

INFORMATION

30

Tuesday, November 28, 1967
7:30 p. m.

Profile

Mr. President:

Herewith Bill Gaud files an
account of a reasonably good day in
the Senate Appropriations Committee
on Foreign Aid.

W. W. Rostow

WWRostow:rla

30a
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DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON

OFFICE OF
THE ADMINISTRATOR

November 28, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Action by the Senate Appropriations Committee on Foreign Aid

The Senate Appropriations Committee came through today in fine style - both as to money and by knocking out a number of restrictive provisions inserted by the House.

The money story is told by the following table, which shows that the Committee stuck very close to the figures in the authorization act:

	<u>Budget Request</u>	<u>Authoriza- tion Act</u>	<u>House Appropria- tion Bill</u>	<u>SAC Bill</u>
Economic Aid	\$ 2,630.4	\$ 2,350	\$ 1,831.6	\$ 2,209
Military Assistance	<u>620.1</u>	<u>510</u>	<u>365</u>	<u>510</u>
Total	\$ 3,250.5	\$ 2,860	\$ 2,196.6	\$ 2,719

On the economic side the Committee restored Technical Assistance and the Alliance for Progress to the full amounts authorized (\$210 million and \$578 million respectively), and upped Development Loans to \$600 million as against the House figure of \$400 million.

Insofar as major restrictive provisions go, the Committee:

- restored our authority to use carryovers and deobligations (this is worth \$68 million to us);
- struck out a Conte amendment prohibiting us from supplying sophisticated military equipment to any but 7 named countries and substituted a version of the Symington amendment (which is already included in the authorization act and with which we can live);

LIMITED OFFICIAL USE

- struck out entirely another Conte amendment requiring us to reduce economic assistance by the amount spent by any developing country on purchases of sophisticated military equipment.

This excellent result is due primarily to John Pastore, but also in part to Senator Margaret Chase Smith, whom Senator Milton Young designated sometime ago to handle foreign aid on behalf of the Republican Committee members. They informally marked up the bill last Wednesday. Their figures were reduced by only \$6 million at the full Committee mark-up today.

The bill is expected to reach the floor Tuesday December 5. It is important that the Committee figures stand up on the floor if we are to improve on the House figures in conference. There is one other major problem: the elimination of the Conte amendments may spark another full dress hassle over military assistance.

We will do our best to support the Committee bill in full.



William S. Gaud

INFORMATION

Pres file

~~SECRET~~

Tuesday, November 28, 1967 -- 6:40 p.m.

Mr. President:

1. You should be aware that Gromyko, talking with Tommy Thompson on October 9, came back to a general observation made to him by Sec. Rusk; namely, the possibility of an understanding that there would be no changes of border without the agreement of the U. S. and Soviet governments, and that the problem of divided countries should be solved gradually by the wishes of their peoples.
2. Sec. Rusk went out on November 25 with the attached cable which opens up the possibility of a most interesting and spacious dialogue with the Soviet Union if they are interested.
3. In his response of November 27, Tommy suggests that he would discuss the matter the next time he has an occasion to see Gromyko.

W. W. Rostow

Moscow 1389
State to Moscow 74809
Moscow 1946

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 10-68
By id NARA, Date 5-27-10

WWRostow:rla

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Mr. Kasrow (ONLY)

INCOMING TELEGRAM Department of State

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~~SECRET~~

Action

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DE RIJHCR 1389FD 2821505
ZNY SSSSS
R 091445Z OCT 67
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC
STATE GRNC
BT
~~SECRET~~ MOSCOW 1389

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1967 OCT 9 PM 1 05

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FOR SECRETARY

DURING MY TALK WITH GROMYKO ON THE MIDDLE EAST TODAY, HE SAID HE WISHED TO RAISE ANOTHER SUBJECT. IN NEW YORK YOU HAD SAID IT WOULD BE GOOD TO REACH AN UNDERSTANDING ON SOME ASPECTS OF THE SITUATION IN ASIA. YOU HAD RAISED THE POSSIBILITY OF AN UNDERSTANDING THAT THERE WOULD BE NO CHANGES OF BORDER WITHOUT THE AGREEMENT OF THE US AND SOVIET GOVERNMENTS, AND THAT THE PROBLEM OF DIVIDED COUNTRIES SHOULD BE SOLVED GRADUALLY BY THE WISHES OF THEIR PEOPLES. HE THOUGHT THAT IN ALL YOU HAD MENTIONED FOUR PRINCIPLES. HE WOULD LIKE TO KNOW IF YOU COULD BE MORE SPECIFIC ABOUT WHAT YOU HAD IN MIND AND OF THE FORM OF UNDERSTANDING YOU WERE THINKING ABOUT. HE ALSO WONDERED HOW YOUR SUGGESTION SHOULD BE CONSIDERED IN THE CONTEXT OF VIETNAM WHICH RATHER COMPLICATED THE MATTER. WERE YOU THINKING OF SOMETHING AFTER THE VIETNAMESE WAR OR BEFORE? HE EMPHASIZED THAT I SHOULD NOT CONSIDER HIS REMARKS IN ANY OTHER WAY THAN AS A REQUEST FOR CLARIFICATION FOR HIS PERSONAL INFORMATION.

GP-3 THOMPSON

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 10-67
By NARA, Date 7-27-10

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Mr. Kossow (copy 4)

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OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

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25 Nov 67 16 16 z

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Origin
Info

ACTION: Amembassy MOSCOW

NODIS
STATE 74809
EYES ONLY FOR AMBASSADOR FROM SECRETARY.

Now that the Fiftieth Anniversary is behind us and we had a unanimous vote on the Middle East resolution in the Security Council, I will pass along my own thoughts regarding your 1389 of October 9.

Mr. Gromyko and I, in our talks in New York, were getting close to the edge of talking about China and the general situation in Asia. I told him that I thought that there were important elements in the Asian situation in which the interests of the Soviet Union and the United States might coincide. I said, as an example, that the United States could proceed on the basis that —

- (a) The present frontiers in Asia should be looked upon as permanent.
- (b) If there are border disputes we would be prepared to lend assistance in a peaceful resolution of such disputes.
(I had in mind such a border as the McMahon line between India and China.)
- (c) If there are problems of ~~demarcation~~ demarcation, we would be ready to be of assistance in demarcation.

Drafted by: S:DRusk:jmr 11/24/67

Tel. Ext. Telegraphic transmission and classification approved by:

sl
The Secretary

Clearances

S/S - Mr. Brown

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E.O. 12958, Sec. 3.6

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NLI/RAC 10-67
By: NARA, Date 7-27-10

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(I had in mind the borders of Cambodia.)

- (d) In the event of divided states such as Korea and Viet-Nam the issue should be resolved by peaceful means and not by force.

I told Gromyko that these four points were a basis for a genuine common interest between the United States and the Soviet Union. I don't recall that I told him, but I had in mind that point (d) might work to the advantage of the United States in its short-run in such situations as Viet-Nam but that the Soviet Union might be much interested in point (a) — given the longer range prospects of their problems with a billion Chinese.

I specifically did not propose any QTE form of understanding UNQTE and do not do so now. It might be no more than a basis for some further conversation between us. Nor was I attempting to find a formula which might be simply a temporary convenience with regard to Viet-Nam from our point of view. I was letting my mind range far ahead to the long term complex of Asian problems over the next ten or twenty years.

I would suggest that, in mentioning the matter again to Gromyko, you tell him that I was thinking in the ~~bro~~ broadest and longest range terms about the situation in Asia and how the state interests of the Soviet Union and the United States would fit into that situation. You might add that I have been trying to analyze the

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uncertainties of the next decades in Asia and have been trying to identify those points of common interest between the Soviet Union and the United States which might be genuine common interests. Obviously, the identification of such common interests on such important matters could be important for the two countries on whom fall so much responsibility for the maintenance of peace.

As a postscript, I departed x from my traditional practice and attended the Fiftieth Anniversary Reception at the Soviet Embassy in Washington. I did so for a very simple reason: We have had Fifty years of coexistence as between the Soviet Union and the United States PAREN in the sense that we have not had a major war with each other UNPAREN, and I would be glad to have another fifty years about which one could say the same thing.

END.

RUSE

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INCOMING TELEGRAM *Department of State*

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CORRECTION ISSUED:

11/28/67, 5:30 A.M.

Action

RR RUEHC
DE RUEHCR 1946FD 3311615Z
ZNY SSSSS

Info

R 271530Z NOV 67
FM AMEMBASSY MOSCOW - CORRECTED COPY
TO SECSTATE WASHDC 6149
STATE GRNC
BT

7329Q

1967 NOV 27 PM 3 03

~~SECRET~~ MOSCOW 1946

NODIS

EYES ONLY FOR THE SECRETARY.

REF: STATE 74809

1. UNLESS YOU FEEL DIFFERENTLY I AM INCLINED NOT TO SEEK APPOINTMENT WITH GROMYKO SPECIFICALLY ON THIS SUBJECT BUT TO DISCUSS IT NEXT TIME I HAVE OCCASION TO SEE HIM UNLESS THIS SHOULD BE LONG DELAYED.

PAGE 2 RUEHCR 1946FD ~~SECRET~~

2. ONE SPECIFIC IMPLICATION OF OUR POSITION IS RECOGNITION OF INDEPENDENCE OF OUTER MONGOLIA. I PRESUME THIS WOULD GIVE US NO PROBLEM.

3. RE POINT (D), SOVIET POSITION HAS BEEN EQUIVOCAL. IN MY TALK WITH KOSYGIN HE INDICATED DISAGREEMENT WITH OUR POSITION THAT PRESENCE OF NORTH VIETNAMESE TROOPS IN SOUTH VIETNAM WAS FOREIGN INTERVENTION. ON THE OTHER HAND HE HAS RECENTLY BEEN DESCRIBING TO VISITORS NEW NLF PROGRAM AS OFFERING US A GREAT OPPORTUNITY. I THINK HE CAN ONLY HAVE IN MIND FACT THAT NEW PROGRAM DOES NOT ENVISAGE IMMEDIATE REUNIFICATION.

4. ON POINT (A), SOVIETS WOULD OF COURSE BE INTERESTED IN THIS CHIEFLY AS A MEANS OF KEEPING US FROM GETTING TOGETHER WITH THE CHINESE AT THEIR EXPENSE RATHER THAN IN ANY BELIEF WE WOULD ACTUALLY RENDER THEM EVEN MORAL SUPPORT IF THE CHINESE ATTEMPTED TO CHANGE EXISTING FRONTIER.

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E.O. 12958, Sec. 3.6

NLI/RAC 10-67

By 101 NARA, Date 7-27-10

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-2- MOSCOW 1946, NOV 27

N O D I S

PAGE 3 RUEHCR 1946FD ~~SECRET~~

5. I WOULD ALSO POINT OUT THAT FOR THE NEXT FIVE OR TEN YEARS THIS POINT MIGHT EVEN WORK AGAINST SOVIET INTERESTS. FOR EXAMPLE IF THE CHINESE SHOULD STIR UP SERIOUS TROUBLE ON SINKIANG BORDER I CAN IMAGINE SOVIETS RETALIATING BY TAKING OVER PART OF THIS AREA OR MORE LIKELY SUPPORTING AN AUTONOMOUS SINKIANG AS THEY HAVE IN PAST. OF COURSE SHOULD THEY DECIDE TO DO ANYTHING OF THIS KIND, A LOOSE UNDERSTANDING WITH US WOULD NOT DETER THEM.

6. I ASSUME THAT YOU INTEND THAT I SHOULD MAKE PRESENTATION SET FORTH IN PENULTIMATE PARAGRAPH REFTTEL, BUT THAT IF PRESSED BY GROMYKO I COULD REITERATE THE FOUR POINTS.

GP-2. THOMPSON

BT

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INFORMATION

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Tuesday, November 28, 1967
5:50 p.m.

Pres file

Mr. President:

This is such an impressive collection of editorials on the Douglas Committee I thought you might like to see it.

W. W. Rostow

The Nation's Editors Speak Up on
PEACE WITH FREEDOM and "The Silent Center"
Editorial Reactions to the newly organized
Citizens Committee for PEACE WITH FREEDOM in Vietnam

WWRostow:rla

INFORMATION~~CONFIDENTIAL~~

Tuesday, November 28, 1967
5:45 p. m.

Pres file

Mr. President:

Herewith Ed Fried's summary
of a Leadership meeting for the
President's diary.

W. W. Rostow

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

White House Guidelines, Feb. 24, 1983

By kg, NARA, Date 12-16-91

WWRostow:rla

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E.O. 12356, Sec. 3.4

NEJ 91-404

By Wip, NARA, Date 2-23-93

NOV 28 1967

Profile

Mr. President:

Herewith a message from Bill Sullivan, which states:

- trucks damaged and destroyed in Laos during November are already over 600;

- practically none of the dry-season cargo is getting as far south as Route 9; and

- if the rate continues, North Vietnam's truck inventory could be wiped out by the end of the year -- which would constitute a major but unpublicizable victory;

General Wheeler has asked DIA to evaluate the situation.

In the meantime, some preliminary observations:

- There has been a manyfold increase in trucks sighted, damaged, and destroyed compared with any previous period (Tab B).

- Most of the traffic has been in the upper panhandle.

- Truckable mileage is 600 compared to 300 last November and 400 in September 1967, although only relatively short segments are in use.

- Surveillance has been more extensive this year.

- Weather has permitted large-scale trucking beginning the last week of October, whereas last year traffic flow was restricted until late November and December.

Increased truck activity could result from a combination of the following:

- enemy intent to accelerate military activity during the current dry season (Loch Ninh and Dak To).

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- resupply effort to replace supplies expended during heavy enemy activity in I Corps this year;

- resupply to replace large amount of supplies destroyed in Laos (secondary explosions: 3,929 from Nov 1966 - Sep 1967 versus 1,224 from Nov 1965 - Sep 1966); and

- enemy effort to preposition supplies farther south in anticipation of the barrier.

W. W. Rostow

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Vientiane 2912, November 27, 1967

1. I lunched yesterday with General McConnell at Udorn. We discussed the general situation in Laos and reviewed matters of mutual interest. There are no significant problems outstanding between us, and those relatively minor matters still unresolved are being handled in normal command and/or liaison channels.
2. In my judgment, the most important point of our discussion was a review of the highly successful campaign which the Seventh Air Force has been waging against truck traffic on the Ho Chi Minh trail. The totals of trucks damaged and destroyed thus far during the month of November is already over 600. The total of those destroyed, exclusive of those merely damaged, will in all probability exceed 600 before the month is out.
3. One of the most important features of this phenomenal success is that the overwhelming proportion of these truck "kills" have been on routes 911 and 912 in the northernmost reaches of the Ho Chi Minh trail structure. Since a "kill" is not credited unless the vehicle is actually burning, it can be assumed that cargoes as well as trucks are being eliminated by this action. This means that, as of now, practically none of the North Vietnamese dry season cargo is reaching as far south as route 9.
4. It also means that, if this rate of success can be continued, the entire inventory of trucks which we believe the North Vietnamese hold for Ho Chi Minh trail activity will be wiped out before the end of this calendar year. While we have no doubt that reserves exist for this high priority task, a repetitive depletion of inventory, coupled with a failure to get the goods through to the front, can constitute a major military victory for our side in this long war of attrition.
5. These achievements in air strikes against vehicles are the result of nearly three years of learning, adapting, adjusting, and reinforcing success. They are being accomplished with minimal losses to our side. Although they may not be as spectacular as the victories at Dak To, and although they can not be publicized, they may, in their way, prove one of the most significant military and psychological accomplishments to date.
6. It was a pleasure for me to be able to tell General McConnell how gratified I am with the work of his wards.

SULLIVAN

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Authority MLT 91-382

By SP-1 NARA, Date 2-6-92

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Vehicle Sightings 1966

<u>Period</u>	<u>Sightings</u>	<u>Destroyed/Damaged</u>	<u>Comments</u>
Sep	55	13	Approximately 50% were on Route 912. The remainder were distributed on other Panhandle routes.
Oct	86	18	Approximately 50% on Routes 911 and 912. The remainder were distributed on other upper Panhandle routes.
Nov	206	81	Same as October.

Vehicle Sightings 1967

Sep	256	26	Almost two-thirds were on roads in the upper Panhandle, primarily on Route 912.
Oct	992	74	Nearly all sightings occurred in the upper Panhandle. About 90% of the vehicles were on Routes 911 and 912 between the North Vietnamese border and the Tchepone Base Area.
1-17 Nov	2,055	361	Approximately 70% of all trucks observed were on Routes 912, 911, and 91 north of Tchepone. There was some traffic on Route 92 leading toward Ban Bac, and a negligible amount between Tchepone and Route 922.

<u>Period</u>	<u>Truckable Mileage</u>	<u>Jeepable Mileage</u>
Sep 1966	Approximately 300	No record
Oct 1966	Approximately 300	No record
Nov 1966	Approximately 300	No record
Sep 1967	Approximately 400	Approximately 140
Oct 1967	Approximately 600	Approximately 200

Secondary Explosions

Nov 65 - Feb 66 Dry Season	- 539	Nov 66 - Feb 67 Dry Season	- 1,719
May 66 - Sep 66 Wet Season	- 685	May 67 - Sep 67 Wet Season	- 2,210
Totals	1,224	Totals	3,929

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E.O. 12958, Sec. 3.6

NLI/RAC 10-68

By id NARA, Date 5-27-10

INFORMATION*Pres file*~~CONFIDENTIAL~~

Tuesday, November 28, 1967, 5:00 P.M.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Order of Business for NSC Meeting, noon, Wednesday,
November 29

1. Briefing on the Economic and Military Implications of the new Soviet Plan
 - a. Call on Director Helms for summary of CIA estimate.
(10 minutes)
 - b. Ask Council members for comments or questions.
2. Report of Cyprus Situation (Background paper is attached)
 - a. Ask Secretary Rusk to summarize latest developments and problems we face.
 - b. Ask General Wheeler to comment on the current military situation.

W. W. Rostow

BKS:amc

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

White House Guidelines, Feb. 24, 1983

By *rg/llh* NARA, Date 1-14-92

DECLASSIFIED

Authority 769 90-134By ng/iam NARA, Date 1-14-92SECRET

Tuesday, November 28, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: NSC Discussion of Cyprus--The Broader Issues

The purpose of a short discussion of Cyprus is to take a deep breath in the midst of a fast-moving situation (a) to check where we stand and (b) to gain perspective on the longer-range implications of the agreement Cy Vance is working out.

Now that Cy has a Greek-Turk agreement, we still face these near-term tasks:

- We still have to get Makarios aboard. Cy is on his way to Cyprus.
- We will also have a fight in New York over expanding the role of the UN forces on Cyprus.
- We will have to work out the mechanics of monitoring the Greek troop withdrawal and the Turk standdown.

In the longer term, it looks as if we face a period of increased US involvement and costs. One thing it would be useful to do in this meeting is to begin focusing attention on what they amount to. For instance:

- Cy has rightly steered clear of trying to work out a basic solution to the Cyprus problem. How can we capitalize on what he has done to try to keep this from blowing up again? How do we now move on to basic issues?
- If we can start negotiation on the basic issues, how heavily should we involve ourselves? Another exercise like the one Dean Acheson went through in 1964?
- How hard will it be for us to help absorb the increased cost of the larger UN force Cy is arranging?

No one will have well-thought-out answers to these questions yet. But it would be worth working our way toward a consensus on the basic question--the extent of our obligation to carry through what Cy has begun.

W. W. Rostow

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MEMORANDUM

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THE WHITE HOUSE

WASHINGTON

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Tuesday, November 28, 1967 -- 5:00 PM

MEMORANDUM FOR THE PRESIDENT

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E.O. 12958, Sec. 3.5

NSC Memo, 1/30/95, State Dept. Guidelines

By jc, NARA, Date 1-5-01 *Pres file*

SUBJECT: PL 480 Grain for India

You will recall authorizing Freeman and Gaud to start negotiations with India on the basis of a 3.5 million ton package to cover the first six months of 1968. The Indian side of the bargain was a strong self-help package headed by abolition of the inefficient zonal boundaries which now restrict movement of food between states. The package also contained other important steps to keep farm prices up, get the central government into a position to smooth out price fluctuations, and continue to build up imports of fertilizer, pesticides and improved seeds. You asked them to report back to you when the results of the negotiation were clear and before anything was signed.

At Tab B, Freeman and Gaud report that they have been able to get Indian agreement on every aspect of the package except immediate elimination of food zones. The Indian Food Minister has told us that he wants and intends to eliminate the zones, but that it would be political suicide to try to do it before next fall when the current crop is in and there is a fairly solid estimate of next year's crop. Freeman and Gaud are inclined to agree. They recommend that we go ahead with the package on the assurance that the Indians will move next fall if conditions improve as expected. Charlie Schultze supports this conclusion; his memo (Tab A) is a good summary of the proposal. (You will note that this step would involve no additional budgetary costs.) Joe Fowler asked us to tell you that his views haven't changed since October (he would like to see more contributions from others and a specific quid pro quo on commercial sales), but he is not inclined to press them again now.

Congressional Attitudes

As agreed in October, Freeman's Congressional consultations have been limited to the people you sent to India last December. Congressmen Poage and Dole support the proposal as recommended, but Senator Miller would prefer to insist on full matching from other donors and to cut down the size and/or extend the duration of the agreement. (Miller's suggestions are discussed on pages 2-3 of the Freeman/Gaud memo at Tab B.) Freeman does not believe Miller can be persuaded to agree to his proposal, but he states that "he has no reason to believe" Miller will make a public fuss if we go ahead.

On the merits of Miller's first suggestion, Freeman and Gaud believe -- and I agree -- that if we insist upon matching from other donors, we won't move much more than 1 million tons of wheat to India in all of 1968. The result would be lower U.S. wheat prices, higher CCC costs, and no pressure on India to make agricultural policy reforms. We have a matching rationale for 1968 in the Kennedy Round

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Grains Agreement which requires the Europeans to provide 2.3 million tons of grain per year in food aid beginning July 1, 1968. We can represent that Agreement as the multilateral matching formula we have been after, replacing our 1967 insistence on bilateral matching. Miller is right that this would result in much less than even matching of U. S. food aid. But if we want to come anywhere near the 11 million tons of wheat Agriculture wants to move next year to support domestic prices and keep CCC costs within reason, we must have a policy which allows us to provide much more to India than the other donors -- rightly or wrongly -- are willing to provide. Even so, the Freeman/Gaud memorandum pledges that we will keep the heat on the others as much as possible.

Miller's other suggestions would (a) cut the new agreement to 2 million tons over four months or (b) keep it at 3.5 million tons but make it cover all of 1968 rather than just the first six months. The Indians might accept the first, but only at the price of eliminating some or all of the policy reforms promises they are now prepared to make. They would consider the second totally inadequate to provide a resource base for the buffer stock/price support operation we are trying to get them to set up -- and they would be right. In either case, negotiations would drag on for weeks and perhaps months, during which we would not be shipping any grain and our negotiating position would be deteriorating as the bumper Indian crop hit the market.

For these reasons, Freeman recommends we proceed without further contact with Miller.

Timing of Announcement

There is one other small issue. Freeman and Schnittker want to announce our offer immediately to get a domestic price effect. Gaud & Company would rather wait a day or two to nail things down with the Indians. It would be better international relations to wait until we have solid agreement with the Indians, but it would not cause us major problems to announce now if you agree that the domestic price needs an immediate jolt.

W. W. Rostow

1. Approve Freeman/Gaud/Schultze proposal _____
2. Freeman to have another talk with Miller, but to go ahead ahead whatever Miller says _____
3. Freeman to have another talk with Miller and report results to me before my decision _____
4. Disapprove _____
5. Speak to me _____

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

NOV 27 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Food Aid for India

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By JC, NARA, Date 1-5-01

In October, you authorized discussion with the Indians of a food aid/policy reform package for 1968. On the basis of these talks, Orville Freeman and Bill Gaud now seek your authority to negotiate and sign a six-month agreement to provide 3-1/2 million tons of grain, of which one million tons would be for buffer stocks. The total, valued at about \$216 million, would probably include 500,000 tons of sorghums. (Although the Freeman/Gaud memo indicates that small amounts of other commodities might also be included, this now appears unlikely.)

The agreement would specify the following Indian food policy reforms:

- maintenance of adequate incentive prices to farmers,
- expansion of the government Food Corporation's operations throughout the country,
- Indian contribution to buffer stocks of one to two million tons,
- increases in last year's targets for fertilizer (from 2.2 to 2.8 million tons), improved seeds, irrigation facilities, and other inputs.

The only major change from the proposal you approved last month is to delay action on elimination of food zones until 1968. The powerful surplus States are very jealous of their ability to control their own internal prices, and the Minister of Food and Agriculture has attempted to de-fuse an explosive political situation by assuring them that the zones would be maintained until next year's production could be estimated. Further, the well-known U. S. interest in dismantling zones makes it even more politically difficult for the GOI to move on this front now. In negotiating this agreement, we would make it clear that we expect the Indians to move toward abolishing zones next fall if buffer stocks are adequate and if next year's crop outlook is favorable.

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Although the Indians will probably have to buy 90-100,000 tons of Australian wheat to meet their import needs during the next month, they are also buying 110-120,000 tons commercially from us for this purpose (59,000 tons bought last week and another 60,000 tons now out for bids). We understand that the Indians would make any commercial purchases after the first of the year in the United States.

Although this agreement would make no specific provision for matching by other donors, it leaves this subject open for the second half of the year. We would tell the Indians that we expect them to begin now to seek contributions from members of the International Grains Agreement and the Soviet Union. This should help to satisfy the concerns of Senator Miller on matching, while enabling us to support our own soft prices by shipping the maximum amount of wheat now. Congressmen Poage and Dole agree with this proposal.

The terms of this sale would be the same as those in the last agreement, which began the transition to dollar credit: 20 percent of the food would be sold for dollars with a 40-year repayment period, including ten years' grace, and 80 percent would be for local currency.

Recommendation

In view of the sound Indian policies which would be strengthened through this agreement and our desire to move wheat, I recommend that you authorize this agreement with India. As you agreed, it would be released in two tranches: two million tons immediately and a further 1-1/2 million tons early in 1968, depending upon India's import needs, grain prices and progress on the reform package.

This action will not add to your 1968 budget estimate, even after the cutbacks.

Attachment

Approve _____

Disapprove _____

Charles L. Schultze

Charles L. Schultze
Director

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MEMORANDUM FOR THE PRESIDENT

NOV 22 1967

SUBJECT: Food Aid for India in 1968

DECLASSIFIED

Authority Agriculture & AID guidelines

By jc, NARA, Date 1-5-01

Recommendations:

We recommend that you authorize immediate negotiations with India for a six months agreement, to include $3\frac{1}{2}$ million tons of PL-480 grain plus limited additional commodities, to be provided in the first half of CY 1968.

This is essentially the package you approved in early October, except that it delays action on the removal of food zones until 1968, and emphasizes contributions from other countries more strongly. Extensive discussions have convinced us that India will accept this proposal.

This action:

- assures further major self-help reform;
- includes enough grain to meet our export targets;
- continues food aid matching under the Grains Agreement and from the Soviet Union -- and strongly encourages India to obtain food aid from other countries; and
- provides the U.S. enough flexibility to send more grain to India in the second half of CY 1968 if India's needs, and U.S. grain supplies and prices warrant additional shipments.

It is understood that this offer is conditional upon Indian acceptance of a food policy reform package of: major relaxation of food zones starting next fall, firm incentive support prices, buffer stockbuilding, and wider authority for the Food Corporation. In addition to these self-help measures, the agreement would also provide for the updating of last year's agreed upon targets on production and imports of fertilizer, use of high-yielding seeds, expansion of irrigation, and other important inputs. We understand that India would make a substantial portion of any commercial purchases in the United States.

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Action to Date:

In early October you authorized discussions with the Government of India about a new PL-480 agreement. This was to be a six-month agreement for $3\frac{1}{2}$ million tons of grain through mid-1968, with no commitment by the U.S. for the last half of the year. One million tons of the U.S. contribution was to be set aside for buffer stocks to be matched by internal procurement of at least one million tons for stocks. We were to maintain our flexibility on matching by other countries, and on any shipments in the second half of 1968. Further decisions would be based on our grain situation, India policy objectives, and the coming into effect of the International Grains Agreement on July 1.

The U.S. offer was contingent upon reforms in Indian food policy: removal of the food zone system as soon as possible, support prices high enough to encourage production, and accumulation of buffer stocks partly from the Indian crop.

Pursuant to your authorization, discussions have been held with GOI officials in New Delhi and Washington, and in Rome by Secretary Freeman with the Minister of Food and Agriculture. The Government of India has agreed:

- to support grain prices at satisfactory levels;
- to authorize the Food Corporation to buy grain at satisfactory prices and to accumulate buffer stocks; and
- to move toward elimination of food zones in the fall of 1968 if buffer stocks are adequate and 1968 crop prospects favorable.

We have concluded that India cannot act earlier on food zones for political reasons.

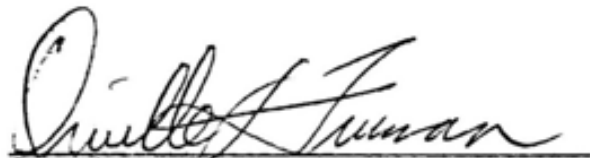
The negotiations to date have been discussed with Congressmen Poage and Dole, and Senator Miller, and in general terms with Senator Ellender. The Congressional group agrees that the self-help actions promised by India are acceptable and India should take a strong initiative to seek contributions from other countries. Congressmen Poage and Dole agree with our recommendation of a 6-month agreement for $3\frac{1}{2}$ million tons of grain. Senator Miller would prefer either of two alternatives: (1) a 4-month agreement for 2 million tons of grain; (2) a 1-year agreement for $3\frac{1}{2}$ million tons of grain to be provided during the first half of CY 1968. In both options Senator Miller wants it to be emphasized that the U.S. contributions are to be equally matched by contributions from other countries in the event that additional shipments are made in the last half of calendar year 1968. Miller understands that his alternatives

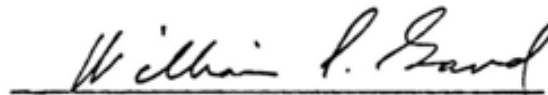
will be submitted to the President. There is no reason to believe he will make any public fuss if his suggestions are not followed. There is no evidence either of concern by other Members of Congress. However, it was decided not to open this matter with other than the men you sent to India last December who are the Congressional spokesmen on this issue because to do so would be to ask for problems where it appears clear none exist now. Either of Senator Miller's suggested options would be sufficiently less attractive to India so as to delay negotiations of a new agreement. This is not in the U.S. interest. We need to export significant quantities of grain now.

We believe that matching should be undertaken within the framework of the International Grains Agreement. We propose informing the Indians that we expect them to make a strong effort in early 1968 to seek contributions from members of the International Grains Agreement and from the Soviet Union to match our grains to the extent possible. Although the Grains Agreement will not come into effect until July 1, we believe that such contributions as India can obtain from members of the Grains Agreement and from the Soviet Union would satisfy most Congressional opinions.

Proposed Agreement:

We recommend $3\frac{1}{2}$ million tons of grain (and possibly a little oil, tallow, and cotton) through mid-1968, on the same sales terms as the previous agreement; 20 percent convertible into dollars and the balance in rupees, both convertible and rupee loan portions will be repayable over 40 years, inclusive of 10 years grace period at 2 percent interest during the grace period and $2\frac{1}{2}$ percent thereafter. One million tons would be for buffer stocks to be matched by as much as two million tons for stocks from India's crops. Further, India should seek to maximize grain commitments from other countries. We would consider at a later date additional grain for the second half of 1968, if circumstances here and in India justify such action.


Secretary, Department of Agriculture


Administrator, Agency for
International Development

Approved: _____

Disapproved: _____

Date: _____

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

37

~~SECRET~~

Lunch Meeting With the President
Tuesday, November 28, 1967 -- 1:00 pm

AGENDA

1. Cyprus Situation Report. (Sec. Rusk)
2. B-52 Laos Overflights. (Sec. Rusk and Sec. McNamara)
Draft cable at Tab A.
3. Congressional Consultation. (Sec. Rusk)
4. Korean Troops. (Sec. Rusk and Sec. McNamara)
How to accelerate.
5. BUTTERCUP. (Sec. Rusk and Sec. McNamara)
6. Los Angeles Times story about negotiations. (Sec. Rusk & Sec. McNamara)
How to pre-empt: A speech? By whom? A White Paper?
7. Other.

W. C. Rostow

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By *18*, NARA, Date 1-16-92

~~SECRET~~

DEPARTMENT OF STATE

Washington, D.C. 20520

~~TOP SECRET~~

37-a

November 27, 1967

To: Mr. William Jorden - The White House

From: EA - Philip C. Habib *PH*

Subject: Arc Light.

1. Attached is a proposed joint State/Defense message on which we are prepared to concur because we have been told by Defense that the changes have been approved by the highest authority.
2. We would prefer to handle it by telling Ambassador Sullivan that we intend to authorize these changes and request his comments.
3. Would appreciate your comments and/or concurrence in the message based upon your understanding.

Attachment:

Proposed message.

~~TOP SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 10-67
By *id*, NARA, Date 7-27-10

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

~~TOP SECRET~~

Classification

FOR OFFICE USE ONLY

ACTION: Amembassy VIENTIANE

PRIORITY

INFO: Amembassy BANGKOK
Amembassy SAIGON
CINCPAC
CINCSAC
COMUSMACV

DECLASSIFIED

E.O. 13526, Sec. 3.5

NLJ/RAC 10-67

By ish NARA, Date 1-18-11

JOINT STATE/DEFENSE MESSAGE

EXDIS

SUBJ: ARC LIGHT

REF: State 126224/270021Z Jan 67

1. Prior to decision to deploy B-52s to Thailand, you suggested that flights from U Tapao should be routed south of Cambodia until a pattern was established in public mind and period of diplomatic curiosity on subject had passed.

2. This matter has been discussed at highest levels and since the B-52 operations from U Tapao are well established, it has been decided that we should now authorize B-52 flights across Laos to targets in Laos, NVN and northern SVN. This action will enable improved ARC LIGHT response to urgent tactical requirements such as recently experienced in the DakTo and DMZ areas. In addition, reduced flying hours will result in a substantial operating cost saving, which is particularly important in view of current budgetary problems. Strikes against targets in southern SVN will continue to be routed

XXXXXXXXXXXXXXXXXX 11-27-67
DOD/ISA:RSEadman:EA/LAO:RESlutzn

Telegraphic transmission and
classification approved by:

EA - William P. Bundy
XXXXXXXXXXXXXXXXXXXX

S/S -
White House -

EA - Mr. Habib

Page 2 of telegram to Amembassy VIENTIANE

~~TOP SECRET~~

Classification

South of Cambodia.

3. The requirement for cover strikes in nearby SVN was originally established to avoid acknowledging that strikes were being conducted against targets in Laos, and Souvanna approved program in Laos on that basis. Since three to five ARC LIGHT missions are flown in Vietnam daily, providing adequate cover for normal operations, it has been decided that cover strikes be discontinued.
4. The effectiveness of the ARC LIGHT effort against certain targets in Laos, as well as flexibility necessary for optimum force utilization in SEA, may require daylight strikes. It was therefore decided that ARC LIGHT strikes in Laos will be authorized both day and night.
5. It is realized that the elimination of these restrictions requires consultation with Souvanna because his concurrence in ARC LIGHT program in Laos is based on understanding with USG that program would be conducted under these restrictions. If you deem necessary, you should ~~XXXX~~ seek earliest opportunity to consult with Souvanna and obtain his concurrence to proposed changes. You should inform Souvanna that we will continue to refuse to discuss details of operations publicly.
6. It is intended that the restrictions on overflight and daylight bombing, and the requirement for cover strikes in SVN, will be discontinued effective 052400Z December 1967.

GP-1

END

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

Tuesday, November 28, 1967 -- 10:45 AM

38

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Perkins Committee study on foreign aid (possible item for today's lunch)

Secretary Rusk may raise at lunch today the question of how we react to the Perkins Committee's proposal that they do a complete reassessment of the foreign aid program, reporting to you after the elections. (A copy of the Committee's memorandum to you is at Tab A.) You will recall that Jim Perkins, Eugene Black and David Rockefeller outlined this proposal to you last week.

Rusk, McNamara, Gaud and I are agreed on the merits. We think the study should be done and that this group has the best credentials -- substantive and political -- that we could possibly find. They have spent two years educating themselves about foreign aid; they are bipartisan; and their members have sufficient independent public stature to inspire hope for a new focus of political consensus behind foreign aid.

If you agree with this judgment, you may want to concentrate today's discussion on how to handle publicity on the study. The Perkins group left you a draft letter to them (copy at Tab B) in which you would (1) "approve the nature and purpose" of the study, (2) promise to find the money (perhaps \$500,000) to finance the study, and (3) say that you "look forward to receiving" the Committee's report. We have no problem with the substance of this -- including the money, which Gaud says he can find in AID.

The question is whether you want to sign a letter at all, and if so, whether you want it made public. The Committee wants the operation to be entirely visible, starting with a public directive from you. Black and Rockefeller are particularly interested in some kind of guarantee that even if there is no such directive, the final report will be made public. You know all the arguments against publicity. I think you have four choices:

1. Sign the letter and agree to release it.
2. Sign the letter, but ask Perkins to treat it as a confidential document and to treat the Committee's deliberations and report the same way at least until you have had a chance to review its findings. (You may wish to have us assure Perkins informally that the Committee will have the right to publicize its report after you have had a chance to review and analyze it.)

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DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 12812,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 16, 1988.
BY 18 ON 1-14-92

CONFIDENTIAL

- 2 -

3. Send no letter, but authorize one of us to thank the Committee and ask them in your name to proceed with the study.
4. Politely turn down the Committee's proposal.

I would vote for option No. 2 -- a confidential letter to the Committee with an agreement that their report will also be confidential until you have had a chance to review it. The fact that the study was going on would surely leak; but with a confidential letter, we might be able to hold the position that the Committee was merely doing its job, which is to advise you on the full range of foreign assistance programs. If so, it would help to preserve your flexibility next year and to keep the '68 Foreign Aid Bill from becoming a lame duck target for even deeper cuts than this year's. I don't know how Secretaries Rusk and McNamara will vote on this question of publicity. You will want to hear them out.

W. W. Rostow

EKH:vmR

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October 23, 1967

Memorandum for the President

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED FOR E.O. 12958
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAY 18, 1983

BY OP/rg ON 11/4/92

We recommend that you ask an appropriate group to undertake a fundamental reassessment of all elements of the present U. S. foreign aid program. Such a reassessment is needed as a basis for decisions on the content of the program, the organization of government to conduct an aid program, and the development of a better understanding and perhaps a wider acceptance both in Congress and in the country.

Such a reassessment should:

- examine all the alternatives, including radically different ones, to the present aid program;
- be conducted independently of the various Executive Branch agencies concerned with foreign aid activities.

This Committee is prepared to undertake the assignment as a result of its education on foreign aid over the past two years, and the variety of relevant experience among its members. On the other hand, there might be many good reasons why you would prefer to handle the matter differently, and if so we would be happy to cooperate in any way you might wish. If you do wish us to undertake the task, we would need funds to hire an independent staff and to obtain contract research services. We believe the earliest date by which a thorough job could be completed would be sometime next summer. An alternative schedule would call for a report late² in the fall, after the election.

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-2-

Reasons for a Reassessment of Foreign Aid

We find two compelling reasons for recommending a fundamental reassessment of foreign aid.

1. The real requirements for foreign assistance are changing steadily, and there is a legitimate question whether the present program is changing fast enough to keep up with the situation. There has been no fundamental change in the U. S. foreign aid program since 1961 (although there have been important modifications). Over these half-dozen years,

- several important countries have been "graduated" from the economic aid list (Mexico, Greece, Taiwan); several more now seem in sight of the end (Korea, Iran, Turkey); and others are making major progress (Pakistan, Chile, Brazil);

- except for Vietnam, military assistance has dropped very sharply and supporting assistance has nearly disappeared;

- the developing countries are placing vastly greater emphasis (as they should) on agriculture and on the control of population growth;

- several important new international aid instrumentalities have been established - notably the regional development banks - and a major upsurge of private activity (both business and non-profit) is occurring with respect to the developing countries.

2. Congressional support for U. S. foreign aid has been eroding badly, and there is evidence of both Congressional and public confusion and uncertainty over:

- the developing countries' real need for aid,

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- the value to U. S. interests of providing aid, and
- whether U. S. aid is being handled efficiently through AID and other U. S. Government agencies.

The beginning of a way out of these confusions and uncertainties, in our judgment, is through a frank and thorough examination of the heart of the problem: what kind of an aid program, if any, makes sense under present circumstances in the world and in the U. S.

Major issues to be examined

Without trying to provide a complete list, we believe the following major issues should be studied:

1. To what extent does the existence of the World Bank and the regional development banks suggest the desirability of a change in volume and direction of bilateral soft-term lending by the United States?
2. Is it now possible, consistent with the security interests of the U. S., to plan a complete termination of military assistance and supporting assistance on a rapid, phased schedule?
3. How far can the provision of technical assistance and training in developing countries be converted from a government-operated activity to a privately-operated activity supported by government funds?
4. By what means can the Congress and the public become far better-informed about aid and participate much more fully in establishing aid policies and assessing aid results?

Method of study

If you wish this Committee to undertake the fundamental reassessment we have outlined above, we would propose

- to hire a Study Director and a small staff from outside Government,
- to seek assistance by contract from private institutions and other organizations experienced in international development, and
- to invest a good deal of time individually and collectively, as members of this Committee, in pursuing the issues.

James A. Perkins
Eugene R. Black
Daniel Rodenberry

38c



Dear Dr. Perkins:

I have your memorandum of _____, 1967, recommending that a fundamental reassessment of the U. S. foreign aid program be made. I agree that in this period of rapid and far-reaching changes, such a reassessment is needed and I am grateful to you and to your Committee for your offer to undertake this task.

I approve the nature and purpose of your proposed examination of the program and the outline you present of the methods you would employ.

I am taking steps immediately to see that funds are provided to meet your estimate of costs.

You have accurately identified, in your memorandum, the questions which we need to answer about our foreign assistance programs. I shall look forward to receiving your observations and conclusions on these issues, which, I feel confident, will be of great value in helping to determine the course we should follow in this important aspect of our foreign policy.

Sincerely,

The President

THE WHITE HOUSE

WASHINGTON

Tuesday, November 28, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Pres. file

SUBJECT: Senator McCarthy's Opposition to Bombing

You asked for the background on Senator McCarthy's statement that he opposed resumption of bombing in North Viet-Nam in January 1966. He did so in a letter dated January 27, 1966 and signed by 16 Senators.

The pertinent documents are attached:

Tab A -- AP ticker story on McCarthy's list of critical statements;

Tab B -- Copy of the letter dated January 27, 1966 from the Senators and your response;

Tab C -- Copy of a letter dated January 21, 1966 from a group of Congressmen also urging continuation of the pause and your reply (a copy of the latter was included in your letter to the Senators);

Tab D -- Copy of a letter written by Ho Chi Minh to Communist leaders on January 24, 1966.

A key element in the 37-day pause -- one which the Senator doesn't realize or prefers to ignore -- is that throughout this time we were working hard to engage Hanoi in meaningful talks. We were, in fact, in direct touch with North Vietnamese representatives in several capitals.

Through these various efforts, we got a clear picture of Hanoi's position. There was absolutely no give, no conciliation, no willingness to discuss any reasonable settlement. Hanoi's terms were:

1. Stop the bombing of the North "unconditionally and forever;"
2. Accept Hanoi's Four Points;
3. Withdraw all U.S. and "satellite" troops from South Vietnam;
4. Recognize the Liberation Front as "the sole genuine representative of the people of South Vietnam."

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E.O. 12958, Sec. 3.5

NSC Memo, 1/30/95, State Dept. Guidelines

By *fw*, NARA, Date 5-14-98~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

On January 24, 1966, Ho Chi Minh sent a letter to all the major Communist leaders, including those in Moscow and Peking. He restated the same hard line we had learned through diplomatic channels.*

Thus, by the end of January -- even before Senator McCarthy and his colleagues sent their letter -- we knew Hanoi's rigid position and it was clear that the North Vietnamese were not interested in negotiations or in any settlement, except our surrender and the abandonment of the South Vietnamese to Hanoi's tender mercy.

Would Senator McCarthy have accepted Ho's rigid conditions?

Would he have continued the bombing pause -- and the increasing risk to American fighting men -- in the face of Hanoi's rejection of reasonable talks?

Would he have pulled out of Viet-Nam -- as Ho demanded?

Given all the facts, would the American people have accepted any course except the one that was followed?

Walt Rostow

* On January 31, the North Vietnamese representative in Rangoon gave our Ambassador an aide-memoire. The key sentence was: "A political settlement of the Viet-Nam problem can be envisaged only when the United States Government has accepted the Four-Point stand of the Government of the Democratic Republic of Viet-Nam, has proved this by actual deeds, has stopped unconditionally and for good its air raids and all other acts of war against the Democratic Republic of Viet-Nam." Bombing was resumed that same day.

~~CONFIDENTIAL~~

*1. sup
2. Pres. file*

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Tuesday 28
Monday, November 27, 1967

SUBJECT: Interim Reply to the Shah

The Shah has written you an easy once-over of the problems he'd still like our help on:

- He'd like you to weigh in urging our oil companies to increase their offtake from Iran and thereby increase his revenues. This is a familiar plea from him.
- He'd like to know where he stands on military credit since he's now putting together an \$800 million five-year force improvement plan.

We can't respond substantively until the aid bill is through Congress, so State proposes a quick interim acknowledgement just to let him know we haven't pigeon-holed his letter.

Also useful, this gives you a chance to say a personal word on the occasion of our closing our AID mission in Tehran. Secretary Rusk is hosting a luncheon Wednesday to mark Iran's "graduation" from AID's roles, and we will shortly recommend a statement for you to issue. But this note adds a nice personal touch.

Attached for your signature if you approve.

W. W. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLI/RAC 10-68
By *ad*, NARA, Date *5-27-10*

~~SECRET~~

40a

November 28, 1967

Your Imperial Majesty:

This is to let you know that I have received and read with interest your letter of November 15. I am considering the points you raised and will respond soon.

I wish also to add a personal word to my formal statement for the ceremonies here this week marking the closing of our AID mission in Tehran. I am sure from our talks together you know how highly I respect the work you and your people are doing in the development of your nation. Many times -- as I face frustrating and difficult problems in various parts of the world -- I am heartened to remember what Iran has accomplished under your great leadership. And I would underscore my hope that the end of our AID program will be the beginning of a new era of cooperation and partnership between our countries.

I am grateful for the close relationship that exists between ourselves and between Iran and the United States, and I look forward to continuing and strengthening this relationship.

Mrs. Johnson joins me in sending warmest wishes to you and to the Empress.

Sincerely,

/s/ Lyndon B. Johnson

His Imperial Majesty
Mohammad Reza Shah Pahlavi
Shahanshah of Iran
Tehran

LBJ:State:HHS:WWR:mz

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 10-68
By int, NARA, Date 5-27-10



40-8
DECLASSIFIED
E.O. 12958, Sec. 3.6
NLI/RAC 10-68
By id, NARA, Date 5-27-10

15th November, 1967.

Dear Mr. President,

It is now almost three months since I had the pleasure of visiting you and your country, and I am still under the very vivid impression of your hospitality and your warm and friendly reception. I also have the best recollection of our talks and I am happy to witness the very close bonds of friendship, understanding and mutual good will which exist between our two countries.

As you know, Mr. President, we are planning for the next five years a development programme, starting in March, 1968, which will bring further great progress in our economic life. We hope to achieve an annual nine per cent increase in our Gross National Product, and we would be delighted to welcome any American firms or private individual participation in our projects, especially in the fields of petrochemicals and agriculture. I remember with pleasure having discussed with you the further development of our agriculture and the great interest you showed in the possibilities in this domain.

This would allow us to develop the agricultural resources of our country more fully, and to provide sufficient fertilizers for the production of more food and thus contribute to forestall and eliminate the danger of hunger and famine, which is one of the key problems threatening the world at large to-day.

We are also waiting for the American team to study the water conservation project, and the desalination plan, in Iran, which constitute an essential part of our development programme.

We very much expect the American Oil Companies to try to export the maximum oil they can from our country, with the full knowledge that the stability of Iran helps the maintenance of stability in the whole area, which, in turn, guarantees their oil exports from the other countries in this region as well. Your personal interest in this respect, Mr. President, would be greatly appreciated by us.

As for our military needs, we see modern, and sometimes very sophisticated weapons, pouring into some of our neighbouring countries, which compels us to take appropriate military



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preparedness measures. We have revised the organization of our armed forces and set ourselves a new five year plan. Since 1964 we have entered into two credit agreements with your country, each for two hundred million dollars, and also obtained credits for approximately three hundred million dollars from other sources. A rough estimate of the requirements over the next five years of military equipment for carrying out the new plan for our armed forces organization, is in the order of 800 million dollars.

Although our Air Force, as planned for the future, is still weak in the number of aircrafts, we hope that by getting the best and most modern equipment, and by having good and efficient pilots and maintenance, it would carry out the very heavy duty imposed upon it.

I wish the day will come when all of us will only have to think of building schools, hospitals, and homes for old people, and other essentials of civilization. We are certainly working towards that end; but before that day comes we have no other choice but to guarantee the security and independence of our sacred land and nation.

Such are the needs of my country. We would like to buy our needs in your country if your Government could offer the necessary credit arrangements.

I would be most grateful, Mr. President, if you would provide all we need, or at least tell us what we can expect, as we must, in the cases mentioned above, put in our orders now.

Considering the encouraging results already obtained in all branches of our economy, I lay great store in this our next five year development plan, which has been carefully drawn up in order to raise further the standard of living of the individual in my country.

I still recall with pleasure the kind words you uttered, in your address of welcome during my recent visit to Washington, concerning the progress that we, in Iran, have achieved in terms of economic prosperity. It is our firm intention to strive further in this respect.



-3-

Hoping, Mr. President, that you will give these matters your considerate attention, I express to you my heartfelt good wishes for your welfare and happiness, and success in your noble task. I seize this opportunity to convey, on behalf of the Empress and myself, our kindest regards to Mrs. Johnson.

Sincerely,

M. R. Vahlen

*The Honourable
Lyndon B. Johnson,
President of the United States of America,
WASHINGTON, D.C.,*

Pres file~~CONFIDENTIAL~~

Tuesday, November 28, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U. S. Goals in Viet-Nam

You asked that Bill Jorden do a report showing that our goals in Viet-Nam and Southeast Asia have been consistent over the years, that there has not been a "switch," as Bobby Kennedy charged on Sunday.

Attached is his report.

It starts with the basic commitment under SEATO in 1955. It makes clear that the Senate understood the connection between our commitment to Southeast Asia and our own national interests.

It uses quotes from President Kennedy showing clearly that he understood how deeply our own security was involved in Viet-Nam and Asia.

It concludes with a long selection of quotations from you over the 1963-1965 period -- all demonstrating that you saw consistently the deeper meaning of our involvement in Asia.

I doubt that any reasonable person could read this collection and still believe there had been any "switch" whatsoever in our policy or our understanding of our commitment. And it is hard to understand how a man could have been as close to all this as Bobby was and reach his stated conclusion.

W. W. Rostow

Att.

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

White House Guidelines, Feb. 24, 1983

NARA, Date 1-16-92

~~CONFIDENTIAL~~

DECLASSIFIED

4/a

~~CONFIDENTIAL~~

Authority State Dec 12/28/77; NSC Dec 4/20/79
By ref id, NARA, Date 1-16-92

SUBJECT: U. S. Goals in Viet-Nam and Southeast Asia

It has been said that this Administration has changed goals in Viet-Nam, that under President Kennedy we were fighting only so the Vietnamese people would have the right to decide their own future but that now we are fighting for selfish national interests.

There are at least three things wrong with this allegation:

-- President Kennedy made it very clear from the outset of his Administration that we were involved in Southeast Asia because of our treaty obligations and our national interests;

-- There was no "switch" in our goals from then until now and they have been stated clearly and often;

-- This highly over-simplified description of a policy ignores the fact that it is possible -- and more often true than not -- that commitments and actions in foreign affairs have more than one single, simple objective.

In this case, our own national interests and the emergence of a South Viet-Nam that is free from aggression and able to shape its own future are consistent and complementary goals.

The basic decision of the United States that Southeast Asia was important to its national security was made in 1955 when our Senate ratified the SEATO Treaty. Article IV of that Treaty states:

"Each Party recognizes that aggression by means of armed attack in the treaty area against any of the Parties or against any State or territory which the Parties by unanimous agreement may hereafter designate, would endanger its own peace and safety and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes."

The meaning of the Treaty and all its implications were fully and freely discussed by the Senate Foreign Relations Committee and by the full Senate. The Committee reported the Treaty favorably by a vote of 14 to 1. The full Senate gave its advice and consent by a vote of 82 to 1.

Senator Walter George, then chairman of the Foreign Relations Committee, said during the Senate debate:

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"...if there were a subversive, revolutionary movement in, let us say Vietnam or Thailand, propagated by communism that would be regarded as a threat to us."

Senator H. Alexander Smith said the Treaty served as a warning to Peking and Moscow that "they are no longer free to isolate and absorb the countries of Southeast Asia, one by one. Laos or Cambodia or South Vietnam or Thailand cease to be individual entries on their timetable of conquest."

Senator Mike Mansfield supported the Treaty because it was "another milestone in the evolution of our policy to try and create a solid collective-security system in the Western Pacific and Southeast Asia areas."

The Kennedy and Johnson Administrations have acted in Southeast Asia in ways totally consistent with the spirit and the letter of that solemn treaty obligation. We have recognized that our own interests and our own security are closely tied to the interests and security of the peoples of Southeast Asia.

In one of his first major foreign policy statements after taking office, President Kennedy (in March 1961) addressed the then urgent problem of increasing communist aggression in Laos. He said:

"SEATO -- the Southeast Asia Treaty Organization -- was organized in 1954 with strong leadership from our last administration, and all members of SEATO have undertaken special treaty responsibilities towards and aggression in Laos..."

"My fellow Americans, Laos is far away from America, but the world is small. Its two million people live in a country 3 times the size of Australia. The security of all Southeast Asia will be endangered if Laos loses its neutral independence. Its own safety runs with the safety of us all -- in real neutrality observed by all..."

"Our response will be made in close cooperation with our allies and the wishes of the Laotian Government. We will not be provoked, trapped or drawn into this or any other situation; but I know that every American will want his country to honor its obligations to the point that freedom and security of the free world and ourselves may be achieved."

President Kennedy was always conscious of the meaning for the United States -- and for the kind of world we all want -- of our commitments and our actions throughout the world -- in Southeast Asia, in Europe and elsewhere.

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In a news conference in early 1962 he said:

"The United States is carrying a heavy load, but not only in the United Nations; it's carrying a heavy load around the world. The United States is making a major effort, for example, in Berlin and Viet-Nam and in Latin America. The burdens that we carry are greater than any other free country. But I must say that if we did not carry them, in my opinion, the cause of freedom would collapse in a whole variety of ways... the alternative will be a steady expansion of communist power in all those areas, which I think would be far more expensive in the long run."

And in one of his last statements on the issue, on September 26 1963 President Kennedy made clear the connection he saw between our actions in Viet-Nam and our own deepest interests. In Great Falls Montana, he said:

"It is the United States, this country your country which in 15 to 18 years has almost singlehandedly protected the freedom of dozens of countries who, in turn, by being free, protect our freedom. So when you ask why we are in Laos, or Viet-Nam, or the Congo, or why we support the Alliance for Progress in Latin America, we do so because we believe that our freedom is tied up with theirs, and if we can develop a world in which all the countries are free, then the threat to the security of the United States is lessened. So we have to stay at it. We must not be fatigued."

The record of those years is clear. The goals that President Kennedy had in mind in our involvement in Viet-Nam and Southeast Asia were also clear. To say now that we were there merely to protect the Vietnamese people and give them the right to decide their own future -- that our involvement had nothing to do with our own obligations, our own interests and our own security -- is simply a distortion of history.

President Johnson has consistently seen the close relationship between the security of Asia and the security of the United States. He and President Kennedy were both Senators when the SEATO Treaty was adopted. Like their fellow-Senators, they knew what the Treaty said, what it meant, and what it might mean in the future.

In his first major report on foreign affairs as Vice President, following a trip to Asia, he told President Kennedy in May 1961:

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"The battle against Communism must be joined in Southeast Asia with strength and determination to achieve success there or the United States, inevitably must surrender the Pacific and take up our defenses on our own shores. Asian Communism is compromised and contained by the maintenance of free nations on the subcontinent. Without this inhibitory influence, the island outposts -- the Philippines, Japan Taiwan -- have no security."

Later in that same report Vice President Johnson said:

"The fundamental decision required of the United States -- and time is of the greatest importance -- is whether we are to attempt to meet the challenge of Communist expansion now in Southeast Asia by a major effort in support of the forces of freedom in the area or throw in the towel."

From the time he became President in November 1963 President Johnson has consistently and often expressed the importance of Viet-Nam and Southeast Asia to the national interests of the United States. He and previous Presidents have also stressed the fact that our actions were taken in response to the wishes of the governments and peoples concerned who sought help in preserving their independence and freedom.

The following collection of statements by the President made since he took office makes this conclusion unmistakably clear:

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ADDRESS BEFORE A JOINT SESSION OF THE CONGRESS

November 27, 1963

"This Nation will keep its commitments from South Viet-Nam to West Berlin. We will be unceasing in the search for peace; resourceful in our pursuit of areas of agreement even with those with whom we differ; and generous and loyal to those who join with us in common cause."

ANNUAL BUDGET MESSAGE TO THE CONGRESS, FISCAL YEAR 1965

January 21, 1964

"The less-developed nations are engaged in a critical struggle for political independence and economic betterment. This struggle takes many forms, from combating armed aggression and subversion in Vietnam to advancing national efforts to reduce poverty and illiteracy in South Asia, Latin America and other areas. Upon the outcome of this struggle will depend the stability and security of much of the world."

REMARKS TO KEY OFFICIALS OF THE INTERNAL REVENUE SERVICE

February 11, 1964

"We are not pulling out of Southeast Asia because we are not willing to yield that part of the world to the envelopment of communism. We are providing assistance to save people who want to save themselves."

**TV AND RADIO INTERVIEW CONDUCTED BY REPRESENTATIVES OF
MAJOR BROADCAST SERVICES**

March 14, 1964

"Q. President Kennedy said, on the subject of Viet-Nam I think, that he did believe in the falling domino theory that if Viet-Nam were lost that other countries in the area would soon be lost.

"The President. I think it would be a very dangerous thing, and I share President Kennedy's view, and I think the whole of Southeast Asia would be involved and that would involve hundreds of millions of people and I think it's -- it cannot be ignored, we must do everything that we can we must be responsible, we must stay there and help them, and that is what we are going to do."

REMARKS ON FOREIGN AFFAIRS AT THE ASSOCIATED PRESS
LUNCHEON IN NEW YORK CITY

April 20, 1964

"But we have also learned in this century, and we have learned it at painful and bloody cost, that our own freedom depends upon the freedom of others, that our own protection requires that we help protect others, that we draw increased strength from the strength of others.

"Thus, to allies we are the most dependable and enduring of friends, for our own safety depends upon the strength of that friendship. To enemies we are the most steadfast and determined of foes for we know that surrender anywhere threatens defeat everywhere. For a generation, without regard to party or region or class our country has been united in a basic foreign policy that grows from this inescapable teaching."

"The Berlin airlift, the Korean war, the defense of Formosa, the Cuba crisis, the struggle in Viet-Nam prove our determination to resist aggression and prove our ability to adapt particular response to particular challenge."

"Armed Communist attack on Viet-Nam is today a reality. The fighting spirit of South Viet-Nam as Secretary Rusk told us from there yesterday is a reality. The request of a friend and an ally for our help in this terrible moment is a reality. The statement of the SEATO allies that Communist defeat is "essential" is a reality. To fail to respond to these realities would reflect on our honor as a nation would undermine worldwide confidence in our courage would convince every nation in South Asia that it must now bow to Communist terms to survive."

PRESIDENT'S NEWS CONFERENCE OF
June 2, 1964

"Like a number of other nations, we are bound by solemn commitments to help defend this area against Communist encroachment. We will keep that commitment. In the case of Viet-Nam, our commitment today is just the same as the commitment made by President Eisenhower to President Diem in 1954 -- a commitment to help these people help themselves.

"We are concerned for a whole great geographic area not simply for specific complex problems in specific countries.

We have one single central purpose in all that we do in Southeast Asia and that is to help build a stable peace. It is others and not we, who have brought terror to small countries and peaceful peasants. It is others not we, who have preached and practiced the use of force to establish dictatorial control over their neighbors.

"It is others, not we, who have refused to honor international agreements that aim at reasonable settlement of deep-seated differences. The United States cannot fail to do its full share to meet the challenge which is posed by those who disturb the peace of Southeast Asia, but the purpose of America will not change. We stand for peace."

PRESIDENT'S NEWS CONFERENCE OF
June 23, 1964

"The policy of the United States toward Southeast Asia remains as it was on June 2nd, when I summarized it in four simple propositions:

1. America keeps her word.
2. The issue is the future of Southeast Asia as a whole.
3. Our purpose is peace.
4. This is not just a jungle war but a struggle for freedom on every front of human activity."

**RADIO & TV REPORT TO THE AMERICAN PEOPLE FOLLOWING
RENEWED AGGRESSION IN THE GULF OF TONKIN**

August 4, 1964

"In the larger sense this new act of aggression aimed directly at our own forces again brings home to all of us in the United States the importance of the struggle for peace and security in southeast Asia. Aggression by terror against the peaceful villagers of South Viet-Nam has now been joined by open aggression on the high seas against the United States of America.

"The determination of all Americans to carry out our full commitment to the people and to ^{the} government of South Viet-Nam will be redoubled by this outrage. Yet our response, for the present will be limited and fitting. We Americans know although others appear to forget, the risks of spreading conflict. We still seek no wider war."

"...I have today met with the leaders of both parties in the Congress of the United States and I have informed them that I shall immediately request the Congress to pass a resolution making it clear that our Government is united in its determination to take all necessary measures in support of freedom and in defense of peace in southeast Asia."

**REMARKS AT SYRACUSE UNIVERSITY ON THE COMMUNIST
CHALLENGE IN SOUTHEAST ASIA**

August 5, 1964

"Aggression -- deliberate, willful and systematic aggression -- has unmasked its face to the entire world. The world remembers -- the world must never forget -- that aggression unchallenged is aggression unleashed.

We of the United States have not forgotten.

That is why we have answered this aggression with action.

America's course is not precipitate.

America's course is not without long provocation.

For 10 years three American Presidents -- President Eisenhower, President Kennedy, and your present President -- and the American people have been actively concerned with threats to the peace and security of the peoples of southeast Asia from the Communist government of North Vietnam.

President Eisenhower sought -- and President Kennedy sought -- the same objectives that I still seek:

That the governments of southeast Asia honor the international agreements which apply in the area;

That these governments leave each other alone;

That they resolve their differences peacefully;

That they devote their talents to bettering the lives of their peoples by working against poverty and disease and ignorance. "

**SPECIAL MESSAGE TO THE CONGRESS ON U. S. POLICY IN
SOUTHEAST ASIA* August 5, 1964**

"These latest actions of the North Vietnamese regime have given a new and grave turn to the already serious situation in Southeast Asia. Our commitments in that area are well known to the Congress. They were first made in 1954 by President Eisenhower. They were further defined in the Southeast Asia Collective Defense Treaty approved by the Senate in February 1955.

"This Treaty with its accompanying protocol obligates the United States and other members to act in accordance with their Constitutional processes to meet Communist aggression against any of the parties or protocol states.

"Our policy in Southeast Asia has been consistent and unchanged since 1954. I summarized it on June 2 in four simple propositions:

"1. America keeps her word. Here as elsewhere, we must and shall honor our commitments.

"2. The issue is the future of Southeast Asia as a whole. A threat to any nation in that region is a threat to all and a threat to us.

"3. Our purpose is peace. We have no military political or territorial ambitions in the area.

"4. This is not just a jungle war, but a struggle for freedom on every front of human activity. Our military and economic assistance to South Vietnam and Laos in particular has the purpose of helping these countries to repel aggression and strengthen their independence.

"The threat to the free nations of Southeast Asia has long been clear. The North Vietnamese regime has constantly sought to take over South Vietnam and Laos. This Communist regime has violated the Geneva

*The Southeast Asia Resolution, approved by the Senate (88-2) and by the House of Representatives (414-0) on August 10, 1964 said in part:

"The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in southeast Asia. Consonant with the Constitution of the United States and the Charter of the United Nations and in accordance with its obligations under the Southeast Asia Collective Defense Treaty the United States is, therefore, prepared, as the President determines to take all necessary steps including the use of armed force, to assist any member or protocol state of the Southeast Asia Collective Defense Treaty requesting assistance in defense of its freedom."

Accords for Vietnam. It has systematically conducted a campaign of subversion which includes the direction, training, and supply of personnel and arms for the conduct of guerrilla warfare in South Vietnamese territory. In Laos, the North Vietnamese regime has maintained military forces, used Laotian territory for infiltration into South Vietnam, and most recently carried out combat operations -- all in direct violation of the Geneva Agreements of 1962."

"As I have repeatedly made clear, the United States intends no rashness, and seeks no wider war. We must make it clear to all that the United States is united in its determination to bring about the end of Communist subversion and aggression in the area. We seek the full and effective restoration of the international agreements signed in Geneva in 1954 with respect to South Vietnam and again in Geneva in 1962 with respect to Laos."

REMARKS IN NEW YORK CITY AT THE ANNUAL DINNER OF THE
ALFRED E. SMITH MEMORIAL FOUNDATION

October 14, 1964

"In Asia there is a different prospect. On that strife-streaked continent an ambitious and aggressive power menaces weak and poor nations.

"Here -- as we have done in Europe -- we must help create the conditions which can make peace possible. The task is different and more difficult. It is not less important.

"We will assist against attack. We will strengthen our commitments of alliance. We will work with the nations of Asia to build the hope and self-confidence on which their independence must rest.

"The final outcome will depend on the will of the Asian people. But as long as they turn to us for help we will be there. We will not permit the great civilizations of the East -- almost half the people of the world -- to be swallowed up in Communist conquest.

"Let no one be foolhardy enough to doubt the strength of that unyielding American commitment.

"In Viet-Nam we believe that, without help the people of South Viet-Nam can defeat Communist aggression. We will continue to act on this belief without recklessness and without retreat."

REMARKS IN MEMORIAL HALL, AKRON UNIVERSITY

October 21, 1964

"I can assure you that your country is the mightiest nation in all the world. But we do not intend to use that might to bury anyone. And we want all to know and read us loud and clear: we do not intend to be buried either.

"In Asia we face an ambitious and aggressive China but we have the will and we have the strength to help our Asian friends resist that ambition."

CHRISTMAS MESSAGE TO THE AMERICANS IN VIET-NAM

December 23, 1964

"You who carry freedom's banner in Viet-Nam are engaged in a war that is undeclared -- yet tragically real. It is a war of terror where the aggressor moves in thesecret shadows of the nights. Murder and kidnaping and deception are his tools. Subversion and conquest are his goals. It is a war waged with political, social, economic and psychological weapons as well as guns and bombs. Thus every American in Viet-Nam, whether soldier, embassy secretary, or AID official, whether in the jungle, in the mountains, or in the cities, is on the front-lines of this struggle.

"Those of you who are helping the Vietnamese people to defend themselves against this insidious warfare may serve in places with names that ring strange to American ears: Long Khot, Kien Tuong, Binh Gia. But your sacrifices are known and honored in American towns and cities more familiar to you, for you are meeting your country's commitment to a world of justice."

ANNUAL MESSAGE TO CONGRESS ON THE STATE OF THE UNION
January 4, 1965

"In Asia, communism wears a more aggressive face. We see that in Vietnam. Why are we there?

"We are there, first, because a friendly nation has asked us for help against Communist aggression. Ten years ago our President pledged our help. Three Presidents have supported that pledge. We will not break it now.

"Second our own security is tied to the peace in Asia. Twice in one generation we have had to fight against aggression in the Far East. To ignore aggression now would only increase the danger of a much larger war."

SPECIAL MESSAGE TO THE CONGRESS ON THE STATE OF THE NATION'S DEFENSES
January 18, 1965

"Four years ago, President John F. Kennedy stated to the Congress and the world 'The primary purpose of our arms is peace, not war.' That is still their purpose. We are armed, not for conquest but to insure our own security and to encourage the settlement of international differences by peaceful processes."

NEWS CONFERENCE
April 1, 1965

"We have a commitment to the people of South Vietnam. That commitment is not only the result of the commitment President Eisenhower made... but that the Congress of the United States -- the Senate -- made in its vote of 82-1 in approving the SEATO Treaty which provided that in effect when any nation was attacked and asked for our help, any signatories of that treaty would receive that help. So we have that commitment; if we ignore that treaty, we might as well tear up all the treaties we are party to."

ADDRESS AT JOHNS HOPKINS UNIVERSITY

April 7, 1965

"The world as it is in Asia is not a serene or peaceful place."

"The first reality is that North Viet-Nam has attacked the independent nations of South Viet-Nam. Its object is total conquest."

"Of course some of the people of South Viet-Nam are participating in attack on their own government. But trained men and supplies orders and arms flow in a constant stream from north to south."

"This support is the heartbeat of the war..."

"Over this war -- and all Asia -- is another reality: the deepening shadow of Communist China. The rulers in Hanoi are urged on by Peking. This is a regime which has destroyed freedom in Tibet, which has attacked India and has been condemned by the United Nations for aggression in Korea. It is a nation which is helping the forces of violence in almost every continent. The contest in Viet-Nam is part of a wider pattern of aggressive purposes."

"Why are these realities our concern? Why are we in South Viet-Nam?"

"We are there because we have a promise to keep. Since 1954 every American President has offered support to the people of South Vietnam. We have helped to build and we have helped to defend. Thus, over many years, we have made a national pledge to help South Viet-Nam defend its independence."

"And I intend to keep that promise."

"To dishonor that pledge, to abandon this small and brave nation to its enemies, and to the terror that must follow, would be an unforgivable wrong."

"We are also there to strengthen world order. Around the globe from Berlin to Thailand, are people whose well-being rests, in part on the belief that they can count on us if they are attacked. To leave Vietnam to its fate would shake the confidence of all these people in the value of an American commitment and in the value of America's word. The result would be increased unrest and instability and even wider war..."

"There are those who wonder why we have a responsibility there. Well we have it there for the same reason that we have a responsibility for the defense of Europe. World War II was fought in both Europe and Asia, and when it ended we found ourselves with continued responsibility for the defense of freedom."

NEWS CONFERENCE

April 27, 1965

"Defeat in South Vietnam would deliver a friendly nation to terror and repression. It would encourage and spur on those who seek to conquer all free nations that are within their reach.

"Our own welfare, our own freedom, would be in great danger. This is the clearest lesson of our time. From Munich until today we have learned that to yield to aggression brings only greater threats and brings even more destructive war...

"Wherever we have stood firm, aggression has been halted, peace has been restored, and liberty has been maintained. This was true under President Truman, under President Eisenhower, under President Kennedy, and it will be true again in Southeast Asia."

NEWS CONFERENCE

April 27, 1965

"Our enemies would have you believe that we are following policies that are ill-advised, but we are following the same policies in Asia that we followed in Europe, that we followed in Turkey and Greece and Iran. We are resisting aggression, and as long as the aggressors attack we will stay there and resist them -- whether we make friends or lose friends."

**SPECIAL MESSAGE TO THE CONGRESS REQUESTING ADDITIONAL
APPROPRIATIONS FOR MILITARY NEEDS IN VIET-NAM**

May 4, 1965

"Now, in Viet-Nam, we pursue the same principle which has infused American action in the Far East for a quarter of a century.

"There are those who ask why this responsibility should be ours. The answer is simple. There is no one else who can do the job. Our power is essential, in the final test if the nations of Asia are to be secure from expanding communism. Thus when India was attacked, it looked to us for help, and we gave it gladly. We believe that Asia should be directed by Asians. But that means each Asian people must have the right to find its own way, not that one group or nation should overrun all the others.

"Make no mistake about it. The aim in Viet-Nam is not simply the conquest of the South, tragic as that would be. It is to show that American commitment is worthless. Once that is done, the gates are down and the road is open to expansion and endless conquest. That is why Communist China opposes discussions, even though such discussions are clearly in the interest of North Viet-Nam.

"Moreover we are directly committed to the defense of South Viet-Nam. In 1954 we signed the Southeast Asia Collective Defense Treaty. That treaty committed us to act to meet aggression against South Viet-Nam. The United States Senate ratified that treaty and that obligation by a vote of 82-1.

"Less than a year ago the Congress by an almost unanimous vote said that the United States was ready to take all necessary steps to meet its obligations under that Treaty.

"That resolution of the Congress expressed support for the policies of the Administration to help the people of South Viet-Nam against attack -- a policy established by two previous Presidents.

"Thus we cannot, and will not, withdraw or be defeated. The stakes are too high, the commitment too deep, the lessons of history too plain.

"At every turning point in the last thirty years, there have been those who opposed a firm stand against aggression. They have always been wrong. And when we heeded their cries, when we gave in, the consequence has been more bloodshed and wider war.

"We will not repeat that mistake. Nor will we heed those who urge us to use our great power in a reckless or casual manner. We have no desire to expand the conflict. We will do what must be done. And we will do only what must be done."

NEWS CONFERENCE
July 28 1965

"But we must not let this mask the central fact that this is really war. It is guided by North Vietnam and it is spurred by Communist China. Its goal is to conquer the South, to defeat American power and to extend the Asiatic dominion of communism."

"There are great stakes in the balance."

"Most of the non-Communist nations of Asia cannot, by themselves and alone, resist the growing might and the grasping ambition of Asian communism. Our power, therefore, is a very vital shield. If we are driven from the field in Vietnam, then no nation can ever again have the same confidence in American promise or in American protection."

"In each land the forces of independence would be considerably weakened and an Asia so threatened by Communist domination would certainly imperil the security of the United States itself."

REMARKS TO THE DELEGATES TO THE AFL-CIO CONVENTION
December 9, 1965

"I know it is said by a few: 'But Vietnam is different. Our stake is different. Our stake there hardly justifies one boy's life.' Well, Vietnam is different. The aggressor has chosen a different terrain, a different people, and a different kind of war to satisfy his appetite. But his goal is the same -- someone else's freedom."

"To defend that freedom -- to permit its roots to deepen and grow without fear of external suppression -- is our purpose in South Vietnam. Unchecked aggression against free and helpless people would be a very grave threat to our own freedom here in America and would be an offense to our own conscience."

REMARKS TO THE MEMBERS OF THE BUSINESS COUNCIL

December 2, 1965

"No one of us -- businessman, laboringman, Government employee -- can ever forget that what American fighting men are doing in Vietnam may very well determine the shape and form of your future -- and of our Nation's future.

"Here at home we have built strength and prosperity. In Vietnam the American soldier is exerting that strength, and using that prosperity, to construct a durable road to peace in the world."

Tuesday -
November 28, 1967

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Appointment with the Son of the President of
El Salvador - November 29 at 5:30 p.m.

You have agreed to receive the 16-year old son of President Sanchez -- Manuel "Pancho" Sanchez -- who is visiting the United States under the "Operation Amigo" exchange program.

This is a short courtesy call. He will be accompanied by Ambassador Clairmont-Duenas and "Operation Amigo" Director Stuart Morrison.

You met his father at Punta del Este. Even though he was President-elect at the time, he was his country's principal representative. You did not have a separate talk with him, but gave a joint dinner for all the Central American Presidents. He sat to your left at the round conference table during the Summit sessions.

"Pancho" Sanchez has studied in the United States. He speaks English well. Like his father, he wants to follow a military career. I understand he is an avid stamp collector. You might want to give him the attached plate of 1967 Christmas stamps. I suggest as an inscription: To my friend "Pancho" Sanchez.

W. W. Rostow

Attachment

Tuesday,
November 28, 1967

Pres file

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-71
By mg NARA Date 3-18-92

SUBJECT: Status of Additional Korean Forces for Viet-Nam

This subject is on the agenda for lunch today.

The situation as we know it is:

President Pak some time ago asked his Defense Ministry to report on what additional forces could be supplied, how soon, what problems it would raise, what they needed from us, etc.

We have indications -- but do not know -- that Pak has received the report and is studying it.

Meantime we have held off putting pressure on because of his confused internal political problem (opposition boycott of the National Assembly, etc.).

The political situation now seems to be moving toward normalcy. Ambassador Porter thinks this should soon be no longer over-riding. But he thinks the situation regarding additional ROK forces has changed. He notes:

-- statements regarding a phase-down in two years which may lead Koreans to question the need for additional forces now;

-- increased North Korean sabotage and infiltration into the South and rising incidents along the DMZ;

-- ROK cannot act until early next year because of the need for Assembly action; also, lead time means no troops could be deployed until well into the year;

-- ROK's heavy contribution to date has given most Koreans the feeling that they now have a "special relationship" which will solve all their problems;

-- Pak will have domestic problems with any increase.

~~SECRET~~

~~SECRET~~

Regarding the size of any additional ROK force, Porter says the Koreans are thinking more in terms of another brigade (and support elements) rather than a division. The brigade would be added to the Marines to make a full division (total of three).

The Embassy in Seoul thinks Pak will also "raise the ante" considerably; his requirements will be "expensive, varied and complicated."

On public impact, Porter thinks the effect of large-scale ROK participation has already been made; further additions may be "an exercise with rapidly diminishing returns."

On balance, Porter thinks additional troops can be obtained. He is ready to open talks as soon as a number of the opposition legislators go back to the Assembly.

State and Defense are working on an instruction cable to Embassy Seoul. It will urge them to find out what Korean thinking is. what the prospects for more forces are. and what the cost will be.

You may wish to get the views of Secretary Rusk and McNamara on:

- how they see prospects for additional ROK forces;
- how much it is going to cost;
- is the additional cost worth the psychological and military advantage?

W. W. Rostow

~~SECRET~~

~~Mr. Rostow~~

44

~~Handwritten signature~~
2. Pres. file

MEMORANDUM FOR THE PRESIDENT

November 28, 1967

SUBJECT: Statement on Iran's "Graduation" from AID Role

On November 30, AID will formally close its doors in Tehran. Iran's development is going well enough that we are shifting it from AID soft lending to more conventional sources of help like Ex-Im Bank loans.

Since this is a hard-earned success in a difficult aid year, we are trying to squeeze maximum publicity from the occasion.

AID has been backgrounding for weeks, and Secretary Rusk will host a large luncheon tomorrow to mark the occasion.

If you approve, Bill Gaud would read the attached statement from you before he introduces the Secretary to speak. We considered suggesting that you use this platform for another statement on the danger of low aid levels. But because of the delicate state of the aid appropriation bill in the Senate, we decided to suggest keeping this statement largely a US-Iranian one, leaving others to draw appropriate lessons from this success story. However, we can still insert that idea if you want or if some development in the Senate warrants.

George Christian would, of course, release the statement here.

W. W. Rostow

Approve statement as is ✓ 11/29/67

Insert some language on dangers of low aid levels _____

See me _____

cc: George Christian

Suggested Draft

November 27, 1967

MESSAGE FROM THE PRESIDENT ON NOVEMBER 29
MARKING THE CLOSING OF THE AID MISSION AT TEHRAN

Today American and Iranian hands join in mutual congratulations.
We mark a great success.

It may seem strange that we celebrate when an enterprise goes out of business. It may seem odd that we are pleased that the American AID mission that has long channeled much of America's economic assistance to Iran will close its doors tomorrow.

But we are celebrating an achievement--not an ending. This is a milestone in Iran's continuing progress and in our increasingly close relations.

What we mark today is Iran's success. What we celebrate is Iran's economic and social progress. What we honor are the effective work of the men and women of Iran and the enlightened and progressive leadership of His Majesty the Shah.

I have recently had the pleasure of hearing from the Shah himself of Iran's land reform and its drive against illiteracy; its far-reaching development program and emphasis on private investment; and its many other vital reforms.

That story is impressive.

What is even more impressive is Iran's impatience with ways no longer useful--and yet its respect for traditions of the past and its willingness to face hard decisions and to do those difficult things necessary for a better future.

We are glad that we have been able, in an important way, to assist in Iran's rapid strides forward. Our commitment to Iran's progress has been enthusiastically given and of long standing.

Since the dark years following World War II we have moved from emergency economic support to exciting development efforts which have now paid visible dividends. Careful joint planning has had much to do with the success we mark today.

We can not depart one era without looking toward another that lies ahead. The similarity of needs and mutuality of purpose that Iran and the United States have long shared do not stop simply because Iran's well-being enables it to shoulder greater burdens.

Now is the time when even stronger ties become possible.

We will turn our hands now to new fields of cooperation. Exchanges in science and technology, expanded business relationships, continued cooperation in development and a common determination to work for peace and security--these are but a few of the ways in which Americans and Iranians will phrase their new plans for cooperation.

With one milestone behind us, we begin planting for a new harvest of friendship, trust and shared hopes.

~~to be signed~~
2. Pres. file

LIMITED OFFICIAL USE

Tuesday, November 28, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Statement Commending NEED, Inc.

Nick Katzenbach recommends that you authorize the attached as a statement for George Christian to make commending the good work that NEED (Near East Emergency Donations) has done on behalf of the Arab refugees. You'll recall that this is a private group organized last summer and chaired by James Linen, President of Time, Inc. with President Eisenhower as honorary chairman. The Executive Committee includes Gene Black and David Rockefeller, among many others.

They've done a truly impressive job. So far they have collected about \$8.5 million. They are shooting for \$10 million and will go out of business when they've hit that target. Although the group was created initially to provide emergency assistance, it has tried to use as much of its money as possible to set up permanent educational and rehabilitation projects. An example of the group's favorable impact was a very warm statement by King Hussein when the group turned over its first \$1 million check.

The purpose of a statement from here would be to call attention in the Arab world to the exceptional work that this group of private Americans has done for the Arabs. We hope this might help undercut the popular impression in Arab countries that we've cast our lot entirely with the Israelis. The hard bargaining over the UN resolution further entrenched that impression, and this might throw a little counter on the Arab side of the scale.

W. W. Rostow

Approve ✓

Disapprove _____

cc: George Christian

LIMITED OFFICIAL USE

SUGGESTED STATEMENT

Late last summer, following the tragic six day war in the Middle East, a group of distinguished Americans, acting on their own impulse, formed an organization to aid its victims.

Their objective was as simple as it was selfless--to help the men, women and children blamelessly uprooted by violence. Their compassion and concern were a brilliant example of the American humanitarian tradition.

The organization they founded--called NEED--has collected over 8 million dollars. Much of that has already been used to provide emergency supplies--food, clothing, and temporary shelter--to Arab refugees. More is going to help establish schools and other institutions of rehabilitation.

The President wants to compliment the magnificent efforts of NEED's founders as well as of the many hundreds of private organizations and individual citizens who have shared in this outpouring of human concern.

The work NEED is doing not only supplements the substantial official aid the American people are giving to Arab refugees through United States contributions to UNRWA. It also illustrates to what a high degree American aid is a genuine expression of the goodwill of Americans toward the Arab people.

4333
456

THE UNDER SECRETARY OF STATE
WASHINGTON

November 15, 1967

LIMITED OFFICIAL USE

MEMORANDUM FOR THE PRESIDENT

Subject: Statement Commending NEED, Inc.

RECOMMENDATION:

That you authorize issuance of the attached Presidential statement (Tab A) commending the activities of NEED, Inc., on behalf of Arab refugees.

Approve _____ Disapprove _____

DISCUSSION:

Late last summer a distinguished group chaired by James Linen, President of Time, Inc., formed an organization called NEED (Near East Emergency Donations). President Eisenhower is Honorary Chairman; the executive committee includes Eugene Black and David Rockefeller. (A list of all NEED members is at Tab B.) As the name suggests, NEED was created to provide emergency assistance to Arab refugees--particularly those dislocated by the June war.

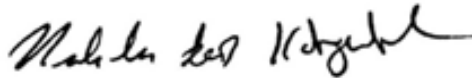
The national fund campaign, drawing heavily on contributions from corporations and foundations, but also relying on private subscriptions, has collected about \$7.5 million. Some \$2.5 million has already been handed over to UNRWA. Subsequent NEED contributions will help set up educational and other permanent rehabilitation projects. The organization, which plans to go out of business in a few months, has a total target of \$10 million.

LIMITED OFFICIAL USE

-2-

Linen tells us that a Presidential statement commending NEED's work would give a great boost to the organization's final fund raising drive.

NEED has already made a substantial impact in Jordan and other Arab countries (King Hussein participated in the ceremonies marking the first transfer of money). Your endorsement would be appreciated in the Arab world, and would underline the fact that private sources--as well as the U.S. Government--are providing assistance to Palestinian refugees.



Nicholas deB. Katzenbach

Attachments:

- TAB A - Suggested Statement
- TAB B - List of NEED Members

TAB A

SUGGESTED STATEMENT

Late last summer, following the tragic six day war in the Middle East, a group of distinguished Americans, acting on their own impulse, formed an organization to aid its victims.

Their objective was as simple as it was selfless--to help the men, women and children blamelessly uprooted by violence. Their compassion and concern were a brilliant example of the American humanitarian tradition.

The organization they founded--called NEED--has collected over 7 million dollars. Much of it has already been used to provide emergency supplies--food, clothing, and temporary shelter--to Arab refugees. Additional contributions will help to establish schools and other permanent institutions of rehabilitation.

I want today to compliment the magnificent efforts of NEED's founders. I want, as well, to thank the many hundreds of private organizations and individual citizens who have given such generous support.

The work NEED is doing not only supplements the substantial official aid the American people are giving to Arab refugees through United States contributions to UNRWA. It

also illustrates to what a high degree American aid is a genuine expression of the goodwill of Americans toward the Arab people.

September 11, 1967

452

NEED INC. (NEAR EAST EMERGENCY DONATIONS)OFFICERS AND DIRECTORSHonorary Chairman: Dwight D. EisenhowerPresident and Chairman of the Board: James A. Linen
President
Time Inc.Vice-Chairman of the Board: Franklin O. Canfield
Representative for North America
Banque de Paris et des Pays-BasChairman of Executive Committee: Frank Pace, Jr.
President
International Executive Service CorpsExecutive Committee: The Honorable Eugene R. BlackEdgar M. Bronfman
President
Joseph E. Seagram & Sons, Inc.James A. Perkins
President
Cornell UniversityDavid Rockefeller
President
The Chase Manhattan BankArthur K. Watson
Vice-Chairman
International Business Machines CorporationExecutive Vice President: Clayton Henry Brace
General Manager, KOGO, KOGO-TV
Time Inc.

Board of Directors: Eugene N. Beesley
President
Eli Lilly and Company

Robert S. Benjamin
Chairman of the Board
United Artists Corporation

Edward L. Bond, Jr.
President
Young & Rubicam, Inc.

Harllee Branch, Jr.
President
The Southern Company

Ernest D. Brockett
Chairman of the Board
Gulf Oil Corporation

Donald C. Burnham
President & Chief Executive Officer
Westinghouse Electric Corporation

Otis Chandler
Publisher
Los Angeles Times

Walker L. Cisler
Chairman of the Board
The Detroit Edison Company

General Lucius D. Clay
Partner
Lehman Brothers

Gardner Cowles
Chairman
Cowles Communications, Inc.

Joseph F. Cullman, 3rd
Chairman and Chief Executive Officer
Philip Morris, Inc.

Board of
Directors:
(cont.)

Arthur H. Dean
Partner
Sullivan & Cromwell

Bayard Dodge
President Emeritus
American University in Beirut

Harold S. Geneen
Chairman and President
International Telephone and Telegraph Corporation

Katharine Graham
President
The Washington Post Company

John D. Harper
President and Chief Executive Officer
Aluminum Company of America

William A. Hewitt
Chairman of the Board
Deere & Company

Gilbert W. Humphrey
Chairman of the Board
The Hanna Mining Company

John Kenneth Jamieson
President
Standard Oil Company - New Jersey

The Honorable Erik Jonsson
Mayor of Dallas

The Honorable Philip M. Klutznick
President
Klutznick Enterprises, Inc.

John L. Loeb
Senior Partner
Loeb, Rhoades & Company

John A. McCone
Chairman
Joshua Hendy Corporation

Board of
Directors:
(cont.)

Neil H. McElroy
Chairman
The Procter & Gamble Company

John J. McCloy
Partner
Milbank, Tweed, Hadley & McCloy

André Meyer
Senior Partner
Lazard Frères & Company

J. Irwin Miller
Chairman
Cummins Engine Company, Inc.

Franklin D. Murphy
Chancellor
University of California at Los Angeles

James F. Oates, Jr.
Chairman of the Board
Equitable Life Assurance Society of the U. S.

Richard S. Perkins
Chairman, Executive Committee
First National Bank

Rudolph A. Peterson
President
Bank of America

Nathan Pusey
President
Harvard University

The Honorable William W. Scranton

Robert G. Stone, Jr.
President
States Marine Lines

Julius A. Stratton
Chairman of the Board
The Ford Foundation

Board of
Directors:
(cont.)

Admiral Lewis L. Strauss

Charles C. Tillinghast, Jr.
President
Trans World Airlines, Inc.

Juan T. Trippe
Chairman of the Board
Pan American World Airways, Inc.

DeWitt Wallace
Co-Chairman
Reader's Digest

Lila Acheson Wallace
Co-Chairman
Reader's Digest

Rawleigh Warner, Jr.
President
Mobil Oil Corporation

John Hay Whitney
Chairman
Whitcom Inc.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ju, NARA, Date 5-14-98

Confidential

Tuesday -
November 28, 1967

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Repatriation of Americans from Cuba

Foreign Secretary Carrillo Flores told Ambassador Freeman yesterday that the Cubans had formally agreed to renew repatriation flights of Americans to Mexico.

No specific date has been set, but Carrillo Flores thought December 5 likely.

Carrillo Flores asked that nothing be said to the press until a US-Mexican joint announcement is worked out after the date has been firmed up.

There are still some 1,000 American citizens in Cuba. With their dependents the total is between 3-4,000.

W. W. Rostow

INFORMATION

47

~~CONFIDENTIAL~~

Monday, November 27, 1967
7:15 p. m.

has file

Mr. President:

Herewith Fey Kohler's report
and reflections on the NEWSWEEK
story.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rla

DECLASSIFIED

E.O. 12958, Sec. 3.4(b)

White House Guidelines, Feb. 24, 1983

By eg, NARA, Date 12-17-91

4420
47a

DEPUTY UNDER SECRETARY OF STATE
WASHINGTON

November 27, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR MR. WALT W. ROSTOW

THROUGH: S/S - Mr. Benjamin H. Read

Subject: Newsweek Item on Kosygin Letter

Following our telephone conversation this morning, we have made a thorough check of press contacts and find that no responsible officer within the Department or in the USUN has talked to a representative of Newsweek in the last two weeks nor has anyone talked about this subject to other press representatives. However, USUN called attention to the fact that in seeking a postponement of the Security Council meeting last week, the Soviet delegation had then implied that this was related to correspondence being exchanged between the President and Chairman Kosygin.

It accordingly seems a good bet that Newsweek has picked up this Soviet story and done some embroidering of its own. I note in this connection that Dick Phillips talked to the Newsweek correspondent who covers the Department this morning; the latter was apparently entirely unaware that the item was in the magazine this week.

I do not rule out that isolated Soviet diplomats have made remarks about the state of Soviet-American relations and "in favor of a Johnson-Brezhnev summit" in casual conversations. However, I would be certain that no responsible diplomat would have made a statement implying that a meeting between the President and Brezhnev might take place in the foreseeable future, since this clearly is not in the cards as long as Viet-Nam continues.

I personally consider it probable that Brezhnev would like to meet the President sometime under appropriate circumstances. These circumstances would be, in the first instance, either

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E.O. 12958, Sec. 3.6
NLJ/RAC 10-67
By id, NARA, Date 7-22-10

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

the end of the conflict in Viet-Nam or a clear signal from Hanoi that they had had enough and they were ready to find a way out. Secondly, they would have to include an appropriate conjuncture in the Sino-Soviet conflict, such as the favorable development of Moscow's plans for an international Communist conference.

This memorandum has been shown to the Secretary and Under Secretary who have no differing or additional observations.


Foy D. Kohler

~~CONFIDENTIAL~~

ACTION

48

Monday, November 27, 1967
6:10 p. m.

Mr. President:

Herewith my drafts for NEWSWEEK
and the Washington Post.

You may want to have John Roche
do a better punch line. I'm not quite
satisfied with this.

W. W. Rostow

WWRostow:rla

Profile

Nov. 27, 1967

48a

DRAFT

The Editor
NEWSWEEK, Inc.
350 Dennison Avenue
Dayton, Ohio 45401

Dear Sir:

Your edition of December 4 carries a story which is flatly incorrect in its major points.

1. President Johnson is not seeking a meeting with Mr. Brezhnev.
2. The President has received no communication from Premier Kosygin that would encourage such a meeting.
3. The President has not received a letter from Premier Kosygin which expresses alarm over the state of Soviet-American relations and indicates a desire to improve them.

The circulation of false information, aside from complicating diplomatic relations and the public understanding of them, raises a double problem of credibility: the credibility of the press; and the credibility of our government when it is forced to deny rumors of this kind.

D R A F T

November 27, 1967

The Editor
The Washington Post
1515 L Street, N. W.
Washington, D. C.

Dear Sir:

Your edition of November 27 carries a story on a NEWSWEEK magazine report which is seriously misleading.

1. President Johnson is not seeking a meeting with Mr. Brezhnev.
2. The President has received no communication from Premier Kosygin that would encourage such a meeting.
3. The President has not received a letter from Premier Kosygin which expresses alarm over the state of Soviet-American relations and indicates a desire to improve them.

The circulation of false information, aside from complicating diplomatic relations and the public understanding of them, raises a double problem of credibility: the credibility of the press; and the credibility of our government when it is forced to deny rumors of this kind.

Monday, November 27, 1967
6:00 p. m.

MR. PRESIDENT:

SUBJECT: News Media Contacts, Week of November 20

Tuesday, November 21

Pres file

Telephone calls from:

Robert Spivack (Petomac News Associates): generally discussing the rather good week we just had on Viet Nam;

Tom Lambert: to ask if I had liked the Los Angeles Times editorial in support of a tax increase, which I had suggested through him. I said I did like it;

Marilyn Berger (NEWSDAY): asking about stories of Communist organization of peace demonstrators. Because of other arrangements I was making with Lambert, I made no comment to her.

Wednesday, November 22

At your suggestion, I called Phil Geyelin to underline the importance of the achievement in New York of a UN resolution on the Middle East, underlining the critical role of the President's talk with Hussein and, in general, of a U.S. diplomacy that had managed to combine firmness and flexibility: firmness in terms of the President's June 19 speech; tactical flexibility in New York to prevent an inappropriate resolution from generating nine votes.

Andrew Glass (Washington Post) called on Representative Ford's statement about the organization of peace demonstrations by Communists, and the alleged statement by the President in the Cabinet Room. I told him I had no comment.

Murrey Marder (Washington Post) called on a story emanating from New York that U Thant had asked us to see what he could do to get the NLF to come to a UN session on Viet Nam, and that we had turned down U Thant's request. I told him the story was incorrect.

Dan Cordts of FORTUNE called to inform me that they were going to do a story on the President's management of the government. I said I would cooperate.

11/27/67

Stuart Leary and Bob Jackson of the Los Angeles Times called about Gerry Ford's statement on peace organizations. I told them "no comment."

I called Adolf Berle and told him of your reaction to his article. He seemed pleased.

Of my regular weekly list, I saw the following for considerable periods in my office:

Jack Sutherland (US News & World Report)
John Steele (TIME)
John Hightower (AP)
Henry Brandon (The Sunday Times of London)
John Scali and Richard Armstrong (ABC)

Most of the discussion was focussed on the big Viet Nam week; but Henry Brandon wanted to talk about the devaluation of the pound. He pressed me for exact times of communication between Prime Minister Wilson and yourself; when Ambassador Dean came in with the news, etc. I told him that I did not think it appropriate for us to give such information. He took it tolerably well.

John Scali and Richard Armstrong of ABC came in to discuss the preparations for filming and taping a show which was recorded on Friday, Nov. 24, and which will be presented on Dec. 2. The form of the show is a presentation of the major statistical charts we have on Viet Nam, with a running commentary.

Friday, November 24

Jack Sutherland called about the possibility of war between Greece and Turkey. I told him that Cyrus Vance was hard at work, as well as the representatives of the UN and NATO. I could not promise him what the situation would be on Monday when the U. S. News & World Report hit the street. He also asked about Representative Ford's statement on the organization of the demonstrations. I told him I had no comment.

Warren Unna (Washington Post) and Eric Sevareid (CBS) phoned to ask whether Cyrus Vance had yet achieved peace. I said he was working on it.

Richard Wilson (Des Moines Register & Tribune, Minneapolis Star & Tribune) came in for a long talk mainly on Viet Nam. He was inclined to think that we made some progress with U. S. public opinion in the past week or so, but must not stimulate excessive hopes. His main subject -- rather to my surprise -- turned out to be whether or not we are prepared should negotiations come. I explained I thought we could handle any likely negotiating opening. We then considered the future of South Vietnamese constitutional politics and the need for the South Vietnamese non-Communists to learn to work together.

11/27/67

Finally, Tom Lambert (Los Angeles Times) came in and we carried out an arrangement cleared by you and George Christian.

W. W. Rostow

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~~CONFIDENTIAL~~

Monday, November 27, 1967, 6:00 P.M.

For file

MEMORANDUM FOR THE PRESIDENT

We have made every effort to keep tomorrow's meeting on the Cabriole nuclear test as small as possible so that the participants would feel free to talk out before you their honest differences of view as to whether or not the test should be held.

The following people have been invited:

Secretary Rusk, Under Secretary Katzenbach	
Secretary McNamara	
CIA Director Helms	Adrian Fisher of ACDA
General Wheeler	(Bill Foster is in Geneva)
Budget Director Schultz	
Dr. Hornig	
AEC Chairman Seaborg	
Robert Anderson	

With the exception of the State Department, we have invited only the heads of Departments or Agencies.

Chairman Seaborg would like to have Commissioner Gerald Tape accompany him.

W. W. Rostow

_____ OK to invite Tape
_____ Prefer Seaborg only

BKS:Amc

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 21, 1993
By *kg*, NARA, Date *1-14-92*

~~CONFIDENTIAL~~

Monday, November 27, 1967, 6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

We have made every effort to keep tomorrow's meeting on the Cabriole nuclear test as small as possible so that the participants would feel free to talk out before you their honest differences of view as to whether or not the test should be held.

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Robert Anderson	

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W. W. Rostow

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_____ Prefer Seaborg only

BKS:Amc

~~CONFIDENTIAL~~

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E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1973
By 4, NARA, Date 1-14-92

52

~~SECRET~~

Pres file

Monday, November 27, 1967
4:55 p.m.

Mr. President:

It is possible that, if Cy Vance gets an agreement in Ankara, he will have to move in very quickly on Makarios.

He will need all the ammunition he can get to deal with the old boy.

Nick Katzenbach thinks that he should have, on a contingency basis, a letter from you to Makarios in case he has to move fast.

Therefore, Nick recommends that you approve the dispatch of the attached cable.

W. W. Rostow

Approved _____

Disapproved _____

See me _____

WWRostow:rlm

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By fw, NARA, Date 5-14-98

52a

~~SECRET~~

**ACTION: Amembassy ANKARA
ATHENS
NICOSIA
USUN, NEW YORK**

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 10-68
By id, NARA, Date 5-27-10

1. In event Greece and Turkey agree on formula to end present crisis, seems likely agreement of Makarios will be essential and extremely difficult to obtain. Presidential message, for use in your discretion with Makarios, might be useful additional ammunition. Textual changes would be made to make message conform with principles Government of Turkey-Government of Greece agreement as finally worked out. Your comments, and those of USUN, Ankara, Athens, and Nicosia, on following draft text urgently desired.

2. "Your Beatitude: The Governments of Greece and Turkey, working through my special emissary Mr. Cyrus Vance, have after difficult negotiations arrived at a formula designed to avert the grave threat of war which hangs over your area. If despite these efforts hostilities should break out the consequences for your country would be of the gravest and in my judgment almost certainly would result in major bloodshed. In order to avoid this I believe it essential that the formula which Mr. Vance has described to you be put into effect immediately.

3. "I am convinced that the formula contains strong advantages for Cyprus. The interest and assistance of the Secretary General of the United Nations, the reaffirmation by the Governments of Turkey and Greece of the

~~SECRET~~

~~SECRET~~

-2-

independence and territorial integrity of Cyprus, the withdrawal of Greek and Turkish forces in excess of those present in 1963, the agreement of the Turkish Government to take all measures necessary for removing the crisis, and the possibility of an enhanced role for UNFICYP are all steps which should strengthen the independence and security of your country. Once the current crisis is over we can turn our minds to further measures designed to produce conditions of stability in Cyprus wherein the presence of foreign troops on Cypriot soil would in time be totally unnecessary.

4. "The essential thing at the moment however is to remove the crisis which threatens the whole area. This in my view can only be done through the prompt implementation of the formula which Mr. Vance has brought you. The interests of peace and the welfare of all citizens of Cyprus, regardless of their ethnic origin, urgently require affirmative action at this point by the Government of Cyprus. Without this there may be a terrible tragedy in which the principal sufferers will be your country and your people.

5. "At this critical moment you are called upon by history to exercise the highest degree of wisdom, courage and statesmanship. I urge you to join with the Governments of Greece and Turkey so that the grave danger now facing all of you will pass. When this has happened, the world can proceed to the solution of problems too long unresolved, with the support of men of good will and a renewed sense of urgency.

Lyndon B. Johnson"

~~SECRET~~

Monday, November 27, 1967
4:05 p. m.

MR. PRESIDENT:

SUBJECT: Back to Wage-Price Guidelines

Pres. file

Herewith a comment on domestic economic policy which, I don't have to emphasize, is out of my professional field these days.

In a situation such as we confront:

- our last line of defense is a recession;
- next, very high interest rates which are, in fact, likely to lead to recession;
- next, a tax increase and expenditure cut (or very deep and painful expenditure cut);
- but our first line of defense is wage-price guidelines.

In my judgment, part of our present problem is that we let wage-price guidelines get out of hand when the going got tough as unemployment diminished.

I am told we are now running at 6 or 7% wage increases with only 3% productivity increases.

When we get back on an even keel, I think we should try again to get wage-price guidelines accepted in our society.

One reason is this: they force everyone to face together the proposition that there is no more to pass out to our people than we produce ourselves. Without that understanding, the forces are very strong that each group will press its own advantage, negotiate the nation into inflation, and pierce each of the other lines of defense.

W. W. R.

Copied to J. Califano

Monday, Nov. 27, 1967
4:00 p. m.

Mr. President:

Herewith Bill Jordan makes a good case for
your writing the attached draft letter to
Dr. Plekker, father of Project "Thank You" --
a heartwarming effort.

Handwritten:
~~1. [unclear]~~
2. Plekker file

W. W. R.

Attachments

THE WHITE HOUSE

WASHINGTON

November 27, 1967

MEMORANDUM FOR WALT ROSTOW

SUBJECT: Project "Thank You"

I have been on the phone over the weekend with some patriotic and sincere folks in Michigan. It is a heartening story.

The day after the protest march on the Pentagon, a number of God-fearing and loyal citizens decided to do something by way of contrast. The movement was started by the Laymen's League of the Christian Reform Church, the President of which is Dr. Bob Plekker of Hudsonville, Michigan.

They organized Project "Thank You" -- a move to demonstrate support for and solidarity with our fighting men in Viet-Nam. They decided to supply packets of wanted items to GI's on the frontlines. They contacted the Red Cross and got a list of the most wanted items -- paper towelettes, Kool-Aid, pens, heavy socks, etc. They will be put into resealable, plastic bags -- which also are useful in the field.

Radio Station WJBL in Holland, Michigan, agreed to cooperate. Last Saturday, the station donated considerable free air time, and nine phone lines were set up to handle calls. The response apparently was tremendous. People were calling in all day, donating money. The whole theme was: Our men are in Viet-Nam fighting for us and our freedom, and we want to say "Thank-you."

Senator Dirksen taped a short radio interview for use. So did Senator Hart as well as several Congressmen. They got a call through to General Westmoreland in Hawaii who expressed his thanks. Several churches donated their Sunday collection plates to the project. They collected in all \$33,000 -- enough for 100,000 packets.

An 18-year old girl, whose father has a serious heart condition and is on relief, donated her entire savings -- \$200. A student at Hope College, whose wife just lost her job, gave his last \$5. A 9-year-old and his brother gave the entire \$5-plus of a fund they were building to buy a pony. And so it went -- all day long.

Stories about Project "Thank You" moved on the AP and UPI wires Saturday. TIME Inc. is interested -- and donated 100,000 pens. An airline has agreed to carry the packets free to San Francisco where the Armed Forces will pick them up for delivery to Saigon. The Armed Forces Chaplains are interested.

I think a brief note of recognition to the sponsors of this group from the President would be appropriate, and I know it would be warmly welcomed.

If you agree, a suggested text is attached. ~~I think a check (\$10) to replace the "pony fund" would make a hit.~~

Bill

William J. Jorden

Att.

November 27, 1967

Dear Dr. Plekker:

I have just learned about Project "Thank You" and of the unselfish and heartwarming response it has received from the good people of your area.

I know that this evidence of support for our brave men in Viet Nam who carry the burden of fighting for us all will be deeply appreciated.

The members of the Laymen's League and all who co-operated in this project should have a deep sense of pride and positive accomplishment. The people who contributed so unselfishly -- and in many cases at great personal sacrifice -- must know how much their backing means to our fighting men.

I have heard in particular of the two young boys who donated their entire pony fund to Project "Thank You." I think I know what a pony means to young boys, and I would be grateful if you could tell them their President has heard of their sacrifice and sends to them a special word of thanks.

Again, to you and all who played a part in "Thank You," my warm congratulations. I know our men will be heartened beyond measure.

Sincerely,

(S) Lyndon B. Johnson

Dr. Bob Plekker
President, Laymen's League
Christian Reform Church
Hudsonville, Michigan

LBJ:WJJ:WWR:mz

Monday, Nov. 27, 1967
1:00 p. m.

Per file

55

Mr. President:

Herewith two Henry Owen memos:

1. Some interesting quotes from
Walter Lippmann;

2. A thoughtful analogy between the
role of the French urban working class in
French history, and the problem of the Negro
in American cities.

The latter analogy would do better, I
believe, as an article by some respected outside
historian than as an Administration statement.

W. W. R.

Attachments (HOwen memos, 11/25/67: "Lippmann-1928 edition" and
"An Historical Excursion")

①

55a

MEMORANDUM

November 25, 1967

SUBJECT: Lippmann- 1928 Edition

1. If Walter Lippmann comes up with forecasts on the 1968 conventions and elections it may be useful to recall the following quotation from his book "Men of Destiny", published in 1928:

"By the unspoken and unwritten law of the United States, as it stands to-day, he (Al Smith) cannot be nominated by any national party."

This must surely rank as one of his more short-lived predictions.

2. In the same book, Mr. Lippmann lays out another view, which has evidently also withered with time:

"There can be no remedy for this until Americans make up their minds to recognize the fact that they are no longer a virginal republic in a wicked world, but they are themselves a world power, and one of the most portentous which has appeared in the history of mankind. When they have let that truth sink in, have digested it, and appraised it, they will cast aside the old phrases which conceal the reality, and as a fully adult nation, they will begin to prepare themselves for the part that their power and their position compel them to play."

2

556

MEMORANDUM

November 25, 1967

SUBJECT: An Historical Excursion

Re-reading French history, I'm struck by a rather tenuous parallel between the situation of America urban Negroes today and that of the French urban working class in the past. The parallel, if it has any validity, suggests that the long-term threat in our cities may not be endemic guerrilla warfare but rather a few unsuccessful outbreaks of violence - followed by passivity, radicalization, and alienation which could weaken the two party system and inhibit an effective foreign policy.

1. In the nineteenth century, uneducated peasants started flocking from the countryside to French cities. Their numbers outran urban jobs and housing; they were not accepted as equals for either political or economic purposes. They became bitter and the French middle class responded with repression. The result was two large scale outbreaks of violence:

(a) The "June days" of 1848, in which a massive Parisian workers' revolt was crushed by the regular army.

(b) The 1870 Commune, which briefly deprived the national government of physical control over Paris; tens of thousands died before the Army could crush this regime of an embittered and despairing Left.

2. After 1870, the French working class realized that it could not achieve equality by force. Sullen and alienated, it drew increasingly apart from the rest of the French nation. Two results:

(a) Radicalization of the workers' movement, and their secession resulting from the non-Communist Left, so weakened that Left as to prevent an effective two party system from being developed in France, comparable to that

in the UK.

(b) Alienation of the big city working class from the rest of the country inhibited an effective French foreign policy in the 1930's and an effective French war effort in 1940. The working class couldn't get excited about supporting the foreign or military policies of middle class governments which were so clearly indifferent to its welfare. And the middle class was too concerned about the potential threat posed by this disillusioned working class to make large sacrifices to meet external dangers.

Perhaps an article or speech which would draw this parallel might move some middle class Americans to view more favorably the administration's proposals for dealing with the current problems of our cities.

¹⁰⁰
Henry Owen

Pres file

56

Monday, Nov. 27, 1967
11:00 a. m.

Mr. President:

The heart of Ambassador Locke's report on the last two weeks is in the marked passages.

Pres file

W. W. R.

~~SECRET~~ attachment (Saigon 11830)

56a

~~SECRET/NODIS~~

Saturday, November 25, 1967

FOR THE PRESIDENT FROM LOCKE (Saigon, 11830)

Herewith my personal report covering events of the past two weeks.

A. General

The most important event has been the installation of the new Cabinet of Prime Minister Loc on November 9, and the beginning efforts of the new Government to function. The Cabinet members are primarily technicians, rather than politicians. Some of them are identified with political groupings other than Thieu-Ky, but they are reasonably well-divided among southerners, northerners and centralists. They should be able to work as a team, and I believe a framework exists for slowly and carefully broadening the base of the Government. Limited evidence would indicate that the new Government is reasonably competent, honest and dedicated and there has been no evidence of serious differences between Thieu and Ky. I would say "so far, so good," but it is a little early to make definitive judgments.

Political parties as we know them will take time to emerge. President Thieu does not wish to build a "Government party" at this time, because of the peoples' memory of Diem's party, and wishes to move slowly, making alliances with various individuals and groupings. Some alliances are emerging in the Senate and the House, but it is too early to know where they will lead. The Senate gives signs of being a responsible body, but the House is less certain and more fragmented at the present time. I am personally very interested in stimulating Village Councils to grasp the reins of local government, involve the people in various subcommittees for their own economic development -- agriculture, irrigation, education, health, water, public works -- having the Government responsive to the desires of the people and with funds and flexibility in the right places to use them at the province level. I believe this is a lever not only for economic development but in the development of political groupings friendly to the Government and a political infrastructure more difficult for the Communists to penetrate.

~~SECRET/NODIS~~

DECLASSIFIED
Authority RAC 11145 (#29a) and NLS/CBS/D
By RE/id NARA, Date 8-15-06

Militarily, the enemy has mounted an offensive in areas near the Laotian and Cambodian borders. In the jungle and rubber plantation area north of Saigon near the COSVN headquarters and the Cambodian border the enemy struck first. He first hit Song Be in Phuoc Long province, and then Loc Ninh in Binh province. Both attacks were successfully repelled by Vietnamese troops. In the second attack, where the Vietnamese were reinforced by Americans, the enemy struck several times in suicide waves (unusual), and the results were loss of 851 enemy by body count (and possibly others killed by B-52 and other air strikes between Loc Ninh and the Cambodian border) against 50 friendly killed (29 US, 21 RVNAF). Of the 851 enemy killed, RVNAF accounted for 371.

The next major enemy assault was in the central highlands around Dak To. We had intelligence that the enemy was preparing to attack Dak To; so we moved to secure the high ground around Dak To and to preempt the enemy offensive. The enemy was encountered in every direction from Dak To, fighting began November 4 and is still raging, with the enemy continuing to fight instead of retreating to his sanctuary in Laos. To date, the enemy has sustained 1,243 killed, 15 captured, and substantial weapons captured, against 325 friendly killed, 1,137 wounded, and 15 missing.

Vice President Ky believes the purpose of the attacks by the enemy are to gain a significant victory, and in the absence of one to exploit for propaganda purposes, his ability to stand and fight for a significant period of time. Normally the enemy would attack in the central highlands in the wet season, when our air is less effective, than in the present dry season; but the dry season attack is made for political purposes timed to coincide with the establishment of the new Government. Border areas were chosen because these are the areas of his sustained capability and also areas where our forces are the most isolated (as at Loc Ninh).

We are engaged in an intensive campaign to analyze captured documents, and to release them to the press, frequently in briefings on specific subjects supported by captured documents and POW/rallier statements. This week we released two basic captured papers on population control together with an overall analysis of the question of CIA on the basis of additional material culled from interrogation reports and other available evidence. In addition to release to the press, this particular analysis and accompanying documents have been mailed to a constantly growing list of over 300 addressees and has been made available to the State Department for further use in

Washington. With this kick-off we will have a formal analytical paper and briefing, accompanied by supporting documents every two weeks. The subject matter will consist of a different key question each time -- usually a question related to our progress in the war.

I met with a group of correspondents at Barry Zorthian's a few nights ago. Several of the correspondents have told Barry that the dialogue was helpful and our remarks useful. Ambassador Bunker, General Westmoreland, Ambassador Komer and I will each do this from time to time. Inquiries have already been made by the New York Times and Newsweek to their bureau chiefs here for material disputing statements of progress made by Ambassador Bunker and General Westmoreland in Washington recently.

We are in the process of discussing Christmas, New Year's and TET cease fires with President Thieu. Whatever we agree to will be discussed with the Ambassadors of the seven troop-contributing countries before release. Thieu's idea (after talking the Generals Vinh and Vy) was 36 hours at Christmas, 36 hours at New Year's, 72 at TET, with provision that each cease fire would be contingent on the enemy's observance of the preceding cease fire. Our idea was the formulation of 24-24-48 hour stand-downs, which I feel sure President Thieu will accept if we wish. There have been detailed exchanges of cables with State Department about this.

Three Viet Cong terrorists who were to be executed on November 17 have had their executions suspended. The planned executions came normally through Government of Vietnam channels after President Thieu had refused to reverse their sentences. President Thieu says he will change the rule to require a positive order of execution by the Prime Minister before any execution occurs (instead of executions following sentences in routine manner) and that in principle he will suspend executions for the time being. He recognizes that we oppose executions at this time because of the possibility of reprisals on our own POW's.

The Quaker ship Phoenix has now departed Danang, presumably for Hong Kong, without unloading medicines. The problem stemmed from their desire to unload the medicines in North Vietnam (which the Government of Vietnam didn't like) and from their reported desire to distribute part of the medicines directly to militant Buddhists. Actually, there was considerable misunderstanding between the Government of Vietnam and the Quakers on this, and the issue may come up again. Meanwhile, I believe the Government of Vietnam has surmounted this incident without giving any undue propaganda victory to the enemy.

The Lilienthal trip and report has been a success. President Thieu described the Lilienthal plan to Senator Tower as being a "very practical" approach.

John Corson, partner of McKenzie Associates, and Assistant Labor Secretary Werts are here to plan most effective use of manpower by the Government of Vietnam. The partial mobilization decree by the Government of Vietnam provides a framework for the Government to obtain not only additional military forces, but also civilians for key jobs. It has been attacked in the Assembly because it was issued before the Assembly was organized, and because it could lead, if improperly implemented, to unduly denuding the civilian economy in favor of the military. This is not its purpose, and is not a necessary result of the decree, as Vice President Ky says. I believe Corson will do a good job and that this study is a forward step. He will write a preliminary report, returning to the US in a few days, and then returning here for two months early in January.

B. Political

The new Cabinet of Prime Minister Loc, installed in office November 9, is a symbol of the return to Constitutional Government in South Vietnam. The new Cabinet has brought a substantial number of new faces into the Government, only seven previous members of the Cabinet remaining on. As President Thieu indicated to Ambassador Bunker on several occasions in September and October, selection of the Cabinet was based on the need to find the best-qualified group of ministers possible under the circumstances who would work together as a team in resolving national problems. President Thieu is confident that the new Cabinet, most of whose members have had previous experience in the areas of their competence, will be able to work together as a team.

In forming the Cabinet, comparatively limited use was made of opposition figures who were prominent in the elections, and some American press reportage and comment on the Cabinet has made this point. However, a number of the opposition political figures had become seriously alienated from the Government of Vietnam during the campaign and had made personal and vituperative attacks on President Thieu and Vice President Ky. Not much place could reasonably be found for them. President Thieu has told us that he plans to appoint Tran Van Huong to the Inspectorate, though Huong indicated to an Embassy officer November 24 he was loath to accept the position. There are indications that a place may be found for one or two other opposition figures as Presidential advisers.

The new Cabinet is not composed of colorful or dramatic personalities and is unlikely to attract major support for the new Government of Vietnam. However, it is a fairly experienced group in a technical sense and was chosen very carefully by Prime Minister Loc, in consultation with President Thieu and Vice President Ky. Its members have so far seemed ready to work closely with us in dealing with our common problems.

By terms of a decree signed November 23 by President Thieu his office will be considerably broadened in its scope, beyond the administrative and military sections it now has. The chief figure on the political side may well be the President's brother, Nguyen Van Kieu, though for appearance's sake, he will be technically assigned to the Ministry of Foreign Affairs. Nguyen Van Huong, a well-known wheelhorse in the Dai Viet Party, will be Secretary-General at the Presidency, and also concerned with internal political matters. Huong has a good reputation for honesty and determination and has a prodigious memory. Huong has submitted a draft decree instituting the changes at the Presidency, which awaits signature by Thieu. Without burdening you with the names of those under consideration as Presidential advisers (who may or may not ultimately be appointed), it looks to us as if an effort is being made to bring in a solid and experienced group of people to serve right around the President.

The office of Prime Minister Loc is similarly in the process of organization. Assisting him directly will be Doan Ba Cang, Minister Assisting the Prime Minister, whose most recent assignment was as Counselor of the Vietnamese Embassy in Tokyo. Cang has been very well-recommended by our Embassy in Tokyo, which was in contact with Cang on a range of matters and found him capable, imaginative, and industrious.

Prime Minister Loc has made a good beginning, presenting a wide-ranging, though ambitious short-term and long-term Government program on November 15. The program, presented at a press conference, was followed by about a half hour of questions, which Loc handled with good humor and skill. Loc also handled himself well in an interview November 14 with the semi-official Vietnam Press Agency. The Government's program appears to be a rewritten, shorter, and more modest version of the more ambitious, top priority program and national policy described in Ambassador Bunker's 28th weekly telegram. Even so, implementation of the Government program presented by Prime Minister Loc will be a major task, and only beginnings can be made on considerable parts of it in the foreseeable future.

The reaction of the Saigon press and the politically active public to the new Cabinet and to its program has been cautious and reserved. There

is some doubt expressed that Prime Minister Loc will be able to get things moving. Vice President Ky, accentuating the positive, told the new Cabinet at a formal transfer of powers between the old and new Cabinet November 14 that he expected it to serve in office for four years.

No doubt a major factor in the future success of the new Government will be the personal working relationships that will develop. According to a well-rated CIA report, Prime Minister Loc has initially been somewhat concerned over conflicting directions and statements emanating from President Thieu and Vice President Ky and by President Thieu's reported penchant for making decisions affecting Cabinet members without informing Loc. These are typical, early problems often encountered in the first few months of a Cabinet, complicated by the fact that Loc is something of an introvert without the confidence born of a political power base or personal prestige. Loc does not yet have permanent office and is working out of the official resident furnished him at the Government of Vietnam Naval base. Vice President Ky has retained the former Prime Minister's quarters at Independence Palace.

There have been further reports on clarification of the two houses into blocs, but these appear to be without solid foundation so far. In a conversation with an Embassy officer November 18, Nguyen Van Huong, who will be Secretary General of the Presidency, expressed considerable reservations concerning the relative strengths reported for the respective blocs. He commented that "all of them have exaggerated their strength." It is clear that there will be much more maneuvering before the actual blocs crystallize in both houses.

Regarding forthcoming party alignments, Nguyen Van Huong, a Dai Viet figure for many years, commented that the old parties will slowly disappear and will be replaced by new political formations. He said that some of the old party names may be retained, but will be filled in with the new faces and new figures. The main problem with the old parties, he said, is that they have generally lacked adequate leadership and the capacity to attract younger members. This point is recognized by many other political figures here.

Nguyen Van Kieu, brother of President Thieu, told us recently that he is planning to make a variety of trips around the country in connection with developing a nucleus for Government support within the Assembly and ultimately for a political party extending down into the provinces. He hopes to see a fairly broad, pro-Government party emerge and elements of the responsible opposition converge into a second party grouping. He said that the main requirement for both groups was that they be firmly anti-Communists.

Senator Tran Van Don, whose Senate list received the most votes in the September 3 elections and who is likely to be a major political figure, has recently discussed with us his plans for a political party. Briefly, he is thinking in terms of a small, tightly-organized political party, which would control a larger and more loosely-organized mass organization or front. It is true that it will be easier to organize a loose front than a large national party, and control can more effectively be exercised over a small, tightly-organized party. This is essentially the technique used by the late President Diem, but neither the small, cadre party nor the mass organization Diem set up ever achieved any real vitality on their own. Senator Don is aware of the unfortunate results of the Diem experiment and states he is determined to make these organizations into active bodies, rather than mere facades. This is easier said than done.

There continue to be some stirrings among the Buddhists, but so far no resolution of the factional divisions which have continued to create problems in recent months. On November 11 the extremist An Quang Buddhists held a poorly-attended press conference, at which Tri Quang continued to pound away at the need to withdraw the Buddhist Charter issued by President Thieu last July and re-establish the Buddhist Charter of 1964, which, in effect, gave Tri Quang control of the Buddhist Institutions. On November 12 a group calling itself the "Committee Campaigning to Unite Buddhism" held a small and inconclusive organization meeting, attended by only 30 people. Lower-ranking representatives of the two principal contending Buddhist factions were in attendance, as was the interim Chairman of the Lower House, Nguyen Ba Luong, and Senator Trinh Quang Quy, a member of Tran Van Don's senate group.

The attendance of these two figures is a measure of the increasing politization of the Vietnamese scene and a measure also of the potential political significance of a reunited Buddhist movement. However, little progress was made towards unifying Buddhism by the new group, with the contending factions still standing pat on their standard positions. The Saigon press of November 21 reports that Thich Tam Chau, the more "moderate" Buddhist leader, referred to Tri Quang as "a coward who attempted to flee to Cambodia" and to one of Tri Quang's supporters, Thich Ho Giac, as a "leading hoodlum."

A recent problem involves the yacht Phoenix. Manned by a crew of exceedingly determined Quaker pacifists, the Phoenix, on its current trip to the Far East, is carrying a cargo of about \$6,000 worth of medicines. The ship originally sought to deliver some medicines to Haiphong but was refused entry by the Communist authorities, on the ground that the security of the ship

could not be guaranteed while in Haiphong, and the time was therefore not propitious. The Phoenix then sailed to Danang with the announced intention of delivering a shipment of medicines to the extremists, anti-Government of Vietnam Buddhist faction allied to the An Quang pagoda in Saigon. The Government of Vietnam took the position that the medicines had to be received by the Vietnamese Red Cross for subsequent delivery to the final recipients. There seems to have been a misunderstanding between the Quakers and the Government of Vietnam on the arrangements for delivery of the medicine. The Government of Vietnam apparently thought these medicines were the ones rejected by Hanoi (which we understand they were not) and this helped to account for their reaction.

When the Phoenix arrived in Danang on November 19, it was not allowed to land, as the Government of Vietnam believed that the Quakers intended to turn the medicines over directly to an An Quang pagoda delegation that had come to Danang from Saigon to take delivery. (There is considerable room for doubt that an An Quang delegation ever went to Danang, though Government of Vietnam officials there thought an An Quang delegation was on the way.) After considerable negotiations, the Government of Vietnam decided to tow the Phoenix out to international waters the evening of November 21. Faithful to a threat which they had earlier made to the Government of Vietnam authorities, two of the Quakers jumped overboard as the ship was being towed out. One was fished out of the water, and the other, Dr. Richard Butterworth, swam to shore, where he was rescued by the US Marines, given dry clothing and shelter and breakfast. After Dr. Butterworth and the other Quaker (name unknown) had jumped overboard, the Vietnamese authorities decided to bring the ship back. The afternoon of November 22, Dr. Butterworth indicated that the Quakers would not again jump overboard, and the Government of Vietnam towed it out to international waters. Dr. Butterworth asked an American Consular officer in Danang to send a cable to a Quaker representative in Cambodia, stating that the ship might go to Cape St. Jacques near Saigon, or to Cambodia. The vessel was followed for a short distance out to sea by the Vietnamese Navy, and it appeared to be heading for Hong Kong. At this writing, however, we have received word that it is now in a small bay between Hue and Danang tacking back and forth. The crew's intentions are unknown.

Since President Thieu signed the Partial Mobilization Decree on October 24, which provides for calling on the nation's human resources and requisition of national resources, to meet national defense requirements, implementing orders have been under study. On October 25 the then Prime Minister Ky signed one implementing order which provides for the conscription of men between ages 18 and 33, mobilization of technicians of all kinds, up to

age 45, and the recall of some veterans. Since the new National Assembly came into being, however, there has been some question raised whether the mobilization matter should be handled by decree or by law approved by the Assembly. On November 21, it was announced that 70 members of the Lower House had signed a petition requesting early House discussion of the decree. Senator Nguyen Van Chuc, a well-known lawyer, has told us that in his opinion the mobilization decree issued under Bao Dai in 1953 provided the Government of Vietnam with all the necessary authority to mobilize human and other national resources, and he regretted, as a lawyer, that an additional decree had been issued just before the new Government was installed, which may become a matter for debate in the National Assembly. He recognized, however, the political and psychological reasons behind the issuance of the decree.

We were encouraged by a conversation between Bob Komer and Vice President Ky on November 13 in which Ky expressed his desire to do his best to help with the current difficulties in the US with respect to Vietnam. Bob emphasized that progress in the political and military spheres during the next six months would be the most helpful antidote to US criticism and frustrations. Ky indicated his understanding of this.

Ky repeated his desire to be helpful in assisting the US in facing serious problems with domestic opinion on Vietnam in the course of a 45-minute conversation with Senator Tower on November 21. Senator Tower said that Ky should understand that the majority of American opinion supports our being in Vietnam and added that, as a Republican, he could reassure Ky that, regardless of the outcome of the elections, the US commitment here would be honored. He pointed out that the three most likely Republican Presidential candidates, Nixon, Rockefeller, and Reagan, all supported our basic purposes here, although they differed with the Johnson Administration on some of the ways in which our policies should be carried out.

During the same conversation with Senator Tower, Ky also made a number of other interesting points. He interpreted the recent series of heavy engagements with the Viet Cong (Loc Ninh, Song Be and Dak To) as aimed at American domestic political opinion, which he believes the Viet Cong consider as increasingly opposed to the Administration's policy in Vietnam. In this respect, the Viet Cong were repeating a tactic used against the French many years ago. In response to a question, Ky said he thought the holiday stand-downs in military activity should be shorter than the Communists have proposed, as they are looking primarily for a longer period in which to reinforce and resupply their forces. Ky said he was generally satisfied with the steady progress being made

on pacification and described plans to replace most Province Chiefs in January 1968, with a carefully selected group of civilians and military officers who will enter a four-week's training course. He confirmed that the channel of direction for Province Chiefs on civilian matters will be taken out of the hands of the Corps Commanders and would be sent from the Ministry of the Interior of the Province Chiefs.

Senator Cannon of Nevada was here recently and Senator Tower of Texas is here now. In addition, Representatives Fred Schwengel (Rep., Iowa) and William O Cowger (Rep., Kentucky), accompanied by nine other persons, drawn broadly from the business world, the church (a Baptist and a Lutheran minister), and political life (Mr. Robert Henry, newly-elected mayor of Springfield, Ohio, a negro). The Schwengel-Cowger group leaves Saigon November 24 after an extensive round of contacts with political and civic figures and our troops. The group, which traveled under private auspices, had prepared itself fairly carefully for the trip, but I have been told that some of the members have been reluctant to accept facts that disagree with the preconceived notions, some of which are very unfavorable to the Government of Vietnam.

Congressman Schwengel, having heard a version of a recent press interview with North Vietnamese Prime Minister Pham Van Dong, in which the latter was quoted as saying he would consider a visit by US Congressmen to Hanoi, issued a press statement in which he said as follows: "I have heard of a possibility of US Congressmen traveling to Hanoi. I would consider accepting an invitation from Hanoi if assured of an opportunity to talk about the opening of discussion which could lead to negotiations for peace." Congressman Schwengel seems to have tried to avoid going too far without knowing all the details of the matter. We have provided him with a text of the North Vietnamese News Agency report of the Pham Van Dong interview, in which Dong makes clear the purpose of any such visit would be to see bomb damage in North Vietnam.

At this writing we have been informed that he is planning to send a wire to the Prime Minister in Hanoi reiterating his willingness to go to Hanoi after he arrives in Bangkok the afternoon of November 24.

On November 21 we delivered to both Houses of the Vietnamese National Assembly an invitation extended by Congressman Reuss of Wisconsin and 25 other members of the House of Representatives that a representative delegation of both Vietnamese Houses visit Washington in January. We are awaiting a reply, but we are aware that there is very considerable interest

both in the National Assembly and in the Government of Vietnam as a whole in the visit, as well as concern that the Vietnamese delegation be composed of the best and most capable figures in the Assembly.

There have been no developments of significance regarding the return of the Montagnard leader Y Bham from self-imposed exile in Cambodia since his meeting with Government of Vietnam representatives near Van Me Thout in June. We have learned from Paul Nur, Ky's new Minister of Ethnic Minorities Development and a Montagnard himself, that he is planning a new effort to bring Y Bham back to Vietnam. Nur says he will be prepared to give up his post as Minister in favor of Y Bham; should the latter agree to return. Nur is approaching the problem realistically, planning to enlist the support of Vice President Ky in his capacity of ex-officio Chairman of the Ethnic Minorities Council provided for in the Constitution. However, the Ethnic Minorities Council must be established by law passed by the National Assembly before it can begin to function.

On November 20 the Viet Cong's Liberation Radio rejected recent public comments by President Thieu that he may send a letter to Ho Chi Minh, proposing direct peace talks, implementing a promise he made during the Presidential election campaign on August 25. The radio said that "Nguyen Van Thieu was ballyhoo about negotiations, despite the fact that he does not have the capacity to represent anyone." The broadcast continued that "peace negotiation arguments definitely cannot deceive anyone." The broadcast restated the familiar Viet Cong theme that the National Liberation Front is the "sole genuine representative" of the South Vietnamese people. President Thieu is proceeding with his plans to send a letter to Ho Chi Minh sometime before Christmas and has apparently decided to ask the Japanese to transmit it to Hanoi. The Japanese Government has not responded to his request as yet.

The new British Consul-General in Hanoi, Brian Stewart, who arrived there early in October, recently visited Saigon. Stewart told the Political Counselor November 16 that his personal impression was that the atmosphere in the Hanoi Diplomatic Corps was one of extreme nervousness, resulting from a fear and an expectation that the U. S. would escalate bombing in the Hanoi area so as to wipe out the central part of the city. A second fear which he has frequently heard expressed was that the U. S. is planning a ground invasion of North Vietnam, and the Diplomatic Corps anticipated that the Hanoi Government might thereupon take harsher measures with them. (The Hanoi Diplomatic Corps, apart from the ICC Mission, the British Consulate-General, and the French Delegation Generale, largely consists of embassies of communists and far-out neutralist countries, such as Mali and Guinea, which have very little to do. They have clearly taken counsel of their fears. Most of them, of course, have no interest whatever in seeing us achieve our general objectives in Vietnam.)

Stewart went on to observe that from his limited contact to date absolutely everything, the population, the economy, and the government, are focused solely on prosecution of the war. There is no effort to maintain most normal aspects of the economy, and thus the country is heavily dependent on outside aid, especially from Communist China, for its existence. This has made it possible for Hanoi to cover up its earlier failures in trying to organize and develop the North Vietnamese economy. Stewart, who is a man of considerable China experience, estimates that the Hanoi regime does not want Chinese Communist volunteers and is of the opinion that the Chinese do not intend to become so involved, at least in foreseeable circumstances. He also felt that if Hanoi decided for its own reasons to engage in talks with us or the Government of Vietnam, the Chinese would accept this reluctantly rather than try to prevent it. He did not see any sign of a new desire on Hanoi's part to make a move towards talks, but he seemed to feel that if there were a reasonably extended bombing pause, Hanoi would agree to engage in some kind of talks. He did not elaborate on his reasons for feeling this. The foregoing comments were personal and we would want to protect him as our source.

There has been considerable play given to recent stories by Ray Herndon (UPI) and George MacArthur (AP) regarding a visit they made to a Viet Cong base camp in Eastern Cambodia near the Vietnamese border. An embassy officer had the opportunity to talk to MacArthur at some length in Saigon on November 23 (Herndon is believed to be still in Cambodia). MacArthur said he does not believe higher Cambodian officials or Prince Sihnouk expected the discovery of a Viet Cong base camp nor connived in any way in arranging or highlighting the discovery. He says that to the best of his and Herndon's knowledge, local Cambodian officials accompanying the two journalists did not

report back the same day to Phnom Penh after the camp was discovered. Therefore, Phnom Penh did not even know of the discovery until after the second day's trip. According to MacArthur, Cambodian officials in the border area know that the official and preferred Cambodian government view is that there are no Viet Cong using Cambodia. Hence, they do not report any Viet Cong activities to Phnom Penh and even go to the limit not to find Viet Cong. Even if they know of Viet Cong activity, they do not report these unpleasant facts to Phnom Penh, where such news is unwelcome. Local Cambodian officials report only US/Government of Vietnam incursions into Cambodian territory. MacArthur says that in Phnom Penh he discussed the matter with Cambodian Prime Minister Son Sann, who agreed only reluctantly to an official investigation of the area. We tend to doubt that the discovery of the Viet Cong base camp is evidence of a significant shift in Sihnouk's attitude towards the Communists.

C. Economic

The Saigon Retail Price Index declined to 301 for the week ending November 13 from the level of 304 previously reported. Price trends were mixed, with some increase in rice prices due to transportation problems related to a high level of Viet Cong activities in the rice-growing areas south of Saigon. Imported Commodity Prices were generally higher. The increase in commodity prices was partly due to widespread rumors of an increase in customs duties and the possible issuance of 1,000 piasters in banknotes.

The Directorate General of the Budget and Foreign Aid has approved a budget of 95 billion piasters for calendar year 1968, including 53 billion piasters for defense, 32 billion piasters for civil government, and 10 billion piasters in the American Aid Chapter. The new budget is increased from the revised 83 billion piasters in the 1967 budget. Considering the recently decreed military pay increases which are to become effective in January, the total budget is probably unrealistic and will have to be revised upward at least in the defense section.

Professor Vu Quoc Thuc and Mr. David E. Lilienthal presented a report developed by the Joint Postwar Planning Group to President Thieu on November 16. After the presentation to President Thieu, Mr. Lilienthal held a news briefing for the American press. The report, which is in its preliminary version, suggests specific areas in which progress can be made in the next four years, including: (1) a program of regional development,

starting with the Mekong Delta--an integrated development program is suggested, with an autonomous agency to design it and carry it out;

(2) development of agriculture, aiming initially at self-sufficiency in foodstuffs through better land use and other means; (3) rational development of industry in land appropriate to the situation and potentials of Vietnam; (4) development of a program of land development and settlement, which will also serve to alleviate the plight of refugees and produce important long-term economic benefits. President Thieu described the program to Senator Tower on November 21 as being a very practical program.

D. Chieu Hoi

During the week ending November 11 there were 219 returnees, compared to 566 during the same period of 1966. The reason suggested for the lower level of Chieu Hoi returnees is the currently high level of Viet Cong activity throughout the country, which tends to increase the problem of security for those considering turning themselves in. The total number of returnees so far this year is 25,548 compared to 15,786 during the same period last year.

E. Americans and Vietnamese Killed

During the period from November 5-17, inclusive, the enemy killed 209 Vietnamese civilians, wounded 668, and kidnapped 446. Among the dead were nine Revolutionary Development Workers, one national policeman, 27 refugees, one Hamlet Chief, and one school teacher. Since January 1, 1967, the Viet Cong have killed a total of 3,306 civilians, wounded 6,514 and kidnapped 4,267.

Monday, Nov. 27, 1967
10:50 a. m.

57
Pres file

Mr. President:

You may wish to examine and give guidance
on this early draft plan for the Vice President's
planned trip to Africa in January.

W. W. R.

~~CONFIDENTIAL~~-attachment (log 4476)



DEPARTMENT OF STATE

Washington, D.C. 20520

4476
57a
1. Rottow
2. Hamilton

November 25, 1967

~~CONFIDENTIAL~~

MEMORANDUM TO MR. TED VAN DYK
OFFICE OF THE VICE PRESIDENT

Subject: Trip of the Vice President to Africa
in January

There is enclosed a tentative itinerary for a
two week trip of the Vice President to Africa beginning
January 8.

The itinerary has been planned with three con-
siderations in mind. It should further certain specific
interests of the United States in Africa South of the
Sahara. It should have a reasonable balance among the
thirty odd countries in this part of Africa. It should
avoid, to the extent practical, visiting a country whose
head of state has recently been in the United States,
or is firmly scheduled for 1968.

The itinerary is still tentative and confidential.
Foreign governments have not been approached.

BHR

Benjamin H. Read
Executive Secretary

Enclosure:

Tentative Itinerary.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 10-67
By *id*, NARA, Date 7-27-10

~~CONFIDENTIAL~~

L. Rostow
2. P. Rostow

November 27, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Appointment for Prime Minister Eshkol

You'll recall that in your talk with Foreign Minister Eban, you agreed to see Prime Minister Eshkol. Ambassador Harman has suggested December 20-23, but Secretary Rusk recommends that your convenience govern whether you see him then or later. I gather from Evron that postponing till late January wouldn't cause the Israelis any trouble.

With State's agreement, we've delayed asking you to decide on the date until the UN debate ended. We didn't want to risk having Eshkol here in the closing days of a grand wrangle. Now with the UN resolution passed, I think we owe the Prime Minister an answer.

I recommend we say that December is unfortunately not possible, and that we'll be in touch with them as soon as your January schedule is clearer. Or we could set a late January date now.

There are enough domestic reasons for not trying to cram this into December. In addition to the wedding and Christmas, you'll have a difficult budget season and your State of the Union message.

But from the foreign policy viewpoint also, late January looks better. No serious negotiation is likely before early next year, and there is every reason for using this visit to talk seriously, if we have to, about meeting the Arabs halfway. We will have a letter for you to send Eshkol shortly urging him to help the UN representative get off to a good start, and we can't follow up until we see how that mission fares.

The final reason for delaying him is to put off our response to their aircraft request and appointing Bunker's successor on desalting. It would be better to make these decisions when your legislative program is clearer and when we're a little farther down the political track. If we want to move sooner, we still can.

W. W. Rostow

Set a date in late January _____
Tell them December is impossible and
we'll be in touch with them _____
I'd rather delay even past January _____
See me _____

*11/28/67 I would suggest
early February
WBI/mey*

~~SECRET~~

Monday, November 27, 1967

Pres file

Mr. President:

Attached, for your approval, is a warm message of sympathy to the President of Portugal in connection with the recent disastrous floods which have caused the deaths of approximately 250 of his countrymen.

W. W. Rostow

Approve _____

Disapprove _____

RHM
RHU:mat

PROPOSED MESSAGE TO THE PRESIDENT OF PORTUGAL**Excellency:**

I was greatly saddened to learn of the disastrous flood which struck the Lisbon area and of the human suffering left in its wake. On behalf of the American people, please convey our heartfelt condolences to your countrymen who have lost loved ones in this most unfortunate tragedy, and our sincere sympathy to those who have suffered injury or loss of homes and property.

Sincerely,

Lyndon B. Johnson

RHU:mst

60

Presfile

Monday, November 27, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: DeGaulle's Press Conference and Your Meeting with
Ambassador Bohlen, Tuesday, November 28, 11:15 a.m.

Monday's Press Conference

DeGaulle pushed his regular themes further than he has before:

- "There is an American takeover of our businesses, but this does not come as much from the structural superiority of the United States as it does from the exportation of inflated dollars." (Here deGaulle takes aim at the argument advanced in a new French best seller, "The American Challenge," which says that to compete with US industry, Europeans must do hard things such as reforming their educational and legal systems.) DeGaulle insists the US balance of payments deficit must be ended so that it should not continue to be a means of taking over European industry.
- British entry into Europe is still out of the question. If the other Five insist on negotiations with Britain now, they will break up the Communities.
- His most extreme statement was on Quebec: He called for a sovereign Quebec closely linked to France. This is the "major French task of our century."
- Only Big-Four united action can bring peace to the Middle East. US involvement in Vietnam makes such action impossible.

You may wish to get Bohlen's views on:

1. What deGaulle is trying to do:
 - is British entry dead?
 - how much trouble can he make on the NPT?
 - will he pull out of NATO in 1969?

2. How strong is his position inside France in the wake of
 - his unpopular Mid-East stand,
 - the Quebec fiasco (now repeated),
 - and discontent in Parliament over his domestic policies?
3. What should we be doing: avoid tangling with him or begin to take active countermeasures?

W. W. Rostow

RHU:met

61

Monday, November 27, 1967 *Purcell*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U.S. Position on Tariff Preferences for Developing Countries

At Tab A, is Secretary Rusk's memo recommending that you authorize the U.S. representative (Gene Rostow) at the OECD Ministerial Meeting, November 30, to join with other industrial countries on a statement supporting a system of generalized tariff preferences for developing countries. Other interested agencies concur in the recommendation.

This system of preferences would contain specific safeguards to avoid disruption in our market. The U.S. has a reservation insisting on elimination of tariff preferences that some developing countries now grant to some industrial countries.

This proposal follows up your statement at Punta del Este that we would explore the possibility of reaching agreement with other industrial countries on a workable and temporary system of tariff preferences for developing countries. Our people have been successful in reaching such an agreement (subject to our one reservation) with representatives of the UK, Germany and France. Their joint position will now go before the OECD. If approved there, it will be presented to the second United Nations Conference on Trade and Development (UNCTAD II) at New Delhi in February. It would be a practical way out of a sensitive issue between us and the developing countries.

What is really involved here is a set of guidelines. A large number of practical questions would have to be worked out and negotiated. This would probably take at least a year to do. At that time, we would decide whether the system was sufficiently acceptable for us to seek legislation authorizing the US to participate.

Under Tony Solomon's lead, State has had extensive consultations on this question. Business and labor reaction has been favorable. Congressional reaction (including Mansfield, Fulbright, Dirksen, Mills, Ford and Boggs) has been cautious but generally favorable. Congress is being kept fully briefed and Congressional advisors will be on our delegation to New Delhi when the question of tariff preferences will be thoroughly discussed.

I concur in Secretary Rusk's recommendation. Our delegation leaves for the OECD meeting tomorrow evening.

W. W. Rostow

Approve _____ Disapprove _____ Speak to me _____

ERF:mst

4482
61a

THE SECRETARY OF STATE
WASHINGTON

November 27, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: United States Position on Tariff
Preferences for Developing Countries

Recommendation:

Pursuing your initiative on preferences at Punta del Este, we have succeeded in achieving consensus on a set of principles under which all industrialized countries would extend temporary tariff advantages to all developing countries. In light of this consensus and the favorable reactions of business, labor, public, and congressional leaders, I recommend you authorize the United States representative to the OECD Ministerial meeting to support the consensus statement subject to a reservation on the elimination of reverse preferences unless our position on this issue is accepted.

Approve _____ Disapprove _____

Discussion:

In accordance with your statement at Punta del Este, we have been pursuing in the OECD the possibility of reaching agreement on a temporary, generalized system of tariff preferences to be extended by all developed countries to all developing countries. A Special Group of experts from the United States, United Kingdom, Germany, and France worked out a draft set of broad principles or guidelines (Enclosure 1) which would serve as the basis for such an arrangement. The OECD Ministers, at their meeting November 30-December 1, are expected to take positions on the Special Group's Report and whether it can be presented to the Second United Nations Conference on Trade and Development (UNCTAD-II) as a joint position by developed OECD countries.

The following is a summary of the principles on which agreement was reached:

1. The preferences should be extended by all developed countries to all developing countries.

2. All the major developed countries must participate in order to insure an equitable distribution of increased import opportunities to their markets.

3. No preferences will be given on those products where developing countries are already competitive. There will also be safeguards or adjustment arrangements to avoid the risk of dislocation of industry and labor.

With one key exception, to which we have not agreed, the proposed guidelines are consistent with the objectives behind your initiative at Punta del Este. This exception concerns "reverse" preferences which are extended by certain developing countries to certain developed European countries. The United States will state at the OECD Ministerial that the United States believes that a key element in any preference plan would be the phasing out, as rapidly as possible, of such discriminatory reverse preferences. If the other OECD countries cannot accept our position, we will insist that it be included in the statement to be presented to the less-developed countries at UNCTAD-II.

The proposed guidelines leave unresolved a number of important issues affecting the implementation of a system of generalized preferences. These issues would have to be resolved to our satisfaction before we would make a decision about seeking legislation authorizing United States participation. We anticipate that discussion of the unresolved issues will last through 1968. United States support (there will be no formal vote, but the outcome will be reflected in a Ministerial communique) of the Special Group's Report is necessary in our continuing attempts to see if a workable system can be negotiated but retains the United States option not to grant preferences if an acceptable system cannot be agreed upon.

The other members of the OECD are expected to support adoption of the Special Group's Report although Japan may reserve its position with respect to specific language to deal with the possible trade diversionary effects of preferences.

The developing countries, at their meeting earlier this month, adopted the Charter of Algiers calling for a generalized system of tariff preferences to be extended by all developed countries to all developing countries. While the OECD proposal meets this request, there will undoubtedly be differences on many elements particularly since developing countries are seeking almost unrestricted access to developed countries' markets.

We have held extensive consultations with congressional, business, labor, and public leaders with respect to the Special Group's Report. The business and labor reaction (summarized in Enclosure 2) was highly favorable as evidenced by the formal endorsement of temporary, generalized preferences by the United States Chamber of Commerce. George Meany also endorsed the preference approach, subject to certain qualifications, all of which we have accepted.

The congressional reaction, while understandably more cautious, was generally favorable. (Enclosure 3 is a list of the congressional leaders consulted.) Even congressional leaders such as Congressman Gerry Ford, who could hardly be classed as an advocate of a liberal trade policy, favored our attempt to see if a workable system can be negotiated. Senator Dirksen has not yet given us his final reaction but, in a speech last year, he criticized the Administration for turning "a deaf ear to the pleas of these nations (LDCs) for preferential trading arrangements while offering no specific alternate solution to their problems". Other congressional leaders, such as Mills, Fulbright, Mansfield, Boggs, were favorably inclined. We intend to keep congressional leaders fully briefed of developments as the many presently unresolved issues are considered. We also expect to have congressional advisers on our delegation to UNCTAD-II.

Dean Rusk

Dean Rusk

Enclosures:

1. Special Group's Report.
2. Summary of business and labor reaction.
3. List of congressional leaders consulted.

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The Special Group recommend that Member Governments of the O.E.C.D. support a statement on the following lines to be presented to the developing countries at the Second Conference of the UNCTAD. The United States Member of the Group stated that in his view it would be necessary for this statement to include, in addition, the point made by him on page 4.

- (1) Temporary advantages in the form of generalised arrangements for special tariff treatment for developing countries in the markets of developed countries can assist the developing countries to increase their export earnings and so contribute to an acceleration in their rates of economic growth.
- (2) The potential benefits for developing countries will be maximised by the largest possible participation of developed countries in arrangements for the grant of such special tariff treatment.
- (3) Such new arrangements should aim to accord broadly equivalent opportunities in all developed countries to all developing countries.
- (4) The arrangements should be designed so as to result in an equitable distribution among the developed countries of increased import opportunities to their markets.
- (5) Any new arrangements for the grant of special tariff treatment cannot be put into effect without the support of the developing countries, and their views should be taken into account in the formulation of any such arrangements.
- (6) The grant of temporary tariff advantages to developing countries would not constitute a binding commitment and should not in any way impede the reduction of tariffs on an m.f.n. basis, whether unilaterally or following an international tariff negotiation.

Discussions among Member Governments of the O.E.C.D. have led to a broad measure of agreement on a number of key elements which might be included in arrangements for the grant of special tariff treatment.

A. Beneficiary Countries

Special tariff treatment should be given to the exports of any country, territory or area claiming developing status. This formula would get over the difficulty which would otherwise arise of reaching international agreement on objective criteria to determine relative stages of development.

Individual developed countries might, however, decline to accord special tariff treatment to a particular country claiming developing status on grounds which they hold to be compelling. Such ab initio exclusion of a particular country would not be based on competitive considerations (which would have to be dealt with by the procedures discussed under C and G below).

It is to be expected that no country will claim developing status unless there are bona fide grounds for it to do so; and that such a claim would be relinquished if those grounds ceased to exist.

B. Product Coverage

Special tariff treatment should apply in principle to all manufactured and semi-manufactured products. Other products could be included on a case-by-case basis.

C. Exceptions

In order to protect sensitive domestic industries it is probable that donor countries will find it necessary to exclude from the outset from the benefit of the special tariff treatment a limited number of products in respect of which developing countries are already competitive.

D. Rules of Origin

The grant of special tariff treatment will require the application of rules of origin to determine the conditions under which imports shall qualify for admission at special rates of duty. It will be necessary to determine how best to achieve the objectives of ensuring that the rules are in accordance with the intentions of the new arrangements and of providing broadly equivalent new import opportunities into each developed market.

E. Duration

The special tariff treatment should be temporary and degressive. Margins of preferences would not be guaranteed. The initial arrangements should be for a period of ten years with

provision for a major review before the end of this period to determine whether the special tariff treatment should be continued, modified or abolished. It is obvious that developed countries may wish before the ten-year period has elapsed to consider the feasibility of a further international negotiation to reduce tariffs on an m.f.n. basis. If they do so and the negotiations were successful, an element of degressivity would automatically be introduced into the arrangements for developing countries.

F. Depth of Cuts

The improved access for developing countries may take the form of duty-free treatment or substantial reductions below m.f.n. rates.

G. Safeguards and Adjustments

Any scheme of special tariff treatment must inevitably include some safeguard or adjustment arrangements to avoid the risks of dislocation of industry and labour. Safeguards may be either related to the possibility of withdrawal or modification of special tariff treatment when imports of particular products reach certain limits (defined in advance by reference to domestic production, consumption or imports); or they can be related to determination by the developed country concerned of the causing or the threat of injury to its domestic industry. These questions call for examination with a view to agreement among donor countries. It will be for the countries according special tariff treatment to ensure that safeguards are applied in a manner consonant with the principle of equitable sharing of improved access.

H. Preferences received by some developing countries in the markets of some developed countries

It is recognised that many countries would see as an important objective of the new arrangements a movement in the direction of equality of treatment for the exports of all developing countries in developed country markets. At the same time, developing countries presently receiving preferences in some such markets would expect the arrangements to provide them with increased export opportunities to compensate for their sharing of their present advantages.

I. Action by Countries with Centrally-Planned Economies

Both in order to maximise benefits for the developing countries and to provide for equitable distribution of appropriate measures among developed countries, the grant of special tariff treatment by developed countries with market economies should be matched by arrangements by countries with centrally-planned

economies which would similarly increase the opportunities for the export to them of products from developing countries.

J. Action by Developing Countries

The arrangements should not involve the grant of reciprocal advantages by developing countries for the exports of developed countries. They should however, be the occasion for developing countries to broaden market opportunities among themselves on a regional basis. It would also help if they agreed to take measures to encourage foreign investment as an additional spur to industrialisation.

The United States Member stated that, in his view, a key element in any arrangements for the grant of special tariff treatment is the phasing out, as rapidly as possible, of existing preferences extended by some developing countries to some developed countries.

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Enclosure 2

Consultations with Private Groups on Tariff Preferences
for Developing Countries

We have discussed the possibility of the United States joining with other developed countries in extending temporary generalized tariff preferences for developing countries with a number of key business, labor and public interest groups. While we have not sought or received specific endorsements, the reactions have been positive. Our consultations indicate widespread support for the effort to work out a system of generalized preferences. A summary of the most important of these consultations follows:

Business Groups

U.S. Chamber of Commerce. In July 1967, the U.S. Chamber of Commerce formally endorsed the extension of temporary tariff preferences by industrialized nations to developing countries. The conditions that the Chamber attached to this endorsement--that the preferences should be 1) extended to all developing countries by all developed countries and 2) temporary--are both basic features of the U.S. position.

National Foreign Trade Council and the National Foreign Trade Convention. On October 30 the National Foreign Trade Convention adopted a Declaration expressing concern about the growing proliferation of special discriminatory trading arrangements between developing countries and developed countries and about the effects of these special preferences on other countries, especially in Latin America. While re-affirming their support of trade liberalization on an m-f-n basis, the Convention stated that, if preferences were to be instituted, they should be temporary and extended jointly by all developed countries to all developing countries.

National Association of Manufacturers. The NAM does not formally take a position on tariff matters. However, the Vice President of the International Affairs Department and others indicated a growing awareness of the trade and development problems of the LDCs. They thought the members

interested in these matters would look favorably on a plan which would help developing countries and would remove existing discrimination.

Labor

AFL/CIO. The AFL/CIO several years ago endorsed preferences. Secretary Rusk recently discussed this problem with George Meany. Mr. Meany reacted favorably to the Administration's approach subject to the following qualifications:

1. Preferences should be extended by all developed countries, or major developed countries, to all developing countries.

2. There should be adequate safeguards for American workers.

3. There should be agreement that the benefits of preferences should be passed on to the workers in the developing countries.

We are in full agreement with these points.

Public Interest Groups

Some of the public interest groups with whom we have discussed preferences are as follows:

The Council on Foreign Relations
League of Women Voters
American Association of University Women
Brookings Institution
Foreign Policy Association
Society for International Development

While these organizations may not all take formal positions on preferences, their reactions to our approach have been universally positive.

Consultations with Congressional Leaders
on Preferences for Developing Countries

SENATE

Leadership:

Mansfield

Dirksen

Senate Finance Committee:

Long
(Tom Vail, Finance
Committee staff)
(November 27)

Williams

Foreign Relations:

Fulbright

Hickenlooper

Others:

Javits

HOUSE

Leadership:

Speaker
Albert

Ford

Ways and Means Committee:

Mills
Boggs

Byrnes
Curtis

Foreign Affairs Committee:

Morgan
(November 27)

Adair

~~SECRET~~

Leads 1:38 62

VZCZCEEA590
OO WTE12
DE WTE 2570

1967 NOV 26 18 38

FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: CAP671022

SANITIZED
E.O. 13292, Sec. 3.5
NLJ/RAC 04-82

By us, NARA, Date 11-15-04

~~SECRET~~

26 NOVEMBER 1967

FOR THE PRESIDENT FROM WALT ROSTOW. HERewith THE CIA'S
CYPRUS SITUATION REPORT AS OF 12:00 NOON EST

PRESIDENTIAL ENVOY CYRUS VANCE IS ARRIVING IN ANKARA
ABOUT 0500 LOCAL TIME 27 NOVEMBER (9:00 PM EST 26 NOVEMBER)
TO CONTINUE HIS TALKS WITH TURKISH OFFICIALS. THE
TURKISH PRESS IS NOW TAKING A MORE MODERATE TONE, PREDICTING THAT
GREEK TROUPS WILL BE WITHDRAWN FROM CYPRUS AND QUOTING A GOVERN-
MENT SPOKESMAN AS SAYING THAT THERE WAS "180 DEGREE" IMPROVE-
MENT IN THE TURKISH GOVERNMENT'S ATTITUDE.

THE LEFTIST TURKISH NATIONAL STUDENT FEDERATION (TMTF)
IS REPORTED TO BE PLANNING AN ANTI-AMERICAN STUDENT DEMONSTRATION
ON 27 NOVEMBER TO PROTEST THE UNITED STATES PREVENTING
TURKEY FROM GOING TO WAR OVER THE CYPRUS ISSUE. THE LEADERS OF
THE DEMONSTRATION CONSIDER ANTI-AMERICAN SENTIMENT TO BE AT AN ALL
TIME HIGH AMONG STUDENTS AND ARE DETERMINED TO CAPITALIZE
ON THE FEELING. SOME OF THOSE INVOLVED ARE URGING THAT AMERICAN
PROPERTY BE DESTROYED AND THAT ANY AMERICANS ENCOUNTERED BE BEATEN,
ESPECIALLY THOSE IN UNIFORM.

[REDACTED] A MEMBER
OF THE MILITARY GROUP WHICH RULED TURKEY IMMEDIATELY AFTER THE
1960 REVOLUTION ESTIMATES THAT TURKEY CANNOT MAINTAIN ITS
PRESENT FULL ALERT STATUS MUCH BEYOND 5 DECEMBER. ANY ACTION
AGAINST CYPRUS WOULD HAVE TO BE TAKEN BEFORE THEN.

NATO SECRETARY-GENERAL BROGIO HAS ARRIVED IN ANKARA AND U
THANT'S SPECIAL REPRESENTATIVE BOLZ-BENNET IS SCHEDULED TO
GO TO NICOSIA TODAY.

NATO SECRETARY GENERAL BROGIO, IN HIS CONVERSATIONS IN ATHENS
WITH CYRUS VANCE, INDICATED THAT HE INTENDS TO TAKE THE LINE
WITH THE TURKS THAT THE FRAMEWORK FOR AN AGREEMENT NOW EXISTS
THAT WILL REMOVE ILLEGAL GREEK FORCES FROM CYPRUS AND THAT UNDER THESE
CIRCUMSTANCES RESORT TO WAR WOULD BE FOOLISH. BROGIO ALSO
HOPES TO AMELIORATE SOME OF THE ANTI-NATO SENTIMENT WHICH
HAS BUILT UP IN TURKEY.

Pres file

67 NOV 26 PM 1:51

SUNDAY

~~SECRET~~

15
8/

63

THE WHITE HOUSE
WASHINGTON

Sunday, November 26, 1967

MEMORANDUM FOR THE PRESIDENT

For file

C. Roberts called me earlier in the evening about this item. On an off-the-record basis I did everything I could to turn him away from it. Specifically, I said that we by no means believe we were yet out of the woods in the Middle East; we had no response or offer to discuss ABM's and ICBM's; and there was no evidence that the Soviets were actively helping in Vietnam.

WWR

63a
LETTER

NEW YORK, NOV. 26 (REUTERS)--NEWSWEEK MAGAZINE REPORTED TONIGHT THAT PRESIDENT JOHNSON RECENTLY RECEIVED A SECRET CONCILIATORY LETTER FROM SOVIET PREMIER ALEXEI KOSYGIN, AND THIS ENCOURAGED JOHNSON TO SEEK A U.S.-SOVIET SUMMIT MEETING NEXT SPRING.

THE MAGAZINE SAID THE LETTER EXPRESSED ALARM OVER THE STATE OF SOVIET-AMERICAN RELATIONS AND INDICATED A DESIRE TO IMPROVE THEM.

(THE REPORT COULD NOT IMMEDIATELY BE CONFIRMED. THE PRESIDENT TOGETHER WITH WHITE HOUSE OFFICIALS TONIGHT WAS EN ROUTE BACK TO WASHINGTON AFTER SPENDING THE THANKSGIVING HOLIDAY ON HIS TEXAS RANCH).

NEWSWEEK SAID JOHNSON PARTICULARLY WANTED A MEETING WITH COMMUNIST PARTY CHIEF LEONID BREZHNEV "WHO IS NOW RECKONED TO BE THE FIRST AMONG EQUALS IN THE SOVIET HIERARCHY."
(MORE) BH/MJL 6: 52P

FIRST ADD NEW YORK LETTER X X X HIERARCHY."

THE MAGAZINE REPORT SAID KOSYGIN IN DISCUSSING THE MIDDLE EAST IN HIS LETTER "REFRAINED FROM THE USUAL SOVIET PRACTICE OF REFERRING TO ISRAEL AS AN 'AGGRESSOR' AND DID NOT BOTHER TO RAISE THE LONG-STANDING SOVIET DEMAND THAT ISRAEL PAY REPARATIONS TO THE ARABS.

"MORE SIGNIFICANT YET, THE SOVIET PREMIER ENDORSED ONE OF MR. JOHNSON'S MAJOR PROPOSALS FOR BRINGING PEACE TO THE MIDDLE EAST--AN AGREEMENT BY THE SUPERPOWERS TO LIMIT THE SHIPMENT OF ARMS TO THEIR ALLIES IN THE REGION," THE REPORT SAID.

NEWSWEEK DID NOT INDICATE WHAT OTHER TOPICS IF ANY WERE TOUCHED ON IN THE REPORTED LETTER.

HOWEVER, IT COMMENTED "A SUMMIT TALK, BESIDES CLEARING THE INTERNATIONAL AIR, WOULD LARGELY BENEFIT LBJ IN AN ELECTION YEAR."

(MORE) BH/MJL 6: 58P

SECOND ADD NEW YORK LETTER X X X YEARS."

THE MAGAZINE CONTINUED "THE PRESIDENT'S POPULARITY ROSE MARKEDLY AFTER HIS GLASSBORO TALKS WITH KOSYGIN LAST SUMMER. SOVIET DIPLOMATS IN WASHINGTON SAY THEY'RE IN FAVOUR OF A JOHNSON-BREZHNEV SUMMIT. THEY HOLD THAT NO PROMINENT GOP (REPUBLICAN) PRESIDENTIAL CANDIDATE WILL BE ABLE TO DO MORE THAN LBJ TO END THE VIETNAM WAR.

"IN FACT MOST REPUBLICANS, THE SOVIET ARGUE, MAY WELL ADVOCATE ESCALATION, THEREFORE, MANY POLITICAL ANALYSTS MAINTAIN, THE SOVIETS WOULD PREFER TO SEE LBJ REMAIN IN THE WHITE HOUSE."

THE MAGAZINE NOTED THAT "ONCE BEFORE, SOVIET LEADERS HAVE PLAYED U.S. DOMESTIC POLICIES--IN 1960 KHRUSHCHEV ALLOWED HIS TIMING OF U-2 PILOT FRANCIS GARY POWER'S RELEASE TO BENEFIT JOHN F. KENNEDY."

BH/MJL 7: 01P

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~~SECRET~~

November 26, 1967

FROM WALT ROSTOW
FOR THE PRESIDENT
INFORMATION GEORGE CHRISTIAN

*Pres. file
sent Buchanan via
CAP 671021*

Greek response to Ankara's counterproposals last night was initially favorable, although Cy is staying in Athens most of today to work out some troublesome language (and, hopefully, to get some sleep). There is still room for a breakdown in this effort, but Cy tentatively felt last night that the Turks had turned the corner yesterday and decided they had a chance of gaining their objectives without war.

In addition to holding the Turks, Cy seems to have surmounted the first negotiating hurdles -- who backs down first and general agreement that illegal Greek forces on Cyprus must withdraw. The Turks can bill this as a victory, although in a secret annex to the agreement Cy has worked out, they agree to announce some steps toward demobilization within four hours after Greece announces its plans for withdrawal.

Now two new problems are coming into focus:

First is Makarios. He's decided that he's safe now and is going to use the crisis to eliminate formal Turk presence on Cyprus once and for all. He is going to insist on withdrawal even of those small military contingents from Greece and Turkey allowed by the 1960 agreements. Once Cy has agreement in Athens and Ankara, his next job will be to bring Makarios into line.

~~SECRET~~

~~SECRET~~

-2-

Next is U Thant. He has already called for the "total demilitarization" of Cyprus and may side with Makarios on pulling out even the legal Greek and Turk contingents. More important, Arthur Goldberg has pointed out the difficulty of expending the role of the UN force on the island. The agreement Cy has worked out envisages the UN force assuming much greater responsibility for order and for security of the Turk minority. Arthur says the USSR and France will make it hard for U Thant to take on that responsibility unless he can interpret his present mandate broadly enough to include it -- and he's notably wary of interpreting his mandates broadly. Arthur also points out that we will have to be ready to pick up much of the initial bill.

Many things could still go wrong. However, it seems as if Cy achieved his first objective yesterday -- giving the Turks some confidence that they could get what they want without going to war. Unless the Turks were putting on a good show of toughness at the lower levels and flexibility at the top, it looks from here as if President Sunay was largely responsible for yesterday's Turkish decision to give him a chance. We will never know for sure, but it looks as if your extremely warm talks with him last spring may have paid off yesterday. Now we have an obligation to support whatever arrangement Cy can work out.

HSaunders:rlm

~~SECRET~~

S ~~SECRET~~

W. Rostow

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Sunday, November 26, 1967

Pres file

MEMORANDUM FOR THE PRESIDENT

Attached is a copy of the communique on the Frankfurt meeting on gold. It has been released in Europe in time to be out before the opening of the London gold market.

It means in effect the adoption of our preferred alternative 1. The London market will open with a strong multilateral commitment of support for the \$35 price.

Although there is no indication of this in the statement, our partners wish to review the situation with us in a week if there is serious trouble.

In addition they are taking whatever steps they can, with the Swiss in the lead, to tighten up on credit available for gold speculation.

They will also operate with us in forward exchange markets to help protect the dollar against any speculative attacks.

The statement closes with an implied invitation to the French to join the party.

We are letting the statement speak for itself with no backgrounding.

Walt W. Rostow

Walt W. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *pw*, NARA, Date 5-14-98

The Secretary of the Treasury and the Chairman of the Federal Reserve Board made available a communique issued in Frankfurt, Germany, today which reads as follows:

"The Governors of the Central Banks of Belgium, Germany, Italy, Netherlands, Switzerland, United Kingdom and the United States convened in Frankfurt on November 26, 1967.

"They noted that the President of the United States has stated:

"'I reaffirm unequivocally the commitment of the United States to buy and sell gold at the existing price of \$35 per ounce.'

"They took decisions on specific measures to ensure by coordinated action orderly conditions in the exchange markets and to support the present pattern of exchange rates based on the fixed price of \$35 per ounce of gold.

"They concluded that the volume of gold and foreign exchange reserves at their disposal guarantees the success of these actions; at the same time they indicated that they would welcome the participation of other central banks."