 650% in 1966 to the target of 65% in 1967.

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Attempts to fill the \$7.5 million balance of our CY 1967 commitment with additional P.L. 480 have thus far been unsuccessful. Rice is not available, and Indonesian ability to absorb cotton has been less than originally estimated. We are now negotiating sales of bulgur, tobacco, tallow, and vegetable oil, but consumer acceptability is unknown. While prospects for next year appear encouraging, it is unlikely that we can reach agreement with the Indonesians on these commodities in time to count against our CY 1967 commitment.

Balance of payments

This loan would be tied to procurement of U. S. goods, but has no safeguards to assure that our aid does not substitute for U. S. commercial exports. Treasury staff have asked AID to exclude financing of a selected list of commodities which the Indonesians normally buy in the United States. The Indonesians have rejected any proposals by AID to help achieve U. S. export additionality. In view of the expected large size of our aid to Indonesia, it would be highly desirable to include additional balance of payments safeguards in future agreements. Treasury would like to include such safeguards as a precondition to disbursements under this loan. However, because of the importance of fulfilling our CY 1967 commitment at an early date, and in view of the difficulty of negotiating such a change with the Indonesians, Treasury is willing to agree that this loan should proceed under the current rules. At the same time, AID has agreed to attempt to work out with the Indonesians acceptable measures to assure additionality prior to obligation of funds under next year's program.

Recommendation

I recommend your approval of this loan.

Charles L. Schultze

Charles L. Schultze
Director

Approve _____

Disapprove _____

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X H#7
Noted. While
I am willing
to agree that
this loan
should proceed,
I think we
must start
immediately
to work out
acceptable
additionality
safeguards for
any future
assistance.
H#7

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

OFFICE OF
THE ADMINISTRATOR

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 93-352
By fw, NARA, Date 9-17-93

OCT 11 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Development Loan to Indonesia--Balance of CY 1967 U.S.
Assistance Commitment

I request your authority to make a program development loan to Indonesia for \$7.5 million to fulfill the balance of our CY 1967 commitment of \$65 million.

The Indonesians have met the conditions attached to our commitment. Indonesia has made satisfactory progress in its stabilization program, and other donors have provided two-thirds of Indonesia's CY 1967 requirement. The United States is now the only country which has not yet obligated all of its commitment for 1967.

This loan is one of the alternative methods to fulfillment of our pledge described in my August 8 memorandum to you (copy attached). Your approval then of the \$19.5 million rice sale (100,000 metric tons) reduced the gap to \$7.5 million. The Indonesians have requested additional rice to fill this gap, but the rice just sold exhausts current rice availabilities under PL 480, except for Vietnam. We had hoped to be able to use other PL 480 commodities to fill the balance of our commitment, but the Indonesian Government has not yet requested the other commodities which you approved on September 19th for possible sale. Even if agreement is ultimately reached on some or all of these commodities, it is unlikely they will move in time to count against our 1967 commitment.

The need for quick delivery of essential imports during the final months of 1967 argues for use of A.I.D.-financed general imports to complete this year's pledge. I have, therefore, concluded that we should make the proposed loan, which I believe will move promptly.

Although we do not yet have the IMF's definition of Indonesia's aid needs for CY 1968, we believe they will be substantially larger than in CY 1967. We will use PL 480 to the maximum extent possible to fill our share. Sales from the list you approved September 19th will count against this share and lessen the pressure for A.I.D. funds during CY 1968.

Prospects for increasing PL 480 sales to Indonesia in 1968 are encouraging, especially if we can make rice available from next year's U.S. crop.

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GROUP 3
Downgraded at 12 year
intervals; not automatically

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-2-

The GOI has also shown considerable interest in finding substitutes for rice, and we are discussing with them a sale of wheat bulgur; if made, and we expect it will be, the sale will be the first ever of this rice substitute to any country. If wheat flour can also successfully be introduced into the local diet (outside of the noodle-eating Chinese community), we may open another promising market.

The Indonesians continue to implement the IMF-endorsed stabilization program worked out in the fall of 1966. It now appears likely that the annual rate of inflation will be reduced from 650% in 1966 to the target of 65% in 1967. During the first quarter, prices rose 32% while in the seasonally favorable second quarter, they went up only 5%.

The Indonesian Government is making a determined effort to control the engine of earlier inflation, a grossly unbalanced budget. It has moved over the last year away from excessive bureaucratic intervention and towards reliance upon free market forces to allocate resources, dismantling an extensive system of price controls and subsidies to state enterprises and simplifying foreign exchange procedures. The Indonesians have adopted a sound foreign private investment law and are restoring to the original owners properties nationalized under the Sukarno regime. In sum, although many problems remain, the Suharto government is moving rapidly--in fact, more rapidly than many expected--to establish an economic self-discipline that was sorely lacking in the Sukarno regime.

Our representatives will be meeting in Paris on October 17 to discuss further rescheduling of Indonesian debts with other creditors, many of whom are also assistance donors. Your approval of this loan will enable us to fulfill our 1967 pledge and to begin to discuss Indonesia's 1968 requirements on equal terms with those who have fulfilled theirs.

I anticipate the need to use \$20 million of FY 1968 development loan funds for Indonesia as part of our expected CY 1968 commitment. Later in the fiscal year I may need to request your approval of a transfer of \$7.5 million from Supporting Assistance to Development Loans to accommodate the proposal made herein, depending on final appropriations in these categories and ultimate world-wide calls upon them.

We propose repayment of this loan in dollars on soft terms--40-year maturity with 1% interest during the 10-year grace period and 2-1/2% thereafter.

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-3-

This loan would provide spare parts, replacement equipment and other essential commodities needed to help Indonesia's economic rehabilitation. All goods procured will be of United States source and origin. The specific commodities will be determined by market forces from an Indonesian list, satisfactory to us, of items required in their economy.

William S. Gaud

William S. Gaud

Attachment:
August 8 Memorandum,
Subject: Economic Assistance
to Indonesia

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

726

OFFICE OF
THE ADMINISTRATOR

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-352
By , NARA, Date 9-17-93

August 8, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Economic Assistance to Indonesia

Helping the Suharto Government get its economic house in order involves two separable problems:

- (1) How to fulfill the U.S. share of the Inter-Governmental Group support of the Indonesia stabilization program for Calendar Year 1967, on which we are still \$27 million short of the \$65 million U.S. commitment; and
- (2) How to help stimulate rapid enough developmental progress in Indonesia to sustain public and army support of the promising new trend in Indonesian political orientation and leadership without loosening the economic stabilization discipline which is essential to long run solution of Indonesia's problems.

The second of these two matters will be the subject of studies being undertaken by the World Bank and Asian Development Bank, which will not be available even in preliminary outline until about the end of this year.

This memorandum deals with the first item. A.I.D., with the concurrence of State, proposes to meet the U.S. commitment this year in the following way:

Actions already taken:

A.I.D. loans \$30 million
P.L. 480 cotton credit \$8 million

Actions proposed:

P.L. 480 rice credit \$20 million
P.L. 480 tobacco credit up to \$2 million
(P.L. 480 terms to be dollar-repayable loans - 40-year maturity, 1% interest during 10-year grace period, 2-1/2% thereafter).

~~CONFIDENTIAL~~

-2-

The balance of \$5 - \$7 million, to be covered in November by either P.L. 480 cotton credit (if demand for raw cotton has by then revived) or by an A.I.D. loan. .

Agriculture concurs in the rice component of this package if it is decided as a matter of policy that Indonesia is of sufficiently high priority to risk diversion of rice from cash exports. Whether such diversion will actually be necessary depends on the size of this Fall's U.S. rice harvest, the trend in Vietnam rice requirements and the behavior of the world rice market. With a bumper U.S. crop, we might get by without any visible diversion at all. But if we didn't - and if the diversion were fairly obvious - we could expect criticism on the Hill. Secretary Freeman is prepared to take the risk if you concur with the State/AID proposition that Indonesia is important enough to be worth it.

Specifically, this package requires your approval to commit 100,000 tons of P.L. 480 rice to Indonesia, as a priority claim on a supply which otherwise could be fully absorbed in Vietnam, Africa, and in commercial exports. This would not mean a rice shortage in Vietnam. It would still permit providing Vietnam 550,000 tons under P.L. 480 from the current U.S. crop. In addition, we would still be able in the Spring to provide an additional 100,000 to 200,000 tons to Vietnam from the current crop (to be divided between P.L. 480 and cash sales, depending on the Vietnamese foreign exchange situation), plus small amounts to fulfill outstanding commitments to the Congo, Ghana and Liberia.

However, the above allocation totals more than the minimum of 670,000 tons Agriculture now expects to be available for P.L. 480 from this year's crop. Although our crop may turn out to be large enough to cover it, we won't know until October. But it makes very good foreign policy sense to let the Indonesians know now. The price of telling them now is that if our crop is not any larger than the low end of Agriculture's range, we will have to choose between lowering P.L. 480 rice shipments to Vietnam and cutting into U.S. commercial rice exports.

Even with a very large U.S. crop, this rice commitment to Indonesia would probably foreclose the possibility of meeting 100,000 tons of Vietnam rice requirements from the United States, and cause Vietnam to turn to Thailand or Taiwan for purchases with Vietnamese-owned foreign exchange for that amount. We believe this will cause minimum domestic political difficulty here if the commitment to Indonesia is made at the beginning of the U.S. crop, i.e., this month, and any further Vietnamese purchases are made from Thailand/Taiwan next spring when the U.S. exportable surplus of rice is fully committed elsewhere.

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- 3 -

The extreme tightness of U. S. rice availabilities, despite a record crop, and the growing shortage of rice in Southeast Asia to meet the world demand indicate need for reconsideration of existing restraints on U. S. rice acreage allocations for the future. This question will be addressed by the Department of Agriculture, State, Budget Bureau and A. I. D. in the near future looking toward budget decisions affecting the 1968-69 crop year.

We may need to return to you later concerning the \$7 million of our 1967 commitment which will remain to be met beyond this 100,000 tons of rice. This will have to be put together through some combination of non-grain PL 480 and A. I. D. loans. But you need not make that decision now.

RECOMMENDATION

That you approve a priority claim of Indonesia for 100,000 tons of the PL 480 rice program, on the terms proposed above, subject to the development of an agricultural self-help commitment by the Indonesians satisfactory to Secretary Freeman and Administrator Gaud.

William L. Gaud

Administrator

Agency for International Development

Secretary

Department of Agriculture

Approve: _____

Disapprove: _____

8/8 Handcarried by Mr. Bullitt to Sec. Freeman.

~~CONFIDENTIAL~~

Tuesday, October 17, 1967
6:20 p. m.

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~~SECRET/SENSITIVE~~

MR. PRESIDENT:

Herewith a self-explanatory report of a conversation with Henry Kissinger, which I have showed to Mac Bundy and sent Eyes Only to Secretaries Rusk and McNamara.

W. W. R.

~~SECRET/SENSITIVE~~ attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 29, NARA, Date 11-5-91

Tuesday, October 17, 1967
6 p. m.

74a

MEMORANDUM OF CONVERSATION

Henry Kissinger called this afternoon at about 5:35 p. m. He said:

1. He had spoken to Ben Read, who had indicated the wholly negative interpretation of the latest message from Paris, indicating a likelihood we would act on that assumption soon.
2. He said he strongly disagrees with that interpretation and the indicated course of action; but we can count on his absolute loyalty to any decision we make.
3. When asked what he found positive in the message, he said: "Discussions can take place" as opposed to "could" take place. He went on to say that if you assume North Vietnam is a small, uncertain power, with a split government, facing an immense power whose intentions it does not understand or trust, the message could be read as follows: We will talk if you end your bombing without condition; and we might explore your proposition further if you de-escalate in degree.
4. I asked what he recommended. He recommends that we send him back to Paris, with either of two messages:
 - A. We interpret your message to mean that you are willing to enter productive discussions when bombing has ceased unconditionally; and that you are willing to regard a period of de-escalation as the occasion to explore the time and place for such discussions. On this basis we have cut back our bombing to, say, the 20th parallel; and we are prepared to cease bombing unconditionally if you confirm that our interpretation is correct.
 - B. We have examined your message and find nothing responsive in it. If we do not hear in a week anything more, we shall assume that our wholly negative interpretation of your response is correct, and act accordingly.
5. Kissinger underlined that M is "paranoid" on the question of bombing, and something like a week ought to be allowed between the time he has his next conversation and our resumption of bombing in the presently denied area.
6. I told Henry that, with the best will in the world, none of us have been able to find anything but a rather dignified flat negative in the message. Nevertheless, given our great respect for his conduct of the exercise, I would make his views available to the principals.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-458
By CL, NARA, Date 5-19-95

W. W. R.

75

Tuesday, October 17, 1967
5:30 p.m.

Mr. President:

Despite its length, I commend to you this letter from a good citizen to you. I have drafted the attached possible response.

W. W. Rostow

WWRostow:rlh

~~1-2~~
2. Pres file

75a

October 17, 1967

Dear Mr. Morse:

Like other Presidents at a time when our men are fighting in the field, I read a great many of the letters that come to me, knowing the authentic concern of our citizens.

Every once in a while there is one which particularly lifts my spirit and gives me strength. Such was your letter of October 3, and I thank you for it.

Sincerely,

Lyndon B. Johnson

Mr. Henry E. Morse, Jr.
Attorney At Law
125 Second Street
Lakeport, California 95453

LBJ:WWRostow:rlh

76

Pres file

Tuesday, October 17, 1967
4:20 p. m.

Mr. President:

The attached draft press release on your meeting with Prime Minister Lee has been personally reviewed and edited by Mr. Lee. The penultimate paragraph is his own formulation on Vietnam. It is scheduled for release on the afternoon of Wednesday, October 18.

It is bland. If he is to speak more effectively on behalf of our policy, I don't believe this press release is the occasion for him to do so.

Therefore, I recommend its approval.

W. W. Rostow

WWRostow:rlh

76a

Draft Press Guidance/Joint Contingency Press Release

The Prime Minister and the President had a frank and useful exchange of views covering a broad range of topics of common interest. Their talks reflected the cordial relations existing between Singapore and the United States and were directed toward enhancing mutual understanding.

The President and the Prime Minister agreed that the security and welfare of the entire Pacific community is dependent upon the countries of Southeast Asia being able to maintain their independence and accelerate their economic growth in an atmosphere of self-reliance and mutual cooperation. The President expressed the hope that Singapore would continue to make her contribution to the growth of regional cooperation in Southeast Asia. The Prime Minister expressed Singapore's readiness to play her part in constructing a regional framework for common prosperity and mutual security.




The President and the Prime Minister agreed that mutual respect, non-interference and equality among all

nations are essential principles underlying the creation of a stable, peaceful, international order. The leaders agreed that every nation should have the right to select its own political, economic and social system and its own way of life free from any outside interference or pressure.

The two leaders reviewed recent developments in East Asia in the context of the universal desire of all peoples of the world to achieve a peace that respects liberty, human dignity and provides more equal opportunities for all peoples to achieve better and higher standards of life which the application of science and technology to industry has now made possible. The President expressed his deep and abiding interest in the achievement of peace and stability in East Asia which would permit the countries of the area to devote all of their energies to economic development and the enrichment of the lives of their peoples.

The Prime Minister expressed his hope that a settlement would be reached in Vietnam which would enhance the prospects of peace and security for the rest of South and Southeast Asia.

The two leaders expressed the support of their countries for the United Nations and stressed the need for it to develop into an increasingly effective instrument of international peace and security, and for the promotion of friendly relations and cooperation among nations and peoples for their economic and social advancement.

Clearances: EA - Mr. Bundy 
EA/P - Mr. Killion (draft) 
P - Mr. Waters (draft) 

EA/MS:MD Bean:ysm 10/16/67

~~TOP SECRET~~

77

Lunch Meeting With the President
Tuesday, October 17, 1967, 1 p.m.

AGENDA

Pres file

1. Radio Free Europe and Radio Liberty. (Sec. Rusk and Sec. McNamara)

See Tab A.

2. Pennsylvania Contact. (Sec. Rusk and Sec. McNamara)

How long should we wait?
How should it be closed out?
Ten mile circle.

3. Mangla Dam: High Level Representation, 23 November. (Sec. Rusk)

Sec. Rusk will, I believe, have a proposal.

4. Open Hearings: Foreign Relations Committee. (Sec. Rusk)

Sec. Rusk feels he must accede to pressure to an open hearing, having held it off so long. If you agree, he will try to hold the session to 2-1/2 hours.

5. Other.

W. W. Rostow

WWRostow:rlm

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 11-5-91

~~TOP SECRET~~

WWR
78
Pres file

Tuesday, October 17, 1967 -- 11:30 AM

Mr. President:

You may want to glance through the attached proposal from Marsha Hunt Presnell. I know Mrs. Presnell well; she is serious and very intelligent. Her idea is that we cooperate with one or more of the TV networks to put together a two-hour TV Special on the world food problem -- to be shown on or about Thanksgiving night. She hasn't yet sold the idea to a network, but I think her plan may have real merit.

In rough outline, she proposes the following:

- a two-hour, coast-to-coast special at prime time this Thanksgiving even or Thanksgiving night;
- public service or low-key commercial sponsorship by major food, fertilizer and farm equipment companies;
- a broad treatment of the problem; the growing urgency of chronic food scarcity; the race with population growth; our efforts to stimulate self-help; the bitter irony of Congressional aid-cutting just when the need is greatest; and the hope inspired by such recent events as the widespread use of new high-yield wheat and rice seed on the Asian subcontinent.
- narration by TV and movie personalities, as well as figures from the Administration (Orville Freeman) and the Congress (George McGovern). (She also envisages a brief film spot by you.)
- liberal plugs to arouse public sympathy and concern. The program would invite donations to the UN Food & Agriculture Organization and other voluntary agencies. It would urge Congressional support of existing programs.

I have given the idea some circulation around town. John Schnittker likes it. Bill Gaud approves, though he's not sure many people will watch or become seized with the problem enough to get active. Nick Katzenbach is for it -- provided it be shown Thanksgiving eve or some other time which doesn't juxtapose starving children with the drowsy afterglow of Thanksgiving dinner.

My own view is that we should let Mrs. Presnell try to sell the idea to the networks. (We couldn't guarantee any appearance by you, but we would agree to cooperate, perhaps involving the Vice President or even yourself if your schedule permitted.) Done carefully, the program could give us a badly needed boost in getting the problem before the public. It could also dramatize the trend toward agricultural revolution in many hungry countries. It would be particularly useful just at the time the Congress is debating the foreign aid appropriation bill. (Thanksgiving looks about right for this purpose.)

There's no assurance, of course, that anything of this sort can be sold to a network at such a late date -- even with our backing. But I thought you would want to consider the idea.

W. W. Rostow

Approve. Explore possibilities, including my appearance _____

Explore, but without my appearance _____

Disapprove _____

Speak to me _____

13131 Magnolia Blvd.
Sherman Oaks, California
91403

78a

September 9, 1967

Dear Walt,

May I ask a favor? It's rude and brash to ask it, but it seems to me important on two levels, and I think you might agree. Will you read the enclosed proposal, and then if you think it has merit, put it before the President? I've sent it to the White House with an accompanying letter, but fear a barricade of the reader brigade, and its being ruled against as unworthy of further consideration.

But there are two items to consider. The first needs no arguing as to its importance: human hunger rapidly worsening on a global scale. The second may not have had consideration, at least in these terms: a chance to enhance the American people, in their own eyes and in the world's.

As a people we are more deeply divided today than I have ever seen us. With anguish - from varying viewpoints - over Vietnam, racial aspirations running headlong into entrenched bigotry, and almost general youthful rebellion against every status quo, we have across the land a discontent that is bruising our spirit and frequently erupting into violence. We badly need some unifying force, some action we can all support with pride, and feel the better for it, as a nation.

Thanks giving seems to me an ideal time to focus national attention on the world's food shortage, while all Americans are celebrating abundance. And by mustering the appropriate governmental, religious and voluntary agency forces in one major TV effort, it might well result in the most massive voluntary out-pouring of American good-will ever seen.

For all the aid our taxes have sent abroad, we don't have the friends we'd like to have. My guess is that since we've insisted on gearing our giving to our cold war interests, our motives are suspect. And Food For Peace II, with its laudable new emphasis on technical assistance, is unaccountably still not off the ground. Response to my proposed TV Special would result in a massive spur to all the aid programs for more and better food, impartially conducted on a world scale, - the American people's gift of hope to the whole of humanity. It might make quite a difference in our

international popularity poll. And Americans, grown cynical about our foreign "hand-outs", should approve of help for self-help, which is what Freedom From Hunger is all about. I think it would do us and the world a world of good. Do you agree?

But oh, how I'll need help to get it done. Besides the usual hurdles, there's shortness of time. It will take immediate approval, enthusiasm and much weight to pre-empt regular TV programming on that holiday night. That's why I ask my favor. What's needed is word from the White House that the President endorses the concept and would agree to tape on film a message to highlight the program. That would make tackling the networks and sponsors much easier. But better far would be initial contact with them from the White House. Then we'd be off and running!

As to my own part in this, I'll be overjoyed just to see it get done. But if I could work in any way on its preparation, I'd be happier still.

I've sent copies of the outline to: the President, the Vice-President, his sister, Frances Howard, Program Officer of the War on Hunger at A.I.D., Ambassador Goldberg, Secretary Freeman and first Director of Food for Peace, Senator George McGovern, who encouraged me to develop the idea.

And if anything comes of it, I'll have the best excuse for another visit to Lowell Street very soon. Robert and I send the fondest greetings all around your dear household.

Marsha

Marsha Hunt Presnell

Mr. Walt W. Rostow
3414 Lowell Street N.W.
Washington, D.C.

Some Ideas for a Thanksgiving Freedom From Hunger Television Special

submitted by Marsha Hunt

- It should be on Thanksgiving Eve or Thanksgiving Night.*
- It should be a Two-Hour Television Special, at a prime viewing time.*
- It should be over a coast-to-coast major network, - or possibly more than one.*
- It should, ideally, be presented by the network or networks as a public service, but if that is not possible, then an assortment of the nation's largest food, fertilizer and farm equipment companies should be asked to join in collective sponsorship of the program, minus any commercials, but with a dignified message at the start and finish of the program such as: "This special program brought to you in the interest of world-wide freedom from hunger, by"*
- It should feature a live or filmed appearance by President Johnson, speaking on the need for Americans to wage a war on world hunger.*
- It should include Dr. B.R. Sen, Director General of the U.N. Food & Agriculture Organization, -(F.A.O.)- telling the history and the workings of the Freedom From Hunger Campaign, a global effort of crucial urgency.*
- It should bring forth representatives of government, religion and voluntary agencies involved in this pursuit. - (Suggested list follows on Page 2.)*
- It should involve a great parade of our most celebrated stars, each appearing to introduce footage selected from a great number of films that picture and explain the extremes of hunger and plenty, the race between food production and human reproduction, - the peril, the plight, the problems, the progress and the promise.*
- It should be a program with a 3-fold purpose: To inform, to concern, and raise funds.*
- It should explain, - through films, stills and narration - the self-help lasting effects of technical assistance projects abroad, in their many aspects.*
- It should balance a heart-renderer with a heart-warmer: first show the need and suffering, then a step taken somewhere to prevent that, or relieve it.*
- It should express concern for such malnutrition as exists today in our own country, but should stress that it is very minimal, and that our rich nation as a whole can provide federal and state programs of welfare and relief, as well as charity drives, whereas hungry people in poor countries cannot hope for help from their governments or their equally poor neighbors.*
- It should acknowledge U.S. Government programs of foreign aid, but should point out that the latest Foreign Aid Appropriation by Congress was the smallest in years, just as the need is growing most acute, and that this cut is largely due to lack of public appreciation and support of the program.*
- It should offer the American people the chance to make a voluntary contribution to the prevention of world hunger, besides what their taxes accomplish. It should make clear that money so given would be their individual, - not official - gifts to the whole human race, channeling Thanksgiving gratitude for our own abundance into creating abundance where now there is need, suffering and death by starvation.*
- It should explain that all church and voluntary agencies as well as F.A.O. projects are valuable and necessary, and that it doesn't greatly matter which one an individual chooses to support, so long as the work goes forward.*
- It should invite the viewers to send donations to their choice among the listed organizations, or the American Freedom From Hunger Foundation, -(our link with global F.A.O.)- cite addresses and tax-deductibility. It should announce cut-off date for the immediate drive such as Tuesday of the following week, with an accounting of the total received nationally, by all receiving agencies, announced on the following Thursday, November 30th.*

Suggested list of guests who might appear:

Vice President Hubert Humphrey... U.S. Ambassador to the U.N. Arthur Goldberg, Secretary of Agriculture Orville Freeman... first Food For Peace Director, Senator George McGovern... State Department Agency for International Development - people, and national leaders of all the religious faiths and denominations in the U.S., spokesmen for Committee on the World Food Crisis, Care, Red Cross, Church World Service, Catholic Relief Services, American Friends Service Committee, Meals for Millions, Agricultural Missions, Agricultural Development, National Farmers Union, Farmers and World Affairs, Future Farmers of America, Heifer Project, National 4-H Clubs, etc., and their umbrella organization: the American Freedom From Hunger Foundation.

To vary the talk-and-illustration format, it might lend interest to show ethnic and tribal dances in supplication of rain, or celebration of harvest, pointing up the prime importance of food to all people, winding up with the American Family gathered around a groaning board laden with turkey and all the trimmings, heads bowed in prayer of thanksgiving.

And songs of planting, fishing, harvesting and cattle round-up could be sung in many languages, as well as several songs for young people, written especially for the Freedom From Hunger Campaign.

Suggested points our guests might make:

That there has always been hunger in the world, but that now more people are hungry than ever before, simply because there are more people than ever before.

That the poor and hungry nations are the very ones with the highest birth rates, so that while the rich nations get richer, the poor ones grow poorer.

That for the first time in history, hunger is not inevitable; we now know enough to provide food enough for all, - even for a growing population.

That the trick is to bring that knowledge, - the tools and skills to abolish hunger - to every underdeveloped area on earth.

That for such a global job, only the United Nations is sufficiently organized, far-flung and impartial, to supervise the task.

That its Food & Agriculture Organization, -(F.A.O.)- has been doing just this work ever since World War II, but with modest budget and personnel.

That now, faced with a doubling world population by the year 2000, -(in the next 33 years we shall grow from 3 to 6 billion)- the program must be intensified, - indeed multiplied - with no time lost.

That the alternative is literally world famine.

That to mobilize the world for its own salvation, F.A.O. has launched the global Freedom From Hunger Campaign, inviting, urging all nations, all people who are well-fed, to give their time, effort and money, - their concern - to teach and equip the under-fed to feed themselves.

That 86 countries have formed Freedom From Hunger National Committees, of which ours is the American F.F.H. Foundation, which President Kennedy formed and which President Johnson urges us all to make effective.

That we Americans are the best-fed people in all history. That but for an accident of geography, we would be the ones in such dire need of help, rather than the lucky ones who can afford to extend the help.

That until recently, U.S. aid was chiefly the sharing of our surplus food with selected friendly and needy countries, such aid tied in with military aid. That our once-enormous food surplus now barely protects us against local emergencies.

That there's a great difference between distribution of food - (to famine, drought and disaster areas) - and the dissemination of skills with which the people in hungry lands can provide their own food. Further, they can learn to produce more than their own family needs, so that they can market the surplus, thus bettering their own lot and helping to supply city folk who don't grow food, and who rely on farmers, in order to stay alive.

That both kinds of help - feeding and teaching - are necessary, but that sharing our food is only an emergency measure, solving nothing but the hunger of the moment, whereas sharing our skills is the long-range answer, enabling people to become self-sufficient.

That to relieve hunger, you give-away, but to conquer hunger, you must show the way. As the ancient Chinese proverb has it: Give a man a fish, and he eats for that one day; teach a man to fish, and he eats for all his days.

That in countries like South Korea and Ceylon, the people unite in back-breaking efforts to better their common lot, once shown a self-help program's potential.

That in many parts of the world, the most simple improvement in farming tools or strain of seeds, or the introduction of fertilizer works wonders among farmers abroad, who are not ready for mechanization or any of our sophisticated American methods, and that for such basic, simple aids as are needed, the cost of each demonstration project is extremely low. But that many, many such projects need to be conducted in many, many localities.

That one-third of all the food grown in the world is destroyed by pests - rodents and insects - pointing up the need of eradication programs. That F.A.O.'s aerial spraying has brought locust damage to an all-time low.

That equally needed are better food storage facilities, processing, preserving, packaging, transport, distribution, and marketing in the now-teeming cities.

That forming co-operatives increases incentives and the possibility of profits rather than mere subsistence for small farmers and fishermen.

That tenant farmers' hopelessness over constant debts and no reward for their labor, must be cured by government reform of land ownership by a wealthy few.

That simultaneous war on ignorance, illiteracy and disease, as well as on hunger must be waged, for they affect each other, perpetuating these greatest evils.

That malnutrition cripples young children's mental as well as physical development, condemning their remaining lifetime to listlessness, indolence, and an inability to learn how to better their own lot.

That we are just now developing new sources of high-protein foods at low cost, such as fish-flour, soy bean, peanut, sea-plants, etc.

That as young people in developed countries become aware of hunger, they raise money and enlist in personal service to fight it, under F.A.O.'s banners of Young World Mobilization and Young World Food & Development Program.

That most of America's youth are not yet aware or involved. That there is much they could be doing, working through their clubs, schools and church groups.

That we need many more young Americans going into agriculture as a profession, - ours is the most highly developed in the world - both to continue our own exciting strides forward, and to share our wondrous discoveries with a hungry world. That agriculture surely is as noble a calling as medicine, and as challenging.

That our best way to give thanks for plenty, is to give hope of plenty.

Tuesday, October 17, 1967 -- 10:55 a.m.

Mr. President:

Pres file

Your meeting today with Prime Minister Lee Kuan Yew of Singapore, at 12:00 noon.

I have just discovered Singapore is on the verge of implementing a very sophisticated educational television plan.

In the light of your Williamsburg speech, you might:

- Ask him about it;
- Ask if he would be good enough to make available to us full information about it because of our interest in the U. S. and in our work with developing nations.

W. W. Rostow

WWRostow:rlh

Mr. Rostow

80

October 17, 1967

~~Long~~
2 Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: National Day Greetings to the USSR

Attached, for your approval, is a National Day greeting to Podgorny for the November 7th holiday.

The greeting mentions the Soviets' 50th Anniversary, but otherwise it has the same tone as our messages for the past several years.

There has been a suggestion that we should commemorate the anniversary with some sort of special message. However, Foy Kohler and the other knowledgeable people at the State Department believe this would be a bad idea:

- Soviet propaganda has taken a stronger anti-American line in connection with their Communist party celebrations.
- Our allies are mostly sending routine messages.
- The October Revolution of 1917 overthrew by force the only democratic institutions the Russians ever had. Many Americans, particularly those of Eastern European descent, would react strongly against any fulsome commemoration of this event.

For these reasons, the State Department recommends we send the attached message and not do anything special.

W. W. Rostow

Approve ✓

10/18/67

Disapprove _____

Speak to me _____

80a

SUGGESTED MESSAGE

On behalf of the people of the United States of America,
I extend cordial greetings and best wishes to the peoples of the
Union of Soviet Socialist Republics on the occasion of their national
holiday, which this year marks the 50th Anniversary of the
establishment of the Soviet government. It is my hope that the
good will of the peoples of both countries can find expression in
joint efforts toward the achievement of a stable and lasting peace
throughout the world.

~~CONFIDENTIAL~~

Tuesday, October 17, 1967

81
Pres. file

Mr. President:

Attached, for your approval, is Nick Katzenbach's memo recommending that you invite Jean Rey, the new President of the Commission of the European Communities, for an informal working visit and lunch sometime during the week of December 4. Rey is a good friend of this country upon whom we think we can count to move Europe in directions we view as desirable, and to give due weight to our interests. Bill Roth joins me in endorsing Nick's recommendation. The week of December 4, however, is some time off, and there is no way to know now what your schedule will be then (for example, the conference of the Manilla nations may fall at that time.) If you want to see Rey, I suggest that you agree to a tentative appointment now, to be firmed up nearer the time.

W. W. Rostow

Approved _____

No _____

See me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-452
By sig, NARA, Date 7-17-95

Eft
RHU
RHU:em

~~CONFIDENTIAL~~

38
8/a

THE UNDER SECRETARY OF STATE
WASHINGTON

October 13, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Visit of Jean Rey, President of the
Commission of the European Communities

Recommendation:

That you invite President Rey of the European Communities for an informal working visit sometime during the week of December 4, 1967. I also recommend that you meet with him and give him a lunch.

Approve _____ Disapprove _____

Background:

When Bob Schaetzel presented his credentials to the European Communities in September 1966, he conveyed to Walter Hallstein, then President of the EEC Commission, the following message from you: "When the Commissions have been merged and a president named, I would hope to invite him to visit the United States." President Rey has informed us through Schaetzel that he would welcome an invitation for an official visit later this year.

Rey is deeply committed to close relations with the U.S. Since assuming the Presidency last July he has made clear that he wants to lead the Communities toward a greater role in the political field, while pressing forward with the economic unification program.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-449
By ijg, NARA, Date 12-23-94

~~CONFIDENTIAL~~

-2-

An early visit with Rey would be a clear demonstration of our support for the EEC. It would also give you a chance to emphasize to him the need to keep our interests in mind as the Communities adopt common industry, tax and monetary policies.


Nicholas deB. Katzenbach

~~CONFIDENTIAL~~

Pres file

~~CONFIDENTIAL~~

Tuesday - October 17, 1967

Mr. President:

Ambassador Grimmins reports that President Balaguer and Sanchez Vilella have agreed on the text of the joint announcement which you approved last week (Tab A).

They would like to make the announcement at 11:00 a.m. tomorrow, October 18.

Subject to your approval, I will ask George Christian to release the announcement at his morning briefing.

W. W. Rostow

Attachment

Text of joint announcement

Approve

☒

10/18/67

Disapprove

☐

cc - George Christian

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By kg, NARA, Date 10-5-91

Joint Announcement
on
Puerto Rican-Dominican Republic Economic Cooperation

President Lyndon B. Johnson, Dr. Joaquin Balaguer, President of the Dominican Republic, and Dr. Roberto Sanchez Vilella, Governor of the Commonwealth of Puerto Rico, announced today that a Joint Dominican Republic-Puerto Rican Economic Commission would be appointed and would meet during the first week of November in Santo Domingo to begin technical planning to develop closer and mutually beneficial economic relations between their peoples.

The Commission, whose functions have been under study for several months, will operate through the auspices of the Technical Secretariat of the Presidency of the Dominican Republic and the Cooperacion Desarrollo Economico del Caribe in Puerto Rico, and will be composed of representatives from those government agencies directly concerned with the development and coordination of economic affairs.

In making the announcement, they expressed the conviction that strengthened economic cooperation between the governments and peoples would contribute not only to the economic and social development of the Dominican Republic and Puerto Rico but also to the progress

of the entire Caribbean area, within the framework of the ideals envisioned by the Alliance for Progress. The work of the Joint Commission will in no way replace or duplicate the activities in which various international organizations or agencies of the United States Government are now carrying on in the Dominican Republic. The President of the United States, the President of the Dominican Republic and the Governor of the Commonwealth of Puerto Rico expressed their desire that those organizations and agencies would cooperate and assist, as appropriate, in this joint effort.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-277
By clm, NARA Date 3-30-01

~~SECRET~~

Tuesday, October 17, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Nasty Situation on Israel-Jordan Border and Your Talk with Eban Next Tuesday

Terrorist incidents on the Israeli occupied West Bank have increased in the last couple of weeks. Sunday, the Israelis asked us urgently to pass a message to King Hussein requesting a meeting of Jordanian and Israeli commanders to coordinate efforts to stop infiltration across the Jordan River.

Hussein came back and asked that the Israelis clarify what they thought such a meeting would achieve since Jordan was already making a maximum effort to stop infiltrators. His prime minister persuaded him that he shouldn't allow this sort of contact because the Israelis would exploit it. At the same time, he told us that the Israelis could have all the contact they wanted and at higher levels if we could just get a UN resolution passed for Jordan to operate under.

The Israelis consider Hussein's answer evasive and claim they know he's allowing the terrorists to operate openly in Jordan. They've answered that they have nothing more to say to Hussein. Publicly they've indicated they may have no choice but to strike at the roots of terrorism.

This sounds ominously like the noises that preceded Israel's raid on Jordan last November and last May's mobilization. We've asked Arthur Goldberg to tell Eban they'd be making a terrible mistake to strike at anyone now.

I pass this along because (a) it could lead to new fighting and (b) it sets the backdrop for your talk with Eban next Tuesday.

We think Israel is pursuing a policy that's more likely to lead to another explosion than to a peace settlement. While we appreciate their desire to let time make the Arabs more realistic, once the UN gets a mediator in the field they are going to have to show some give in their position or kill all chances for a settlement.

You will have more formal advice from Secretary Rusk before you see Eban. But the tentative judgment is that you'll want to consider being pretty stern with him. Unless we are fairly tough, he'll go home thinking we buy their line. The attached is to give you a picture of what a tough line might look like since you might like to mull over the line you want to take.

~~SECRET~~

W. W. Rostow

83a

~~SECRET~~

October 17, 1967

POSSIBLE LINE WITH EBAN

1. We're afraid Israel is on the road to another collision--not on the road to peace. We're saying this privately now. But if it looks as if Israel is stalling after a UN mediator starts working, we may have to say so publicly.
2. We're not going to write off Jordan and the West Bank. Our commitment to territorial integrity applied just as much to Jordan as to Israel. Keeping our word is important to us.
3. We don't kid ourselves about Hussein. We know he's unpredictable. But he still looks like the Jordanian most likely to negotiate a peace with Israel. Besides, it doesn't serve our interests to let the Soviets get a foothold in Jordan. We're the ones who have to hold Moscow off when Israel gets in a fight.
4. We know how Israel feels about Jerusalem. But we don't see how peace is possible unless Israel is willing to compromise--and compromise more than anything we've heard them mention so far.
5. We expect Israel to make an offer to settle the refugee problem once and for all. When the President said "justice for the refugees" he meant "justice." That means admitting that some of those poor people have a right to go back and live in Israel if they want to. (We doubt many would.) But it also means a fair financial settlement for the ones who don't.
6. Long-term arms supply is serious business. We're still worried about Israel's nuclear plans. Signing the NPT is a must and we want to know what their policy is.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94-452

By lip, NARA, Date 7-17-95

~~SECRET~~

~~CONFIDENTIAL~~

Tuesday, October 17, 1967

84

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Foreign Visitor Schedule First Half 1968

Pres file

Secretary Rusk's recommendations for foreign visitors in the first half of 1968 are attached.

The schedule calls for ten visits, which break down as follows:

-- Four State visits (arrival ceremony, parade, two office meetings, dinner and appearance at a reception hosted by the visitor).

-- Three Official visits (same program as State visit, but minus parade).

-- Three Informal visits (arrival ceremony, one office meeting and luncheon or dinner).

Three of the visits have previously been approved by you -- President Bourguiba of Tunisia, King Olav of Norway, and Prime Minister Thanom of Thailand. The schedule does not include President Thieu, but as Secretary Rusk notes, a visit by him may have to be considered later on.

I recommend that you approve the entire schedule, subject to final review of specific dates. It is particularly important that we go ahead with arrangements on those visits previously approved. We have checked the dates involved here against your schedule, as well as Mrs. Johnson's.

Prime Minister Vanden Boeynants of Belgium -- January 23 (Tuesday)

-- Informal

Yes _____

No _____

Prime Minister Thanom of Thailand -- February 14-15 (Wed-Thurs)

-- Official

You have already approved this visit.

President Tubman of Liberia -- February 27-28 (Tues-Wed) -- State

Yes _____

No _____

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

White House Guidelines, Feb. 24, 1983

By *kg*, NARA, Date 11-4-91

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Prime Minister Egal of Somalia -- March 14 (Thursday) -- Informal

Yes _____

No _____

Ruler of Kuwait -- March 27-28 (Wed-Thurs) -- Official

Yes _____

No _____

Chancellor Klaus of Austria -- April 10-11 (Wed-Thurs) -- Official

King Olav of Norway -- April 24-25 (Wed-Thurs) -- State

This is one of the previously approved, but postponed visits.

Yes _____

No _____

President Bourguiba of Tunisia -- May 7-8 (Tues-Wed) -- State

Bourguiba's health is now such that we can schedule this visit. Secretary Rusk has told Bourguiba, Jr. that a May visit would be agreeable.

President Suharto of Indonesia -- May 29-30 (Wed-Thurs) -- State

Yes _____

No _____

Prime Minister Demirel of Turkey -- June 27 (Thursday) -- Informal

Yes _____

No _____

W. W. Rostow

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THE SECRETARY OF STATE
WASHINGTON

October 9, 1967

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E.O. 12356, Sec. 3.4

NJ 94-449

By sig, NARA, Date 12-23-94

MEMORANDUM FOR THE PRESIDENT

Subject: Suggested Schedule of Visits for
Chiefs of State and Heads of
Government during First Half of 1968

Recommendation:

That you approve the enclosed schedule of suggested visits of Chiefs of State and Heads of Government during the first six months of 1968.

Approve _____ Disapprove _____

Discussion:

Enclosed is a suggested schedule of visits for the period January-June 1968. We have kept the number of recommended visits as low as possible in view of the other demands on your time which will be made in 1968.

You have previously approved visits from President Bourguiba of Tunisia and King Olav of Norway, but their trips were later deferred for various reasons. You have also approved a visit by Prime Minister Thanom of Thailand.

The dates suggested are tentative. Final agreement on exact dates for each visit will be subject to your approval.

While I have not noted this in the attached memorandum on Vanden Boeynants, when the Vice President returned from Europe in May of this year, he recommended that you extend an invitation to the Belgian Premier.

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In addition, a visit by the new President of South Viet-Nam may have to be considered; events may require that his visit occur during the first half of 1968, but I do not believe we can decide now.

Justifications for each suggested visitor are enclosed, as well as a current schedule of visits for the remainder of 1967.

I am also enclosing as of possible interest to you a summary of your contacts with other Chiefs of State and Heads of Government during the last twelve months.

Dean Rusk

Dean Rusk

Enclosures:

1. Proposed Schedule of Visitors
2. Justifications
3. Current Status of Approved Visits
4. Contacts During Last 12 Months

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Proposed Schedule of Visitors

January - June 1968

<u>Visitor</u>	<u>Country</u>	<u>Type of Visit</u>	<u>Dates</u>
<u>January</u>			
Prime Minister Vanden Boeynants	Belgium	Informal	23
<u>February</u>			
Prime Minister Thanom	Thailand	Official	14-15
President Tubman	Liberia	State	27-28
<u>March</u>			
Prime Minister Egal	Somalia	Informal	14
Ruler of Kuwait Sabah al-Salim al-Sabah	Kuwait	Official	27-28
<u>April</u>			
Chancellor Klaus	Austria	Official	10-11
King Olav	Norway	State	24-25

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By ig, NARA, Date 12-23-94

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<u>Visitor</u>	<u>Country</u>	<u>Type of Visit</u>	<u>Dates</u>
<u>May</u>			
President Bourguiba	Tunisia	State	7-8
President Suharto	Indonesia	State	29-30
<u>June</u>			
Prime Minister Demirel	Turkey	Informal	27

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Prime Minister Paul Vanden Boeynants of Belgium

I recommend that you invite Belgian Prime Minister Vanden Boeynants for an informal working visit at some time during the first six months of 1968.

I believe his visit at that time would:

-- underline our recognition of his government's political courage and wisdom in accepting Supreme Headquarters Allied Powers Europe and the North Atlantic Council.

-- enhance his stature within Belgium and thus strengthen his coalition government. We could not expect any alternative government to be as favorable to United States interests nor to resist as successfully pressures for a reduced military effort.

-- be a prudent move toward easing our dealings with his government on the myriad problems attendant on the NATO relocation.

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President Tubman of Liberia

I recommend that President Tubman of Liberia be invited to pay a state visit to the United States preferably in February of 1968. This would follow his inauguration in January when he will begin a new term in office.

President Tubman has supported American policies vigorously and openly for many years. He has been a voice of reason and moderation in African councils, and he has been able to exert influence transcending the size and resources of his country. He has served as a willing intermediary in our efforts to relieve internal tensions in Africa. Most recently he supported our Viet-Nam policies in his Independence Day Message to the Liberian legislature.

I should add that President Tubman believes it is important to his role in Africa to demonstrate that he has a personal relationship with each President of the United States. As President-elect of Liberia he was invited by President Roosevelt in 1945. Thereafter, he paid state visits to President Eisenhower (1954) and President Kennedy (1961).

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Prime Minister Egal of Somali Republic

Mohamed Haji Ibrahim Egal was named Somali Prime Minister earlier this year by newly-elected President Abdirascid. British-educated and basically pro-Western, despite Somalia's non-aligned policy, Egal is the first Somali leader who appears determined to improve his country's relations with Ethiopia and Kenya. He is also the first to give priority to economic development over military build-up. Thirty-eight years old, he will be a strong political leader for years to come.

The Emperor of Ethiopia has visited the United States several times in recent years; there has been a long-standing invitation to Kenyatta. I believe it is time that we show interest in Somalia. Moreover, the emergence of a moderate, pro-Western Prime Minister provides an opportunity to strengthen like elements in his country. I believe that your meeting with Egal might serve to abate tensions and lead to a more stable situation in the troubled Horn of Africa. It would also constitute a tribute to the most democratic country in Africa.

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Ruler of Kuwait

I recommend that you invite the Ruler of Kuwait, His Highness Sabah al-Salim al-Sabah, to make an official visit here at some time between April and June of 1968.

Kuwait maintained relations with the United States throughout the recent crisis despite strong pressure from the Arab radicals to sever diplomatic and economic ties. While Kuwaitis felt obliged to suspend oil shipments to the United States and the United Kingdom as a gesture to popular emotion, the Ruler and members of his government assured us they wanted no change in our good relations. Kuwait was the only Arab country in which no American property was destroyed or damaged during the Arab-Israeli hostilities.

The Ruler, who came to the throne in November 1965, has long been anxious to visit this country. An invitation for a visit would give you an opportunity to emphasize personally our community of interests with Kuwait in regional political stability and rapid economic development.

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Chancellor Klaus of Austria

I recommend that you invite the Chancellor of Austria, Josef Klaus, to pay an official visit to Washington in April 1968.

The Austrian Government has informed us that the Chancellor would like very much to visit Washington in the spring of 1968. Although the Chancellor came to Washington in 1964, he did so on a private visit and did not call on you. There have recently been a considerable number of exchanges of high-level visits between Austria and Eastern Europe. The Chancellor is most anxious to redress the balance by visiting Washington.

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ACTING PRESIDENT SUHARTO OF INDONESIA

President Suharto is the only leader of a friendly Asian state who has never visited the United States. He has led his country in a sharp break with the bankrupt policies of the Sukarno regime. He has made peace with his neighbors, rejoined the world community, and with the assistance of the IMF, has embarked on a courageous program of economic stabilization. Our relations with him and his government are cordial, and I believe that a visit to the United States would demonstrate our support for his policies, broaden his understanding of the United States, and contribute to the evolution of this Asian state into a major point of strength for the Free World in Southeast Asia.

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Prime Minister Demirel of Turkey

Prime Minister Demirel is the able leader of an important ally of the United States. He has made progress in economic development the key national objective; and he is outspoken in asserting the importance of Turkey's relationship with the United States.

We are engaged in re-establishing our relationship with Turkey on a healthier basis, free of the client-state overtones characteristic of the past. The state visit of President Sunay in April of 1967 assisted in realizing this objective. There are, nonetheless, many serious problems which we have yet to solve, of which the most critical would be the future status of the military and security installations we maintain in Turkey.

An unofficial, working visit by Prime Minister Demirel in mid-1968 would serve to consolidate the good progress we have been making in recent months to develop this healthier relationship. It would also tend to counter-balance the results of the visit he has recently paid to the USSR.

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List of Approved Visits - October-December 1967

<u>Visitor</u>	<u>Country</u>	<u>Type of Visit</u>	<u>Dates</u>
<u>October</u>			
Prime Minister Borg Olivier	Malta	Informal	4
President and Mrs. Ankrah	Ghana	Informal	9-10
Prime Minister Shearer	Jamaica	Informal	13
Prime Minister Souvanna	Laos	Informal	20
Prime Minister and Mrs. Lee	Singapore	Informal with tour	17-18
President Ahidjo	Cameroon	Informal	24
President and Mrs. Diaz Ordaz	Mexico	State	26-28
<u>November</u>			
King Mahendra and Queen	Nepal	State	1-3
Crown Prince Vong Savang and Princess	Laos	Private with tour	9-10
Prime Minister Sato	Japan	Informal	14-15

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<u>Visitor</u>	<u>Country</u>	<u>Type of Visit</u>	<u>Dates</u>
	<u>December</u>		
President Frei	Chile	State	Invited; awaiting Chilean reply
President Helou	Lebanon	Informal	Approved; no invitation

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Presidential Contacts with
Chiefs of State and Heads of Government
October 1966 - September 1967

<u>Date</u>	<u>Name</u>	<u>Country</u>	<u>Occasion</u>
<u>October 1966</u>			
12-13	Prime Minister Souvanna Phouma	Laos	Informal visit to U.S.
19-31	Prime Minister Holt	Australia	Manila Conference and attendant visits
	Prime Minister Holyoake	New Zealand	
	President Marcos	Philippines	
	General Thieu	Viet-Nam	
	General Ky	Viet-Nam	
	King Bhumibol	Thailand	
	Prime Minister Kittikachorn	Thailand	
	Prime Minister Rahman	Malaysia	
	President Park	Korea	
<u>December 1966</u>			
3	President Diaz Ordaz	Mexico	Amistad Dam visit
<u>January 1967</u>			
27	President-elect Costa e Silva	Brazil	Informal visit to U.S.
<u>February 1967</u>			
9-10	King Hassan	Morocco	Official visit to U.S. re economic and military needs
13-15	Emperor Haile Selassie	Ethiopia	Official visit to U.S. re military requirements

<u>Date</u>	<u>Name</u>	<u>Country</u>	<u>Occasion</u>
<u>March 1967</u>			
14-15	Prime Minister Chung	Korea	Informal visit to U.S.
20-21	Generals Thieu and Ky	Viet-Nam	Guam Conference
28-30	Prime Minister Maiwandwal	Afghanistan	Informal visit while in U.S. for medical treatment
<u>April 1967</u>			
3-4	President Sunay	Turkey	State visit to U.S.
6	President-elect Somoza	Nicaragua	Private visit to U.S.
12-14	President Ongania	Argentina	Punta del Este
	President Costa e Silva	Brazil	
	President Frei	Chile	
	President Lleras	Colombia	
	President Fernandez	Costa Rica	
	President Balaguer	Dominican Republic	
	President Arosemena	Ecuador	
	President Mendez	Guatemala	
	President Lopez	Honduras	
	President Diaz Ordaz	Mexico	
	President Guerrero	Nicaragua	
	President Robles	Panama	
	President Stroessner	Paraguay	
	President Belaunde	Peru	
	Prime Minister Williams	Trinidad and Tobago	
	President Gestido	Uruguay	
	President Leoni	Venezuela	
14	Minister-President Pengel and Governor de Vries	Surinam	Paramaribo during return from Punta del Este

<u>Date</u>	<u>Name</u>	<u>Country</u>	<u>Occasion</u>
18-22	Prime Minister Holyoake	New Zealand	SEATO, ANZUS and Seven-Nation Conferences
24-26	President de Gaulle	France	Adenauer funeral
	President Luebke	Germany	in Bonn
	Chancellor Kiesinger	Germany	
	Prime Minister Moro	Italy	
	Prime Minister Wilson	United Kingdom	
	Prime Minister Krag	Denmark	
	Prime Minister Boeynants	Belgium	
	Prime Minister Klaus	Austria	
	Prime Minister Werner	Luxembourg	
	Prime Minister Petrus de Jong	Netherlands	
	Prime Minister Per Borten	Norway	
	Prime Minister Erlander	Sweden	
	Prime Minister Demirel	Turkey	
	Prime Minister Benediktsson	Iceland	
<u>May 1967</u>			
9-10	Vice President Yen	China	Informal visit to U.S.
25	Prime Minister Pearson and Governor-General Michener	Canada	Your visit to Expo '67
<u>June 1967</u>			
1, 17-19	Prime Minister Holt	Australia	Informal visit to U.S.
2	Prime Minister Wilson	United Kingdom	Informal visit to U.S. re Mid-East
8	President Banda	Malawi	Informal visit to U.S.
22	Prime Minister Krag	Denmark	Informal visit to U.S.
22	Prime Minister Moro	Italy	Informal visit to U.S.

<u>Date</u>	<u>Name</u>	<u>Country</u>	<u>Occasion</u>
23-25	Premier Kosygin	USSR	Glassboro
26	Prime Minister Maurer	Romania	Informal visit during UNGA
27-29	King Bhumibol	Thailand	State visit to U.S.
28	King Hussein	Jordan	Informal visit to U.S re Mid-East situation
<u>July 1967</u>			
18	President Asgeirsson	Iceland	Informal visit to U.S
<u>August 1967</u>			
14	President Kayibanda	Rwanda	Informal office visit in U.S.
15-16	Chancellor Kiesinger	Germany	Informal visit to U.S
17-18	President Houphouet-Boigny	Ivory Coast	Informal visit to U.S
22-23	Shah Mohammad Reza Pahlavi	Iran	Informal visit to U.S
<u>September 1967</u>			
11	King Constantine	Greece	Informal visit to U.S.
18-19	President Saragat	Italy	Informal visit to U.S.
22	Prime Minister Jonathan	Lesotho	Informal visit to U.S.
26	President Diori	Niger	Informal visit to U.S.
27	Prime Minister Krag	Denmark	Informal visit to U.S.

Total Contacts - 76

Monday, Oct. 16, 1967
7 p. m.

85
Pres file

MR. PRESIDENT:

This is an intelligent, tough-minded analysis of Hanoi's attitude toward negotiations at the present time.

In a field where none of us can confidently claim wisdom, it is, nevertheless, worth scanning.

W. W. R.

~~SECRET~~ attachment (log 3942)

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EXDIS

This document is of _____ pages

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DEPARTMENT OF STATE

THE DIRECTOR OF INTELLIGENCE AND RESEARCH

17694

Rostow

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

Subject: Appraisal of Hanoi's Current Approach on Negotiations, and
Prospects for Timing of Future Actions

9

Summary. Hanoi has recently followed a very hard line on negotiations and settlement, but has kept some channels open and has not foreclosed the possibility of a political settlement. It has also tried to push the NLF more into the foreground, and has pressed hard for a US bombing halt on its own terms. These statements and actions suggest that Hanoi, while ready for direct contacts following an "unconditional halt," is not now ready to change its position on key issues, and therefore would probably not engage in meaningful negotiations if an early halt occurred. However, recalling the year-end 1966-67 bombing pauses, Hanoi may be contemplating some shifts in its position around the end of this year in order to prolong one of the pauses into a long bombing halt. In the meantime, it will attempt to change the US stand, and will try to use private contacts to determine how it may have to alter its own position this winter if it decides to do so. American negotiating tactics at the procedural and substantive levels could thus constitute a crucial element in Hanoi's probings and current decision processes.

I. HANOI ATTITUDES

Hard Line. During the past two months Hanoi has taken a very hard public line on negotiations and settlement. Pham Van Dong's August 30 speech and two later Nhan Dan commentaries, one of which replied to President Johnson's San Antonio speech, stated Hanoi's position in uncompromising terms. They asserted that there would be "no reciprocity" and reiterated Hanoi's demand for an unconditional bombing pause.

Hanoi and NLF representatives followed an even harder line with reporter David Schoenbrun, and made the road to meaningful talks seem even longer than before. Asserting that the US first had to stop the bombing of North Vietnam, they said that thereafter Hanoi would talk to us only about the modalities of a US troop withdrawal and the means for getting us "in touch" with the NLF. The NLF representative in Hanoi in turn demanded de-escalation of US military actions in the South and (in apparent contradiction) a cease-fire, as preconditions for NLF talks with the US. He said the NLF demanded US recognition as the "sole genuine representative" of the South Vietnamese people. Both Hanoi and the NLF have denied any possible GVN role in negotiations and in a settlement.

NLF Pushed Into Foreground. Hanoi is also making a concerted effort to promote the NLF as a potential negotiating partner for the US, and as a

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NEJ 94-449

By *sig*, NARA, Date 12-23-94~~SECRET~~

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GROUP 1

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declassification

center of attraction for the South Vietnamese. The new NLF program is part of that effort, as are other recent Hanoi/NLF moves on the international scene. Since publication of the NLF program, Hanoi has focused its own attention on conditions for negotiations, with emphasis on a bombing halt, and has said little about its own conditions for settlement. Instead it has reasserted earlier claims that any settlement had to be discussed with the NLF.

Yet Limited Flexibility. Nevertheless, Hanoi clearly does not want to foreclose the possibility of negotiations entirely. Quite apart from an obvious interest in achieving a halt in US bombings, which have seriously hurt the North Vietnamese economy, a totally negative attitude would curtail Hanoi's tactical flexibility, reduce pressure for changes in the US position, and perhaps lessen some nations' readiness to send aid. Hanoi has therefore maintained and even reiterated the Trinh January 28 interview, in order to keep hopes for meaningful negotiations alive. Two recent stories by the AFP correspondent in Hanoi, Cabanes, struck this chord of reasonableness. Written reputedly on the basis of conversations with North Vietnamese officials, the stories did not reveal changes on substantive issues but reflected an apparent North Vietnamese attention to considerations of US prestige by noting that we would not have to pledge ourselves in advance to a permanent bombing halt. In addition, Cabanes reported that "Hanoi sources" had said that "serious and significant talks" could begin within three or four weeks of a cessation of bombing.

Private Channels Remain Open. As an additional sign of interest in keeping the negotiations option alive, Hanoi has also kept a few private channels open, if in some cases dormant. Hanoi has not to our knowledge made any substantive concessions through those channels and in our judgment is not likely to do so at present. Nonetheless, these channels serve Hanoi in several ways: by offering a chance to press for US concessions, by providing established contacts in case of sudden need, and by keeping alive in the minds of third parties Hanoi's image as reasonable and open to compromise. Perhaps most significantly, the private dialogue can prove useful for Hanoi to get an accurate picture of what changes are necessary in its own position if it wants to achieve a compromise settlement.

II. A POSSIBLE SEQUENCE OF DEVELOPMENTS

Would Not Now Conduct Meaningful Talks for Bombing Halt. On the basis of Hanoi's past behavior and these recent statements and actions, we do not believe that North Vietnam is prepared at present to engage in meaningful negotiations and to make substantive concessions on its conditions for settlement, even if the bombing were to be halted without reciprocity. Despite its demand for a bombing halt and its inferred commitment to negotiate, Hanoi probably has not yet decided upon the concessions it should or must make in any serious bargaining process. Hanoi's initial position in

any contacts after a halt would likely be a reiteration of its hard line -- that the only issue of direct concern to both the US and North Vietnam which needs to be negotiated is "cessation of all US acts of aggression" against the North, and that the situation in South Vietnam is a separate matter on which the US must approach the NLF directly. Seeking to avoid meaningful talks while welcoming the military respite which a bombing halt would bring, it would desire to spend several months during the respite appraising political developments in South Vietnam and evaluating the course of the war. It would estimate that it could get around the difficulties which this obdurate diplomatic position might cause by a barrage of propaganda exploiting its readiness to talk at all as evidence that it was the reasonable party. It might even make minor concessions, such as a slight shift in its line on reunification and on the modalities (manner and timing) of US recognition of the Front, and it would try to use these to keep talks going and to forestall a resumption of bombings. This effort would be coupled with a demand for intensive support by its allies, to the extent of having them join in an orchestrated effort to press for American concessions.

May Try for Christmas-Tet Bombing Halt. Hanoi probably assumes that there will be bombing pauses during this season, as in the past, and may not yet have decided what its own tactics will be in relation to these pauses. Hanoi's understanding of the US position on reciprocity will become increasingly crucial with the approach of the Christmas-New Years-Tet season. Hanoi may believe that it would be easier to prolong a seasonal pause into a complete bombing halt without yielding on reciprocity than it would be to gain a bombing cessation without reciprocity during a period of intense fighting such as now. Even if it should decide that it must reciprocate in some manner for a bombing cessation, it probably calculates that it would not have to pay as high a price during the Christmas-Tet season as it would now, because of greater pressure on the US during that season.

In the months before Christmas, Hanoi will probably want to explore our position on various issues, mostly in order to obtain concessions from us but also in order to gain a clear understanding of the concessions we would require for a bombing halt. Hanoi probably estimates that the issues in which we are primarily interested are (1) reciprocity and mutual de-escalation; (2) GVN and NLF roles in talks and settlement; (3) how soon negotiations could begin after a bombing halt; and (4) the scope of possible negotiations. Hanoi knows that we have already shifted our position on several of those issues, and that we require some change in its stand.

If the above exploration indicates that Hanoi must change its stand to stretch a bombing pause into a halt, and if Hanoi then decides to revise its position to accomplish this purpose, it will still try to make what it considers to be the minimum change required and will do it as late as possible, so as to obtain the most from us. It is quite possible that in

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- 4 -

attempting to yield as little as possible Hanoi will fall short of our minimum requirements to stop the bombing. It would then try to use its act of concession to produce enough international and domestic pressure to force us to halt. If a bombing halt does occur, we cannot now predict whether Hanoi would use it as a first step toward meaningful negotiations or as a tactical device to weaken the US position.

US Attitude Can Influence Hanoi. Before Hanoi decides to take any action during the Christmas-Tet season, it will probably want to have as clear an understanding as possible of US attitudes. Private exploration could thus have a major influence on any Hanoi decision to change its position during the Christmas-Tet season. American negotiating tactics can supply a crucial element in Hanoi's decision process by making it clear what Hanoi must do in order to obtain concessions from us.

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Monday, October 16, 1967

5:25 p.m.

~~SECRET/SENSITIVE~~

MR. PRESIDENT:

Secretary McNamara may be putting to you for decision a change in language in his attached letter. The Israelis have been pressing Arthur Goldberg; and Arthur has been pressing Bob to change the two key sentences in the second paragraph of his letter of October 12 (attached) to the following: "In response to such inquiries we plan to state that we have advised officials of your Government of our intention to resume some arms shipments in discharge of existing commitments to the moderate Arab states. We will also state our conviction that such action is not contrary to Israel's interests." / The Israelis propose to reply stating their "appreciation of our resumption of shipments and for our consultation." They would merely "note" para. 2 of Secretary McNamara's letter.

Bob McNamara thinks that this weakening of their formal support for our action is "inexcusable"; but he will, of course, accept it if you judge it wise to make this concession.

Arthur Goldberg wanted me to tell you that he was convinced such a change would be wise; and that the informal understanding we would have with the Israelis for supporting us on the Hill would be ^{as} strong if not stronger than if we forced them to put it in writing in the present state of their politics.

I have arranged for the Israelis to approach Secretary McNamara directly, rather than through Arthur as their New York intermediary. But I did wish you to know what was going on in relation to the attached letter.

You may wish to get the flavor of this directly from both Bob and Arthur.

W.A.R.

~~SECRET/SENSITIVE~~ attachment

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E.O. 12356, Sec. 3.4
NY 94-452
By lip, NARA, Date 7-17-95

~~SECRET SENSITIVE~~

THE SECRETARY OF DEFENSE
WASHINGTON

86a

12 October 1967

The Honorable Abba Eban
Foreign Minister, Government of Israel
c/o Embassy of Israel
1621 22nd Street, N.W.
Washington, D. C. 20008

Dear Mr. Minister:

As I agreed in our discussion this afternoon, I have reviewed with my colleagues the question of when and how we might resume the shipment of the military materiel and supplies that you have currently on order from American sources. We have concluded that we are able now to release the existing backlog of spare parts, components and other items. We have also concluded that we will be able to proceed on schedule with the shipment of the 48 A-4H aircraft now on order together with the requisite support materiel.

As I explained to you, it must be anticipated that any resumption of arms shipments to countries in the Middle East will result in immediate Congressional inquiry. Our ability to respond to such inquiries in a manner that will avoid controversy is crucial to our efforts to preserve our legislative authority to make credit sales in the future to you and to other countries. [In response to such inquiries we plan to state that we have reviewed with officials of your Government our intention to resume some arms shipments in discharge of existing commitments to the moderate Arab states. We will also state our understanding that your Government does not regard as contrary to its interests the resumption of such arms shipments to moderate Arab states that were not participants in the recent hostilities.]

I will look forward to discussing with you further the other and more long-range problems about which we talked this afternoon.

Sincerely,

Robert S. McNamara

~~SECRET SENSITIVE~~

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E.O. 12958, Sec. 3.6
NLJ 96-273
By isa, NARA Date 5-11-98

87

Pres file

~~CONFIDENTIAL~~

Monday, October 16, 1967
5:25 p.m.

Mr. President:

Herewith the explanation for the figures you used on GVN population control versus the 75% figure.

In order to keep your statement conservative, we left out the so-called contested or undecided category. Any rational split of that category between the GVN and the VC brings you up to about 75% government control.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-452
By irp, NARA, Date 7-17-95

~~CONFIDENTIAL~~

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~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

87a

16 October 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Population Control Statistics

The President stated that governmental control of the population is now about 65%, as compared with about 45% two years ago, while VC control has decreased to less than 20%. This allowed for about 15% undecided.

The precise estimates indicated that governmental control had increased from 46% to between 64% and 67%, and that the VC controlled between 14% and 16% of the population. Since the basic data did not warrant such precision, the precise estimates were rounded off to the nearest 5%. Thus, the President's statement was slightly on the conservative side.

The "undecided" are subject to the conflicting influences of both the VC and the government. If the two sides make their influence felt in proportion to their control of the population, the government-influenced population would be about 75% ($\frac{65\%}{65\% + 20\%} = \frac{65}{85} = 76.5$)
75% of the 17 million population equates to 12.75 million -- or, conservatively, about 12 million.

7

ROBERT N. GINSBURGH

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-452
By lip, NARA, Date 7-17-95

~~CONFIDENTIAL~~

Evidence reviewed

U.S. gains in Viet control cited

By George W. Ashworth
Staff correspondent of
The Christian Science Monitor

Washington

Official circles here express firm belief that the battle for the people of South Vietnam surely and steadily is being won.

Sources cite indications of various types to support their contention that there is a continuing shift of the population to government control.

This is being accomplished in two ways:

- Hundreds of thousands have moved from contested areas and areas under Viet Cong control. Thus, in effect, they have come under the government's aegis.
- At the same time, the governmental aegis is being extended through the painstaking efforts of American, Korean, and other allied forces, as well as the more faltering efforts of the South Vietnamese.

Counterclaims noted

North Vietnam's Minister of Defense, Gen. Vo Nguyen Giap, says that the United States has been foiled in the fight for control of the population of South Vietnam because allied forces have been scattered.

Sources here say that it would be more accurate to say that the division of effort because of enemy pressures has hindered and delayed pacification, but not stopped it.

Unfortunately, evidence is mounting that the refugee problem is being pursued with limited emphasis and a certain degree of ineptitude. General Accounting reports indicate. Sen. Edward M. Kennedy of Massachusetts, chairman of the Senate subcommittee which requested the reports, termed the refugee and medical programs "a scandal."

Over-all, there are now more than 2 million refugees, the reports indicated, but housing and sanitation facilities, as well as schooling and instruction, are being provided at far less than the desired rate.

According to the most recent figures, a bare majority of the temporary refugees was receiving subsistence allowances. And, in the northernmost provinces, where fighting has been most intense only an estimated one-fourth of the refugees have received resettlement allowances.

Thus, indications are that in many ways programs that could have reflected most favorably upon the Saigon regime and its United States supporters have become a breathing ground for bitterness and frustration.

General Giap's suggestion that United States forces are stalemated on all fronts is given little credence here. Although the effort has been blunted in some areas, with some enemy gains in scattered locations, sources say, the enemy is having increasingly fewer military successes. And as enemy units face increasing problems, American strength is

growing. The fact that the United States has poured with such force from Saigon. As a matter of fact, sources here agree, those statistics so zealously served up have often tended to obscure the reality of some allied successes.

Estimates in conflict

There are several basic problems with much of the statistical information released. One is a tendency to give forth with favorable information and to withhold or classify unfavorable material. Another difficulty is the fact that so much of the material is estimation, with the built-in problems of inaccuracy and optimism. And there is the additional problem that information made available from various official channels is often at variance.

An example of the frequent official disparity was the recent publication of information on who controls the population.

President Johnson said in a nationally televised address recently that governmental control now encompasses roughly 65 percent of the population, as compared with roughly 45 percent about two years ago. At the same time, he said, Viet Cong control has shrunk to well under 20 percent.

Curiously, administration officials had made available two weeks earlier information indicating that the government controlled 12 million persons, or nearly 75 percent of the populace. According to those figures, the Viet Cong controlled the rest.

Different bases used

Perhaps to the surprise of those deeply involved in the fighting in Vietnam, the latter figures allowed for no contested areas. The President's percentages, on the other hand, allowed more than 15 percent for the contested area, where "the tide continues to run with us."

Considering various indications, as well as inaccuracy of measurement, sources say, the President's percentages were close to the true condition.

As a matter of fact, sources argue, the trend may be even more favorable than the President indicated. The sources point out that the figures for two years ago are based on the optimistic estimations of the South Vietnamese Government. At that precise point in time, other sources have noted, the South Vietnamese armed forces were in such sad straits that they were being smashed

repeatedly in encounters with the enemy. Population controls were decidedly tenuous.

The currently used data was gathered by American officials and military headquarters in Saigon.

One source said, "There's still optimism built in. There's still inaccuracy. But they do show a definite trend."

Sources note the steady increase in the voting population, pointing out that the government can only register voters and conduct elections in areas over which it has some degree of control. Although such factors as governmental coercion and voting by Viet Cong raise questions as to the accuracy of the total figure, sources agree that the growth of the vote is a good indicator.

Voting roll climbing

In 1965 municipal and provincial elections 3.8 million of 4.2 million registrants voted. In September, 1966, voting for the Constituent Assembly, there were a million more registrants and one-half million more voters. Last month, with another 100,000 registrants, voting jumped another half million to 4.1 million.

Last year, according to captured Viet Cong documents, the total under their control shrank by about a million.

So far, about 1.2 million refugees have come from Viet Cong or contested areas to government territory. And, sources say, another several hundred thousand have moved from contested areas to jobs in cities, thus increasing government control totals.

The pacification effort, still fraught with difficulties, has produced fewer encouraging signs. There have not been many indications that substantial progress has been made to increase to a marked extent in recent time government control of the hamlets.

There apparently has been some progress in gaining control of roads. It is asserted in Saigon that the allies have opened and secured nearly one-half of the "militarily essential" roads. Although there has doubtless been major progress, the security in the case of some roads is sporadic.

As the population shifts its allegiance to the Saigon government, the enemy is running into recruiting problems. Recruiting by the Viet Cong is now believed about one-half of the level of about a year ago. And, a taxation and terrorism by the enemy has increased, waverers among the South Vietnamese populace have found the government's aegis enticing.

Monday, October 16, 1967
5:00 p. m.

88

MR. PRESIDENT:

Herewith the names for the Viet Nam delegation
suggested by the Vice President.

W. W. R.

~~SECRET~~ attachment

~~SECRET~~ - EXDIS




OFFICE OF THE VICE PRESIDENT
WASHINGTON

October 16, 1967

MEMORANDUM

FOR: Walt Rostow

FROM: Ted Van Dyk 

Per the Vice President's discussion with you, he would offer the following nominations as members of the United States delegation to the Vietnamese inauguration.

Arthur Flemming, President
University of Oregon

John Cowles, Jr.
Minneapolis-Tribune

Tony Dechant, President
National Farmers Union

George Meany, President
AFL/CIO or
Joe Beirne, President
Communications Workers of America

William Randolph Hearst

Hewlett Smith, Governor or
State of West Virginia

Harold Hughes, Governor
State of Iowa

Roy Wilkins

Would appreciate your letting us know when the delegation is constituted. We understand wives would not be included with the exception of Mrs. Humphrey.


cc: Ben Read

~~SECRET~~ - EXDIS

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1992

By , NARA, D.O. 11-4-91

~~SECRET~~

Monday, October 16, 1967 -- 1:45 p.m.

Mr. President:

Herewith Prime Minister Holyoake's message to you, via his Ambassador who just called on me, announcing that they will be sending a second infantry company of about 170 men to Vietnam. The formal announcement will be at 1:00 a.m. tomorrow our time.

You will note also the aide memoire attached, in which New Zealand reserves the right to restore the battalion to the Malaysian area "if a compelling need should arise."

Like Australia, New Zealand is inclined to keep its ties to Malaysia, awaiting the emergence of a new security structure in the Pacific required by the British pull out from Asia. They will be wishing to discuss this with us along with the Australians.

This brings the number of New Zealanders to something over 500.

You may also wish to thumb through the attached statement by Holyoake on Vietnam.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 94-452
By isp, NARA, Date 7-17-95

WWRostow:rln

~~SECRET~~

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876

AIDE-MEMOIRE

Of the additional infantry company of some 170 men to be sent by New Zealand to South Vietnam, approximately 150 will come from the New Zealand Battalion in Malaysia and about 20 from New Zealand. The Company will be detached from the Commonwealth Strategic Reserve, but New Zealand reserves the right in the case of this Company, as in the case of the infantry company earlier sent to South Vietnam, to restore it to the Battalion if a compelling need should arise in the Malaysian area. It is, however, considered unlikely, given the present relative tranquility in the Malaysia-Singapore-Indonesia area, that such a need will arise in the foreseeable future.

b.h.c.

16 October 1967

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-192
By cb NARA Date 10-25-00

~~SECRET~~

89C

STATEMENT OF NEW ZEALAND ATTITUDE ON THE VIETNAM PROBLEM

By

The Right Hon. Keith Holyoake, C.H.,
Prime Minister of New Zealand.

The special significance of the Vietnam war is that in an acute form it has confronted New Zealanders with the realities of their international position. At the heart of the debate over the Government's decision lies a choice - of adhering to the basic principles which have guided the country's foreign policy ever since it assumed full responsibility for its own destiny, or of abandoning them for uncertain and untried courses of action.

I am convinced that those basic principles - support for the purposes of the United Nations Charter, resistance to aggression, defence of the rights of small states, participation in collective security arrangements and assistance to other countries in their economic and social development - remain valid and should continue to guide New Zealand's actions. I am convinced too that the Government has applied them as scrupulously to the Vietnam situation as it has to every other major international question. The fundamental issues involved are starkly simple. Whose will is to prevail in South Vietnam - the imposed will of the North Vietnamese communists and their agents, or the freely expressed will of the people of South Vietnam? Or more explicitly, are terror and armed aggression to succeed?

/A Clear Case

A Clear Case of Aggression

It is striking that many of those who questioned the Government's decision to commit New Zealand troops two years ago no longer deny, as they did then, the facts concerning North Vietnam's direct and massive responsibility for the conduct of the war in the South. Many continue, however, to deny that aggression is involved - on the grounds that Vietnamese are fighting Vietnamese and that the war is therefore only a civil war. Such a view to my mind evades not only the special circumstances of the Vietnam conflict, but also the clear record of international precedent. To my mind, the facts of aggression are as decisive as they were in the case of North Korea's attack on South Korea, where the communist North Korea fought against the free South Koreans, or as they would be if East Germany sent its forces across the dividing line into West Germany. It is true that there are superficial resemblances to a civil war. But the conflict is much more than that, and much more too than an armed insurrection by a purely local communist movement. It is incontrovertible that the Viet Cong - itself largely directed, sustained and supplied by North Vietnam - has been backed up by military forces sent in from North Vietnam. In the face of such blatant external interference and attack, South Vietnam had no alternative, if it wished to preserve its rights to determine its own future, to calling for outside assistance. And it had every right to do so.

/New Zealand's

New Zealand's Record of Assistance

New Zealand, as a member of SEATO, was one of the countries to which South Vietnam appealed. Our decision to give what assistance we could, military as well as civilian, was not lightly taken. But to those aware of the central elements of our foreign policy it should have afforded no surprise. We undertook to help for the same reasons that we went to the assistance of South Korea and Malaysia. In all three cases, aggression had been committed, the peace and security of Asia were threatened, and legal, treaty and moral obligations were involved.

It is startling that New Zealand's military involvement in Vietnam has evoked criticism while our activity in Malaysia has not. Why should that be when the purposes which New Zealand has sought in both countries have been the same. Since the war there have been two security situations in Malaysia. First there was the 12-year emergency in what was then called Malaya. It is true that in that situation the numbers involved on either side cannot compare with the gigantic scale of the war in Vietnam. Yet the issues at stake were identical. In Malaya, as in Vietnam, the communists attempted to take over the lawful government of the country, using all the now familiar tactics of terror and subversion. They failed, but only after a costly and
/protracted

protracted campaign in which of course New Zealand forces played a part. This role was not seriously questioned in New Zealand. The second security situation was Indonesia's campaign of armed attack against what had then become Malaysia. New Zealand, with virtually unanimous public support, joined in a combined Commonwealth effort to resist this aggression. The parallel with Vietnam is a direct one. There is no doubt in my mind that, having concluded that armed aggression was being committed against South Vietnam, New Zealand was under a strong obligation to lend weight to joint action to resist that aggression, just as we had done in Malaysia.

The Prospects for the Future

What, now, are the prospects for the future? The objectives of South Vietnam and its allies are simply, to induce North Vietnam to abandon its aggression, to ensure that South Vietnam is free to decide its own future in accordance with the wishes of its people, and to work for a more stable and sensible means of solving the problems of South-east Asia. Obviously these objectives can best be secured through a negotiated settlement of the Vietnam conflict. But the North Vietnamese have bluntly rejected the many initiatives made to get discussions under way. They have shown no interest in a settlement other than one which would mean handing over South Vietnam to their control.

/In this

In this situation three courses could be followed: an all-out assault against North Vietnam which could rapidly bring that country to its knees but which would involve the risk of a major conflict; abandonment of the South Vietnamese people to communist dictatorship; or a continuation of the present limited military measures, including the bombing of military installations and supply routes in the North. I have no doubt that so long as the bulk of the South Vietnamese people remain determined to resist North Vietnamese aggression - the third course is the right one for New Zealand to support.

Forces for Vietnam

There is no question about New Zealand's commitment to this allied policy. But that is not the end of the matter. The Government has constantly to judge the size and nature of the contribution which should be made to the joint effort, in the light of developments in Vietnam, the limited military capacity of our country, and our commitments in other areas of South-east Asia.

In the exercise of this judgment we are in no sense subservient to the policies, attitudes and wishes of any of our allies with interests in Asia. We naturally value opportunities to discuss with our allies political possibilities in Vietnam and the progress

/of the

of the fighting. We recognise that we are only one of many countries which are determined to help the Government of South Vietnam, in different ways, to withstand communist aggression. We recognise, too, that set against the immensity of the need, our contribution is small. But I have made it clear that if in our judgment the situation demands it and our capacities allow, the Government will not shrink from strengthening its assistance to Vietnam in appropriate ways, military and other, in accordance, of course, with the wishes of the Government of South Vietnam. However, let there be no misunderstanding. Whatever judgments we reach, whatever decisions we take, they will be ours alone.

We exercise the same independence of approach towards problems arising from the conduct of the war and the search for a political settlement. For the most part our opinions of such issues are expressed in confidential exchanges with our allies. But on at least one - the bombing of North Vietnamese military targets - I think it important that there be clear public understanding of our viewpoint.

The Bombing of North Vietnam

The bombing of North Vietnam is a direct consequence of the decision of the Government of the North to seek to impose its

/will on

will on South Vietnam by force of arms. The purpose of the bombing, along with the other military measures being taken, is to frustrate that attempt by hindering the infiltration of men and the flow of military supplies from the North to the South and by generally raising the cost of aggression. The bombing then is a part of the overall military effort made by the allies to check North Vietnamese attacks. It is true that infiltration has continued, sometimes at a high level. But the bombing has achieved important results. It has without doubt hampered North Vietnam's capacity for major military operations in the South and by so doing has saved the lives of thousands of allied and South Vietnamese soldiers and civilians.

I would hasten to add, however, that while the Government accepts the military necessity for the bombing of military targets in North Vietnam, we have always been anxious to work towards a mutual scaling down of military activities in Vietnam. We have always recognised that another suspension of the bombing could be an important step in this process. This matter was discussed very fully with the recent mission from the United States and the President's advisers repeated the United States Government's well-known readiness to stop the bombing the moment North Vietnam gives a reliable sign that it is prepared to

/undertake

undertake some reciprocal step to reduce its military activity in the South or to make some meaningful advance towards a political settlement. This, however, the North Vietnamese Government has consistently refused to do. The United States Government has on five occasions ordered a halt in the bombing in the hope of evoking some favourable and constructive response from the North Vietnamese. One of these pauses was for 37 days. The only North Vietnamese reaction was to exploit the opportunity to increase the flow of men and military equipment to the South which resulted in the loss of hundreds of lives in the South.

Discouraging as these experiences have been, I feel that the circumstances could still arise in which a further pause in the bombing could be tried. At the same time I am convinced that any responsible national leader who urged such a course upon the United States would need to have taken full account of the existing military situation and of the human and military cost of past pauses. He would need too to have at least some confidence in the prospect of a favourable reaction from North Vietnam. Otherwise I see no escape from a recent observation by Mr Rusk: "We do not believe that prospects for a settlement are enhanced by proposals which ask us to stop half the war while the other side continues unabated its half of the war. Suppose that the United States were to say that we would negotiate
/only if

only if the other side stopped all of the violence in South Vietnam while we continued to bomb the North. Everyone would say that we were crazy. When the other side makes exactly the same proposal in reverse, why do many people say that their proposal is reasonable and ought to be accepted?"

I am as concerned as anyone that the fighting in Vietnam should not be extended into a wider war. But I do feel that if a case is to be made against escalation it must embody a broad perspective, must pay due regard to the care with which allied objectives are sought, and must give due account to the actions of North Vietnam. It is entirely wrong that the allies alone should be held responsible for escalation, especially since most of their actions are a response to North Vietnamese measures and are, to my knowledge, pursued with the closest possible regard to the risks involved. I am sure that if more attention were directed to such North Vietnamese acts as the mining of the port of Saigon, the abuse of Cambodian territory and the infringement of the demilitarized zone, the purpose and deliberate restraint of allied military operations would be better understood. It is all too easily forgotten that the allies are seeking limited ends in Vietnam. No one is seeking to overthrow North Vietnam or to topple its communist regime, even though it is one of the

/most cheerless

most cheerless and heartless on earth. The United States commands fantastic military power but its use of that power has been reluctant, graduated, and concerned to limit civilian casualties and damage. It stands in direct and vivid contrast to the terror and atrocities deliberately employed by the Viet Cong through South Vietnam.

Undeniably, the savagery of the Vietnam war, initiated by the Viet Cong, gives it a special moral dimension. I am as conscious of this as any other New Zealand citizen and I long to see the war ended. But surrender, or a fraudulent peace, would be no answer to the issues posed by communist aggression. Where men and nations seek to achieve unjust ends by force and violence, men who value freedom have a right to assistance in defending themselves. Out of all the horror of Vietnam, one thing emerges clearly - the refusal of the people of South Vietnam to support the National Liberation Front or to submit to force. That being so, I fail to see how we can do otherwise than give what help we can, in both military and civilian fields, until the threat of aggression is averted and the foundations for a lasting settlement are laid.

Has a Stalemate Been Reached?

What are the prospects of this? Are allied sacrifice and
/effort

effort leading to progress? Or has nothing more been achieved than a stalemate which may last a very long time?

Real progress has been and is still being achieved in both military and political spheres. The communist forces have been defeated wherever they have been found in strength, and it appears that there is no longer any risk that they will succeed in their objective of subjugating the South. The secure areas of South Vietnam have been extended, so that many more of the people may live in peace, without fear of Viet Cong atrocities. Roads and waterways are being cleared, and development of South Vietnam's economy is taking place.

Full economic reconstruction cannot of course take place until after the war. Nevertheless a marked degree of economic stability has already been achieved. At the same time, even in the midst of war, nation-building projects, such as hydro-electric schemes are going ahead. Nor should it be overlooked that, destructive as war invariably is, when the conflict is at last over, South Vietnam will be left with a chain of new ports, new airfields, new roads, and a reservoir of manpower trained in skills of value to Vietnam's future development. These things are in themselves an unequal compensation for the sacrifices which the Vietnamese people have undergone; even so,

/they provide

they provide an earnest that once a settlement is achieved the Vietnamese people will have a foundation on which to construct the free life and wider opportunities for which they have given so much.

I attach particular significance to achievements in the political field. Despite the hazards of war and the efforts of the enemy, elections have been held at several levels in South Vietnam. A new constitution has been drawn up by a freely chosen Constituent Assembly and recently, despite a determined and ruthless attempt by the Viet Cong to wreck the elections, the South Vietnamese people went to the polls in large numbers to choose the men who are to lead their Government. By any standards, this is an impressive achievement but the fact that these elections were held freely in a country torn by war and comparatively untutored in the traditions of parliamentary democracy is remarkable indeed.

Much of course remains to be done. The important consideration, however, is that the basis has been laid for the development of a stable, broadly-based, and representative form of government. The South Vietnamese have shown that they reject utterly the communist blue-print for the future of their country and they have indicated firmly that they wish to follow

/the path

the path of free democratic government. If the various political groupings in South Vietnam can now put their differences aside and work together for the common good of their country then we may be at the starting point of a new and more hopeful period. Certainly the stage has been set for new efforts to further the social revolution which is under way in South Vietnam and to pursue the search for a negotiated settlement of the conflict. This could, if only the North Vietnamese will face up to the startling changes which have occurred in South Vietnam, be a turning point in the long struggle for peace in Vietnam.

Distributed for Information by:
The New Zealand Embassy,
WASHINGTON D.C.

October 1967

90

Monday, October 16, 1967
1:05 p.m.

Mr. President:

Herewith more on your San Antonio
speech.

W. W. Rostow

Monday, October 16, 1967
11:30 a. m.

91

MR. PRESIDENT:

Pres file

I called Marquis Childs at 11:20 a. m. this morning; told him that I had just read his column; that I was one of the four men present at the interview to which he referred; and that the sentence quoted was not spoken. I added that I had reason to recall the conversation well because of the reports which circulated about it immediately after it took place.

I went on to say that, to my certain knowledge, neither at the time nor since has there been any assumption that the war would be won in "six months" or at any other particular date.

He replied: "Now, that's funny. I was told that by Senator Robert Kennedy." I said, that's as may be. The only tension I recall in the conversation was over where the leak on the conversation in the French Foreign Office had occurred; that, in the end, it was agreed it might well have occurred in Washington rather than in Paris.

Mr. Childs then said: "I guess Senator Kennedy is trying to hot it up again."

W. W. R.

92
Monday, October 16, 1967
9:00 a.m.

MR. PRESIDENT:

The Vice President's trip is now firmly cut back to Viet Nam, Malaysia, and Indonesia.

There is some urgency in having your decision on the other members of the delegation (proposals attached) so that they may be approached and make plans.

W. W. R.

October 16, 1967

93

Mr. President:

The reaction to your appearance last year at the State Department Conference for business executives was so warm and friendly that I join Secretary Rusk in strongly recommending a repeat performance.

Pres. file

W. W. Rostow

BKS:amc

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93a

THE SECRETARY OF STATE
WASHINGTON

October 16, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: National Foreign Policy Conference
for Business Executives

Recommendation

That you attend a reception for business executives winding up a National Foreign Policy Conference in the Department of State on Monday afternoon, December 4.

Approve _____ Disapprove _____

Background

You may recall that last January you and Mrs. Johnson attended a reception for top executives of U.S. firms with extensive international operations, who were attending a foreign policy conference in the Department. This conference of high-level businessmen was designed to further our close cooperation with American business, and to brief them on policy matters they might discuss with their foreign contacts. A large number of the participants in the previous conference have suggested that another meeting be held. The turnout was remarkable last January, and I am sure that it will be equally impressive this time.

We plan to hold the conference -- which will again be OFF THE RECORD -- on the afternoon of December 4. It will culminate with a reception from 6:30 to 8:30 p.m. in the Diplomatic Functions Area.

I hope that we can look forward to having you and Mrs. Johnson with us, and that you will also make a few informal remarks.

Dean Rusk

Dean Rusk

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-452

By sig, NARA, Date 7-17-95

Monday, October 16, 1967

~~WWR~~

94

Pres file

Mr. President:

Willy Brandt has sent Secretary Rusk a very tough letter on the NPT which you may want to read. It is at Tab A.

Brandt focusses on the Article III safeguards clause, which was left blank in the NPT drafts we and the Soviets tabled at Geneva. We proposed a draft Article III after consultation within NATO. The Russians then proposed a version which we think would be acceptable with minor modifications. Brandt argues that this Soviet draft:

- would require Euratom members other than France to undergo inspection by the International Atomic Energy Agency as well as by Euratom, a procedure which, Brandt says, would impose on them a double burden, and therefore be discriminatory;
- could lead to the breakdown of Euratom (and a setback to European integration) by giving France an excuse to withdraw. This would leave the French non-military nuclear program free from all inspection. Brandt says that Germany would thus be placed in an inferior position which would be politically unacceptable.

These arguments are all manageable, but they are politically sensitive.

Brandt is also concerned that we will go back to the Russians to work out an Article III before the Euratom states reach their own joint position. He insists that we give the Europeans more time.

Brandt also flags two other issues which may be more fundamental -- the unlimited duration of the NPT and the absence of a guarantee against nuclear blackmail should NATO some day dissolve.

Secretary Rusk, Bill Foster, and George McGhee are working on a reply, which will be ready soon.

W. W. Rostow

RHU:em

cc m v Goldstein

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cy sent: Keeney

OFFICIAL TRANSLATION

German Embassy
Washington, D. C.
October 13, 1967

Dear Mr. Secretary:

Foreign Secretary Willy Brandt has asked me to transmit to you the following letter:

"Dear Mr. Secretary:

In your letter of May 17, 1967, you explained to me your conception of the next steps in the matter of the safeguards article for a nonproliferation treaty.

As I have already informed you through Ambassador Knappstein, we are concerned about the latest developments in this question. The German Government and the other non-nuclear EURATOM states cannot seriously be reproached with a lack of willingness for 'give and take'. We have already done much to advance the negotiations concerning the non-proliferation treaty. In consideration of the Soviet demands, we have, for our part, put aside the requirement of universality of safeguards, then that of equivalence of effective existing control systems, then that of establishment by treaty of the principle of nondiscrimination in the field of peaceful uses. The verification solution in the American draft worked out in the Western consultations represents, in the opinion of the German Government, the extreme position beyond which we cannot go without far-reaching negative consequences.

Since becoming acquainted with the Soviet draft of September 1 for Article III, we have loyally, immediately, and repeatedly imparted our objections to the competent offices.

His Excellency
Dean Rusk
Secretary of State
Washington, D. C.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLI 00-192

By 06, NARA Date 10-25-00

They concern the extension of safeguards beyond the limits necessary for the purpose of the treaty and also the protection of our interests and obligations in the framework of EURATOM. While there is now much intensive campaigning in favor of the Soviet draft, the verification solution compatible with EURATOM is being relegated to the background not only in wording but also in substance. It is being devalued as a maximum Western position. We are astonished at the ever more frequent insinuations that are made against us because of our faithfulness to the EURATOM treaty.

The problems raised for EURATOM by a nonproliferation treaty go far beyond the question of safeguards. Rather, they touch on a basic political question of intra-European coherence. France's role after the conclusion of a nonproliferation treaty is decisive in this.

In view of the special tendencies of French policy in the questions of the political role of our alliance and the nuclear defense and organization of Western Europe, France's allies have justifiedly, even in difficult situations, attempted to assume a cautious attitude which does justice, insofar as possible, to the importance of France in the Western community, especially in the indispensable political union of Europe. We should have the same farsighted view when it is a question of arranging the safeguards system of the nonproliferation treaty in such a way that any additional risk of disintegration of Europe is avoided. This risk exists for the following reasons:

It is in the nature of the nonproliferation treaty that it is based on the existence of two groups of states, the nuclear armed states and the non-nuclear states, and that, for the time being, it legally fixes that balance of power. On the other hand, it is not consonant with the nature of the nonproliferation treaty that it should unnecessarily extend this unavoidable discrimination against the non-nuclear states by placing controls only on them concerning peaceful uses of atomic energy.

However, in view of the negative Soviet position on this question, the Government of the Federal Republic has put aside its desire for a corresponding provision in the treaty, because

its Western allies that do have nuclear weapons were prepared, independently of the nonproliferation treaty, to accept international controls over their peaceful uses; the United States and Great Britain in the form of voluntary acceptance of future IAEA controls, France in the form of the EURATOM controls that are already functioning effectively. This basis for German acceptance of the discriminatory safeguards arrangement for peaceful uses must not be cast aside by a formulation of Article III that would endanger the existing, non-discriminating EURATOM controls. Since France will not sign the nonproliferation treaty but, on the other hand, accepts and practices in EURATOM equal treatment of the six partners with respect to peaceful uses of atomic energy, the government of the Federal Republic must be concerned with protecting itself against any possibility of the termination of this condition.

The introduction of double controls on the five non-nuclear states of EURATOM would be equivalent to unacceptable discrimination in an area of science and economics which is growing in importance and would additionally burden European coherence as a result of the special nuclear position of France.

The political consequences for the entire West of such an effect of the proliferation treaty, of which the Soviets are undoubtedly aware, are difficult to estimate. Such consequences would have nothing in common with the American goals in the nonproliferation treaty and its real aim, which we support.

Much as we understand those who wish to avoid delays in the progress of the nonproliferation negotiations, we must nevertheless point out that there could be consequences difficult to assess, if the European community were put under a time limit or if its good will were doubted. This would be all the less advisable in view of the Soviets' months-long delay this year in ^{taking} a position, which is the true cause of the loss of time that has occurred. It is unthinkable that the further development of the nonproliferation problem should disregard the consultations of the

European community that are still going on. It is particularly this last threat that must be countered, since such a development would be a serious blow not only to the creation of a world-wide nonproliferation treaty but also to the future fate of the relationship between Europe and America.

Among the still unresolved problems, aside from the question of safeguards, which are posed for us in connection with the American-Soviet treaty intentions, there are two that are in the foreground: the future adaptability of a nonproliferation treaty by means of defined time limits and more flexible treaty provisions, as well as the protection of non-nuclear states against pressure, threats and extortion on the part of a nuclear power. Moreover, we also consider clarification of the following questions advisable: a meaningful connection with disarmament; protection of Germany against further Soviet defamation; position of the Soviet-occupied zone; binding force of the American interpretations on the Soviet Union; possibilities of defense and union for Europe after a nonproliferation treaty. The competent offices of your government and mine are in touch on these matters.

In conclusion, I should like to stress the following: it is not the opponents in this country but the protagonists of a close and permanent bond between Europe and America who are loyally concerned about a just nonproliferation treaty.

With best regards,

Your Willy Brandt"

Respectfully yours,

H. Knappstein

October 13, 1967

Dear Mr. Secretary,

Foreign Secretary Willy Brandt has asked me to transmit to you the following letter:

"Dear Mr. Secretary: •

In Ihrem Schreiben vom 17. Mai 1967 haben Sie mir auch Ihre Auffassung über das weitere Verfahren in der Frage des Kontrollartikels eines NV-Vertrages dargelegt.

Wie ich Sie durch Botschafter Knapstein bereits wissen liess, sind wir über die jüngste Entwicklung dieser Frage besorgt. Der Vorwurf mangelnder Bereitschaft zum "give and take" kann gegen die Deutsche Regierung und die übrigen nichtnuklearen EURATOM-Staaten ernsthaft nicht erhoben werden. Wir haben bereits viel getan, um die NV-Vertragsverhandlungen zu fördern. Wir haben mit Rücksicht auf die sowjetischen Forderungen unsererseits die Forderung nach Universalität der Kontrollen, dann diejenige nach Äquivalenz bestehender wirksamer Kontrollsysteme, dann die nach vertraglicher Fixierung prinzipieller Nichtdiskriminierung im zivilen Nuklearbereich zurückgestellt. Die Verifikationslösung des in den westlichen Konsultationen erarbeiteten amerikanischen Entwurfs stellt nach Auffassung der Bundesregierung nunmehr die äusserste Position dar, hinter deren Substanz ohne weitreichende negative Folgen nicht mehr zurückgegangen werden kann.

His Excellency
Dean Rusk
Secretary of State
Washington, D.C.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-192
By cb, NARA Date 10-25-00

Seitdem wir den sowjetischen Entwurf für Artikel III vom 1. September kennen, haben wir unsere Einwände unverzüglich und wiederholt den zuständigen Stellen loyal mitgeteilt. Sie betreffen die Ausdehnung der Kontrollen über das für den Vertragszweck notwendige Mass hinaus sowie die Sicherung unserer Interessen und Pflichten im Rahmen von EURATOM. Während auf vielfältige Weise jetzt intensiv für den sowjetischen Entwurf geworben wird, tritt die mit EURATOM kompatible Verifikationslösung nicht nur dem Wortlaut, sondern auch der Substanz nach in den Hintergrund. Sie wird als eine westliche Maximalposition abgewertet. Wir sind erstaunt über die immer häufiger werdenden Unterstellungen, die wegen unserer Vertragstreue zu EURATOM gegen uns erhoben werden.

Die Problematik, die mit einem NV-Vertrag für EURATOM entsteht, geht über die Kontrollfrage weit hinaus. Sie berührt vielmehr eine politische Kernfrage der innereuropäischen Kohärenz. Frankreichs Rolle nach dem Abschluss eines NV-Vertrages spielt dabei eine entscheidende Rolle.

Angesichts der besonderen Tendenzen der französischen Politik in den Fragen der politischen Rolle unseres Bündnisses, der nuklearen Verteidigung und der Organisation Westeuropas haben sich die Verbündeten Frankreichs auch in schwierigen Lagen mit Recht stets bemüht, eine behutsame Haltung einzunehmen, die der Bedeutung Frankreichs für die westliche Gemeinschaft, insbesondere für die unerlässliche politische Einigung Europas, so weit wie möglich gerecht wird. Wir sollten den gleichen Weitblick haben, wenn es gilt, das Kontrollsystem des NV-Vertrages so zu regeln, dass ein zusätzliches Risiko der Desintegration Europas vermieden wird. Dieses Risiko ist nämlich aus folgenden Gründen gegeben:

Es entspricht der Natur des NV-Vertrages, dass er von der Existenz zweier Staatengruppen, der militärisch nuklearen und nichtnuklearen, ausgeht und dass er dieses Machtverhältnis vorerst - rechtlich fixiert. Es entspricht hingegen nicht der Natur des NV-Vertrages, dass er diese unvermeidliche Diskriminierung der Nichtkernwaffenstaaten unnötig ausweitet, indem er nur ihnen Kontrollen des zivilen Nuklearbereichs auferlegt.

Die Bundesregierung hat jedoch angesichts der negativen sowjetischen Haltung in dieser Frage ihren Wunsch nach einer entsprechenden Vertragsbestimmung zurückstellen können, weil sich ihre westlichen Verbündeten, die über Kernwaffen verfügen, unabhängig vom NV-Vertrag zu internationalen Kontrollen ihres zivilen Sektors bereitfanden; die Vereinigten Staaten und Grossbritannien in der Form einer freiwilligen Hinnahme von künftigen IAEO-Kontrollen, Frankreich in der Form der bereits wirksam funktionierenden EURATOM-Kontrollen. Diese Voraussetzung der deutschen Hinnahme der diskriminierenden Kontrollregelung des friedlichen Bereichs darf nicht durch eine Formulierung des Artikels III beseitigt werden, die die bestehende nichtdiskriminierende EURATOM-Kontrolle gefährdet. Da Frankreich den NV-Vertrag nicht unterzeichnen wird, hingegen in EURATOM die Gleichbehandlung der sechs Partner in bezug auf den zivilen Nuklearbereich akzeptiert und praktiziert, muss die Bundesregierung bemüht sein, sich gegen jede Möglichkeit einer Beendigung dieses Zustandes abzusichern. Die Einführung einer doppelten Kontrolle in den fünf Nichtkernwaffenstaaten EURATOMS käme einer unannehmbaren Diskriminierung in einem an Bedeutung wachsenden Bereich von Wissenschaft und Wirtschaft gleich, die die europäische Kohärenz infolge Frankreichs nuklearer Sonderstellung zusätzlich erschweren müsste,

Die politischen Konsequenzen einer solchen Wirkung des NV-Vertrages für den gesamten Westen, die der sowjetischen Seite zweifellos bewusst ist, sind schwer abzuschätzen. Mit den amerikanischen NV-Motiven und dem von uns bejahten eigentlichen Ziel des NV-Vertrages hätten solche Konsequenzen nichts zu tun.

So sehr wir diejenigen verstehen, die Verzögerungen im Fortgang der NV-Verhandlungen vermeiden wollen, müssen wir doch darauf hinweisen, dass es schwer übersehbare Folgen haben könnte, wenn die Europäische Gemeinschaft unter Zeitdruck gesetzt oder in ihrer Gutwilligkeit angezweifelt würde. Angesichts des monatelangen Hinhaltens sowjetischer Stellungnahmen im Verlaufe dieses Jahres, das die eigentliche Ursache für den eingetretenen Zeitverlust darstellt, wäre dies umso weniger angebracht. Undenkbar ist es, dass gar die weitere Entwicklung der NV-Frage über die noch laufenden Beratungen der Europäischen Gemeinschaft hinweggeht. Gerade dieser letzteren Gefahr muss begegnet werden, da eine solche Entwicklung einen schweren Schlag nicht nur für das Zustandekommen eines weltweiten NV-Vertrages, sondern auch für das weitere Schicksal des Verhältnisses zwischen Europa und Amerika sein würde.

Unter den noch ungelösten Problemen, die sich uns ausser der Kontrollfrage mit den amerikanisch-sowjetischen Vertragsabsichten stellen, haben derzeit zwei den Vorrang: die künftige Anpassungsfähigkeit eines NV-Vertrages mittels qualifizierter Befristung und flexiblerer Verfahrensbestimmungen sowie die Absicherung der Nichtnuklearen gegen Druck, Drohung und Erpressung seitens einer Kernwaffenmacht. Ausserdem halten wir die Klärung folgender Fragen noch für erforderlich:

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sinnvolle Verbindung mit Abrüstung, Absicherung Deutschlands gegen weitere sowjetische Diffamierung, Stellung der SBZ, Verbindlichkeit der amerikanischen Interpretationen für die Sowjetunion, Verteidigungs- und Einigungsmöglichkeiten Europas nach einem NV-Vertrag. Die zuständigen Stellen Ihrer und meiner Regierung stehen dieserhalb in Verbindung.

Abschliessend möchte ich Sie auf folgendes hinweisen: Es sind hierzulande nicht die Gegner, sondern die Befürworter einer engen und dauerhaften Verbindung zwischen Europa und Amerika, die sich loyal um einen gerechten NV-Vertrag bemühen.

Mit herzlichen Grüssen

Ihr

Willy Brandt"

Respectfully yours,

H. Krappstein

~~Mr. Rostow~~

95
Pres file

Monday, October 16, 1967

MEMORANDUM FOR THE PRESIDENT

Mr. President:

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

W. W. Rostow

Att.

MWright:hg

~~SECRET~~/EXDIS Attachment

15a

~~SECRET-EXDIS~~

Viet-Nam Political Situation Report

October 16, 1967

Bunker-Thieu Conversation

In a conversation with Bunker on October 13, Thieu said that Cabinet assignments should be agreed upon this week and announced immediately after the Lower House elections this coming Sunday, October 22. In response to Bunker's query, Thieu said he still intended to name Nguyen Van Loc Prime Minister and still hoped to persuade Huong to serve in the Inspectorate.

Thieu also indicated his view that the development of political parties would have to come in stages, given the present party fragmentation and highly individualistic character of the Vietnamese. Thieu said he anticipated marshaling support for government policies in the new Assembly through attracting Assembly members to his government's program. He thought this might be the beginning of the formulation of a pro-government party but that the process would take time.

Alleged Infringement of Vietnamese Sovereignty

In an assessment of this subject, the Mission notes that expressions of concern regarding alleged U. S. infringement of Vietnamese sovereignty have become increasingly frequent in recent weeks from both public and private Vietnamese sources. The Mission believes that anti-Americanism and concern for national sovereignty have not reached a critical level of intensity. It notes, however, that these issues are almost certain to increase in significance with open political activity, an uncensored press, and a newly elected Assembly.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 94-449

By 18, NARA, Date 12-23-94

~~SECRET-EXDIS~~