

INCOMING TELEGRAM *Department of State*

WH  
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Info

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FM AMEMBASSY BEIRUT  
TO SECSTATE WASHDC IMMEDIATE 3766  
STATE GRNC  
BT

~~SECRET~~ BEIRUT 3993

REF: BEIRUT 3933

MODIS

FOR SECRETARY FROM ANDERSON

1) FOLLOWING MESSAGE FROM SECRETARY ANDERSON NOW IN IRAQ DELIVERED TO ME MORNING NOVEMBER 14 BY HIS BUSINESS ASSOCIATION JOHN MCCRANE. I QUOTE VERBATIM TEXT FROM ANDERSON'S HANDWRITTEN NOTES. THIS MESSAGE COVERS CONVERSATION ANDERSON HAD NOVEMBER 12 WITH UAR AMB METWALLY.

2) QUOTE - MESSAGE OF PRESIDENT NASSER TO PBA RPT PBA

PAGE 2 RUEHBE 3993 ~~SECRET~~

THROUGH AMBASSADOR METWALLY. PARA (A) - THE AMERICANS DID NOT MENTION CLEARLY AND FRANKLY THE QUESTION OF WITHDRAWAL AND THE ARABS CANNOT ACCEPT A DRAFT OF WITHDRAWAL THAT IS NOT DETAILED (NOTE: I THINK HE MEANT EXPLICIT RATHER THAN DETAILED) AND EXPRESSED WITH FRANKNESS. THIS WOULD BE AGAINST THE PRINCIPLES AND CHARTER OF THE UN WHICH SAYS THAT NO PROFIT OR TERRITORIAL GAINS ARE ALLOWED TO BE SECURED BY FORCE.

PARA (B) - THE FIRST PART OF THE DRAFT CONTAINS MANY SUBJECTS SUCH AS PEACE WITH JUSTICE AND THIS MEANS THAT ALL THE SUBJECTS ARE CONNECTED AND THE TIMING FOR THE EXECUTION OF ANY SUBJECT IS NOT KNOWN. THE LOGICAL CONSEQUENCE TO ASSUME IS THAT THE WITHDRAWAL WILL NOT BE COMPLETED UNLESS ALL OTHER REQUIREMENTS ARE EXECUTED SUCH AS PEACE WITH JUSTICE. PARA (C) - THE STATEMENT IN THE DRAFT CONCERNING (BEGIN UNDERLINE) MUTUAL (END UNDERLINE) RECOGNITION CAN BE CONSIDERED A NEW TEXT NOT FOUND IN ANY PREVIOUS DRAFT. THIS IS CONSIDERED A NEW REQUEST BY THE US. THIS IS DIFFERENT FROM US CONFIRMATION THAT (BEGIN UNDERLINE) MUTUAL (END UNDERLINE) RECOGNITION WOULD NOT BE MENTIONED. PARA (D) - WHAT IS SAID ABOUT

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PRESERVATION COPY

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
BY 94-478  
By Cb, NARA, Date 2-23-95



~~SECRET~~

-2- BEIRUT 3998, NOVEMBER 14

PAGE 3 RUQMBE 3.98 ~~SECRET~~

BORDERS, FOR EXAMPLE 'THE SECURED AND RECOGNIZED BORDERS' IS A NEW TEXT. TO EXECUTE THIS SUBJECT THERE WOULD HAVE TO BE (BEGIN UNDERLINE MUTUAL (END UNDERLINE) AGREEMENT ON BOTH SIDES AND THIS WOULD REQUIRE A RECOGNITION PROHIBITED BY THE KHARTOUM CONFERENCE.

PARA (E) - THE DRAFT CONCERNING REFUGEES IS VERY MILD AND CONTAINS NOTHING OBLIGATORY (NOTE: I AM SURE HE MEANS OBLIGATIONS BY ISRAEL) AND TAKES NO NOTE OF THE

UN RESOLUTIONS ON THIS SUBJECT. PARA (F) - THE REFERENCE TO DEMILITARIZED AREAS IN THE DRAFT IS CONSIDERED AN ECHO OF THE ISRAELI SPOKESMEN WHO HAVE SPOKEN OF

'GREATER ISRAEL' AND THE DISARMAMENT OF THE SINAI. THE LATEST STATEMENT ON THIS SUBJECT IS THAT MADE BY THE CHAIRMAN OF THE COMMITTEE ON FOREIGN AFFAIRS IN THE KNESSETT ON NOVEMBER 10 WHEN HE STATED THAT ISRAEL WANTED

TO DISARM SINAI. THIS WOULD MAKE THE UAR VERY ANXIOUS AND IS ONE REASON NOT TO APPROVE THE US DRAFT. PARA (G) - THE DRAFT IN SETTING OUT THE MISSION OF THE REPRESENTATIVE OF THE SECRETARY GENERAL OF THE UN GIVES THE IDEA THAT DIRECT CONTACT IS NECESSARY BETWEEN THE ARABS AND THE ISRAELIS AND THIS HAS NOT BEEN IN ANY DRAFT RESOLUTION

PAGE 4 RUQMBE 3998 ~~SECRET~~

BEFORE. PARA (H) - GENERALLY, THE US RESOLUTION IS MANY STEPS BACKWARD WHEN COMPARED WITH OTHER DRAFTS OFFERED IN THE UN OR THROUGH CONTACTS OUTSIDE THE SC RPT SC OR THE GA RPT GA UP TO NOW. IT IS A STEP BACKWARD FROM THE DRAFT THE US AND SOVIETS AGREED TO AND WHICH THE UAR, AFTER STUDY, REFUSED. PARA (I) - THE OFFERING OF THIS DRAFT CANNOT BE FINAL AS IT IS. THE CHANCE IS STILL OPEN IN FRONT OF THE US TO PROVE ITS DESIRE TO REACH A JUST POLITICAL SOLUTION TO THE ISRAEL-ARAB DISPUTE.

PARA (J) - RIAD HAS SAID HE IS VERY KEEN TO COOPERATE WITH THE US REPRESENTATIVE IN NEW YORK AND HAS CONFIRMED TO AMB GOLDBERG THAT EVEN IF THE SC RPT SC COULD NOT REACH ANY RESULT THIS WILL NOT MEAN THAT THE CONTACTS BETWEEN THE

US AND THE UAR WILL BE STOPPED. PARA (K) - HE (NASSER) IS ANXIOUS TO SEE ME AGAIN AND CONTINUE OUR TALKS.

PARA (L) - END OF MESSAGE FROM PRESIDENT NASSER - UNQUOTE

3) ANDERSON'S PRESENT PLANS, UNLESS THINGS GO WRONG IN IRAQ, ARE RETURN BEIRUT TOMORROW NOVEMBER 15, OVERNIGHT BEIRUT, DEPART FOR US VIA LONDON MORNING NOVEMBER 16,

~~SECRET~~

PRESERVATION COPY



~~SECRET~~

-3- BEIRUT 3998, NOVEMBER 14

PAGE 5 RUQMBE ~~SECRET~~

ARRIVING NY EITHER NOVEMBER 17 OR 18.

4) MCCRANE REPORTS ANDERSON FEELS HE IS GOING BACK ON WHAT NASSER WILL ASSUME IS PERSONAL COMMITMENT, IF HE DOES NOT VISIT CAIRO. ANDERSON WORRIED ABOUT IMPLICATIONS AND HAS NO APPROPRIATE RATIONALE FOR EXPLAINING TO EGYPTIANS WHY HE NOT GOING. HE HAD ORIGINALLY TRIED AVOID RETURN VISIT AS HIS PREVIOUS MESSAGES INDICATED, BUT NOW HE UNDERSTANDABLY FEELS NASSER EXPECTS HIM.

5) HE STARTING TO SPREAD THIN EXCUSE IN IRAQ THAT MCCRANE BROUGHT HIM NEWS FAMILY ILLNESS IN US WHERE HE MAY HAVE TO RETURN QUICKLY.

6) ANDERSON'S CONCERN WILL NOT BE LESSENER BY CAIRO-NY TIMES NOVEMBER 12 ARTICLE, CARRIED HERALD TRIBUNE NOVEMBER 13, WHICH SEEMS TO BE OFFICIAL UARG LEAK THAT ANDERSON PLANNING REVISIT NASSER SOON.

7) I DO NOT KNOW WHAT IF ANYTHING ANDERSON WILL TELL AMB

PAGE 6 RUQMBE 3998 ~~SECRET~~

METWALLY IN BAGHDAD. ANDERSON INFORMS ME HE ALREADY HAS HAD TALK WITH METWALLY IN WHICH HE (ANDERSON) BORE DOWN HARD ON DAMAGE DONE BY HEIKAL ARTICLE AND ASKED METWALLY PASS ON TO NASSER HIS STRONG FEELING THAT IT HURT ARAB CAUSE AND CAUSE OF PEACE. METWALLY REPORTING THIS TO NASSER. ANDERSON DESCRIBES METWALLY AS FAIRLY STRONG INDIVIDUAL WHO SEEMS HAVE GOOD CONNECTIONS.

8) ACCORDING MCCRANE, ANDERSON STILL PREPARED GO TO CAIRO IF DEPT WISHES, AND IF HE CAN HELP. HE COULD LEAVE BEIRUT FOR CAIRO MORNING NOVEMBER 16. OUR RECENT EXPERIENCE MAKES IT CLEAR IT IMPOSSIBLE GET MESSAGES TO ANDERSON IN BAGHDAD EXCEPT THROUGH COURIER. ANDERSON TRIED SEND HIS SON BEIRUT WITH MESSAGE NIGHT NOVEMBER 12 BUT FLIGHTS WEATHERED IN. HE APOLOGIZES TO SECRETARY FOR DELAY.

9) MCCRANE PREPARED RETURN BAGHDAD TONIGHT IF WE WISH PASS MESSAGE. OTHERWISE I WILL SEE ANDERSON IN BEIRUT ABOUT 1030 LOCAL NOVEMBER 15. PLEASE ADVISE.  
PORTER

~~SECRET~~

PRESERVATION COPY



INCOMING TELEGRAM *Department of State*

WH  
18-6

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Action

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1967 NOV 14 AM 7 28

Info

0 141115Z NOV 67  
FM AMEMBASSY BEIRUT  
TO SECSTATE WASHDC IMMEDIATE 3767  
STATE GRNC  
BT  
~~SECRET~~ BEIRUT 3999

REF: BEIRUT 3998

FOR SECRETARY FROM ANDERSON

NODIS

1) FOLLOWING IS VERBATIM TEXT ANDERSON'S HANDWRITTEN MESSAGE HE ASKED ME TRANSMIT TO SECRETARY. THIS MESSAGE OF COURSE WRITTEN PRIOR HIS RECEIPT DECISION THAT ANDERSON NOT RPT NOT GO CAIRO.

2) QUOTE - THE SECRETARY OF STATE: I AM SENDING THE TEXT OF A MESSAGE RECEIVED FROM NASSER THROUGH AMS METWALLY ABOUT 5 PM NOVEMBER 12 BAGHDAD TIME. THE TEXT

PAGE 2 RUEMSE 3999 ~~SECRET~~

IS AS NEAR VERBATIM AS POSSIBLE AND ACCOUNTS FOR THE WORDING. OF COURSE IT IS WRITTEN FROM NOTES AS METWALLY TRANSLATED FROM THE ARABIC BUT I BELIEVE IT ACCURATE AS I ASKED HIM TO REPEAT WHEN I THOUGHT HIS MEANING WAS UNCLEAR. I PLAN TO BE CAIRO BY WEDNESDAY AND WILL CONTACT BERGUS ON ARRIVAL OR ASK HIM TO CONTACT ME SO AS TO GIVE YOUR VIEWS ON NASSER'S MESSAGE BEFORE I SEE NASSER. I PLAN TO BE AT MILE HILTON. UNLESS YOU ADVISE OTHERWISE I WILL NOT INFORM NASSER THAT I HAVE SENT THE TEXT OF HIS MESSAGE TO YOU AND THAT I HAVE YOUR GUIDANCE. PLEASE ADVISE HOW YOU WANT THIS PHASE OF THE CONTACT HANDLED. IN THE ABSENCE OF TELLING NASSER OF MY SENDING THE TEXT TO YOU I WILL SPEAK AS A PERSONAL EXPRESSION OF OPINION TO BE SENT TO YOU LATER. PLEASE ADVISE. ANDERSON - UNQUOTE.  
PORTER

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-478  
By cl, NARA, Date 2-22-95



INFORMATION

*Pres file*

Tuesday, November 14, 1967 -- 2:35 p. m.

Mr. President:

Bill Scranton called with the following message.

1. He has spoken to no one in making up his mind.
2. He has decided he cannot accept the post because:

- He had proposed a constitutional convention;
- He was prevailed upon to be a delegate;
- He campaigned hard; and
- Now he just can't run out.

3. He had the following supplementary remarks. He knows how critical the Manila post now is. He is not being modest, but he honestly believes we can get a better man. He does not command Spanish; and his knowledge of Europe and Latin America is greater than it is of Asia.

4. He asked me to convey his best wishes to you and to Sec. Rusk.

W. W. Rostow

WWRostow:rlh



*for Sec. Rusk*

*20*

November 14, 1967

11:20a

Mr. President:

*Pres file*

Bill Bundy has spoken with Senator Russell explaining the formula and the reasons for the support of everyone including the JCS.

Senator Russell said he "did not think well" of any formula which had a time element in it.

Our options are:

- stall Sato today and give him a definitive answer tonight or tomorrow
- go back to formula without time
- go ahead.

*W.* W. Rostow

*Mr Rostow dictated to Marie Fehner*



ACTION

21

Tuesday, November 14, 1967, 10:30 A.M.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting of Foreign Policy Advisers and Legislative Leaders  
with Saigon Team

Although Friday is a bit more difficult for Bunker than Saturday, either day would serve for Ambassador Bunker, General Westmoreland, and Ambassador Komer to meet with you and the group of foreign policy advisers you saw November 2, plus legislative leaders, at lunch.

The whole group could meet first with the Saigon team for a briefing. You could join the group for lunch. Or, the session could start at lunch and then adjourn (with or without you) for further briefing and discussion.

The suggested composition of the group would be:

1. Advisers who attended November 2 meeting (suggested list attached for your approval);
2. Additional non-Government advisers who did not attend the November 2 meeting but who would be invited to this meeting: John McCloy     yes     no  
Robert Lovett     yes     no
3. Legislative leaders and representatives from the two foreign affairs committees and the Armed Services Committee (suggested list is attached).

Later in the week we will be better able to prepare an outline for the meeting. Certain questions will arise out of the discussions with the Saigon team between now and then.

W. W. Rostow

Schedule meeting:            Friday            Saturday

Begin session:            before lunch with Saigon team briefing without me  
           with luncheon to be followed by briefing and discussion with me



SUGGESTED LIST OF INVITEES - 21

—	Dean Acheson	
—	George Ball	
—	Gen. Omar Bradley	
—	McGeorge Bundy	
—	Clark Clifford	
—	Arthur Dean	
—	Douglas Dillon	
—	Abe Fortas	
—	Robert Murphy	
—	Henry Cabot Lodge	
—	Gen. Maxwell Taylor	11

—	Secretary Rusk	
—	Secretary McNamara	
—	Richard Helms	
—	Under Secretary Katzenbach	
—	General Wheeler	
—	Governor Averell Harriman	
—	William Bundy	
—	W. W. Rostow	
—	George Christian	
—	Jim Jones	10



**SUGGESTED LIST OF LEGISLATORS TO BE INVITED - 23****1. Bipartisan Leadership - 13****Senate**

\_\_\_ Hayden  
\_\_\_ Mansfield  
\_\_\_ Dirksen  
\_\_\_ Long  
\_\_\_ Kuchel  
\_\_\_ Robert Byrd  
\_\_\_ Milton Young  
\_\_\_ Margaret Chase Smith

**House**

\_\_\_ Speaker McCormack  
\_\_\_ Albert  
\_\_\_ Ford  
\_\_\_ Boggs  
\_\_\_ Arends

**2. Foreign Relations - 4**

\_\_\_ Fulbright  
\_\_\_ Hickenlooper  
\_\_\_ Sparkman  
\_\_\_ Aiken

**3. Foreign Affairs - 2**

\_\_\_ Morgan  
\_\_\_ Bolton

**4. Armed Services - 4**

\_\_\_ Russell  
\_\_\_ Stennis  
\_\_\_ Rivers  
\_\_\_ Bates

S

Names eliminated from list

Eugene R. Black  
James A. Perkins  
James Wadsworth  
George B. Kistiakowsky  
Roswell L. Gilpatric  
Morris Liebman  
Robert Anderson  
James Rowe  
John McCone

Add: John McCloy



DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By 123, NARA, Date 11-21-91

ACTION

*Pres file*

CONFIDENTIAL

Tuesday, November 14, 1967 -- 10:20 a.m.

Mr. President:

Would you wish to have Bunker at the Wednesday lunch meeting?

Westmoreland and Komer will be coming in at about 10:45 a.m. Do you want them?

Richard Helms?

General Wheeler?

Sec. Rusk and I think it would be a good idea to have Bunker at least.

As I understand it, Westy knows a little about BUTTERCUP; but Bob Komer has not been briefed on it.

Therefore, you may wish to have Bunker come to lunch and let Westy and Bob rest after their flight. In that case, you will wish to budget for an early session with Westy and Bob.

W. W. Rostow

Amb. Bunker at lunch: Yes \_\_\_\_\_; No \_\_\_\_\_; See me \_\_\_\_\_

Westmoreland at lunch: Yes \_\_\_\_\_; No \_\_\_\_\_; See me \_\_\_\_\_

Bob Komer at lunch: Yes \_\_\_\_\_; No \_\_\_\_\_; See me \_\_\_\_\_

Richard Helms at lunch: Yes \_\_\_\_\_; No \_\_\_\_\_; See me \_\_\_\_\_

Gen. Wheeler at lunch: Yes \_\_\_\_\_; No \_\_\_\_\_; See me \_\_\_\_\_

Arrange with Marv Watson a time for Westy and Komer \_\_\_\_\_

WWRostow:rln

~~CONFIDENTIAL~~

INFORMATION

Tuesday, November 14, 1967  
10:15 a.m.

*Pres file*

Mr. President:

You will be interested in this formal denial by Bob McNamara of Drew Pearson's statements about his view of Westy.

W. W. Rostow

WWRostow:rlh



INFORMATION~~CONFIDENTIAL~~

Tuesday, November 14, 1967 -- 9:30 a.m.

Mr. President:

*Pres file*

Our most knowledgeable people in the State Department on Japan believe that Sato and his Foreign Minister Miki, representing different factions in the ruling party, are slightly competitive about the Ryukyus formula. Prime Minister Sato obviously sought a special and personal channel to communicate his views and he wants to discuss the formula with you alone, as he discussed it alone with Alex Johnson on the plane yesterday. He apparently hopes that you and he will come back with an agreed formula to inform your colleagues and perhaps let them work out some details. In any case, you may wish to know of this possible angle and let Sato express his views as to how the matter should be handled when you return to the Cabinet Room after your discussion this morning.

W. W. Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 94-357  
By 48, NARA, Date 5-22-95

WWRostow:rlm

INFORMATION~~SECRET~~4. ~~copy~~  
2. Pres file

Mr. President:

November 14, 1967

You ought to be aware of the attached Israeli Cabinet decision, which Eban asked Arthur Goldberg to bring to your attention.

The disturbing part about it is the degree to which it formally digs the Israeli government into insistence on direct negotiations. This has been the Israeli position right along, but we have always thought there would be flexibility on mechanics when there was real prospect for negotiations. They seem to be shifting their focus from security to mechanics, although the fact that they're not publishing this may mean it's largely designed to pressure us.

We will include comment on this in the response to Eshkol, which we will send up as soon as we have a clearer picture on the possible timing of his visit.

W. W. Rostow

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E.O. 12356, Sec. 3.4

NEJ 94-477

By ing, NARA, Date 6-28-95



26a

~~SECRET EXDIS~~

November 14, 1967

The following communication from the Foreign Minister of Israel was delivered to Ambassador Goldberg in New York, Sunday, November 12:

Dear Ambassador Goldberg:

In the light of current United Nations discussions, the Israel Cabinet reviewed the national policy in a special meeting on November 8 and adopted a resolution on peace aims which my colleagues and I wish to bring to the attention of the United States.

- (1) Israel aims to achieve a permanent peace with her Arab neighbors.
- (2) Peace will be achieved by direct negotiations and the signature of peace treaties between Israel and her neighbors.
- (3) Free passage of Israel's ships through the Suez Canal and the Straits of Tiran is a condition of peace.
- (4) Israel considers that the determination of agreed and secure boundaries between herself and her neighbors can only be achieved in the framework of peace treaties.
- (5) The establishment of peace in the Middle East and the regional cooperation which will flow from it will open possibilities for a regional and international solution of the refugee problem.
- (6) Israel sees an appropriate role for a United Nations representative for the Middle East whose task would be to bring about a direct negotiation between the parties.

I should be grateful if this resolution, which has not been published, could be brought to the notice of the President of the United States and the Secretary of State.

Yours very sincerely,

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-478  
By CB, NARA, Date 2-22-95

~~SECRET EXDIS~~

INFORMATION*for file*

~~SECRET~~ November 14, 1967

Mr. President:

This is Ambassador Jones' contribution to the riddle of Belaunde's quip about the University of Texas.

W. W. Rostow

Attachment

11/13/67 Jones Memo  
to President.

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

White House Guidelines, Feb. 24, 1983

NARA 18 Date 12-9-91





## DEPARTMENT OF STATE

Washington, D.C. 20520

21a

~~SECRET~~

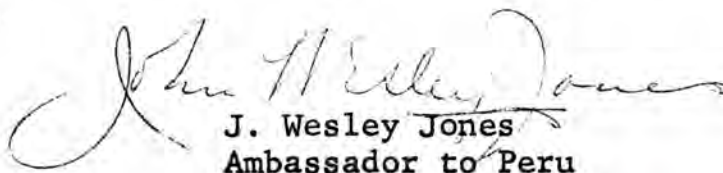
November 13, 1967

## MEMORANDUM FOR THE PRESIDENT

At the end of our conversation Thursday afternoon, November 8, I came away with the feeling that there was some misunderstanding of President Belaunde's motives in making his little joke to Jack Valenti about the University of Texas versus California. Let me try to explain.

Belaunde has been disappointed that Peru's share in the aid program (Alliance for Progress) has been small in relation to that of Colombia, Chile and Brazil. He has felt that his Texas education should have given him a special relationship with you and thus favorable consideration in the U.S. Government's many assistance programs under the Alliance. When Jack Valenti in his meeting with President Belaunde last Monday recalled that the latter had attended the University of Texas when Mrs. Johnson did, he said something about this probably having helped Belaunde in his relations with President Johnson and in Peru's development programs within the Alliance for Progress. I am sure that it was within this context, although somewhat later, that Belaunde made his remark about hoping that the day would not come when he would wish that he had gone to the University of California instead of Texas.

I had heard an earlier version of this kind of remark made at a luncheon at the Presidential Palace and reported to me by an American present. On that occasion Belaunde said in an answer to a question about his share in AID programs in Latin America that he might as well have gone to the University of Oklahoma for all the good his relationship with Texas had done him.

  
J. Wesley Jones  
Ambassador to Peru

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-282

By sig, NARA, Date 1-25-96

28  
ACTION

Tuesday - November 14, 1967

~~1 copy~~  
2 Per file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Message from Honduran President on the Chamizal Settlement

President Lopez of Honduras has sent the message at Tab B congratulating you on the Chamizal Settlement.

State suspects from the language of the message that it was inspired by President Lopez' desire that we abandon title to the Swan Islands which Honduras claims. I am inclined to agree.

State recommends that you approve the cordial, but non-committal, reply at Tab A. I concur.

W. W. Rostow

Approved ✓  
Disapproved       
See me     

Attachments

Tab A - Presidential reply to President Lopez's message.

Tab B - Honduran President Lopez' message on Chamizal.

Congratulatory Message from Honduran President Lopez  
on the Chamizal Settlement  

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(November 2, 1967)

Tegucigalpa, Honduras, November 2, 1967

The President

The White House

The definitive settlement of the Chamizal problem with the Republic of Mexico in a spirit of friendship and brotherly understanding brings great satisfaction to the Honduran Government and people, and I am happy to send you heartfelt congratulations.

Most cordially yours,

/s/ Oswaldo Lopez Arellano  
President of the Republic  
of Honduras



29

Profile

~~CONFIDENTIAL~~

Tuesday - November 14, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Appointment with Sol Linowitz - 1:00 pm

I understand that Sol Linowitz will see you today to report on his first year of stewardship as US Ambassador to the OAS.

One subject he may raise is White House announcement of his formation of a US Mission to the OAS. Sol has been working on this for some time and now has put his team together.

In any White House announcement of the US Mission, we must be careful to check Covey Oliver. Jurisdictional problems have arisen between Covey and Sol and these should not be aggravated by the announcement.

W. W. Rostow

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

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 11-21-91

20  
INFORMATION

*Free file*

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Tuesday, November 14, 1967

MR. PRESIDENT:

Attached, for your information, is a brief background memo from Joe Fowler on the gold situation and the gold certificate proposal, which he outlined briefly for you during yesterday's meeting on sterling. Fred Deming, Ed Fried and others of their small group, who have been working with Joe on this proposal, see an approach on gold both as a crisis measure and as another step towards strengthening the international monetary system. Deming will get a line on the negotiating possibilities by carefully sounding out the Germans, Italians and possibly the Dutch during his discussions this week.

W. W. Rostow

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Authority NSC 2-29-80  
Memorandum 10-27-78; FRS 7-19-79,  
By NSA/NARA, Date 12-4-91

*ERF*  
ERF:mst





~~SECRET~~

THE SECRETARY OF THE TREASURY  
WASHINGTON

30a

November 13, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Gold Situation

The gold market has been under strong demand pressure during most of 1966 and 1967, and little relief appears in sight. We had hoped -- a hope shared by most of my Group of Ten colleagues -- that agreement on a plan for a new reserve asset would quiet the gold market, but this has not occurred.

Much of the current pressure on the market seems to be connected with the sterling situation. The reasoning runs about as follows:

- If sterling falls, there will be great monetary unrest.
- The dollar will be affected strongly.
- Perhaps the only solution to the crisis will be a rise in the price of gold.

But other factors have affected the market also.

- The Mid-East crisis brought increased gold demand.
- There is growing realization that industrial use is increasing strongly and, perhaps within ten years, will absorb almost all new production.
- Russia has sold no gold in either 1966 or 1967, thus reducing supply.

The net result of all this is that the gold pool has had to meet the difference between supply and demand. It used about \$270 million in 1966 and about \$300 million so far in 1967.

When the gold pool was started in 1961, the eight countries in it pledged \$270 million as follows:

~~SECRET~~

DECLASSIFIED

Authority Releasing Ltr 11-27-78  
By SP/1000, NARA, Date 12-4-94



~~SECRET~~

- 2 -

United States	\$135 million
Germany	30 "
Italy	25 "
France	25 "
United Kingdom	25 "
Switzerland	10 "
Netherlands	10 "
Belgium	10 "
	<hr/>
	\$270 "

The pool neither gained nor lost in 1961 and 1962. In 1963 and 1964, it gained roughly \$1.3 billion and distributed this to pool members in proportion to their pledges. Demand was fairly quiet, and Russia was selling gold. In 1965, there was rough balance -- no big gains or losses. Then came the 1966 and 1967 losses.

In essence, the original pledge was used up in 1966. In 1967, the members have been feeding the pool in \$50 million payments as needed. They have put up seven such payments so far. France dropped out after the first, and the United States picked up that share, so that now the U. S. puts up roughly \$30 million out of each \$50 million extension.

At Basle this weekend, the pool members agreed to continue supplying the pool, as at present, until at least January, 1968. There is, however, unrest and hope that some better way can be found to deal with this problem.

Given time, we believe the new reserve plan will be regarded -- as it should be -- as reducing the need for monetary gold. This should moderate speculation and allow industrial use more room from new production.

If the sterling situation can be brought under control, this should quiet the market. The two -- gold and sterling -- are linked in this sense.

Meanwhile, we have been working on possible new approaches to the problem. One approach, which appears to have some promise, is to establish a big gold pool -- perhaps \$1 to \$2 billion -- and issue gold certificates against it. The gold pool countries would count these gold certificates in their reserves, much as the Federal Reserve does here.

We are beginning to explore this approach very cautiously. The subject is very sensitive, and we don't want to trigger any market reactions.

We will keep you posted on our progress and on the gold situation in general as it develops.

*Henry H. Fowler*  
Henry H. Fowler

~~SECRET~~

## THE WHITE HOUSE

WASHINGTON

Tuesday - November 14, 1967

## MEMORANDUM FOR THE PRESIDENT

*Pres file*

SUBJECT: Your Talk with Eight European Ambassadors at Ernie Goldstein's  
Lunch Wednesday, November 15, at 1:00 P.M.

The Group

USSR	- Ambassador Dobrynin (Duh-BREEN-in)
Bulgaria	- Ambassador Guerassimov (Ger-AS-imof)
Italy	- Ambassador Ortona (Or-TON-ah)
Iceland	- Ambassador Thorsteinsson (THOR-sten-sen)
Malta	- Ambassador Pardo (PAR-do)
Netherlands	- Ambassador Schurmann (SKOOR-man)
Belgium	- Ambassador Scheyven (Shay-VEN)
Switzerland	- Ambassador Schnyder (SHNEE-dare)

This is a mixed group -- Ambassador Dobrynin, the Bulgarian, neutral Switzerland and Malta, and Italy and three smaller NATO allies.

The main theme of the day should be bridge-building. You may wish to make the following points:

- Some say we are losing interest in Europe. This is not so. Europe's progress and success make her blessedly free of headline-catching disorder and turmoil. But our primary ties are there.
- Despite ideological differences between some of us, we must consider how to work together for the common good. This was a theme of my address of October 7, 1966. I wish to reaffirm this hope now.

We should explore all opportunities for European reconciliation and the building of a lasting peace. A just and secure peace -- in Europe and elsewhere -- is America's most important goal.

- We are among the "rich nations", in a world-wide sea of poverty and frustrated hopes. Building on a foundation of peace, we must go on together to conquer our real enemies -- hunger, want, ignorance, misery.

- We are deeply committed to the liberalization of peaceful trade -- both East-West trade and trade between ourselves and Western Europe.

We are concerned about the rise in protectionist sentiment, both in America and in Europe. We are determined to halt this trend.

- All of us in this room want to move from the unstable environment of deterrence to a more cooperative international order.

We have achieved the Test Ban Treaty and the Space Treaty. Early and successful conclusion of an NPT will be service to mankind. My representatives in Geneva report that we are narrowing our differences -- on a treaty which will take into account the interest of nuclear and non-nuclear powers alike.

- I am reassured to have this distinguished group here today. I know all Americans can depend on you to represent our views to your own governments with accuracy, fairness and wisdom.

W. W. Rostow

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



Monday, November 13, 1967  
7:45 p. m.

~~SECRET~~

LITERALLY EYES ONLY

MR. PRESIDENT:

*Pres. file*

Secretaries Rusk and Fowler wish you to find a moment in your private conversation with Sato tomorrow to raise the question of the British pound.

You might say the following:

"As you know, the Group of Ten -- including your representative and ours -- are now discussing in Paris the question of the British pound. It is our hope that a way can be found to sustain the pound without devaluation.

"If devaluation becomes necessary, it is of the highest importance to the whole international monetary system that all the other major countries hold steady at their present rates of exchange. If other major countries follow the British in devaluation, we could face a most serious world financial crisis.

"I would be grateful if you could find an occasion for Secretary Fowler to have a few words with you privately about this matter. "

W. W. R.

~~SECRET~~  
EYES ONLY

DECLASSIFIED

Authority NSC 2-29-80; FRS 7-14-79

By cg/ep, NARA, Date 12-4-91

CONFIDENTIALACTION

Monday, November 13, 1967, 7:15 P.M.

## MEMORANDUM FOR THE PRESIDENT

*Pres file*

SUBJECT: Vice President's Proposed Trip to London

We have learned that Ambassador Bruce has been working out arrangements for the visit of the Vice President to London. The present schedule calls for the Vice President's departure on November 28, a meeting with Prime Minister Wilson at Chequers on November 29, and a formal banquet and major address in London on November 30.

We are told that this trip was cleared by the Vice President with you in September and planning has proceeded.

In a recent telephone conversation you gave me reason to believe that the Vice President should not get into the complicated political situation in which the British Labor Party and the Prime Minister now find themselves.

Do you wish me to take any action in this matter?

W. W. Rostow

- ☐ I will talk to the Vice President
- ☐ Bring up at next Luncheon Meeting
- ☐ See me

LE  
BKS:amc

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 11-21-91

Monday, November 13, 1967 -- 6:30 PM

*Pres file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your meeting with the Ceylonese Ambassador (Weerasinghe)  
Tuesday, November 14, 1967 -- 12:30 PM

This is strictly a brief ceremonial meeting. The Ambassador will present to you a silver casket of tea commemorating the 100th year of the tea industry in Ceylon. (The Ceylonese gave a similar casket to Queen Elizabeth a few weeks ago.)

Tea is Ceylon's principal export. But tea prices are now at a 20-year low, and the Ceylonese are feeling the squeeze. They are currently running a publicity campaign in the United States and elsewhere. This presentation to you will not be used directly in the campaign, though it will surely help them.

Here are a few talking points you might use with the Ambassador (he won't raise any substantive matters):

1. We know how important tea exports are in Ceylon's good efforts to build its economy.
2. We also know they are having difficulty with tea prices at a 20-year low, and we wish them well in their endeavors to expand their markets.
3. Ceylonese tea is justly famous for its high quality. Their current promotion campaign ought to be successful.
4. Personal regards and best wishes to Ceylonese Prime Minister Senanayake (Sen-a-NIGH-ka).

W. W. Rostow

RPMorris/vmr



Monday, November 13, 1967  
6:30 p. m.

~~SECRET~~

MR. PRESIDENT:

Alex Johnson has just reported in from the plane with Sato. He spent two hours alone with him.

1. The formula communicated to us by Wakaizumi (Tab A) is, indeed, the formula Sato wants to raise with you.
2. After a private conversation, he would like the matter settled in the presence of his two senior colleagues.
3. I read the proposed change in the formula -- instigated by the JCS -- to Alex Johnson. Alex pointed out that "satisfactory to the two governments" and "consistent with the national interests of both countries" were somewhat redundant.
4. Sato would probably prefer the more general "satisfactory to the two governments"; but he might buy the following: "an agreement on a date consistent with the national interests of both countries for the reversion of these Islands."

~~SECRET~~ attachment

*W. R.*

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 97-182  
By is, NARA Date 9-24-98

~~SECRET EXDIS~~

TAB A

Language for the Second Paragraph of VII  
of the Communique

"As a result of their discussion, the President and the Prime Minister agreed that the two governments, guided by the aim of returning the administrative rights over the Ryukyu Islands to Japan, should hold consultations through diplomatic channels to examine matters pertaining to the reversion with a view to reaching, within a few years, an agreement on a date satisfactory to the two governments for the reversion of these Islands consistent with the national interests of both countries."

DECLASSIFIED

Authority NLS 92-131  
By Qlip, NARA, Date 1/14/02

38c

SECRET-EXDIS

TAB A

Language for the Second Paragraph of VII  
of the Communique

"As a result of their discussion, the President and the Prime Minister agreed that the two governments, guided by the aim of returning the administrative rights over the Ryukyu Islands to Japan, should hold consultations through diplomatic channels to examine matters pertaining to the reversion with a view to reaching, within a few years, an agreement on a date satisfactory to the two governments for the reversion of these Islands consistent with the national interests of both countries."

DECLASSIFIED  
Authority NLT 92-131  
By Q/p NARA, Date 1/14/02



~~SECRET~~

Monday, November 13, 1967  
6:30 p.m.

*Pres file*

Mr. President:

Herewith Mac Bundy summarizes the meeting of November 2 and proposes, in the end, that we search for a pattern of "some feasible de-escalation based on success and not failure."

I have tried to mark the critical passages in this interesting piece of paper.

W. W. Rostow

~~SECRET~~

WWRostow:rln

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By 12, NARA, Date 12-10-91

THE FORD FOUNDATION  
477 MADISON AVENUE  
NEW YORK, NEW YORK 10022

36a

McGEORGE BUNDY  
PRESIDENT

November 10, 1967

Dear Mr. President:

Here at last is the commentary on the November 2 meeting you asked for from me. It is much longer than I wish it were, and I apologize. It also moves out to some uncharted ground, but that is less my fault than the fault of Taylor and Lodge for having raised a couple of thought-provoking questions during the meeting.

With affectionate respect,

*McG*

McGeorge Bundy

The Honorable Lyndon B. Johnson  
President of the United States  
The White House  
Washington, D. C.

SECRET

November 10, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: A commentary on the Vietnam discussion of November 2

I think your instruction to me was to give a brief summary of that discussion, and I also think you were incautious enough to ask for my comments, so the following memo treats each of the five questions you put to the meeting, first by reporting what consensus there was in the answers, and second by offering my own resulting comments. One of the reasons for my delay in reporting in is that I found the discussion enormously interesting and have found my own mind stretched to some new thoughts as a result.

I have somewhat rearranged the order of your initial questions because I think there is a certain logic in taking the most clear-cut answers first.

1. Should we pull out?

The answer to this was a strong and unanimous negative.<sup>7</sup> No one present would quit without a satisfactory settlement. There may well be important latent differences about the kind of settlement that would be acceptable. I suspect that George Ball would be inclined to settle for a deal which might eventually turn sour in the South. I think the rest of us would wish to stay there until there is a viable non-Communist South Vietnam. This difference is not currently critical.

2. What should we do about negotiations?

The general view is that there is no immediate prospect of serious negotiations. Mr. Acheson opened the meeting with a characteristically firm and categorical assertion that there would be no negotiations -- that there never had been negotiations in any real sense with Communists, and that certainly there would be nothing of this sort before our next Presidential election. Most of those present agreed. The principal reservations came from Harriman and Rostow. Harriman continues to believe that the best road to peace lies through Communist capitals (and that he is the right man to travel that road). Harriman does not think that European Communists are watching our election date. Rostow believes that the Communist interest in reducing our presence, and the Communist need at some point for protection of their losers in the South, may lead to real negotiations.

SECRET

DECLASSIFIED

Authority 762 84-39  
By sp/ics, NARA, Date 12-10-91



My own comment is that while Acheson has much the better of the argument, we can probably have our cake and eat it on this one. I see no harm in careful exploration by Harriman, and we can certainly be ready for the kind of real talks which Rostow envisages when and if the time comes. What I think we should not do is to act as if we ourselves believed there was much chance of real negotiations in the early future. We have been ready for them; we are ready for them; we keep checking to see if they are possible; but the Communists do not want them.

I think there could well be a careful statement about the poor prospect for early negotiations, but I wonder whether it should come from the Government. I think the Secretary of State would not be persuasive with doves and moderates on this matter, because they have chosen to believe that he never wanted the negotiations in the first place. The one person in the Government, oddly enough, who might carry conviction with the academic community on this point is Brzezinski in the Policy and Planning Staff. There would also be some appeal in a careful analysis by Katzenbach. Still another alternative would be to get the point made by wise men outside the Government and then refer to their comments. My brother Bill would know which academic men have the most standing on this point. Whoever does it, the point to be made is not that we don't want negotiations, but that we don't expect them from the Communists now, and that even if talks do become possible, we must expect Communist negotiators to act like Communist negotiators.

### 3. What should we do about the bombing in North Vietnam?

There was broad agreement that the bombing of the North should be continued unless we get a real quid pro quo on the ground. All of those who spoke except George Ball believe that the bombing is an important part of our whole campaign. All who touched the subject felt that bombing should be restricted to military targets. Several spoke clearly against mining of Haiphong or bombing the irrigation dikes; a few also indicated a desire to reduce the level of the bombing somewhat. Nobody explicitly advocated mining or attack on the dikes -- although Mr. Murphy said he would follow the Joint Chiefs of Staff on such matters. Several speakers associated themselves with Secretary McNamara's argument before the Stennis Committee, but several others said that the bombing has important values above and beyond its admittedly limited effect upon what can be moved from North to South.

My estimate of the consensus is that there would be general support for a possibility you outlined at the end of the meeting -- namely that when the currently approved targets have been struck, you should clearly rule out any proposal for major widening of the bombing in the North, and should ask the Chiefs to plan a redeployment of air power against targets which would not constitute "escalation" -- with due allowance for necessary restrikes.

If you should decide to move in this direction, I believe it would be highly desirable for you and the two Secretaries and the Joint Chiefs to come to a solid internal understanding on this whole question which would apply to the next fifteen months. There is no doubt that the public airing of differences between McNamara and the top brass has created some confusion, especially when followed by air operations which seemed inconsistent with one or another of the McNamara arguments. And on their side, the top brass have given the impression that they could have done things much better if they had been allowed to do them their own way. This pulling and hauling has been natural, and to some degree inevitable, but the discussion of November 2 suggests that we may be reaching a point where you can find a solid position from which to put a stop to it. You have great assets in such an effort, and you have not yet drawn much on your account of straight loyalty from your top military men. My impression is that they still feel cut off from you and somehow think that they really do not get your ear as much as they should. (Naturally it never occurs to them that their real trouble may be simply that they have not got a very good case, and that you may find them as tiresome as any other powerful but narrow-minded pressure group.)

I believe that if you reach a basic command judgment which clearly defines the future of the bombing in the North, you can put a stop to the sort of thing that has happened in the last few months. I share what I think is a majority view of the outsiders that such a clear delimitation would be of real political value with moderates at home and with worried friends abroad. It would help to stop the foolish and false talk about a collision course with China, and it would help to meet the need for a real focusing of the attention of all toward the South, which remains the real battlefield. Such an internal decision would also require -- and permit -- a gradual reframing of the position of the Secretary of Defense himself. Bob McNamara has tended to focus his attention very sharply upon the single issue of the relation between the bombing in the North and supply and reinforcement in the South. While I tend to agree with him on this emphasis, I do not think it was the emphasis of the majority of those who spoke on November 2, nor do I think it the strongest position for you, all things considered, in the next fifteen months. I therefore believe that Bob should be asked to join in a rationale for the bombing which is a little wider than what he has been using in his wholly understandable argumentation before the Stennis Committee. This is not a matter of a drastic change in his position, but simply a question of reframing it so as to give more emphasis to the element of increased military cost which is a legitimate purpose of bombing.

If I may add one individual comment which does not come out of the discussion of November 2, I would also be inclined to press the Chiefs hard on the question of civilian casualties (both North and South). No matter how often they are pressed on the point, airmen just do not give the kind of attention to this issue that any civilian would wish if he were watching the matter himself. (I first learned this lesson from Colonel Stimson when he was telling me how he was hornswooggled by Hap Arnold on just this point.)

One question which was only briefly argued is whether there should or should not be a pause. Nobody proposed an unconditional pause, but there were several who did urge one form or another of bombing suspension aimed at a possible response by action, and not words alone, from the North. Mr. Acheson thought it would be good if we could trade the bombing for the end of attacks across the DMZ, and one or two others agreed. General Taylor thought this a bad swap and would prefer to trade the bombing of the North against incidents in the South. Still others appeared not to believe that any pause would be productive.

This subject is an obvious candidate for further study. My own belief is that problems of weather and timing make it very difficult to give clear-cut signals that would relate any pauses in the bombing to specific military actions by the enemy. I just don't think we are likely to be that smooth and sophisticated, in the light of the legitimate pressures for continuous use of air power on the lines of communication from the North. I think the case to beat is the case for not having any pause at all (except for short holidays). I think that if such a position is reached within the Government, it should be very carefully expounded, either by the President himself or by Under Secretary Katzenbach. Such a speech should be cleared at the top, whoever gives it, and it might well be an occasion also for such public redefinition of our bombing policy as may become possible after the currently listed targets have been struck.

#### 4. What more can we do in the South?

Few of the speakers were really knowledgeable about events in the South and it is not surprising that most of them refrained from specific suggestions. If there was a general refrain, it was aimed at the need to increase both the reality and the appearance of Vietnamese activity all along the line.

The one area on which I would offer special comment is the one touched on by both Lodge and Taylor. They were the two men with most direct experience in Vietnam, and I found it interesting and troubling that both of them raised important questions about the military tactics now being followed. General Taylor was worried about the fixed positions on the DMZ and in the highlands. Ambassador Lodge questioned the wisdom of large-scale search and destroy operations such as those planned for the Delta. Lodge and I raised the question whether casualties must be expected to continue at their present level and even increase. This specific question was related to the general comment of several others that the prospect of endless inconclusive fighting is the most serious single cause of domestic disquiet about the war.

The discussion permits no conclusion on these questions but it does suggest the importance of a careful review at the highest military and civilian levels. It is obviously a highly sensitive matter to question the tactical judgment of the commander in the field. But it is equally obvious that you have every reason to satisfy yourself about questions of the importance of those raised by Lodge and Taylor.



If the battles near the borders are not wise, or if search and destroy operations in heavily populated areas are likely to be politically destructive, then the plans of the field commander must be seriously questioned. I see no alternative here but to have a very carefully prepared discussion with General Westmoreland, preferably after a good hard look on the spot by junior officers who might be chosen specifically for their acceptability in Saigon.

I should emphasize that what I am suggesting here is something that really has not been done in this war so far, to the best of my knowledge. For extremely good reasons the top men in Washington have kept their hands off the tactical conduct of the war, and most discussions have been directed rather to questions of force levels in the South and bombing limits in the North. (Even in Saigon the successive Ambassadors have been careful to keep out of military matters.) But now that the principal battleground is in domestic opinion, I believe the Commander-in-Chief has both the right and the duty to go further. I don't think anyone can predict the result of such an inquiry, but neither do I see how you can be asked to deal with the home front until you are satisfied that the plan of action in Vietnam -- North and South -- is the one you want.

One obvious difficulty which stands in the way of this kind of policy-making is the risk that there will be leaks of one sort or another which would lead to charges that the whole thing is politically inspired, and governed by election-year thinking. Certainly there would be such leaks and such criticism, but strong answers are available. In the first place, it is entirely legitimate to seek to define and then to explain the policy in terms that will be persuasive at home. But even more persuasive is the fact that clarity of definition is at least as much needed for success in Vietnam as for strengthening public opinion at home. If our present tactics are right from this point of view, all they need is persuasive exposition (which they have not had: how many of us could explain what Westy's strategy really is?). If they need adjustment, to avoid the costs of escalation in the North, and to minimize the danger of political disaffection in the South, then the adjustments are needed on their own merits, and not simply from the point of view of U.S. public opinion.

What I think I am recommending is simply that the Commander-in-Chief should visibly take command of a contest that is more political in its character than any in our history except the Civil War (where Lincoln interfered much more than you have). I think the visible exercise of his authority is not only best for the war but also best for public opinion -- and also best for the internal confidence of the Government. Briefings which cite the latest statistics have lost their power to persuade. So have spectacular summits. These things are not worth one-quarter of what would be gained by the gradual emergence of the fact that the President

himself -- in his capacity as political leader and Commander-in-Chief -- is shaping a campaign which is gradually increasing in its success and gradually decreasing in its cost in American lives and money.

Obviously it would be wrong to prejudge the policy which would emerge from the kind of review I am recommending. But my own hunch is that there may be a really good chance of reaching an agreed program, among civilians and military men alike, which would have these general characteristics:

(1) It could be less expensive in lives by involving fewer exposures to ambush and also by adopting the best tactics of the most successful local commanders.

(2) It could be much less expensive in money. (There just has to be an end of the cost of build-up at some point, and we ought not to let anyone believe that the dollar in Vietnam doesn't matter. It matters like Hell to our ability to stay the course.)

(3) It could be more effective politically in South Vietnam: all evidence of care and control and patient endurance will help on this front.

(4) It could enlarge the real and visible role of the South Vietnamese. There is a good deal of reason for driving home our insistence on their help even by just not doing things they won't join in.

(5) It could still keep plenty of pressure on the Communists.

(6) It could make it plain that we are over the hump. (In a funny, reverse-English way, it occurs to me that such a change of gears could have the same effect in Vietnam as the shift from Walker to Ridgway had in Korea.)

(7) It could establish a pattern of gradually decreasing cost that would be endurable for the five or ten years that I think are predicted by most of the wisest officials in Vietnam. If one thing is more clear than another, it is that we simply are not going to go on at the present rate for that length of time, and since I think the Communists have proved more stubborn than we expected at every stage, I think that sooner or later we are going to have to find a way of doing this job that is endurable in cost for a long pull.

I do have to admit that I can't prove that the time has come to make this shift. But the sooner that time comes -- the less we engage in overkill -- the better for all concerned. And the sooner it is possible to develop this kind of program, the better it will be, in straight foreign policy terms. It would also, quite obviously, be helpful on the hardest question of all:

5. What can be done to pull the home front together?

On this point the advice of last week's group was very mixed. Some seemed to feel that the best course was to march straight ahead without fretting over criticism. While others shared the view that the Administration should not seem to be worried about its critics, they did not seem to feel that nothing ought to be done. A variety of proposals were put forward -- to develop friendly television programs, to organize committees of speech-makers, to bring in the responsible top educators, to reach past the Congress to the people, to promote visits by Bunker or Thieu, and to publicize such favorable assessments as George Carver's (my own reading of Carver's report was somewhat less optimistic, given the necessary discount for a staff officer reporting to superiors who want to hear good news).

My own view of all this is that the advice to keep calm is excellent and that most of the rest is of marginal value -- although I do believe in the value of visible support by those of us not in the Administration. I think we have tried too hard to convert public opinion by statistics and by spectacular visits of all sorts. I do have to say also that I think public discontent with the war is now wide and deep. One of the few things that helps us right now is public distaste for the violent doves -- but I think people really are getting fed up with the endlessness of the fighting.

What really hurts, then, is not the arguments of the doves but the cost of the war in lives and money, coupled with the lack of light at the end of the tunnel. So I think changes in what actually happens in Vietnam are the only effective way of changing public attitudes at home, and I would come back to the notions put forward in the previous section of this memorandum as being the best I can offer on the home front as well. I can add only that if such a redirection of strategy and emphasis should occur, then I also think it would be highly important for us to explain -- really for the first time -- that this war has had a number of phases which are sharply different from each other (our tendency in the past has been to downplay the significance of moves from one phase to the next, but if we can get to a turn-down of overall costs, I think we should candidly review the whole set of major decisions which have moved us up the hill and over the crest).

I apologize deeply for the length of this memo and for the degree to which it really goes beyond the actual discussion of last week. I still hold with all the things I said then and in earlier memoranda about not pausing, not negotiating, and not escalating. I now go on to say that I think some visible de-escalation, based on success and not failure, is the most promising path I can see. I can't prove this path exists, but I think we should search for it.

Ind: 10

McG. B.



ACTION~~SECRET/SENSITIVE/BUTTERCUP~~

Monday, November 13, 1967  
5:25 p.m.

*Free file*

Mr. President:

Your clearance is requested on the attached cable now proposed by Sec. Rusk and Amb. Bunker to set the next stage of BUTTERCUP in motion.

In essence:

- it accepts the limited proposal on prisoners now to be released;
- it indicates in a single sentence (marked) our interest in subsequent political discussions.

The main reference cable is attached.

W. W. Rostow

OK \_\_\_\_\_

No \_\_\_\_\_

See me \_\_\_\_\_

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 94-477  
By mg, NARA, Date 6-28-95

~~SECRET/SENSITIVE~~

WWRostow:rlh

37a~~SECRET~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 94-478

By lip, NARA, Date 4-3-96

Ambassador SAIGON

STATE

NODIS-BUTTERCUP

Ref: a: Saigon 576  
b: CAS Saigon 4407

1. We approve proposed response in para 1 of ref a but suggest that in para 1 sub para b, 1st sentence, the portion reading "cadres who were detained as a result of the August 1967 arrest" be changed to read: "cadres known to us to have been detained in connection with the August 1967 arrest".
2. We believe that this message should contain only brief reference to broader political subjects and should be cleared with the GVN and dispatched as rapidly as feasible. Therefore we suggest that following sentence be added as new sub-para 1 e to proposed response set forth in para 1 of ref a: "We are hopeful that successful prisoner exchanges would provide the appropriate background for discussion of the broader political subjects raised in your message of October 19."

S/AH;Davidson:jmj 11/13/ 7541

The Secretary

The Under Secretary

Amb Bunker

EA - Mr. Bundy

S/S - Mr. Read

White House -

~~SECRET~~

Amembassy SAIGON

~~SECRET~~

3. We note in ref b para 1f that Sau Ha is undergoing continued interrogation. We assume that he is receiving proper treatment and not being subjected to physical coercion or undue interrogation. Has CAS received sufficient information to evaluate prospects that Sau Ha will be willing to return to NLF?
4. Ambassador Bunker concurs.

END

~~SECRET~~



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DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-478  
By ij, NARA, Date 4-3-96

~~SECRET~~ 101106Z VIA CAS CHANNELS

NODIS BUTTERCUP

FM CHARGE D' LOCKE SAIGON 576

TO THE WHITE HOUSE, EXCLUSIVE FOR MR ROSTOW  
SECSTATE, EXCL USIVE FOR SECRETARY RUSK AND AMBASSADOR BUNKER

SECDEF, EXCLUSIVE FOR SECRETARY MCNAMARA

DIRECTOR CIA, EXCLUSIVE FOR MR. HELMS

REFS: A. CAS WA SHINGTON 50294  
B. SAIGON 551  
C. CAS WASHINGTON 4 9639

1. OUR PROPOSED RESPONSE TO BUTTERCUP/1 (FIRST PORTION  
PERTAINING TO POWS) FOLLOWS:

"A. WE HAVE TAKEN YOUR MESSAGE, WHICH WAS DELIVERED  
TO US ON OCTOBER 26TH, UNDER MOST CAREFUL AND SERIOUS  
CONSIDERATION. THIS STUDY, ENSUING DISCUSSIONS AND SUB-  
SEQUENT DECISIONS WERE MADE JOINTLY BY SENIOR LEVELS OF  
BOTH INTER ESTED PARTIES ON OUR SIDE.

B. WE HAVE TAKEN STEPS TO COMPLY WITH YOUR REQUEST:  
YOUR ORIGINAL EMISSARY HAS BEEN SET FREE AND RETURNED TO YOU  
ALONG WITH THE BEARER OF THIS MESSAGE WHO WAS EARLIER SET  
FREE; CADRES WHO WERE DETAINED AS A RESULT OF THE AUGUST 1967  
ARREST OF YOUR EMISSARY HAVE ALL BEEN RELEASED AND INFORMED  
THAT THEY MAY REMAIN FREE IF THEY DO NOT ENGAGE IN ACTIVITIES  
JUDGED DETRIMENTAL TO THE GOVERNMENT; THE CADRES LISTED BY  
YOU IN YOUR OCTOBER MESSAGE ARE BEING GIVEN GOOD TREATMENT,  
INCLUDING MEDICAL CARE. HAVING INDEPENDENTLY RELEASED SOME  
OF YOUR PEOPLE WE SUGGEST A RECIPROCAL GESTURE BY YOU WOULD  
BE IN ORDER.

C. WE BELIEVE THAT FOLLOWING THESE ACTIONS ON OUR  
PART THE TIME IS PROPITIOUS FOR EXPEDITIOUSLY MOVING FORWARD  
ON THE SUBJECT OF YOUR AND OUR IMMEDIATE CONCERN, THE RELEASE  
OF PRISONERS. IN THIS REGARD WE BELIEVE THAT THE RADIO  
CHANNEL ORIGINALLY PROPOSED TO YOU, IN OUR FIRST LETTER,  
PROMISES BOTH SPEED, SECURITY AND SAFETY; WE SENT YOU OUR  
FIRST MESSAGE ON THIS CHANNEL ON NOVEMBER 5TH AND NOVEMBER  
8TH BUT FAILED TO RECEIVE ANY RESPONSE FROM YOU.

D. WE HAVE ASSUMED THAT THE INDIVIDUALS MENTIONED  
BY YOU IN BOTH YOUR FIRST AND SECOND MESSAGES REPRESENT  
PERSONS THAT YOU MIGHT WANT TO SEE INCLUDED IN THE FIRST  
RECIPROCAL RELEASE OF PRISONERS. ON OUR SIDE WE WOULD WANT  
YOU TO RELEASE AN APPROPRIATE NUMBER OF OUR PEOPLE, ESPECIALLY  
THOSE THAT HAVE BEEN WOUNDED OR WHO ARE IN POOR HEALTH. UPON  
RECEIPT OF A MESSAGE FROM YOU THAT YOU ARE UNDERTAKING THE  
RELEASE OF PRISONERS WE WILL PROMPTLY RECIPROCATE.

*Identified*

THAT THEY MAY REMAIN FREE IF THEY DO NOT ENGAGE IN ACTIVITIES JUDGED DETRIMENTAL TO THE GOVERNMENT; THE CADRES LISTED BY YOU IN YOUR OCTOBER MESSAGE ARE BEING GIVEN GOOD TREATMENT, INCLUDING MEDICAL CARE. HAVING INDEPENDENTLY RELEASED SOME OF YOUR PEOPLE WE SUGGEST A RECIPROCAL GESTURE BY YOU WOULD BE IN ORDER.

C. WE BELIEVE THAT FOLLOWING THESE ACTIONS ON OUR PART THE TIME IS PROPITIOUS FOR EXPEDITIOUSLY MOVING FORWARD ON THE SUBJECT OF YOUR AND OUR IMMEDIATE CONCERN, THE RELEASE OF PRISONERS. IN THIS REGARD WE BELIEVE THAT THE RADIO CHANNEL ORIGINALLY PROPOSED TO YOU, IN OUR FIRST LETTER, PROMISES BOTH SPEED, SECURITY AND SAFETY; WE SENT YOU OUR FIRST MESSAGE ON THIS CHANNEL ON NOVEMBER 5TH AND NOVEMBER 8TH BUT FAILED TO RECEIVE ANY RESPONSE FROM YOU.

D. WE HAVE ASSUMED THAT THE INDIVIDUALS MENTIONED BY YOU IN BOTH YOUR FIRST AND SECOND MESSAGES REPRESENT PERSONS THAT YOU MIGHT WANT TO SEE INCLUDED IN THE FIRST RECIPROCAL RELEASE OF PRISONERS. ON OUR SIDE WE WOULD WANT YOU TO RELEASE AN APPROPRIATE NUMBER OF OUR PEOPLE, ESPECIALLY THOSE THAT HAVE BEEN WOUNDED OR WHO ARE IN POOR HEALTH. UPON RECEIPT OF A MESSAGE FROM YOU THAT YOU ARE UNDERTAKING THE RELEASE OF PRISONERS WE WILL PROMPTLY RECIPROCATATE. IN THIS RESPECT WE WOULD APPRECIATE LEARNING FROM YOU IN ADVANCE WHERE THOSE PRISONERS TO BE RELEASED BY YOU WILL BE DELIVERED SO THAT WE MAY MAKE ARRANGEMENTS FOR THEM, ESPECIALLY THE SICK AND WOUNDED, TO BE PICKED UP BY HELICOPTER AND MEDICAL STAFF."

2. PLEASE NOTE THAT IN PARA A ABOVE, WE REFER TO "BOTH INTERESTED PARTIES" RATHER THAN NAME U.S. AND GVN. THIS INTENTIONAL IN VIEW OUR FEELING WE WOULD WANT PLAUSIBLE DISCLAIMER IF LETTER SURFACED OR FELL INTO WRONG HANDS.

3. PARA B COVERS COMPLIANCE WITH BUTTERCUP/1'S REQUIREMENTS WITH LAST SENTENCE ADDED RE RELEASE TO "SHOW GOOD FAITH" BUT RESTATED TO CALL IT "RECIPROCAL GESTURE." WILL INSERT NAMES OF "CADRES" RELEASED IN ABOVE INGOING MESSAGE ONCE HAVE ESTABLISHED PRECISELY HOW MANY INVOLVED AND EXACT NAMES. GENERAL LOAN'S OFFICE HAS THUS FAR NAMED A TOTAL OF ONLY THREE PRISONERS ARRESTED DIRECTLY AS RESULT OF INTERROGATION OF SAU HA. ALTHOUGH ORIGINALLY WE HAD BEEN TOLD THAT THERE WERE SEVEN OR EIGHT IN THIS CATEGORY, WE WERE TOLD SUBSEQUENTLY AFTER VIETNAMESE HAD ACTUALLY STUDIED THE DOSSIERS INVOLVED MORE PRECISELY, THAT THERE WERE ONLY THREE. WE ARE NOW ATTEMPTING TO CLARIFY THIS DISCREPANCY.

4. HOPEFULLY, BUTTERCUP/1 WILL COME UP ON OUR RADIO LINK PER OUR REQUEST OR HE WILL SEND MESSAGE TO US THROUGH BUTTERCUP/2 RE PLACE WE CAN MEET TO PICK UP POWS RELEASED TO US.

5. AS SOON AS FIRST PORTION PERTAINING TO POWS IS APPROVED, WILL OBTAIN APPROVAL OF THIEU AND LOAN. DISPATCH OF THIS PORTION COULD THEN BE UNDERTAKEN IN ACCORDANCE PARA 8 OF REF C, LEAVING DISCUSSION OF BROADER POLITICAL ASPECTS WITH THIEU UNTIL YOUR VIEWS ARE FORMULATED. IF MESSAGES ARE SO SPLIT, REFERENCE TO A LATER MESSAGE ON THESE ASPECTS SHOULD BE ADDED AT THE END OF THE ABOVE RESPONSE. SINCE THIEU HAS RESERVED TO HIMSELF THE HANDLING OF THE "POLITICAL ASPECTS OF THIS MATTER", COMMENTS ON "BROADER ASPECTS" WILL NOT BE SHOWN TO LOAN UNLESS WE REQUESTED DO SO BY THIEU.

GP-1

750



~~SECRET~~

Monday, November 13, 1967  
5:00 p.m.

*Presfile*

Mr. President:

Herewith Sec. Rusk confirms the present state of agreement on communique language on the Ryukyus.

I shall be checking with State on precisely what it is that we shall be wanting to get from Sato and what the scenario is for nailing it down firmly.

W. W. Rostow

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NY 94-357  
By ing, NARA, Date 5-22-95

WWRostow:rlm

THE SECRETARY OF STATE  
WASHINGTON

4323  
38a

November 13, 1967

SECRET - EXDIS

MEMORANDUM FOR THE PRESIDENT

Subject: Communique Language on the Ryukyus with Sato

As Walt Rostow can inform you in detail, we received over the weekend a new formula, delivered to Mr. Rostow on Sato's behalf by a Japanese named Kei Wakaizumi. This formula has not come to us through Japanese Foreign Office channels, but we believe that it may well represent Sato's ultimate view.

Wakaizumi had a letter from Sato, and conveyed an oral message that Sato would wish to discuss the matter directly and personally with you.

I set forth in the attached Tab A the Wakaizumi language, which Secretary McNamara and I believe would be acceptable with the underscored addition, which General Wheeler has suggested and on the basis of which General Wheeler too would be agreeable.

The point of this new formula is to satisfy the Japanese desire to show some sense of time, but to do so through a two-stage process that would involve a decision in principle "within the next few years" with the actual date to come some time after. Sato apparently envisages that the decision in principle might come before June 1970, but the actual date of reversion might be 1975 or later. As Secretary McNamara and I see it, this is politically realistic in Japanese terms, and at the same time avoids any present commitment.

SECRET-EXDIS

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-478  
By CL, NARA, Date 2-22-95



~~SECRET-EXDIS~~

-2-

We recommend that you hold this language in reserve for use during your private conversation with Sato. Ambassador Johnson is mentioning to Sato today that we are aware of this formula, but is of course taking no position at this time. If he should bring any additional news from the Japanese side, we will let you know promptly.

*Dean Rusk*

Dean Rusk

Encl:

Tab A - Proposed communique  
language

~~SECRET-EXDIS~~

38b

A

~~SECRET~~

Monday, November 13, 1967  
3:30 p.m.

*Pres. file*

Mr. President:

Herewith Sec. Rusk reports on  
Congressional consultations concerning  
the Bonins and Ryukyus.

As you know, the language on the  
Ryukyus is still under negotiation.

W. W. Rostow

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WWRostow:rlh

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By 12, NARA, Date 11/21/91



THE SECRETARY OF STATE  
WASHINGTON

39a  
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~~SECRET~~

November 13, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Congressional Consultations and Negotiating  
Status Concerning the Ryukyus and the  
Bonins

This memorandum summarizes the reactions we have had  
in the Congress, and the resulting status as Sato arrives  
Monday night.

Congressional Consultations

I have personally checked with Senator Mansfield and  
Congressman Ford. Ambassador Johnson and Mr. Warnke of  
DOD have seen Senator Dirksen, Senators Russell and Smith,  
Congressmen Rivers, Bates, and Price, and Congressmen Mahon  
and Lipscomb. Mr. Bundy has talked fully with the Speaker,  
Mr. Albert, Senator Fulbright and Senator Hickenlooper,  
and Congressmen Morgan (through staff), Zablocki, Mrs.  
Bolton, and Adair.

These consultations have gone very smoothly indeed.  
Reactions for the most part have been clear approval of  
the proposed course, involving no change for the present  
in the Ryukyus but a decision to proceed with consultations  
for the reversion of the Bonins, subject to our reserving  
appropriate military and naval facilities including some  
special arrangements to deal with our national feeling about  
Iwo Jima. No dissent has been expressed by any of those  
consulted, and the only note of reservation was that of

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GROUP 3

Downgraded at 12 year intervals;  
not automatically declassified.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-478  
By CL, NARA, Date 2-22-95

~~SECRET~~

- 2 -

Senator Hickenlooper, who told us last Wednesday that he had not given the matter extensive thought and would let us know if he developed any significant problem; he has not done so.

For good measure, and on the advice of those consulted, we expect to complete consultation today with Senator Lausche, Congressman Teague, and Senators Hayden and Young. DOD will be also notifying key leaders of the major veterans' organizations on Wednesday.

In short, unless some hitch should develop today -- in which case I will notify you at once -- it seems clear that the proposed course has entirely satisfactory Congressional understanding and support.

#### Further Negotiations with the Japanese

As you know, we appear to have ironed out with the Japanese virtually all the necessary wording on the communique, and I enclose a copy of the current draft of the relevant paragraph 7 dealing with the Ryukyus and Bonins.

One significant issue -- noted in the enclosed draft -- does remain. The Japanese wish to refer to reversion of the Ryukyus taking place "at the earliest possible date." I have told Ambassador Johnson to tell Sato, as he comes here from Seattle Monday, that this phrase poses major difficulties for us, since it suggests more immediate action than we are now prepared to undertake. I have instructed Ambassador Johnson to urge Sato to develop some alternative phrasing. He will be reporting where the matter stands on his arrival Monday night, and it may go over to your talks with Sato, as what we hope will be the only remaining difficult problem on the communique.

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- 3 -

All other elements in the enclosed draft are satisfactory to me and to Secretary McNamara, and the specific language on the Bonins has been checked by Ambassador Johnson personally with General Wheeler.

Apart from the Ryukyus and Bonins, the draft of the communique is in my judgment as strong as we could possibly expect on additional Japanese efforts for economic assistance and in support of regional cooperation. It also appears to me to be as forthcoming as we could wish on Vietnam and the Chinese Communist threat. The Japanese have agreed to form a special subcommittee to consider both short and longer-range balance of payments assistance to both countries. Treasury is also negotiating for immediate benefits to our balance of payments through Japanese actions in 1968, primarily on capital account, amounting to about \$300 million. There are reasonable prospects that Sato will agree in principle to such actions and the consideration of additional benefits up to \$500 million in 1968, leaving the technicalities for Treasury negotiation, despite Japan's prospective overall balance of payments deficit of around \$400 million for 1967.

*Dean Rusk*

Dean Rusk

Enclosure:

Draft Paragraph 7 of the Communique

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396

## VII

The President and the Prime Minister frankly discussed the Ryukyu and the Bonin Islands. The Prime Minister emphasized to the President the strong desire of the Government and people of Japan for the reversion of these islands, and expressed his belief that an adequate solution should promptly be sought on the basis of mutual understanding and trust between the Governments and people of the two countries. The President stated that he fully understands the desire of the Japanese people for the reversion of these islands. At the same time, the President and the Prime Minister recognized that the United States military bases on these islands continue to play a vital role in assuring the security of Japan and other free nations in East Asia.

Accordingly, the President and the Prime Minister agreed that the two governments should keep under joint review the status of the Ryukyu Islands,

### U.S. Version

in the light of the desire of the Japanese people for reversion and of the mutual interest of both countries in maintaining and strengthening the security of the Far East region.

### Japanese Version

guided by the aim of returning the administrative rights over the Ryukyu Islands to Japan at the earliest possible date.

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DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 94-477

By ing, NARA, Date 6-28-95



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The President and the Prime Minister further agreed that, with a view toward minimizing the stresses which will arise at such time as administrative rights are restored to Japan, measures should be taken to identify further the Ryukyuan people and their institutions with Japan proper and to promote the economic and social welfare of the Ryukyuan residents. To this end, they agreed to establish in Naha an Advisory Committee to the High Commissioner of the Ryukyu Islands. The Governments of Japan and the United States of America and the Government of the Ryukyu Islands will each provide a representative and appropriate staff to the Committee. The Committee will be expected to develop recommendations which should lead to substantial movement toward removing the remaining economic and social barriers between the Ryukyu Islands and Japan. The United States-Japan Consultative Committee in Tokyo will be kept informed by the High Commissioner of the progress of the work of the Advisory Committee. It was also agreed that the functions of the Japanese Government Liaison Office would be expanded as necessary to permit consultations with the High Commissioner and the United States Civil Administration on matters of mutual interest.

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The President and the Prime Minister also reviewed the status of the Bonin Islands and agreed that the mutual security interests of Japan and the United States could be accommodated within the arrangements for the return of administration of these islands to Japan. They therefore agreed that the two Governments will enter immediately into consultations regarding the specific arrangements for accomplishing the early restoration of these islands to Japan without detriment to the security of the area. These consultations will take into account the intention of the Japanese Government, expressed by the Prime Minister, gradually to assume much of the responsibility for defense of the area. The President and the Prime Minister agreed that the United States would retain under the terms of the Treaty of Mutual Cooperation and Security between the United States and Japan such military facilities and areas in the Bonin Islands as required in the mutual security of both countries.

The Prime Minister stated that the return of the administrative rights over the Bonin Islands would not only contribute to solidifying the ties of friendship between

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the two countries but would also help to reinforce the conviction of the Japanese people that the return of the administrative rights over the Ryukyu Islands will also be solved within the framework of mutual trust between the two countries.

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INFORMATION*Pres file*~~CONFIDENTIAL~~

Monday, November 13, 1967 -- 2:30 p.m.

Mr. President:

I am now informed by Paul Nitze that the JCS and Sec. McNamara would accept the following formula on the Ryukyus. From a conversation earlier in the day, I am sure Sec. Rusk would also accept. The underlined words are the addition to the Wakaizumi formula, urged by the Pentagon:

"As a result of their discussion, the President and the Prime Minister agreed that the two governments, guided by the aim of returning the administrative right over the Ryukyu Islands to Japan should hold consultations through diplomatic channels on the status of these islands with a view to reaching, within a few years, an agreement, consistent with the national interests of both countries, on a date satisfactory to the two governments for the reversion of these islands."

Sec. Rusk believes the formula is good because:

- It would satisfy Sato's political requirements;
- It would give us great leverage in other matters, notably balance of payments assistance and aid; and
- We shall have to make, in any case, a radical shift in the position of the Ryukyus during the 1970's.

Before making a final decision, we should hear the result of Alex Johnson's discussions with Sato this afternoon on the plane from Seattle.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 95-349  
By rip, NARA Date 3-14-96

W. W. Rostow

WWRostow:rlh

~~CONFIDENTIAL~~



41

ACTION

*Pres file*

Monday, November 13, 1967 -- 1:35 p.m.

Mr. President:

Charles Maguire asked if you wanted Gen. Westmoreland to come to the Cabinet meeting at noon on Wednesday, November 15.

Gen. Westmoreland gets in at 10:45 a.m. on Wednesday. I am sure he would rally round if we told him in advance to come from the plane for a noon Cabinet meeting; but he may be a bit tired after the trip.

W. W. Rostow

Schedule Westmoreland for Cabinet meeting\_\_\_\_\_

No\_\_\_\_\_

See me\_\_\_\_\_

cc: Mr. Maguire

WWRostow:rln

INFORMATION

42

Monday, Nov. 13, 1967  
1:05 p. m.

MR. PRESIDENT:

Herewith Department of Defense answers  
to Drew Pearson's allegations.

W. W. R.

Attachment

43

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

~~SECRET/SENSITIVE~~

*Pres file*

Monday, November 13, 1967 -- 10:15 a.m.

Mr. President:

Meeting with Amb. Bunker at 11:00 a.m. today.

You need no help from us on this meeting. But you may wish to cover these points.

1. Thank him for the election, which you gave him as his first primary task. Remind him of the other two points: take care of his health and get the people he wants.

2. Acceleration in the South. At your instruction I told Amb. Bunker to be prepared to answer the question: What four or five programs would most accelerate progress in the south in the months ahead? The consensus reached in Nick Katzenbach's Vietnam Committee (attached Tab A) is:

- Anti-corruption effort.
- ARVN performance.
- Anti-infrastructure efforts.
- Building political institutions.
- Economic stability.
- Efforts to get GVN into contact with VC.

You may wish to hear him out and raise these issues with him?

3. BUTTERCUP. You may wish to ask his assessment of this contact. (We should get out a message of guidance on BUTTERCUP today. We have been holding up awaiting Ellsworth's return.

4. Bunker's schedule: Congressional, press, and TV contacts.

You may wish to go over the schedule (Tab B) emphasizing the points it would be most helpful for him to underline; for example --

- the growing desire and will of the South Vietnamese to take a larger hand in their own destiny;
- the improvement of the ARVN;
- evidence of progress in population control, pacification, etc.
- plans and prospects for the new government.

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-2-

5. In particular, you may wish to decide what line to take with the press, if you have a joint session with the White House press corps at the end of the meeting -- which George Christian says is now planned.

W. W. Rostow

WWRostow:rlh

~~SECRET/SENSITIVE~~



43a

THE UNDER SECRETARY OF STATE  
WASHINGTON

November 13, 1967

~~TOP SECRET~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-478

By lig, NARA, Date 4-3-96

MEMORANDUM FOR THE PRESIDENT

Subject: Highest Priority Areas in Viet-Nam

Our group (Paul Nitze, Bus Wheeler, Walt Rostow, Dick Helms, Averell Harriman, Paul Warnke, Phil Habib, Bill Bundy and myself) addressed the question of what areas should receive the maximum attention and effort by the US in the next year in Viet-Nam.

The list we came up with, without dissent, concentrated on six main themes. They are chosen as themes with a potential short-term payoff, either here or in Viet-Nam. While we make an extra push on them, we should continue our normal efforts, although I have a growing suspicion that we could make some cutbacks in some of our programs without damaging our over-all effort; this can only be done, however, with Ellsworth's full backing and participation.

Our list is quite similar to the present Mission priorities, so I think you will find Ellsworth in basic agreement with us.

These are the items:

1. Anti-corruption effort--There was unanimous agreement that a visible and credible anti-corruption effort would help a great deal in improving the Administration's position, and in building a more effective GVN. (Bus Wheeler was particularly strong on this point.) Current efforts are still highly ambiguous; the quick trial and death sentence of one unfortunate ~~NAME~~ DELETED IS NOT THE KIND OF SUSTAINED, SERIOUS

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-2-

campaign that is essential.

2. ARVN performance--Everything that can be done must be done to make the Vietnamese Army assume a greater portion of the war burden--visibly. While I do not think that we will be able to reduce the US troop role in the next year, we should be able to get more out of the ARVN, and we should have a better press policy to show that this is happening.

3. Anti-infrastructure efforts--This is probably the quickest payoff item around; while the CIA is going all out now on this effort, I think we can and should demand more from the GVN.

4. Building Political Institutions--We all agree that that is important, but unlike Walt Rostow, I tend to doubt that we can anticipate a really dramatic breakthrough on this one in the next year. The Vietnamese are feeling their way slowly in a world that is quite new to them, and while they learn--and write--the new rule book, they are not going to build great national parties. Any effort that Thieu made in that direction, as Ellsworth quoted Thieu as saying, would turn out to be a new version of the old secret parties which were so hated in Viet-Nam.

5. Economic Stability--I wish we didn't have to put this item on our list, but after analyzing the economic situation we are anticipating a probable inflation of about 40%. At the very best we could reduce it to about 25%, but if things get out of hand there could be as much as a 75% increase.

The projected inflation of 40%--which is about what we are experiencing in 1967--would not only wipe out the effects of any GVN wage increase that is granted, but it would also get the new government off on the wrong foot,

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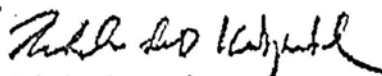
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and would make any serious anti-corruption campaign that much tougher. Incidentally, if there is a 50% inflation next year, plus a GVN wage increase, the real income of GVN officials and soldiers will be about half of the 1964 level--which itself was inadequate.

6. Efforts to get the GVN into contact with the VC-- On this point, only Ellsworth can really make a dent. We can't push the GVN too hard, or they will think we are asking them to commit suicide. But we can definitely push them harder than they have been pushed in the past. There is no reason why representatives of the GVN, or of the legislature, could not meet with representatives of the Front. I do not think that such meetings would leave the GVN divided and on the verge of collapse, as some people do. Furthermore, if the GVN made its willingness to entertain such contacts clear its position and image would be far stronger than at present. Finally, it would be a major GVN response to the growing desire of the South Vietnamese people for some end to the war.

The Mission's list is quite similar to our six items. It covered:

1. Mobilization measures.
2. Reorganization of RVNAF.
3. Reorganization of Civilian Administration.
4. Vital Pacification Measures in addition to above.
  - a. Attack on VC infrastructure.
  - b. Expanded detention centers and related judicial measures.
5. Attack on Corruption at all levels.
6. Economic stabilization measures.
7. Peace to include willingness to seek peaceful settlement, seek out members of NLF and move towards reintegration through national reconciliation.

  
Nicholas deB. Katzenbach





19182

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DEPARTMENT OF STATE

Washington, D.C. 20520

November 7, 1967

MEMORANDUM FOR MR. WALT W. ROSTOW  
THE WHITE HOUSE

Subject: Proposed Program of Consultation  
for Ambassador Bunker

Ambassador Bunker arrives the morning of November 10, a holiday, and will be here for a week or 10 days on consultation. I enclose a proposed program of consultation and other activities for the Ambassador, beginning November 13. On receiving White House approval, the Department will proceed to arrange specific engagements.

Regarding the substance of Ambassador Bunker's discussions here, we suggest the following major topics:

1. Progress in the war and prospects for 1968;
2. Development of effective Vietnamese political institutions and of effective government;
3. Ways to accommodate Vietnamese sensitivities regarding the United States presence and Vietnamese sovereignty;
4. Peace initiatives;
5. United States public's assessment of the war.

*John P. Walsh*  
Benjamin H. Read  
Executive Secretary

Enclosure:

Proposed program

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DECLASSIFIED

Authority 769 85-69

By 12/10/91 NARA, Date 12-10-91



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~~SECRET~~

Proposed Program of Consultation  
for Ambassador Bunker  
November 13-18

Monday, November 13

Morning

The President  
Public appearance with the President at White House

Afternoon

The Secretary of State  
The Vice President

Tuesday, November 14

Morning

Today's Show (Washington)  
The Secretary of Defense

Afternoon

The Under Secretary, Mr. Katzenbach

Wednesday, November 15

Morning

Senate Foreign Relations Committee

Afternoon

Governor Harriman  
Ambassador Lodge

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Authority 729 85-69  
By 1977, NSA, Date 12-10-91

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Thursday, November 16

Morning

House Foreign Affairs Committee

Afternoon

Ambassador Goldberg

Friday, November 17

Morning

Mr. Gaud

Mr. Helms

Mr. Marks

Afternoon

JCS

Saturday, November 18

Morning

The Secretary of State  
The President

Evening

Major speech in New York or elsewhere away from  
Washington

Sunday, November 19

Joint TV appearance with General Westmoreland on  
discussion type program

Evening

Departure

~~SECRET~~

INFORMATION

~~CONFIDENTIAL/SENSITIVE~~

Monday, November 13, 1967 -- 8:45 a.m.

~~SECRET/SENSITIVE~~

*Profile*

Mr. President:

Re: Bob Anderson

1. After you spoke to me last evening I called Nick Katzenbach. He told me the attached cable had been promptly despatched after you spoke to Sec. Rusk -- definitely closing out the trip to Cairo.

2. Re contingency instructions: He said he took full responsibility for their despatch:

-- the situation in New York justified raising with you again the possibility of Anderson's seeing Nasser;

-- the lack of communications to Bagdad, where Anderson was going from Beirut, made it important that the instructions be available in Beirut, should you have agreed the trip would go forward.

Nick still believes the move was correct.

3. In general, he feels the national interest in doing all that is humanly possible to get a resolution -- and a UN negotiator in the field -- outweigh the common reluctance to use a private contact with Nasser.

W. W. Rostow

State 68086 to Beirut

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-477  
By *rip*, NARA, Date 6-28-95

WWRostow:rlh

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DRAFTED BY: S/S: JPWALSH  
APPROVED BY: U: MR. KATZENBACH  
S/S: C. BROWN

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-478  
By CL, NARA, Date 2-22-95

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CAIRO 721

~~SECRET~~ STATE 68086

EXDIS

FOR ANDERSON FROM SECRETARY

AFTER THOROUGH REVIEW ALL ASPECTS SITUATION IT HAS BEEN  
DECIDED YOU SHOULD NOT RPT NOT PROCEED TO CAIRO. WISH TO  
SEE YOU WHEN YOU RETURN TO WASHINGTON.  
RUSK

~~SECRET~~

EXDIS

~~SECRET~~

PRESERVATION COPY



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Plus file

~~CONFIDENTIAL~~

Monday, November 13, 1967 -- 8:30 a.m.

Mr. President:

Herewith Sato's private emissary puts on paper the proposed Ryukyus formula and the argument for it.

Bill Bundy says the Japanese Embassy people are pressing for a formula less explicit about timing; and Sato may merely be giving Wakaizumi a chance to try this out.

On the other hand, this may represent what Sato feels he really needs and is prepared to pay for.

We may learn something when Alex Johnson flies with Sato during the day from the West coast; or we may only get his view clearly when he talks with you alone tomorrow.

W. W. Rostow

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 95-349  
By ig, NARA Date 3-14-96

WWRostow:rlm

~~CONFIDENTIAL~~

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E.O. 12356, Sec. 3.4

NEJ 94-357

~~CONFIDENTIAL~~

By WJ, NARA, Date 5-25-95

Sunday, November 13, 1967

MEMORANDUM FOR THE RECORD

Prof. Kei Wakaizumi came to my house for dinner last night. He asked for ten minutes privately. He said that, having just gotten off a plane when he last talked to me, he wished to assure that his message was absolutely clear. Therefore, he had written it down, and he read it. That was the only business conducted.

The exact text follows.

"President and Prime Minister agreed that two governments, guided by the aim of the reversion of the Ryukyus to Japan at the earliest possible date, should hold consultations through diplomatic channels on the status of these islands with the view to reach, within a few years, agreement on a date satisfactory to two governments for the reversion of these islands.

"1. Mr. Sato is very grateful to the Johnson administration for the favourable consideration to the early reversion of the Bonins. He is well aware of the difficult problems involved on your side. So, I don't think he has any objections to your reservations with regards to the Bonins' reversion to Japan.

"2. Unfortunately, however, the mounting popular enthusiasm, tremendous political pressures in Japan and needless to say in Okinawa for the early reversion of the administrative rights over the Ryukyus have grown up to such extent that even few Japanese evaluate the return of the Bonins as a great achievement. On the contrary, the great many people now fear that the return of the Bonins might be used as relief in exchange for the reversion of Okinawa, (where almost one million Japanese live).

"3. Under these circumstances, Mr. Sato now strongly feels that he is compelled to get, from President Johnson, some kind of indication of the timing or rather long-range prospects of the Ryukyus' reversion, however vague it may be.

"4. I am certain that at the same time, Mr. Sato understands and fully appreciates how difficult it must be for the President to accommodate Mr. Sato's needs of this nature at this moment. /You gave me the 3 reasons yesterday and they are all reasonable good reasons./

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-2-

"5. Nevertheless, Mr. Sato feels that, after all, as he is coming here to meet President Johnson for the summit conference, he cannot possibly go home without something more specific on the prospects of Okinawa. That's why he carefully devised that formula, to raise to President.

and

"6. Of course, Mr. Sato/ his government as well as his Liberal Democratic Party, and /the majority of Japanese people/ do feel that the maintenance of the effective U. S. military basis (sic) there as long as they are needed and the reversion of the administrative rights to Japan, the both can be made fully compatible. And Mr. Sato is determined to see to that. /USS Enterprise Nov. 2nd./

"7. Based on his firm conviction of this basic principle, Mr. Sato is hoping, under the formula he wishes to propose to President Johnson directly, that an agreement might be reached on the mutually satisfactory date of the reversion before June 1970 (when US-Japan Mutual Security Pact comes to the ten years term: of course we are going to firmly maintain that Pact for many more years to come) (in communique).

"8. From internal political point of view, as the Socialists and left-wingers are trying to make Okinawa the biggest political issue at that time to instigate anti-Pact and anti-American feeling, it is the best policy for us to set the date of the reversion of the Ryukyus by then.

"9. The actual date of the reversion depends upon the three factors you mentioned to me yesterday. So, it may be 1975 or 78 or even 1980, we don't mind as long as we have some prospects of the reversion so that we could say to/Ryukyu people as well as Japanese "Wait until 1975, 78, 80, and in the meanwhile we have a lot to do to smooth the way for the actual reversion." Then, I am sure they will patient to wait, and cooperate with Americans to maintain the effective bases there.

"10. By the time of June 1970, (Mr. Sato will be in office until November 1970) I should think we could have much clear idea and prospects of three factors

- a. Vietnam
- b. Communist China
- c. Japan's progress towards its responsibility in the field of security.

"11. Finally, Mr. Sato feels that now President Johnson can alone make such a decision Mr. Sato so badly needs at home. In return, as I told you, he is determined to do everything possible to help the President in spite of certain political price he has to pay at home."

WWRostow:rlh

W. W. Rostow

~~CONFIDENTIAL~~



~~SECRET~~

Monday, November 13, 1967

46

*Free file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Sterling Crisis

I note you are seeing Joe Fowler at noon today. He may have to give you some background on the sterling crisis on which we may need a decision from you later in the day. We do not yet have all the information to put the issues properly before you.

The British came in Saturday to tell Fowler they were near the end of the line. Without assurance of long-term credit they may have to devalue -- perhaps within a week. Their line of short-term credit is down to \$600 to \$800 million. The announcement of poor trade figures on Tuesday could keep the pound under pressure.

I won't go into the pros and cons of letting the pound go. The main point is the risks for us are just too great to be worth the gamble -- if it can be avoided through a good multilateral support operation. The European Central Bankers seem to be of the same mind.

It may be possible therefore to work out a support package through a large IMF stand-by credit, through a package of bilateral credits and swaps, or through a combination of both. There would be no budgetary or direct balance-of-payments costs for us in any action we might consider, and it would have to be multilateral or not at all.

It is our feeling, and it seems to be that of the Europeans, that this would be the last try at supporting sterling. But it would be well worth it, if it can be pulled off.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 94-477

By *inf*, NARA, Date *6-28-95*

W. W. Rostow

~~SECRET~~

ERF:mst



EYES ONLY

November 13, 1967

*Pres file*

Mr. Secretary:

The President asked that I get the following message to you and to Sec. McNamara:

Please inform all your planning people, including your personal secretary, to block out time for the Tuesday luncheon. If you prefer another date, let's get together and agree on that date. Otherwise, keep Tuesday lunch time available.

W. W. Rostow

Honorable Dean Rusk  
Secretary of State

identical note sent to Sec. McNamara

rlh

*not to be*

Monday, November 13, 1967

*for file*SECRET

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Secretary Fowler's Memorandum on our Balance of Payments  
Discussion with the Japanese

The attached memorandum and attachment set forth Secretary Fowler's views on how to deal with the Balance of Payments problem in your talks with Prime Minister Sato.

The general approach is covered in the general briefing memo which I have sent. The memorandum from State was re-done to take these views into consideration. The third paragraph reference to more recent information from the Japanese does not now apply.

I thought you would want to see the Secretary's memo for the flavor of his views and for his suggested treatment of specific points covered in the Attachment.

W. W. Rostow

Attachment

DECLASSIFIED

Authority 71-08377By rs/ko, NARA, Date 12-10-91SECRET



THE SECRETARY OF THE TREASURY  
WASHINGTON, D. C. 20220

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NOV 11 1967

MEMORANDUM TO THE PRESIDENT

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 95-347

By 410, NARA, Date 2-22-96

Subject: Discussions with Prime Minister Sato

The U.S. has taken an initiative for balance of payments cooperation with Japan which is of major importance to U.S. financial ability to maintain the U.S. military security posture in the Far East. The U.S. has proposed to Japan that certain points be submitted to you and Prime Minister Sato for approval when he visits Washington November 14-15. I believe that it is of major importance to the over-all U.S. balance of payments program that you obtain the Prime Minister's approval of these points. (See Attachment A; Sato will probably state the views shown in parentheses under each point in the attachment.)

You will also have Secretary Rusk's memorandum for the Sato visit which includes balance of payments talking points. We participated in the preparation of this memorandum and are in full agreement with it.

However, after this memorandum was completed on November 9 Japanese Finance Ministry officials provided Treasury officials, in discussions on November 10, with information which overtakes some of the points in the Rusk memorandum to you.

Specifically, Sato will not be able to undertake a commitment now to reach the \$500 million goal of balance of payments assistance insofar as that includes the purchase of special medium-term U.S. paper in the amount of \$200 million. Our supplementary memorandum suggests that, while recognizing that he cannot give you this commitment now, you urge him to keep the matter open for further technical discussion between the two Finance Ministries.

Also, that you emphasize the concept of maintaining the long term financial viability of our security posture in the Far East.

Also, that you do not accept any linkage of Japanese action on our balance of payments in exchange for U.S. action respecting the Bonin and Ryukyu Islands.

These observations are developed briefly below.

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The topic of Japanese reversionary rights to the Bonin and the Ryukyu Islands will also be a major subject during the Sato visit. I anticipate that Sato may say to you that the amount of their balance of payments cooperation depends on how much we satisfy their objectives for control over the Islands.

I recommend that you make clear to Sato that the U.S. does not link the substance of these two matters. Japan is not being asked to cooperate on the over-all U.S. balance of payments program in exchange for some U.S. action respecting the Bonin and the Ryukyu Islands. To the extent possible, I believe each matter should be examined and decided on its own merits.

I recommend that you emphasize to Sato that balance of payments cooperation is particularly important to our financial ability to provide the defense shield under which the Pacific basin can develop. Our military deployments and heavy foreign exchange expenditures in the Pacific area are necessary for our security and Japan's, although we do not view U.S. military forces in Japan as being there primarily for the defense of Japan. These expenditures have brought large direct and indirect benefits to the Japanese economy and balance of payments.

You may wish to emphasize to Sato that no one country should suffer undue costs or gain undue benefits from expenditures for the common security, and that these expenditures should be recognized as an extraordinary item in U.S. accounts. I believe Sato should be led to recognize that neutralizing these extraordinary security expenditures is a prime motivation for the U.S. seeking balance of payments cooperation from Japan -- even though there is agreement that the matter cannot be discussed publicly at this time.

Treasury representatives will be meeting with Japanese officials on Thursday, November 16 (the day after you conclude your sessions with Sato) in order to expedite follow-up action. I hope that arrangements can be made for me to have the benefit of any conclusions you may reach with Sato so that the November 16 meeting can proceed effectively.

*Henry H. Fowler*  
Henry H. Fowler

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November 11, 1967

Briefing Paper

Balance of Payments Cooperation Between Japan  
and the United States

The U.S. has proposed to Japan the following points for approval by the Prime Minister and the President at their November 14-15 meetings. Discussions on November 10 with an advance party from the Japanese Finance Ministry have revealed that the Japanese have come a long way in trying to achieve the objectives which the U.S. has proposed. The Japanese expressed the views shown in parentheses under the U.S. objectives which follow.

1. Establishment of a subcommittee of the Joint U.S.-Japan Committee on Trade and Economic Affairs, including the Finance and Foreign Ministries, the Treasury and State Departments, the U.S. Defense Department and other agencies as appropriate to reach agreement on specific cooperative actions to deal with the balance of payments needs and goals of each country.

(Japan agrees to establish the subcommittee)

2. Japanese commitment to undertake in CY 1968 new actions to achieve a target of \$500 million in benefit to the U.S. balance of payments relative to 1967 starting with the suggestions in the paper presented by Secretary Fowler to Japanese Finance Minister Mizuta in Washington on September 14, 1967.

(See comment under the related point 3 below.)

3. Japanese commitment to achieve about one-half of the over-all CY 1968 target through investment of a portion of Japan's reserves in medium-term U.S. securities.

(Japan agrees to establish a target but says that its analysis indicates a possible \$300 million target in contrast to the U.S. target of \$500 million. The \$300 million does not include securities purchases which Japan so far says she cannot do. It is recommended that you and Sato agree that within a

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DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 95-347  
By sig, NARA, Date 2-22-96

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- 2 -

\$300 - \$500 million range specific actions be developed through the subcommittee to achieve the highest possible level on a phased basis. Since Japan has difficulty with purchasing U.S. securities and specifying any amount, it is recommended that you ask Sato to agree to further technical discussions between the Finance Ministry and Treasury which should reveal some possibilities for cooperation in this area also.)

4. Development by the two Governments of specific actions for achieving the remainder of the CY 1968 target.

(Japan is willing to develop specific actions through the subcommittee.)

5. Review by the two Governments of longer term balance of payments matters and possible cooperative actions to meet the longer term needs of each country, including attention to planning toward bilateral and multilateral financial cooperation in the Pacific area.

(Japan agrees to review longer term cooperative actions beyond CY 1968.)

6. Announcement in the communiqué after the Prime Minister-Presidential meetings that the subcommittee has been established.

(Japan agrees to the proposed language for announcing the subcommittee in the communiqué.)

~~SECRET~~

49

*Mr. Rostow*

~~SECRET~~

Monday, November 13, 1967

MEMORANDUM FOR THE PRESIDENT

*Pres file*

SUBJECT: Visit of Prime Minister Sato

Japanese Prime Minister Sato (SAH-TOW) will call on you tomorrow (formal arrival at 11:00 a.m.; office call at 11:30 a.m.). A second meeting is scheduled for Wednesday.

Attached memorandum from Secretary Rusk covers the broad issues. The talking-points paper, which we worked out with State, notes the main items the Prime Minister wishes to discuss and suggests the points you may wish to raise with him. Given the range and importance of the items to be considered, the paper is as terse as possible while still covering the ground.

A principal item of business -- the formula for handling the Ryukyus in the communique -- is still being negotiated out. Ambassador Johnson is travelling with the Prime Minister from the West Coast and will be in this evening. I have already given you a memo on my talk with Mr. Wakaizumi.

I will submit a separate memo covering this matter after I have talked with the Ambassador and Secretary Rusk. It will cover the two possible formulas which Sato may raise, and will include the views of our State and Defense people.

It appears that the Prime Minister may wish to discuss this -- and perhaps one or two other items -- in a private way with you. I believe you will wish to arrange the meeting so that you have some private time with him. But Ambassador Johnson believes -- and I agree -- that it would be well for the other leading Japanese (Foreign Minister Miki and Minister Kimura) to hear your discussion with the Prime Minister on the urgent need for additional Japanese economic assistance to Southeast Asia.

W. W. Rostow

Att.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-477  
By *429*, NARA, Date *6-28-95*

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*Pres file*

Monday, November 13, 1967

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Secretary Fowler's Memorandum on our Balance of Payments  
Discussion with the Japanese

The attached memorandum and attachment set forth Secretary Fowler's views on how to deal with the Balance of Payments problem in your talks with Prime Minister Sato.

The general approach is covered in the general briefing memo which I have sent. The memorandum from State was re-done to take these views into consideration. The third paragraph reference to more recent information from the Japanese does not now apply.

I thought you would want to see the Secretary's memo for the flavor of his views and for his suggested treatment of specific points covered in the Attachment.

W. W. Rostow

Attachment

DECLASSIFIED

Authority 72983-17

By sp/ies, NARA, Date 12-10-91

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THE SECRETARY OF THE TREASURY  
WASHINGTON, D. C. 20220

~~SECRET~~

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NOV 11 1967

MEMORANDUM TO THE PRESIDENT

Subject: Discussions with Prime Minister Sato

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 95-347

By 40, NARA, Date 2-22-96

The U.S. has taken an initiative for balance of payments cooperation with Japan which is of major importance to U.S. financial ability to maintain the U.S. military security posture in the Far East. The U.S. has proposed to Japan that certain points be submitted to you and Prime Minister Sato for approval when he visits Washington November 14-15. I believe that it is of major importance to the over-all U.S. balance of payments program that you obtain the Prime Minister's approval of these points. (See Attachment A; Sato will probably state the views shown in parentheses under each point in the attachment.)

You will also have Secretary Rusk's memorandum for the Sato visit which includes balance of payments talking points. We participated in the preparation of this memorandum and are in full agreement with it.

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Specifically, Sato will not be able to undertake a commitment now to reach the \$500 million goal of balance of payments assistance insofar as that includes the purchase of special medium-term U.S. paper in the amount of \$200 million. Our supplementary memorandum suggests that, while recognizing that he cannot give you this commitment now, you urge him to keep the matter open for further technical discussion between the two Finance Ministries.

Also, that you emphasize the concept of maintaining the long term financial viability of our security posture in the Far East.

Also, that you do not accept any linkage of Japanese action on our balance of payments in exchange for U.S. action respecting the Bonin and Ryukyu Islands.

These observations are developed briefly below.

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- 2 -

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*Henry H. Fowler*

Henry H. Fowler

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November 11, 1967

Briefing PaperBalance of Payments Cooperation Between Japan  
and the United States

The U.S. has proposed to Japan the following points for approval by the Prime Minister and the President at their November 14-15 meetings. Discussions on November 10 with an advance party from the Japanese Finance Ministry have revealed that the Japanese have come a long way in trying to achieve the objectives which the U.S. has proposed. The Japanese expressed the views shown in parentheses under the U.S. objectives which follow.

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(Japan agrees to establish a target but says that its analysis indicates a possible \$300 million target in contrast to the U.S. target of \$500 million. The \$300 million does not include securities purchases which Japan so far says she cannot do. It is recommended that you and Sato agree that within a

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E.O. 12356, Sec. 3.4  
NEJ 95-347  
By lip, NARA, Date 2-22-96

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- 2 -

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(Japan agrees to review longer term cooperative actions beyond CY 1968.)

6. Announcement in the communique after the Prime Minister-Presidential meetings that the subcommittee has been established.

(Japan agrees to the proposed language for announcing the subcommittee in the communique.)

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DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 00-114  
By is, NARA Date 5-4-00

51

ACTION

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Monday - November 13, 1967

*Pres file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Peru

At Tab A is a memorandum from Nick Katzenbach recommending approval of talking points for Ambassador Jones on the Mirage F-5 question. The talking points have been approved by DOD (Nitze) and AID (Poats).

Over the weekend three developments in Peru both improve and complicate the prospects for Peruvian acceptance of our F-5 offer:

1. Flexibility in War Minister Doig's attitude on Mirages.

Jerry O'Leary and our Charge talked to General Doig (Reports are at Tab B). Both detected certain flexibility in his attitude toward the Mirages. Doig noted the difficulty of making a change now, but he also volunteered the precedent of the Peruvian switch from French to US helicopters in 1965. The Charge thinks we have a fighting chance if we give the Peruvians a firm offer on F-5s.

General Doig spoke warmly of General Harold Johnson to O'Leary and our Charge. Our Charge recommends a confidential message from General Johnson to Doig to stimulate him to reverse the Mirage decision. I am leery of any written messages, but I think Ambassador Jones could talk to General Johnson and carry an oral message. We have so suggested to Covey Oliver.

2. Trouble on the International Petroleum Case.

For the past two years, President Belaunde has skillfully wended his way through the difficult IPC case to keep his pledge to me not to impair the Company. Last summer when the opposition-controlled Congress forced his hand with a law nationalizing IPC's oil properties, Belaunde came up with



what seemed like a wise solution. He signed the law nationalizing the oil fields which IPC was willing to give up in exchange for an operating contract, but he also worked out a formula allowing IPC to continue operating and referred to the Fiscal Tribunal the controversial question of IPC past taxes.

This past Friday -- on the eve of senatorial bye-elections -- Belaunde published the Fiscal Tribunal's finding that IPC had "unjustly enriched itself" and issued two resolutions instituting judicial proceedings against IPC to recover IPC profits over the past 15 years and back taxes over the past 8 years. It is hard to see how Belaunde will be able to continue delivering on his "no impairment" pledge. But before making a final judgment, we should await Ambassador Jones' talk with him. Belaunde understands that there is no program loan if his bargain with me is not kept.

Politics seems to have dictated Belaunde's action.

### 3. Belaunde Suffers Reverse in Bye-elections

An important senatorial bye-election was held yesterday. Despite the grandstand play on IPC, Belaunde's candidate is running far behind the opposition candidate. To compound Belaunde's difficulties, the Christian Democrats announced on the eve of the elections that they were withdrawing from their alliance with Belaunde's party. These reverses are not likely to improve Belaunde's capacity for decision and leadership.

Despite the gloomy outlook, I think it is still in our interest to proceed with the F-5 offer -- if Belaunde is willing to cancel the Mirage contract -- and with the \$40 million program loan offer -- if he takes the self-help measures and finds the formula for undoing what he appears to have done to IPC. Belaunde is a weak reed to lean on but better than a de facto military junta. We should try

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-3-

to prop him up if he is willing to do those things which are indispensable for our support. The record should show we did everything possible, within reason, to preserve constitutional government in Peru.

I recommend that you approve the talking points. If you want to discuss the matter further, the Tuesday luncheon provides a good opportunity.

W. W. Rostow

Attachments

Tab A - Katzenbach memo with talking points for Ambassador Jones.

Tab B - Embassy Lima reports on talks with Peruvian General Doig.

Approve talking points \_\_\_\_\_

Prefer to discuss further  
at Tuesday's luncheon \_\_\_\_\_

See me \_\_\_\_\_



51a

THE UNDER SECRETARY OF STATE  
WASHINGTON

DECLASSIFIED

E.O. 12356, Sec. 1.4

NTJ 91-406

November 13, 1967

CONFIDENTIAL

By [Signature] NARA, Date 1/18/95

MEMORANDUM FOR THE PRESIDENT

Subject: Peru - Economic and Military Cooperation

Recommendation:

That you approve the attached talking paper on economic and military assistance to Peru. Ambassador Jones would use it for discussions with President Belaunde and other Peruvian officials. This authority would be contingent upon a determination by me that it would not adversely affect pending legislation.

Approve: \_\_\_\_\_ Disapprove: \_\_\_\_\_

Discussion:

As Ambassador Jones discussed with you last Wednesday, we would like to make one more attempt to get Peru to cancel its contract with the French for Mirages and buy F-5's. I think our chances of getting the Peruvian military to reverse themselves are slim, but the stakes involved are worth another try.

Since the Ambassador talked to you last week, an additional complication has arisen by virtue of action taken by the Peruvian Government regarding the IPC case. On November 10, President Belaunde signed a Supreme Resolution ordering judicial proceedings against IPC to recover the company's profits for the past fifteen years pursuant to a finding by Peru's Fiscal Tribunal that IPC has "unjustly enriched itself." Ambassador Jones intends to return to Peru tomorrow, November 14, to attempt to ascertain whether this latest action is to be

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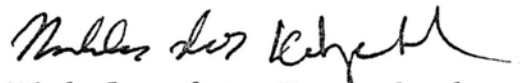
taken at face value or whether it is part of a smoke screen being put up by Belaunde to satisfy the anti-IPC forces while still working out an operating contract acceptable to IPC. The Ambassador would proceed with the latest offer of F-5's and economic assistance which he discussed with you only if he finds that this latest development on IPC does not rule out a satisfactory solution of that problem.

If it does not, the Ambassador would use the attached talking paper in his discussions with President Belaunde on the F-5 problem if you approve. He would also talk to the Peruvian military. The new element in our offer would be the delivery of the first two F-5's in late 1968. I believe it essential to be able to deliver some of these airplanes within calendar 1968 if we are to have a chance to undo the French contract, which we understand calls for deliveries to begin in December 1967 or early next year.

The Ambassador would also repeat our earlier offer to negotiate a \$40 million program loan based on improved economic performance if the Mirage contract is cancelled.

I would not be prepared to authorize Ambassador Jones to proceed with these discussions until I was satisfied that this would not have an adverse effect on pending legislation--especially EX-IM and AID appropriations.

Deputy Secretary Nitze and Deputy AID Administrator Poats concur.

  
Nicholas deB. Katzenbach

Enclosure:

Talking paper.

CONFIDENTIAL

CONFIDENTIALPERU: TALKING POINTS FOR AMBASSADOR JONES

1. The President asked that I return to Washington to give him a first-hand account of developments in Peru.
2. The President maintains a keen interest in your development program, Peru's favorable climate for private investment, and the strengthening of constitutional, representative government under your leadership.
3. The President is aware of the problems you face and wants to be as helpful as he can. At the same time he wants you to understand the problems he confronts with the Congress on economic and military assistance.
4. For several reasons, including the Peruvian decision to purchase Mirages, the Congress had made deep cuts in foreign aid and is expected to place important restrictions on economic assistance for countries making heavy expenditures on military equipment. (Here describe Symington and Conte amendments and show how these stem from Peru's decision to acquire Mirages. Also refer to Reuss's letter, Secretary Rusk's reply, and Secretary's letter to Chairman Morgan as example of difficulty we get into when we try to be helpful to Latin America in a situation of this kind.)
5. Washington is deeply concerned over economic trends in Peru. We recognize that a stabilization and development program is essential and are willing to help but find that the purchase of Mirages is a major stumbling block, primarily because a squadron would cost Peru substantially more than the F-5 and also has substantially higher operating and maintenance costs. Northrup has made an offer to Peru on F-5's. If the Northrup offer is acceptable, and the Mirage contract cancelled (or the Mirages are sold to third countries before delivery), we could then begin negotiations for a \$40 million program loan. Negotiations for such

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GROUP 3

Downgraded at 12-year intervals;  
not automatically declassified

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E.O. 12356, Sec. 3.4

NJ 91-406

By PLP NARA. Date 11/18/95

CONFIDENTIAL

- 2 -

a loan would center around fiscal, monetary and foreign exchange performance targets along the lines we have been discussing with the Peruvian Government for several months. Release of the first tranche of \$20 million would be effected immediately upon signature of the loan, in response to the fiscal and foreign exchange actions already taken by the Peruvian Government in the past few months. Release of the second tranche of \$20 million would be conditioned on mid-year review of performance on agreed policy targets to be included in the loan agreement. The major requirement in this regard would be further tax action to reduce the 1968 budget deficit to manageable proportions in the context of a financial program worked out with the IMF, the IBRD (as leader of the Consultative Group for Peru), and AID.

6. Washington has authorized this package proposal because of deep concern over our ability to continue furnishing bilateral assistance to Peru if it goes through with the Mirage contract, as well as our ability to support loans to Peru in the international agencies. Washington fully recognizes that Peru has the sovereign right to purchase what it wants. The caution regarding our continued ability to help Peru is not meant to be a threat in any sense, but simply a frank and honest exposition of realities faced by the U.S. in the handling of foreign aid.
7. It is to our mutual advantage to remove obstacles to our full cooperation under the Alliance for Progress. In this spirit Washington wants to know whether you and your military advisers would be willing to consider terminating the Mirage contract (or reselling Mirages to third country prior to delivery) if Northrup were to furnish F-5 aircraft on this basis:
  - Training of Peruvian ground crews and pilots to commence in early 1968 in the United States so they will be available when aircraft is delivered.

CONFIDENTIAL



~~CONFIDENTIAL~~

- 3 -

-- Delivery of F-5 aircraft to begin in December 1968 at the rate of one or two per month.

- ✓ 8. We are not aware of the terms of the Mirage contract and, therefore, do not know what cancellation of the contract (or the resale) involves. If GOP is willing to consider our proposal, we would welcome the opportunity to review the contract with respect to this point.
9. We believe it is in Peru's national interest to purchase F-5's instead of Mirages for these reasons:

-- The cost of the F-5 is 40% less than for the Mirages, representing a substantial saving to Peru.

-- The F-5 meets Peru's needs and is more suited to Peru's defense requirements.

~~-- It will put Peru in a position to continue receiving full Alliance for Progress support, which will play a key role in maintaining a climate propitious to private sector loans and private investment.~~

~~CONFIDENTIAL~~

51d

~~SECRET~~ - EXDIS

Embassy Lima's 2213, November 11, 1967  
(from Charge d'Affaires Siracusa to Assistant Secretary Oliver and  
Ambassador Jones)

SUBJECT: Peru and Mirage Purchase

1. In our discussions here of an interview between War Minister Doig and Washington Star correspondent Jerry O'Leary, we were struck by Doig's allusion to a previous Peruvian cancellation of contracts with the French (for Allouettes) and his references to U.S. Army Chief of Staff Johnson as a man who has a sympathetic understanding of the requirements of Peruvian security.
2. This leads us to recommend, in view of the importance we attach to exploring every means to reverse the Mirage purchase, that a confidential communication from General Harold Johnson to General Doig (possibly to be handcarried by a Johnson aide) might be helpful in stimulating Doig to an active role. We had considered recommending a meeting between the two, but in view of the crisis atmosphere in Peru and Doig's key position in any possible military move, we fear such a meeting would be subject to misinterpretation possibly damaging to the United States.
3. The Charge expects to see Doig at lunch today (November 11) and will report further if there are any developments bearing on this recommendation.
4. Also we suggest that the Department take steps to have appropriate high Military figures impress upon General Heighes (the ex-Air Minister who is now at the Inter-American Defense Board in Washington, who had a major role in the Mirage deal) the consequences of Mirage purchases, the alternatives and the benefits to the Peruvian Air Force and to Peru stemming therefrom. We believe Heighes has influence with Gagliardi, his successor. Hopefully Heighes can be brought around to see things differently from his Washington perspective.

je/rq

12-16-67

51e

~~SECRET~~ - EXDIS

From Embassy, Lima's 2215, November 12, 1967, Charge Siracusa  
to Assistant Secretary Covey Oliver and Ambassador Jones

1. In a discussion with War Minister General Doig yesterday, the subject of aircraft easily arose. Herschel Peake *(was also present. (see Station Chief))*
2. Doig, as Jerry O'Leary said, showed some flexibility on a possible cancellation of the Mirage deal. He never said it could not be done, but he said repeatedly that it would be difficult. He volunteered a precedent on helicopters, and spoke warmly of his friendship for General Harold Johnson, and of the latter's interventions to help Peru and Doig specifically in the past regarding military vehicles and 105 mm Howitzers.
3. I explained the problem for United States assistance to Peru if Mirages were purchased. I said that the inability to provide extraordinary aid in that case was not a punitive condition but simply the reality of what the United States Government could and could not do. I emphasized that any given F-5 figure would cost approximately half its Mirage equivalent and that on a purely financial basis it was hard to see how Peru could choose to go ahead with the French deal now that the F-5s are available, especially since the F-5 had been preferred by the Peruvian Air Force and since other financial relationships are involved at a time of great need by Peru.  
  
General Doig listened attentively and repeated that any change would be "very difficult".
4. When I asked whether it would help if Northrop agents were to return with a firm offer including price, number of aircraft, delivery dates and financing, he answered as follows: "The only bad proposal is one never made."
5. Ending this part of the conversation, I asked Doig to let me know if I could help in any way. I said we wanted to continue close collaboration, but it should be clear to any observer of the Washington scene that military aircraft sales are a most difficult problem for the United States Government.

Doig said he would let me know if he had anything to suggest.



~~SECRET~~ - EXDIS

from Lima's Embtel 2215, 11/12/67 - continued

-2-

6. On the basis of the above, we confirm the recommendation that appropriate means be found to bring General Johnson's influence to bear on Doig. We also think that the proposal to work on General Heighes in Washington should be tried. The sooner the Northrop representative returns with a specific written offer the better, as until then, the FAP will have nothing concrete to work on. We are certain, however, that some degree of 1968 delivery must be included.

SUNDAY

VZCZCWNZ008  
CO WTE20  
DE WTE 2437

'67 ~~SECRET~~ 21 PM 2:36

Sent  
RECEIVED  
WHCA

*Pres file*  
NODIS

1967 NOV 12 19 32

FROM WALT ROSTOW  
TO THE PRESIDENT  
CITE CAP67949

52  
DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 94-477

By *isg*, NARA, Date 7-10-95

~~SECRET~~

MR. PRESIDENT:

AS YOU CAN SEE, DESPITE CLEAR INSTRUCTIONS TO AWAIT WASHINGTON DECISION, BOB ANDERSON HAS VIRTUALLY COMMITTED HIMSELF TO GO TO CAIRO.

WE CAN:

- FIRMLY TURN HIM OFF IF WE MOVE FAST;
- LET HIM GO AS A PRIVATE CITIZEN SEEING AN OLD FRIEND WHO WANTS TO SEE HIM;
- RELEASE THE CONTINGENCY INSTRUCTIONS FOR HIS USE.

~~SECRET~~ BEIRUT 3914

NODIS

ANDERSON MEETING THIS EVENING BAGHDAD WITH AREF. IF HE HAD KNOWN EARLIER, COULD HAVE ALTERED PLANS; SUBNOT FEELS HE MUST GO IRAQ, PARTICULARLY SINCE SUDDEN CHANGE PLANS VISIT NASSER WOULD CREATE WAVE OF PUBLICITY AND EXPECTATION IN MIDDLE EAST AND PERHAPS FORCE NASSER INTO TAKING HARD PUBLIC STANCE. THERE EQUAL PROSPECT OF U. S. BEING ACCUSED OF ARM-TWISTING IF VISIT NOT SUCCESSFUL.

ANDERSON NOW SEEING AMB SHALEB ON WAY TO AIRPORT, ASKING HIM INFORM NASSER HE WILL VISIT CAIRO SOON AS POSSIBLE AFTER IRAQ VISIT, AND URGING NASSER NOT TAKE PREJUDICIAL ACTIONS UNTIL THEY TALK. PARTICULARLY ASKING HIM TO HAVE RIAD DELAY SO DEBATE. WILL REPORT RESULTS.

PORTER

~~SECRET~~ BEIRUT 3915

NODIS

1. ANDERSON JUST DEPARTED FOR BAGHDAD. PRESENT PLANS ARE PROCEED DIRECT BAGHDAD-CAIRO, DEPARTING BAGHDAD NOVEMBER 14, 0730, OR NOVEMBER 15, 0800. UAR AMB METAWALLY WILL INFORM HIM OF NASSER'S DESIRES. ANDERSON PLANS URGE AREF FINISH SULPHUR BUSINESS QUICKLY SO HE CAN LEAVE BY TUESDAY MORNING.

PRESERVATION COPY

2. WHILE ANDERSON TALKING TO AMB GHALEB THIS MORNING, CAIRO TELEPHONED URGING HIM VISIT NASSER SOONEST, AND SAYING PERSONAL MESSAGE FROM NASSER ON WAY. THIS ALSO WILL BE DELIVERED BY METAWALLY SO I HAVE NO KNOWLEDGE CONTENTS. ANDERSON SAID HE WOULD RESPOND TO INVITATION, BUT MADE POINT STRONGLY TO GHALEB ON DESIRABILITY NO PUBLICITY WITH REGARD VISIT, OR FURTHER PROPAGANDA LIKE HEIKEL EDITORIAL. ADDED THAT HIS OWN PERSONAL PRESTIGE WAS INVOLVED AND THERE WAS NO POINT CONTINUING DIALOGUE IF HEIKEL WILL SEIZE OPPORTUNITY DISCREDIT ANDERSON'S EFFORTS. ANDERSON SAID HAD CHANGED PLANS RETURN TO CAIRO DESPITE STRONG PERSONAL CONSIDERATIONS. HE WANTED NASSER UNDERSTAND HE COMING FOR SERIOUS EXCHANGE WHICH WOULD BE IMPOSSIBLE IF SURROUNDED BY PROPAGANDA.

3. ANDERSON ALSO REQUESTED GHALEB REPORT TO NASSER THAT HE EXPECTED UAR WOULD DO NOTHING AGGRAVATE SITUATION BEFORE HE ARRIVED. THERE NO POINT MEETING IF ANDERSON CONFRONTED WITH A DETERIORATING SITUATION. URGED ALSO THAT RIAD BE INSTRUCTED DO NOTHING UNHELPFUL IN INTERIN, AND DELAY SC IF POSSIBLE. ANDERSON STRESSED THAT HE WAS SPEAKING ABOVE ALL IN HIS OWN BEHALF AND THAT NASSER SHOULD UNDERSTAND THAT MISSION COULD NOT BE SUCCESSFUL IF NOT ALLOWED TAKE PLACE IN CALM ATMOSPHERE.

4. ANDERSON REPORTS HE BORE DOWN HARD WITH GHALEB ON QUESTION SPEAKING ORDER PRECEDENCE IN LAST SC MEETING. EMPHASIZED THAT US ONLY SEEKING EQUITY AND UPHOLDING LONG-STANDING RULES. UNFORTUNATELY, ALL THAT HAD BEEN ACCOMPLISHED WAS TO PUT ISRAEL IN POSITION OF AGGRIEVED PARTY WHICH NOT HELPFUL TO ARABS. GHALEB HASTILY ADDED THAT HE HAD NOT BEEN SPEAKING FOR HIS GOVERNMENT IN PREVIOUS CONVERSATION WITH ANDERSON THIS SUBJECT. ANDERSON IS SURE DETAILS THIS CONVERSATION WILL GET BACK TO NASSER. ANDERSON ALSO ASKED GHALEB STRESS TO NASSER THAT THIS WAS NOT TIME TO WRANGLE ABOUT VERBIAGE. THE IMPORTANT THING IS TO GET RESULTS AND ADDITIONAL MEANINGLESS DEBATE ONLY WILL HAVE EFFECT OF LETTING CHANCE GO BY. HE TOLD GHALEB NOTHING MORE ABOUT HIS INSTRUCTIONS.

5. WE HAVE CAREFULLY BRIEFED ANDERSON AND HE HAS SANITIZED COPY OF CONTINGENCY INSTRUCTIONS WITH HIM, TOGETHER WITH ALL OTHER PERTINENT MATERIAL. HE HAD READ AND HAS TALKING POINTS ON USUN 2035 AND STATE 67978, PLUS ALL RECENT HEIKEL STATEMENTS.

6. HE WILL INFORM ME AS SOON AS BAGHDAD-CAIRO TRAVEL PLANS MADE. I CAN STILL TRANSMIT DEPT'S YES OR NO REACTION ON CAIRO TRIP BY SIMPLE CODE, BUT ANDERSON NOW, AS RESULT TALKS WITH GHALEB, FEELS COMMITTED MAKE TRIP UNLESS SITUATION CHANGES DRAMATICALLY. HE WILL BE IN TOUCH WITH BERGUS OR BROMWEL IN CAIRO. STAYING AT NILE HILTON. PLANS RETURN US VIA BEIRUT. PORTER

~~SECRET~~

DTG: 121921Z NOV 67

NODIS

PRESERVATION COPY



WNZ004R  
00 WTE20  
DE WTE 2432

FROM WALT ROSTOW  
TO THE PRESIDENT  
CITE CAP67945

*Sent to Williamsburg  
at 5:37  
(AFI Garbled LAST  
portion of msg due  
to cutting power)*

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 94-477  
By *isp*, NARA, Date 7-10-95

~~SECRET~~

1967 NOV 11 22 37

*Free file*

1967 NOV 11 PM 5:48

SATURDAY

~~SECRET~~

HERewith NICK, WITH ARTHUR GOLDBERG'S STRONG ENDORSEMENT, SUGGESTS WE LET ANDERSON ACCEPT NASSER'S URGENT INVITATION TO RETURN TO THE U.S. VIA CAIRO. ALL HANDS ARE AWARE OF YOUR STRONG RESERVATIONS. THERE IS NO DOUBT OF THE AUTHENTICITY OR URGENCY OF NASSER'S REQUEST.

# MEMORANDUM FOR THE PRESIDENT

SUBJECT: ROBERT ANDERSON TRIP TO CAIRO

DISCUSSION: ROBERT ANDERSON INFORMS US THAT NASSER IS VERY ANXIOUS TO HAVE HIM GO BACK TO CAIRO FOR FURTHER DISCUSSIONS. ANDERSON HAS INDICATED SOME RELUCTANCE BUT HAS BEEN CAREFUL TO LEAVE HIS OPTIONS OPEN. WE HERE HAD AT FIRST FELT THAT IT WOULD NOT BE DESIRABLE FOR ANDERSON TO VISIT CAIRO ON THE GROUND THAT THE TRIP MIGHT GIVE RISE TO PUBLIC SPECULATIONS ON THE PART OF THE EGYPTIANS WHICH WOULD GIVE THE APPEARANCE OF DIVISION WITHIN THE U.S. GOVERNMENT.

HOWEVER, AFTER CONSULTATION WITH AMBASSADOR GOLDBERG, I AGREE WITH HIM THAT ANDERSON SHOULD GO TO CAIRO, AS QUICKLY AS POSSIBLE. WE DO NOT WANT IT SAID THAT WE DID NOT DO EVERYTHING POSSIBLE TO BRING ABOUT A SETTLEMENT, AND THAT WE TURNED DOWN A DIRECT REQUEST FROM NASSER TO ENGAGE IN FURTHER TALKS. MOREOVER, SINCE KING HUSSEIN HAS ASKED US TO TRY TO BRING THE UAR ON BOARD, A FURTHER TALK WITH NASSER IN A SENSE WOULD REPRESENT A STEP TO KEEP FAITH WITH HUSSEIN. SINCE HUSSEIN WILL BE TALKING WITH THE ARABS IN NEW YORK UNTIL TOMORROW NIGHT, PROMPT ACTION IS IMPORTANT.

WE WOULD ASK ANDERSON WHILE IN CAIRO TO DO THE FOLLOWING:

1. HE WOULD MAKE IT PLAIN TO NASSER THAT THERE IS NO DIVISION WITHIN THE U.S. GOVERNMENT. WE CANNOT SUPPORT AN UNWORKABLE UN RESOLUTION.

2. WE ARE CONTINUING TO TRY TO WORK OUT A UN RESOLUTION WITH WHICH BOTH SIDES CAN LIVE. SUCH A RESOLUTION WOULD NOT IN ITSELF PRODUCE A MIDDLE EASTERN SETTLEMENT, BUT IT WOULD OPEN THE WAY TOWARD ONE WHICH WOULD BE AS FAIR AND AS HELPFUL TO BOTH SIDES AS POSSIBLE.

AMBASSADOR GOLDBERG IS PREPARING TALKING POINTS ON THE NEGOTIATING PROBLEM IN NEW YORK FOR ANDERSON'S USE. IN AGREEING TO RETURN TO CAIRO, ANDERSON WOULD TELL THE UAR AMBASSADOR WITH WHOM HE IS IN CONTACT THAT WE EXPECT HIS RETURN WILL NOT BE FOLLOWED BY UAR PUBLICITY ATTACKING THE U.S. OR THE PRESIDENT/ FOR OUR ATTITUDE ON THE MIDDLE EAST.

RECOMMENDATION:

THAT YOU AUTHORIZE US TO TELL ANDERSON TO PROCEED TO CAIRO.

ACTING SECRETARY

DTG:112138Z NOV 67

~~SECRET~~

PRESERVATION COPY

INFORMATION

~~SECRET~~

Saturday, November 11, 1967  
3:25 p.m.

*Pres. file*

Mr. President:

Herewith (in three attached cables)  
Bob Anderson reports Nasser wants to  
see him again.

We shall have a recommendation for  
you shortly -- conscious of your grave  
reservations in this matter.

W. W. Rostow

Beirut 3901  
Beirut 3905  
Beirut 3908

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 94-477  
By ijg, NARA, Date 6-28-95

WWRostow:rlh



INCOMING TELEGRAM Department of State

W H 2 54a

~~SECRET~~

Action

RNL/6  
CONTROL: 3028Q  
Info RECEIVED: NOVEMBER 11, 1967, 3:57 A.M.

PP RUEHC  
DE RUQMBE 3901 3141025  
ZNY SSSSS  
P 101025Z NOV 67  
FM AMEMBASSY BEIRUT  
TO SECSTATE WASHDC PRIORITY 3721  
STATE GRNC  
BT

~~SECRET~~ BEIRUT 3901

NODIS

REFERENCE: STATE 65484

FROM: ROBERT ANDERSON

1. I ARRIVED LAST NIGHT FROM BAGHDAD AND AM RETURNING BAGHDAD EITHER SATURDAY NIGHT OR SUNDAY HOPEFULLY TO CONCLUDE AN ARRANGEMENT FOR SULPHUR DEVELOPMENT WITH THAT COUNTRY EARLY PART OF THE WEEK. I WANTED TO REPORT THAT ON LAST MONDAY I HAD A CALL FROM UAR AMBASSADOR METWALLY IN IRAQ. HE ASKED TO SEE ME AND SAID ONLY THAT HE HAD RECEIVED A MESSAGE FROM CAIRO ASKING THAT I RETURN TO THE UNITED STATES VIA CAIRO WHEN I LEFT BAGHDAD. HE HAD NO OTHER DETAILS. I SAW HIM AGAIN YESTERDAY, THE NINTH, WHEN HE ASKED WHEN I THOUGHT THE IRAQI DISCUSSIONS WOULD BE CONCLUDED. I INFORMED HIM THAT I DID NOT KNOW BUT THAT DISCUSSIONS HAD BEEN SUSPENDED BECAUSE OF VISIT TO IRAQ OF PRESIDENT HELOU AND THAT I WAS GOING TO BEIRUT UNTIL EITHER SATURDAY NIGHT OR SUNDAY 12TH. I SAID TO HIM THAT I WAS COMPLETELY LACKING IN ANY INFORMATION EXCEPT WHAT IS PRINTED IN THE BAGHDAD NEWS BUT WAS AWARE OF FACT THAT UNITED STATES HAD TABLED A RESOLUTION BEFORE THE SECURITY COUNCIL. I ASKED HIM IF HE HAD ANY IDEA AS TO THE REACTION OF PRESIDENT NASSER TO THIS RESOLUTION. HE SAID HE HAD NONE BUT WAS GOING TO CABLE CAIRO AND PERHAPS THE UAR AMBASSADOR TO BEIRUT WOULD ADVISE ME. I HAVE JUST TALKED TO AMBASSADOR GHALEB WHO STATED THAT HE DID NOT WANT TO TALK ON THE TELEPHONE AND ASKED ME TO COME TO HIS RESIDENCE AT 11:00 O'CLOCK. HE STATED "DO YOU HAVE ANY MESSAGES FOR ME?" AND I SAID "NO."

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-478  
By clg NARA, Date 2-22-95

~~SECRET~~



~~SECRET~~

-2- BEIRUT 3901, NOVEMBER 10, 1967 (NODIS)

I SAID I WOULD BE INTERESTED IN KNOWING WHAT HIS COUNTRY'S REACTION WAS TO THE AMERICAN PROPOSALS AND HE ANSWERED BY SAYING "I DO NOT WANT TO TALK ON THE TELEPHONE."

2. ANTICIPATING THAT YOU MIGHT PREFER I NOT RETURN TO CAIRO, I DID SAY TO AMBASSADOR METAWALLY IN BAGHDAD THAT CIRCUMSTANCES WERE SUCH THAT I MIGHT FIND IT NECESSARY TO RETURN DIRECTLY TO THE UNITED STATES RATHER THAN TO GO BY WAY OF CAIRO AS NASSER REQUESTED.

3. FOR YOUR INFORMATION, ALL OF MANY IRAQI OFFICIALS I SAW RAISED TOPIC OF ARAB-ISRAEL SETTLEMENT AND INDICATED QUITE CLEARLY THAT THEY ARE GOING TO FOLLOW THE LEADERSHIP OF THE UAR. I ALSO WAS ASKED TO SEE FORMER PRIME MINISTERS INCLUDING NAJI TALIB AND DR. BAZZAZ. BAZZAZ IN PARTICULAR HAS ALWAYS SEEMED TO ME TO BE A MODERATE. HE STATED THAT ANY FINAL CONCLUSION WOULD BE ONE BASED UPON ACCEPTANCE BY THE UAR AS NASSER WAS THE ONLY MAN WHO COULD TALK TO THE MAN IN THE STREET. HE ALSO STATED "THE FACT THAT YOUR COUNTRY IS ALLOWING THIS MATTER TO REMAIN UNRESOLVED IS MAKING MORE COMMUNISTS PER MINUTE THAN YOU ARE POSSIBLY GETTING RID OF IN ANY OTHER PART OF THE WORLD". HE SAID "THE ARABS DON'T KNOW WHAT COMMUNISM MEANS BUT THEY ARE LISTENING BECAUSE THE COMMUNISTS SPEAK THE LANGUAGE OF THE MAN IN THE STREET AND BECAUSE THE MATTER OF AN ACCEPTABLE SETTLEMENT REMAINS UNRESOLVED."

4. FOREIGN MINISTER KHAIRALLA VOLUNTEERED TO ME THAT IRAQ WOULD SEEK A RESTORATION OF NORMAL DIPLOMATIC RELATIONS WITH THE UNITED STATES JUST AS SOON AS RELATIONS WERE ESTABLISHED WITH THE UAR. I MADE NO COMMENT EXCEPT TO SAY THAT THIS WAS IN OFFICIAL HANDS AND I DID NOT KNOW WHAT WAS BEING DONE ABOUT IT. ADDING THAT OBVIOUSLY HIS COUNTRY HAD BROKEN RELATIONS AND THEREFORE WOULD ASSUME THE INITIATIVE IN RESTORING THEM.

5. TWO THINGS I DID NOT MENTION IN MY PREVIOUS REPORT FROM CAIRO DICTATED HASTILY IN BEIRUT: FIRST, I AM SURE IT IS OBVIOUS TO YOU THAT I WAS TRYING TO REFLECT IN THAT REPORT ONLY THE POINT OF VIEW OF THE ARABS AND THE EGYPTIANS AS EXPRESSED TO ME AND, SECOND, AND PERHAPS MOST IMPORTANT, I SAID TO ZAKARIYAH MOHIEDDIN DURING THE LAST HOURS OF MY VISIT THAT I HAD SIMPLY FORGOTTEN TO ASK NASSER WHAT THE REACTIONS OF THE SOVIETS WOULD BE TO THE SUGGESTIONS CONTAINED IN MY PREVIOUS

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-3- BEIRUT 3901, NOVEMBER 10, 1967, (NODIS)

REPORT. ZAKARIYAH MOHIEDDIN REPLIED BY SAYING "DON'T WORRY ABOUT IT. THE SOVIETS WILL DO WHAT WE WANT THEM TO DO."

6. I AM GOING TO SEE AMBASSADOR GHALEB AT HIS REQUEST, AT HIS HOUSE AT 11:00 O'CLOCK. I HAVE FEELING THERE WILL NOT BE VERY MUCH TO IT BUT IF THERE IS. I WILL COMMUNICATE WITH YOU BY A SUBSEQUENT MESSAGE.

7. I WOULD LIKE TO KNOW WHETHER OR NOT IN VIEW OF THE REQUEST SUBMITTED TO ME BY AMBASSADOR METAWALLY, YOU ARE STILL OF THE OPINION THAT I SHOULD NOT REVISIT CAIRO. MY PRESENT PLANS ARE TO RETURN TO BAGHDAD NOT LATER THAN SUNDAY (12TH) AND THEN BE BACK TO BEIRUT BY TUESDAY OR WEDNESDAY AND PROCEED HOME UNLESS YOU ADVISE ME OTHERWISE.

8. AMBASSADOR PORTER ADVISES ME THAT WITHOUT HIS KNOWLEDGE LOCAL LEBANESE SECURITY OFFICERS MET ME AT THE AIRPORT. THIS MORNING'S PAPER CONTAINS A PICTURE SAYING THAT I WAS HERE IN TRANSIT AND THAT THE PRESS DID NOT VISIT WITH ME. I AM PROPOSING TO CONTINUE SAYING THAT I AM DISCUSSING FERTILIZER PROJECTS IN THIS PART OF THE WORLD WHICH IS EXACTLY WHAT I AM DOING. PORTER  
BT

~~SECRET~~



~~SECRET~~

Action

RNL/G

CONTROL: 3029Q

Info

RECEIVED: NOVEMBER 11, 1967, 4:17 A.M.

PP RUEHC

DE RUQMBE 3905 3141256

ZNY SSSSS

P 101256Z NOV 67

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC PRIORITY 3722

STATE GRNC

BT

~~SECRET~~ BEIRUT 3905

NODIS

REFERENCE: BEIRUT 3901

FROM ROBERT ANDERSON

1. I JUST VISITED WITH AMBASSADOR GHALEB. HE TOLD ME THAT HE HAD RECEIVED A MESSAGE FROM NASSER. "SOME TIME AGO" SAYING THAT THE AMBASSADOR WOULD EXPECT A CALL FROM ME WHEN I HAD RECEIVED SOME "WORD FROM MY COUNTRY. I TOLD HIM THAT SO FAR AS MY COUNTRY WAS CONCERNED THAY STILL THOUGHT I WAS IN IRAQ WHERE COMMUNICATION WAS IMPOSSIBLE AND THAT I HAD ONLY ADVISED THEM THIS MORNING THAT I WAS BACK IN BEIRUT AND WOULD BE HERE UNTIL SUNDAY WHEN I WOULD RETURN TO BAGHDAD.

2. I TOLD HIM THAT AMBASSADOR METWALLY IN IRAQ TOLD ME THAT HE WOULD ADVISE ME THROUGH GHALEB WHAT THE EGYPTIAN ATTITUDE WAS TOWARD THE AMERICAN RESOLUTION. I ALSO STATED THAT IT SEEMED TO ME THAT THE AMERICAN RESOLUTION CONTAINED ALL THE POINTS COVERED IN MY DISCUSSIONS IN CAIRO WITH THE POSSIBLE EXCEPTION THAT THE REPRESENTATIVE OF THE UN INSTEAD OF BEING REQUIRED TO GO THE THE MIDDLE EAST WOULD CONSULT WITH BOTH SIDES IN A LESS CONSPICUOUS MANNER, WHICH MIGHT BE MORE EFFECTIVE IN GETTING RESULTS. HE STATED THAT HE WOULD EITHER RECEIVE A WIRE FROM NASSER TODAY OR WOULD INQUIRE AS TO NASSER'S ATTITUDE. I TOLD HIM THAT IT WAS GOING TO BE VERY DIFFICULT, IF NOT IMPOSSIBLE, FOR ME TO RETURN TO CAIRO NOT ONLY BECAUSE I HAD BEEN AWAY SO LONG, BUT BECAUSE I WANTED TO HAVE THE OPPORTUNITY OF VISITING

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-478  
By CB, NARA, Date 2-22-95



~~SECRET~~

-2- BEIRUT 3905, NOVEMBER 10, 1967, (NODIS)

WITH MY OLD FRIEND DATING FROM FINANCE MINISTRY DAYS, JAPANESE PRIME MINISTER SATO, WHILE HE WAS IN THE STATES. I SAID I HAD BEEN INVITED TO DINNER WITH SATO. I THOUGHT THAT I SHOULD CAST CONSIDERABLE DOUBT ON ANY POSSIBILITY OF RETURNING TO CAIRO UNTIL I KNEW MORE ABOUT THE DEPARTMENT'S ATTITUDE. WHEN I TOLD GHALEB THAT IT WAS DOUBTFUL THAT I COULD RETURN TO CAIRO HE ASKED ME IF THIS WOULD BE TRUE EVEN THOUGH PRESIDENT NASSER CONSIDERED IT VERY IMPORTANT. I REPLIED BY SAYING THAT I WOULD NOT FORECLOSE ANY MATTER IF NASSER THOUGHT IT OF SUFFICIENT IMPORTANCE ALTHOUGH PERHAPS THE SAME THING COULD BE ACCOMPLISHED EITHER BY NASSER SENDING SOMEONE TO MEET ME HERE OR BY COMMUNICATION THROUGH GHALEB. HE STATED HE WOULD EXPLORE THIS POSSIBILITY IF NASSER THOUGHT IT SUFFICIENTLY IMPORTANT.

3. GHALEB THEN ASKED ME IF I KNEW ABOUT THE CURRENT HAPPENINGS AT THE SECURITY COUNCIL AND I TOLD HIM I DID NOT. HE SPENT A LONG TIME TELLING ME ABOUT THE US REQUEST FOR ABBA EBAN TO SPEAK FOLLOWING MAHMOUD RIAD, AND STATED THAT WE INSISTED ON "OUR COLLEAGUE" SPEAKING SECOND FOLLOWING RIAD. HE SAID "ISN'T IT POSSIBLE FOR US TO DO ANYTHING WHICH DOESN'T APPEAR ONE-SIDED, DO THE AMERICANS HAVE TO TAKE THE PRO-ISRAELI POINT OF VIEW IN EVERYTHING, INCLUDING PROCEDURE?" HIS TELEPHONE RANG ALMOST CONSTANTLY AND HE TOLD ME THAT HE WAS RECEIVING CONTINUOUS CALLS FROM LEBANESE PROTESTING THAT THE AMERICANS WERE INSISTING EVEN ON PROCEDURAL MATTERS TO ACCOMMODATE THE ISRAELIS. HE SAID THAT IF THE AMERICANS DID WANT ABBA EBAN TO SPEAK SECOND, WHY DID WE HAVE TO PROPOSE IT? WHY NOT SOMEBODY ELSE? IMPRESSION FROM ARAB SIDE IS THAT US DELIBERATELY ANTAGONIZING THE ARABS AND HE SAID HE WAS WORRIED ABOUT THE STRONG REACTION, EVEN IN LEBANON.

4. I SAID THAT SINCE HE HAD RAISED THE QUESTION OF THE SECURITY COUNCIL, I WAS AT A LOSS TO UNDERSTAND WHY UAR HAD SUDDENLY DEMANDED A MEETING OF THE SECURITY COUNCIL. I THOUGHT HIS PRESIDENT HAD FELT, DURING MY CONVERSATIONS WITH HIM, THAT MORE COULD BE ACCOMPLISHED QUIETLY AND BEHIND SCENES, AND THAT PERHAPS AN AGREED RESOLUTION (WHETHER WITH US LABEL OR NOT) COULD BE TAKEN TO THE SECURITY COUNCIL WHERE THE PROCEDURE WOULD BE MORE OR LESS PRO FORMA. HE STATED "I CANNOT SPEAK

~~SECRET~~

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-3- BEIRUT 3905, NOVEMBER 10, 1967, (NODIS)

OFFICIALLY, BUT IT IS MY IMPRESSION THAT WE FEARED THE OUTBREAK OF ANOTHER ISRAELI ATTACK EITHER AGAINST US, SYRIA OR JORDAN AND THAT THIS ATTACK WOULD BE LESS LIKELY IF THE SECURITY COUNCIL WERE IN SESSION". I HAVE NO IDEA AS TO WHETHER HE IS EXPRESSING A PERSONAL JUDGEMENT, JUST OFFERING AN EXCUSE, OR WHETHER HE KNOWS MORE THAN HE IS TELLING ME. THE REST OF THE CONVERSATION WAS RATHER ACADEMIC IN WHICH HE SAID THAT HE THOUGHT ISRAEL HAD INITIALLY BEEN ESTABLISHED AS A CAT'S PAW SO THAT EITHER WE, THE SOVIETS, OR OTHER MAJOR POWER COULD USE THIS SMALL COUNTRY TO OUR ADVANTAGE IN THE ARAB WORLD BUT THAT THE CAT'S PAW WAS RAPIDLY BECOMING THE CAT AND THEY DID NOT KNOW WHERE IT WOULD BITE NEXT.

5. HE STATED THAT HE WOULD CALL ME IN BEIRUT IF HE HEARD ANYTHING ELSE FROM CAIRO. PORTER  
BT

~~SECRET~~



INCOMING TELEGRAM Department of State

~~SECRET~~

Action

Info

CONTROL: 3021Q  
RECEIVED: NOVEMBER 10, 1967, 9:58 A.M.

PP RUEHC  
DE RUQMBE 3908 3141410  
ZNY SSSSS  
P 101410Z NOV 67  
FM AMEMBASSY BEIRUT  
TO SECSTATE WASHDC PRIORITY 3723  
STATE GRNC

BT  
~~SECRET~~ BEIRUT 3908

NODIS

REF: BEIRUT 3905

1. SECRETARY ANDERSON JUST NOTIFIED BY AMBASSADOR GHALEB THAT AS RESULT TALKS ANDERSON HAD WITH MATWALLY IN IRAQ, NASSER HAS INDICATED HE VERY ANXIOUS FOR DISCUSSIONS WITH ANDERSON IN CAIRO.

2. ANDERSON ASSUMES MORE SPECIFIC RESPONSE MAY BE RECEIVED FROM NASSER AS RESULT QUERIES SENT TODAY BY AMBASSADOR GHALEB.

3. ANDERSON, OF COURSE, MAKING NO COMMITMENTS, BUT WILL REPORT FURTHER DEVELOPMENTS. PORTER

BT

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 94-478

By CB, NARA, Date 2-22-95

~~SECRET~~

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INFORMATION

Saturday, November 11, 1967  
3:15 p.m.

*Pres file*

Mr. President:

In this matter Ken Galbraith  
behaved well, although his advice  
was faulty, if well meant.

W. W. Rostow

WWRostow:rlh



55a

Saturday, November 11, 1967

MEMORANDUM FOR THE RECORD

Prof. J. K. Galbraith called from Chicago early Friday evening (6:15 pm), November 10, 1967, and, since I had left for the day, he asked that I call back.

He reported the following:

He was in Chicago to tape a show that afternoon for showing Saturday, November 11. It was at Station WBBM, the CBS TV outlet in Chicago. The show is called At Random. It is emceed by one John Madigan. The other participants were a political scientists Robert Merriam and a certain Dr. Douglas of Sarasota, Florida, a pillar of the Birch Society. In the course of the exchange Dr. Douglas said the Communists were taking over in Washington. When pressed for specifics, he said Walt W. Rostow was a Communist. When pressed for verification, he said Otepka had stated Rostow was twice denied security clearance during the Eisenhower Administration. He was challenged on this, apparently by Galbraith and Merriam.

Dr. Douglas apparently said some rather dubious things about President Eisenhower as well.

Galbraith suggested that I might wish to call the manager of the station, one Dan O'Connell, and ask him to scrub this passage from the show.

I called Clark Clifford and explained the situation to him. He said that if we succeeded in persuading O'Connell to alter the tape, Dr. Douglas would have a case that we were trying to conceal something. If we failed, it would be on the record that we tried to suppress a TV conversation. He recommended against our calling O'Connell.

I said I wholly agreed with him. That I felt that at one time or another the matter would surface in a way that required our response; we had to be prepared; and we had to be prepared in ways which would not damage the relations between the President and General Eisenhower.

I instructed the Situation Room to ask the station for the text of the broadcast. WBBM has agreed to furnish us the relevant portion for our records.

W. W. Rostow

WWRostow:rlh



MEMORANDUM

THE WHITE HOUSE

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INFORMATION

WASHINGTON

MR. PRESIDENT

Sat., Nov. 11, 1967

Pres file

SUBJECT: Press Contacts, period Nov. 6 - 11

Herewith my press contacts for this past week.

Next week I am gearing up to do the Wednesday afternoon - Thursday stint you outlined.

Monday, November 6

Theo Loch, foreign editor of Rheinischer Merkur. This was a general discussion of European affairs with an exceedingly intelligent and basically friendly German editor.

I indicated the depth of your continuing interest in European policy, and the problem we face in Europe's incapacity to help share the major burdens not only in Southeast Asia but also in the Middle East, Africa, and Latin America. He indicated that he understood this; but felt that progress could be only limited so long as de Gaulle remained in power. He was tolerably optimistic about what would happen in Europe when de Gaulle passed from the scene.

Jess Cook of TIME magazine telephoned to ask (humorously) if I was the author of the "Iron Mountain Report." I said I was not, and that it was a fake.

Les Carpenter telephoned and asked about the authorship of the "Iron Mountain Report." I told him it was a fake. He also asked if Mrs. Kennedy had any substantive assignments in Cambodia. I said it was a wholly private visit.

Tuesday, November 7

I had a long session with Robert Christopher and Mel Elfin of NEWSWEEK. They are planning an article on the character of the reasons for our fighting in Viet Nam. They asked: was it to maintain the credibility of our commitments, or was it to develop democracy in Viet Nam? I replied:

-- The primary reason was that the SEATO Treaty recognized an underlying judgment by our nation; namely, that the preservation of the independence of Southeast Asia was in this nation's security interest, including explicitly the independence of South Viet Nam. This commitment related to the whole shape of Asia where two-thirds of humanity lived, and therefore it was a question of the substance of national security, not merely the credibility of our commitments elsewhere;

-- Second, the credibility of our commitments in Europe and Latin America would, indeed, be involved if we were to fail in Southeast Asia. We would probably have a most painful passage of contentious isolationism if we pulled out.

-- Within South Viet Nam, our commitment was to help them not only maintain their independence but also move as rapidly as they could towards constitutional democratic government. This policy followed from the kind of nation we are and also the same policy we had applied wherever we bore direct responsibility; for example, in Germany, Japan, South Korea, etc.

I don't know what NEWSWEEK will do, but Elfin is with us on Viet Nam, and Christopher seemed in good faith in his questions.

Thursday, November 9

I asked Richard Saltonstall of TIME to drop down, and I explained to him the character of the new Cabinet in South Viet Nam. I pointed out that they had a Presidential system like ours in which only the President and Vice President were elected officials. The Cabinet is not meant to be a collection of independent politicians, but the servants of the policy of the President of the Republic. In those terms it seemed to be a competent Cabinet well distributed with respect to region, with certain of the members having ties to Huong and politicians other than Thieu and Ky.

I said the heart of the democratic process would be the relations between the Executive Branch and the new Senate and Lower House.

Friday, November 10

Joe Alsop came in. I gave him the material on the DMZ. He is very much interested in pushing forward his enterprise on the North Vietnamese view of negotiations. I told him I had forwarded his paper to you, and you were considering the appropriateness of the statement. We also discussed the operations near the Cambodian border, which he believes indicate Hanoi is very near the end of the line.

Ward Just called me early Friday afternoon. He asked if I would see him to discuss our measures of progress in South Viet Nam. I asked him bluntly if he came to study the matter or whether he had already made up his mind. He said that while he had formed certain views in Saigon, he really wanted to know how we thought about and measured progress in South Viet Nam. I invited him in and spent 2-3/4 hours with him. I pointed out that:

-- We used certain statistical measurements but no single measurement was regarded as decisive. It was only when all the measurements tended to tell the same story that we drew any conclusions.

-- But even then we would not believe the statistics unless we had other evidence of a non-statistical kind that reinforced the statistics.

-- Finally, we would not believe our evidence unless the enemy's operational behavior was consistent with our judgment.

I then took him through all the statistical series we have. I made him read a collection of captured documents and field reports on enemy manpower shortages, morale problems, etc. Finally, I explained to him the change in the enemy's operations since about the third quarter of 1966, emphasizing that their military operations were no longer designed to win in the field but to keep the war going while they assessed the capacity of American political life to sustain the war.

I cannot guarantee what he will write; but my impression is that he was open-minded to some degree. At the end, he discussed what the war had looked like to him in Saigon. He said that he had been skeptical about certain of the statistics -- for example, the body count. But his greatest concern was the attitude of the South Vietnamese. The South Vietnamese whom he had met were skeptical that the war could ever end. I read to him some of Bunker's comments on the Inauguration and the new government and discussed the new younger generation in the military, in economic life, the Revolutionary Development cadres, etc. I had him read some of Westy's reports on recent ARVN operations that had gone well. His mind did not appear to be closed to such evidence; but we shall have to see what he in fact writes. The first suggestion of the effect of all this in this morning's Washington Post (article attached) is not too bad.

W. W. Rostow



## Progress Reported By Bunker

By Ward Just

Washington Post Staff Writer

The Johnson Administration, in a major effort to take the offensive in the domestic debate over the war in Vietnam, is bringing its two top officials in Saigon to Washington for a high-level policy review, and to argue the case for success.

Ambassador Ellsworth Bunker flew into Washington from Saigon yesterday, reported "steady . . . continual progress" in the war, and revealed that Gen. William C. Westmoreland would join him here for talks with the President next week.

### Offensive Indicated

Bunker's arrival, the expected arrival of Westmoreland, and related developments here lent support to the view that the Administration is beginning to concentrate a major offensive against its domestic critics.

The accent has been, and apparently will be, on progress in the war, with the underlying assumption that victory is now a realistic prospect.

Vice President Humphrey struck that note in an appearance yesterday on the NBC television program "Today." "We are beginning to win this struggle," he declared. "We are on the offensive; territory is being gained. We are making steady progress . . ."

The "Today" appearance was essentially a rerun of earlier Humphrey statements when he was in Saigon as a personal representative of the President at the Nov. 1 inaugural of President Nguyen Van Thieu and, last week, when he returned to the United States and reported his findings to Mr. Johnson.

It is known that the Administration has been vexed by the difficulty of assessing

progress, or change, in the war and finding a means to credibly convey it to the public. The President and his closest advisers are convinced there is progress, but uncertain about the measurements it should use to confirm it.

Lately, the measurements have taken the form of statistics—of body counts, weapons counts, kill ratios, and a new criteria of evaluation of hamlet security. The statistical method of measuring advance in a war without fixed fronts was popular in the early phases of the war, then fell briefly into disrepute.

Now, confident that the statistics—buttressed by what is called independent, qualitative evaluation are accurate, some officials here are beginning to rely on them again as indicators of the trends of the war. The instinct of these officials is that the war is being won.

Despite the evidence of progress assembled by the Administration, however, the fire from the doubters and dissidents is certain to increase, now that Sen. Eugene McCarthy (D-Minn.) is maneuvering to enter presidential primaries as an alternative to President Johnson. McCarthy's candidacy is expected to be a lightning rod for much of the dissent over the war.

In this atmosphere, it is considered unlikely that the President and his top-level officials will keep silent. There are no plans for Gen. Westmoreland to address another joint session of Congress, but it is certain he will be given close attention by the press and television while he is here.

Secretary of State Dean Rusk will address a meeting of the Foreign Policy Association in New York next week. That speech is expected to be an overall defense of the foreign policies of the Johnson Administration, particularly its Asian policies.

Bunker, in a brief meeting with newsmen yesterday, was crisp but definite. He was encouraged, he said, by political developments in South Vietnam, and including the appointment of "experienced, competent, good" men to the cabinet of the Thieu government this week.

Bunker said he expected to meet with President Johnson sometime next week and said Westmoreland would take part in the talks. The meeting, he said, is to be part of the "normal consultations" with the State Department and the White House.

But it is considered certain that Westmoreland will have something to say publicly on what he considers to be the improving allied position in bodian border in recent weeks have been exceedingly favorable to the Americans and the war. Battles near the Cam-South Vietnamese, according to reports from Saigon.

Bunker's most recent cables to the President have been enthusiastic about the new government, and optimistic about its chances to achieve stability in the country. The overall estimate of the 73-year-old veteran diplomat is also understood to be optimistic.

Bunker has not been back to Washington since his assignment to Saigon in April. But Westmoreland has been back twice this year, most recently in mid-July when he presented the President with a request for additional troops.

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INFORMATION

*Profile*

Saturday, November 11, 1967  
12 Noon

Mr. President:

The German Embassy has just telephoned to say that they have received the following telegram from Chancellor Kiesinger extending congratulations on the Saturn 5 flight. (The translation is unofficial.)

"To The President of the United States of America

"I congratulate you most cordially on the great success which the American space program has achieved with the launching of the Saturn 5 rocket.

" (signed)  
Kiesinger  
Federal Chancellor"

W. W. Rostow

*RHU*  
RHU:mst

INFORMATION

~~SECRET~~

*Pres file*

Saturday, November 11, 1967  
10:30 a. m.

Mr. President:

Herewith Nick informs us of a decision to sell six C-141 aircraft to the French for \$60 million.

W. W. Rostow

~~SECRET~~

WWRostow:rlh

**DECLASSIFIED**

Authority 77CJ 86-15

By ref/co, NARA, Date 12-6-91



58a

THE UNDER SECRETARY OF STATE  
WASHINGTON

~~SECRET~~

November 10, 1967


MEMORANDUM FOR THE PRESIDENT

Subject: Sale of Up to Six C-141 Aircraft  
to France

I have approved the sale to France of up to six C-141 aircraft, four with in-flight refueling capability. While Bob McNamara leaned toward disapproval, he deferred to our judgment, since this is basically a foreign policy question.

Neither the Limited Test Ban Treaty nor the draft Non-Proliferation Treaty prohibits this sale. Nor would the sale be of importance to the conclusion of the Non-Proliferation Treaty. NSAM 294, forbidding sales significantly affecting the nuclear and strategic delivery capability of France, or identifying the U.S. as a major supplier or collaborator, does not bar the sale, since the KC-135 refueling force we already sold to France would only be augmented by about 20-25 percent, and France is moving towards missiles in any event. The sale might minimize risks of French harassment to our military overflights, and could be useful for long range airlift of French troops and supplies.

Lockheed tells us that the sale will be worth at least \$60 million in our balance of payments. We will not offer credit or special offset arrangements.

  
Nicholas deB. Katzenbach

DECLASSIFIED  
E.O. 13292, Sec. 3.5  
NLJ/RAC 10-188 (#88a)  
By 51, NARA, Date 11-2-10

~~SECRET~~

INFORMATION

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*For file*

Saturday, November 11, 1967  
9:00 a.m.

Mr. President:

This summary answer to seven  
key difficult questions about Vietnam  
may be helpful to you.

W. W. Rostow

Attachment: Progress or Stalemate

WWRostow:rlh

## PROGRESS OR STALEMATE

Q: How can the administration argue that we are making progress in Vietnam when after many years we are unable to show territorial gains or definite signs of winning?

Ans: The U. S. has not been in Vietnam for years. Our first combat troops arrived only a little over two years ago; the first year was spent primarily in a logistical build-up, and we have only been able to exert the full pressure of our forces on the enemy for a year. Similarly, the current pacification program only really began with the Honolulu Conference and has taken a year to build up momentum.

This is a war for people--not for territory. 80% of the South Vietnamese live on less than 40% of the land. Since the beginning of the U. S. military build-up in early 1965, there has been a substantial increase in the number of people living in areas of relative security under the protection of the government of South Vietnam. In mid-1965, there were at most some 7.7 million people--no more than 47% of the population living in areas under the government's protection. Some 3.7 million people--about 22%--were living in Viet-Cong dominated areas. At the end of September, however, Government of Vietnam statistics show 11.9 million--or 72% living under Government of Vietnam protection, as opposed to only 2.2 million--or 14 percent--under Viet-Cong domination. Our own U. S. statistics, based on detailed evaluations on a hamlet-by-hamlet basis and using different criteria, are somewhat more conservative. Our data places about 69 % of the population under protection of the Government of Vietnam, and about 14% under the Viet-Cong. Thus, by the most conservative estimate, the percentage of people afforded protection from Viet-Cong terrorism has risen by about one-half, and the percentage under Communist domination was reduced by more than one-fourth.

But by one of the most objective criteria of control or security--the population of areas sufficiently secure to hold elections--the percentage of the population under the protection of the Government of Vietnam is greater than shown by either Government of Vietnam or U. S. statistics. For, in the recent Presidential elections, voting took place in areas containing 75 percent of the people of Vietnam.

The trend in numbers of registered voters and of people voting shows the trend in increased security and Government protection. In May 1965, 3.8 million people voted of 4.2 million registered voters in the municipal and provincial elections.

In September 1966, 4.3 million voted of 5.2 registered voters in the Constituent Assembly elections. In September 1967, 4.8 million voted



of 5.8 million registered voters in the Presidential and Upper House elections. Thus, registered voters are up nearly 40% from the first election to the last.

By any reckoning, we have made appreciable and significant progress in the most crucial area of the war--protection of the people.

Q: But are there not just as many of the enemy in South Vietnam now as there were one or two years ago--in spite of these population statistics and in spite of kill ratios?

Ans: No. We believe that enemy strength in South Vietnam has declined over the past year or so. On the basis of captured documents and prisoners we now estimate that Viet Cong/North Vietnamese Army organized unit strength has declined from a peak of 126,000 in August 1966, to about 118,000 now. Although our estimates on guerrilla strength are much less precise, we believe that Viet Cong guerrilla strength has also declined significantly. (In the process, we have learned that earlier estimates were too low because of incomplete intelligence.)

The reason for this is simply that the number of troops infiltrated and recruited by the enemy has not been as great as his deaths, desertions and other losses.

Q: Isn't the real test of stalemate the fact that the enemy is able to match our escalation of the war in spite of everything we do--as evidenced by his recent DMZ shellings and by his ability to mount rocket attacks at will on U.S. bases such as Danang?

Ans: We don't think so. Because of the nature of this war, the enemy cannot be prevented from mounting attacks in the border areas such as the DMZ and Cambodian border. Nor can he be prevented from continuing mortar and rocket attacks on U.S. bases. But these costly incidents do not have much significant military impact.

These engagements mark a major change in his tactics since the beginning of 1965 when he roamed the country at will and only his own lack of decision prevented him from mounting an assault on Saigon itself.

In the summer of 1965, he tried to cut South Vietnam in two. In 1966 he tried to capture the northern provinces. This year, his objectives have been the more modest ones of seeking limited victories in the DMZ

and Cambodian border areas. He has been foiled in every attempt and at great loss to himself.

Q: Isn't it possible, however, that the change in enemy tactics is of his own choice rather than something forced on him by our military pressure?

Ans: This is conceivable but not very likely. It is difficult to imagine the enemy deliberately choosing his present course of action and confining his major operations almost entirely to the border areas if it were not for friendly military pressure.

We have blocked his attempts to infiltrate by sea. We have inflicted heavy losses in his infiltration by the Ho Chi Minh trail. We have seized the military initiative in most areas of the country. The enemy now controls fewer miles of roads, fewer thousands of the population, less geographical area, and he is unable to prosecute the war in the manner and to the extent he enjoyed in 1965.

Thus his current tactics simply represent the best choice of the poor alternatives available to him to try to prolong the war while he hopes for a change in the political will on the U. S. home front.

Q: What evidence is there that we are making any military progress?

Ans: The enemy has been unable to mount a major offensive although intelligence indicated he planned to do so last May and June.

The enemy has gained no major victories comparable to his 1965 successes in an engagement of battalion size or larger in over a year.

A program to neutralize 41 enemy base areas in South Vietnam (that is to say to drive the enemy there from and destroy enemy installations therein) was initiated in June 1966. To date, we have penetrated or attacked almost all these bases, and, as of August 1967, had neutralized 14 of them. We believe the enemy may need fewer big in-country base areas now versus two years ago, but he does have a need for some since he has less freedom of movement outside these areas.

From 1966 to 1967 thus far, enemy killed in action per month has increased 63%, enemy weapons captured have increased 65% (1,600 to 2,600 per month), enemy mortar rounds destroyed have increased 500% (7,500 in 1966, and 19,000 in six months of 1967). Small arms

ammunition captured or destroyed has increased 125% (1.1 million rounds in 1966, and 1.5 million in six months of 1967), and enemy rice captured or destroyed has increased nearly 50% (13,000 tons in 1966, and 10,000 in six months of 1967).

The enemy to friendly killed in action ratio has increased from 3.2 to 1 in 1966 to 4.0 to 1 during the first six months of 1967, and has continued to increase since then. The weapon gained to lost ratio has increased from 2.1 to 1 in 1966 to 3.8 to 1 in the first six months of 1967, and has continued to increase since then.

Q: How can we expect to win when the Communists have been fighting for 20 years and are prepared to keep on fighting for 20 more?

Ans: There is solid evidence of the weakening, at least at the lower level, of the enemy's will, especially the Southern Viet Cong.

Under the Chieu Hoi program there has been an increase of ralliers from about 11,000 in 1965, to about 20,000 in 1966, to nearly 24,000 to date in 1967.

Numerous captured documents, ralliers, and prisoners of war testify to the difficulties of Viet Cong administrators maintaining contact with their cadre under U.S. military pressure, the difficulties in Viet Cong recruitment and taxation, resulting in forced conscription and higher Viet Cong taxation, the greater difficulties of the Viet Cong in dealing with the population, and the difficulties in some areas of obtaining food and medicine, and the increased failure of Viet Cong administrative cadre in many areas.

Numerous captured documents, ralliers, and prisoners of war testify to North Vietnamese Army losses of 20-25 % and more from bombing, sickness, disease and desertion before reaching their destinations in South Vietnam, and to lack of food and medicine and poor morale among North Vietnamese troops after they arrive. However, about ten percent of North Vietnamese Army recover from their sickness and eventually complete the trek. Hence the overall attrition is about 15%.

Q: How can the U.S. expect to achieve its objectives in view of the ineffectiveness of the government and the armed forces of South Vietnam?

Ans: During the past two years the South Vietnamese have had a reasonably stable government and a political evolution which is



impressive in a very young country in the midst of war. We now have a Revolutionary Development program which has been well led and which for all its imperfections is better than anything we have had in the past. Although there are many imperfections in the Vietnamese Army, it must be remembered that this Army has been increased by more than 50% in the last three years, and leadership was not automatically available for the expanding forces. It has been only during the last year that the main focus has been on qualitative as opposed to quantitative improvement. During this period the Vietnamese Armed Forces have improved. All the usual indicators of combat effectiveness--killed, missing, weapons captured ratios, desertion rates, operational contact rates--show a favorable trend.

A. The number of desertions this year is less than half the number for the same period last year and the number of missing in action has dropped from 1,500 in the first quarter of 1966 to 750 in the first quarter of 1967, and to 312 in the second quarter of 1967.

B. The trend of weapons lost has reversed. In the first quarter of 1966, Republic of Vietnam Armed Forces lost 2,850 weapons and captured 1,400, or an unfavorable ratio of two to one. In the first quarter of 1967, Republic of Vietnam Armed Forces lost 2,050 weapons and captured 4,425, or a favorable ratio of two and one-fourth to one.

C. The percentage of contacts to total operations is up. In the first quarter of 1966, there were 360 contacts in 820 large unit operations, and in the first quarter of 1967, there were 380 contacts in 760 operations, or an increase of 15 percent. In small unit operations, the rate of enemy contacts has risen from 2.8 contacts per 1,000 in the first quarter of 1966 to 3.7 contacts per 1,000 for the first quarter of 1967 (a rise of 30%) to 4.3 contacts per 1,000 in the second quarter of 1967 (or a rise of over 50%). The total number of operations is down because of the present heavy commitment to pacification.

D. ARVN has taken a number of actions to improve its general effectiveness. This includes: (1) increased fighting in close association with American units and the corresponding increased availability of U.S. artillery and air support, (2) new and improved training courses, such as the long range reconnaissance patrol course, graduates of which are integrated with U.S. long range reconnaissance patrols and the recycling of maneuver battalions through a six-week national training center course, and (3) increased promotions from the ranks (during 1966, 500 direct commissions, 20 battlefield commissions, and 4,500 battlefield promotions were awarded NCO's; also a special OCS course was offered, from which 1,700 were graduated).

E. Programs have been installed to improve the morale of ARVN, such as a pay increase in July 1966, the establishment of an ARVN commissary, and a free issue of an operations ration in the field beginning July 1967, designed to give greater mobility in the field and to prevent living off the people in the countryside.

F. Far fewer Regional and Popular Force positions have been overrun in 1967 than in the corresponding period of 1966: a revitalized training program has been instituted for Regional and Popular Forces; and U.S. advisors are working more extensively with Regional and Popular Force units.

G. Perhaps most important of all, the Republic of Vietnam Armed Forces leadership now displays increasing confidence in their own units' capabilities versus those of the Viet Cong/North Vietnamese Army.