

~~CONFIDENTIAL~~
EYES ONLY

4 NOVEMBER BY U.S. FORCES.

IN CONNECTION WITH THE ACTION AT LOC NINH, A HANOI NEWS BULLETIN INDICATES THE TYPE OF REPORTS EMANATING FROM THE NORTH. THE TRUE FACTS OF THE ENGAGEMENT MUST HAVE REACHED HANOI, AND THEIR DISTORTIONS SEEK TO COVER WHAT WAS CLEARLY A STINGING DEFEAT. THE HANOI NEWS ITEM FOLLOWS: "HANOI, 31 OCTOBER -- TO AVENGE THE VICTIMS OF THE U.S. BOMBING OF HANOI OVER THE PAST FEW DAYS, THE PEOPLES LIBERATION ARMED FORCES IN LOC NINH, NORTH OF SAIGON, ON THE NIGHT OF 30 OCTOBER PUT OUT OF ACTION A MULTI-BATTALION U.S. PUPPET COMBAT GROUP COMING TO RESCUE BATTERED POSITIONS IN THE LOC NINH MILITARY SUBSECTOR, GIAI PHONG PRESS AGENCY REPORTED.

ACCORDING TO INITIAL REPORTS, THE AGENCY SAID THE PLAN PUT OUT OF ACTION ONE INFANTRY BATTALION, ONE ARTILLERY BATTALION, ONE U.S. ARMORED CAR BATTALION, PART OF THE 2D BATTALION, NINTH REGIMENT, OF THE PUPPET 5TH DIVISION, AND A NUMBER OF AMERICAN COMMANDO UNITS."

~~CONFIDENTIAL~~
EYES ONLY

~~SECRET~~

-2-

~~SECRET~~

Monday - November 6, 1967

23

File

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your 11:30 Meeting Today on Peru

The purpose of the meeting is to review the modalities of the proposal (Tab A) for ~~persuading~~ Peru to drop the Mirage deal.

Those attending will be:

State: Secretary Rusk, Covey Oliver.

DOJ: Paul Nitze, Paul Warnke

CIA: Dick Helms

WH: Rostow, Bowdler

I suggest you follow this agenda:

1. Workability of the Proposal

Comment: Covey Oliver has been checking with Northrop on the availability of F-5s, commercial credit for their financing and the training of Peruvian pilots. You might ask him to report on his findings.

2. Your Emissary to Peru.

Comment: Dr. Eisenhower told Covey Oliver last Friday that he could not undertake the assignment until after Friday. Covey was getting in touch with him again to establish how soon after Friday he would be available.

Others who might do the job are listed at Tab B.

An essential element of the approach to Peru is to make is as free from publicity as possible.

3. Advisability of Using Brazil to Help with Peru.

q Comment: I sent you a report on Saturday from a reliable source that President Costa e Silva had decided not to purchase Mirages. We have not been officially informed of this decision. You might ask Secretary Rusk and Dick Helms how we might get the Brazilians to so notify us so that we in turn could ask

SANITIZED
Authority NLT 019-025-1-5
By *[signature]*, NARA, Date 1/7/02

~~SECRET~~

-2-

President Costa e Silva if he would help in persuading President Belaunde not to go through with the Mirage deal.

W. W. Rostow

Attachments

Tabs A and B.

DECLASSIFIED

Authority MLG 90-10 appeal
By ag/kip, NADA, Linc 12-99A. Problem

1. The Peruvian economy is in a descending spiral which threatens stability and poses the imminent threat of a military takeover.
2. To reverse this trend, Peru desperately needs to put into effect a stabilization program which will require strong backing from us.
3. We are prepared to make a \$40 million program loan available conditioned on fiscal and budgetary self-help measures and no French Mirages.
4. The principal obstacle is the aircraft purchase. We need to devise a formula for Peru to void the contract or otherwise get rid of the Mirages.
5. The Peruvian Mirage deal, if carried out, will have an interacting impact on purchase of Mirages by other Latin American countries and US Congressional reaction which could seriously compromise our Alliance for Progress effort and the OAS Summit Program.

B. What We Know About the Mirage Deal

We do not have a copy of the contract and only a vague idea of its contents from second and third hand sources:

- The contract is reportedly between the Peruvian Air Force and the French Government.
 - It provides for the sale of 12 Mirage 5's at a price of \$27-28 million, including aircraft, training and spare parts.
-

- An initial payment is supposed to have been made, amount unknown.
- Delivery of aircraft is reported to start at the end of 1967.

We have no specific data on contract cancellation penalty or the resale provisions.

C. Alternative Courses for Peru

1. Cancel the contract, forfeit the down payment and pay whatever else the penalty clause provides. This is nearest solution and our preferred position.
2. Resell the aircraft to a third country before delivery, if there is a resale provision. Belaunde has suggested resale after delivery.

D. Our Strategy

1. We should offer President Belaunde and his military leaders an attractive alternative to the Mirage deal consistent with our stand that American F-5's will not be programmed into Latin America until 1969-70 time frame.
2. Depending upon the options open to the Peruvians, our offers would be:

First Choice

- Peru would cancel the Mirage contract.
- We would help devise a way to cover the losses from forfeiture and the penalty clause.
- We would arrange with Northrop Canada to sell six CF-5's with delivery in the period October 1968-July 1969, with Northrop US selling another six F-5's for delivery during the July 1969-June 1970 period on favorable commercial terms.
- We would train Peruvian pilots on F-5's in the US starting in January 1968.

Second Choice

- Peru would agree to resell the Mirages to a third country before delivery.
- We would help find a third country purchaser and Peru would get French Government (or Dassault Co.) agreement to the transaction.
- Same as in First Choice on sale and delivery dates for Canadian and US F-5's.
- Same as in First Choice on training of pilots.

E. Scenario

1. Obtain the President's approval of this approach.
2. Check with Northrop US on its and Northrop Canada's ability to meet the sale and delivery schedule with attractive commercial terms.
3. Send a high level representative to Peru (e.g., Vance, Harriman, Anderson, M. Eisenhower) to find out whether Belaunde and the Peruvian military are willing to work with us on either the First or Second Choices and find out the precise terms of the Mirage contract so that we know what we are up against.
4. Have Tuthill explain to Costa e Silva what we are proposing to Peru and what we are prepared to do in Brazil.
5. If the Peruvians accept our alternative, the high level representative would work out a tentative scenario for handling the contract cancellation or resale and the respective US-Peruvian roles.

WGBowdler:mm
11/2/67

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Saturday, November 4, 1967 - 1:00 pm

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Peru

Jim Jones tells me that your schedule will permit a meeting on Peru at 11:30 am on Monday, November 6. Secretary Rusk, Secretary McNamara (or Paul Mitze), Dick Helms and Covey Oliver are lined up for that hour. If this meets with your approval, I will confirm the hour to the participants.

Monday at 11:30 am OK ✓

Prefer another time

Covey Oliver told Dr. Milton Eisenhower that you wanted him to undertake the mission to Peru. Dr. Eisenhower said that his commitments made it impossible for him to do before next Friday, if then. He is now travelling and cannot make it to the Monday meeting.

Covey Oliver believes we should not delay the mission beyond Wednesday. We discussed other names and submit these alternatives:

Cy Vance	<u> </u>
George Ball	<u> </u>
Henry Cabot Lodge	<u> </u>
ex-Governor Scranton	<u> </u>
Clark Clifford	<u> </u>
Linc Gordon	<u> </u>

If you will indicate your next preference we will try him.

W. W. Rostow

cc: Jim Jones

~~SECRET~~

DECLASSIFIED
E.O. 12812 / Sec. 3.4(b)
White House, G. H. S. Feb. 24, 1983
By *19*, NARA, Date 12-9-91

Saturday, November 4, 1967 -- 4:15 p.m.

Mr. President:

Gen. Lucius Clay, an old friend, called me about Radio Free Europe. He said he was one of the founders of the organization. He very much believed it should be kept going. He is prepared to do anything you think would be helpful once you made up your mind what you wanted to do. He said he was sure he could persuade Gen. Eisenhower to pitch in to back any proposal you might have to keep RFE going.

I told him that Dick Helms was completing Congressional consultations on the matter, without giving the formula.

I said I was sure you would be grateful for his offer, when I informed you of it.

WWR comment: If we kill RFE I am sure it will be something of a Republican political issue.

W. W. Rostow

WWRostow:rlh

~~SECRET~~

Meeting with the President

Saturday, November 4, 1967, 2 PM

Possible Agenda

1. The Ryukyus and the Bonins (Secretaries Rusk and McNamara and General Wheeler)

Papers attached at Tab A.

2. Buttercup response (Secretary Rusk)

Issues:

- Should we try to get first response to Buttercup message before Bunker returns?
- Should first response be limited to prisoners, or should political statement be included?
- Should we go beyond Dang's conditions? If so, how far?

Secretary Rusk will have a draft at 2 PM.

3. Other

W. W. R.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-475
By ing, NARA, Date 4-6-95

~~SECRET~~

26

Pres file

Saturday, November 4, 1967 - 1:00 pm

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Peru

Jim Jones tells me that your schedule will permit a meeting on Peru at 11:30 am on Monday, November 6. Secretary Rusk, Secretary McNamara (or Paul Nitze), Dick Helms and Covey Oliver are lined up for that hour. If this meets with your approval, I will confirm the hour to the participants.

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George Ball	_____
Henry Cabot Lodge	_____
ex-Governor Scranton	_____
Clark Clifford	_____
Linc Gordon	_____

If you will indicate your next preference we will try him.

W. W. Rostow

cc: Jim Jones

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-475
By ing, NARA, Date 4-6-95

10

ps

27

THE WHITE HOUSE
WASHINGTON

Saturday, Nov. 4, 1967
12:25 p. m.

MR. PRESIDENT:

Herewith some extra cold water
McCloskey tried to pour on the Anderson
fire yesterday.

W.M.R.

Attachment



18967

DEPARTMENT OF STATE

Washington, D.C. 20520

November 3, 1967

4208
27a
1 - Anderson 11/4
2 - Rostow


Rostow

MEMORANDUM FOR MR. WALT W. ROSTOW
THE WHITE HOUSE

At the noon briefing today the Department spokesman had the following exchange with a correspondent:

Q. Please, would you comment on Mr. Anderson's visit to Cairo? Did he contribute to the outlook of a settlement in the Middle East?

A. Well, I'd have to re-emphasize again that Mr. Anderson was on a private visit. He has interests both in Egypt and one of the other Arab countries in the area. He was not undertaking an official mission for the United States Government. He has had a conversation with President Nasser. I don't know of anything that we have received from him at this point. But I would emphasize again that he is not in any way negotiating on relations or the re-establishment of relations between the United States and the UAR.


Benjamin H. Read
Executive Secretary

*Pres file**H?*~~SECRET~~Saturday, November 12, 1967
12:00 noon

Mr. President:

According to [REDACTED] President
Costa e Silva has decided that Brazil
Will not buy expensive French Mirages.
He has also warned the Brazilian Air Force
not to mount a public campaign for Mirages
in an effort to force his hand.

1.3(a)(4)
C

W. W. Rostow

Att.: [REDACTED]
3 Nov 19671.3(a)(4)
C~~SECRET~~

SANITIZED
Authority NLT 019-025-1-6
By *q* NARA, Date 1/7/02

SANITIZED

Authority NLS 019-025-1-7
By OP, NARA, Date 1/7/02

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

ROUTINE

28a

IN 86203

PAGE 1 OF 2 PAGES

STATE/INR	DIA	NMCC/MC	(SECDEF	JCS	ARMY	NAVY	AIR)	CIA/NMCC	NIC	NSA	OCR	SOO	AID
DDI		EXO							USIA	ONE	ORR	DCS	CGS

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THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

031732Z

1.3(a)(4)

DIST 3 NOVEMBER 1967

COUNTRY: BRAZIL/FRANCE

DOI: 27 OCTOBER 1967

SUBJECT: PRESIDENT DECIDES NOT TO BUY FRENCH MIRAGE JETS

LEWIS
BUDGET
DAVIS
FRIED
GINSBURGH
HAMILTON
JESSUP
JOHNSON
JORDEN
KEENE
LEONHART
ROCHE
CAHNDETS

ACQ:

SOURCE:

1.3(a)(4)

1. ON 27 OCTOBER 1967

1.3(a)(4)

PRESIDENT ARTHUR DA COSTA E SILVA HAD DECIDED THAT BRAZIL WOULD NOT BUY FRENCH MIRAGE JET FIGHTERS. COSTA E SILVA RECENTLY ADVISED AIR MINISTER MARCIO DE SOUZA E MELLO OF THIS AND EXPLAINED THAT, EVEN IF PAYMENTS WERE SPREAD OUT OVER

1.3(a)(4)

APPROVED FOR RELEASE MAR 1995

1.3(a)(4)

1.3(a)(4)

(classification) (dissem controls)

SEVERAL YEARS, THE FEDERAL BUDGET WOULD BE SERIOUSLY UN-
BALANCED BY THE PURCHASE OF SUPERSONIC MIRAGE JETS AT ABOUT
FOUR MILLION DOLLARS EACH.

2. [REDACTED] COSTA E SILVA ALSO WARNED
SOUZA E MELLO THAT HE WOULD HAVE TO EXERCISE BETTER CONTROL
OVER A GROUP OF AIR FORCE OFFICERS WHO ARE TRYING TO PRESSURE
THE GOVERNMENT INTO BUYING THE MIRAGES. COSTA E SILVA SAID
HE WAS AWARE THAT THESE OFFICERS WERE TRYING TO TURN THE
PURCHASE OF MIRAGES INTO THE THEME OF A NATIONALIST PUBLICITY
CAMPAIGN THAT WOULD FORCE THE PRESIDENT TO BUY THE MIRAGES
RATHER THAN APPEAR AS AN ANTI-NATIONALIST SUBSERVIENT TO
THE AMERICANS THE PRESIDENT SAID HE DID NOT INTEND TO BE
CAUGHT IN ANY SUCH TRAP.

1.3(a)(4)

3. [REDACTED] COMMENT: FOR PREVIOUS REPORTING ON THE PUR-
CHASE OF MIRAGE JETS SEE [REDACTED]

1.3(a)(4)

4. [REDACTED] DISSEM: STATE, CINCSO, CINCLANT [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

1.3(a)(4)

~~TOP SECRET/SENSITIVE~~

Saturday, November 4, 1967 29
10:15 a. m.

LITERALLY EYES ONLY FOR THE PRESIDENT

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 86-167

By isp, NARA, Date 1-27-88

Mr. President:

Here are the McNamara and Mac Bundy positions you asked me to compare.

McNAMARA

MAC BUNDY

General:

An announced new policy of stabilization.

No major change in public posture established in San Antonio speech.

Bombing:

Unilateral stand-down to await Hanoi reaction.

Against:

- any unconditional pause;
- any extended pause for sake of appearances;
- any major headline-making intensification of the bombing.

U.S. Troops:

No increase beyond current approved level.

No large-scale reinforcements beyond totals already agreed.

Mac Bundy did not address himself explicitly to the following list of points made by Secretary McNamara. Presumably he would agree with the following list, within the general framework of existing policy rather than a new announced policy of "stabilization."

- There will be no call up of reserves.
- No expansion of ground action will be undertaken in North Vietnam, Laos or Cambodia.
- No attempt will be made to deny sea imports into North Vietnam.
- No effort will be made to break the will of the North by an air campaign on the dikes, locks or populated targets -- efforts will be made to hold down civilian casualties in the North.

30

Pres file

~~SECRET~~

Saturday, November 4, 1967
9:30 a.m.

Mr. President:

I asked State to list all the occasions when Communists have drawn out attention to the new NLF program as a possible basis for a settlement in the South along the lines now suggested in the BUTTERCUP channel.

They appear to run back to early September.

W. W. Rostow

~~SECRET~~

INR memo to Mr. Benjamin H. Read, Nov 3, 1967, from George C. Denney, Jr.,
Subject: Efforts to Draw the Attention of the United States to the Front Program.

WWRostow:rlm

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-475
By inf, NARA, Date 4-6-95

Nov. 4, 1967

- We will engage in continued efforts to restrict the war.
- We will endeavor to maintain our current rates of progress but with lesser US casualties and lesser destruction in South Vietnam.
- We will be willing to accept slow but steady progress for whatever period is required to move the North Vietnamese to abandon their attempt to gain political control in South Vietnam by military means.
- In light of the political progress of the GVN, we will gradually transfer the major burden of the fighting to the South Vietnamese forces.

W. W. R.

~~SECRET/EMBIS~~

DEPARTMENT OF STATE

THE DIRECTOR OF INTELLIGENCE AND RESEARCH

To : S/S - Mr. Benjamin H. Read
From : INR - George C. Denney, Jr. *h.c.d.*

NOV 3 1967

*\$ 30a U
SAH
EA Bundy
W.H. Rostow*

Subject: Efforts to Draw the Attention of the United States to the Front Program

We have examined the statements made publicly and privately by Communist sources in an effort to determine whether any sort of concerted or unilateral effort has been made specifically to call our attention to the new front program as something we should study. We find that, to the extent to which this effort has been made, it appears to be largely a Soviet exercise with perhaps one rather indirect statement by Romanian Premier Maurer. Hanoi's one statement that might be interpreted as an effort in this direction was made in describing the Bratislava meeting. Otherwise, the generally voluminous comment that the Front program has evoked seems to be devoted largely to extolling it, to discussing its various aspects, and to insisting to the United States as to others that it forms a correct basis for the settlement of the war and the determination of South Vietnam's future course.

The following are statements made that seem to relate most closely to an effort to call the program to the particular attention of the United States.

USSR

September 30. In a speech at Kishinev, Soviet Premier Kosygin stated that "The question is often asked in the USA, why don't the Vietnamese agree to negotiations? The Americans must unconditionally stop bombing the DRV, recognize the program announced recently by the NFLSV, and only then will the path to negotiations be cleared. The Soviet Union fully supports the statement of the Government of the DRV and the program of the NFLSV."

Middle of October. Premier Kosygin told the [redacted] to the USSR that "escalation" and the "NLF program" are the major new developments in the Vietnamese situation. According to the [redacted] in Moscow, Kosygin described the new Front program as "important", "serious", a "new factor of great political importance", and an element that no government can overlook. He said the program had to be "accepted". The [redacted] was impressed by the amount of time Kosygin devoted to Vietnam and the emphasis he placed on the Front program.

October 12, 13. [redacted] reported that the Soviet Ambassador in Hanoi told the [redacted] that the USSR approved of the goals of the new Front program but could not accept the program as definitive and authoritative until it had formal status, such as approval by assembly. The Soviet Ambassador also remarked on the differences between the old and new

~~SECRET/EMBIS~~

SANITIZED

E.O. 12356, Sec. 3.4

NIJ 94-476

By *18*, NARA, Date *1-10-95*

GROUP 1

Excluded from automatic
downgrading and
declassification

Front programs. He said the USSR regrets that the US has apparently not recognized the forward steps taken by the new program in comparison with the old one although he gave no examples. After discussion of the program, the Soviet Ambassador said he did not see any possibility of early negotiations but was personally convinced that if the US bombing stopped, this would soon lead to negotiations.

October 21. Representatives of Soviet "public organizations" gave a statement to US Ambassador Thompson during Vietnam protest day stating that the "Soviet people [were] convinced" that the position of the DRV and the new program of the Front offer "broad opportunities" for a fair settlement in accordance with the Geneva accords; and that the first step must be complete and unconditional halt to bombing.

Romania

The Romanians have given notably little publicity to the NLF program (an abbreviated account of which was published in Scinteia September 3) and have avoided discussing the program per se in talks with Americans or other non-communist diplomats. Certain aspects of Premier Maurer's recent talk with Ambassador Davis on the Vietnam situation, however, seem to touch on ideas involved in the NLF program. Maurer appeared to advocate a broad coalition in postwar South Vietnam, for example, when he spoke of a solution to the political problems necessarily "taking into account the interests of all sides". The emphasis in the NLF program on a fully independent South Vietnam also found support in Maurer's stress throughout his remarks that both in Washington and Hanoi he found endorsement of this principle. The sine qua non to a political settlement in his view is the "full liberty" of the South Vietnamese people to decide their own fate.

North Vietnam

In describing the Bratislava meeting (September 6-12) between representatives of the DRV, NLF and US anti-war groups, Hanoi VNA in English said on 18 September: "The two Vietnamese delegations clearly and fully explained the four-point stand of the DRV government...and emphasized the important significance of the political program of the NLFV."

On two other occasions in conversations with Americans, Hanoi may have been calling for particular US attention to the contents of the Front program.

American journalist David Schoenbrun told the US mission in Vientiane that Pham Van Dong had stated in the agreed version of his early September interview that in addition to accepting the Four Points, the US would have to accept the new updated Front program which provided for free universal suffrage to elect an independent government for the Republic of South Vietnam which would in turn negotiate the terms of reunification with the North.*

* In fact, while calling for National Assembly elections the Front program does not specifically provide for elections for a South Vietnamese government.

When asked about the Front by Leslie Metcalf of the Friends International Center in Geneva during a late October interview with Phung Manh Cung, First Secretary of the DRV Embassy in Budapest, Cung said: "I expect you will have read their program. They want a coalition and do not want socialism, but we in the North have reached a degree of political maturity and will not fall out with them. Unification may take one, two or perhaps five years."

Similar emphasis on explaining the program to Americans, albeit anti-war Americans, was reflected in the statement given by the Front representative at Bratislava Mrs. Nguyen Thi Dinh to the Austrian Communist Party newspaper Volksstimme. "We had opportunity in Bratislava bring this program to attention of representatives of US fighters against Vietnam war, explain it to them and to convince them that it is really a program of whole people, for freedom, democracy, progress and neutrality, creating the preconditions for the reunification, at a later date, of the Vietnamese homeland."

~~SECRET~~

Saturday, November 4, 1967
9:25 a.m.

Profile

Mr. President:

Herewith Gov. Harriman argues there is a possible negotiating job to do between now and November 1968, despite observations made at the advisers' meeting.

W. W. Rostow

~~SECRET~~

Nov 3, 1967 Memo for the President and the Sec of State, Subject: Negotiations, from W. A. Harriman

WWRostow:rlh

DECLASSIFIED
E.O. 12566, Sec. 3.4(b)
White House Goldwater, Feb. 24, 1983
By *sg*, NARA, Date 12-12-91

31a

DEPARTMENT OF STATE
AMBASSADOR AT LARGE
WASHINGTON

~~SECRET - NODIS~~

November 3, 1967

MEMORANDUM FOR THE PRESIDENT AND THE SECRETARY OF STATE

Subject: Negotiations

There were several statements made by members of the Senior Group during the discussions on Wednesday evening and Thursday, regarding which I should like to comment:

(1) A number of participants expressed the opinion that proposals for negotiation for peace by the United States Government only encourage Hanoi to hold out. There is no evidence whatever supporting this contention. On the other hand, it seems clear that the President's position has been materially strengthened both at home and abroad by the statements and efforts he has made or authorized to bring about talks. I strongly recommend that this policy be continued.

(2) Some participants indicated their belief that there was no chance of the other side's agreeing to talks until after our election and that, therefore, it was useless for us to attempt to bring about talks before then. I agree that serious talks are unlikely until after our election (or at least until after the Republican Convention) but I believe there is a significant chance that should not be overlooked that talks may be possible before then. The clearest evidence of this is "Buttercup" in which the NLF approach appears to be a bona fide attempt to begin talks. Furthermore we have indications of differences of opinion within the Hanoi leadership on the issue of negotiations. Prime Minister Maurer of Rumania, who recently visited Hanoi, has told us of this. I think it important that we not exclude the possibility that talks with either Hanoi or the NLF may be held before our elections and that our actions could increase the likelihood of talks.

(3) Certain

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-476
By ijp, NARA, Date 1-10-95 ~~SECRET - NODIS~~

~~SECRET - NODIS~~

2

(3) Certain participants expressed the belief that there will never be talks but that at some point the enemy forces will merely fade away. I agree with what Walt Rostow stated, namely, that when Hanoi decides to consider abandoning its attack on the South, it will in all likelihood wish negotiations to attempt to reach agreement on certain important issues, either directly or through the NLF, though probably not on the Geneva model. It is also possible that some matters can be settled between the GVN and the NLF.

Therefore, unless otherwise instructed, I plan to continue my activities without regard to these particular comments made at the recent meetings.

I also recommend that Ambassador Bunker continue to urge the new GVN not only to pursue vigorously their National Reconciliation Program, but also to develop any leads for talks with the NLF or with its members.

W. Averell Harriman

*Otherwise, I felt the meetings
were extremely interesting & constructive.*

~~SECRET - NODIS~~

November 4, 1967

Mr. President:

Pres file

This year's sterling crisis is coming to a boil again. The pound came under heavy pressure Thursday and Friday and talk of devaluation ran through the markets. Prospects for next week are not good.

Secretary Fowler's small interagency group has been watching the situation closely. We have our contingency plans in good shape. Fowler has scheduled a meeting for Monday at 9:00 am to examine the alternatives we may have to face. We will report to you fully when we have the issues in order.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-475
By ing, NARA, Date 4-6-95

EOR

November 4, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Get Well Message to the Pope

The State Department recommends that we send the following message to the Embassy in Rome for delivery to Pope Paul:

"All Americans join Mrs. Johnson and me in prayers and sincere wishes for your quick recovery."

I recommend that we send this message from you, not releasing it here but telling the Vatican that we have no objections if they wish to release it.

W. W. Rostow

_____ Approved

_____ Prefer no message

*this draft of
message
not sent*

34

Friday, November 3, 1967
5:00 p. m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Mrs. Kennedy's visit to Cambodia

Pres file

Last winter the Cambodian Chief of State, Prince Sihanouk, invited Mrs. Kennedy to Phnom Penh to participate in a ceremony naming a street in the Cambodian Capital after her late husband. Mrs. Kennedy accepted, but when she learned that the only convenient time for her was a period when Sihanouk would be out of the country, she decided not to go. In July of this year, Sihanouk renewed his invitation and the period November 2 - 8 was agreed upon.

Arrangements for the trip were handled through the Australian Embassy in Phnom Penh because we have no relations with Cambodia.

Mrs. Kennedy flew by commercial plane to Bangkok, Thailand. There were three ways of arranging her flight onward to Phnom Penh: (1) by a local commercial line, (2) by Pan American, (3) by using the Air Attache's plane stationed in Bangkok or the Air Force plane assigned to our base at Udorn, Thailand.

Secretary McNamara authorized the use of a U. S. plane after he learned that the local commercial line was judged unsafe and that acceptance of Pan American's offer to fly Mrs. Kennedy without cost would be linked in the eyes of some to Pan American's attempt to obtain permission to build a hotel at Angkor.

The U. S. plane flew Mrs. Kennedy from Bangkok to Phnom Penh and returned to Bangkok. It is scheduled to go to Phnom Penh again on November 8 and fly Mrs. Kennedy out to Bangkok where she will continue her trip via commercial planes.

Mrs. Kennedy's trip is purely personal and she has no government instructions. One of the members of her party, Michael Forrestal, has been briefed by the State Department^{*sq} that in the event Sihanouk brings up the question of our POW's in North Viet Nam, he will be aware of our existing policy. Forrestal has no authority to initiate any discussions with Sihanouk.

**I assume Arell*

W. W. R.

Friday, November 3, 1967
4:40 p.m.

Mr. President:

Herewith a draft letter to Livie Merchant, for your signature, as requested.

W. W. Rostow

WWRostow:rlh

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1. ~~copy~~
2. *for file*

35a

November 3, 1967

Dear Mr. Ambassador:

I was glad to receive your views on the future of Radio Free Europe.

We are now actively considering the alternatives open to us, conscious of the problem posed in your letter.

As you say, the choices are not easy.

When we decide what is wise and practical, we may well call on you and your colleagues for help.

Sincerely,

/s/ Lyndon B. Johnson

Honorable Livingston T. Merchant
4853 Loughboro Road
Washington, D. C.

LBJ:WWRostow:rla

THE WHITE HOUSE
WASHINGTON

Wednesday, Nov. 1, 1967
11:00 a. m.

MR. PRESIDENT:

Herewith Livie Merchant expresses his anxiety about Radio Free Europe, as a member of their Board of Directors.

W.M.R.

Attachment

Prepare corrections reply —
I can't clean up all the
mess the NY Times leaves
behind while these old
pros & intellectuals sit
stent — L

354

4853 LOUGHBORO ROAD
WASHINGTON, D. C.

October 31, 1967

Dear Mr. President:

Were I not deeply troubled over the uncertainty clouding the future and continued operation of Radio Free Europe, I would not presume to write you at this time.

I have had some knowledge of this enterprise both when I was in the Government and in recent years as a member of the Board of Directors of Free Europe, Inc. I am satisfied that Radio Free Europe has played a significant role in encouraging and even accelerating constructive changes within the Soviet Union and particularly Eastern Europe. It is, I believe, importantly contributing today to an improved understanding of the United States within those countries.

Radio Free Europe, I am satisfied, has an important role to play as a private institution, not operated as an arm of the United States Government, in improving understanding between peoples. I am personally convinced that a transfer of Radio Free Europe to the USIA would create problems inherent in the direct competition which would thereby arise with the Voice of America, but even more importantly, in the risk that the present acceptance which it has earned with the people in the countries to which it broadcasts, would be seriously impaired.

I think the record shows that over the years Radio Free Europe has had widespread and strong support in the American public, though the magnitude of the operation precludes its ability to operate exclusively on funds raised from the public in annual drives.

An ideal long-term solution I do not think has yet been devised, let alone agreed, and frankly I am more concerned with the immediate problem of continued support enabling continued operation of Radio Free Europe. I know my concern is shared by my fellow Directors of Free Europe, Inc. We are anxious to contribute in any way possible to an arrangement which would ensure continued governmental support as has been given in the past and the authority to acknowledge quietly to private givers that it has had governmental

The President
The White House
Washington, D. C.

4853 LOUGHBORO ROAD
WASHINGTON, D. C.

The President,
The White House

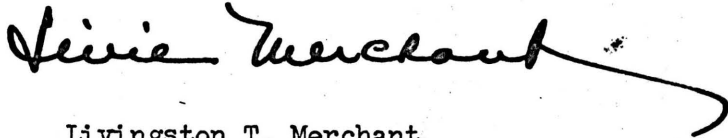
- 2 -

Oct. 31, 1967

financial support in past years. To withdraw it or even to give the appearance of doing so--as for example by a transfer to USIA--would risk, in my judgment, serious repercussions abroad and in this country as well.

Please forgive my intrusion on your time, but I think this problem--for which at least an interim solution must be found very soon--is important.

Respectfully yours,

A handwritten signature in cursive script that reads "Livie Merchant". The signature is written in dark ink and has a long, sweeping underline that extends to the right.

Livingston T. Merchant

~~SECRET~~

Friday, November 3, 1967 -- 2:30 p.m.

Mr. President:

Pres. file

This Nasser-Anderson conversation is important and interesting.

I suspect it is essentially honest for one reason: Nasser is going to run out of money before too long.

It is more relaxed than his first conversation. The Arab position may not be as hard as it seemed in the past few days; but there is still a substantial gap to be closed with the minimum Israeli position. The effort to close the gap begins tonight when Arthur Goldberg sees Hussein in New York at 5:30 p.m.

I must say Bob Anderson was wholly correct in his conversation and in dealing with the press (para. 25).

W. W. Rostow

P. S. I talked firmly to the Chief of the Washington UPI Bureau, Julius Frandsen, who promised to try to kill the story.

W. W. R.

WWRostow:rln

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NEJ 94-475
By sig, NARA, Date 4-6-95

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E.O. 12958, Sec. 3.6
NLJ 08-226 and NLJ 94-476 appeal
By ist, NARA, Date 3-11-09

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~~SECRET~~ SECTION ONE OF FOUR [REDACTED]
EYES ONLY TO SECRETARY OF STATE AND WHITE HOUSE FOR THE
PRESIDENT:

FOLLOWING IS TEXT MESSAGE DICTATED (BUT NOT READ) BY
ANDERSON IN PRESENCE [REDACTED] AND EDITED AND IN PARTS REORGANIZED
BY LATTER AT SPECIFIC ANDERSON REQUESTS, EARLY EVENING 2
NOVEMBER. FOR THE SECRETARY OF STATE ATTENTION OF THE PRES-
IDENT FROM ANDERSON.

1. THIS WILL BE ASOMEWHAT DIFFICULT MESSAGE BECAUSE OF
THE CIRCUMSTANCES UNDER WHICH IT IS BEING DICTATED AT THE BEIRUT
AIRPORT EN ROUTE BETWEEN CAIRO AND BAGHDAD.

I MET TODAY WITH PRESIDENT NASIR AT 1230. HE ADVISED ME
THAT HE WAS LEAVING LATER TODAY FOR A VACATION IN THE DESERT NEAR
AL ALMAYN, AND THAT THIS WOULD BE THE FIRST REAL VACATION HE HAD
TAKEN IN FIFTEEN YEARS. HE WAS LOOKING FORWARD TO SWIMMING,
SITTING IN THE SUN AND HAVING TIME TO THINK AND RELAX. HE OPENED
THE CONVERSATION BY SAYING, "ABOVE ALL ELSE, TRY TO MAKE CLEAR TO
YOUR GOVERNMENT AND YOUR PEOPLE THAT WE ARE EAGER FOR A POLITICAL
SETTLEMENT, FOR A POLITICAL PEACE." HE STATED THAT THIS HAD NOT
BEEN TRUE IN THE VERY BEGINNING, AFTER THE CESSATION OF HOSTILITIES
ON 9 JUNE, BECAUSE "WE WERE IN A STATE OF CONFUSION, UNCERTAINTY
AND DOUBT. WE DID NOT KNOW, BUT WE FEARED WHAT THE ISRAELIS WERE
GOING TO DO." NOW, HE SAID, "WE KNOW THAT OUR INTEREST LIES NOT
IN WAR, BUT IN PEACE."

3. HE THEN SAID, "PLEASE TRY TO CONVINCE YOUR PEOPLE AND
YOUR GOVERNMENT THAT ANY QUESTION OF DIRECT NEGOTIATION, OR EVEN
OF NEGOTIATIONS WITH A THIRD PARTY MEDIATOR PRESENT, WOULD BE AN
ACT OF SUICIDE. IT WOULD BE SO FOR ME, AND IT WOULD BE SO FOR
ANY OTHER ARAB LEADERS." HE FURTHER SAID THAT EVEN IF HE ATTEMPTED
THIS OF AGREED TO IT, IT WOULD BE SUICIDE ON THE PART OF ANY OTHER
ARAB LEADER NOT IMMEDIATELY TO DENOUNCE IT AND TO DEMAND TO RESUME
HOSTILITIES AGAINST THE ISRAELIS. NASIR SAID, "UNDER THESE
CIRCUMSTANCES, LET US TRY TO BE PRACTICAL AND, IF WE ALL WANT
PEACE, AND WE DO, THEN LET US FIND A WAY TO SETTLE OUR DIFFERENCES
AND LIVE IN PEACE." HE SAID HE DID NOT BELIEVE THAT THE DETAILS
OF AN AGREEMENT COULD BE WORKED OUT IN PUBLIC, OR THAT ANYTHING
COULD BE EFFECTIVELY BEGUN BY NEGOTIATIONS BE A COMMITTEE OR ANY
MEDIATOR APPOINTED BY THE U.N. UNTIL SOME FORMAL ACTION HAD BEEN

AKEN BY THE U.N. "AS A FIRST STEP." HE THEN SUGGESTED THAT A
RESOLUTION BE OFFERED TO THE SECURITY COUNCIL WHICH WOULD INVOLVE
S ITS BASIS THE FIVE PRINCIPLES THAT PRESIDENT JOHNSON HAD MADE, AND

WHICH HE DESCRIBED AS FOLLOWS:

- A. THE RIGHT OF ISRAEL AND OF ALL OTHER NATIONS IN THE
AREA TO LIVE;
- B. FREE MOVEMENT OF "INNOCENT" SHIPPING IN THE WATERWAYS
OF THE GULF OF AQABA AND THE SUEZ;
- C. FULL WITHDRAWAL BY THE ISRAELIS FROM THE TERRITORIES
WHICH THEY HAD OCCUPIED AT THE TIME OF THE HOSTILITIES;
- D. A DECLARATION OF NON-BELLIGERENCE BETWEEN ARAB STATES
AND ISRAEL; AND
- E. FINALLY, AND SETTLEMENT OF THE PROBLEM OF THE REFUGEES.

NASIR STATED THAT AFTER THE ADOPTION OF THIS TYPE OF
RESOLUTION, WHICH HE THOUGHT WE SHOULD ACCEPT BECAUSE IT WAS
BASED ON THE PRINCIPLES ANNOUNCED BY OUR PRESIDENT, THE RESOLUTION
WOULD DIRECT THE SECRETARY GENERAL TO...

WHICH THEY HAD OCCUPIED AT THE TIME OF THE HOSTILITIES.

D. A DECLARATION OF NON-BELLIGERENCE BETWEEN ARAB STATES AND ISRAEL; AND

E. FINALLY, AND SETTLEMENT OF THE PROBLEM OF THE REFUGEES.

NASIR STATED THAT AFTER THE ADOPTION OF THIS TYPE OF RESOLUTION, WHICH HE THOUGHT WE SHOULD ACCEPT BECAUSE IT WAS BASED ON THE PRINCIPLES ANNOUNCED BY OUR PRESIDENT, THE RESOLUTION SHOULD DIRECT THE SECRETARY GENERAL TO APPOINT ONE OR MORE PERSONS TO CONSULT WITH THE ARAB NATIONS INVOLVED AND WITH ISRAELIS AND, FROM THESE NEGOTIATIONS, TO DRAW UP "A DECLARATION FOR DETAILED IMPLEMENTATION, WHICH WOULD THEN BE SUBMITTED AGAIN FOR ADOPTION OR RATIFICATION BY THE SECURITY COUNCIL.

5. AT THIS POINT, I TOLD HIM THAT AS I UNDERSTOOD IT, THE ISRAELIS PROFESSED THEY WOULD NOT BE SATISFIED WITH ANY DECLARATION MADE BY THIRD PERSONS, EVEN INCLUDING THE SECURITY COUNCIL, AND THAT THEY WANTED SOME CONTRACTUAL UNDERTAKING BETWEEN THEM AND THE ARAB COUNTRIES WHICH WOULD ENSURE NON-BELLIGERENCE AND THE OTHER IDEAS HE HAD REFERRED TO. NASIR SAID THAT HE COULD NOT SPEAK FOR ALL THE OTHER ARAB COUNTRIES, BUT AS FOR HIMSELF, HE WOULD BE WILLING TO SIGN SUCH A (SECURITY COUNCIL) DECLARATION "AFTER IT HAD BEEN AGREED TO," OR, AS AN ALTERNATIVE, WRITE A LETTER OR OTHER DOCUMENT TO THE SECRETARY GENERAL OR TO THE SECURITY COUNCIL UNDERTAKING TO CARRY OUT THE DETAILS AND IMPLICATIONS CONTAINED IN THE DECLARATION. HE FELT THAT THE OTHER ARAB COUNTRIES WOULD BE WILLING TO DO THE SAME THING, BUT REITERATED THAT "HE COULD NOT SPEAK FOR THEM." IT IS QUITE CLEAR THAT HE IS WILLING TO UNDERTAKE CONTRACTUAL OBLIGATIONS, JUST SO LONG AS THEY ARE NOT INCORPORATED INTO A SIMPLE TREATY JOINTLY MADE AND SIGNED BETWEEN THE UAR AND ISRAEL. THIS POINT HE MADE FROM TIME TO TIME, REFERRING ALWAYS TO THE FACT THAT EVEN SUCH AN AGREEMENT WOULD BE SUICIDE.

6. NASIR THEN SAID THAT THE MOST DIFFICULT PROBLEMS WERE GOING TO BE THE SUEZ CANAL AND JERUSALEM. I SAID THAT OBVIOUSLY I COULD NOT SPEAK ON ANY OF THESE TOPICS, BUT COULD ONLY EXPLORE HIS OWN THINKING. IN THIS CONNECTION, I ASKED IF HE COULD AGREE TO LET ANY SHIP, INCLUDING THE ISRAELIS, TRANSIT THE SUEZ CANAL IF SUCH SHIPS CARRIED NOT THE FLAG OF THE COUNTRY INVOLVED, BUT THE U.N. FLAG. NASIR SAID, "I DO NOT RULE THIS OUT BUT THERE IS STILL THE QUESTION OF LOGS, MANIFESTS AND TROUBLE WITH THE PEOPLE. ON THE OTHER HAND, IF YOU WILL SETTLE THE REFUGEE PROBLEM THEN I CAN ALLOW ISRAELI SHIPS TO TRANSIT," HE SAID. I TOLD HIM I WAS SKEPTICAL THAT THE ISRAELIS WOULD EVER NEGOTIATE FOR A RESETTLEMENT IN PALESTINE. AT THIS POINT, NASIR SAID, "ALL RIGHT; THEN, LET US SETTLE WITH THEM BY AGREEING TO PAY THEM COMPENSATION." IN ORDER TO CLARIFY THIS POINT, I STATED AGAIN THAT I WANTED TO BE QUITE SURE THAT HE WOULD AGREE TO A MUTUAL SETTLEMENT OF THE REFUGEE PROBLEM WITHOUT GIVING THE REFUGEES THE ALTERNATIVE CHOICE OF RESETTLEMENT (COMMENT: IN PALESTINE) OR OF TAKING MONEY INSTEAD, AND HE AGAIN SAID THAT IF RESETTLEMENT IS NOT POSSIBLE, WE CAN AGREE ON A MUTUAL COMPENSATION. HE CONTINUALLY LINKS THE FREE PASSAGE OF ISRAELI SHIPS THROUGH THE SUEZ CANAL WITH THE SETTLEMENT OF THE REFUGEE PROBLEM.

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EYES ONLY SECRETARY OF STATE AND WHITE HOUSE FOR THE PRESIDENT

7. HE THEN BROUGHT UP THE QUESTION OF TERRITORY. HERE, NASIR SAID THAT THE KEY POINT IS THAT ISRAEL CANNOT BE ALLOWED TO EXPAND, THAT FOR EVERY MUSLIM NATION, REGARDLESS OF WHETHER OR NOT IT BORDERS ON ISRAEL, THE CONSUMING FEAR IS THAT ISRAEL PLANS TERRITORYAL EXPANSION. HE SAID THIS IS ONE OF THE BASIC PROBLEMS IN TRYING TO UNIT THE NEW AND THE OLD CITY OF JERUSALEM. IT IS REGARDED BY EVERYONE OF THE MUSLIM FAITH AS A VIOLATION OF THEIR RELIGIOUS RIGHTS AND AS ISRAELI EXPANSION.

8. HE THEN STATED THIS, THAT AGAIN HE WOULD SPECULATE THAT CERTAIN TERRITORY SURROUNDING THE STATE OF ISRAEL MIGHT BE REGARDED AS ESSENTIAL TO THEIR OWN SECURITY. NASIR SAID THAT IF THIS IS SO, LET US DEMILITARIZE IT. AGAIN HE SAID, "I CANNOT SPEAK FOR ALL OTHERS, BUT AS FOR ME, I WILL WITHDRAW PERMANENTLY ALL FORCES 10 MILES, 15 MILES, OR ANY AGREED NUMBER OF MILES FROM THE BORDERS." I ASKED HIM WHAT HE WOULD THINK ABOUT THE COMPLETE DEMILITARIZATION OF THE SINAI PENINSULA. HE SAID, "THIS I CANNOT DO, BECAUSE IT IS TOO BIG AND EXTENSIVE A LAND FOR ME TO SAY THAT NO MILITARY PERSONNEL CAN EVER BE PLACED THERE. I CAN AGREE THAT NO MILITARY PERSONNEL WILL EVER BE PLACED IN SHARM AL SHAYKH, OR WITHIN 10 OR 15 MILES OF THE ISRAELI BORDERS, IF THEY OR THEIR STATE WILL AGREE NOT TO PLACE TROOPS WITHIN THE SAME DISTANCE." HE SAID AGAIN, "I CANNOT SPEAK FOR JORDAN OR SYRIA, BUT I BELIEVE THAT THE SAME PRINCIPLES WOULD BE AGREED TO BY THEM."

9. NASIR SAID THAT EXCEPT FOR TERRITORY, MOST OF THE ARAB NATIONS ARE LEAVING OTHER DETAILS OF THE ARAB SETTLEMENT TO HIM. HE SAID, "IT IS A TASK I DO NOT WANT, BUT ONE WHICH OTHERS HAVE ASKED THAT I UNDERTAKE. IT, HOWEVER, MUST BE EXPECTED THAT EACH WILL DECIDE WITH REFERENCE TO HIS OWN TERRITORY, AND EACH OF THE NEIGHBORING STATES MUST AGREE ON THE FINAL SETTLEMENT." I TOLD NASIR THAT OBVIOUSLY I WAS GOING FULLY TO COMMUNICATE HIS VIEWS TO MY GOVERNMENT, AND HE SAID, "THIS IS EXACTLY WHY I AM TELLING YOU, AND I HOPE WE WILL BE GETTING A RESPONSE THAT IS FAVORABLE FROM YOUR GOVERNMENT. YOU ARE GOING TO IRAQ. IF YOU GET ANY KIND OF RESPONSE, PLEASE ADVISE MY AMBASSADOR IN IRAQ, AND I WILL BE GLAD TO RECEIVE YOU AT ANY TIME YOU WANT TO RETURN." NASIR STATED, "PLEASE TRY TO EXPLAIN TO YOUR GOVERNMENT THAT HOWEVER DESPERATELY WE WANT PEACE, WE CANNOT HAVE IT AT THE PRICE OF DESTROYING OURSELVES OR ANY OTHER ARAB LEADER, WHEN YOU CAN BE ABSOLUTELY SURE THAT ANYBODY WHO SUCCEEDS ME OR ANY OF THE OTHER ARAB LEADERS WILL BE MUCH MORE RADICAL AGAINST THE ISRAELIS THAN WE ARE."

10. NASIR SAID THAT SOME OF THE ARAB STATES, NOTABLY SYRIA AND ALGERIA, HAD BEEN VERY VEHEMENT WITH HIM IN STATING, "YOU CANNOT AGREE TO A RESOLUTION OR A DECLARATION WHICH INCLUDES THE RIGHT TO LIVE FOR ISRAEL". NASIR SAID, "I MERELY POINTED OUT TO THEM THAT WE ARE NO LONGER TALKING ABOUT ISRAEL'S RIGHT TO LIVE. WE ARE TALKING ABOUT OUR OWN RIGHT TO LIVE." HE REPEATED THIS TWO OR THREE TIMES. HE ALSO SAID HE BELIEVED THE ISRAELIS HAD IN MIND HIS ECONOMIC DESTRUCTION, BECAUSE AT PRESENT HE HAD NO REVENUE FROM THE SUEZ CANAL OR FROM TOURISM, AND NOW THEY HAD DESTROYED HIS REFINERIES. HE SAID, "THEREFORE, MY TASK IS NOW TO BUILD A STRONG ECONOMY WITHIN MY OWN COUNTRY. THIS IS THE BEST WAY I CAN RETALIATE."

11. I ASKED NASIR IF HE WOULD GIVE ME HIS OWN VERSION OF THE SINKING OF THE ISRAELI SHIP "EILATH." HE SAID HE WOULD BE GLAD TO. HE SAID THIS SHIP HAD BEEN PATROLLING IN AND OUT OF UAR

WILL DECIDE WITH REFERENCE TO HIS OWN TERRITORY, AND EACH OF THE NEIGHBORING STATES MUST REE ON THE FINAL SETTLEMENT." I TOLD NASIR THAT OBVIOUSLY I WAS GOING FULLY TO COMMUNICATE HIS VIEWS TO MY GOVERNMENT, AND HE SAID, "THIS IS EXACTLY WHY I AM TELLING YOU, AND I HOPE WE WILL BE GETTING A RESPONSE THAT IS FAVORABLE FROM YOUR GOVERNMENT. YOU ARE GOING TO IRAQ. IF YOU GET ANY KIND OF RESPONSE, PLEASE ADVISE MY AMBASSADOR IN IRAQ, AND I WILL BE GLAD TO RECEIVE YOU AT ANY TIME YOU WANT TO RETURN." NASIR STATED, "PLEASE TRY TO EXPLAIN TO YOUR GOVERNMENT THAT HOWEVER DESPERATELY WE WANT PEACE, WE CANNOT HAVE IT AT THE PRICE OF DESTROYING OURSELVES OR ANY OTHER ARAB LEADER, WHEN YOU CAN BE ABSOLUTELY SURE THAT ANYBODY WHO SUCCEEDS MEOR ANY OF THE OTHER ARAB LEADERS WILL BE MUCH MORE RADICAL AGAINST THE ISRAELIS THAN WE ARE."

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11. I ASKED NASIR IF HE WOULD GIVE ME HIS OWN VERSION OF THE SINKING OF THE ISRAELI SHIP "EILATH." HE SAID HE WOULD BE GLAD TO. HE SAID THIS SHIP HAD BEEN PATROLLING IN AND OUT OF UAR WATERS FOR A NUMBER OF WEEKS, "JUST ON THE BORDER." ON OR ABOUT 11 JULY, THIS SAME SHIP HAD ATTACKED AND SUNK TWO EGYPTIAN TORPEDO BOATS AND KILLED THEIR CREWS. THIS, HE SAID, ATTRACTED NO WORLD ATTENTION. "ALSO, THEY SANK THEM IN OUR OWN WATERS". HE SAID THEN GENERAL RABIN ISSUED A STATEMENT SAYING THAT THE ISRAELIS WERE LOOKING FOR THE EGYPTIAN NAVY, BUT THE NAVY WAS HIDING. HE SAID THAT IN ADDITION TO THIS, AN ISRAELI PLANE SANK ANOTHER EGYPTIAN TORPEDO BOAT IN THE SUEZ. AS FAR AS THE ACTUAL SINKING OF THE "EILATH" WAS CONCERNED, NASIR SAID, "IT WAS ALL FINISHED AND DONE WITH BEFORE I EVEN HEARD ABOUT IT. I WAS FIRST INFORMED ABOUT 6:30 IN THE EVENING. AT THAT TIME, I WAS NOT DEALING WITH WHAT SHOULD OR SHOULD NOT BE DONE. I WAS DEALING WITH A FACT THAT HAD ALREADY HAPPENED. I AM SURE THAT MILITARY COMMANDERS IN OTHER PARTS OF THE WORLD DO NOT RING UP THEIR PRESIDENTS AND ASK THEM WHAT TO DO EVERY TIME THERE IS AN INVASION OF THEIR TERRITORY". NASIR ENDED THE CONVERSATION BY SAYING, "I WANT NOTHING BUT PEACE. I WANT TO GO AS FAR AS HUMANLY POSSIBLE TO ACHIEVE IT. BUT I MUST NOT BE ASKED TO DO THE IMPOSSIBLE. I MUST NOT BE ASKED TO DO SOMETHING THAT WOULD BE CONDEMNED BY EVERY OTHER LEADER AND BY MY OWN PEOPLE. I AM WILLING TO GO AS FAR AS THE FACTS OF LIFE WILL ALLOW ME, AND I HOPE YOU WILL MAKE THIS CLEAR TO AND GET A FAVORABLE RESPONSE FROM YOUR GOVERNMENT. SURELY, THEY CAN SUPPORT THE PRINCIPLES OF YOUR PRESIDENT, AND SURELY WE CAN FIND WAYS TO WORK OUT THE DETAILS OF IMPLEMENTATION. SURELY, PEACE MUST NOT DEPEND BOTH ON CIRCUMSTANCES AND PROCEDURES, UPON THE DEMANDS OF THE ISRAELIS, SOME OF WHICH THEY THEMSELVES KNOW ARE IMPOSSIBLE FOR US." NASIR AGAIN ASKED ME TO STAY IN TOUCH WITH HIS AMBASSADOR IN IRAQ AND BE PREPARED TO RETURN IF A RESPONSE FOR HIS GOVERNMENT WAS FORTHCOMING.

12. I ASKED NASIR WHETHER ALL OF THE DIFFICULTIES CONCERNING YEMEN HAD BEEN FINALLY SETTLED AND IF HIS AGREEMENT WITH THE

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EYES ONLY SECRETARY OF STATE AND WHITE HOUSE FOR THE PRESIDENT SAUDIS WAS GOING TO BE CARRIED OUT. NASIR REPLIED, "OUR RELATIONSHIPS IN YEMEN HAVE BEEN SETTLED FOR GOOD. WE ARE GOING TO CARRY OUT OUR AGREEMENTS. THE SAME GOES FOR ALL OF THE OTHER STATES IN THE SOUTHERN ARABIAN PENINSULA. MY CONCENTRATION IS GOING TO BE ON THE DEVELOPMENT OF THE UAR."

13. NOTE THAT IN MY TALK ON THE FIRST DAY I ARRIVED, I TOLD NASIR WE WERE STILL PUZZLED AS TO WHY HE HAD MASSED TROOPS IN THE SINAI AND WE BELIEVED THIS WAS WHY THE WHOLE ISSUE HAD COME ABOUT. NASIR DID NOT REFER TO THE GULF OF AQABA, BUT SAID, "WHETHER YOU BELIEVE IT OR NOT, WE WERE IN FEAR OF AN ATTACK FROM ISRAEL. WE HAD BEEN INFORMED THAT THE ISRAELIS WERE MASSING TROOPS ON THE SYRIAN BORDER WITH THE IDEA OF FIRST ATTACKING SYRIA, THERE THEY DID NOT EXPECT TO MEET GREAT RESISTANCE, AND THEN COMMENCE THEIR ATTACK ON THE UAR." SAND SAID TO HIM THAT IT WAS UNFORTUNATE THE UAR HAD BELIEVED SUCH REPORTS, WHICH WERE SIMPLE NOT IN ACCORDANCE WITH THE FACTS. NASIR SAID THAT THE INFORMATION HAD NOT COME TO HIM FROM SOURCES HE WOULD SUSPECT. HE ADDED THAT AMONG OTHER SIGN "YOUR OWN STATE DEPARTMENT CALLED IN MY AMBASSADOR TO THE U.S. IN APRIL OR MAY AND LEARNED HIM THIM THAT THERE WERE RUMORS THAT THERE MIGHT BE A CONFLICT BETWEEN ISRAEL AND THE UAR." I TOLD HIM THAT SO FAR AS I KNEW, I HAD NEVER HEARD THIS REPORT BEFORE.

14. NASIR OBSERVED THAT THE U.S MUST REMEMBER THAT JERUSALEM PRESENTS A SPECIAL PROBLEM FOR ALL THREE FAITHS. HE COMMENTED THAT "IN THIS COUNTRY, WE ARE MUSLEMS, BUT WE ARE NOT ISLAMIC." I ASKED NASIR IF HE WOULD CONSIDER PERMITTING BOTH THE OLD AND NEW CITY OF JERUSALEM TO COME UNDER A SINGLE ISRALI ADMINISTRATION WITH RESPECT TO SUCH THINGS AS PUBLIC UTILITIES, ETC., BUT WITH EACH FAITH TO HAVE CUSTODY AND SUPERVISION OF ITS HOLY PLACES. NASIR REPLIED THAT EVEN

IF HE AGREED TO THIS ANY SUCH SOLUTION WOULD LEAVE ISRAEL ULTIMATELY CONFRONTED WITH WAR OR RESISTANCE SO FAR AS ANYBODY COULD SEE INTO THE FUTURE. HE SAID THAT NOTHING HE OR ANY OTHER RULER IN THE WORLD COULD DO WOULD PREVENT THAT PEOPLE WILL DO THINGS IN THE NAME OF RELIGION THAT THEY WOULD NOT CONSIDER DOING IN THE NAME OF POLITICS. ON THE OTHER HAND, HE THINKS JERUSALEM COULD BE ZONED SO THAT EACH FAITH WOULD HAVE THE ADMINISTRATION OF ITS OWN SECTOR, "MY COUNTRY IS IDUSLIM, CHRISTIAN AND JEWISH, AND I EXPECT IT ALWAYS TO BE SO. EACH HAS HIS OWN PARTICULAR INTEREST IN HOW WE SETTLE THE ISSUE OF JERUSALEM." WE HAD NO FURTHER DISCUSSION ON THIS SUBJECT, BECAUSE NASIR SAID THIS WAS OBVIOUSLY A MATTER OF SUCH IMPORTNACE THAT IT WOULD HAVE TO BE THE SUBJECT OF NEGOTIATIONS, AND ONE OR MORE PERSONS SHOULD BE APPOINTED BY THE SECRETARY GENERAL PURSUANT TO THE SECURITY COUNCIL RESOLUTION DISCUSSED EARLIER ABOVE TO MANAGE SUCH NEGOTIATIONS.

15. CONCERNING THE SHELLING OF THE SUEZ REFINERIES, NASIR COMMENTED THAT HE RECOGNIZED IT AS RETALIATION FOR THE SINKING OF THE "EILATH," AND THAT HE THOUGHT THE ISRAELIS HAD DONE THIS, BECAUSE IT WOULD HURT THE UAR ECONOMICALLY. HE SAID, "WE COULD HAVE ATTACKED THEIR REFINERIES, BUT WE DECIDED THAT THIS HAD GONE FAR ENOUGH, AND WE SHOULD HAVE PEACE AND NOT ESCALATION."

16. NASIR'S WILLINGNESS TO SIGN AN AGREED UN DECLARATION OR WRITING A LETTER TO THE UN AGREEING TO THE TERMS OF SUCH A DECLARATION IS, OF COURSE, CONDITIONED ON ISRAEL'S WILLINGNESS TO DO THE SAME.

17. ON CONCLUSION OF OUR MEETING. NASIR THANKED ME FOR COMING

DISCUSSED EARLIER ABOVE TO MANAGE SUCH NEGOTIATIONS.

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16. NASIR'S WILLINGNESS TO SIGN AN AGREED UN DECLARATION OR WRITING A LETTER TO THE UN AGREEING TO THE TERMS OF SUCH A DECLARATION IS, OF COURSE, CONDITIONED ON ISRAEL'S WILLINGNESS TO DO THE SAME.

17. ON CONCLUSION OF OUR MEETING, NASIR THANKED ME FOR COMING AND EXPRESSED THE HOPE THAT HE WOULD RECEIVE A FAVORABLE RESPONSE TO THE SUGGESTIONS INCORPORATED IN THE FOREGOING.

18. AFTER LEAVING NASIR, I PROCEEDED TO SEE ZAKARIYAH MUHYI AL DIN AT HIS HOME. ZAKARIYAH BEGAN BY ASKING ME TO BRIEF HIM ON WHAT HAD TAKEN PLACE BETWEEN NASIR AND ME, AND I DID SO. ZAKARIYAH ASKED WHETHER WE HAD GOTTEN INTO DISCUSSION OF DETAILS CONCERNING THE TERRITORIES INVOLVED, ESPECIALLY THE GAZA STRIP. I TOLD HIM NASIR HAD SAID OTHER NATIONS MUST BE CONSULTED INsofar AS THEIR TERRITORIES WERE CONCERNED, BUT THAT THE GAZA STRIP HAD NOT BEEN MENTIONED TODAY. ZAKARIYAH SAID THAT RELINQUISHING THE GAZA STRIP COULD NOT BE DECIDED ON BY THE UAR OR THE ISRAELI. THE UAR HAD NEVER ANNEXED GAZA FORMALLY BECAUSE IT IS TERRITORY BELONGING TO THE PALESTINIANES, AS IS SOME OF THE TERRITORY ON THE WEST BANK OF THE JORDAN. I ASKED THAT IF THIS IS TRUE, WHO SPEAKS FOR THE PALESTINIANS. ZAKARIYAH SMILED AND SAID HE DID NOT KNOW. I ASKED WHETHER IT WOULD BE AHMAD SHUKAYRI, AND ZAKARIYAH AGAIN SMILED AND COMMENTED THAT SHUKAYRI WAS AN APPOINTED, NOT AN ELECTED OFFICIAL, AND THAT THERE MIGHT WELL BE SOME OTHER POLITICAL VOICE WHO COULD SPEAK FOR THE PALESTINIANS. HE SEEMED DISAPPOINTED THAT THE ISSUE HAD NOT BEEN DISCUSSED BY NASIR. I TAKE IT AS ZAKARIYAH'S IMPLICATION, AND ONLY THAT, THAT HE DOES NOT BELIEVE THE FATE OF THE GAZA STRIP SHOULD BE A DETERMINING FACTOR. HE IS, HOWEVER, CONCERNED ABOUT THE PEOPLE IN THE GAZA STRIP, AS TO WHETHER OR NOT THEY COULD BE INCORPORATED INTO THE STATE OR ISRAEL, AND PERHAPS MORE IMPORTANTLY, AS TO WHETHER THE ISRAELI WOULD ALLOW THEM TO STAY. HE SAID, "THE REAL PROBLEM IS NOT THE LAND BUT THE PEOPLE, AND WHETHER AFTER WE MAKE PEACE THE NATIVES WOULD BE EJECTED AS UNSIRABLE." I TOLD HIM THAT THESE WERE THE SORT OF THINGS I HAD GATHERED FROM NASIR, AND THAT THEY WOULD BE THE SUBJECT OF DISCUSSIONS BY ONE OR MORE PERSONS WHO MIGHT BE APPOINTED BY THE SECRETARY GENERAL PURSUANT TO THE RESOLUTION CITED ABOVE.

19. ZAKARIYAH SAID THAT THE THOUGHT SO FAR AS HE KNEW I HAD CLEARLY OUTLINED NASIR'S VIEWS. HE SAID, "WE WANT TO GO AS FAR AS WE CAN, BECAUSE WE KNOW THAT WAR CAN ONLY DESTROY US BOTH, AND THAT PEACE CAN FOLLOW US TO FULFILL OUR OBLIGATIONS AS A NATION. BUT PLEASE DO NOT ASK US TO DO THE IMPOSSIBLE, AND PLEASE TRY TO TELL YOUR PEOPLE THAT REGARDLESS OF WHAT OTHERS MIGHT SAY, DIRECT NEGOTIATIONS OF NEGOTIATIONS WITH A MEDIATOR COULD NOT BE POSSIBLE, AND EVEN THE ISRAELIS KNOW THIS AS WELL AS WE. I ASKED ZAKARIYAH IF IT WERE NOT POSSIBLE TO CHANGE PUBLIC OPINION ON THIS SUBJECT, AND HE SAID, "NO. NEITHER IN THIS COUNTRY NOR IN OTHER ARAB COUNTRIES. WE MIGHT CHANGE THEIR OPINION ON OTHER TOPICS, BUT NOT ON THIS".

20. I ASKED ZAKARIYAH IF THERE WERE ANYTHING HE WOULD LIKE TO ADD TO THE REVIEW OF NASSER'S VIEWS. HE SAID, "YES. FIRST OF ALL, WE WOULD LIKE TO HAVE A NEW START IN RELATIONSHIPS BETWEEN OUR TWO COUNTRIES. WE HAVE BEEN THROUGH A PERIOD OF CONFUSION. WE KNOW BEYOND ALL DOUBT THAT IT IS NOT IN OUR INTEREST TO HAVE ANY MISUNDERSTANDINGS WITH THE U.S. WE HOPE THAT YOUR COUNTRY FEELS

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EYES ONLY TO SECRETARY OF STATE AND WHITE HOUSE FOR THE
PRESIDENT:

3.3(b)(1)

THE SAME WAY. WE ARE FEARFUL THAT YOUR GOVERNMENT JUST DOES NOT UNDERSTAND US AND THAT YOUR PEOPLE DO NOT UNDERSTAND US. WE ARE FEARFUL THAT THEY DO NOT KNOW WHAT IS POSSIBLE AND WHAT IS IMPOSSIBLE. PLEASE EXPLAIN THAT ABOVE EVERYTHING ELSE, WE ARE NATIONALISTS. WE ARE EGYPTIANS AND WE ARE NOT TRYING TO RULE THE ARAB WORLD. YOU MAY NOT BELIEVE THAT NASIR FROM TIME TO TIME HAS FELT THAT HE HAS BEEN PUT INTO A CORNER. HE FEELS HE HAS BEEN PERSONALLY DISLIKED AT HIGH LEVELS OF YOUR GOVERNMENT." I SAID THAT THIS WAS NOT SO. ZAKARIYAH WENT ON, "HE HAS GREAT RESPECT FOR YOUR PRESIDENT AND FOR YOUR PEOPLE. HE KNOWS HE HAS MADE MISTAKES, BUT HE THOROUGHLY WANTS, AS WE ALL DO, THE FRIENDSHIP OF THE UNITED STATES AND THEIR HELP IN MAKING PEACE -- BUT WITHIN THE FRAMEWORK OF WHAT IS HUMANLY POSSIBLE. WE DO NOT THINK WE CAN ACCOMPLISH THIS. WE DO NOT THINK OUR PUBLIC RELATIONS ARE GOOD, AND WE WOULD LIKE TO BE ABLE TO DEPEND ON SOMEONE TO GET OUR POINT OF VIEW ACROSS. I HOPE THAT YOU GET A FAVORABLE RESPONSE FROM YOUR GOVERNMENT ALONG THE LINES OF YOUR TALKS WITH PRESIDENT NASIR AND THAT WE CAN MOVE TO PEACE. WE WILL BE ANXIOUSLY AWAITING THE RESPONSE THAT IS MADE AS THE RESULT OF OUR CONVERSATIONS."

21. ZAKARIYAH MADE THE POINT THAT PRIOR TO THE KHARTOUM MEETING, THE FEELING FOR CONTINUATION OF SOME FORM OF HOSTILITIES AGAINST ISRAEL WAS VERY STRONG. HE SAID IN FACT THAT ONLY ON THIS ASPECT HAS THERE EVER BEEN ARAB UNITY. BUT AT KHARTOUM, NASIR TOOK THE INITIATIVE IN SEEING THAT THE UAR MUST HAVE POLITICAL PEACE, CORRECTS ITS OWN ERRORS AND SETTLE ITS OWN PROBLEMS WITH YEMEN AND THE OTHER STATES IN THE ARABIAN PENINSULA.

22. REGARDING JERUSALEM, ZAKARIYAH MADE ESSENTIALLY THE SAME POINTS AS HAD NASIR. HE NOTED THAT THIS PROBLEM WAS OF CONCERN NOT ONLY TO THE ARAB COUNTRIES, BUT ALSO TO A GREAT MANY OF THE AFRICAN AND OTHER COUNTRIES WHERE THERE WERE HIGH CONCENTRATIONS OF THE MUSLIM FAITH.

23. I WAS ADVISED THAT IF THE UN SECRETARY GENERAL WERE TO APPOINT AN INDIVIDUAL OR GROUP TO DRAFT A RESOLUTION ALONG THE LINES NOTED ABOVE, ZAKARIYAH MIGHT WELL BE SENT TO JOIN FOREIGN MINISTER RIYAD IN THE DISCUSSIONS IN NEW YORK. LIKE NASIR, ZAKARIYAH THANKED ME FOR COMING TO CAIRO AND EXPRESSED HIS HOPES FOR A FAVORABLE RESPONSE.

24. I SUSPECT THE ONLY WAY FOR ME TO BE ADVISED OF THE RESPONSE TO THE FOREGOING IS TO RETURN TO BEIRUT. WHEN I RETURN WILL DEPEND ON HOW FAR WE GET IN CONTRACTUAL DISCUSSIONS WITH THE GOVERNMENT OF IRAQ. I CAN AND WILL, HOWEVER, INTERRUPT THOSE DISCUSSIONS AND COME TO BEIRUT TO COMMUNICATE WITH YOU [REDACTED]

3.3(b)(1)(6)

[REDACTED] WE HAVE DEVISED A METHOD SO THAT HE CAN DISCREETLY REQUEST ME TO RETURN HERE. I ASSUME THERE IS NO GREAT HURRY ABOUT GETTING BACK TO NASIR, SINCE HE TOLD ME HE WAS GOING ON VACATION. I GATHER THIS IS TO BE A SHORT VACATION, BUT NASIR DID NOT SPECIFY THE NUMBER OF DAYS. I ALSO SUPPOSE HE WOULD WANT TO BE IN TOUCH IF YOU CONSIDER THE RESPONSE A MATTER OF URGENCY. I WILL DO NOTHING UNTIL I HEAR FURTHER FROM YOU. IF IT IS DECIDED FOR ANY REASON THAT I SHOULD NOT COMMUNICATE A RESPONSE TO NASIR, I WILL RETURN TO BEIRUT AFTER CONCLUSION OF THE CONVERSATIONS IN IRAQ AND FROM BEIRUT PROCEED HOME.

...ZAKARIYAH MADE ESSENTIALLY THE SAME POINTS AS HAD NASIR. HE NOTED THAT THIS PROBLEM WAS OF CONCERN NOT ONLY TO THE ARAB COUNTRIES, BUT ALSO TO A GREAT MANY OF THE AFRICAN AND OTHER COUNTRIES WHERE THERE WERE HIGH CONCENTRATIONS OF THE MUSLIM FAITH.

23. I WAS ADVISED THAT IF THE UN SECRETARY GENERAL WERE TO APPOINT AN INDIVIDUAL OR GROUP TO DRAFT A RESOLUTION ALONG THE LINES NOTED ABOVE, ZAKARIYAH MIGHT WELL BE SENT TO JOIN FOREIGN MINISTER RIYAD IN THE DISCUSSIONS IN NEW YORK. LIKE NASIR, ZAKARIYAH THANKED ME FOR COMING TO CAIRO AND EXPRESSED HIS HOPES FOR A FAVORABLE RESPONSE.

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3.3(b)(1)

[REDACTED] WE HAVE DEVISED A METHOD SO THAT HE CAN DISCREETLY REQUEST ME TO RETURN HERE. I ASSUME THERE IS NO GREAT HURRY ABOUT GETTING BACK TO NASIR, SINCE HE TOLD ME HE WAS GOING ON VACATION. I GATHER THIS IS TO BE A SHORT VACATION, BUT NASIR DID NOT SPECIFY THE NUMBER OF DAYS. I ALSO SUPPOSE HE WOULD WANT TO BE IN TOUCH IF YOU CONSIDER THE RESPONSE A MATTER OF URGENCY. I WILL DO NOTHING UNTIL I HEAR FURTHER FROM YOU. IF IT IS DECIDED FOR ANY REASON THAT I SHOULD NOT COMMUNICATE A RESPONSE TO NASIR, I WILL RETURN TO BEIRUT AFTER CONCLUSION OF THE CONVERSATIONS IN IRAQ AND FROM BEIRUT PROCEED HOME.

25. I WAS ASKED BY PACE OF THE NEW YORK TIMES AND CARRUTHERS OF THE LOS ANGELES HERALD WHETHER I WOULD VISIT WITH THEM. I ONLY SPOKE TO PACE ON THE TELEPHONE AND TOLD HIM THAT I WAS DISCUSSING COMMERCIAL FERTILIZER AND LAND RECLAMATION AS I HAVE BEEN DOING FOR SOME YEARS. I WOULD NOT GIVE HIM THE NAMES OF ANYBODY WITH WHOM I HAD HAD CONVERSATIONS. I DID SAY THAT I WAS ACTING ENTIRELY ON MY OWN, DISCUSSING COMMERCIAL MATTERS OF LONG STANDING AND WAS NOT IN THE UAR WITH ANY OFFICIAL STATUS.

26. I HAVE DICTATED THIS [REDACTED] IN BEIRUT AND WILL NOT HAVE TIME TO HAVE IT TRANSCRIBED FOR READING BEFORE I DEPART FOR BAGHDAD. I SHALL READ IT AND MAKE SUCH CORRECTIONS AS MAY BE NECESSARY ON MY RETURN TO BEIRUT.

3.3(b)(4)

27. ONE FINAL POINT FROM DISCUSSION WITH ZAKARIYAH: WHILE HE SPOKE OF MAKING A NEW START IN OUR RELATIONSHIPS, HE SAID THAT OF COURSE AT SOME POINT, WE MUST RENEW FORMAL, DIPLOMATIC TIES. I SAID ONLY IF THIS WERE THE WISH OF PRESIDENT NASIR AND THAT THEY SHOULD THEN INSTRUCT THEIR FOREIGN MINISTER TO BE IN TOUCH WITH OUR SECRETARY OF STATE. I NOTED IT WAS THEY WHO BROKE RELATIONS, AND THEY WHO WOULD HAVE TO TAKE THE NECESSARY STEPS TO DISCUSS THEIR RESUMPTION.

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EYES ONLY

Pres. file

Friday, November 3, 1967 -- 1:25 p.m.

Mr. President:

Sec. McNamara is hooked to give a speech at Denver on Tuesday, November 7. When I underlined what I have done many times before -- namely, Tuesday must be held for lunch -- he said that if we are going to speak around the country, we can't always decide the day of the week.

Since Sec. Rusk must host a lunch for Hussein on Monday, November 6, Wednesday is free for both of the Secretaries.

W. W. Rostow

Tell Sec. McNamara to cancel Denver speech_____

Wednesday lunch acceptable_____

Set meeting for some other time on Monday_____

See me_____

WWRostow:rln

Remarks by Secretary McNamara to the
National Association of Educational Broadcasters
7 November 1967

Ladies and Gentlemen:

I want to talk to you this morning about the unused potential of the Department of Defense -- a potential for contributing to the solution of the social problems wracking our nation.

The Defense Department is the largest single institution in the world: an institution employing directly four and a half million men and women, indirectly employing several million more, and directing the use of nearly 10 percent of the nation's wealth.

The question I want to put to you is this: can these vast resources be used to contribute to our nation's benefit beyond the narrow -- though vitally necessary -- role of military power?

As a basis for exploring this question, I want to describe to you three projects that are currently under way:

- . An Open Housing Program, to break through the barriers of racial discrimination in off-base housing for military personnel.
- . PROJECT 100,000, a program to salvage the poverty-scarred youth of our society at the rate of 100,000 men each year -- first for two years of military service, and then for a lifetime of productive activity in civilian society.
- . And finally, PROJECT TRANSITION, a program to assist the three-quarters of a million men leaving military service each year to select and train for the role in civilian life that will contribute most to their personal fulfillment and to the nation's benefit.

But before discussing these programs, let me make it unmistakably clear that our primary responsibility and our clear mandate from the President and from the Congress is to procure and maintain in a high state of combat readiness whatever military forces are necessary to protect this nation from external attack, keep our commitments to our allies, and support the objectives of our foreign policy.

We are meeting that responsibility.

Since 1961, excluding those forces added because of operations in Vietnam, we have increased our military capability in every essential category:

- . A 45% increase in the number of combat assigned Army divisions -- from 11 to 16.
- . A 73% increase in the funds for general ship construction and conversion to modernize the fleet.

- . A 200% increase in the number of guided missile surface ships -- from 23 to 72.
- . A 300% increase in our inventory of nuclear-powered ships -- from 19 to 77.
- . A 40% increase in the number of Air Force tactical fighter squadrons -- from 67 to 94 -- and a 100% increase in the total payload capability of all our fighter and attack aircraft, Air Force, Navy and Marine Corps.
- . A 300% increase in helicopter troop lift capability.
- . A 340% increase in our fixed-wing airlift capability -- an increase which will reach 1000% in the 1970s with the introduction of the mammoth new C-5A transport.
- . A 100% increase in the number of nuclear weapons deployed in NATO Europe.
- . A 160% increase in the number and total megatonnage of nuclear weapons in the strategic alert forces.

Nor do these increases tell the full story. We have developed in the past several years a broad new array of weapons which include:

- . The SR-71: a highly sophisticated reconnaissance aircraft that can fly three times the speed of sound.
- . The POSEIDON intercontinental missile which has five to ten times the destructive power of the POLARIS missile it replaces.
- . The MBT-70, a new main battle tank, providing increased firepower, protection and mobility.
- . The CH-54 flying crane: our first heavy-lift helicopter, which has paid for itself many times over in recovering battle-damaged helicopters, as well as performing an expanded range of supply and logistic functions in support of our troops.
- . The family of F-111 aircraft: the most sophisticated and effective attack aircraft in the world today -- and recognized as such by foreign governments who are buying it in preference to aircraft produced in their own countries.

- . The multi-warhead ballistic missile re-entry system which multiplies the effectiveness of our missile force.
- . The WALLEYE guided bomb, which uses a television guidance system, enabling aircraft and conventional explosives to hit targets in Southeast Asia today with extreme accuracy and effectiveness.
- . The LANCE tactical surface-to-surface missile, equipped with both nuclear and non-nuclear warheads, which has greater range, accuracy and reliability than the missiles it will replace.
- . The SPARTAN and SPRINT anti-ballistic missiles which will provide defense against a possible Chinese attack in the 1970s.
- . The PHOENIX air-to-air missile system, providing us with the capability of destroying formations of enemy aircraft in the air at substantially greater distances.
- . The SRAM air-to-surface missile, increasing the effectiveness of our strategic bombers, and enabling us to penetrate advanced enemy defenses.
- . The COBRA attack helicopter, providing faster, more flexible support of our ground troops.
- . The A-7 attack aircraft, giving our Navy and the Air Force an improved capability to support our ground forces, with its greater bomb capacity and longer range.
- . And scores of other weapon systems and sub-systems -- many of them, of course, still highly classified.

Now, obviously, the real test of combat readiness is not simply to have an adequate arsenal of advanced weaponry -- which we have greatly added to over the past six years -- but to be able to respond rapidly and effectively to an emergency.

Such an emergency faced us in the summer of 1965, when it became apparent that Hanoi was on the verge of cutting South Vietnam in half by overwhelming force.

If we in the United States were to prevent that defeat, we had to respond rapidly and effectively.

That is what we did -- and our accomplishments in the face of that emergency are the most realistic measure of our combat readiness.

In the first crucial months of the crisis we moved over 100,000 men to Southeast Asia in 120 days. We supplied them with hundreds of thousands of different items, at the end of a 10,000 mile pipeline -- which at the time had only one deepwater port, and neither roads nor rail line to move the supplies inland.

In those first critical months we saved South Vietnam from complete and final defeat.

Today we are supporting some 600,000 men in Southeast Asia -- at a standard of proficiency never before equalled in the history of warfare -- and we are doing so without wage controls, without price controls, without profit controls -- and indeed without the serious dislocation of the economy that has been the inevitable accompaniment of every other war we have fought in this century.

What is more, we are accomplishing this without calling up our reserve forces; without any significant movement of our men and equipment out of Western Europe; without any important change in our forces in South Korea; and without jeopardizing our ability to meet additional emergencies that might occur elsewhere in the world.

Now, how has all this been possible?

It has been possible because we have met our first and overriding responsibility in the Defense Department: we were, we are, and we will continue to remain in a high state of combat readiness.

Combat readiness is our primary responsibility.

But I want to stress that responsibility is not inconsistent with other goals.

We have been concerned, for example, with obtaining and operating the required level of military power at the lowest possible cost. That goal is clearly sensible in a Department that is spending over \$70 billion per year.

Efficient, economical management does not detract from combat readiness. On the contrary, it strengthens it.

Our defense expenditures today -- even including the full cost of our commitments in Southeast Asia -- constitute a smaller percentage of the Gross National Product than they did in any fiscal year from 1952 through 1959.

That is due in part to the five-year Cost Reduction Program, which we initiated in 1962. Over the five years we saved the taxpayers in excess of 14 billions of dollars. Now that the initial phase has been completed,

we have established the Cost Reduction Program as a permanent annual procedure -- with stated goals and carefully audited results.

As part of reducing costs, we have to date initiated actions to consolidate, reduce, or close over 950 Defense installations or activities -- all over the world -- involving property that has become surplus to foreseeable peacetime or wartime needs.

The base closure program understandably created, in the beginning, a great deal of local apprehension and political pressure. And yet we have not reversed a single base closure decision due to pressure; nor has it been necessary to reopen a single installation to take care of the 25% expansion of our forces which has occurred in the past two years. The recurring annual savings of the base closure program alone, when completed -- including the elimination of 200,000 jobs -- will total \$1.5 billion.

Furthermore, the usual pattern of these base closures is that the local communities -- ultimately -- benefit from the action. Our Office of Economic Adjustment works closely with the community leaders from the day a base closure is announced, and helps explore fully the growth potential of the area.

Now, just as efficient management and cost reduction are not the Defense Department's primary goals -- but are nevertheless entirely consistent with our central responsibility of combat readiness -- so it is becoming clear there are other measures that we can take that benefit the economy, and the social profile of the nation, which are equally consistent with our primary objective.

As I said at the outset, we are currently conducting three programs which are directed toward alleviating certain social inequities in the nation.

First, the Open Housing Program:

Racial discrimination -- granting the great legislative advances that have been achieved in the past six years -- remains a festering infection in our national life.

The Defense Department, beginning with the courageous executive order of President Truman in 1948 integrating the armed services, has been a powerful fulcrum in removing the roadblocks to racial justice -- not merely in the military, but in the country at large.

But clearly the nation's road to equality is still strewn with boulders of bias.

Shortly after I became Secretary of Defense, I asked Mr. Gerhard A. Gesell, a leading member of the bar, to organize a committee to review the progress of equal opportunity in the Armed Forces.

That committee took a hard, realistic look at the problem. It reported that substantial improvement had been made on military bases. But it found that there remained severe off-base discrimination affecting thousands of Negro servicemen and their families. This discrimination was most destructive in the field of housing.

Open housing is a serious issue throughout our society. It is not confined to the Armed Forces. Too many of our citizens cannot live in the homes of their choice, on the streets of their choice, in the neighborhoods of their choice.

But this intolerable racial discrimination affects military personnel even more severely than it does the population at large. The serviceman and his family, on limited compensation and under military orders, must move every few years. While defending their nation, they are singularly defenseless against this bigotry.

My response to the Gesell Committee findings was to issue a directive incorporating its recommendations. Commanders everywhere were asked to organize voluntary programs to eliminate housing discrimination in the communities surrounding their bases.

In the Pentagon we turned our minds to other problems.

Early this year we reviewed the results of that four-year-old directive. We sent teams to a dozen bases to look into every aspect of equal opportunity. A special task force was set up for the greater Washington area. Seventeen thousand service families were surveyed. Their answers were analyzed.

One fact became painfully clear. Our voluntary program had failed, and failed miserably.

This failure we found intolerable. I put the matter to you bluntly: our nation should not, and will not, ask a Negro sergeant, for example, to risk his life, day after dangerous day, in the heat and hardship of a jungle war, and then bring him home and compel him to remain separated from his wife and his children because of the hate and prejudice that parades under the pomposity of racial superiority.

And yet, that is precisely what has been happening in this country.

The color of the blood that our men shed in the defense of Asia is all the same shade.

But when these men return home, it is not the color of their blood that matters: it is the color of their skin.

There are thousands of our Negro troops, returning from Vietnam, who are being discriminated against in off-base housing. When there is adequate housing on the base, Negro men in uniform are treated as all Americans should be treated. When there is not, and the Negro must depend on the civilian community for housing, he all too often is denied this equality of treatment.

Because of his color he suffers a penalty; his family suffers a penalty; and our national security suffers a penalty because of the impaired morale of our fighting forces.

We are talking here about a group of men who have distinguished themselves in the service of their nation. It is a fact that Negroes often volunteer for the most difficult and hazardous assignments. It is a fact that 20 percent of Army deaths in Vietnam last year were Negroes.

Earlier this year, in a visit to his home State of South Carolina, General Westmoreland paid tribute to the superb performance of these men.

"I say to the people of my native State and my country," the General noted, "that the performance of the Negro serviceman has been particularly inspirational to me. He has served with distinction equal to that of his white comrade in arms. The Negro serviceman, like all servicemen, has been a credit to our country. He has been courageous on the battlefield, proficient in a cross section of technical skills. Like his white colleague, he understands what the war is all about, he is loyal to his country and supports its policies, and is carrying out his responsibilities with a sense of responsibility."

The Negro serviceman has been loyal and responsible to his country. But the people of his country have failed in their loyalty and responsibility to him. The country which sent him to hazardous duty abroad refuses to permit him to live in the midst of the white civilian community when he returns.

Our original voluntary program to correct off-base housing discrimination floundered and fell apart. It lacked sufficient leadership from the top -- starting with me, and going right on down through the senior echelon of the Defense establishment. And it lacked appropriately stiff sanctions for the violation of our anti-discrimination policy.

We have forged, therefore, a whole new set of tools to deal with this failure.

We have mapped out a two-pronged campaign. The first phase was to compile a nation-wide census of open off-base rental housing for military personnel. That we have completed.

The second phase is to mobilize -- throughout the entire country -- effective community support for non-discriminatory military off-base housing. That is now well under way.

We selected the greater Washington metropolitan area, including Maryland and Virginia, as our first objective. We wanted to make the area surrounding the nation's capital a model program -- as it should be -- and we wanted to learn quickly all the lessons we could that would assist us in the country at large.

Officials from the highest levels of the Defense Department -- the Deputy Secretary of Defense, the Service Secretaries, and senior commanders -- met with realtors and landlords of the area and put the matter to them squarely.

The extent of off-base housing discrimination was appalling. The morale of our Negro servicemen and their families was being severely eroded. We told the landlords the Defense Department could no longer tolerate the situation.

We appealed to the landlords for voluntary compliance with our non-discriminatory housing policy.

But we pointed out that the situation as it stood was so unjust that, whether we secured their voluntary compliance or not, we simply could not permit the conditions to continue. If, then, the landlords felt they would not or could not comply, we were going to have to prohibit any of our men -- regardless of their race -- from signing rental agreements in housing units where such discrimination was practiced.

Many proprietors complied voluntarily. Too many did not.

Let me say that in many instances their position -- while shortsighted -- was understandable. Some faced genuine economic pressures.

In any event, they did not comply. And so we were compelled to take the only action open to us. We prohibited all military personnel, both white and Negro, from signing new leases or rental agreements in their facilities.

This had the effect of applying a countervailing economic pressure, and our open housing program took on an altogether new and positive direction.

In Northern Virginia and Maryland, within 120 days, we more than trebled the number of non-discriminatory units -- from about 15,000 to 53,000 units.

Now we are at work elsewhere throughout the nation. We have, for example, an intensified program going on in California at the moment. We are giving particular emphasis to this State, not merely because of the large number of

Defense installations and military personnel there; but because of the 14 states with open housing regulations and laws, California has the lowest percentage of apartment facilities open to all races.

Indeed, we have plans to extend the program in a dozen additional states in the near future.

Everywhere our approach will be the same. We will survey the local situation of each military base. We will meet with the realtors and landlords and explain the problem fully. We will request their cooperation and seek their voluntary compliance. We will do everything possible to see that our military families act as good tenants: that they pay their obligations promptly, and that they respect the property of private owners. We will enlist the help of local and State officials. And only when, and if, all other actions fail, will we apply the appropriate sanctions.

I want to emphasize that I am fully aware that the Defense Department is not a philanthropic foundation or a social-welfare institution. But I want to emphasize just as strongly that I do not propose to let our Negro servicemen and their families continue to suffer the injustices and indignities they have in the past.

It is said that there are no atheists in foxholes. I can assure you that in South Vietnam there is no segregation in foxholes.

There is no segregation of our servicemen in on-base housing.

And the Defense Department cannot tolerate segregation of our servicemen in off-base housing.

Where we must use stiff sanctions, we will.

What we prefer, hope for, and expect is an overwhelming measure of voluntary compliance.

Now let me discuss with you for a moment our second program in the social field. It is called PROJECT 100,000, and I first announced it in a speech in New York in August of last year.

I pointed out, at the time, that though there were roughly 1.8 million young men reaching military service age each year in the United States, some 600,000 -- a full third -- were failing to qualify under our draft standards. Some had medical problems, but I was particularly concerned about those thousands who failed because of educational deficiencies.

In some areas, the failure rate for draftees ran as high as 60 percent; and for Negroes in some states it exceeded 80 percent.

What this clearly meant was that the burden of military service was not being shouldered equally. Inequities were serious: inequities by region; inequities by race; and inequities by educational level.

What was even worse was the obvious implication. If so massive a number of our young men were educationally unqualified for even the least complicated tasks of military service, how could they reasonably be expected to lead productive and rewarding lives in an increasingly technological and highly-skilled society?

Our studies confirmed that a great number of these draft rejectees were the hapless and hopeless victims of poverty: a poverty that is not the mere absence of American middle-class affluence, but something infinitely more complex: a corrosive and decaying mix of social, educational, and environmental deprivation.

What these men badly need is a sense of personal achievement -- a sense of succeeding at some task -- a sense of their own intrinsic potential.

They have potential, but the slow and silent poison of the poverty virus has paralyzed it in many of them. They have grown up in an atmosphere of drift and discouragement. It is not simply the sometimes squalid ghettos of their external environment that has debilitated them -- but an internal and more destructive ghetto of personal disillusionment and despair: a ghetto of the human spirit.

Poverty in America pockmarks its victims inwardly.

If unchecked and unreversed, that inner ghetto of the poverty-scarred personality of these men can fester into explosive frustrations of bitterness and violence.

Chronic failures in school throughout their childhood, they are destined to a downward spiral of defeat and decay in a skill-oriented nation that requires from its manpower pool an increasing index of competence, discipline, and self-confidence.

Poverty destines thousands of young men today to a dismal future. Destines them, yes. But dooms them, no.

These young men -- and they are typified by those who in the past have failed to qualify for military service due to educational deficiencies -- can be saved from that futile future. They can be rehabilitated, both inwardly and out. They are men, we concluded, who given the benefits of the Defense Department's experience in educational innovation and on-the-job training, and placed in an atmosphere of high motivation and morale, could be transformed

into competent military personnel. Beyond that, after their tour of duty they could return to civilian life -- equipped with new skills and attitudes -- and thus break out of the self-perpetrating poverty cycle.

The Defense Department is the world's largest producer of skilled men. We provide enlisted men with highly professional training in 1,500 different skills, in more than 2,000 separate courses. And each year we return about three-quarters of a million men to the nation's manpower pool.

The goal of PROJECT 100,000 was, therefore, to take in 40,000 rejectees the first year, and 100,000 each year thereafter. The program completed its first year on September 30.

I want to report to you on its progress.

Our goal was to take 40,000 men; we took 49,000.

They entered all of the services: Army, Navy, Air Force, and the Marine Corps.

Now, what sort of backgrounds do these men come from? About 60 percent are whites; about 40 percent Negroes. Their average age is 21. Thirty percent of them are unemployed at the time they come to us, and an additional 26 percent are earning less than \$60 a week.

What this means is that more than half of these men are gripped in poverty. Nor is that surprising. Their average reading score is a bare sixth-grade level; and 14 percent of them read at a third-grade level or less. Many are poorly motivated when they reach us. They lack initiative. They lack pride. They lack ambition.

If nothing were done to give them a strong sense of their own worth and potential, they, their wives and their children would almost inevitably be the unproductive recipients of some form of the dole 10 years from now.

I want to repeat: we have taken these men into the service because we are convinced that, given the proper environment and training, they can contribute just as much to the defense of their country as men from the more advantaged segments of our society.

Has that belief been borne out by the facts?

We now have had a full year's experience with this program, and let me tell you the results.

Ninety-eight percent of our traditional categories of recruits successfully graduated from basic training during the year. And the successful graduation rate of these 49,000 new category men was 96 percent -- only two percentage points less than our traditional recruits.

I have insisted that these men should never be singled-out or stigmatized as a special group. Technically -- and for our own internal record-keeping -- men who would have formerly been draft rejectees are termed New Standards men. But the men themselves are never informed that they are in this category.

It is absolutely imperative that they believe in themselves and their own potential. They obviously cannot do that if we treat them with anything remotely suggesting condescendence.

The plain fact is that our PROJECT 100,000 is succeeding beyond even our most hopeful expectations. Many of our commanders report that these men are turning out to be even more highly motivated than some servicemen with a much more privileged background.

Now these are the initial results, and we are immensely encouraged. But obviously the real test is going to come later, when these men move back into civilian society. How will they fare then?

Will the vital sense of achievement and self-confidence they have experienced in their military service, as well as the skills they have learned, move them forward in society -- or will they return to the depressing downward-spiraling, poverty-in-the-midst-of-plenty phenomenon that plagues our urban ghettos and our rural pockets of economic stagnation?

We cannot say for certain. But we intend to find out.

We are launching a careful follow-up study to test conclusively the ultimate outcome of PROJECT 100,000. At least a decade of careful measurement of the performance of the men both in and out of the service will be required. We won't know until the end of that period what the definitive study will prove. But I am willing to make a prediction. I am convinced that the PROJECT 100,000 men will continue to do a fully creditable job in the service; and that on return to civilian life, their earning capacity -- and their over-all achievement in society -- will be two or three times what it would have been had there been no such program, and had they remained rejectees.

Hundreds of thousands of men can be salvaged from the blight of poverty, and the Defense Department -- with no detriment whatever to its primary role -- is particularly well equipped to salvage them.

We not only can do it. We are doing it. And the benefit to our society -- and to the ultimate roots of our security -- will be immense.

Now, let me describe to you briefly our third program in this field. We call it PROJECT TRANSITION.

As I mentioned, we return some 750,000 men from the services annually to civilian life. Some of these men can move readily into civilian jobs without difficulty, but a significant number of them are faced with genuine problems.

We surveyed the situation, and found that some 50 percent of the men about to leave the services need and want some degree of help to make the transition to a productive civilian life.

To provide that help, we have created a voluntary program -- PROJECT TRANSITION -- for men with 30 to 180 days of service time remaining. The project gives priority to certain groups: to those disabled in battle; to those with no previous civilian occupation; to combat arms servicemen with no civilian-related skill; to those who have such a skill, but who require additional training or upgrading; and finally to those who desire a completely new civilian skill, regardless of their current training status.

The program meets four basic needs of the man leaving the service: counseling, skill enhancement, education, and job placement.

We now have pilot programs -- for each of the services -- at five bases. I can report to you today that within sixty days PROJECT TRANSITION will be in operation at all eighty of the major installations in this country.

We have enlisted the cooperation of other federal agencies -- the Labor Department, HEW, the Postal Service -- as well as a number of State and local agencies that can assist with training, and offer employment to these men. A number of police departments around the nation, for example, are participating, not only with professional advice and technical assistance but with solid job offers as well.

Though the program is still in its pilot stage, it clearly has tremendous potential, and industrial leaders throughout the nation have already expressed enthusiasm for the idea. Further, the Ford Foundation has offered to work closely with us in solving the problems connected with placing the right veteran in the right job.

We are going to be able to give the returning Negro veteran -- particularly the Negro veteran who without help might be compelled to drift back into the stagnation of the urban ghetto -- an opportunity for valuable training and satisfying employment.

Every veteran -- regardless of color, creed, or class -- who has served his country in the Armed Forces deserves the opportunity to move back usefully and productively into civilian life. PROJECT TRANSITION will help give him the opportunity.

I think the point we must realize is this. There is no question but that the economic, social, and educational legislation of the current period eventually will transform American society immensely for the better.

But the very magnitude of the task will require a decade or two for the full effects to be felt.

This means that the present generation of the under-privileged youth of all races, caught in the self-perpetuating trap of poverty, are in danger of being left out of these eventual benefits.

The President has made clear that the United States cannot be satisfied with that situation. We must find ways to assist people now -- even before our present legislation can reach its full potential for economic and social improvement.

This is manifestly a national responsibility -- not primarily a Department of Defense responsibility.

Our primary responsibility -- to repeat -- is the security of this nation. But in the ultimate analysis, the foundation of that security is a stable social structure. I suggest to you that the Defense Department can find ways to contribute to the development of such a structure without compromising the combat readiness of its forces.

The three social programs I have described to you today are the kinds of programs that will bolster the security of this nation. They are the kinds of programs that will reduce the criticism, some of it justified, that we are often bludgeoned with internationally: criticism that grows out of the discrepancy between our traditional preaching of the principles of liberty and equality -- and our obvious lapses in the practice of those two bedrock constitutional guarantees. They are partial answers to the basic question: can our present American society afford to meet simultaneously its responsibilities both at home and abroad?

Can we continue to meet our commitments to contain aggression internationally, and at the same time take the measures necessary to cure our urban and racial ills here at home?

I say definitively that we can.

This nation is immensely powerful -- both in material and human resources.

Our current Defense expenditures -- as heavy as they are -- are only 9 percent of the GNP. That is a lesser percentage of the GNP than defense spending in most of the years of the 1950s. The taxes we pay today are billions of dollars less than the taxes we would be paying under the tax rates of the 1950s. The modest surcharge that the President is recommending -- and which makes eminent sense in our highly charged economy -- will represent a recision of less than half of the tax cuts this Administration has achieved.

And yet, we appear to believe that we cannot afford to achieve all that genuinely needs achieving.

We appear to believe that we are stretching our resources too thinly.

We appear to believe that we cannot simultaneously wage war against aggression abroad, and a war against poverty, urban decay, and social injustice here at home.

That we cannot afford it is a myth.

That we may choose not to attempt it, is another matter entirely.

But if we make that choice, let us make it deliberately and rationally.

Let us not make that choice because of a mere mythology -- the mythology that America is not strong enough to do all that needs doing.

We are strong enough materially and technologically. We do have the resources in both money and manpower.

What we may lack is the will power.

If we do lack it, so be it. But let that be our conscious choice. Let us face the issues honestly, and admit to ourselves that we simply do not want to make the effort.

Let us not blame the lack of effort on the myth that we cannot do all that needs doing.

For the fact is, we can.

We can curb aggression abroad. And we can meet our pressing social problems here at home. And we can do both at the same time if we will use wisely existing institutions and available resources.

The simple question is this: do we have the requisite faith in ourselves?

Do we have the requisite confidence in our constitutional objectives?

Do we have the requisite resolve to complete the achievements that the United States was founded less than 200 years ago to secure?

I, for one, say we do.

Ladies and Gentlemen, what say you?

Thank you, and good morning.

E N D

Friday, November 3, 1967
9:20 a.m.

Pres file

Mr. President:

Herewith the full take of statements
on Vietnam by Messrs. Romney, Reagan,
Rockefeller, Nixon and Percy -- up to
October 27.

W. W. Rostow

4 large, loose-leaf volumes

WWRostow:rlh

39

Friday, November 3, 1967
9:10 a. m.

~~CONFIDENTIAL~~

Pres file

MR. PRESIDENT:

The marked passages in the attached report on one province (Long An) for one month (Sept. 1967) indicate clearly the process of erosion which, for old professional guerrilla warriors, indicates the clock is ticking slowly against them. Thus:

- pressure on the DMZ ^{*and Cambodian border*} to draw U. S. strength out of the provinces;
- ducking of engagements by the VC main force units;
- attacks on RD cadres;
- and any other actions that can slow down the process and buy time for erosion in the U. S. base for conduct of the war.

W. W. R.

~~CONFIDENTIAL~~ attachment (TDCS-314/16031-67 31 Oct 67)

(initials)

DECLASSIFIED

Authority NLS-CBS 19

By isa, NARS, Date 6-22-84

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

394
J
• ROUTINE
IN TELEPOUCH

PAGE 1 OF 4 PAGES

STAT/DIA DIA NMCC/MC SECDEF JCS ARMY NAVY AIR CIA/NMCC NIC NSA OCR SDO AID
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F-40 DD/T

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)

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DIST 31 OCTOBER 1967

COUNTRY SOUTH VIETNAM

DOI SEPTEMBER 1967

SUBJECT SUMMARY OF VIET CONG ACTIVITIES IN LONG AN PROVINCE
DURING SEPTEMBER 1967

ACQ VIETNAM, BIEN HOA /17 OCTOBER 1967/

1.3(a)(4)

SOURCE THIS IS A VIETNAM SITUATION REPORT PREPARED AS OF
30 SEPTEMBER 1967 BY CAS OFFICERS IN THE AREA CONCERNED

1.3(a)(3)(4)
& (5)

SUMMARY. VIET CONG /VC/ MILITARY ACTIVITY IN LONG AN
PROVINCE WAS LOW DURING SEPTEMBER 1967, AND PREPARATIONS ARE
UNDERWAY FOR THE NEW "WINTER-SPRING CAMPAIGN." ALLIED
MILITARY OPERATIONS ARE CAUSING PEOPLE TO LEAVE VC-CONTROLLED
AREAS, WHICH IN TURN RESTRICTS VC ECONOMIC CAPABILITIES.
VC POPULATION CONTROL AND MOTIVATION CAPABILITIES ARE DECLINING
IN THE FACE OF CONTINUING LOSSES OF EXPERIENCED CADRES. END SUMMARY.

2
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SANITIZED
Authority NLT 019-025-1-9
By *Q*, NARA, Date 1-7-02

1.3(a)(4)

(classification) (dissem controls)

APPROVED FOR RELEASE MAR 1995

(classification) (dissem controls)

1.3(a)(4)

POLICY

1. VIET CONG /VC/ MILITARY ACTIVITY IN LONG AN PROVINCE DURING SEPTEMBER 1967 WAS AT A LOW POINT, WHICH IS CUSTOMARY FOR THIS TIME OF YEAR WHEN TROOPS ARE ENGAGED IN HELPING WITH THE RICE HARVEST. THE VC WERE ALSO REDUCING MILITARY ACTIVITY TO CONSOLIDATE THEIR FORCES AND TO BEGIN THE STUDY PERIOD FOR THE "WINTER-SPRING" OFFENSIVE. DIRECTIVES FROM THE CENTRAL OFFICE FOR SOUTH VIETNAM /COSVN/ TO VC MILITARY REGION 2 AND LONG AN PROVINCE CALLED FOR A MASSIVE BUILDUP OF FORCES. THE VC ALSO TALKED OF RE-EQUIPING UNITS WITH NEW COMMUNIST CHINESE WEAPONS. /COMMENT-- REPORTS GAVE NO INDICATION OF THE TYPE OF COMMUNIST CHINESE WEAPONS./

2. PRIMARY TARGETS FOR THE VC WINTER-SPRING CAMPAIGN WILL BE, FIRST, THE GOVERNMENT OF VIETNAM /GVN/ CHIEU HOI /OPEN ARMS/ PROGRAM AND, SECONDLY, THE GVN REVOLUTIONARY DEVELOPMENT RD/ PROGRAM. THE VC ARE PLANNING THE INTERDICTION OF NATIONAL ROUTE NO.4, THE MAIN LINE OF COMMUNICATION FROM MY THO, DINH TUONG PROVINCE, TO SAIGON, WITH THE DESTRUCTION OF THE BEN LUC BRIDGE. U.S. MILITARY INTELLIGENCE HAS INFORMATION ON THE VC STORING OF EXPLOSIVES IN THE AREA OF THE BRIDGE.

(classification) (dissem controls)

1.3(a)(4)

(classification)

(dissem controls)

~~A CAPTURED COSVN DOCUMENT WHICH INDICATES INTELLIGENCE INTEREST IN THE MECHANICS OF THE RD PROGRAM AT THE PROVINCE LEVEL LENDS CREDENCE TO REPORTS OF VC PLANS AGAINST THE RD PROGRAM.~~

PROBLEMS

3. ~~THE VC ECONOMIC BASE CONTINUED TO DECREASE IN SEPTEMBER DUE TO ALLIED TAKEOVER OF NEW AREAS AND MOVEMENT OF PEOPLE OUT OF VC-CONTROLLED INTO GVN-CONTROLLED AREAS. U.S. ARMY OPERATIONS HAVE OPENED UP AND NOW CONTROL LARGE PORTIONS OF LONG AN PROVINCE'S RICE-RICH INTERIOR, HURTING VC TAX, FOOD AND MANPOWER BASES. INCREASED GVN/U.S. PRESSURES ON VC-CONTROLLED AREAS IN THE FORM OF AIR STRIKES AND HARASSING ARTILLERY FIRE HAVE DRIVEN THE PEOPLE FROM VC-CONTROLLED AREAS. MOST OF THE POPULATION IS INDIFFERENT TO VC OR GVN CAUSES BUT IS PRESENTLY MOVING TO GVN-CONTROLLED AREAS BECAUSE MILITARY AND ECONOMIC PRESSURES ARE LESS THAN IN VC AREAS. VC ABILITY TO PROVIDE ECONOMIC SUPPORT ON THE LOCAL LEVEL, THOUGH DECREASING, REMAINS PROPORTIONATELY THE SAME. AS PEOPLE MOVE TO GVN-CONTROLLED AREAS VC CAPABILITIES DECREASE BUT SO DO VC RESPONSIBILITIES, AT ABOUT THE SAME RATE. THE RESULTING ECONOMIC SHORTAGE IS FELT~~

(classification)

(dissem controls)

(classification)

(dissem controls)

~~AT THE DISTRICT AND PROVINCE LEVEL BECAUSE THEY ARE DEPENDENT ON THE LOWER LEVELS FOR SUPPORT. AS THE VC-CONTROLLED POPULATION DECLINES, THE VC ARE BEING FORCED TO TAX THE REMAINING POPULATION MORE HEAVILY. INCREASED VC ECONOMIC PRESSURES, ADDED TO THE ALLIED MILITARY PRESSURES, PUSH MORE PEOPLE OUT OF VC-CONTROLLED INTO GVN-CONTROLLED AREAS. THE TREND APPEARS LIKELY TO CONTINUE, AND THE VC WILL FACE INCREASING ECONOMIC DIFFICULTIES.~~

4. ~~THE QUALITY OF VC CADRE LEADERSHIP HAS DECLINED IN LONG AN PROVINCE. AS EXPERIENCED CADRES ARE LOST, THE VC ARE FINDING IT DIFFICULT TO FIND CAPABLE REPLACEMENTS. TWO JOBS MUST BE GIVEN TO ONE PERSON, OR SUB-STANDARD CADRES ARE ASSIGNED TO JOBS. AN EXAMPLE OF THIS PATTERN IS THE LOSS OF VC TAX COLLECTORS. WHEN A TAX COLLECTOR IS LOST FROM AN AREA, ANOTHER MEMBER OF THE INFRASTRUCTURE IS ASSIGNED THE ADDITIONAL TASK OF TAX COLLECTION. AT THIS POINT HE BECOMES VISIBLE AND CAN EASILY BE IDENTIFIED. A PORTION OF THE STRENGTH OF THE VC LIES IN THE ABILITY OF ITS CADRES TO CONTROL AND MOTIVATE THE PEOPLE, AND ELIMINATION OF SKILLED CADRES IS ALSO CONTRIBUTING TO VC LOSS OF CONTROL IN LONG AN PROVINCE.~~

5. FIELD DISSEM-- STATE USMACV CORDS DIR/JUSPAO /MR.
ZORTHIAN ONLY/ CINCPAC PACFLT ARPAC PACAF.

(classification)

(dissem controls)

40

Friday, November 3, 1967
9:05 a. m.

MR. PRESIDENT:

President Diori's reactions to his U. S.
tour may interest you.

W. W. R.

Attachment (Airgram A-39 10/28/67)

(Signature)

DEPARTMENT OF STATE

AIRGRAM

POL 7 NIGER

40a

FOR RM USE ONLY

RM/R	REP	AF
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A-39

LIMITED OFFICIAL USE

NO.

TO : DEPARTMENT OF STATE

RECEIVED

OCT 31 8 46 AM 1967

HANDLING INDICATOR

Rostow

FROM : Amembassy NIAMEY

DATE: October 28, 1967

SUBJECT: Diori Enthusiastic Over U. S. Visit

REF :

Our preliminary readings on President Diori's reactions to his U. S. visit are uniformly gratifying. Following are his principal reactions brought to our attention to date:

1) Diori was astounded by what he refers to as the "puissance" of the U.S. "The U.S. can do whatever it wants to do in the world," he reportedly told a close associate. At the same time he was struck by the role of region-wide economic arrangements in organizing and channeling this "power".

2) Arizona was a revelation, and certainly that part of the U.S. which Diori will most remember. Here was a natural setting that reminded him vividly of Niger, but with the difference produced by the application of science and capital. Fortunately Diori is realistic enough not to expect that Niger can do the same thing except over decades.

3) People were amazingly friendly and hospitable. "They even showed me their bathrooms." One woman in Arizona particularly impressed the President when she gave him a gift of candlesticks on behalf of all the religious faiths of the town - "not just Christians," said the President.

4) Although taught in Niamey largely by Americans, Diori found American English a much more formidable challenge than he had anticipated. He could not understand President Johnson, in spite of the fact he had coached himself with tapes of Johnson speeches. He found Mrs. Johnson "somewhat easier to comprehend", but was "completely lost" in Arizona. In Chicago it went "somewhat better".

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FORM 4-62 DS-323

FOR DEPT. USE ONLY

☒ In ☐ Out

Drafted by:

DBEasum/eb 10/27/67

Contents and Classification Approved by:

Donald B. Easum, Charge d'Affaires a.i.

Clearances:

COMMENT: This has not discouraged Diori in the slightest. On the contrary, it appears to have made him all the more determined. He has already revived his two-hour open house with PCV's and Embassy personnel each Sunday, and he is back on his routine of a private English lesson every night.

5) The great number of Cadillacs owned by Negroes flabbergasted Diori in Chicago. He has even wondered out-loud since his return whether the Department of State set them up in advance.

6) No discordant notes have yet come to our attention other than the perennial problem of fatigue resulting from too much to do in too little time. In fact, the Embassy attempted to guard against this during the period of preparing for the visit, but it was Diori himself who said he wanted to go all out.

COMMENT: It is interesting to note that not a single French friend or contact has mentioned Diori's U.S. visit to any member of the Embassy.

EASUM
JS

~~SECRET~~

Friday, November 3, 1967
8:15 a.m.

Pres file

Mr. President:

This U. K. Embassy report on a conversation between their Ambassador in Moscow (Harrison) and Kosygin tends to confirm (para. 4) Soviet interest in the BUTTERCUP track.

W. W. Rostow

To Moscow 64092

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-475
By inf, NARA, Date 4-6-95

WWRostow:rlh

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

~~SECRET~~
Classification

3 Nov 67 00 57z

Origin

ACTION: Amembassy MOSCOW

Info

STATE 64092
REF : MOSCOW 1638
NODIS

November 1

1. British Embassy/HHH furnished us materials (copies pouched) concerning Kosygin-Wilson exchange of letters on Middle East.
2. Kosygin letter to Wilson, delivered October 23, was essentially same as his letter to President Johnson. Wilson in his reply emphasized precarious nature of cease fire and risk of further escalation and ultimate great power confrontation. Use of Soviet supplied missiles against Israeli ship EILAT may give arms spiral new twist and HHHH play into hands of those in Israel who oppose any concessions and advocate Israeli development of nuclear weapons. Dangers of nuclearization of Arab-Israeli/Soviet agreement to some limitation on arms supply to Mideast; e.g., agreement not to supply arms of greater sophistication than already exist. HMG remain convinced of need for very early action by UN, believing this can best take form of balanced resolution in Security Council providing for appointment of UN representative. As to resolution form of/HHH, Wilson said UK not tied to any particular wording but hope resolutions formulation will contain two balancing principles found in earlier/HHHH; namely, withdrawal on the one hand and recognition of right to live in peace and security on the other.

Drafted by:
EUR/SOV:NToon:llp 11/2/67

Tel. Ext.
6906

Telegraphic transmission and
classification approved by: HHHHHH

S/S - Mr. Walsh

Clearances:

EUR - Mr. Leddy

~~SECRET~~ - NODIS

DECLASSIFIED Classification

E.O. 12958, Sec. 3.6

NLI 00-201

By CB, NARA Date 10-25-00

FORM 8-65 DS-322

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~~SECRET~~ NODIS
Classification

3. When Ambassador Harrison delivered Wilson's reply on October 30, Kosygin informed him Soviet Government now had under consideration new steps with regard ME settlement. When asked if he could reveal nature of these steps, Kosygin replied he was not at liberty to do so since they were still being considered by Soviet leadership but he could say that in his view they would be constructive.

4. When Kosygin raised subject of Vietnam, Harrison asked if there were any particular significance to formula Kosygin used in Kishinev speech when he said that negotiations would depend on cessation of bombing and recognition of NLF program for liberation SVN. Kosygin replied that President Johnson had said repeatedly that he wanted to see a government formed in SVN on a broad democratic basis. NLF program made clear that the Front also wanted a government on a broad democratic basis. It spoke of the creation of an independent state of SVN. It certainly seemed to Soviets therefore that it furnished a way out.

5. UK Ambassador here has been given substance, but not rpt not text, of President's reply to Kosygin.

NNNN

6. Department has received no information from French on Kosygin-de Gaulle exchange Wormser's NNN or NNNNNNNNN call beyond bare report that Kosygin letter received in Paris.

GP-1.

END

RUSK

* "independent state" is exact
Buttress language.

W

~~SECRET~~ -- NODIS
Classification

~~SECRET~~

43

Friday, November 3, 1967
8:15 a. m.

Per file

Mr. President:

1. Another signal that BUTTERCUP is the presently chosen approach: this time the Pak Ambassador in Peking from the North Vietnamese Ambassador there.

2. The National Liberation Front makes the first move on prisoners.

W. W. Rostow

Rawalpindi 1598
FBIS 19

~~SECRET~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-475

By ing, NARA, Date 4-6-95

WWRostow:rlh

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~~SECRET~~ RAWALPINDI 1598

EXDIS

PLEASE PASS WHITE HOUSE

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-476
By ig, NARA, Date 1-10-95

1. AT 0800 THIS MORNING GOP FOREIGN SECRETARY YUSUF TOLD ME THAT YESTERDAY THEY HAD RECEIVED MESSAGE FROM GOP AMBASSADOR IN PEKING TO THE EFFECT THAT THE NORTH VIETNAMESE AMBASSADOR TO PEKING HAD CALLED UPON HIM THE PREVIOUS DAY AND HAD MADE THE FOLLOWING STATEMENT:

QUOTE A. NORTH VIETNAM HAD NO REPEAT NO DESIRE TO IMPOSE A COMMUNIST GOVERNMENT ON SOUTH VIETNAM AND IN THEIR VIEW THE BEST SOLUTION WOULD BE A COALITION REPRESENTING ALL INTERESTS. //

PAGE 2 RUQVGM 1598 ~~SECRET~~

B. WHILE REUNION BETWEEN NORTH AND SOUTH VIETNAM WOULD BE THE ULTIMATE OBJECTIVE, THIS COULD ONLY COME ABOUT AT A TIME AND IN A MANNER ACCEPTABLE TO THE PEOPLE OF SOUTH VIETNAM. //

C. IT MIGHT EVEN BE DESIRABLE TO HAVE A NEUTRAL BLOC COMPRISING SOUTH VIETNAM, LAOS AND CAMBODIA. //

PAGE 02 RAWALP 01598 030438Z

D. IF THERE WERE AN UNCONDITIONAL CESSATION OF BOMBING OF NORTH VIETNAM BY THE AMERICANS, NEGOTIATIONS COULD FOLLOW WITHIN THE FRAMEWORK OF THE GENEVA AGREEMENTS. UNQUOTE.

2. I ASKED YUSUF IF THE WORD QUOTE COULD UNQUOTE IN (D) ABOVE WAS ACCURATE OR WHETHER OR NOT IT MIGHT HAVE BEEN QUOTE WOULD UNQUOTE. HE SAID THAT HE HAD CHECKED THAT POINT AND THAT QUOTE COULD UNQUOTE WAS THE WORD USED.

PAGE 3 RUQVGM 1598 ~~SECRET~~

3. I ASKED YUSUF IF ANY TIME FRAME HAD BEEN INDICATED IN CONNECTION WITH (D) ABOVE AND HE RESPONDED NEGATIVELY.

4. WHEN I OBSERVED THAT THERE HAD ALREADY BEEN SEVERAL BOMBING PAUSES AND ONE FOR AS LONG AS 37 DAYS, HE POINTED OUT THAT THE LONG ONE HAD BEEN NEARLY TWO YEARS AGO AND OBSERVED THAT PROBABLY AT THAT TIME NORTH VIETNAM HAD HOPES FOR A MILITARY SETTLEMENT FAVORABLE TO THEM WHEREAS NOW THEY PROBABLY REALIZED THAT HIS WOULD NOT REPEAT NOT BE POSSIBLE. GP-3. OEHLERT

~~SECRET~~

~~EXDIS~~

2

FBIS 19

RELEASE OF U.S. PRISONERS

LIBERATION RADIO (CLANDESTINE) IN VIETNAMESE TO SOUTH VIETNAM
1400 GMT 2 NOV 67 S

(TEXT) TO IMPLEMENT AN ORDER OF THE NFLSV CENTRAL COMMITTEE, TO CONFORM WITH THE FRONT'S HUMANE AND LENIENT POLICY, TO ANSWER THE GOOD WILL FOR PEACE AND JUSTICE OF PROGRESSIVE AMERICAN PEOPLE WHO ARE OPPOSING THE U.S. IMPERIALISTS' WAR OF AGGRESSION IN VIETNAM, AND TO DISPLAY SOLIDARITY AND SUPPORT FOR THE JUST STRUGGLE OF THE U.S. NEGROES IN THE UNITED STATES IN CLAIMING THEIR BASIC NATIONAL RIGHTS, A STRUGGLE WHICH IS COMPLETELY CONSISTENT WITH THE JUST STRUGGLE OF THE SOUTH VIETNAMESE PEOPLE FOR INDEPENDENCE, DEMOCRACY, PEACE, NEUTRALITY, AND PROSPERITY, THE SOUTH VIETNAM PEOPLE'S LIBERATION ARMED FORCES COMMAND HAS DECIDED:

ART 1--TO RELEASE THREE U.S. PRISONERS OF WAR:

1--EDWARD ROBERT JOHNSON, NEGRO, M SGT, ADVISER TO THE REBEL FIRST BATTALION, 31ST REGIMENT, 21ST DIVISION, SERIAL NUMBER RA 33510856, CAPTURED DURING THE BATTLE AT LUC CHI, GO QUAO, RACH GIA PROVINCE ON 21 JULY 1964.

2--DANIEL LEE PITZER, WHITE, ARMED MEDICAL MASTER SERGEANT, ADVISER, BORN IN (NAME INDISTINCT), WEST VIRGINIA, ARRIVED IN VIETNAM ON 11 JULY 1963, CAPTURED DURING THE BATTLE AT TAN PHU, CA MAU PROVINCE ON 29 OCTOBER 1963.

3--JAMES ELEX JACKSON, ARMED MEDICAL SERGEANT, BORN IN (? STACCO), WEST VIRGINIA; SERVED IN VIETNAM TWICE IN 1963 AND 1965, CAPTURED DURING THE BATTLE AT BINH HUNG, CA MAU PROVINCE.

THESE THREE PRISONERS OF WAR SINCERELY REPENTED THE CRIMES THEY COMMITTED AGAINST THE SOUTH VIETNAMESE PEOPLE (WORDS INDISTINCT) DURING THE PERIOD OF DETENTION.

ART 2 --THE PEOPLE'S LIBERATION ARMED FORCES UNITS ARE RESPONSIBLE FOR PROVIDING THESE THREE PRISONERS OF WAR WITH NECESSARY CONDITIONS SO THAT THEY MAY RETURN SOON TO THE AMERICAN PEOPLE AND THEIR FAMILIES.

(SIGNED) THE SOUTH VIETNAM PEOPLE'S LIBERATION ARMED FORCES COMMAND, 31 OCTOBER 1967.

3 NOV 0929Z GKE/IJ

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Pres file

Friday, November 3, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Authorization to Sign the International Grains Arrangement

At Tab A is Nick Katzenbach's memo recommending that you authorize the Secretary or Acting Secretary of Agriculture to sign the International Grains Arrangement. John Schnittker and Bill Roth concur in this recommendation. If you approve, a full power authorizing this is at Tab B for your signature.

The International Grains Arrangement carries out the bargain on cereals we negotiated in the Kennedy Round. It will replace the International Wheat Agreement of 1962, which we signed. It is more advantageous to us than the old Wheat Agreement because:

- It sets higher minimum and maximum prices for wheat moving in world trade -- which could benefit us as wheat exporters.
- It obligates other countries, for the first time, to share responsibility with us for food aid. The Arrangement provides for an annual 4 1/2 million ton food aid program. Our share is 42% or 1.9 million tons, in grain. Others will supply 2.6 million tons a year -- either in grain or cash.

The Arrangement is open for signature until November 30. Since we pushed it, we should sign as early as possible. Other countries are waiting for our lead.

The Arrangement would be sent to the Senate as a treaty. Katzenbach will probably recommend that this be done early this month, but this is for your later decision. (We will have a separate memo for you setting forth the issues.)

Schnittker and Roth do not expect serious difficulty in getting Senate approval.

- They discussed the Grains Arrangement at various times with Senators Carlson, Church, McGovern, Mondale, Young and Burdick. (Carlson said Fulbright has no problem with it.)

- They met Tuesday with Senators McCarthy, Hickenlooper and Carlson. (the only members of the Foreign Relations Committee who showed up for the session). Carlson again indicated his support; Hickenlooper didn't say no, and McCarthy told Schnittker afterward there would be no problem in the Senate.
- Only Senators Mundt, Curtis, Hruska and Miller are expected to actively oppose.

All the major farm organizations, except the Farm Bureau, support the Arrangement. The Farm Bureau opposes it -- as they do all commodity agreements as well as domestic farm programs.

I recommend you authorize signing the Arrangement on behalf of the United States.

W. W. Rostow

(If you approve we need your signature on the Full Power at Tab B.)

No _____

Speak to me _____


ERF:mst

44a





DEPARTMENT OF STATE
WASHINGTON

November 1, 1967

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MEMORANDUM FOR THE PRESIDENT

Subject: Request for Full Power for Signature of the
International Grains Arrangement

The International Grains Arrangement is open for signature until November 30, 1967. This Arrangement embodies the principles agreed to in the Kennedy Round.

As one of the Arrangement's principal architects it is important that we sign early: other nations, particularly importers, are expected to await our signature before signing themselves. Should we fail to sign promptly there would not be sufficient time for them to act.

Following signature, the Arrangement will be submitted to the Senate as a treaty. No serious difficulty is expected in obtaining approval.

Recommendation:

That you sign the enclosed full power authorizing Secretary Freeman, or, in his absence, Acting Secretary Schnittker to sign the Arrangement on behalf of the United States.

Discussion:

You approved the basic principles of this Arrangement when you authorized signature by the United States of the Memorandum of Agreement on Cereals in the Kennedy Round. On the basis of these understandings, major wheat importers and exporters (excepting the Soviet Union) have negotiated this Arrangement, which is to take the place of the International Wheat Agreement of 1962.

Farm Organization Attitudes

The Arrangement has the support of the National Grange, the National Farmers Union, the National Farmers Organization, and the National Association of Wheat Growers.

The American Farm Bureau Federation, which has traditionally opposed all commodity agreements, has voiced disapproval and will openly oppose Senate approval of the Arrangement. We have beaten the Farm Bureau in the past and we will do it this time. A few big grain companies also may openly oppose the Arrangement.

Congressional Attitudes

We do not believe there will be any serious difficulty in obtaining Senate approval.

This conclusion is based upon conversations Under Secretary Schnittker has had with Senators Carlson and Church of the Foreign Relations Committee, McGovern, Mondale, and Young (N. D.), of the Agriculture Committee, and with Senator Burdick. It is also based on conversations which Ambassador Roth has had with Senator Carlson, who reports that Senator Fulbright has no problem with the Arrangement.

In a meeting which Under Secretary Schnittker and Ambassador Roth had yesterday with Senators McCarthy, Hickenlooper, and Carlson, Senator Carlson indicated support and Hickenlooper voiced no opposition. Senator McCarthy indicated afterward that we should not have serious difficulty in the Senate.

We expect that only Senators Mundt, Curtis, Hruska, and Miller will actively oppose it.

Major Provisions

The Arrangement is in two parts--a Wheat Trade Convention and a Food Aid Convention. The substantive provisions of both parts are scheduled to enter into force on July 1, 1968, for a three-year period.

The Wheat Trade Convention

(a) sets minimum and maximum prices for major wheats moving in world trade and

(b) assures that the United States and other exporting member countries will be able to supply specified percentages of the other members' import requirements. The EEC, the UK, and Japan agree to import at least 90 per cent from member countries if the USSR joins the Arrangement and not less than 80 per cent if the USSR does not become a member.

The Food Aid Convention provides for a 4.5 million ton annual program of food aid to developing countries. Of this, signers of the Kennedy Round Memorandum of Agreement will contribute about 4.26 million tons. The great bulk of these contributions will be in the form of wheat, although some grain deficit countries may contribute cash. The United States will supply 42 per cent annually--about 1.9 million tons; the EEC, 23 per cent--about 1.0 million tons; Canada, 11 per cent--about 0.5 million tons; Australia, UK, and Japan, each 5 per cent.

Food Aid will be supplied on concessional terms (grants or local currency not available, as a rule, for use by the contributing country). Contributing countries will have the right to determine the recipient of their contributions.

Advantages Include:

1. The higher level of world prices resulting from the Arrangement will benefit our farmers, and will minimize use of export subsidies.

2. The new Arrangement spells out minimum prices in greater detail than before, so that we will know more clearly when the price agreement is in danger.

3. It permits sales below the minimum price if needed to maintain our competitive position.

4. Other countries will begin to take on formal responsibility for sharing the food aid burden. This will strengthen commercial markets, as supplies that otherwise would have gone into commercial markets shift to food aid. This will make room for increased commercial exports from the United States and other exporting countries.

Congressional Action

The Arrangement is a treaty rather than an executive agreement because --

(a) the predecessor wheat agreement and other commodity agreements have been treaties,

(b) we have promised that we would submit the Arrangement to the Senate for its advice and consent to ratification.

We expect to recommend that the treaty be sent to the Senate early this month.

Present legislative authorities--the Food for Peace Act and the wheat export certificate program under the Food and Agriculture Act of 1965--are adequate to implement the obligations of the treaty. However, both statutes will have to be renewed during the life of the Arrangement.

Under Secretary Schnittker and Ambassador Roth participated in the writing of this memorandum and concur in its recommendation.


Nicholas deB. Katzenbach

Enclosure:

Full Power for Signature of the
International Grains Arrangement.