

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#3a cable	Panama 3610 <i>open 3-1-01</i> C 2 p [Duplicate of #194a, NSF, CF, Panama, Vol. 10]	6/5/68	A
#4 memo	Rostow to President, 5:15 p.m. S 1 p <i>OPEN 6/29/95 NLJ 94-469</i>	6/6/68	A
#4a cable	Paris 15721 S 1 p <i>open 3-28-95 NLJ 94-470</i>	6/6/68	A
#4b cable	Moscow 4142 " S 1 p	6/6/68	A
#4c cable	Saigon 29369 " S 2 p	6/6/68	A
#5 memo	Rostow to President, 4:30 p.m. <i>open 3-1-01</i> S 1 p	6/6/68	A
#5a cable	New Delhi 15147 <i>open 6/21/01 NLJ 01-115</i> S 2 p	6/5/68	A
#10 memo	Rostow to President, 2:20 p.m. <i>amended 1/24/02 NLJ/RAC 01-87; same same per RAC 8705</i> S 1 p [Duplicate of #1, NSF, Subject File, "Senator Kennedy Assassination," Box 20]	6/6/68	A
#10a cable	Intelligence Cable <i>Exempt 7/18/01 NLJ/RAC 01-88 SAME</i> S 1 p <i>EXEMPT NLJ 01-035-2</i> [Duplicate of #1a, NSF, Subject File, "Senator Kennedy Assassination," Box 20]	6/6/68	A
#11a ltr	Rusk to President <i>open 3-1-01</i> S 1 p	6/6/68	A
#13 memo	Rostow to President <i>open 3-1-01</i> PCI 2 p	6/6/68	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, Volume 80, June 1-6, 1968 Box 35

RESTRICTION CODES

- (A) Closed by Executive Order 12358 governing access to national security information.
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#15 memo	Rostow to President C 1 p <i>open 3-1-01</i> [Duplicate of #128, NSF, CF, Jamaica, Vol. 1]	6/6/68	A
#15a rpt	"Talking Points" (re: Jamaica) <i>open 3-1-01</i> C 2 p [Duplicate of #124a, NSF, CF, Jamaica, Vol. 1]	6/68	A
#17 memo	Rostow to President <i>open 3-1-01</i> C 1 p [Duplicate of #2g, NSF, CF, Mauritius Islands]	6/6/68	A
#18 memo	Rostow to President <i>open 3-1-01</i> C 3 p (<i>Dup of #25P, NSF, CF, Lat Amer. (118)</i>)	6/6/68	A
#20 memo	Rostow to President, 7:05 p.m. <i>open 2/27/02 NSD/RAC 01-87</i> S 1 p <i>exempt NSJ 019-035-2</i>	6/5/68	A
#20a memo	Intelligence Memorandum <i>sanitized 7/27/01 NSD/RAC 01-88</i> S 2 p	6/5/68	A
#22 memo	Rostow to President, 4:50 p.m. S 1 p <i>open 6-27-94 NLS 93-345</i>	6/5/68	A
#22a memo	Zwick to President, re: Morocco S 2 p <i>open 6-27-94 NLS 93-345</i>	5/23/68	A
#22b memo	Katzenbach to President, re: Morocco <i>open 3-1-01</i> S 5 p <i>exempt #2593347</i> <i>dup # 144 NSF, SF, Pres. Determinations, vol. 4, Box 40</i>	5/18/68	A
#22c memo	President to Katzenbach <i>open 3-1-01</i> S 1 p	6/6/68	A
#22d memo	President to Katzenbach <i>open 3-1-01</i> S 1 p	6/6/68	A
#22e memo	Duplicate of #22b <i>open 3-1-01</i>		
#24a memo	Zwick to President, re: Morocco <i>open 3-1-01</i> S 2 p	5/23/68	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#24b memo	Gaud to President, re: Morocco <i>open 3-1-01</i> C 5 p	5/6/68	A
#24c rpt	Attachment to #24b <i>open 3-1-01</i> S 7 p	undated	A
#25b memo	Wheeler to Abrams <i>open 3-1-01</i> C 1 p	6/4/68	A
#26 memo	Rostow to President, 3:40 p.m. S 2 p <i>open 10/3/97</i>	6/5/68	A
#26a rpt	"Itinerary for African Trip: S 3 p <i>open 10/3/97</i>	6/5/68	A
#26b map	"Africa" PCI 1 p <i>open 10/3/97</i>	undated	A
#27 memo	Rostow to President, 3:25 p.m. <i>sanitized 2/27/02 via RAC 01-87</i> S 1 p <i>open 12-23-09</i>	6/5/68	A
#27a memo	Intelligence Memorandum Exempt 7/12/01 via RAC 01-88 S 2 p <i>sanitized per RAC 12-23-09</i>	6/5/68	A
#28 memo	Rostow to President, 3:05 p.m. <i>open 3-1-01</i> C 1 p [Duplicate of #57, NSF, Subject File, "Senator Kennedy Assassination," Box 20]	6/5/68	A
#29a cable	Paris 15583 <i>open 3-1-01</i> S 4 p <small>[dup # 34, NSF, CFVN, "HANOI Misc & Memos Vol. 3"] [dup # 80, NSF, CF VN, "HANOI Chron V. 3, Bx 110"] [dup # 87, NSF, CF VN, "HANOI Paris to BCL... V. 4" Bx 116]</small>	6/5/68	A
#30a cable	Cairo 2567 <i>open 3-1-01</i> C 2 p	6/3/68	A
#32 memo	Rostow to President, 9:50 a.m. <i>open 4-8-94</i> S 1 p <i>NZ 3 91-457</i> [Duplicate of #244, NSF, CF, Laos, Vol. 18]	6/5/68	A

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#34 memo	Rostow to President, 9:05 a.m. open 4/3/03 NLJ/RAC 01-90 TS- 1 p	6/5/68	A
#34a rpt	Intelligence Report TS- 5 p <i>Sanitized S404 NLJ/RAC 01-91</i>	6/4/68	A
#36 memo	Rostow to President, 8:50 a.m. TS- 1 p <i>open 7/23/02 NLJ/RAC 01-99</i>	6/5/68	A
#36a rpt	Intelligence Report <i>open RAC 11/09</i> TS- 2 p	6/5/68	A
#36b map	Intelligence Report S- 1 p	6/5/68	A
#37 memo	Rostow to President, 8:35 a.m. open 3/14/03 NLJ/RAC 01-99 TS- 1 p [Sanitized NLJ/CBS 21; 1984] [Poss. Dup. #36a, NSF, CF, VN, "HARVAN MISC. + MEMOS Vol. 3"]	6/5/68	A
#37a rpt	Intelligence Report TS- 1 p <i>open RAC 11/09</i> [Sanitized NLJ/CBS 4; 1983]	6/5/68	A
#37b cable <i>ALM #62003 NLJ/RAC 01-91</i>	Intelligence Cable S- 1 p	6/4/68	A
#39 memo	Rostow to President <i>open 3-1-01</i> C- 2 p [Duplicate of #14, NSF, Subject File, OAS, Vol. 2]	6/5/68	A
#43a cable	Paris 15521- <i>open 3-1-01</i> C- 12 p [Duplicate of #42a, NSF, CF, France, Vol. 13; Sanitized NLJ 85-233]	6/4/68	A
#44 memo	Rostow to President, 6:30 p.m. S 1 p <i>exempt NLJ 019-035-2 exempt 2/29/02 NLJ/RAC 01-87</i>	6/4/68	A
#47a cable	Deptel to Saigon <i>open 3-1-01</i> S- 5 p	6/4/68	A

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NSF, Memos to the President, Walt Rostow, Volume 80, June 1-6, 1968 Box 35

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#48a memo	Zwick to President, re: Ceylon <i>open 3-1-01</i> S 2 p	5/29/68	A
#48b memo	Gaud and Freeman to President, re: Ceylon <i>open 3-1-01</i> C 2 p	5/23/68	A
#48c rpt	Attachment to #48b <i>open 3-1-01</i> S 1 p	undated	A
#48e memo	Read to Rostow <i>open 3-1-01</i> C 1 p	5/23/68	A
#48g cable	Deptel (draft) to Colombo <i>open 3-1-01</i> C 2 p	5/20/68	A
#48h ltr	Ceylon PM to President <i>open 3-1-01</i> PCI 1 p	4/30/68	A
#50a memo	Grey for the Files <i>open 3-1-01</i> S 1 p	6/3/68	A
#52 memo	Rostow to President <i>open B/a/1/01/WJ 01-46</i> TS 1 p	6/4/67 ⁶⁸	A
#52a memo	Battle to SecState <i>open B/a/1/a NJ 01-115</i> S 2 p	6/4/68	A
#54 memo	Rostow to President <i>open 3-1-01</i> C 1 p	6/4/68	A
#54a memo	Read to Rostow <i>open 3-1-01</i> C 2 p	5/31/68	A
#55 memo	Rostow to President, re: Jamaica <i>open 3-1-01</i> C 1 p [Duplicate in Diary Backup, "6/7/68, PM of Jamaica"]	6/4/68	A
#56 memo	Rostow to President <i>open 3-1-01</i> C 2 p	6/4/68	A

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#57 memo	Rostow to President, re: El Salvador S 1 p [Duplicate of #5, NSF, CF, El Salvador, Vol. 1]	6/4/68	A
#58 memo	Rostow to President S 2 p	6/4/68	A
#58a draft	Deptel to Mexico City, San Salvador, Bogota... S 4 p <i>sanitized 1/8/02 NLS/RAC 01-117</i>	undated	A
#63 memo	Rostow to President, 3:20 p.m. S 1 p	6/4/68	A
#63a rpt <i>exempt 2003 NLS/RAC 01-91</i>	Intelligence Report S- 3 p	5/27/68	A
#65a memo	Leddy to SecState C 2 p	6/4/68	A
#65b memo	Leddy to SecState C 1 p	6/3/68	A
#65c memo	Leddy to SecState C 5 p	5/25/68	A
#65d memo	Leddy to SecState C 3 p	5/22/68	A
#66 memo	Rostow to President, 12:00 noon S 1 p	6/4/68	A
#66a cable	Saigon 29082 S 2 p	6/4/68	A
#66b cable	Intelligence Information Cable S 2 p	6/3/68	A
#67 memo	Rostow to President, 10:50 a.m. S 1 p	6/4/68	A

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#67a cable	Saigon 29038 open 4-24-98 RAC S 2 p [dup. #8, NSF, CF, VN, "HARVARD Chron II," Bx 109]	6/4/68	A
#68 memo	Rostow to President, 10:45 a.m. open 3-1-01 S 1 p [dup. #40, NSF, CF, VN, "HARVARD MISC. + MEMOS vol. 3"]	6/4/68	A
#68a cable	Paris 15453 open 4-24-98 RAC S 1 p [dup. #40a NSF, CF, VN, "HARVARD MISC. + MEMOS V. 3"] [dup. #38, NSF, CF, VN, "HARVARD Chron II," Bx 109] [dup. #94, NSF, CF, VN, "HARVARD PARIS TO DEL-DELTO II," Bx 116]	6/4/68	A
#72a cable	Paris 15436 open 4-24-98 RAC S 1 p [dup. #47, NSF, VN, "HARVARD Chron II," Bx 109] [dup. #98, 98c, NSF, VN, "HARVARD TO DEL-DELTO II," Bx 116]	6/3/68	A
#72b cable	Deptel 174971 to Paris open 3-1-01 S 2 p	6/2/68	A
#72c memo	Rostow to President, 7:30 p.m. open 3-1-01 S 1 p	5/23/68	A
#72d ltr	Rusk to President open 3-1-01 S 3 p	5/23/68	A
#72e cable	Rostow to President (CAP 81204) open 2/21/01 NLS 01-116 S 1 p	5/31/68	A
#73 memo	Rostow to President, 7:00 p.m. (dup #42a, NSF, CF, VN) open 3-1-01 S 1 p	6/3/68	A
#73a cable	Paris 15070 EXEMPT FROM NSI RAC 01-04 S 2 p exempt per RAC 8/05	5/29/68	A
#75 memo	Rostow to President, re: Costa Rica sanitized 1/8/02 NLS 01-117 C 2 p [Duplicate of #39c, NSF, CF, Costa Rica, President Trejos Fernandez Visit]	6/3/68	A
#75a memo	Katzenbach to President, re: Costa Rica open 3-1-01 C 2 p [Duplicate of #39d, NSF, CF, Costa Rica, President Trejos Fernandez Visit]	5/31/68	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#75b rpt	"Talking Points" re: Costa Rica C 3 p [Duplicate of #39f, NSF, CF, Costa Rica, President Trejos Fernandez Visit]	6/4/68	A
#76 cable dup # 1294 Summary Vol 15, Box 189	Rostow to President (CAP 81232) C 2 p open 8-15-94 NLJ 94-192	6/3/68	A
#77 cable	Rostow to President (CAP 81231) S 4 p [Duplicate of #27a, NSF, CF, Vietnam, "8 I--Taylor Memos"]	6/3/68	A
#78 cable	Rostow to President (CAP 81241) S 1 p [Partial duplicate of #72a] [dup. # 98a, NSF, CF, VN, "Harvard Paris 4.. 6/1-10/68, Box 116"]	6/3/68	A <i>William HARVARD misc + mem Vol 3</i>
#80 cable	Rostow to President (CAP 81235) S 1 p	6/3/68	A
#81 cable	Rostow to President (CAP 81233) S 2 p	6/3/68	A
#82 cable	Rostow to President (CAP 81237) C 1 p [Duplicate of #173, NSF, CF, Japan, Vol. 7]	6/3/68	A
#85 cable	Rostow to President (CAP 81212) S 3 p	6/1/68	A

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ACTION

W u R 1

Thursday, June 6, 1968 -- ^{3:55} 3:45 PM

Mt. President:

Pres file

Attached, for your approval, is a proposed birthday greeting to King Mahendra of Nepal. He will be 48 on June 11. The King is reportedly back on his feet after his recent heart attack.

I recommend you approve the message.

W. W. Rostow

Approve _____

Disapprove _____

Call me _____

RPM/vmr

1a

PRESIDENTIAL MESSAGE TO KING MAHENDRA OF NEPAL

Your Majesty:

Mrs. Johnson and I send your warmest wishes on your birthday. We were so thankful to hear of Your Majesty's rapid recovery. It is a great comfort to Americans -- and to free men everywhere -- to know that you are back at the helm of your brave nation.

With best personal regards.

Sincerely,

**His Majesty Mahendra Bir Bikram Shah Deva
King of Nepal
Kathmandu, Nepal**

RPM/vmr

2

INFORMATION

Thursday, June 6, 1968 -- 5:25 pm

Mr. President:

A light touch from history, dug up
by Henry Owen.

Pres file

W. W. Rostow

wwrostow:rlh

DEPARTMENT OF STATE
~~XXXXXXXXXX~~ Chairman
Policy Planning Council
Washington

2a

June 5, 1968

TO : The Secretary
THROUGH: S/S
FROM : S/P - Henry Owen v:0
SUBJECT: "The Future of Foreign Aid" by the Emperor Trajan

Lest anyone think that the problems of AID and the GAO are unique to our time, I quote below correspondence between the Emperor Trajan and his representative in the Middle East, Pliny the Younger, in 100 BC:

PLINY TO TRAJAN

"The citizens of Nicomedia, Sire, have expended three million three hundred and twenty-nine thousand sesterces on an aqueduct; but they abandoned it unfinished, and it has actually been pulled down. They made a grant of two hundred thousand sesterces for another aqueduct, but this likewise is discontinued; so that after having thrown away an immense sum they must incur fresh expense in order to be accommodated with water... But, first, to prevent another failure, it will be necessary for you to send here an inspector of aqueducts or an engineer. I will venture to affirm one thing -- the beauty and usefulness of the work will be entirely worthy of your reign."

TRAJAN TO PLINY

"Care must be taken to supply the city of Nicomedia with water--you will, I am convinced, set about the work with all due diligence. But it is most certainly no less incumbent upon you to ascertain whose fault it is that the Nicomedians have up to the present squandered such large sums. They must not be suffered to commence and then abandon aqueducts by a system of collusion. You will let me know the results of your inquiry."

cc: U - The Under Secretary
AID - Mr. Gaud
M - Mr. Rostow
G - Amb. Bohlen
E - Mr. Solomon

INFORMATION

3

~~CONFIDENTIAL~~

Thursday, June 6, 1968 - 5:20pm

Mr. President:

Herewith Adair has an amiable
beginning with Arias in Panama.

Pres file

W. W. Rostow

Panama 3610

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 6-5-92

WWRostow:rlh



Department of State

TELEGRAM

3a
2

~~CONFIDENTIAL~~ 597

PAGE 01 PANAMA 03610 060031Z

80
ACTION ARA 16

INFO CIAE 00, DODE 00, GPM 04, H 02, INR 07, L 03, NSAE 00, NSC 10, P 04,
RSC 01, SP 02, SS 20, USIA 12, AID 28, PC 04, RSR 01, /114 W

P R 052330Z JUN 68
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC PRIORITY 4194
INFO USCINCSO
GOV PAN CANALA

Rostow

~~CONFIDENTIAL~~ L PANAMA 3610

1. ON THE MORNING OF JUNE 4, RUBEN CARLES PHONED TO ME AN INVITATION FROM DR ARNULFO ARIAS TO VISIT HIM AT HIS HOME ON AVENIDA BALBOA. I ACCEPTED AND SPOKE WITH DR ARIAS ABOUT THREE QUARTERS OF AN HOUR IN THE PRESENCE OF RUBEN CARLES AND HILDEBRANDO NICOSIA. DR ARIAS TOASTED IN CHAMPAGNE FUTURE CORDIAL RELATIONS BETWEEN PANAMA AND THE U.S. I FELICITATED HIM AGAIN ON RECEIPT OF CREDENTIALS FROM THE NEB.
2. IT WAS AN EASY AND FRIENDLY CONVERSATION IN WHICH DR. ARIAS EXPRESSED HIS STRONG DESIRE TO BUILD CONFIDENCE AND CORDIAL RELATIONS BETWEEN PANAMA AND THE U.S. AND THE CANAL ZONE. HE RECOGNIZED THE NEED FOR POLITICAL STABILITY IN PANAMA AND VOICED A HOPE THAT THE ELECTORAL SYSTEM COULD BE IMPROVED IN FUTURE TO AVOID MANY OF THE UNFORTUNATE EVENTS OF THE RECENT CAMPAIGN. HE DEPLORED THE TONE AND TACTICS OF LOCAL NEWS MEDIA AND DECLARED HIS INTENTION TO ASK NEWSMEN IN THE NEAR FUTURE TO MEET WITH HIM TO DISCUSS RAISING THE MORAL LEVEL OF THE LOCAL MEDIA. HE AND CARLES COMMENTED ON THE IMPORTANCE OF MAINTAINING CONTINUOUS PROGRESS IN AID PROGRAMS IN ORDER TO AVOID A DROP IN ECONOMIC ACTIVITY. THEY REITERATED THEIR CONCERN (EXPRESSED EARLIER TO MEGELLAS) OVER THE FISCAL CONDITION WHICH THE NEXT GOVT MIGHT INHERIT AND AGAIN ALLUDED TO A POSSIBLE NEED FOR BUDGETARY SUPPORT. I REPLIED WITH A HOPE FOR A PICK UP IN ECONOMIC ACTIVITY, ECONOMIES IN GOVT AND BETTER TAX COLLECTIONS WHICH MIGHT MAKE A REQUEST FOR BUDGETARY SUPPORT UNNECESSARY.
3. FINALLY I REPEATED TO DR ARIAS MY READINESS TO PROVIDE FURTHER

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By jc, NARA, Date 2-15-01



Department of State

TELEGRAM

2

~~CONFIDENTIAL~~

PAGE 02 PANAMA 03610 060031Z

INFORMATION REGARDING OUR COOPERATIVE PROGRAMS IF HE SO DESIRED AND WE AGREED UPON SPECIFIC CHANNELS FOR THE REQUESTING AND SUPPLYING OF SUCH INFORMATION.

4. FOREIGN CORRESPONDENTS IN PANAMA LEARNED OF MY MEETING WITH ARIAS AND INQUIRED TODAY OF PAO DAVIS. I AUTHORIZED A REPLY TO PRESS INQUIRIES TO EFFECT DR. ARIAS HAD INVITED ME TO HIS HOME; I HAD ACCEPTED AND WE HAD HAD A PLEASANT CONVERSATION.

5. IF ANYTHING FURTHER NEED BE SAID TO PRESS I SUGGEST FOLLOWING: HAVING RECEIVED CREDENTIALS FROM NEB, DR ARIAS NATURALLY INTERESTED IN PROGRAMS UNDER ALLIANCE FOR PROGRESS AND OTHER U.S. PANAMA COOPERATIVE PROJECTS. WHENEVER ANYONE INTERESTED IN THESE PROGRAMS WISHES KNOW MORE ABOUT THEM WE TRY TO BE FORTHCOMING AS POSSIBLE. AMBASSADOR AND AID DIRECTOR HAVE MET WITH DR ARIAS AT HIS REQUEST TO PROVIDE SUCH INFORMATION.

GP-3. ADAIR

~~CONFIDENTIAL~~

INFORMATION

4

~~SECRET~~ -- HARVAN

Thursday, June 6, 1968 -- 5:15 p. m.

Pres file

Mr. President:

In response to Kosygin's message:

- Harriman and Vance urge we hold up a reply until we can confer with them over the weekend;
- Tommy says: stop bombing on San Antonio assumption;
- Bunker says: use Kosygin to press for private contacts; insist on reciprocity; consider going back to Hanoi-Haiphong if no progress in talks.

W. W. Rostow

Paris 15721
Moscow 4142
Saigon 29369

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-469
By CB, NARA, Date 6-19-95

~~SECRET~~

WWRostow:rlh



Department of State

W 10 4a2

TELEGRAM

~~SECRET~~

RER867

PAGE #1 PARIS 15721 061652Z

47
ACTION SSO 20

1 3 9 7Q

INFO /303 W

1968 JUN 6 01: 12 55

Z 061645Z JUN 68
FM AMEMBASSY PARIS
TO SECSTATE WASHDC FLASH 2712

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-470

~~SECRET~~ PARIS 15721

By mp, NARA, Date 3-20-95

N O D I S/HARVAN

LITERALLY EYES ONLY FOR THE SECRETARY FROM HARRIMAN AND VANCE.
(REPEAT BUNKER IF SECRETARY DESIRES).

1. WE HAVE READ STATE 177491 AND ARE STRUCK BY DIRECT CHARACTER OF MESSAGE AND ABSENCE OF USUAL RHETORIC ABOUT "JUST CAUSE" AND THE LIKE. MESSAGE INDICATES TO US THAT USSR IS WILLING WITHIN LIMITS TO HELP FIND A PEACEFUL SETTLEMENT.

2. WE RECOMMEND A TENTATIVE REPLY THAT MATTER WILL BE GIVEN FULLEST CONSIDERATION INCLUDING CONSULTATION WITH US, WHO WILL BE IN WASHINGTON THIS WEEKEND, AND A FURTHER RESPONSE WILL FOLLOW LATER.

3. IF YOU AGREE, WE WOULD HOPE TO MEET WITH YOU ON SATURDAY EVENING OR SUNDAY. WE PLAN TO ARRIVE NEW YORK AT 6:02 EDT FRIDAY EVENING AND WILL BE ATTENDING FUNERAL AND BURIAL ON SATURDAY.
GPI HARRIMAN

~~SECRET~~



Department of State

4b
#2
W 10
TELEGRAM

~~SECRET~~

CONTROL: 14430
REGD: JUNE 6, 1968
2:42 P.M.

..... ZZ RUEHC
DE RUEHCR 4142FD 158182B
ZNY SSSSS
Z 061810Z JUN 68 ZFF-4
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC FLASH 861B
STATE GRNC
BT

~~SECRET~~ MOSCOW 4142

NODIS

S/S READ ONLY

REF: STATE 177491

1. SUGGEST PRESIDENT HAS TWO ALTERNATIVES. FIRST WOULD BE TO STATE THAT IN VIEW OF KOSYGIN'S MESSAGE HE IS ORDERING COMPLETE CESSATION OF BOMBING NORTH VIETNAM BUT IS DOING SO ON BASIS OF THE SAN ANTONIO ASSUMPTIONS. IT WOULD BE CLEAR TO NORTH VIETNAMESE THAT IF THEY DID NOT RECIPROCATE BY REDUCING LEVEL OF VIOLENCE OR BY SOME OTHER ACTION SUCH AS AGREEMENT ON RESTORATION OF DMZ THE BOMBING WOULD BE RESUMED. BY BASING HIS ACTION ON KOSYGIN'S APPEAL THE SOVIETS WOULD BE UNDER STRONG OBLIGATION TO PRESS NVN AT LEAST TO RECIPROCATE BY MILITARY SLOW DOWN AND I BELIEVE THEY WOULD BRING CONSIDERABLE PRESSURE TO BEAR IF ONLY TO FORESTALL ESCALATION ON OUR PART. I WOULD FAVOR THIS COURSE.

2. IF REPLY IS NEGATIVE I CAN ONLY SUGGEST THAT PRESIDENT STRESS OUR HEAVY CASUALTIES AND FACT THAT THE FIRST STEP HE TOOK TO BRING ABOUT PEACE WAS MET BY INCREASED INFILTRATION AND ATTACKS ON SOUTH VIETNAMESE CITIES. MORE SPECIFIC THE FIGURES GIVEN THE BETTER.

3. I WONDER IF ACTION HE REFERS TO ABOUT ENCOURAGING UNOFFICIAL CONTACTS MAY REFER TO CYRUS EATON. IF SO REPLY MIGHT INDICATE SUCH CONTACTS WOULD HAVE TO BE WITH RESPONSIBLE AMERICAN OFFICIAL.

4. IF FIRST ALTERNATIVE WERE USED SUGGEST REPLY SHOULD MAKE CLEAR OUR POSITION ON OVERFLIGHTS SINCE KOSYGIN USED PHRASE 'QUOTE AND OTHER ACTS OF WAR UNQUOTE.

THOMPSON
BT

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-410
By 10, NARA, Date 3-20-95



Department of State

TELEGRAM

W 12 3

***** ZZ RUEHC
DE RUMJIR 29369 1581830
ZNY SSSSS ZZH
Z 061810Z JUN 68ZFF-1
FM AMEMBASSY SAIGON
TT SECSTATE WASHDC FLASH 4161
STATE CRNC
BT

1 4 5 7 Q

1968 JUN 6 PM 2 59

~~SECRET~~ SAIGON 29369

NODIS

FOR S/S READ ONLY

REF: STATE 177491

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-470
By 48, NARA, Date 3-20-95

1. IT IS TRUE AS MR. KOSYGIN STATES THAT PROGRESS HAS NOT BEEN MADE IN TALKS IN PARIS BUT IT SEEMS TO ME IMPORTANT TO POINT OUT THAT TALKS HAVE BEGUN ONLY BECAUSE OF A MAJOR CONCESSION ON OUR PART, NAMELY THE HALTING OF BOMBING OVER A MAJOR PART OF NORTHVIETNAM. RATHER THAN INDICATING ANY RECIPROCAL MEASURE OF RESTRAINT OR DESIRE TO REDUCE THE LEVEL OF VIOLENCE, THE DRV TO THE CONTRARY HAS CONTINUED ITS ATTACKS AGAINST THE CIVILIAN POPULATION OF SAIGON AND OTHER CITIES OF SOUTH VIETNAM AND HAS TAKEN ADVANTAGE OF THE BOMBING CESSATION TO GREATLY STEP UP ITS INFILTRATION OF MEN AND MATERIEL THROUGH LAOS AND THE DMZ, BOTH OF WHICH IT IS PLEDGED TO RESPECT. CAN MR. KOSYGIN REALLY THINK IT REASONABLE TO EXPECT US TO FURTHER EXPOSE OUR OWN FORCES AND THOSE OF OUR ALLIES TO GREATER VULNERABILITY WITHOUT ANY INDICATION OF A DESIRE FOR MUTUAL ACCOMMODATION FROM THE OTHER SIDE OTHER THAN THE VAGUE STATEMENT THAT ALL OTHER MATTERS COULD THEN BE CONSIDERED?

2. MR. KOSYGIN MENTIONS THE FACT THAT HE HAS BROUGHT TO THE COGNIZANCE OF THE DRV IN RESPONSE TO OUR REQUEST THE DESIRABILITY OF ESTABLISHING UNOFFICIAL CONTACTS BETWEEN THE DELEGATIONS. IT SEEMS TO ME THIS IS NOW WHERE OUR MAIN EFFORT SHOULD BE DIRECTED. IT IS HARD FOR ME TO CONCEIVE THAT PROGRESS CAN BE MADE WHILE TALKS REMAIN IN THE PUBLIC ARENA IN PARIS WHERE THE GIVE AND TAKE AND FLEXIBILITY NECESSARY IN ANY TALKS OR NEGOTIATIONS, CALLED BY WHATEVER TERM, IS IMPOSSIBLE. IT HAS BEEN MY EXPERIENCE, LIMITED THOUGH I RECOGNIZE IT TO BE, THAT PROGRESS IS POSSIBLE ONLY IF TALKS CAN BE CARRIED ON PRIVATELY AND SECRETLY BETWEEN THE PARTIES. IT SEEMS TO ME THAT THIS IS THE DIRECTION IN

~~SECRET~~

-2- SAIGON.29369. JUN 6, (NODIS)

WHICH MR. KOSYGIN'S INFLUENCE CAN MOST HELPFULLY BE EXERTED IN THE INTEREST OF THE PROGRESS HE PROFESSES TO WANT, INDEED WHICH ALL OF US WANT. I BELIEVE THAT ONLY IN THIS WAY CAN A DRUITFUL EXCHANGE OF THE LIMITS OF POSSIBILITIES BE HAD.

3. FINALLY, I BELIEVE THAT TO GO BEYOND THE CONCESSIONS WE HAVE ALREADY MADE WOULD CONFIRM IN THE MINDS OF THE GVN AND THE VIETNAMESE PEOPLE THE APPREHENSION AND SUSPICIONS OF OUR INTENTION THEY ONCE HELD AND WHICH HAVE NOW GREATLY SUBSIDED BECAUSE OF WHAT THEY SEE AS THE FIRM YET REASONABLE POSITION WE HAVE TAKEN IN PARIS. CERTAINLY WE SHARE WITH MR. KOSYGIN A SINCERE DESIRE FOR THE RESTORATION OF PEACE IN SOUTHEAST ASIA, A RELAXATION OF TENSIONS, AND AN END TO BLOOD-SHED BUT CAN HE THINK IT UNREASONABLE THAT THE DRV SHOULD ALSO MAKE SOME CONTRIBUTION TO THIS END?

4. COMMENT: I HAVE, AS YOU KNOW, BELIEVED THAT THERE MUST BE SOME LIMIT TO THE "TAKING ADVANTAGE" OF OUR BOMBING RESTRICTION BY THE OTHERSIDE, AND THAT WE SHOULD SO INDICATE TO THEM PRIVATELY. WHETHER OR NOT WE SHOULD INTIMATE TO MR. KOSYGIN THAT THERE IS SOME LIMIT TO OUR PATIENCE YOU ARE CERTAINLY IN A BETTER POSITION TO JUDGE THAN I. THIS QUESTION, HOWEVER, IS COMING INCREASINGLY TO THE FORE IN THE MINDS OF THE VIETNAMESE AND I HAVE CONTEMPLATED MAKING THIS THE SUBJECT OF A FURTHER MESSAGE.

BUNKER

BT

~~SECRET~~

5

INFORMATION

~~SECRET~~

Thursday, June 6, 1968 - 4:30 pm

Mr. President:

Although Indians are notorious for over-optimism, the marked passages are worth reading.

You should also know that Dobrynin told Sec. Rusk today that: "The Chairman attached extraordinary importance to his letter to the President."

W. W. Rostow

New Delhi 15147

~~SECRET~~

WWRostow:rla

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By jc, NARA, Date 2-15-01



Department of State

5a
TELEGRAM

W 17 6

~~SECRET~~

Restow

RR RUEHC
DE RUSBAE 15147 1571421.
ZNY SSSSS ZZH
R 051356Z JUN 68
FM ANEMBASSY NEW DELHI
TO SECSTATE WASHDC 5756
STATE GRNC
BT

CONTROL : 1305Q
RECD : JUNE 5, 1968
12:59 P.M.

~~SECRET~~ NEW DELHI 15147

NODIS

SUBJ: VIETNAM AND ICC INSPECTION OF DMZ

REF: (A) STATE 173880, (B) STATE 173891

1. DURING MY CALL ON MEA SECRETARY T.N. KAUL JUNE 5 HE INQUIRED WHETHER ANY PROGRESS WAS BEING MADE TOWARD RESTORATION OF DMZ. I REVIEWED CURRENT SITUATION (REFTEL B) AND REFERRED TO AMBASSADOR JUNG'S DISCUSSION ON MAY 29, WITH WHICH KAUL WAS FAMILIAR.

2. KAUL GAVE ME EXCERPTS FROM MESSAGE FROM INDIAN CONGEN HANOI WHICH MADE FOLLOWING POINTS:

(A) ~~"THERE ARE SOME SIGNS THAT NORTH VIETNAMESE MIGHT BE MOVING TOWARD BREAKTHROUGH IN PARIS TALKS, AND SOME PRIVATE UNDERSTANDING MIGHT BE REACHED OVER DMZ IF AMERICA STOPS BOMBING NORTH VIETNAM UNCONDITIONALLY FIRST WITHOUT LINKING IT WITH DMZ."~~

(B) ~~DISPATCH OF LE DUC THO TO PARIS WAS SIGNIFICANT BECAUSE HE WAS NOT RPT NOT PRO-CHINESE AND HAD BEEN CHARGED UNANIMOUSLY BY POLITBUREAU TO MAKE DECISIONS ON THE SPOT.~~

(C) ~~CONGEN CONCLUSION: "THE DRVN WOULD NOT PUBLICLY ACCEPT DISENGAGEMENT AS RECIPROCAL ACT IN BARGAIN FOR CESSATION OF BOMBING. SEQUENCE OF EVENTS MIGHT BE SIMILAR TO THE DISENGAGEMENT IN EARLY APRIL."~~

~~SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 01-115
By SJ, NARA Date 7-27-01

3. KAUL COMMENTED CONVERSATIONS WITH NVN HAD CONVINCED GOI THAT HANOI WANTS PEACE AND HAS BECOME RECONCILED TO PROSPECT OF INDEPENDENT SOUTH VIETNAM "FOR MANY YEARS TO COME."
4. I SAID THAT WE WOULD CONSIDER RESTORATION OF DMZ A SIGNIFICANT STEP TOWARD CIRCUMSTANCES WHICH MIGHT PERMIT US TO STOP THE BOMBING ALL TOGETHER AND EMPHASIZED IN THIS REGARD OUR CONCERN ABOUT LAOS AND THE RATE OF GENERAL INFILTRATION.
5. KAUL SAID BOTH IN DELHI AND IN HANOI GOI HAS BEEN URGING NORTH VIETNAMESE TO DECREASE ITS MILITARY OPERATIONS, WITHOUT NECESSARILY ACKNOWLEDGING IT, IN ORDER TO ENHANCE PROSPECT THAT US WOULD STOP ALL BOMBING IN NORTH. KAUL SAID NORTH VIETNAMESE REPLY STEADFASTLY HAD BEEN THEY WERE "ONLY RESPONDING TO US ESCALATION OF CONFLICT." HE ADDED THAT IS THEIR POSITION WHATEVER WE MAY MAKE OF IT.
6. GOI WOULD CONTINUE URGING NVN MOVE TO SHOW GOOD FAITH. THEY PROBABLY NEVER WOULD ADMIT SOME 90 THOUSAND TROOPS ARE IN SOUTH VIETNAM (WHICH NEARLY EVERYBODY KNEW). BUT KAUL THOUGHT THIS WOULD MAKE LITTLE DIFFERENCE AS LONG AS NVN COULD INDICATE DESIRE FOR PEACE BY MILITARY RESTRAINT.
7. HE EXPRESSED INDIAN VIEW THAT NVN WOULD NOT CURB MILITARY ACTIONS IN ANY WAY THAT COULD BE INTERPRETED AS BARGAIN OR INDUCEMENT FOR STOPPING BOMBING. IF US COULD TAKE THE RISK TO STOP UNILATERALLY, HE WAS CONVINCED ON BASIS OF INDIAN CONVERSATIONS WITH NVN THAT HANOI WOULD REACT WITH IMMEDIATE DE-ESCALATION AND RESTORATION OF DMZ WOULD BECOME POSSIBLE, ALTHOUGH HE SPECIFIED THAT GOI HAD NO NVN COMMITMENT. (AT THIS POINT I REVIEWED PRESIDENT'S MAY 28 PRESS CONFERENCE.)
8. GOI HAD BEEN CONSIDERING ROLE OF ICC IN CASE CONDITIONS WOULD PERMIT RESORATION OF DMZ. KAUL REFERRED TO INDIAN EFFORT IN 1966 TO GET ICC TO TAKE EFFECTIVE ROLE IN DMZ AND SUGGESTED GOI WOULD EXPECT LARGER ROLE OF ICC WHENEVER AGREEMENT BETWEEN THE TWO SIDES PERMITTED IT. IN RESPONSE TO MY QUESTION WHETHER IN HIS VIEW ICC MIGHT TAKE ACTIVE ROLE IF CONDITIONS PERMITTED WITHOUT AGREEMENT, HE WAS NON-COMMITTAL. FOR DMZ INSPECTION KAUL THOUGHT ICC WOULD HAVE TO BE CONSIDERABLY STRENGTHENED BUT DID NOT DISCUSS THE DIMENSIONS. GOI WOULD STUDY THIS PROBLEM.
9. EMB OFFICER EARLIER DISCUSSED ICC ROLE WITH REECE OF CANADIAN HIGH COMMISSION, WHO HAD RECEIVED MESSAGES MENTIONING BUNDY CONVERSATIONS WITH CANADIAN AMBASSADOR, BUT HAD NOT RECEIVED INSTRUCTIONS TO MAKE DEMARCHE TO INDIANS. HOWEVER, REECE INFORMALLY ON HIS OWN INITIATIVE HAD RAISED ICC ROLE IN DMZ RECENTLY WITH MEA JOINT SECRETARY K.C. NAIR, WHO SAT IN DURING MY CONVERSATION WITH KAUL. WE ARE URGING CANADIANS HERE TO PROCEED WITH BILATERAL DISCUSSION UPON RECEIPT OF INSTRUCTIONS.

GP-3. WEATHERSBY
BT

SECRET

NOTE : DELAYED DUE TO TRANSMISSION...

6

INFORMATION

Pres file

**Thursday, June 6, 1968
4:30 p. m.**

Mr. President:

Herewith a captured notebook promising:

- end of war in 1968;**
- an "all-out" Communist
offensive in support of negotiations.**

W. W. Rostow

WWRostow:rla

6a

June 6, 1968

SUBJECT: May Offensive

A notebook with entries dated April and May 1968 contains notes dated April 15, 1968, taken from political indoctrinations which reveal that VC/NVA cadre and troops were to thoroughly understand the causes of the FWMAF/RVNAF failure, strongly believe in the final victory, and maintain the highest fighting spirit in this decisive phase of the war. They should realize that the (general) offensive will not last too long and that the war will end in 1968 since there has been indication that the US will not be able to cope with the situation after the third VC/NVA (general) offensive.

The document further reveals that the future policy of the VC/NVA consists of implementing continuous offensives and uprisings to occupy the cities and towns and to seize the power implementing a diplomatic struggle through a peace negotiation. However, we do not believe in peace negotiation unless it is backed up by strong attacks. With tremendous support from our (socialist) bloc, we will, in the near future, initiate an all-out effort, even to give our life for the fatherland.

7

INFORMATION

Thursday, June 6, 1968 - 4:30 pm

Pres file

Mr. President:

Herewith:

- **evidence of enemy morale problems;**
- **evidence of enemy efforts to exploit believed ARVN morale problems.**

W. W. Rostow

WWRostow:rln

7a

June 6, 1968

SUBJECT: May Offensive

A personal notebook belonging to Hong Hai of LBN 6938 Ap Bac Cl (possibly 2nd Battalion, 36th Regiment, 308th North Vietnamese Army Division) contains notes taken from April 19 to May 10, 1968.

An entry dated May 8 states that in compliance with order of the Tactical Command Post, "E" would participate in a SVN-country-wide offensive campaign. The campaign, designated XI, would be implemented throughout May 1968 climaxing during the periods May 4 to 10 and May 20 to 25, 1968.

The document further discloses that Hong Hai's unit encountered a serious morale problem when the unit was preparing for movement to its combat area in late April 1968. Some members of the unit committed suicide, wounded themselves, deserted or defected. In another entry, Hong Hai recorded that some of the unit members questioned, "Why is the enemy still capable of carrying out sweep operations in our base area while we claim that he had been heavily defeated". Other members just expressed disbelief, confusion and demoralization. x

(It is interesting to note that, if, as indicated, this is a unit of the 308th, it has only been in South Vietnam since about March. Other documents indicate the unit was initially moved into A Chau, where it performed road building missions. After Operation Delaware, the unit moved back to Laos and then to an area south of Danang).

Worthy of note was the mention of a "Third Phase" possibly the Third Offensive Phase. The document states that XI Campaign will be very significant because the victories obtained from this campaign contribute to the "Third Phase".

June 6, 1968

SUBJECT: VC Proselyting Activities

A circular #186/BY4 (VC) Flash Precedence published by YN (possibly Current Affairs Committee, Northern Long An Province Party Committee), instructs various units and agencies to accelerate proselyting activities designed for RVN military and civilian personnel in view of their declining morale as a result of the bombing pause occurring northward of the 20th Parallel as declared by President Johnson on March 31, 1968, and confirmed by the Hanoi statement on April 3, 1968. The circular states that, after President Johnson's declaration, the political situation has become favorable for the VC, and the declaration has seriously affected the morale of RVN personnel to an extent greater than in the past.

~~The confidence of RVN officials in the US promise to support the Republic of VN all the way seemed to be fading away. In view of this, favorable situation, all units and agencies were directed to intensify proselyting activities designed for RVN military and civilian personnel to weaken their morale and to create more favorable conditions for coming actions.~~

MEMORANDUM

Pres file
INFORMATION 8

THE WHITE HOUSE

WASHINGTON

Thursday, June 6, 1968
3:45 p. m.

MR. PRESIDENT:

As you know, I have kept out -- as I should -- of the Ambassadorial appointments business. This is not an exception; because John Moore, an old friend, came in to see me to put his case for the Dublin post. This is a brief memorandum of conversation; although he would be, I suspect, a remarkably good Ambassador to Ireland. As the attached sheets indicate, he has become extremely interested in Ireland since 1960, visiting there from three to six times a year.

In addition to an Irish family background, a daughter is cared for in an Irish hospital, which would make service in Dublin attractive to him.

He believes that he would bring not only business and commercial expertise to the task -- including a fighting chance of settling the airlines issue--but also a serious interest in modern Irish economic and cultural life.

Politically he has talked to Tom Hughes. New Jersey has a self-appointed candidate in one Tom Brogan. According to Moore, Governor Hughes said that he cannot nominate Moore because of Brogan, but he regards him as the "best equipped" man. He would not merely accept Moore's appointment, but do so with enthusiasm.

Moore is a member of the President's Club and known to Joe Fowler, Bob Murphy, Jim Farley, as well as the impressive list of others attached.

I do not know the other candidates; but you should know that this distinguished businessman and lawyer is eager and available.

Attachments

Walt Rostow

(cc) Rusk
Macy)

JOHN D. J. MOORE

Vice President, W. R. Grace & Co., New York
Director, Grace Line Inc.

Qualifications

In his work in the overseas activities of W. R. Grace & Co., Mr. Moore for two decades has dealt with international and economic problems in close cooperation with government and business officials in more than 20 countries, with particular emphasis on Latin America and the Republic of Ireland. Mr. Moore was instrumental in the decision of W. R. Grace & Co. to invest in Ireland, and as a founder and President of the Ireland-United States Council for Commerce and Industry, he has worked closely with United States industrial leaders and with the top figures of Irish government and private enterprise. In 1967 he led the first United States private investment mission to Ireland composed of 27 industrialists and financiers.

Mr. Moore had gained considerable experience in international economic cooperation in the private sector during his years of work with the Latin American countries. He has been a leader in the United States business community's efforts to improve our relations with developing countries through sound private investment and two-way trade. As Chairman of the United States Inter-American Council (1960-1964) and presently Vice Chairman of its successor group, The Council for Latin America, Inc., he has worked in cooperation with governments and leaders of the private sector in the United States, Latin America, and Europe.

He has served as chairman or member of United States business delegations, and as adviser to government delegations, at international conferences in Argentina, Brazil, Chile, Peru, Uruguay, England, Belgium, Spain, Ireland, and the Soviet Union.

He has made more than 30 visits to Ireland and traveled throughout that country investigating opportunities for United States investment and trade.

His efforts have been recognized by the Irish Government and by Irish groups in the United States. In 1966 he was awarded the Gold Medal of the American Irish Historical Society. He has long been a student of Irish culture and history and is well known in art and educational circles in Ireland. He has spoken and written extensively on subjects relative to Irish history, culture, and economic development.

Mr. Moore lives in Short Hills, New Jersey with his wife, the former Mary Foote of New Haven, Connecticut, whom he married in 1936. They have six children. His father, the late John D. Moore, a native of Springfield, Massachusetts and a graduate of M.I.T., was a leader in American efforts in aid of Irish independence. He was a close friend of President Eamon DeValera and other leaders of the Irish Freedom movement. His brother, Richard A. Moore, resides in Pasadena, California and has served as President of the Friendly Sons of Saint Patrick of Los Angeles.

For his work for economic development, he has been decorated by the governments of Peru, Ecuador, and Belgium, and has been honored by Latin American and European business organizations.

JOHN D. J. MOORE

**Vice President, W. R. Grace & Co.
Director, Grace Line Inc.**

**President and Co-Founder, Ireland-United States Council for
Commerce and Industry.**

Vice Chairman and Trustee, The Council for Latin America.

**Vice President and Trustee, American Irish Historical Society
(Gold Medalist 1966)**

**Founder and President, The Family Care Foundation for the
Mentally Ill, Inc.**

Born New York, November 10, 1910.

A.B. Yale University, 1932.

L.L.B. Yale University, 1935.

Practicing lawyer New York 1935-46.

**With W. R. Grace & Co. 1946 to date in New York, Washington, D. C.
and Lima, Peru. Vice President since 1952.**

**As Chairman (1950-64) United States Inter-American Council,
predecessor organization of the Council for Latin America, headed
United States Delegation international business conferences in
Buenos Aires, Lima, Madrid, Santiago, Montevideo, Rio de Janeiro.**

**As President (1965 to date), Ireland United States Council, presided
at bi-national business conferences in New York and Dublin.
(This is a national organization of United States businessmen
representing major United States corporations with investments
or commercial interests in Ireland.)**

Married 1936 Mary Foote of New Haven, Connecticut. Six children.

Residence: 33 Brooklawn Drive, Short Hills, New Jersey.

Decorations

Order of the Sun (Peru) - 1960
Order of Merit (Ecuador) - 1950
Order of Leopold II (Belgium) - 1965
Knight of Malta (Vatican) - 1951
Gold Medal of the American Irish Historical Society - 1966

Other Activities

American Foreign Service Association
Center for Inter-American Relations
Yale Alumni Board
American Arbitration Association (Executive Committee)
Irish-American Cultural Institute
Friendly Sons of St. Patrick
Ancient Order of Hibernians
Irish Georgian Society
Yale Law School Association
American Bar Association (International Law Committee)
Pan American Society of the United States
Latin American Committee of the Business Council
(former Chairman)
The Newark Museum
Lexington (Mass.) Historical Society
New-York Historical Society
New Jersey Historical Society

Government

Honorable Dean Rusk
Honorable Henry H. Fowler
Honorable Robert F. Wagner
Honorable James A. Farley
Honorable Frank D. O'Connor
Honorable John J. Rooney
Honorable Richard J. Hughes
Honorable Jacob Javits
Honorable Eugene V. Rostow
Honorable Walt W. Rostow
Honorable Douglas MacArthur
Honorable Sargent Shriver

Character

Most Reverend Terence J. Cooke
His Eminence Francis Cardinal McIntyre
Most Reverend Philip M. Hannan
Reverend Theodore M. Hesburgh

Ireland

President Eamon De Valera
Prime Minister John M. Lynch
Hon. Frank Aiken - Foreign Minister
and Deputy Prime Minister
Hon. Charles Haughey - Finance Minister
Hon. George Colley - Minister of Industry and
Commerce
Hon. Frederick H. Boland - Chancellor,
Trinity College
Rev. Donal O'Sullivan, Chairman,
National Arts Commission
Lt. Gen. M. J. Costello
Hon. William P. Fay, Washington
Hon. Cornelius Cremin, Perm. Rep. to U.N.

Private Sector

J. Peter Grace
Juan T. Trippe
George Meany
John T. Connor
Jack R. Howard
Thomas C. Mann
David Rockefeller
George S. Moore
Roger M. Blough
Edgar Kaiser
Honorable Robert D. Murphy
Leo D. Welch
Eugene R. Black
Dr. Kingman Brewster

9

ACTION

Thursday, June 6, 1968, 3:15 P. M.

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Attendance of Foreign Representatives at Kennedy Funeral

Nick Katzenbach has worked out with the Kennedy family the response to be made by our representatives abroad if asked by foreign governments whether they can send special representatives to attend Senator Kennedy's funeral.

Paragraph 3 of the attached draft telegram authorizes our Ambassadors to say that the United States would receive from each country one foreign special representative at the Parliamentary and Ministerial level.

I recommend that you approve this instruction which will be sent immediately to our Embassies. There is some urgency in deciding this question. The British Prime Minister has already raised the subject with Ambassador Bruce.

W. W. Rostow

Attachment

_____ **Approve**

_____ **Call Me**

BKS:amc

9u

Limited Official Use

Circular to all Diplomatic Posts and USUN
State

IMMEDIATE

Subject: Kennedy Funeral and Interment

1. As of noon Washington time, June 6, following are plans for funeral and interment of Senator Robert F. Kennedy:

(a) The Senator's body will lie in St. Patrick's Cathedral in New York City from 8:00 a. m. to 8:00 p. m. EDT, Friday, June 7.

(b) Funeral services will be held in St. Patrick's Cathedral in New York City at 10:00 a. m. EDT Saturday morning, June 8.

(c) Following funeral services, body will be taken from New York to Washington by special train, arriving approximately 4:00 p. m. EDT.

(d) After procession, burial will be at Arlington Cemetery at approximately 5-5:30 p. m. EDT, Saturday, June 8.

2. Invitations will be limited to two attendees for each country desiring to have representatives attend funeral. Space in Cathedral will be severely limited, and it will not be possible to assure attendance of additional representatives. We assume most governments will designate its regular member of diplomatic corps here and/or chief representatives at UN to attend.

3. Special representatives from abroad -- We have received indications from a few countries that they will send special representatives to the funeral. If asked -- REPEAT -- if asked by host government concerning level of such representatives, you are authorized to say that a Parliamentary or Ministerial level representative would be appropriate. At same time you should indicate severe space problem described above and note difficulty if more than one representative is designated in addition to Ambassador to US and UN Rep. in assuring their attendance at services.

4. Burial at Arlington will be open to the public and there will be a less stringent limit on other country representation at burial. Transportation will be provided for diplomatic and special representatives to and from New York City and Washington on June 8.

5. Social functions scheduled by mission and mission attendance at social functions of host government and others should be limited, through Sunday, June 9, in discretion of Ambassador. Many social functions in Washington have been cancelled but others which have important official purposes are proceeding on schedule.

END

INFORMATION

10

~~SECRET~~

Thursday, June 6, 1968 - 2:20 p.m.

Mr. President:

Herewith a report on the assassin,
including the fact that he took drugs.

Pres file

W. W. Rostow



EO 12958 3A(b)(1)>25Yrs
(C)

~~SECRET~~

WWRostow:rln

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 01-87
By Sj, NARA, Date 1-30-02

ACTION

11

Thursday, June 6, 1968 -- 1:15 p.m.

Pres file

Mr. President:

**Herewith Sec. Rusk presents two alternatives
for the signing of the Non-Proliferation Treaty.**

Your guidance is urgently required.

W. W. Rostow

WWRostow:rla

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By ry, NARA, Date 6-5-92

Secret

THE SECRETARY OF STATE
WASHINGTON

11c

June 6, 1968

Mr. President:

I must give Arthur Goldberg final instructions as to our views on the signing of the Non-Proliferation Treaty after its approval by the present session of the General Assembly.

I think there are two alternatives which we could accept:

(a) A simultaneous signing in Washington, London and Moscow in accordance with the formula used with the Space Treaty.

(b) An initial signing in Geneva with only members of the ENDC participating.

There is one earlier Russian suggestion which I feel we cannot accept, namely, that there be a general signing by all prospective signatories in Geneva. This would involve very difficult questions among Governments who do not recognize each other and would create a special problem for the Germans if the East Germans should turn up to sign.

I propose to tell Arthur Goldberg that we have a preference for the Space Treaty formula for signing the NPT but if the Russians press hard for a signing in Geneva by only ENDC members we would be prepared to agree. On this basis, my own judgment is that the Russians would go along with the Space Treaty formula.

Dean Rusk

Dean Rusk

The President,
The White House.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By jc, NARA, Date 2-15-01

[Handwritten signature]

ACTION

12

Pres file

Thursday, June 6, 1968 -- 11:15 a. m.

Mr. President:

Alexis Johnson is in town. He would like to see you briefly -- if you have the time -- next week. He will be available Monday, Tuesday, Thursday and Friday, June 10, 11, 13 and 14. He goes back to Japan on Sunday.

He is seeing Prime Minister Sato and Foreign Minister Miki on his return. It would be helpful to him if he could say he had talked with you.

W. W. Reston

Will see Amb. Johnson _____

No _____

Call me _____

rlh

13
—

INFORMATION

Thursday, June 6, 1968

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Your meeting with Mennen Williams at 5:30 p. m. TODAY

Williams is arriving in the Philippines about the 15th of June. He will be sworn in at the State Department just prior to his meeting with you. You might congratulate him on the swearing-in and indicate your pleasure with his intention to proceed without delay to Manila.

You have before you, unless you have taken action already, a request to name Orville Freeman as your Special Rep to the dedication on June 22 of the Second World War Memorial on Corregidor. You are also being asked to provide a Presidential plane to this ceremony. You might mention this to Williams and your hope that this revival of memories of past US-Philippine cooperation will serve to get his mission started in a good atmosphere.

Williams will be bringing with him a piece of paper setting forth the priorities of his mission as the State Department sees it. Those priorities are:

1. Military bases -- retention of our military bases, primarily Clark Air Force Base.
2. ~~Laurel~~-Langley -- the replacement of the Laurel-Langley Trade Agreement by a friendship, commerce and navigation treaty, which does justice to Philippine aspirations without sacrificing American business interests.
3. PHILCAG -- continued Philippine support for PHILCAG as it is now constituted and continued support for our position in Vietnam.
4. Economic development -- increased agricultural production, a favorable climate for foreign private investment, land reform, better roads and family planning.
5. Honest and effective government.
6. Philippine participation in regional activities.
7. U.S. -Philippine relations.

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E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By je, NARA, Date 2-15-01

Apart from the fact that it is extremely ambitious there is nothing wrong with this priority list.

However, I suggest you tell Williams that in the short run, a favorable resolution of the PHILCAG issue is his first priority of business. Marcos can get the PHILCAG appropriation from his Congress, if he will. Until this matter is resolved we are withholding the equipment for the second five engineering construction battalions which Marcos wants and needs to pursue his rural development programs. This is simply not the time for anyone to give the impression they are giving up on Vietnam, and you might ask Williams to carry that message from you to Marcos.

As for the remainder of the list, our basic problem in the Philippines is the establishment of a new relationship which neither offends the rising sense of Filipino nationalism, nor sacrifices American interests. The problem is complicated by the rather vicious, albeit democratic, political system which the Filipinos enjoy. As a veteran of the political wars, Governor Williams should be particularly well-fitted to understand and operate effectively in this atmosphere.

Marshall Wright of my staff will accompany Governor Williams.

W. W. Rostow

MWright:wpt

ACTION

Thursday - June 6, 1968

Free file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Farewell Message to President Trejos

President Trejos leaves Miami tomorrow morning to return to Costa Rica. Because of the death of Senator Kennedy, he cancelled his trip to Hemisfair.

Attached for your approval is a farewell message to be delivered by State to President Trejos on his departure.

W. W. Rostow

Attachment

Proposed farewell message to President Trejos

Farewell Message

to

President Trejos

(for delivery by State on June 7, a.m.)

His Excellency
Jose Joaquin Trejos Fernandez
President of Costa Rica
Miami, Florida

We shared one happy day together and one of profound sorrow.

I know you return to your country with a heavy heart. Both President Kennedy and Senator Kennedy were closely identified with Costa Rica. Your people feel the same deep loss as do the people of the United States.

The tragic death of Senator Kennedy, as that of his brother, requires us to redouble our efforts to achieve a world of harmony, justice and opportunity for all. Our conversations strengthen us as we lead our two nations in this crusade.

Mrs. Johnson joins me in sending warmest best wishes to you and Mrs. Trejos. You carry our friendship for all the people of Costa Rica.

Lyndon B. Johnson

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—

~~CONFIDENTIAL~~

INFORMATION

Thursday - June 6, 1968

15
Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Appointment with Jamaican Prime Minister
Shearer - Friday, June 7, 12:45 p.m.

Prime Minister Shearer is making a private visit to Washington to receive an honorary degree at Howard University on the evening of June 7.

His call on you is a courtesy visit. I enclose talking points which cover matters he might raise with you.

I do not recommend you raise any substantive issues with him. We are unhappy over Jamaica's decision not to join the Caribbean Bank. We have not sorted out the legal problems of allowing Puerto Rico to join the Bank. Until we do, it behooves us not to press the Jamaicans too hard. Should the Prime Minister raise the matter with you, you might point out that we have historically supported the idea of Caribbean regionalism and the new Bank, and we are sorry that Jamaica finds itself unable to give its leadership to this movement.

W. W. Rostow

Attachment

Talking points.

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E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *jc*, NARA, Date *2-15-01*

~~CONFIDENTIAL~~

TALKING PAPER FOR YOUR MEETING
WITH PRIME MINISTER SHEARER OF JAMAICA
JUNE 1968

15a

TALKING POINTS

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By jc, NARA, Date 2-15-01

Presidential Opener

- I have very pleasant memories of my talks with you last October and I am pleased that your country's forward economic progress continues despite the severe drought experienced during the past months.
- I also wish to commend you and your government on Jamaica's ability to attract sizable foreign investment and tourism.
- Your family planning programs should contribute much to economic progress.
- I am pleased that Ambassador Walter Tobriner is now enjoying his assignment in Jamaica and I know he will do all possible to further our mutual interests in your country.

Topics Prime Minister Shearer May Raise

The Regional Caribbean Development Bank

- Shearer will no doubt take this opportunity to defend Jamaican withdrawal from participation in the proposed new bank on grounds that his smaller eastern Caribbean neighbors have historically and consistently "ganged up" on Jamaica and that their refusal to site the bank's headquarters in Kingston was the last straw. He may also declare Jamaican non-participation in the Caribbean Free Trade Association (CARIFTA).

You May Wish to Say

- That the U.S. has historically supported the idea of Caribbean regionalism and the new bank and that the U.S. regrets that Jamaica (which must make its own decisions in its own interest) will not be a participant in an area where it has strong influence and could demonstrate capable and needed leadership.
- You hope that at some future time, Jamaica may reconsider its position.

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GROUP 3 Downgraded at 12-year intervals;
not automatically declassified.

Food for Freedom

—Shearer may raise the issue of the need for more food under this program because of the recent drought.

You May Wish to Say

—I recall that the matter of food for freedom was raised in our last discussion and that the U.S. then extended the school feeding program from one-year to a three-year program and we also expressed our willingness to consider expansion of the Title II program for maternal and child feeding and food for work, while at the same time insisting that the adult dole feeding programs be phased out. This position remains unchanged. Given the recent drought, the U.S. would, however, be willing to consider a concessional sales program under Title I of PL 480.

~~CONFIDENTIAL~~

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INFORMATION

Thursday - June 6, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Senator Gore and the Coffee Agreement

My staff huddled with Mike Manatos and Barefoot Sanders on how to deal with Senator Gore.

This is the assessment:

1. A majority of the Committee is for the Coffee Agreement, but a careful nose-count should be made.
2. Senator Gore knows the facts (Tony Solomon has given them to him), but he thinks he has a public issue in which he can make some hay at the Administration's expense.

This is the plan of action:

1. Mike Manatos will talk to Senator Gore and offer to have Ed Fried brief him on the Agreement. This extra message is to see whether he can be brought around. We are not sanguine.
2. Tony Solomon will see Senator Morse as soon as he gets back to enlist his full support. He is known to favor the agreement. As Chairman of the Latin American Subcommittee, his role is important. He can be particularly helpful when Betty Furness appears before the Committee on June 12 (her June 4 appointment was rescheduled).
3. Tony Solomon will make a careful canvass of the Committee members to confirm there is a safe majority for the Agreement.

W. W. Rostow

Cc - Ed Fried

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E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 6-6-92

INFORMATION

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CONFIDENTIAL

Thursday, June 6, 1968

Pres file

Mr. President:

I thought you might be interested in seeing a letter and memorandum I just received from Prime Minister Ramgeelam of Mauritius. The memo makes his case on the sugar quota problem, which he raised briefly with you during his recent visit.

At first glance it is hard to see how we can do much for Mauritius without breaking crockery in this hemisphere. Still, I have asked State to staff out the problem and to give the Ramgeelam memorandum a reasoned and sympathetic review. We will come back to you with the results.

W. W. Rostow

WWR:EKH:RM:lw

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E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *pc*, NARA, Date 2-15-01

Dr. The Hon. Sir Seewoosagar Ramgoolam, Kt.,
Prime Minister and Minister of Finance



17a
Government House,
Port Louis,
Mauritius.

Dear Prof Rostow,


27th May, 1968

As agreed between us I have the pleasure of forwarding to you two copies of the memorandum on the sugar quota for Mauritius. You will see from it that we are the only country in the western democracies which was left out from the quota allotted to other sugar producing countries in the western world, and I hope that after considering the case for Mauritius you will find your way to advise the President to accede to our request.

You will recollect that I pointed out to you at our meeting at the White House, that a fair and reasonable quota could help Mauritius towards a better economy and sound administration, bedevilled as we are with large unemployment and a great pressure on our financial resources from this quarter. People without work may be easily subjected to any unscrupulous propaganda.

It was a very great personal pleasure and privilege for me to have met the author of "The Stages of Economic Growth" and "The Process of Economic Growth" which have inspired many of us in our studies and in framing Government policy.

With my warmest regards and renewed thanks for your hospitality during my stay in the United States


(S. Ramgoolam)

Professor W. W. Rostow,
The White House,
Washington D. C.,
U. S. A.

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MEMORANDUM ON MAURITIUS

In relation to the U.S. Sugar Market

INTRODUCTION

Mauritius has achieved independence through democratic means and under its present Government, it is pursuing policies of social and economic justice in the democratic traditions of the Western World which it has inherited. It needs the help of friendly nations to create stable economic conditions that would enable these policies to be carried out effectively. The United States of America is one of these friendly countries with whom Mauritius has a long established friendly association.

Sugar has always been and will long remain the mainstay of the Mauritian economy: in Mauritius economic stability is a direct consequence of sugar revenue. Therefore, if Mauritius is to "take-off" economically it must have a stable sugar revenue and it is here that the United States, by acceding to the request for a sugar quota, can make a lasting contribution towards the welfare of Mauritius.

Trade relations between Mauritius and the U.S.A. started many years ago, and Mauritius has since regularly imported American goods, including sugar machinery, mechanical implements, agricultural tractors, chemicals, lubricating oils, unmanufactured tobacco and other goods. Unfortunately, these relations have virtually been on a one-way basis, Mauritius importing and the United States exporting.

The first opportunity to redress the balance of trade between the U.S.A. and Mauritius presented itself in 1962 when the United States Sugar Act was amended to provide for imports of sugar from foreign countries. Unhappily, however, this opportunity was missed, Mauritius then being virtually the only country of any status in the sugar world to be denied a United States quota. Again in 1965, new amendments were made to the Sugar Act, but Mauritius barely managed to secure a nominal quota of about 16,000 tons, totally unrelated to its needs and to its status as a large sugar exporter in the world.

Now seems to be the time to put matters right, and for the United States to show goodwill to Mauritius on the occasion of its independence. Any action on the part of the U.S.A. to recognise the special needs of Mauritius in respect of sugar would relieve pressure on Mauritius from other quarters.

The Case of Mauritius for a U.S. Quota

Put briefly, the case of Mauritius for a United States sugar quota is as follows:-

- (a) Mauritius has an exclusively agricultural economy and a population of more than 1000 per square mile, increasing at a rapid rate.

- (b) It has been producing sugar for three centuries and is a highly efficient sugar producer and exporter.
- (c) It is one of the ten largest world exporters of sugar.
- (d) The dependence of Mauritius on a single crop, sugar is without parallel in the world, sugar representing 98 per cent of the value of the country's export trade.
- (e) It has over many years imported goods from the United States without in return ever exporting anything to the United States, sugar being virtually its only export.
- (f) It has shown its ability to ship sugar to U.S.A. and is known in this part of the world as a reliable customer.
- (g) It has shown its goodwill towards the United States by selling sugar under "Global Quota" arrangements after 1962, although it had been excluded from the 1962 Sugar Act, and although the price it received for global quota sugar was less than it could have obtained elsewhere.
- (h) It has a single Selling Agency which is able to co-ordinate the whole selling policy of sugar in the country and to ship sugar as and when required.
- (i) It occupies a strategic position of some importance in the Indian Ocean and is closely co-operating with the United States by providing facilities for the defence of the West.
- (j) It is one of the developing countries of the world which, in view of its economic and demographic problems, particularly deserves the help and assistance which the United States has pledged itself to give to the developing world.

Mauritius and the 1962 Sugar Act

When the United States Sugar Act of 1962 was enacted, Mauritius submitted a case for a quota allocation and was duly represented at public hearings. The House Agricultural Committee recommended, and Congress approved, an allocation of 110,000 tons of sugar to Mauritius. After protracted discussions, however, the Bill which finally became law did not include Mauritius as one of the beneficiaries of a U.S.A. Quota. No explanation was ever given justifying this omission.

This left Mauritius as the only foreign supplier excluded from the provision of the Sugar Act, an exclusion which everybody concerned seemed to regret immediately afterwards, but which has caused Mauritius grave moral and material prejudice.

In spite of this, and in an endeavour to show goodwill and its ability to ship sugar to the U.S.A., Mauritius availed itself of the provision of the Sugar Act which allowed foreign suppliers to ship "global quota" sugars to the U.S.A. on a first come first served basis. In the second half of 1962, Mauritius shipped 13,000 tons of global quota sugar to the United States, and in the second half of 1963 another 67,000 tons were shipped, at a time when the United States was most in need of sugar and when the price which Mauritius could have obtained on the world market was higher than the one which it obtained on the U.S. market.

As a result of this, Mauritius had no uncommitted sugar left over from its 1963 crop and was unable to ship any sugar to the United States in the first seven months of 1964 and until its next crop was due to be harvested, i.e. June/July 1964. It did, however, inform the U.S.D.A. by letter dated 14th January, 1964 that it was its firm intention to supply about 60,000 tons of sugar in the second half of 1964, and that it would in fact be prepared to commit itself to do so then and there, subject to relief in case of a short crop. No sugar was however needed by the United States from Mauritius in the second half year and Mauritius was unable, through no fault of its own, to ship any sugar to the United States in 1964.

The provisions of the 1962 Sugar Act applying to foreign suppliers lapsed at the end of 1964, and in the absence of new legislation, the Administration decided to allocate quotas for 1965 on an ad hoc basis. It adopted for so doing a formula in terms of which foreign suppliers were provided with an allocation based on their exports to the States during 1963 and 1964, but which gave a double weighting to exports during 1964 as compared to those of 1963. This provision has operated unfairly in respect of Mauritius, for the reasons given above. Had Mauritius decided to deprive the United States of part of the sugar which it could ship in 1963 in order to reserve it and offer it subsequently against the first half year requirements of 1964 - thus causing some embarrassment to the United States - it would, under the formula adopted, have obtained a larger quota in respect of 1965. In fact, Mauritius has been penalised for its readiness to supply sugar to the United States in 1963 at a time when sugar was needed in the United States.

Mauritius and the 1965 U.S. Sugar Legislation

When the 1965 Sugar Legislation was being enacted, Mauritius renewed its application for a statutory sugar quota, in the hope that the inadvertent omission of its name from the 1962 Sugar Act and the resulting prejudice which it had suffered would stand it in good stead for fair treatment. Unfortunately, this has not been the case. Quotas to foreign suppliers were eventually determined on the basis of the same formula which had been used for ad hoc quotas in 1965. In spite of its best endeavours, Mauritius was unable to obtain recognition of the unfair way in which this formula operated in its own case, and it had once again

to be content with a nominal quota of about 16,000 tons, which, as has been pointed out before, is not in keeping with the status of Mauritius as a sugar exporter and with its needs and circumstances.

The following figures which relate to the average annual exports of a few countries illustrate the above contention:

<u>Countries</u>	<u>Total Average Annual Exports</u>	<u>1968 U.S. Quota</u>
Mauritius	575,000	17,000
South Africa	575,000	55,000
India	350,000	75,000
Fiji	300,000	41,000
Costa Rica	50,000	50,000
Haiti	30,000	24,000
Thailand	50,000	17,000

Conclusion

The only way in which the situation could be permanently redressed would be for an amendment to be made to the present Sugar Act, increasing the share of the Mauritius quota. This would, no doubt, present difficulties which Mauritius does not underestimate, since there is no provision under the present Sugar Act for increasing quotas. Pending such time as the Act comes up for revision, i.e. 1970/71, Section 204 (a) could be used to provide relief and compensation to Mauritius on a provisional basis. Section 204 (a) deals with re-allocation of deficits and contains a provision which enables the President, in his discretion, to re-allocate quota deficits to any foreign country of his choice, notwithstanding any provisions of the Act, on grounds of "national interest". All that would be needed would be that the President should give priority to Mauritius in the re-allocation of deficits from other countries up to a stated amount, in compensation, so to speak, for the inadequate quota which Mauritius has under the Act. Over the past few years, the average annual deficits which became available for re-distribution has amounted to upwards of 400,000 tons, and the figure has tended to be appreciably higher in latter years.

It is suggested that a share of about 85,000 tons of such deficits should be allocated to Mauritius every year as a first priority, thus bringing total exports of Mauritius to the United States to about 100,000 tons, the figure originally recommended by the House of Representatives in 1962. Such action would require no amendment to the Sugar Act.

In common with other suppliers to the United States - including Australia, Fiji and the West Indies - Mauritius enjoys the protection of the Commonwealth

Sugar Agreement for part of its exports. However, Mauritius still depends upon the world free market for nearly 40 per cent of such exports. Over the past few years, the price ruling on the world market has, at times, been less than a third of the cost of producing sugar and has seldom been more than half such costs. Unlike the West Indies, for example, whose total output is sold either at a remunerative price to the United States of America and to the United Kingdom or to the preferential market of Canada, a substantial part of the Mauritius exports to the free market is sold without any form of protection whatever. In the circumstances, any increased protection that it could obtain from the United States would be highly welcome and would go a long way towards stabilising the income of the country from its sugar exports and thus allowing Mauritius to proceed with its normal economic development.

27 May, 1968



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ACTION *Per file*

~~CONFIDENTIAL~~

Thursday - June 6, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Offer of Integration Adjustment Assistance to the Andean Subregional Group

In the memorandum at Tab A, Under Secretary Katzenbach requests authorization to explore with the governments of the Andean Subregional Group (Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela) a United States loan of up to \$25 million for adjustment assistance to industries affected by formation of an Andean Common Market.

This group of six middle-size countries is now considering a treaty establishing a common market. The private sector in three (Venezuela, Ecuador and Peru) is nervous about adverse effects of rapid integration and are pressuring their governments to delay the treaty.

A year after Punta del Este it is clear the Latin American Common Market is more likely to come through a series of subregional groups than the merger of the Central American (CACM) and South American (LAFTA) blocs, as contemplated at Punta del Este. That is why the action of the Andean Group is the most promising development on economic integration since the Summit.

The last-minute opposition of the private sector in some Andean countries threatens establishment of this subregional common market. By offering to join in establishing adjustment assistance, we may help the governments overcome this resistance. No loan would be made unless this objective is assured.

The key issue in making an adjustment loan offer is the tying arrangement. State argues that we will maximize our chances of getting governments to move if we follow the formula we use in the Inter-American Bank -- our dollars could be used only to purchase goods and services in the United States, in the country of the user, or from other members of the Andean Group. This is also the formula we use

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NSC Memo, 1/30/95, State Dept. Guidelines
By jc, NARA, Date 2-15-01

in our loans to the Central American Integration Bank. (We allow this flexibility in Latin America because a large proportion of Latin foreign exchange eventually comes back to the US, even if it is not directly tied to US purchases.)

Secretary Fowler raises three issues on the State proposal (Tab B):

1. He takes sharp exception to the tying formula. He wants the dollars tied to 100% US procurement, as we do in our bilateral aid loans. To do otherwise, he says, would undermine your January 1 balance-of-payments program and subsequent directive to AID to tighten up on balance-of-payments aspects of its operations.
2. He questions the wisdom of immobilizing \$25 million of scarce FY 1969 funds. He thinks \$25 million should be an upper limit and it should be used for adjustment assistance and capital financing.
3. He wants the Inter-American Bank to be associated with integration leading proposals. He recalls that in considering adjustment assistance for the Latin American Common Market prior to the Summit, Treasury took the line that the IDB should manage the adjustment fund.

These are my comments on Secretary Fowler's points:

1. The State tying formula would be a significant sweetener which would improve the odds on moving the proposal forward. The balance-of-payments impact would be minimal and at least a year in the future. The State tying arrangement would not weaken your January 1 program because it would not cause substantial outflow nor introduce a new principle in balance-of-payments policy. AID's ability to achieve its new outflow targets would not be impaired. The targets will still be met.

- 2. AID would not automatically immobilize \$25 million of FY 1969 funds. AID wants to talk to the Andean group about our joining with them in setting up an adjustment fund. The \$25 million is only a ball-park figure. There would be no obligation of funds until a concrete loan proposal is worked out -- based on the Andean Common Market coming into operation on terms satisfactory to us -- and your approval under the new commitments procedure obtained.
- 3. Inter-American Bank Association with the Andean group can be explored when we discuss the loan with the Andean governments. I would not make the IDB association an absolute condition.

I recommend you decide this one in favor of State, in the understanding that the amount of our loan offer will be flexible and participation of the Inter-American Bank will be examined further if the Andean countries are interested in the proposal.

W. W. Rostow

- 1. Authorize offering Andean Group adjustment assistance loan up to \$25 million

Yes ___
 No ___
 Call me ___.

- 2. On the tying formula, approve:

the formula we use with IDB ___
 the restrictive formula recom-
 mended by Secretary Fowler ___.

Attachments

- Tab A - Katzenbach request for authorization, May 29.
- Tab B - Fowler's issues on State's proposal



DEPARTMENT OF STATE

Washington, D.C. 20520

1772
18a
May 29, 1968

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MEMORANDUM FOR THE PRESIDENT

Subject: Proposal to Offer Integration Adjustment Assistance to Andean Subregional Group

Recommendation:

That you authorize us to indicate to the Andean governments our willingness to make a loan of \$25 million, subject to the availability of FY 1969 funds, as a contribution to a subregional mechanism for providing adjustment assistance to industries affected by Andean integration. The loan would be tied in the same manner we now tie contributions to the Fund for Special Operations of the Inter-American Development Bank. We would also be prepared to explore the desirability of providing external resources for the subregion's industrialization.

Approve _____ Disapprove _____

Discussion:

The most promising development in Latin American economic integration since the Summit meeting has been the emergence of the Andean Subregional Group (composed of Chile, Colombia, Venezuela, Peru, Ecuador, and Bolivia). The Statutes of an Andean Development Corporation, initially capitalized at \$100 million, have been signed and are awaiting ratification. A draft Agreement on Subregional Integration has been submitted to Andean governments for their consideration. If adopted, it would be the underlying agreement of the entire Andean effort. We understand that

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it provides for the elimination of trade barriers among its members over a 12-year period, so that free trade in the subregion would be achieved five years before the deadline provided for the Latin American Common Market by the Declaration of the American Presidents. We believe such an achievement would represent a positive step towards realization of the Latin American Common Market.

Until very recently it was believed that this agreement would be signed by mid-1968. Now, however, reacting to pressures from its private sector and possibly having in mind presidential elections in December 1968, the Venezuelan Government has succeeded in postponing until June a meeting to complete consideration of the draft agreement. The private sectors of Peru and Ecuador are also nervous about the possible effects of rapid integration. There is a serious danger that the Andean effort may flounder on the private sector's fear of competition.

In the past, there have been indications that, if and when the agreement is signed, the Group will seek assistance from the United States. President Leoni of Venezuela has now indicated he believes a fund for assistance to industries affected by integration is essential to the establishment of an Andean Common Market. It may be that the only way he can temper his private sector's opposition to integration is to hold out the prospect of special adjustment assistance. Such assistance will permit industries adversely affected to shift to other lines of production or modernize.

Accordingly, I believe we should seek to determine whether a United States offer to make a loan of \$25 million, perhaps through the Andean Development Corporation, as the United States contribution to an industrial adjustment assistance fund would help promote the Subregional Integration Agreement. In addition, we would expect the Andean Governments to make appropriate contributions to the Fund. In indicating to the Andean governments that we might be prepared to provide such assistance, we would make clear that we can only support

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an agreement which is in line with the objectives of regional integration and which promotes efficiency and trade expansion. We would indicate that our offer would become effective upon ratification of a subregional agreement meeting these objectives.

I recommend that our loan be tied in the same manner we tie contributions to the Fund for Special Operations of the Inter-American Development Bank. Thus, our dollars could be used only to purchase goods and services in the United States, in the country of the user, or from other members of the Andean Group. When our dollars are used for local expenditure in one of the Andean countries, we would use the special letter of credit procedures of our bilateral AID program. Procurement in another Andean country would be on the basis of payment in that country's local currency purchased with special letters of credit utilizable only in the United States.

The Treasury Department has raised the issue as to whether our loan to an Andean adjustment assistance mechanism should not be tied in the same way as is our bilateral lending, to avoid any impact on our balance of payments. We believe, however, if we use the procedures indicated above, there would be minimal, if any, impact on the United States balance of payments. The psychological reaction of the Andean members would be very favorable. This action would be consistent with your indication at the Summit that we would be prepared to consider some untying. To the extent that some procurement in Andean countries ensued, we would be furthering the subregional integration that our loan would be designed to promote.

I believe we should also be prepared to explore with the Andean governments whether additional assistance, through the Andean Development Corporation, is needed to provide resources for industrial projects to supply the subregional market. We have, of course, provided such assistance to the Central American Common Market. Many Latin Americans believe the most pressing need in connection with integration is for industrial capital. In exploring this point, we will also keep in mind the possibility that the Inter-American Development Bank might provide such funds.

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In view of your previous Message to Congress on integration assistance for the Latin American Common Market and because the funds would have to come out of the FY 1969 appropriation for the Alliance for Progress now pending in the Foreign Assistance Act, we have thought it advisable to consult on this matter with key Congressional committees. Accordingly, we approached committee leadership to explain the proposal. We were able to reach Senator Hickenlooper and Congressmen Fascell and Mailliard. They expressed sympathetic understanding of the purposes of the proposal and the belief that we should go forward with it. Pat Holt advised us that briefing Senators Fulbright and Morse on this matter was not necessary. We offered to brief Chairman Morgan; his Committee's chief of staff finally told us that the Chairman's schedule was very crowded and that, in any case, he did not think a briefing would be necessary.

In consulting Congress, we did not indicate how the loan would be tied, since this is a matter of loan administration. When the loan is announced, the tying aspect would be treated as a logical continuation of practices now followed on resources provided the Fund for Special Operations of the Inter-American Development Bank or on loans to the Central American Bank for Economic Integration. Congress has not challenged the procedures on providing resources to these multilateral institutions. We would not present this as a precedent for our general bilateral project lending.

We are requesting here your authorization to express willingness in principle to make a loan to the Andeans for integration adjustment assistance. We expect, nevertheless, that several months would be required to work out details, if the Andeans are interested. Before actually completing a loan agreement, we would seek formal authorization through the regular commitment process.


Under Secretary

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MEMORANDUM TO THE PRESIDENT

Subject: Under Secretary Katzenbach's memorandum regarding integration adjustment assistance to Andean Subregional Group

I am deeply concerned about the balance-of-payments aspect and some other features of the AID proposal for a \$25 million loan to the projected Andean Development Corporation, as described in Under Secretary Katzenbach's memorandum to you of May 29, 1968.

AID proposes a partial untying of the funds to be used for the proposed loan, as compared with the tying arrangements applicable to normal AID country loans. I believe such a move would undermine your strong balance-of-payments program announced January 1 and your subsequent directives to AID to tighten up on balance-of-payments aspects of its operations. Further, we would be loosening up on AID's tying to accommodate a problem in Venezuela, a country that does not receive AID loans and whose growing foreign exchange reserves are now approaching \$1 billion.

Under Secretary Katzenbach argues that the proposed tying arrangements would not be any more liberal than we allow in the case of the Fund for Special Operations of the Inter-American Bank. I wish to point out, however, that the limited amount (10% or less) of offshore procurement in Latin America permitted under the FSO arrangements was obtained from the House Banking and Currency Committee last year in the spirit of compromise. If we had to get the same legislation through this year in the present balance-of-payments context, I doubt that we could do it. In the FSO case, we at least have the U. S. voting power in IDB as a control on the way the untied portion works, but we would not have even this in the Andean Corporation. In my view, the limited dollar value to the

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Andean countries of the proposed partial untying of the AID loan does not nearly offset the disadvantages.

During the IDB meetings in Bogota last month, I spoke for an hour with President Lleras of Colombia regarding the importance of the procurement aspects of our AID program. He understood my views fully and I have no doubt that he, and others we might approach in a similar fashion, would accept the necessity of our holding the line on our tying policy at this time.

On the institutional side, just prior to Punta del Este Secretary Rusk told the Congress

"We are thinking of somewhere between \$250 million and \$500 million for the establishment, under the Inter-American Development Bank (IDB), of an integration fund to help smooth the transition of Latin America into a Common Market..."
(underlining supplied)

Although the proposed loan to the Andean Corporation would be with AID funds and not the separately appropriated funds foreseen at Punta del Este, I am concerned that this first attempt on a sub-regional basis at adjustment assistance financing, has no IDB involvement. I am not pressing for such involvement now since as I mentioned below, the proposal seems rather premature.

On the basis of indications from a number of the Andean countries, I believe that a consensus on Andean subregional market integration is still a long way off. Our offer of a subregional integration adjustment assistance fund is probably premature and would not by any means solve the problems the Andean countries have among themselves. In these circumstances, I question the wisdom of immobilizing

as much as \$25 million out of what may prove to be very scarce FY 1969 AID funds. If a gesture needs to be made, it might be wiser to characterize the \$25 million figure as an upper limit of our assistance to the Andean Group over the next several years, with a considerably smaller pledge out of FY 1969 funds. I would also think it wise to reserve some flexibility to use the portion of our offer not required for adjustment assistance to meet the almost inevitable later request for funds for capital financing related to integration of the subregion.

In the light of the views I have just expressed, I recommend that you

- Advise AID that any loans to the Andean Development Corporation be tied in the same manner as AID loans to the constituent countries of the Andean Group.
- That you direct AID to consult with Treasury on assuring the association of the Inter-American Bank with future integration lending proposals, as contemplated at Punta del Este.
- That, if you conclude a firm offer of financing to the Andean Development Corporation is appropriate notwithstanding the highly tentative state of the movement toward Andean integration, you direct that a greater flexibility be included in the proposal both as to amount and the purposes to which the funds would be applied.

Henry H. Fowler
Henry H. Fowler

LIMITED OFFICIAL USE

Wednesday, June 5, 1968

MEMORANDUM FOR THE PRESIDENT

*to send
a. Pres file*

SUBJECT: Personal Gift from the Tunisian Ambassador

Ambassador Driss out of the goodness of his heart--and in gratitude for President Bourguiba's warm reception--has inquired discreetly whether you would accept a personal gift for your library. The gift would be a full-sized reproduction of an antique sculptured head of the Roman Emperor Vespasian. The original is in the Tunisian National Museum. A photograph is attached.

Vespasian (reigned from 69 - 79 A. D.) was an admirable and attractive figure in the history of the Roman Empire, of which Tunisia was a province. He restored order and fiscal responsibility after a particularly chaotic period and built the Temple of Peace and the Colosseum in Rome. He extended civil rights (in the context of that day) and encouraged art and education.

Driss is seeking no publicity or ceremony. He has in mind just sending this in with a personal note or presenting it to you informally. Having served for four years of your administration, he simply wants to make this gift which symbolizes Tunisia's historic past. I should think it would be an appropriate addition to your collection, but I would appreciate your guidance on how to respond. Driss will be leaving at the end of the week for consultation and holiday in Tunisia and will be back toward the end of July.

W. W. Rostow

I am happy to accept it ✓
No, I think not _____

6/6/68

Set up an appointment for him to bring it in to me _____

Ask if Mrs. Johnson would like to receive it _____

Would you please accept it for us _____

LIMITED OFFICIAL USE

Pres. file

26

Wed., June 5, 1968
7:05 p. m.

SECRET

MR. PRESIDENT:

Herewith the CIA helps the Secret Service
with a useful device.

W. W. Rostow

SECRET attachment

DECLASSIFIED
E.O. 12958, Sec. 3.6
NJ/RACOL-87
By SJ, NARA, Date 1-30-02



~~SECRET~~

20a

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D. C. 20505
OFFICE OF THE DIRECTOR

5 June 1968

MEMORANDUM FOR: The President

SUBJECT: Loan of Technical Countermeasures Equipment to the United States Secret Service

1. As you know, we work very closely with the Secret Service in a variety of ways, particularly on your overseas trips.

2. This morning, apparently as a result of the attack on Senator Robert Kennedy, the Secret Service asked us for the loan of certain of our specialized technical countermeasures equipment. I gather they will attempt substantial increased emphasis on the protection not only of yourself and the Vice President but also of the leading presidential candidates.

3. We have now loaned them several pieces of equipment, including a [redacted]. In addition, they expressed particular interest in our new [redacted] which has been developed by one of our engineers in the Technical Division of the Office of Security. The [redacted] which represents a breakthrough in the field of technical countermeasures, is capable of

3.4(b)(1)

[redacted]

~~SECRET~~

SANITIZED
E.O. 12958, Sec. 3.6
NLJ / RAC 01-88
By SJ, NARA Date 7-24-01

~~SECRET~~

- 2 -

3.4(b)(1) in [redacted] as a part of its configuration. We have only two of these devices and have, because of their sensitivity and limited availability, not heretofore released them. The [redacted] which we have now passed to the Secret Service is the most recently developed one we have and has an [redacted]

4. I thought the foregoing might be of interest to you. We will continue to help the Secret Service in any way we can.

Rich

Richard Helms
Director

~~SECRET~~

21

ACTION

Wednesday, June 5, 1968 - 6:55pm

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Dedication of Pacific War Memorial on Corregidor Island,
June 22

Attached is a memorandum from Secretary Rusk asking you to appoint Orville Freeman as your special representative to the dedication of the Pacific War Memorial on Corregidor Island, Philippines, on June 22. Secretary Rusk also asks that you make available a Presidential plane to transport the Congressional and other official members of our delegation to the Philippines for the ceremony and return.

The Memorial honors American and Philippine servicemen who died during World War II. The Memorial was constructed by the United States and is to be maintained by the Philippine Government. The dedication will be a major event in the Philippines. President Marcos will preside over the ceremonies.

State has had some difficulty in getting appropriate American representation to the ceremony, primarily because of the transportation problem. Secretary Freeman, a veteran of the Pacific campaign, will be in the area anyway and is willing to adjust his schedule to participate in the event. Some Senators and Congressmen have indicated a willingness to go provided their transportation is taken care of. Otherwise, there is a lack of Congressional interest.

I think it is important we hold up our end of this ceremony. It will serve to dramatize the history of Philippine-American cooperation and will set a good atmosphere for the beginning of Mennen Williams mission in the Philippines. (Williams will arrive just in time to present his credentials before the ceremony.)

I recommend that you approve the Secretary's requests.

W. W. Rostow

MWright:wpt



DEPARTMENT OF STATE

Washington, D.C. 20520

June 5, 1968

2/a

LIMITED OFFICIAL USE

MEMORANDUM FOR THE PRESIDENT

Subject: US Representation at the Dedication of
the Pacific War Memorial on Corregidor
Island, June 22

Recommendation:

1. That you appoint Secretary of Agriculture
Freeman as your special representative to the dedication
of the Pacific War Memorial.

Approve _____ Disapprove _____

2. That you authorize special transportation to
the Philippines and return for the Congressional and
other official members of the delegation which would
represent the US at the dedication of the Memorial.

Approve _____ Disapprove _____

Discussion:

The Philippine Government has proposed the dedication
of the Pacific War Memorial on Corregidor Island on
Saturday, June 22. The Memorial, now nearly complete,
honors American and Philippine servicemen who gave their
lives in the Pacific area during World War II. The
Memorial has been constructed over the past year by the
US. Under terms of a December 1965 agreement, it will
be administered and maintained by the Philippine Government.

The dedication ceremonies will be a major event in
the Philippines. President Marcos, himself a veteran of
the US-Philippine forces, senior members of his cabinet
and the Philippine armed forces, as well as veterans
organizations, are expected to participate.

2/3

LIMITED OFFICIAL USE

(Exempted from automatic decontrol)

Secretary of Agriculture Freeman, who is separately planning a visit to Viet-Nam and the Philippines (which he will be discussing with you shortly), is willing to adjust his schedule to participate in the June 22 ceremonies. As the highest ranking US official, it would be appropriate if he could be named your special representative to the ceremonies. Secretary Freeman is a veteran of the Pacific campaigns.

The Philippine Government is now extending invitations to other US officials, notably the members of the former Corregidor-Bataan Memorial Commission which conceived and planned the Memorial - Senators McGee, Case, and Brewster, and Representatives Selden, Mailliard, and Sikes. We understand that invitations are also going to Representatives Albert, Teague and Zablocki among others, to Veterans Administrator Driver, and to Mrs. Emmet O'Neal, wife of the late Ambassador to the Philippines (1947-49), and her two daughters. Ambassador O'Neal, until his death last year, was chairman of the Corregidor-Bataan Memorial Commission and was the moving force behind the Corregidor Memorial.

The Philippine Government hopes there will be full and appropriately high-level US representation at the dedication ceremonies. Several members of Congress have informally expressed an interest in attending. But the Philippine Government is unable to offer transportation.

These ceremonies will be a major event in Philippine-American relations. They will serve to renew old ties with the present generation of Philippine leadership and bring to Philippine youth a greater understanding of wartime Philippine-American cooperation. Consequently, I believe the US should be represented by a high-level delegation; the presence of Secretary Freeman and a delegation to include appropriate Members of Congress would fully meet this need. Your providing this special transportation will ensure a sizable Congressional delegation and the presence of other key individuals at the ceremonies, and will underscore your personal interest in this occasion.



Dean Rusk

Mr. Rostow

ACTION

22

1. ~~Long~~ file
2. ~~Pres~~ file

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-345

SECRET By ju, NARA, Date 6-16-94

Wednesday, June 5, 1968 - 4:50pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Conte-Long Determinations for Morocco

Nick Katzenbach recommends you sign the two attached determinations on military assistance to Morocco. The purpose is to enable us to sell jet fighters without cutting economic aid.

In February 1967, you promised King Hassan \$14 million in arms and approved a credit sale. Unfortunately, the Conte-Long amendments apply.

In signing the waiver at Tab A, you will essentially be saying that it is in our interest to preserve a firm relationship with Morocco and helping Hassan meet his legitimate defense needs is an important part of that relationship. Even if we didn't have a promise to keep, we would have to recognize that Morocco faces a military threat from Algeria which is well supplied by the USSR, and King Hassan will have to get arms somewhere. We know the Russians are ready to step in with MIG-21s if we don't sell the F-5s, and we have persistently tried to help Hassan maintain his Western ties. His is a friendly and moderate voice in a part of the world where we must take special care to keep our friends. As you know, we still have our communications intelligence station there.

The second determination (Tab B) is a purely technical matter, similar to ones you have signed for Morocco for the last three years. It permits the use of \$1.5 million in grant assistance under a 1960 agreement rather than negotiating a new one that would authorize us to review their use of the equipment and require them to return it to us when they no longer need it. In practice, our people in Morocco have full access to the equipment. It would also waive the requirement that this money be used exclusively for internal security and civic action rather than self-defense. We want to use the grant for such things as F-5 pilot training.

Attached two determinations for your signature if you approve. Nick Katzenbach, on the basis of consultations, foresees no adverse Congressional reaction. Signing these determinations will pave the way for your approving an agricultural loan which is at the bottom of this package.

W. W. Rostow

SECRET

~~SECRET~~

1784

22a

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

MAY 23 1968

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 93-345
By JW, NARA, Date 6-17-94

MEMORANDUM FOR THE PRESIDENT

Subject: Determinations relating to military assistance to Morocco

Under Secretary Katzenbach recommends you sign the two attached documents which make certain determinations for military assistance to Morocco. These determinations are necessary (1) to continue our small military grant program, (2) to implement the \$14 million military credit sale which you approved last year, and (3) to provide economic assistance without a penalty for Morocco's purchase of sophisticated weapons.

The first document (Tab A) determines that Morocco's purchase of F-5 aircraft is vital to the national security of the U.S. Such a determination is required by the Conte-Long prohibition in the Foreign Assistance Appropriations Act against supplying sophisticated weapons with MAP funds. Morocco wants to purchase additional F-5's under the \$14 million credit sale which you agreed to early last year during King Hassan's visit. We previously provided an F-5 squadron in 1965, under a combined grant and credit sale arrangement. This determination also avoids the penalty of reducing economic assistance when a country buys sophisticated weapons as required by the other Conte-Long amendment in the Appropriations Act. Making this later determination is a prerequisite to your approval of the \$8 million agricultural sector loan which is requested by Bill Gaud in a separate memorandum to you in this package.

The second document (Tab B) makes two determinations similar to those you have signed for Morocco for the past three years. It authorizes the use of \$1.5 million of military assistance funds to provide defense articles without requiring Morocco to permit us to review their use of the equipment provided or to return it when no longer needed. It also determines that our military assistance to Morocco could be used for defense against external aggression whereas the Foreign Assistance Act limits our military aid to internal security or civic action in the absence of a Presidential waiver. This latter determination covers sales of military equipment as well as grants and its application is not limited to FY 1968 but will continue for future years.

~~SECRET~~

State has checked the Congressional reactions to these proposals and no serious question is anticipated. These are summarized on page 3 of Mr. Katzenbach's letter. The amounts involved are included in the 1968 budget.

I recommend you approve both the determinations as requested by the State and Defense Departments.

Charles C. Zwick
Charles C. Zwick
Director

Attachments

Approve _____

Disapprove _____



DEPARTMENT OF STATE

Washington, D.C. 20520

22b

May 18, 1968

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Military Assistance
for Morocco

King Hassan of Morocco would like to include up to 13 F-5 aircraft in the \$14 million credit sale offered last year. The SIG has recently reviewed our North African policy and recommends that you accede to the King's request.

One of the Conte-Long Amendments to the Foreign Assistance Appropriation Act prohibits the use of credit funds to finance "sophisticated weapons systems, such as...jet aircraft for military purposes," unless you determine that such financing is vital to United States national security. We recommend that you make such a determination with regard to the F-5 aircraft for Morocco.

Certain other determinations are needed to continue military aid to Morocco.

I. Merits of F-5 Sale

During King Hassan's visit here in early 1967, you agreed to a \$14 million credit sale. Implementation of this agreement has been delayed because of the Middle East war and its aftermath and subsequent legislative complications. The matter

~~SECRET~~

GROUP 3: Downgraded at 12-year intervals, not automatically declassified.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By jc, NARA, Date 2-15-01

~~SECRET~~

-2-

has now become urgent, as the funds will not be available after June 30.

While we want to avoid an arms race in the Maghreb--and further "polarization", tying Algeria more closely to the USSR--we believe the King's request meets Morocco's legitimate self-defense requirements.

This assessment is based on the following:

-- Hassan is understandably concerned about the arms imbalance in the Maghreb. Algeria has a Soviet-supplied inventory of 130 jet fighters and 30 jet bombers. Morocco has 11 F-5s and a few lightly armed trainers (many of World War II vintage). The King has assured us that he does not want to match the Algerian build-up, but rather wants to achieve a reasonable deterrent capability. He recognizes that the prospects of his regime ultimately depend on economic development rather than a large and burdensome military establishment.

-- There is danger that Hassan may go to other sources--notably Eastern Europe and the Soviet Union--if we cannot supply what he considers his minimum needs. (Last year he accepted a Czech offer for armored equipment because we were unable to promise early delivery. So far, the Czechs have delivered 60 T-54 tanks and 74 armored personnel carriers. The Soviets are understood to have offered 40 MIG 21s and at least 20 AN-12 transports.)

Should Hassan turn to the bloc, our influence on Morocco's defense policy and our ability to argue the case for arms restraint would be seriously reduced. If the Soviets became Morocco's principal arms supplier, they would probably seek to maximize their influence through offers of large quantities of equipment. Denial of Hassan's request and resultant substantial acquisitions of Soviet arms could have the opposite effect from that intended by the Conte-Long amendments. Further, such a situation could

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~~SECRET~~

-3-

bring into play the Symington amendment, jeopardizing our support for Morocco's five-year development program (and participation in the World Bank's Consultative Group).

-- Denial of the request would intensify the risks inherent in a continuing direct relationship between the Soviets and the Moroccan armed forces, (including the opportunities given the Soviets for penetration and propagandizing). Also, it would shake the King's confidence in the reliability of the United States and probably move him toward a reassessment of his relations with us.

Significance of Morocco for United States Interests

The United States has broad interests in Morocco, in view of that nation's political orientation and strategic location. Those interests include

- our valuable facilities, such as Kenitra.
- Morocco's location at the entrance to the Mediterranean and NATO's southern flank.
- Morocco's moderating influence on other Arabs involved in the Arab-Israeli conflict.
- Morocco's pro-Western attitude and influence in the North Africa region, where we have substantial economic as well as political interests.

Congressional Reaction

We have sought Congressional reaction to the proposed sale in the light of the Conte-Long amendments. Passman, Conte and Long have expressed no objections. Senator Fulbright expressed understanding of the King's desire to provide Morocco with minimum

~~SECRET~~

defensive strength, but questioned whether missiles or anti-aircraft guns would not be more useful than F-5s. We have explained our decision, based primarily on the far higher cost of missiles and the greater versatility and effectiveness of F-5s.

Recommendation

-- That you authorize the sale of up to 13 F-5 aircraft and sign the Presidential determination at Tab A that the transaction is vital to United States national security within the meaning of the Conte-Long Amendments. (This determination also will avoid a penalty under the second Conte-Long Amendment, which requires a deduction from United States economic assistance when a country buys sophisticated weapons.)

Approve _____ Disapprove _____

II. Grant Assistance Program

We also propose to continue our modest grant military assistance program (\$2.0 million in FY 68). Grant aid would be used mainly for training and other costs associated with the F-5 program and, therefore, would complement the credit sale. (Morocco's one operational F-5 squadron was furnished under grant and credit assistance.) The program would also include other training and excess defense articles.

Required Determination

In order to proceed, we need the same Presidential determination made in prior years:

-- Section 614(a) Waiver: The 1960 military assistance agreement with Morocco does not allow "continuous observation and review" of the use of equipment supplied under MAP (required by Section 505(a) (3) of the Foreign Assistance Act). Nor does it give us the right (required by Section 505(a) (4)) to require return or approve disposal of equipment no longer needed. It would not be practicable, at this time, to seek amendment of the 1960 agreement

~~SECRET~~

-5-

to cover these conditions. Section 614(a) of the Act permits you to waive these conditions if you determine that furnishing this equipment is important to United States security.

-- Section 508 Determination: This section restricts military assistance in Africa to internal security and civic action purposes, unless you determine otherwise. We recommend that you exercise your discretionary authority to authorize grants and sales to Morocco for national defense purposes. This determination would continue in effect for future years.

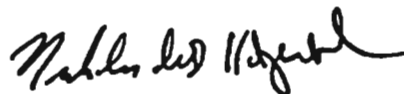
Recommendations

-- That you authorize continuation of grant military assistance to Morocco (\$2.0 million in FY 68, including about \$1.5 million for defense articles) and sign the Presidential determinations at Tab B with respect to the provisions of Sections 505(a)(3)-(4) and 508 of the Foreign Assistance Act.

Approve _____ Disapprove _____

The Department of Defense concurs in this memorandum.

For the official record, there is attached at Tab C a further formal request for the foregoing authorizations and determinations, which is identical with this memorandum except omitting the discussion on Congressional consultations. If you approve these recommendations, your findings, together with that request, will be transmitted to the Congress to satisfy legislative reporting requirements.


Under Secretary

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

22c

~~SECRET~~

Presidential Determination
No. 68-

MEMORANDUM FOR THE UNDER SECRETARY OF STATE

Subject: Determination Relating to Military
Assistance to the Government of
Morocco

In accordance with the recommendation in your memorandum of May 18, 1968, I hereby determine, pursuant to the Foreign Assistance and Related Agencies Appropriation Act, 1968, that the purchase of F-5 aircraft by the Government of Morocco is vital to the national security of the United States.

You are requested on my behalf to give prompt notice of this action to the Congress.

1/s/ Lyndon B. Johnson
6/6/68

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *jc*, NARA, Date 2-15-01

~~SECRET~~

GROUP 3: Downgraded at 12-year intervals,
not automatically declassified.

THE WHITE HOUSE
WASHINGTON

22d

~~SECRET~~
Presidential Determination
No. 68-

MEMORANDUM FOR THE UNDER SECRETARY OF STATE

Subject: Determinations and Authorization
Relating to Military Assistance
to the Government of Morocco

In accordance with the recommendation in your memorandum of May 18, 1968, I hereby:

(1) determine, pursuant to Section 614(a) of the Foreign Assistance Act of 1961, as amended (hereinafter referred to as "the Act"), that authorization in Fiscal Year 1968 of the use of up to \$1.5 million of the funds available for military assistance under the Act for the purpose of providing defense articles to the Government of Morocco without regard to the requirements of paragraphs (3) and (4) of Section 505(a) of the Act is important to the security of the United States;

(2) authorize, pursuant to Section 614(a) of the Act, the use of such funds for this purpose without regard to the above specified requirements of the Act; and

(3) determine, pursuant to Section 508 of the Act, that henceforth defense articles and defense services may be furnished in accordance with the provisions of the Act and any amendments thereto on a grant or sales basis to the Government of Morocco for self-defense requirements, as well as internal security or civic action purposes.

You are requested on my behalf to give prompt notice of these actions to the Committee on Foreign Relations and Committee on Appropriations of the Senate and to the Speaker of the House of Representatives

*15/ Lyndon B. Johnson
6/6/68*

~~SECRET~~

GROUP 3: Downgraded at 12-year intervals,
not automatically declassified.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By jc, NARA, Date 2-15-01



DEPARTMENT OF STATE

Washington, D.C. 20520

22e

May 18, 1968

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Military Assistance
for Morocco

King Hassan of Morocco would like to include up to 13 F-5 aircraft in the \$14 million credit sale offered last year. The SIG has recently reviewed our North African policy and recommends that you accede to the King's request.

One of the Conte-Long Amendments to the Foreign Assistance Appropriation Act prohibits the use of credit funds to finance "sophisticated weapons systems, such as...jet aircraft for military purposes," unless you determine that such financing is vital to United States national security. We recommend that you make such a determination with regard to the F-5 aircraft for Morocco.

Certain other determinations are needed to continue military aid to Morocco.

I. Merits of F-5 Sale

During King Hassan's visit here in early 1967, you agreed to a \$14 million credit sale. Implementation of this agreement has been delayed because of the Middle East war and its aftermath and subsequent complications. The matter has now become urgent, as the funds will not be available after June 30.

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GROUP 3: Downgraded at 12-year intervals, not automatically declassified.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines

By J, NARA, Date 2-15-01

~~SECRET~~

-2-

While we want to avoid an arms race in the Maghreb--and further "polarization", tying Algeria more closely to the USSR--we believe the King's request meets Morocco's legitimate self-defense requirements.

This assessment is based on the following:

-- Hassan is understandably concerned about the arms imbalance in the Maghreb. Algeria has a Soviet-supplied inventory of 130 jet fighters and 30 jet bombers. Morocco has 11 F-5s and a few lightly armed trainers (many of World War II vintage). The King has assured us that he does not want to match the Algerian build-up, but rather wants to achieve a reasonable deterrent capability. He recognizes that the prospects of his regime ultimately depend on economic development rather than a large and burdensome military establishment.

-- There is danger that Hassan may go to other sources--notably Eastern Europe and the Soviet Union--if we cannot supply what he considers his minimum needs. (Last year he accepted a Czech offer for armored equipment because we were unable to promise early delivery. So far, the Czechs have delivered 60 T-54 tanks and 74 armored personnel carriers. The Soviets are understood to have offered 40 MIG 21s and at least 20 AN-12 transports.)

Should Hassan turn to the bloc, our influence on Morocco's defense policy and our ability to argue the case for arms restraint would be seriously reduced. If the Soviets became Morocco's principal arms supplier, they would probably seek to maximize their influence through offers of large quantities of equipment. Denial of Hassan's request and resultant substantial acquisitions of Soviet arms could have the opposite effect from that intended by the Conte-Long amendments. Further, such a situation could bring into play the Symington amendment, jeopardizing our support for Morocco's five-year development program (and participation in the World Bank's Consultative Group).

~~SECRET~~

~~SECRET~~

-3-

-- Denial of the request would intensify the risks inherent in a continuing direct relationship between the Soviets and the Moroccan armed forces, (including the opportunities given the Soviets for penetration and propagandizing). Also, it would shake the King's confidence in the reliability of the United States and probably move him toward a reassessment of his relations with us.

Significance of Morocco for United States Interests

The United States has broad interests in Morocco, in view of that nation's political orientation and strategic location. Those interests include

- our valuable facilities, such as Kenitra.
- Morocco's location at the entrance to the Mediterranean and NATO's southern flank.
- Morocco's moderating influence on other Arabs involved in the Arab-Israeli conflict.
- Morocco's pro-Western attitude and influence in the North Africa region, where we have substantial economic as well as political interests.

Recommendation

-- That you authorize the sale of up to 13 F-5 aircraft and sign the Presidential determination at Tab A that the transaction is vital to United States national security within the meaning of the Conte-Long Amendments. (This determination also will avoid a penalty under the second Conte-Long Amendment, which requires a deduction from United States economic assistance when a country buys sophisticated weapons.)

Approve _____ Disapprove _____

II. Grant Assistance Program

We also propose to continue our modest grant military assistance program (\$2.0 million in FY 68).

~~SECRET~~

~~SECRET~~

-4-

Grant aid would be used mainly for training and other costs associated with the F-5 program and, therefore, would complement the credit sale. (Morocco's one operational F-5 squadron was furnished under grant and credit assistance.) The program would also include other training and excess defense articles.

Required Determination

In order to proceed, we need the same Presidential determination made in prior years:

-- Section 614(a) Waiver: The 1960 military assistance agreement with Morocco does not allow "continuous observation and review" of the use of equipment supplied under MAP (required by Section 505(a)(3) of the Foreign Assistance Act). Nor does it give us the right (required by Section 505(a)(4)) to require return or approve disposal of equipment no longer needed. It would not be practicable, at this time, to seek amendment of the 1960 agreement to cover these conditions. Section 614(a) of the Act permits you to waive these conditions if you determine that furnishing this equipment is important to United States security.

-- Section 508 Determination: This section restricts military assistance in Africa to internal security and civic action purposes, unless you determine otherwise. We recommend that you exercise your discretionary authority to authorize grants and sales to Morocco for national defense purposes. This determination would continue in effect for future years.

Recommendations

-- That you authorize continuation of grant military assistance to Morocco (\$2.0 million in FY 68, including about \$1.5 million for defense articles) and sign the Presidential determinations at Tab B with respect to the provisions of Sections 505(a)(3)-(4) and 508 of the Foreign Assistance Act.

Approve _____ Disapprove _____

~~SECRET~~

~~SECRET~~

-5-

The Department of Defense concurs in this memorandum.



Under Secretary

~~SECRET~~

INFORMATION

23

**Wednesday, June 5, 1968
4:45 p. m.**

Pres file

Mr. President:

**Herewith a gracious thank-you
letter from Abm. Dries.**

W. W. Rostow

rln

23a

THE AMBASSADOR OF TUNISIA
WASHINGTON, D. C.

June 3, 1968

Dear Mr. President,

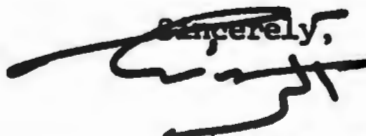
I wish to thank you for your kindness and thoughtfulness in sending the beautiful album which will indeed be cherished by all of us at the Embassy as a happy reminder of President Bourguiba's memorable visit to the United States.

May I also take this occasion to express to you my deepest gratitude and my appreciation for the warm and friendly welcome that was extended to my President and his party during his visit to this country. I also want to express my personal gratitude for the kind words of encouragement you mentioned with regard to Mrs. Driss and to myself at the reception given in your honor.

We also feel that such a visit has greatly contributed to enhance the deep spirit of understanding and mutual respect which already exists between our two countries.

Mrs. Driss joins me in conveying also to Mrs. Johnson our grateful thanks and warmest regards.

Sincerely,



Rachid Driss
Ambassador

The President
The White House
Washington, D.C.

ACTION

Mr. Rostow

24

1. *[Signature]*
2. Pres file

Wednesday, June 5, 1968 - 4:50pm

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: \$8 Million Agricultural Loan for Morocco

Bill Gaud recommends that you approve an \$8 million agricultural loan for Morocco for calendar years 1968 and 1969. If you have signed the Conte-Long waivers at the top of this package, the way is legally clear for your approval.

You may recall King Hassan's description during his visit last year of his plans for concentrating on agricultural growth. Since then, the World Bank has given him extensive recommendations for reorganizing his agricultural ministry and helped develop a new Five-Year Plan concentrating on agriculture. AID will use the loan as leverage in encouraging further reforms.

This loan is our share in helping Morocco break out of four years of economic stagnation--due partly to drought--by furnishing foreign exchange needed for such things as fertilizer, farm equipment and insecticides. This money will be spent in the US, and Secretary Fowler concurs in the recommendation on the understanding that we will try to get other nations to assume more of the burden in the future. The World Bank's newly-formed Consultative Group for Morocco will help round up aid from other donors.

W. W. Rostow

Approve ✓ 6/6/68
Disapprove _____
Call me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 6-5-92

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

MAY 23 1968

MEMORANDUM FOR THE PRESIDENT

Subject: \$8 Million Agricultural Sector Loan for Morocco

Bill Gaud requests your approval to negotiate an \$8 million agricultural sector loan for Morocco for calendar years 1968 and 1969. This would be the first loan of this type for Morocco. It would support an accelerated agricultural investment program.

In 1968 Morocco hopes to emerge from a four-year period of economic stagnation. Annual economic growth of less than 2% has lagged behind a 3.1% growth in population. This slow economic progress resulted both from a needed IMF stabilization program and from poor agricultural production during two drought years. Last year, the World Bank and the newly-formed Consultative Group for Morocco recommended an average annual 4.5% growth target for the next five years. To attain this target, Morocco will allocate 46% of its planned investment budget for the five-year period to agriculture.

The proposed AID loan will reduce foreign exchange gaps now estimated at \$15 million for 1968 and \$21 million for 1969. One-fourth of the commodities financed will help expand fertilizer distribution and could substantially increase wheat yields in 1969. The remainder of the loan will finance commodities for a joint AID-Moroccan forage production effort, for irrigation expansion, and for private agricultural enterprises.

Self-help

As a condition of this loan, AID plans to ask Morocco to reform its Ministry of Agriculture as recommended by the World Bank. The Moroccan Government will also be requested to assure adequate agricultural credit for the fertilizer program and to prepare a study on wheat and vegetable oil pricing policy. The latter may lead to additional self-help requirements in any future sector loans.

Balance of Payments

All commodity purchases under this loan will be made in the United States. Additionality should be relatively high. Secretary Fowler agrees that the impact on our balance of payments will be minimized by these arrangements.

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E.O. 12958, Sec. 3.5

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

By jc, NARA, Date 2-15-01

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41-4875-1

Symington and Conte/Long Amendments

My memorandum to you of March 16, 1968, on P. L. 480 sales to Morocco, which you approved, contained a State/AID determination that Moroccan resources are not being diverted to unnecessary military expenditures. In a separate memorandum on military assistance packaged with this loan request, I concur in Under Secretary Katzenbach's recommendation that you waive the Conte/Long amendment in view of the special conditions applying to the Moroccan purchase of F-5 aircraft from us.

Recommendation

I recommend that you authorize negotiations for this proposed loan.

Charles F. Zwick
Charles F. Zwick
Director

Attachment

Approve _____

Disapprove _____

X Concur, on understanding U.S. will pass for reduction in U.S. share next year and net assistance from donors this year. H H 7

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

OFFICE OF
THE ADMINISTRATOR

MAY 6 1968

DECLASSIFIED

MEMORANDUM FOR THE PRESIDENT

Authority AID Guidelines 10-16-95

SUBJECT: \$8 Million Agricultural Sector Loan

By yc, NARA, Date 2-15-01

I request your authorization to conclude with the Government of Morocco an agricultural sector loan for \$8 million to be utilized during calendar years 1968 and 1969.

U. S. interest in Morocco derives from both its strategic location and its political role in the Arab World and broader international councils. Morocco is important to the U. S. because of its geographic location on both the Atlantic and Mediterranean; its Western orientation; its historic ties with the U. S.; and its willingness to cooperate with the U. S. on matters of vital interest. Specific interests include maintenance of U. S. communications facilities in Morocco, protection of free access to the Mediterranean through Gibraltar, overflight rights for U. S. aircraft, and discouragement of flights to Cuba.

Morocco exercises a moderating influence in the Arab World, in Africa, and in international organizations, and has played an important role in efforts to work out a settlement of Arab-Israeli conflicts.

Morocco -- one of the countries of A.I.D. concentration in Africa -- announced a new Five-Year Plan in January 1968. On the recommendation of the IBRD, and with the concurrence of the Consultative Group, Morocco adopted as target for the Plan an increase in the annual rate of growth of Gross Domestic Product to 4.5 percent by 1970. According to the IBRD analysis, Morocco will need to increase investment to 15 percent of Gross Domestic Product by 1970 in order to reach this growth target. Morocco is now seeking financing from the Group. Although new specific aid commitments have not yet been made, West Germany, Belgium and Italy, as well as the IBRD are expected to continue as important donors. France was a major donor until 1966, when it discontinued new balance of payments loans because the King refused to dismiss the Minister of the Interior implicated in the kidnapping and death of Ben Barka, a Moroccan revolutionary.

The IBRD has recommended that Morocco continue primary development emphasis on increasing agricultural production. Accordingly, the Government of Morocco over the last year has intensified its

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The President

- 2 -

efforts in the agricultural sector. It has expanded Operation Fertilizer, the Government of Morocco program to distribute fertilizer and improved seed to farmers in the modern sector. On the recommendation of the IBRD, the Government of Morocco is reorganizing the Ministry of Agriculture in order to improve administration of its agricultural programs. It has inaugurated a Family Planning Program and plans to expand it. It is carrying out soil conservation and livestock breed improvement programs.

Morocco is faced with both balance of payments and budgetary deficits in carrying out its new Five-Year Development Plan. This loan will assure foreign exchange to finance imported commodities and equipment required for Morocco's agricultural development program in calendar years 1968 and 1969. These are agricultural items (such as fertilizer, seeds, insecticides, farm equipment, food processing equipment) that are needed for new and expanded programs being undertaken by the Government of Morocco.

The goods will be imported through private importers who will deposit the local currency equivalent of foreign exchange allocations they receive in a counterpart fund. The proceeds deposited in this fund will be used to defray partially the budgetary costs to the Government of Morocco of the agricultural program.

Steps will be taken to minimize any adverse effect on the U. S. balance of payments. Procurement will be limited to the U. S. Since the products to be financed are related directly to Morocco's expanded agricultural effort, they are additional to the imports Morocco would otherwise be making. Furthermore, since commodities will be used by farmers who have not previously constituted an effective market for agricultural items and equipment from the U. S., over time the loan should help to develop a commercial market.

During the last nine years, Morocco has financed most of its agricultural imports from the U. S. under the U. S. Supporting Assistance Loans made from FY 1959 to FY 1965. These loans made possible a higher level of imports from the U. S. than Morocco would have been able to finance from its own foreign exchange resources. The result has been a sizeable unfavorable trade balance with the U. S., averaging about \$44 million on total trade and \$7 million on commercial trade only annually from 1962 through 1966. In contrast, Morocco during the same period ran favorable trade balances with the franc zone of \$12 million and \$10 million with the countries with which Morocco

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The President

- 3 -

has bilateral payments agreements. The Supporting Assistance Loans are now nearly all disbursed, but the proposed loan will enable importers to continue and expand their purchases of U. S. goods.

Total U. S. assistance to Morocco (on an expenditures basis) amounted to \$57 million in calendar year 1967, and is expected to be \$77 million in 1968, and \$60 million in 1969. Almost 80 percent of U. S. assistance is P.L. 480. Particularly heavy inputs of cereals under both sales and grants were made in 1967 and 1968, but with more normal weather total U. S. P.L. 480 wheat sales should fall by almost 50 percent next year.

In terms of total official external financing presently available for 1968, including the IMF standby loan of \$50 million, export financing, project loans, and technical assistance grants, the U. S. share is about 46 percent. However, if that portion of U. S. assistance strongly influenced by erratic factors, such as U. S. and Moroccan crop yields, eligibility of projects for Export-Import Bank financing, etc., is subtracted from the total, then only A.I.D. and a much smaller P.L. 480 component remain as resource inputs predictable enough for inclusion in long range planning. Without the emergency P.L. 480 inputs in 1968, U. S. assistance to Morocco would have come to about 30 percent of total assistance received plus financing available from the IMF standby loan. This share is about 35 percent if the proposed sector loan is included. At the next meeting of the Consultative Group for Morocco, expected to be held this summer, the U. S. delegation will press other donors to increase their share of aid; thereby making possible a decline in the U. S. share.

We seek approval of the present \$8 million loan so that the U. S. can move promptly to sign the loan agreement. Insofar as possible, the fertilizer, forage seed, and farm equipment to be financed should be delivered in Morocco for the fall planting season in 1968. The forage seed will be planted in October and November, the fertilizer will be used during that period and also for top-dressing of wheat in the late winter. The results of the Government of Morocco's cereals production program last year clearly showed that lands prepared by mechanical equipment yielded significantly higher returns than those cultivated by traditional methods. Thus, it is desirable that the equipment also arrive on site as promptly as possible.

The undertakings that we propose to require of the Government of Morocco in connection with this loan are:

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The President

- 4 -

(1) Continuing implementation by the Government of Morocco of the IBRD recommendations for the reorganization of the Ministry of Agriculture.

(2) Implementation of the IBRD recommendations for creation of an agricultural planning unit.

(3) Maintenance of the annual schedule of expanded coverage under the cereals program.

(4) Assurance of sufficient agricultural credit for medium and small private farmers.

(5) Development of a comprehensive annual economic budget to serve as the basis for annual consultation between Morocco and the Consultative Group members.

(6) Preparation of a study on the impact of agricultural prices, trade and government price policies, on production of oil seed and hard and soft wheat to determine whether the policy should be changed to assure efficient use of Moroccan resources. A report on this study should be prepared by the end of calendar year 1968.

(7) Removal of any foreign exchange allocation measures resulting in discrimination against imports from the U. S.

State/A.I.D. in consultation with the Interagency Advisory Committee concerned with the implementation of Section 620(s) (the Symington Amendment), of the Foreign Assistance Act of 1961, as amended, has determined: (a) that Morocco's resources are not being diverted to unnecessary military expenditures to a degree which materially interferes with its development, and (b) that neither U. S. development assistance nor P.L. 480 sales are diverted by Morocco to military purposes. The assessment on which this determination was made was submitted to you (copy attached) in connection with the P.L. 480 sales agreement for Morocco which was approved by you on March 26, 1968. The facts on which the prior assessment was based have not changed materially during the interim.

Currently available intelligence does not indicate that Morocco has purchased sophisticated weapons systems requiring the withholding of assistance under Section 119 (Conte-Long Amendments) of the Foreign Assistance and Related Agencies Appropriations Act, 1968. A recommendation is being sent to you for a determination

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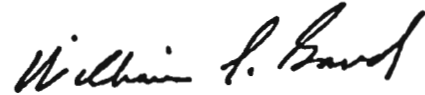
~~CONFIDENTIAL~~

The President

- 5 -

that acquisition of F-5 planes by Morocco is vital to U. S. national security. If you approve this recommendation, no action in the economic assistance program would be required under Section 119. There is not any present indication of purchases of sophisticated weapons from third countries.

Recommendation: That you authorize this loan. The Department of State concurs.



William S. Gaud

Enclosure:
Review of Military Expenditures
for Morocco

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24c

REVIEW OF MILITARY EXPENDITURES FOR MOROCCO

Problem: Morocco is currently on the CYB amber light list for the Symington Amendment. The need for decision is urgent since we are ready and anxious to move ahead with the proposed \$16.2 million P.L. 480 sale to Morocco, and it is in the U.S. national interest to do so. Therefore, we are requesting your concurrence to our conclusion that we are not required to apply the Amendment to Morocco.

I. BASIC MILITARY EXPENDITURE TREND DATA

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u> Estimate	<u>1968</u> Projection	<u>1969</u> Projection
1. Defense expenditures of central government (millions of dirhams)	574	523	520	553	562	562
2. Estimated expenditures for police and other civil security forces	233	228	259	256	250	250
3. Military expenditures (millions of dollars)	67	58	52	59	62	62
4. Military expenditures (millions of dirhams)	341	295	261	297	312	312
5. Total central government expenditures (millions of dirhams)	2,915	2,991	3,203	3,150	3,475	3,673
6. Percent of military to total central government expenditures	12	10	8	9	9	8
7. Total public expenditures	Same as central government expenditures (line 5 above).					
8. Percent of military to total public expenditures	Same as line 6 above.					
9. Estimated foreign exchange expenditures on current account (U.S. dollars) Gross	438 ^{1/}	575	618	500 ^{1/}	515 ^{1/}	525 ^{1/}

DECLASSIFIED

Authority: AIO Guidelines 10-16-95; Agri. Guidelines 10-28-82

By: jc, NARA, Date: 2-15-01

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W-5038

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u> Esti- mate	<u>1968</u> Projec- tion	<u>1969</u> Projec- tion
10. Gross National Product (millions of dirhams)	12,580	13,180	12,930	13,131	13,789	14,340
11. Percent of military expenditures to GNP	3	2	2	2	2	2
12. Estimated foreign exchange expended for military equipment (millions of dollars)	6.1	10.1	1.1			
13. Percent of foreign exchange for military to total foreign exchange expenditures	0.9	1.6	0.2			

1/ Imports only.

We believe these data to be essentially reliable. The basic figures are derived from official GOM sources, and have been evaluated for consistency and comprehensiveness by our Mission in Morocco and PPC/PRB/SRD in AID/W. They correspond with data prepared by the IBRD for its 1967 economic report on Morocco. Morocco's Ministry of Finance which is responsible for compilation of these figures is led by well qualified officials with several years experience and generally training in France. There are also French experts working at various offices in the Ministry. While this capable top layer is thin, its expertise has certainly been applied to the summary budget figures used in this analysis.

Total central government expenditures include essentially all public expenditures, since specific local programs are financed from the budgets of the central government Ministries, e.g. Interior, Public Works, Education, Agriculture, etc. carrying them out. The central government budget data have been adjusted to exclude government debt repayments and intragovernmental transfers. Autonomous organization budgets have been included, such as the Promotion Nationale regional development projects, the lottery, government enterprises, etc.

Estimated foreign exchange expenditures on current account include imports, and in 1965 and 1966 gross expenditures on services, e. g. freight and insurance, other transportation, travel, investment income, wage payments, and government expenditures not included elsewhere. Some additional services and royalties and fees have been included on a net balance basis, since gross expenditure data are not available; these net balances amounted to \$8 million in 1965 and \$6 million in 1966. Gross expenditures for services for other years are not available.

To our knowledge, this data is the best available on these trends for Morocco, and is reliable and therefore useable for the purposes of this analysis.

II. Interpretation of Basic Military Expenditures Trend Data

a. Military expenditures declined sharply in 1966 from the 1964 level, but figures from 1966 and projected through 1969 show a slight upward trend. In 1964 military expenditures were relatively high as an aftermath of the brief border war with Algeria in 1963. They declined in 1965 and 1966 but rose slightly in 1967. In that year the GOM's budgetary decisions were influenced by the threat of Algeria's heavy armament and the Middle East War; despite the rise, defense expenditures were still 13 percent below the 1964 level, however. Expenditures are expected to rise slightly in 1968 and 1969, but still remain about 10 percent below the 1964 level.

The Moroccans view military expenditures at these levels as necessary to protect themselves, given their continued suspicion of Algeria's intentions, their long and exposed border with Algeria, and the Algerian military build-up. Morocco's military expenditures support armed forces of about 49,000 men as against about 61,000 for Algeria. According to available information Algeria's armed forces, bolstered by an estimated \$200 million of Soviet equipment, have gained substantial materiel superiority in major items, including about 162 military jet aircraft and 867 tanks, assault guns and armored personnel carriers as against 11 military jet aircraft, and about 98 tanks, assault guns, and armored personnel carriers for Morocco. Such relative force and materiel levels, as well as Morocco's present modest acquisition plans, indicate Morocco is not trying to gain military parity with Algeria, but only to maintain a credible defense capability.

Morocco's role during and since the Arab-Israeli War of 1967 indicates its need for sufficient military strength to prevent intimidation by its Arab neighbors. Algeria fully supported the UAR, and Arab nationalists within Morocco vehemently opposed Morocco's moderate international policy and clamored for repressive action against the Jewish community within Morocco. While Morocco paid full lip service to the Arab cause, its troops never got beyond Benghazi, and Morocco continued close relations with the U.S. and Western Europe. Internally, the police acted promptly and effectively to prevent anti-Jewish violence and demonstrations. Since then Morocco has played a leading role as an Arab moderate in trying to establish stability in the Middle East.

b. Military expenditures as a percent of central government expenditures declined from 1964 through 1966, rose slightly in 1967, and are expected to decline further in 1968 and 1969.

c. Military expenditures as a percent of total public expenditures follow the same trend as (b) above, since central government and total expenditures are the same.

d. Foreign exchange expenditures for military expenditures have varied considerably over recent years. They dropped from \$10.1 million

in 1965 to \$1.1 million in 1966 and \$2.4 million in 1967. For the last two years they have accounted for less than 0.5 percent of total foreign exchange expenditures. Current military equipment purchases include aircraft spare parts, communication equipment, and F-5 ammunition. U.S. military assistance to Morocco has included the following program: In 1960 the U.S. arranged for military equipment sales amounting to \$20 million repayable in local currency. Twelve F-5's were provided in 1966-67 under a grant-credit sales agreement made in 1965.

e. The trend of military expenditures as a percent of GNP is down from 1964 to 1965 and has remained level since then.

III. Basic Economic Performance Data

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
1. Wholesale price index (1958 = 100)	131	137	141	142	141	145
2. Exports (millions of dollars)	440	436	428	425	435	450
3. Central government revenues as percent of GNP	15	17	19	17	17	18
4. Direct taxes as a percent of total central government revenues	19	23	23	22	21	22
5. National savings as percent of GNP	10	10	19	12	11	12
6. Annual rate of change of GNP		1.53%	- 2.2%	4.3%	5.0%	4.0%
7. Annual rate of change of GNP per capita		-.8%	- 5.0%	1.16%	1.67%	.83%

IV. Interpretation of Basic Economic Performance Data

Following a period of large foreign exchange expenditures and domestic credit expansion, Morocco was obliged to seek a standby loan of \$35 million from the IMF in late 1964. Since then the GCM has followed the IMF guidelines conscientiously. Assisted by unusually large foreign aid receipts in 1965, Morocco's financial situation improved considerably by mid-1966. The credit controls slowed investment, however, and the level of economic activity declined. This was greatly accentuated by a severe drought in

1966, when Morocco's wheat crop fell by nearly 40 percent. As a consequence income and purchasing power in the agricultural sector declined. The repercussions of this drop spread to trade and manufacturing and in 1966 Morocco's per capita GNP actually declined by 5 percent. Due to political difficulties with France arising from the trial of Moroccan officials for complicity in the murder of Ben Barka, France discontinued balance of payments loans, which had provided over \$40 million of import financing in 1964 and 1965.

Since the beginning of 1967 the GOM had been working on a new five year development plan for 1968-1972. The IBRD presented a report at the first Moroccan CG meeting in April 1967, recommending as a development target an increase in the rate of growth of GNP of 4.5% by 1970. This level will require investment of 15% of the GNP in 1970. These goals were endorsed by the CG.

The outbreak of the Middle East war in June 1967 focused political and economic unrest, bringing home even more to the GOM the need for prompt and strong action to improve Morocco's economic performance. To implement this expanded economic effort, a new Prime Minister was appointed as well as a new Minister of Agriculture, Mohammed Bargach, one of the country's top economic planners. The GOM accepted the development targets proposed by the IBRD, and under the new plan the government plans investment in 1968 30% above the 1966 level. The new plan places first emphasis on agricultural development, continuing Moroccan policies in recent years. Increased emphasis on food production will raise expenditures in the agriculture sector by nearly 40% in 1970 as compared to 1965-1966. Expenditures for education and youth activities are also increasing, and in 1966 they were eight percent greater than in 1965. Under the new plan they will rise 41 percent more by 1970. Additional areas of emphasis are tourism and processing industries.

During recent months the GOM has taken other development steps: repeal of the 1939 law forbidding sale of contraceptives, thereby opening the way to expanded family planning action; formation of an Investment Promotion Center to assist prospective investors; request for a U.S. fiscal management expert to improve the operation of the Ministry of Finance. The GOM has also accepted the IBRD's proposed administrative changes in the Ministry of Agriculture, Office of Planning, and other Government offices with key responsibilities in the development program, and began to work out their implementation.

Where needed, Moroccan military resources have been used in support of economic programs. One example was the widespread use of army trucks to deliver fertilizer to rural areas in a special cereals production program in 1966 and 1967. Regional administrators of Morocco's Food for Work Program, which will provide 30 million man days of work for the unemployed in 1968, are in most cases army officers on detached duty.

The basic economic performance data in Part III reflect Morocco's economic difficulties in recent years, and expectation for improvement under the new plan. Domestic price levels are expected to continue stable in line with IMF guidelines on credit expansion. Even though investment will be increasing, maintenance of price stability should be possible since many industries are now operating at only 60% of capacity and unemployment is high. The IBRD estimated unemployment at 400,000 in 1966, and this has been estimated to be as high as 700,000, one sixth the labor in supply - in summer, 1967, after the second successive year of drought.

Central Government revenues are increasing both as a percent of GNP and in absolute terms. Despite a decrease in agricultural tax receipts reflecting the drop in agricultural income, revenue from direct taxes rose by 10 percent in 1966, and by an estimated 2% in 1967, due to stricter controls on income declarations and an acceleration of tax collections. Receipts from indirect taxes, state monopolies and other sources also increased in 1966 (and are expected to be higher in 1967) owing to increased profit on sugar sales, and receipts from the National Export Office.

Although Morocco's balance of payments was in virtual equilibrium in 1966, estimates for 1967 show a deficit of about \$20 million. Export receipts declined by 1% and import payments increased by 13% due mainly to large imports of cereals, as well as equipment related to new investment. Import liberalization measures taken last June also contributed to the deficit. This new system brings all countries (except the bilateral payments agreements partners) under the same importing regulations, and imports of many items are now subject only to usual commercial and banking procedures.

V. Country Classification

Morocco's friendly and cooperative relations with the U.S. are of particular importance because of its strategic position at the entrance to the Mediterranean. Furthermore, Morocco continues to make available its territory for U.S. communications facilities at Kenitra and the VOA relay station near Tangier.

U.S. dollar assistance is directed toward specifically agreed projects to finance technical services and training for those projects or for U.S. commodities and equipment needed to carry out programs related to U.S. aid objectives, particularly in agriculture. U.S. local currency loans under P.L. 480 are also for specific economic projects agreed upon with the GOM. In view of these agreements that prevent the diversion to unauthorized uses of U.S. economic assistance, we consider Morocco is not diverting U.S. economic aid resources to military uses.

Although the economic trends for Morocco have been mixed in the last two years, the GOM in the last year has shown a reinforced determination to attack its economic problems and improve performance. The military expenditure trends are mixed to favorable. We do not believe that unnecessary military expenditures in Morocco are materially interfering with economic development.

Conclusion: We conclude, on the basis of available information that Morocco is not diverting U.S. aid to military expenditures and that Morocco is not diverting its resources to unnecessary military expenditures to an extent which materially interferes with its development. We have under review the application to Morocco of the Conte-Long Amendment. Preliminary indications are that even should Morocco's expenditures for military equipment raise the question of sophistication and therefore the possibility of the application of the Conte-Long Amendment, such an application would not be inconsistent with the present finding under the Symington Amendment.

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INFORMATION

~~CONFIDENTIAL~~

Wednesday, June 5, 1968
3:45 p. m.

Pres file

Mr. President:

Herewith Gen. Abrams reports to
Gen. Wheeler no "buying out" of
military service in South Vietnam.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By ng, NARA, Date 6-5-92

WWRostow:rln

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EYES ONLY

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OFFICE OF THE
SECRETARY OF DEFENSE

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Distribution By CJCS

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SECDEF
DEPSECDEF

Rostow

O 050726Z ZYH ZFF-1

FM GEN ABRAMS DEPCOMUSMACV

TO GEN WHEELER CJCS

ZEM

~~CONFIDENTIAL~~ MAC 7386 EYES ONLY

REF: CS 6114

BUYING OUT OF MILITARY SERVICE IS NOT AND HAS NEVER BEEN IN FORCE.

DECLASSIFIED
E.O. 12958, Sec. 3.3
DA Memo, Jan. 5, 1993
By rg, NARA, Date 6-23-92

4 June 1 8

Dist. 25b

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~~CONFIDENTIAL~~ - EYES ONLY - PRIORITY

From: General Wheeler, CJCS, Washington
To: General Abrams, Deputy COMUSMACV, Saigon
(Deliver during waking hours)

The question of whether South Vietnamese can buy out of military service was raised at a high level meeting here today. In reviewing the recently passed GVN Mobilization Bill, I note that draft exemptions are excluded as a matter of principle except for reasons of health. Therefore, I would appreciate information on whether the practice of buying out of military service is ^{any} longer in force.

Warm regards.

DECLASSIFIED

Authority: DOD Directive 5200.30

By jc, NARA, Date 2-20-01

~~CONFIDENTIAL~~ -EYES ONLY - PRIORITY

Sec Def has seen

ACTION

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26

~~SECRET~~

Wednesday
Tuesday, June 4, 1968 - 3:40pm

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Trip to Africa

At Tab A is a possible itinerary for a 9-day trip to Africa in August. It is checked out with Joe Palmer's Deputy (Joe is in Africa now and for the next month). I think we all believe that it would be a great boost to our policy and image not only in Africa but in all the developing countries.

Themes

The basic themes of our African policy are support for African development, support for regional and sub-regional groupings to solve common problems and develop shared resources, moral support for the Black African position on the racial question in the South, and discouragement of violence between and within countries. These should also be the themes reflected in your itinerary.

The schedule at Tab A is essentially a series of meetings with the various regional groupings which have developed in Africa over the past 3 - 5 years. This meets all the above themes and also helps us with a difficult problem of explanations to the 30 countries which you would not have time to visit. The only exception to this rule is the one day in Ghana in which you would have more time to visit Peace Corps projects, AID projects, etc. -- while at the same time implicitly recognizing the most dramatic and hopeful change in an African country during the Johnson Administration.

Problems

We would have to find ways to deal with the following:

1. You would undoubtedly arrive in the wake of a bloody Congressional slaughter of the Aid Bill, which cannot help but have serious effects on our aid to Africa.
2. The proposed visit to Zambia -- though terribly important from the standpoint of African policy -- will put you face to face with the

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DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By *19*, NARA, Date *10-3-97*

Rhodesian problem and undoubtedly involve a public reconfirmation of our anti-Rhodesian posture. This will not require new policy departures, but a Presidential statement will add new emphasis.

3. The itinerary is necessarily arbitrary if we are to hold the trip to nine days. For example, it excludes Liberia despite the fact that we have older and more direct historical ties there than with any other African nation. We can expect some flak no matter what itinerary is settled upon.

4. All the meetings suggested in the itinerary would have to be manufactured; none of them are now scheduled. We think they can all probably be arranged, but probably not without a leak. There is also the possibility that some leaders (e.g., the President of Mauritania, with which we have no relations) may refuse to come and make some noise in the press about it. (Upon investigation we can find no events currently scheduled for August which you might attend. The OAU will bring together most African Heads of State September 10 - 16, but in Algiers, where the welcome mat will almost certainly not be out. The tiny British Protectorate of Swaziland, completely surrounded by South Africa and Portuguese Mozambique, becomes independent on September 6. The Ministers of the East African Economic Community have their second meeting in Zambia September 16 - 28. But we have assumed these events come too late.)

Recommendation

If this general itinerary looks acceptable, I would suggest you authorize us to instruct our Ambassadors quietly to sound out the possibility of arranging the suggested meetings. Joe Palmer's current trip would also be very useful in this regard. If we are to arrange four meetings of Heads of State within a period of 9 days, we need to start now.

W. W. Rostow

Itinerary okay; go ahead and take field soundings _____

Hold off _____

Call me _____

EKH/lww/vmr

6/5/68

~~SECRET~~

26a

Itinerary for African Trip

First Day: Arrive Dakar, Senegal 9:30 a. m. (means leaving Andrews about 10:00 p. m. the previous night)

- Meeting with President Senghor
- Lunch with Peace Corps Volunteers just outside Dakar
- Meeting with leaders of Senegal River Basin states (Senghor, Keita and Mali, Toure of Guinea, and Ould Daddah of Mauritania)
- Senghor dinner for visiting Presidents
- Overnight in Dakar

Second Day: Depart Dakar 9:00 a. m. arrive Abidjan, Ivory Coast about 11:30 a. m.

- Meeting with President Houphouet-Boigny
- Lunch at headquarters of the African Development Bank
- Meeting with leaders of the West African Entente (Houphouet-Boigny, Lamisana of Upper Volta, Diari of Niger, Eyedema of Togo, and a Dahomean when selected.)
- Houphouet-Boigny dinner for visiting Presidents.
- Overnight in Abidjan

Third Day: Depart Abidjan 9:00 a. m., arrive Accra, Ghana 9:30 a. m.

- Meeting with General Ankrah
- Inspection of Peace Corps and AID projects (accompanied by Ankrah)
- Lunch in outlying village (perhaps with Peace Corps volunteers)
- Tour of Upper Volta dam and power plant (largest U. S. project in Africa)
- Quiet dinner with Ankrah in Accra (or state dinner if preferred)
- Overnight in Accra

~~SECRET~~

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By AL, NARA, Date 10-3-97

Fourth Day: Depart Accra 9:00 a. m., arrive Lusaka, Zambia, 3:30 p. m. local time

- Meeting with central and southern African leaders (Kaunda of Zambia, Mobutu of the Congo, Khama of Botswana, and Jonathan of Lesotho)
- Kaunda dinner for visiting Presidents
- Overnight in Lusaka

Fifth Day: Depart Lusaka 9:00 a. m., arrive Dar-es-Salaam, Tanzania at 1:00 p. m. local time

- Lunch with President Nyerere
- One-hour flight (on smaller plane) to city of Arusha (home of the East African Economic Community)
- Meeting with Presidents of Community member states (Nyerere, Kenyatta of Kenya, and Obote of Uganda -- plus Kaunda and Egal of Somalia if they want to attend. Both Zambia and Somalia have shown interest in joining the Community.)
- Dinner with visiting Presidents
- Overnight in Arusha

Sixth Day: Leave Arusha by ^{helicopter} car 9:00 a. m., heading north for Nairobi

- Stops at experimental farm and other AID and Peace Corps projects on Arusha-Nairobi road
- Lunch at village
- Completion of 250-mile auto journey through some of the most beautiful scenery in Africa
- Late supper in Nairobi, perhaps with President Kenyatta
- Overnight in Nairobi

Seventh Day: Depart Nairobi 9:00 a. m., arrive Addis Ababa 10:30 a. m.

- Meeting with HIM

~~SECRET~~

- 3 -

- Lunch with Diallo Telli, Secretary General of the OAU and Robert Gardiner, Secretary General of the UN Economic Commission for Africa
- Tour of OAU facilities
- HIM dinner for President
- Overnight in Addis

Eighth Day: Depart Addis 9:00 a. m., arrive Tunis 12:30 p. m. local time

- Quiet lunch
- Meeting with President Bourguiba
- Bourguiba dinner
- Overnight in Tunis

Ninth Day: Depart Tunis 9:00 a. m., arrive Andrews shortly after noon

~~SECRET~~



President would meet with leaders of all countries shaded.

27

INFORMATION

~~SECRET-SENSITIVE~~

Wednesday, June 5, 1968
3:25 p. m.

See file

Mr. President:

This pursuit of the probable source of the rumor about kidnapping Chuck makes it look less reliable; although no occasion for relaxing precautions.

W. W. Rostow

~~SECRET--SENSITIVE~~

WWRostow:rln

DECLASSIFIED
Authority NLS 035-002 ^{019-025-002/16}
By jc NARA. Date 12-21-09



EYES ONLY
CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D. C. 20505
OFFICE OF THE DIRECTOR

27a

5 June 1968

MEMORANDUM FOR: The Honorable Walt W. Rostow
Special Assistant to the President

SUBJECT : Possible Information on Source of Report on
Alleged VC Plot to Kidnap Captain Robb

1. On 3 June 1968, we instructed our Saigon Station to do everything possible to check out and follow up the report on the alleged VC plot to kidnap Captain Robb outlined in Saigon Embassy telegram 28874, 2 June 1968.

2. We have just been advised that on 5 June (Saigon time) Major David Gordon, a Canadian ICC Officer, told one of our Station officers that on or about 22 May an unidentified Indian enlisted signalman burst into the Canadian Officers' residential villa and asked to speak to Commissioner R. N. Tait. According to Gordon, the Indian reported that he "had heard" (from sources he did not identify) that the Viet Cong were plotting to kidnap Captain Robb and felt that Commissioner Tait should inform the Americans. Commissioner Tait hustled the Indian off the premises and the entire group dismissed the report as a wild rumor.

3. Major Gordon said this Indian (whose name Gordon believed he could obtain) is considered by the Canadians as a black marketeer and "angle man" with numerous unsavory connections among local Vietnamese. (Gordon described the source as the "only Indian in Saigon with an American commissary card.")

SANTIZED

Authority NLJ-019-035-002/7

By JC NARA, Date 12-21-09

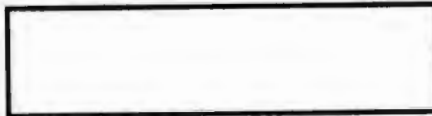
EYES ONLY
SECRET/SENSITIVE

EYES ONLY

4. When our officer told Major Gordon that the Embassy had received a report of such a plot from the GVN, Gordon said he was unaware of this fact but remarked that the Indian "probably told anyone who was willing to listen". Our Station understands that the information in Embassy telegram 28874 was obtained by Col. Jacobsen from a GVN source. Though the original GVN source is not known, it could easily be Major Gordon's Indian.

5. Our Station will of course continue to follow up on this matter and we will advise you promptly of any further information or clarification obtained.

25X1A



Special Assistant for Vietnamese Affairs

cc: The Honorable Clark M. Clifford
General Earle G. Wheeler
General Leonard F. Chapman
Mr. Benjamin H. Read

- 2 -

EYES ONLY

~~SECRET/SENSITIVE~~

INFORMATION

~~CONFIDENTIAL~~

Pres file

Wednesday, June 5, 1968 -- 3:05 p.m.

Mr. President:

State informs me that their immigration files show that the man who shot Sen. Kennedy is a Jordanian - Palestinian.

As a security precaution, extra guards have been put on the Jordanian and UAR missions. *here and in New York.*

W. W. Rostow

WWRostow:rla

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *jc*, NARA, Date *2-15-01*

~~CONFIDENTIAL~~

INFORMATION

29

~~SECRET~~--HARVAN

Wednesday, June 5, 1968
1:20 p.m.

Pres file

Mr. President:

Herewith Harriman's report;
key passages marked; as reported,
no real movement.

W. W. Rostow

Paris 15583, 2 sections
(DELTO 239)

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 6-5-92

WWRostow:rln



Department of State

J. W. Rostow 27a
TELEGRAM

~~SECRET~~

REA283

9

PAGE 01 PARIS 00001 051515Z

46 42
ACTION SSO 00

INFO /000 W

Z 051446Z JUN 68
FM AMEMBASSY PARIS
TO SECSTATE WASHDC FLASH 2613

9 4 5 Q
1968 JUN 5 AM 11:25

~~SECRET~~ SEC 1 OF 2 PARIS 15583

N O D I S HARVAN

DELTO 239

FROM HARRIMAN AND VANCE

1. THUY'S OPENER FOR SEVENTH SESSION CONSISTED OF STATISTIC - STUDDED CHARGE THAT WHILE US HAD REPEATEDLY SPOKEN OF US RESTRAINT, IT HAS IN FACT INTENSIFIED WAR IN BOTH NORTH AND SOUTH SINCE MARCH 31. HE SAID THAT HE FOUND NOTHING NEW IN PRESIDENT'S MAY 28 AND MAY 30 STATEMENTS NOR IN GLASSBORO STATEMENT. IT IS NOTEWORTHY THAT ALTHOUGH HE SAID NOTHING NEW HAD BEEN SAID HE QUOTED PRESIDENT'S STATEMENT, "BUT IF HANOI WILL TAKE RESPONSIVE ACTION, WE ARE READY TO GO FAR AND FAST..." ON THE WHOLE, HE WAS LESS STRIDENT THAN IN PAST.

2. THUY SAID BOMBING LIMITATION WAS ACTUALLY INTENDED TO CONCENTRATE FORCES FOR GREATER EFFICIENCY WHILE MOLLIFYING PUBLIC OPINION. THUS THERE WAS IN FACT NO DE-ESCALATION. HE QUESTIONED PRESIDENT'S STATEMENT THAT LIMITED BOMBING MUST CONTINUE TO PROTECT OUR MEN. HE REPEATED HIS EARLIER STATEMENTS THAT US AND ALLIES WERE SUFFERING HEAVY LOSSES IN SOUTH, SPECIFYING THE SAIGON AREA, DAK TO AND ROUTE 9.

3. THUY SAID THAT WHILE THE US TALKS OF RESTRAINT, THE DRV HAS "RESTRAINED ITS JUST AND DEEP HATE BY COMING TO THESE CONVERSATIONS." HE REPEATED WITHOUT CHANGE IN WORDING DEMAND FOR UNCONDITIONAL CESSATION OF BOMBING. WE DETECTED NO DEPARTURE OF SUBSTANCE IN HIS STATEMENT. WHEN HE FINISHED AT 10:47, I SUGGESTED A COFFEE BREAK, TO WHICH THUY AGREED, WITH LESS HESITANCY THAN LAST MEETING.

DECLASSIFIED

Authority RAC 32791

By pc/ics NARA Date 2-15-01

~~SECRET~~

~~SECRET~~

PAGE 02 PARIS 00001 051515Z

4. DURING COFFEE BREAK, WHICH LASTED ABOUT 15 MINUTES, WE SAT WITH THUY AND ENGAGED IN INCONSEQUENTIAL CHIT-CHAT. THUY SAID IN RESPONSE TO OUR QUESTION THAT LE DUC THO WOULD BE PARTICIPATING IN OUR MEETINGS. THUY WAS PLEASANT, POLITE AND A LITTLE NERVOUS. ON WAY TO COFFEE ROOM THUY TOOK VANCE BY THE ARM AND ASKED IF HE HAD HAD GOOD TRIP BACK TO UNITED STATES. WHILE WE SAT WITH THUY OTHER MEMBERS OF DELEGATION SAT WITH LAU AND LE FOR GENERAL CONVERSATION.

5. AT THE OUTSET OF MY REPLY, I REJECTED THUY'S VERSION OF EVENTS, AND READ TO HIM THE VIET-NAM PORTIONS OF PRESIDENT'S GLASSBORO SPEECH. I GAVE HIM COPIES OF THE WHOLE TEXT. I POINTED TO DRV USE OF US FIGURES ON FORCE LEVELS AND AIR OPERATIONS, AND SUGGESTED THEY USE MORE US STATISTICS--SUCH AS FIGURES ON NVN AND VC LOSSES OF MORE THAN 100,000 IN COMBAT IN SOUTH IN 1968-- TO CONVEY REALITY WAR TO DRV GOVERNMENT AND PEOPLE. I EXPLAINED, IN ACCORDANCE WITH DEPARTMENT'S SUGGESTED STATEMENT, THE MORTAR AND ROCKET ATTACKS ON SAIGON 3 MAY TO 31 MAY, AND STATED THIS TERRORISM NOT CONDUCIVE TO PROGRESS HERE. I THEN DELIVERED OUR PREPARED STATEMENT, INTRODUCING FOLLOWING THE SECOND SENTENCE, THE THREE SENTENCES ABOUT ACKNOWLEDGING OR DETERMINING RESPONSIBILITY FOR BOMBING THAT WE CLEARED WITH DEPARTMENT (DELTO 230).

GP-1. HARRIMAN

~~SECRET~~



Department of State

9
TELEGRAM

~~SECRET~~

RFB688

PAGE 01 PARIS 00002 051506Z

9 4 3 Q

53
ACTION SSO 00

1968 JUN 5 AM 11 16

INFO /000 W

Z 051446Z JUN 68
FM AMEMBASSY PARIS
TO SECSTATE WASHDC FLASH 2614

~~SECRET~~ SEC 2 OF 2 PARIS 15583

N O D I S HARVAN

FROM HARRIMAN AND VANCE

6. THUY ANSWERED BY SAYING THAT THE US HAD TURNED WHITE INTO BLACK, AND HAD SABOTAGED THE GENEVA AGREEMENTS. HE REPEATED FROM HIS PREPARED STATEMENT THE PASSAGE ON US INTENSIFICATION OF THE WAR WHILE THE DRV RESTRAINED ITS JUST HATE IN ORDER TO COME TO PARIS. HE AGAIN REJECTED PRINCIPLE OF RECIPROCITY. HE SAID THAT ATTACKS ON SAIGON BY LIBERATION FORCES WOULD CONTINUE AS LONG AS THE US CONTINUES AGGRESSION. HE THREW AT US AN ARTICLE ON US AIR STRIKES IN SAIGON -- CHOLON.

7. ON LAOS, THUY'S REJOINDER WAS TO REPEAT THE DRV'S JUNE 2 ATTACK ON SOUVANNA'S SPEECH.

8. THUY THEN REPEATED NORTH VIET-NAM'S POSITION ON BOMBING. HE ANSWERED MY STATEMENT THAT WE WERE READY TO DISCUSS THE CESSATION BY ASKING US WHEN THE BOMBING WILL STOP.

9. I REPEATED MY EARLIER STATEMENT. I THEN SAID: "I ASK YOU, YOUR EXCELLENCY, IF YOU ARE PREPARED FORTHWITH TO DISCUSS RELATED MATTERS?"

10. THUY SAID HE HAD STATED THAT THE US MUST CEASE UNCONDITIONALLY THE BOMBING, AND THEN WE COULD TALK ABOUT OTHER MATTERS. WHY, HE ASKED, CAN'T YOU DECIDE THIS IMMEDIATELY?

11. I REFERRED THUY TO MY EARLIER STATEMENTS AND THOSE

~~SECRET~~

~~SECRET~~

PAGE 02 PARIS 00002 051506Z

OF THE PRESIDENT. I SAID THAT THE DRV MUST FACE UP TO THIS POSITION ON OUR PART.

12. I SAID THAT THUY CAME TO PARIS WITH FULL KNOWLEDGE OF THE POSITION OF OUR GOVERNMENT, AS EXPLAINED IN THE PRESIDENT'S MARCH 31 SPEECH. WHAT IS REQUIRED FROM YOU, I SAID, IS A CLEAR EXPRESSION OF GOOD WILL ON YOUR PART.

13. THUY SAID WE WERE HERE PURSUANT TO DRV STATEMENTS OF APRIL 3 AND MAY 3 AND THEN BROKE OFF THIS MOST DIRECT EXCHANGE OF OUR TALKS, BEHIND HIS EARLIER STATEMENTS ABOUT THE PURPOSE OF THESE TALKS. HE THEN SAID THAT HE NOTED THAT I WAS NOT IN A POSITION TO ANSWER HIS QUESTIONS AND SUGGESTED THAT WE ADJOURN. I SAID THAT I WAS ALWAYS READY TO GIVE THUY THE LAST WORD, BUT I NOTED THAT THUY COULD NOT ANSWER MY QUESTION. LET US HOPE, I SAID, THAT WE CAN MEET HERE SOME DAY WITH ANSWERS TO BOTH QUESTIONS SIMULTANEOUSLY.

14. I THEN PROPOSED SATURDAY OR MONDAY FOR THE NEXT MEETING. THUY COUNTERED, AFTER TALKING WITH COL. LAU, WITH WEDNESDAY. I SAID WE PREFERRED AN EARLIER DATE. THUY SAID HE WANTED WEDNESDAY AND WE AGREED. ADJOURNED AT 2:15.
GPI HARRIMAN

~~SECRET~~

INFORMATION

~~CONFIDENTIAL~~

Wednesday, June 5, 1968
11:05 a.m.

Pres file

Mr. President:

This cable gives the flavor of how things happen in Cairo.

The upshot: you may receive another letter from Nasser -- or may not.

W. W. Rostow

Cairo 2567

~~CONFIDENTIAL~~

WWRostow:rlh

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By sg, NARA, Date 6-5-92



Department of State

30a
TELEGRAM

~~CONFIDENTIAL~~ 201

PAGE 01 CAIRO 02567 040649Z

20
ACTION SS 70

INFO CIAE 00,1070 W

Rostow

R 030805Z JUNE 68
FM USINT CAIRO
TO SECSTATE WASHDC 4802

C ~~CONFIDENTIAL~~ CAIRO 2567

1. HEYKAL SOUGHT ME OUT AT PARTY JUNE TO INQUIRE AFTER MY HEALTH. I SAID TERRIBLE THANKS IN LARGE MEASURE TO HIS SERMON OF MAY 31. I WAS CERTAIN THAT MANY PEOPLE IN USG WOULD ASSUME THAT NASSER HAD CHOSEN RESPOND TO PRESIDENT JOHNSON'S FRIENDLY LETTER OF MAY 13 THROUGH NEWSPAPER COLUMN. HEYKAL DENIED THIS.
2. I TOLD HEYKAL THAT HE MADE ME FEEL LIKE SISYPHUS. WE WOULD TOIL FOR WEEKS PUSHING THAT ROCK UP TO THE BROW OF THE HILL. THEN THINGS WOULD HAPPEN AND IT WOULD GO CRASHING DOWN AGAIN. AT THIS POINT, ITALIAN AMBASSADOR JOINED US AND WE HAD LENGTHY DISCUSSION ABOUT JARRING, ETC., ETC. I STRESSED THEME THAT JUST AND HONORABLE SETTLEMENT WAS AVAILABLE WHICH COULD LIFT MANY BURDENS FROM DESERVING EGYPTIAN PEOPLE AND PERMIT THEM GET ON WITH BUSINESS OF BUILDING THEIR COUNTRY. SEEMED TO ME HEYKAL WAS OFFERING HIS READERS NOTHING BUT BLOOD AND FIRE AND USUAL ARAB BLIND ALLEY. HEYKAL KEPT EXPRESSING DEEP REGRET THAT USG HAD "LOST ALL INTEREST" IN MIDDLE EAST. THERE WAS LITTLE NEW IN THIS CONVERSATION.
3. AS PARTY BROKE UP, HEYKAL DREW ME ASIDE. HE SAID HE WANTED ME TO KNOW THAT NASSER HAD BEEN VERY ANGRY WITH HIM FOR REVEALING PARTIAL TEXT OF PRESIDENT JOHNSON'S LETTER AND COMMENTING ADVERSELY UPON IT. HEYKAL SAID NASSER HAD NOT ORIGINALLY PLANNED REPLY TO PRESIDENT'S LETTER BECAUSE IT HAD BEEN A REPLY TO ONE OF NASSER'S AND DID NOT REQUIRE AN ANSWER. VIEW HEYKAL'S ACTION, HOWEVER, NASSER NOW PLANNED REPLY DIRECTLY.
4. COMMENT: I WILL BELIEVE IN NASSER'S REPLY WHEN I SEE IT. BUT FOREGOING DEMONSTRATES WHY CAIRO IS ONE OF MOST FASCINATING POSTS IN FOREIGN SERVICE. ONLY HERE MUST YOU LEARN TO EXPECT

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By jc, NARA, Date 2-15-01

~~CONFIDENTIAL~~



Department of State

TELEGRAM

b

~~CONFIDENTIAL~~

PAGE 02 CAIRO 02567 040649Z

(AND=ALLOW=FOR=THE=UNEXPECTED=)

BERGUS

NOTE: HANDLED LIMDIS PER S/S-O.

~~CONFIDENTIAL~~

31

INFORMATION

Pres. file

Wednesday, June 5, 1968 - 10:20 a.m.

Mr. President:

A telephone call from Harriman reports the following:

- **The meeting went about four hours.**
- **Tone less strident.**
- **Nothing essentially new in substance; no new nuances on a stop-the-bombing formula.**
- **Next meeting a week from now.**
- **Politburo member Tho not present, but it was indicated in coffee break he might attend later.**
- **Vance believes he detects a desire to move towards substance; Harriman more sceptical.**

W. W. Rostow

WWRostow:rla

32

INFORMATION

~~SECRET~~

Pres file

Wednesday, June 5, 1968 - 9:50 a.m.

Mr. President:

This report on traffic and truck kills in Laos during May shows:

- weather during May deteriorated for flying but was adequate for truck transport: only in June are we likely to see wet roads seriously interfering with Laos transport movement;
- truck kills, therefore, dropped from about 1200 to 550; although they continue to run about 5 to 6 times higher than 1967.

W. W. Rostow

Vientiane 6972

~~SECRET~~

DECLASSIFIED
E.O. 13356, Sec. 3.4
NEJ 91-457
By ij, NARA, Date 10-26-93

WWRostow:rlm



Department of State

TELEGRAM

32a

29

2

SECRET 821

Handwritten mark resembling a stylized 'Z' or '7'.

PAGE 01 VIENTI 06972 031134Z

45
ACTION SS 70

INFO /070 W

R 031057Z JUN 68
FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC 8780
INFO AMEMBASSY BANGKOK
AMEMBASSY PARIS
AMEMBASSY SAIGON
JCS
CINCPAC 2346
COMUSMACV
SEVENTH AF

- ~~BCWOLER~~
- ~~BUDGET~~
- ~~DAVIS~~
- ~~FRID~~
- ~~GROGAN~~
- ~~HAMILTON~~
- ~~JESUP~~
- ~~JOHNSON~~
- ~~KEITH~~
- ~~LEAHY~~
- ~~LEONHART~~
- ~~ROCKE~~
- ~~SALYERS~~
- ~~TAYLOR~~

~~SECRET~~ VIENTIANE 6972

SUBJ: MAY TRUCK KILLS IN PANHANDLE

LIMDIS

1. OUR INITIAL TALLY OF TRUCK KILLS ON HO CHI MINH TRAIL STRUCTURE - SUBJECT TO FURTHER ASSESSMENT BY SEVENTH AF - INDICATES ABOUT 550 TRUCKS DESTROYED AND 40 DAMAGED. THIS IS CONSIDERABLE DROP FROM LAST MONTH'S RECORD TOTAL OF MORE THAN 1200 KILLS. HOWEVER, REDUCTION FOLLOWS PATTERN OF LAST YEAR. IN MAY 1967, 274 TRUCKS WERE DESTROYED AND 80 DAMAGED IN THE PANHANDLE, LESS THAN FIFTY PERCENT OF APRIL 1967 KILLS.

2. DROP IN TRUCK KILLS AT THIS TIME OF YEAR DOES NOT NECESSARILY MEAN THAT THERE HAS BEEN A REDUCTION IN TRAFFIC. DURING MAY, WHEN AREA BEGINS TO COME UNDER INFLUENCE OF SW. MONSOON, CLOUD COVER GREATLY HAMPERS AIR ACTIVITY BUT ROUTES ARE GENERALLY NOT YET WET ENOUGH TO IMPEDE TRAFFIC. TRUCK SIGHTINGS ON THOSE SEGMENTS OF THE TRAIL STRUCTURE WHERE WE HAVE TEAMS WOULD APPEAR TO INDICATE THAT TRAFFIC WAS ABOUT AS HEAVY IN MAY AS IN APRIL.

3. 1968 MONTHLY KILL RATE CONTINUES TO RUN ABOUT FIVE

SECRET

DECLASSIFIED

Authority 719 91-428
By ip/rg, NARA, Date 6-15-92



Department of State

TELEGRAM

~~SECRET~~

PAGE 02 VIENTI 06972 031134Z

~~TO SIX TIMES GREATER THAN LAST YEAR~~

GP-1 HURWITCH.

~~SECRET~~

13
—

INFORMATION

Pres file

Wednesday, June 5, 1968 - 9:10 a.m.

Mr. President:

To strengthen Bob Ginsburgh's hand in conducting his extra responsibilities, you may wish to know we have taken aboard, as an assistant, Colonel William Lemnitzer, son of General Lyman Lemnitzer.

W. W. Rostow

WWRostow:rln

INFORMATION

~~TOP SECRET TRINE~~

Wednesday, June 5, 1968
9:05 a.m.

Pres file

Mr. President:

You may wish to read this study
of UAR-USSR cooperation with respect
to Soviet reconnaissance of the Sixth
fleet, using Badgers with UAR markings.

W. W. Rostow

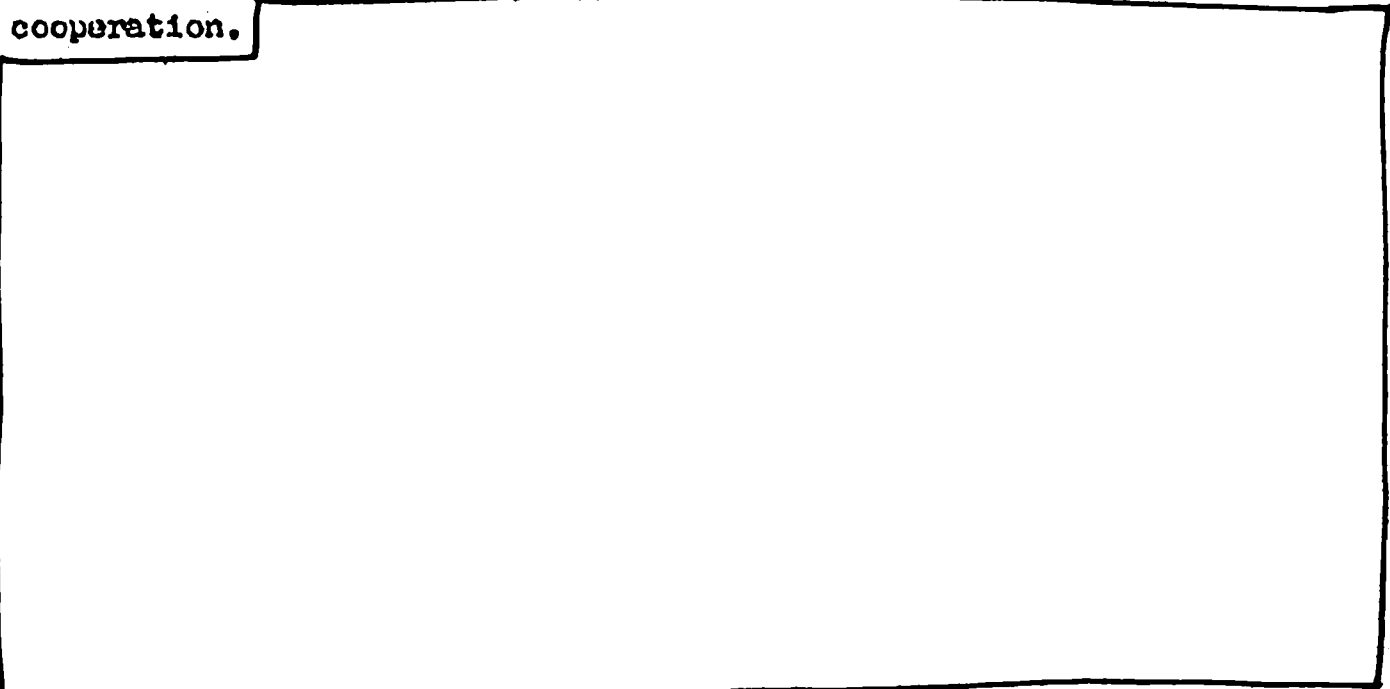
~~TOP SECRET TRINE~~

WWRostow:rln

34a

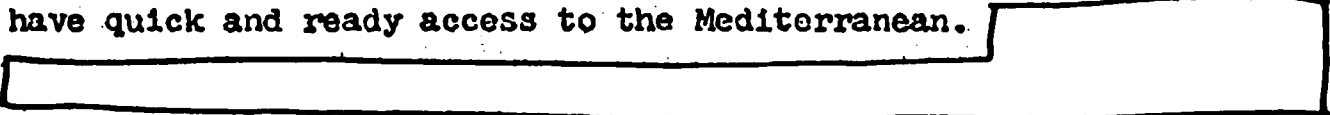
3. SPECIAL STUDY: Possible motives for UAR's cooperation with Soviet aerial reconnaissance of US Sixth Fleet units*

Aerial reconnaissance activities in support of the Soviet Mediterranean Squadron represent a new phase in Soviet-UAR military cooperation.



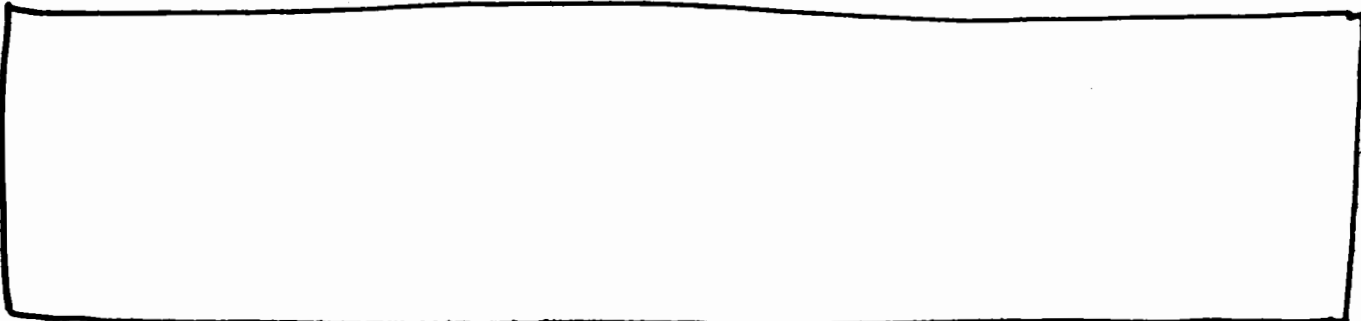
This is the first time that a non-Communist country has joined with the Soviets in such an operation.

Advantages to Soviets Obvious. This operation satisfies the Soviet Mediterranean Squadron's need for aerial reconnaissance support, hitherto lacking because aircraft based in the USSR do not have quick and ready access to the Mediterranean.

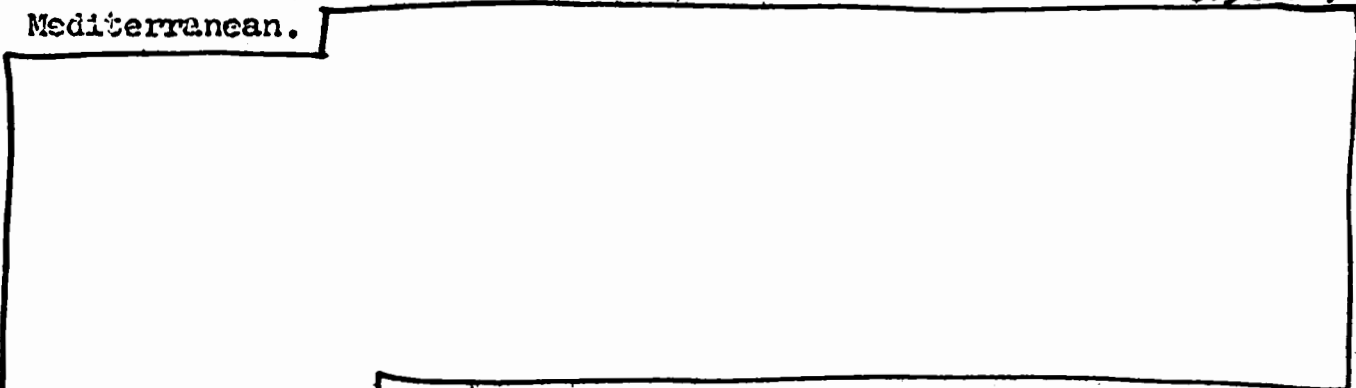


*This study was issued on 27 May as an Intelligence Note (RCI #2414) entitled: "UAR Cooperation with Soviet Aerial Reconnaissance of Sixth Fleet Units in the Eastern Mediterranean." It was produced by the Office of Research and Analysis for Near East and South Asia (RNA).

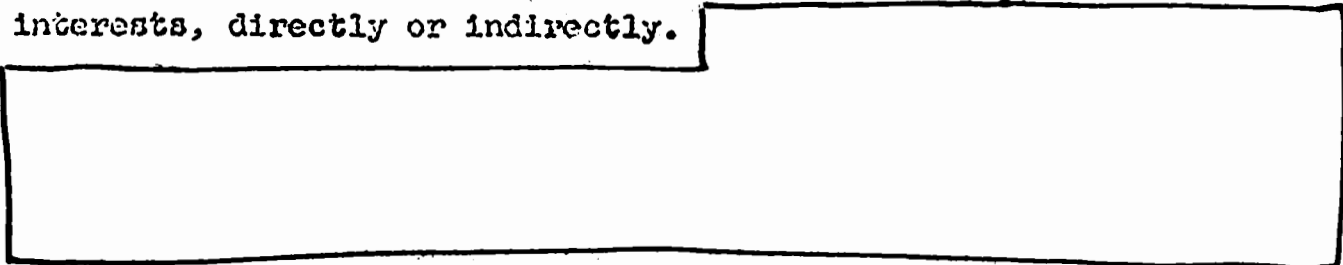
3.4 (b)(1,3)



Advantages for UAR Obscure. It is less clear what intelligence advantage the UAR derives from these reconnaissance operations. Given Nasser's lingering suspicions of US intentions toward the UAR and his belief that the US is supporting Israel militarily as well as politically, the UAR may well be concerned over the whereabouts and activities of Sixth Fleet units in the Eastern Mediterranean. 3.3 (b)(1,3)



The UAR, of course, very likely considers these operations of the Soviet Squadron to be beneficial to UAR security interests, directly or indirectly.



3.3 (b)(1,3)

3.3(b)(1,3)

[Redacted]

3.3(b)(1,3)

UAR Jeopardizing Nonaligned Image.

[Redacted]

Yet Nasser continues to insist that the increased Soviet military presence in Egypt since the June 1967 Arab-Israeli conflict does not mean that the UAR has abandoned its policy of non-alignment. Nasser and other government spokesmen have repeatedly denied reports that the Soviets have requested or have been granted bases in the UAR. Under the circumstances, therefore, it is puzzling why NASSER would jeopardize his status as a nonaligned leader and risk further alienating the US

[Redacted]

3.3(b)(1,3) Flights Could Be Part of Price for Soviet Deterrent. Such joint Soviet-UAR cooperation could represent a military decision, of which UAR political leaders are undoubtedly aware but the possible political repercussions of which they may not yet clearly understand. Soviet naval units now have ready access to UAR ports and fueling facilities, and in late April a Soviet tanker for the first time reloaded at a UAR port. The UAR apparently regards this port access

as an acceptable price to pay to keep Soviet warships in or near Egyptian waters as a deterrent to a possible Israeli attack.

Aerial reconnaissance flights [REDACTED]

3,2(1)(13)

[REDACTED] might be regarded by UAR authorities as a natural extension of this cooperation.

UAR Sees Shift in Mediterranean Balance of Power. UAR cooperation with Soviet Mediterranean Squadron operations also should be viewed in the context of the Egyptians' apparent belief that in recent months the balance of power in the Middle East has been shifting away from the US and Israel. In his 24 May column in al-Ahram, Nasser confidant Muhammad Haykal claimed that, because of the increasing presence of the Soviet fleet in the Mediterranean, the US Sixth Fleet no longer has the "absolute freedom" it had a year ago--a development Haykal considers to be of "far-reaching strategic significance." UAR leaders, therefore, may believe that it is in their interest to help the Soviets overcome their present deficiencies vis-a-vis US naval forces in the Mediterranean. Presumably, they calculate that in time this will cause the balance of forces to shift so far in the Arabs' favor that Israel will be obliged to settle the Middle East conflict on terms advantageous to the Arabs. However, the Israelis are aware of Soviet reconnaissance activities against the Sixth Fleet and have recently cited this to US officials to emphasize the Israeli concern over the

~~TOP SECRET TRINE~~

current balance of power in the area.

It is likely that other area governments will in time gain knowledge of this UAR-Soviet cooperation. Already disturbed at the degree of Soviet presence in the area, such countries as Israel, Turkey, Greece, and Iran are likely to be alarmed even further by this information, and their belief that there are Soviet "bases" in radical Arab countries will be strengthened. It also will increase the misgivings of UAR intentions among conservative Arab rulers such as King Faysal. The effect could be similar on segments of Western public opinion. As a result, pressures might develop for the US to abandon expectations of re-establishing a fruitful relationship with the UAR or other radical Arab states and to support more single-mindedly those states in the area that declare themselves pro-West and anti-Soviet.

-v-

DIPSUM 4 Jun 68

~~TOP SECRET TRINE~~

25
INFORMATION

~~SECRET~~

Wednesday, June 5, 1968
8:55 a. m.

Mr. President:

Attached is the latest monthly report
of the Marines in Vietnam.

In accordance with your telephone
conversation with Bus Wheeler, the other
Chiefs are considering the preparation of
regular summaries of operations of the
Army, Navy, and Air Force.

W. W. Rostow

~~SECRET~~

AO3H13-wbs

OO3A14968

3 June 1968

letter to the President from Gen L. F. Chapman, Jr, USMC Commandant
"Operations of U. S. Marine Forces - Vietnam - April 1968"

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 19, NARA, Date 6-5-92

36

INFORMATION

~~TOP SECRET TRINE~~

Wednesday, June 5, 1968
8:50 a.m.

Pres file

Mr. President:

You may wish to read this
assessment of the importance of
Thanh Hoa, plus a map.

Key passages are marked.

W. W. Rostow

~~TOP SECRET TRINE~~

WWRostow:rlh

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAL 01-99
By sj, NARA, Date 7-8-02

36a

LOGISTICS COMPLEX AT THANH HOA IN NORTH VIETNAM

Some of the most important logistic activity in North Vietnam is concentrated between the 19th and 20th parallels. Most of the personnel, munitions, and military supplies for Communist forces in South Vietnam pass through the Thanh Hoa complex. Recent photographs of the area have been limited, but there is ample evidence that the level of activity has increased since the US stopped bombing there.

Rail, highway, and waterway systems converge in Thanh Hoa, creating a focal point for storage, distribution, and transshipment of military equipment destined for South Vietnam and Laos. Analysis of communications from the North Vietnamese General Directorate of Rear Services there -- which controls and coordinates the flow of men and materiel through southern North Vietnam -- indicates that the current movements southward are being processed through staging areas in and near Thanh Hoa. Since 1 Nov 67 an estimated 120,000-130,000 troops and support personnel have deployed south, most of whom probably passed through the area. Between November and March, a daily average of 150 short tons of supplies and equipment was transported through the area; in April this increased to its current average of nearly 320.

There are a number of fixed installations such as POL transshipment points, storage areas, and truck parks in the Thanh Hoa area. Its importance, however, lies in the dynamic nature of the logistic facilities which serve it. The only rail line connecting Hanoi and Vinh passes through the Thanh Hoa rail yard, the largest south of Hanoi. Before the bombing restrictions it accommodated 50-100 pieces of rolling stock daily; this has probably increased since 1 April. The Thanh Hoa Railroad and Highway Bridge three miles north of the city is vital to the operation of this rail line.

Eight major roads converge at Thanh Hoa. Route 1A, which is the principal one, carries most of the north-south truck traffic. Route 115 links the city with coastal transshipment points, and Routes 118

~~TOP SECRET TRINE~~

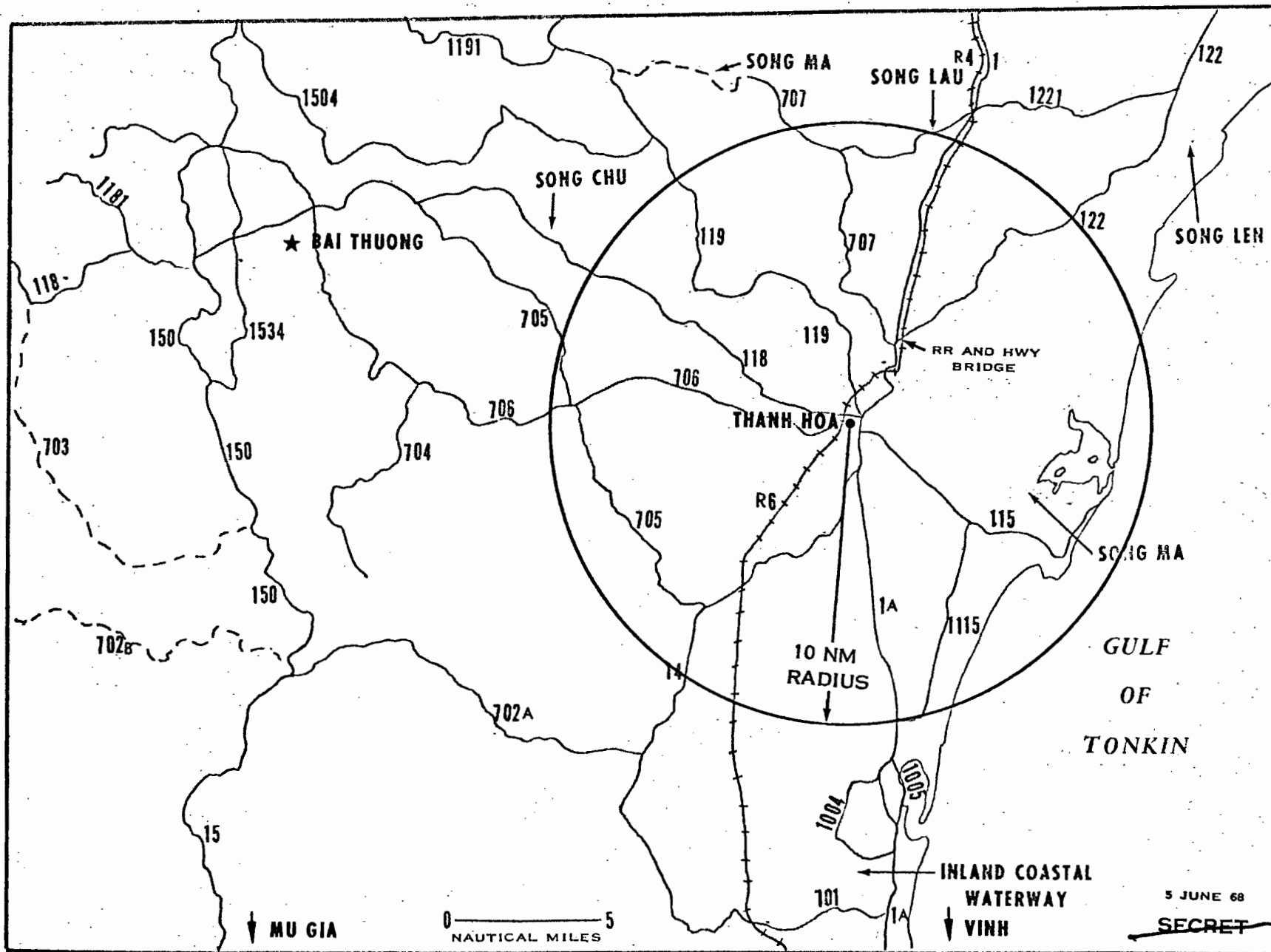
and 706 provide lateral connections between Thanh Hoa and Route 15 at Boi Thuong -- the principal inland route bypassing Thanh Hoa. A daily average of about 150 trucks is believed to be operating within a 10-nautical-mile radius of the city. Most truck traffic beyond there is on coastal Route 1A between Thanh Hoa and Vinh and on the inland road, Route 15.

Before the bombing pause, waterways around Thanh Hoa were heavily used and as many as 600 craft were believed operating daily within 10 nautical miles of the city. About 50 were 100-ton barges. Recent photographs of two waterways just north of the city indicate that the number may have more than doubled. A substantial increase is also believed to have occurred on the waterways leading south. Prior to April, the inland waterway between Thanh Hoa and Vinh had a watercraft density of 40 to 60 per nautical mile.

Although Bai Thuong Airfield can accommodate only limited jet activity, it can support transport operations and has the potential of a first-class airfield for all types of operations. Construction has been under way there for several years.

The Thanh Hoa area is the primary logistic center in North Vietnam's plans for pursuing the war in Southeast Asia. Barring any change in these plans or the current situation, it is expected that the complex will continue to expand, strengthen its defenses, and become a distribution center ranking only below Hanoi and Haiphong. (TOP SECRET TRINE)

THANH HOA LOGISTICS COMPLEX, NORTH VIETNAM



DECLASSIFIED
Authority NLS 141.022.005/4
By *je*, NARA, Date 11-2-09

366

INFORMATION

Pres file

~~TOP SECRET CODEWORD~~

Wednesday, June 5, 1968 -- 8:35 a.m.

Mr. President:

The introduction of North Vietnamese militia into the battle in the South (Tab A) is a sign of truly maximum short-run effort and, perhaps, a scraping of the bottom of the manpower barrel in North Vietnam.

I find tentatively encouraging also:

- the sending of a Politburo member plus additional staff to Paris;
- the sending of an NLF team to Paris (see Tab B);
- further indications of poor fighting morale in the South, related to the hope of early peace.

It is clearly too early to form a judgment; but we must not close our minds to the possibility that Hanoi will try to close out the war sooner rather than later.

W. W. Rostow

WWRostow:rla

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 01-99
By cbm, NARA, Date 3-10-03

~~TOP SECRET~~

Possible Deployment of North Vietnamese Militia to South Vietnam

COMINT indicates that North Vietnamese militia may have been deployed to northeastern Quang Tri Province in South Vietnam.

A 3 June message between unidentified elements stated, "Send the Vinh Linh Militia down as reinforcements. Send them to the villages of Gio Son and Gio Le to strike." Gio Le is one kilometer south of the US Marine outpost at Gio Linh; Gio Son has not been located.

The size of the militia unit involved was not indicated. It is probably associated with the 27th Independent NVA Regiment, which was formed in early February and is believed to be composed of North Vietnamese provincial and militia units. Elements associated with this regiment have been the 21st Battalion of the Quang Binh Provincial Unit and two unidentified battalions.

The North Vietnamese have often stressed the need to "mobilize all soldiers and people." In view of these statements and the large number of personnel that have been moving south -- an estimated 112,000 since 1 January -- some provincial and militia elements may have been mobilized to reinforce NVA units operating in South Vietnam. (SECRET SAVIN)

DECLASSIFIED
Authority NLS-141-022-005/6
By pc, NARA, Date 11-2-09

THE WHITE HOUSE
WASHINGTON

June 5, 1968
6:40 AM

Mr. President:

To fill the time I drafted the attached.

Obviously what you say must await the outcome of the operation.

Also, you may wish to confine your first statement to sympathy and leave for later any statement of substance.

But at the right moment, your lead will be badly needed.

Walt
W. H. Rostow

38

Pres. file

At this terrible and tragic moment my thoughts and prayers go out to Robert Kennedy, to Ethel, to Ted Kennedy, and to all the family which has done so much for the nation and suffered so much.

We are a great nation; but we are also a small and vulnerable community. We can not survive as the country we know and love unless we bring our life back to the path of moderation, of mutual trust and affection, of law and order.

Every man and every woman in this nation--every institution, private and public--every group must ask itself this question: what can I do, what can we do to end the atmosphere of violence and the acts of violence--in our society.

This is my duty. It is also yours.

~~CONFIDENTIAL~~

INFORMATION

Wednesday - June 5, 1968

Free file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Appointment with OAS Secretary General Galo Plaza - Thursday, June 6, 11:30 a.m.

Dr. Galo Plaza's appointment is a courtesy call, but I recommend you use it to accomplish two objectives:

1. Impress on him your personal commitment to a strong inter-American system.
2. Correct -- in remarks to reporters invited to your office at the end of the meeting -- press speculation that you are shifting away from bilateral aid under the Alliance for Progress toward greater multilateral assistance through the Inter-American Development Bank.

Galo Plaza has a great opportunity to revitalize the OAS. He has the prestige, vision and energy to do this. He is still feeling his way, but on the policy and administrative side, he has already shown he is a take-charge guy.

The first substantive challenge he faces is getting the Task Force on Physical Integration organized. The IDB and CIAP are already at work on preparations. CIAP, because of its special relationship to the Inter-American Economic and Social Council (IA-ECOSOC) needs IA-ECOSOC endorsement of its participation. In the process of trying to get this, the Argentines and Brazilians have thrown up procedural road-blocks. Their attitude threatens an early July launching of the Task Force, unless it is turned around. I think Galo Plaza can use his substantial influence here. You might draw him out on this and urge him to take the leadership, with Dr. Herrera and Dr. Sans.

DECLASSIFIED
 E.O. 12958, Sec. 3.5
 NSC Memo, 1/30/95, State Dept. Guidelines
 By jc, NARA, Date 2-15-01

I suggest you impress on Gale Plaza your interest in his using the full weight of his office and the Secretariat in following up on the Program approved by the Presidents at Punta del Este. This is a great challenge and opportunity for him, particularly in the field of economic and physical integration, where the reluctance of the bigger countries is slowing down the carrying out of the Presidential directives.

As Covey Oliver told you yesterday, some reporters are taking the line that you are shifting emphasis from bilateral to multilateral assistance. (See clippings of Ben Welles and Gerry O'Leary at Tab B). This kind of groundless speculation works against us on the Foreign Aid Bill and should be counteracted.

I thought you might follow the format of Ambassador Tomic's farewell call and have the reporters and photographers come in at the end of your talk with Gale Plaza. You could describe the highlights of your conversation and slip in a corrective plug on the AID bill. (See Tab C)
At Tab A are talking points you might use.

W. W. Rostow

Attachments

Tab A - Talking points for use in remarks to the press.

Tab B - Newspaper articles by Ben Welles and Gerry O'Leary.

Talking Points
for Remarks to the Press
After Galo Plaza Interview
June 6, 1968

1. I asked Dr. Galo Plaza to come so we could get to know each other and discuss matters affecting our hemisphere. I told him of my commitment to a strong inter-American system.
2. As you know, the new OAS Secretary General comes to his job with a distinguished record of service to his own country as President, and to the world through high level assignments for the United Nations.
3. He brings his many talents to the OAS at a most important period in its history: when the Punta del Este Program of the Presidents gets underway.
4. We discussed the role of the OAS in the important follow-through on the Summit Program.
5. We reviewed the steps being taken to organize a Joint OAS-IDB Task Force to develop and assign priorities to projects for unifying the countries of Latin America with roads, river basin development, telecommunications, pipelines, etc.
6. I also told him of the importance I attach to passage of the Foreign Aid Bill, and other appropriations for the Inter-American Development Bank and International Development Association, to maintain the pace of development under the Alliance for Progress in this hemisphere and our development programs in Africa and Asia. Our continued ability to help the developing nations help themselves is of vital importance to progress and stability in the world.

396

B

Johnson to OK Latin Aid Bank Bonds

THE EVENING STAR A-11
Washington, D. C.
Tuesday, June 4, 1968

By JEREMIAH O'LEARY
Latin America Writer of The Star

President Johnson presides today at ceremonies which underline his administration's growing tendency to use international agencies rather than straight aid to help Latin America.

Johnson is signing into law the congressional endorsement of the Inter-American Development Bank's decision to increase its capitalization to \$3.1 billion by selling bonds worth about \$1 billion, of which the U.S. share is \$412 million.

The IDB is taking a growing role in efforts by the United States and Latin nations to improve the economic and social level of the countries participat-

ing in the Alliance for Progress. In Washington, this stems from the prevailing attitude of a Congress which is more and more resistant to direct U.S. aid and favors working through international agencies instead.

Using these agencies spares Washington from accusations of interference with other governments and from the criticism that comes from aid projects which do not succeed.

By working through organizations like the IDB, the administration can avoid the increasing hostility of Congress to large foreign aid packages.

Johnson has asked Congress to approve \$648 million for the Alliance for Progress in the fiscal

year starting July 1 in a foreign aid bill totaling \$2.5 billion. However, in the past three years Congress has been cutting alliance funds and the economy mood is still strong. The alliance received \$684 million for fiscal 1966, \$572 million for fiscal 1967 and \$515 million for the fiscal year ending June 30.

Aside from the hostility on the Hill toward foreign aid, direct aid channels more than once have gotten the United States into confrontations with Latin governments over conditions attached to the money. For example, an amendment to the foreign aid bill requires the United States to cut aid to Peru by whatever amount Lima spends

on the French jets it has ordered.

American policymakers view Peru's arms purchases as a violation of the spirit of the alliance. The money, they say, could be better spent on social projects and economic development. Peru bitterly resents U.S. interference and its use of aid money to affect policy.

Congress has left the State Department with no leeway for compromise and Peru is now so deeply committed on the issue that it is difficult to foresee a shift in position.

The administration believes that clashes like this might be avoided if the money were channeled through international agencies like the IDB.

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39c

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

June 5, 1968

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR: The Honorable Walt Rostow
The White House

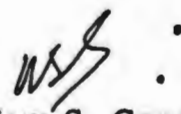
Yesterday I attended the East Room ceremony at which the President signed the bill authorizing the U.S. to contribute \$412 million of the \$1 billion increase in the capital of the Inter-American Development Bank.

There was a startling omission from the President's speech. After congratulating the Congress on enacting this legislation, he said there were two other bills which were essential if the Alliance was to prosper, i. e., the \$300 million appropriation bill for the IDB's soft-loan window and the IDA bill. He expressed the fervent hope that the Congress would pass them both.

The Foreign Assistance Act, each year, contributes more funds to the Alliance for Progress than both of the above bills combined. It, too, is still before the Congress. The President did not mention it.

This hurts. The Foreign Assistance Act needs the full support of the White House. The President's failure to mention it in his speech did not go unnoticed. Several people remarked on it to me.

It is too late to do anything about this particular occasion, but there may be other occasions in the future when the President can put in a good word for us.


William S. Gaud

LIMITED OFFICIAL USE

ACTION

Wednesday, June 5, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Request for an interview by Mennen Williams

Pres file

Governor Williams will be in town on Thursday, June 6, for his swearing-in as Ambassador to the Philippines. He is then proceeding more or less directly to Manila to take up his duties.

He has asked to see you again, however briefly. If you have time he would like to discuss with you briefly our problems with the Philippines in the light of his extensive briefings, and the latest developments. As a minimum, however, he would like to pay a quick in-and-out call for the cosmetic benefit such a call would bestow upon his arrival in Manila.

Although not essential, I think it is desirable that you receive Governor Williams again. If your schedule is tight, five minutes is enough. He is being sworn in at 4:00 p. m. and would be free at any other time that would be convenient to you on June 6.

I recommend you give him the appointment.

W. W. Rostow

Approve _____

Disapprove _____

Call me _____

MWright:wpt

Wednesday, June 5, 1968

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Ratification Ceremony for US-USSR Consular Convention

Yesterday the Soviet Embassy accepted our proposal to exchange ratification instruments for the US-USSR Consular Convention on June 13. Subject to your approval, we envisage an East Room ceremony with press and TV coverage. Secretary Rusk and Ambassador Dobrynin would exchange instruments and make brief remarks. You would sign the treaty proclamation, and make remarks.

We are working on a preliminary invitation list, which would include a fairly wide Senate representation -- including the whole Foreign Relations Committee, senior State Department officials, press, selected Soviet exchange visitors and Americans who have been prominent in recent exchanges with the USSR. We would also invite Deputy Foreign Minister Kuznetsov.

W. W. Rostow

East Room ceremony O. K. _____

No _____

Speak to me _____

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

Tuesday, June 4, 1968 - 6:45pm

Mr. President:

Pres file

Herewith a capsule version of MACV's pacification reporting for April:

I Corps

- The program's most important feature in April was its stability.
- The provinces can be considered to have recovered from Tet.
- Of foremost importance is the reestablishment of urban security and the opening of LOC's despite night attacks in the cities and only daytime security in the countryside.
- Supplies shortages nonexistent and prices stable.
- Initial anxieties about US intentions being replaced by stronger sense of self-reliance by SVN.

II Corps

- Provincial authorities are on the offensive and recovery programs are essentially completed except for three hardest hit areas.
- Local officials are "showing the flag" and exploiting people's increased anti-VC attitude.
- RF/PF have racked up some impressive kill ratios and police occupy more district positions than before.
- Healthy upswing in commercial traffic from farm to market to towns and cities.
- Yet overall pacification picture is mixed: good progress and prospects in Binh Dinh, Phu Yen, Pleiku, Kontum, Phu Bon, Nha Trang, Cam Ranh; problems persist in Ninh Thuan and along Route 20 from Dalat to Saigon from increased VC activity, in Dalat from less aggressive RF/PF, and in Darlac because of sizeable refugees.
- GVN mobilization will decidedly effect all programs and ironically may result in sufficient security forces with inadequate civilian infrastructure.
- Tet attacks catalyzed and solidified identity between people and GVN agencies.
- II Corps, now contingency oriented, can meet any situation with confidence that will sustain pacification.

IV Corps

- Trend continued up from Tet; April was most encouraging month in past eight.
- RD teams are entering 1968 hamlets at rate which would have been extremely unlikely 60 days ago.
- Some hamlets with 2 or 3 years of GVN control are more resistant to VC usurpation than was imagined.

DECLASSIFIED

White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 6-23-92~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.3

DA Memo, Jan. 5, 1983

By rg, NARA, Date 6-23-92

CONFIDENTIAL

- 2 -

- Leadership is upgraded at middle and lesser levels; Thang's fame and popularity is spreading into the hamlets.
- VC efforts focus on hamlets where GVN control has been tenuous.
- Aside from military operations, GVN contact with bulk of rural populace is almost non-existent.
- Phoenix/Phung Hoang program is not yet effective.
- General mobilization call causes unrest but overall impact is unclear.

W. W. Rostow

Note: The report for III Corps has not yet been received.

CONFIDENTIAL

INFORMATION

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~~CONFIDENTIAL~~

Tuesday, June 4, 1968
6:35 p.m.

Pres file

Mr. President:

You may wish to read the summary,
at least, of this French report as of noon
today (marked in yellow).

W. W. Rostow

Paris 15521, 5 sections

~~CONFIDENTIAL~~

WWRostow:rla

DECLASSIFIED
White House Guidelines, Feb. 24, 1993
By RG, NARA, Date 6-5-92

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DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By jc, NARA, Date 2-15-01

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81
ACTION EUR 20

INFO CIAE 00,DODE 00,NSAE 00,NSCE 00,SSO 00,USIE 00,CCO 00,GPM 04,
NSC 10,SP 02,SS 20,RSC 01,L 03,H 02,P 04,INR 07,SAH 03,SAL 01,
SA 01,IO 13,RSR 01,CU 04,COM 08,E 15,LAB 06,SIL 01,8,5 06,NIC 01,
O 02,OC 06,PER 02,FRB 02,TRSY 08,EA 10,/163 W

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AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY ROME
USMISSION NATO
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~~CONFIDENTIAL~~ SECTION 1 OF 5 PARIS 15521

SUBJECT: SITUATION REPORT NOON JUNE 4 -- DEPARTMENT EMBASSY TELECONS

1. SUMMARY-FRANCE APPEARS RPT APPEARS HEADED AWAY FROM CONFRONTATION AND TOWARD AN CONSTITUTIONAL SOLUTION TO THE UNEXPECTED AND TRAUMATIC EXPERIENCES OF THE MONTH OF MAY. HOWEVER, IMPORTANT SECTOR LABOR STILL OUT AND SITUATION IS STILL TRICKY". ASSUMING THAT BACK-TO-WORK MOVEMENT ALREADY UNDERWAY BECOMES GENERALIZED BY END OF WEEK, INTEREST WILL CENTER ON ELECTIONS AND ON QUESTION OF HOW SEISMIC SHOCKS THAT HAVE SHAKEN FRENCH NATIONAL LIFE WILL BE TRANSLATED INTO POLITICAL REALITIES AT BALLOT BOX. IT IS OBVIOUS THAT THESE SHOCKS WILL LEAVE MORE BEHIND THEM THAN A BIG BILL FOR HIGHER WAGES AND INCREASED SOCIAL BENEFITS. EVERY SACRED TREE IN FRANCE HAS BEEN SHAKEN BEGINNING WITH UNIVERSITY THROUGH TRADE UNIONS TO POLITICAL PARTIES, INCLUDING COMMUNISTS AND GAULLISTS. AT FIRST BLUSH IT WOULD SEEM LOGICAL THAT HASTY ELECTIONS WOULD FAVOR THESE TWO LARGEST AND BEST ORGANIZED PARTIES AND THAT A RIGHT AND LEFT POLARIZATION IS IN THE CARDS AT EXPENSE OF NON

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PAGE 02 PARIS 15521 01 OF 05 041923Z

COMMUNIST LEFT AND OF CENTER PARTIES. ON THE OTHER HAND, IF HABIT OF QUESTIONING ESTABLISHED VALUES, DISCIPLINES, AND LEADERSHIP WHICH PRESS HAS CALLED DE-STALINIZATION (REVOLT AGAINST ARBITRARY AUTHORITY) AND WHICH SO SURPRISINGLY PERMEATED FRANCE LAST MONTH, HAD NOT STOPPED AS SUDDENLY AS IT STARTED, THE POLITICAL SPECTRUM MAY BE CONSIDERABLY CHANGED. IT OBVIOUSLY TOO SOON TO MAKE A JUDGMENT NOW, BUT JUNE MAY WELL BE MONTH OF SURPRISES TOO; AND THEN THERE IS ALWAYS DEGAULLE.

2. WORKERS.

AS OF NOON JUNE 4 BACK-TO-WORK MOVEMENT WAS STILL SPOTTY AND TOO INCONCLUSIVE TO MAKE FINAL JUDGMENTS. BANKS, ISOLATED ELEMENTS PTT, DEPT STORES WERE RETURNING TO WORK. CIVIL SERVANTS, RAILROADS (SNCF), LOCAL TRANSPORT (RATP) WERE TO VOTE ON PROPOSED AGREEMENTS, BUT THESE VOTES HAD NOT BEEN COMPLETED AS OF THIS MESSAGE. THE PROPOSED AGREEMENTS IN PUBLIC AND NATIONALIZED SECTORS (EXCEPT FOR RENAULT) APPEARED TO GO SOMEWHAT BEYOND PROVISIONS GRENELLE ACCORDS. IN PRIVATE SECTOR CONTINUING HOLD-OUTS INCLUDED (CITROEN AND PEUGOT, PLUS NATIONALIZED RENAULT), METALLURGY, CHEMICALS, STEEL, WITH INDUSTRY GENERALLY INSISTING REMAINING WITHIN LIMITS, GRENELLE ACCORDS AND UNIONS TURNING THUMBS DOWN ON THIS. ALL IN ALL FRENCH LABOR, DESPITE UNDOUBTED PERSONAL LOSS AND HARDSHIPS OF STRIKES, WAS NOT RUSHING BACK TO JOBS. UNION LEADERSHIP, INCLUDING CGT, CFDT, AND FO, CONTINUED EMPHASIZE NECESSITY SETTLEMENT ECONOMIC DEMANDS, AND IN LIGHT OF TWICE HAVING UNDERESTIMATED "AMPLEUR" AND EMOTION STRIKE MOVEMENT, VERY CAREFULLY INSISTING ON "CONSULTATIONS" AND APPROVAL OF "BASE" ON ALL TENTATIVE ACCORDS.

UNIONS, HAVE HAD TO SCRAMBLE TO KEEP UP WITH OWN MEMBERS LET ALONE LEAD STRIKE MAJORITY WHICH UNORGANIZED, OBVIOUSLY HOPE IN FUTURE ENCOMPASS ALL LABOR IN TRADE UNION RANKS. CFDT AND FO SOURCES SAY THESE ORGANIZATIONS CURRENTLY GAINING MANY NEW MEMBERS. THIS PROBABLY TRUE CGT AND OTHER ORGANIZATIONS. WHETHER WORKERS IN PERIOD FOLLOWING STRIKES WILL REMEMBER THEIR PERHAPS MOMENTARILY ENHANCED POWER WHICH SOLIDARITY GAVE THEM REMAINS TO BE SEEN. IN POST-WAR PERIOD, CGT AT PEAK CLAIMED 5 MILLION MEMBERS. PERSONAL AND POLITICAL RIVALRIES AS WELL INNATE TRADITIONAL INDISCIPLINE FRENCH LABOR IN PERIOD SINCE 1950 SAW THIS STRENGTH SPLINTER AND DETERIORATE TO PRESENT TOTAL TRADE UNION ESTABLISHMENT OF AROUND 3 MILLION.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PAGE 03 PARIS 15521 01 OF 05 041923Z

EM STUDENTS.

AFTER THREE WEEKS OF REFORM DISCUSSION IN FRENCH UNIVERSITIES, INTERNAL TENSIONS SEEM TO BE INCREASING RATHER THAN DIMINISHING, ALL-DAY DISCUSSIONS CONTINUE AT SORBONNE, NANTERRE, AND VIRTUALLY EVERY OTHER PARIS HIGHER INSTITUTION (AS WELL AS MOST PROVINCIAL UNIVERSITIES), AND ELABORATE NETWORKS OF STUDENT-FACULTY COMMITTEES EITHER TO MAKE POLICY OR TO DRAFT REFORM PLANS ARE BEING HAMMERED OUT. BUT EVEN THOSE PROFESSORS WHO HAVE BEEN TRYING HARD TO WORK WITH STUDENTS ARE IN MANY CASES GROWING DISILLUSIONED. STUDENT DEMANDS, SHRIVER

~~CONFIDENTIAL~~

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PAGE 01 PARIS 00001 041823Z

81
ACTION EUR 20

INFO GPM 04,NSC 10,SP 02,SS 20,RSC 01,CIAE 00,DODE 00,NSAE 00,NSCE 00,
SSO 00,USIE 00,CCO 00,L 03,H 02,INR 07,SAH 03,SAL 01,SA 01,IO 13,
RSR 01,CU 04,HEW 07,COM 08,E 15,LAB 06,SIL 01,INT 06,NIC 01,O 02,
OC 06,PER 02,FRB 02,TRSY 08,EA 10,/166 W

O R 041709Z JUN 68
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 2569
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY ROME
USMISSION NATO
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~~CONFIDENTIAL~~ SET 2 OF 5 PARIS 15521

SUBJECT: SITUATION REPORT NOON JUNE 4 -- DEPARTMENT EMBASSY TELE-
CONS

ESPECIALLY IN PARIS INSTITUTIONS, SEEM EXCESSIVE: FOR EXAMPLE, THEY OFTEN INSIST ON RIGHT TO VETO ANY FUTURE DECISIONS. MODERATE STUDENTS WHOSE REFORM IDEAS OFTEN MAKE SENSE ARE BEING OUT-MANEUVERED OR OUTTALKED BY MORE RADICAL ELEMENTS WHO ARE MORE AGGRESSIVE AND MORE COMMITTED. INCREASING NUMBER OF RADICALS INSIST REFORM OF UNIVERSITY IS MEANINGLESS WITHOUT COMPLETE REMOVAL OF SOCIETY BY REVOLUTIONARY CHANGE. THEY ADMIT SITUATION MAY NOT YET BE "OBJECTIVELY REVOLUTIONARY," BUT ARE CONVINCED PRESENT UPHEAVAL WILL SERVE AS DRESS REHEARSAL, AND THEIR MOMENT WILL COME. IF IMMEDIATE CRISIS DOES PASS, THEY PROPOSE TO EMBARK ON INDIVIDUAL EFFORTS TO "EDUCATE" YOUNG WORKERS AND SAY FRANKLY NEXT YEAR THEY WILL INTERRUPT LECTURES AND FORCE PROFESSORS TO CONDUCT OPEN DISCUSSION OF TOPICS CHOSEN BY STUDENT ACTIVISTS. PROFESSORS, EVEN THOSE WHO HAVE STRONG STUDENT SYMPATHIES, VIEW FUTURE WITH DEEP CONCERN, AND FEAR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PAGE 02 PARIS 00001 041823Z

ORGANIZED UNIVERSITY EDUCATION AT LEAST IN PARIS MAY BECOME IMPOSSIBLE NEXT YEAR. SOME BELIEVE UPHEAVAL WILL LAST EVEN LONGER: MOST PESSIMISTIC ONE SAYS "A GENERATION." STUDENTS DO NOT FORGIVE POLICE FOR BEATINGS IN POLICE STATIONS; RUMORS PERSIST OF MULTIPLE "DEATHS AND DISAPPEARANCES".

4. TROOPS

NO INDICATION AS YET OF WITHDRAWAL OF MILITARY UNITS FROM PARIS AREA. MILITARY CONTINUE TO PROVIDE SOME 6,000 VEHICLES FOR TRANSPORTATION, GARBAGE REMOVAL, AND ESSENTIAL AIR TRAFFIC CONTROL SYSTEM THROUGHOUT FRANCE. NUMBER OF ARMY UNITS HAVE BEEN MOVED AROUND OUTSIDE IMMEDIATE PARIS AREA AS SHOW OF FORCE BUT HAVE NOT ENTERED CITY WHERE MANY SOLDIERS, SAILORS, AND AIRMEN ARE VISIBLE IN UNIFORM ON PASS.

WITHIN THE ARMED FORCES DE GAULLE HAS BEEN VERY SUCCESSFUL AS HE HAS BEEN INDEED OUTSIDE THE-ARMED FORCES IN POLARIZING THE ISSUE BETWEEN HIMSELF, THE TRI-COLOR AND THE MARSEILLAISE ON ONE HAND AND THE COMMUNISTS, THE RED FLAG AND THE INTERNATIONALE ON THE OTHER. CURRENT EVENTS MAY HAVE CONSIDERABLE IMPACT ON FUTURE MILITARY BUDGETS FOR SEVERAL REASONS; FIRST CARRY OUT INCREASED SOCIAL PROGRAMS AND SECONDLY, BECAUSE IN THE CRUNCH THE STRATEGIC AIR FORCE COULD DO NOTHING FOR DE GAULLE AND THE ARMY COULD. THIS MAY RESULT IN THE ARMY'S SHARE OF TOTAL AVAILABLE FUNDS BEING SOMEWHAT HIGHER THAN IN THE PAST.

5. NEWS.

FIRST EFFORTS NEW INFORMATION MINISTER YVES GUENA SETTLE STRIKE AT ORTF HAVE ONLY LED TO AGGRAVATION BETWEEN GOVT AND STRIKERS THUS FAR. GUENA YESTERDAY RECEIVED 20 DELEGATES OF ORTF PERSONNEL AND READ DECLARATION IN WHICH HE PROMISED SOME SALARY RAISES AND IMPROVEMENT IN WORKING CONDITIONS, RECOGNIZED THAT CHARTER OR ORTF NEEDED REVISION, ANNOUNCED THAT HE WAS FORMING COMMISSION TO RECOMMEND CHANGES BY SEPT 1 ON BASIS OF WHICH DRAFT LAW COULD BE SUBMITTED TO NEW PARLIAMENT IN OCTOBER SESSION. GUENA UNDERLINED URGENCY GET ORTF BACK INTO OPERATION FOR COMING ELECTORAL CAMPAIGN AND ASKED FOR ANSWER BY MIDNIGHT LAST NIGHT. STRIKE COMMITTEE REPLIED DURING EVENING DECLARING ECONOMIC PROVISIONS OF GUENA STATEMENT INSUFFICIENT AND ASSURANCES RE FUTURE ORTF CHARTER TOO VAGUE AND ANNOUNCED CONTINUATION OF STRIKE. WHEN

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POLICE SURROUNDING TV AND RADIO BUILDINGS WERE REINFORCED, STRIKE COMMITTEE OF RADIO JOURNALISTS PUBLISHED STATEMENT THAT IMPARTIALITY OF RADIO NEWSCASTS COULD NO LONGER BE ASSURED AND THAT RADIO NEWS PERSONNEL (WHICH HAD BEEN PUTTING HOURLY NEWSCASTS ON AIR) WOULD ALSO GO ON STRIKE. SINCE YESTERDAY EVENING ONLY THREE DAILY RADIO NEWSCASTS, PREPARED BY NON-STRIKING SUPERVISORY PERSONNEL, BEING AIRED. DURING DAY RESIGNATION OF TV DIRECTOR EMILE BIASINI, AND DISMISSAL OF RADIO DIRECTOR PIERRE BOISDEFFRE AND TV NEWS DEPARTMENT CHIEF EDOUARD SABLIER, WERE ANNOUNCED. STRIKE COMMITTEE NO LONGER PERMITTED ACCESS TO ORTF BUILDING.
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SUBJECT: SITUATION REPORT NOON JUNE 4 -- DEPARTMENT EMBASSY TELE-
CONS

GOVERNMENT EVIDENTLY UNWILLING TO MAKE SUBSTANTIAL CONCESSIONS
WHICH WOULD WEAKEN ITS GRIP ON ORTF, ESPECIALLY DURING ELECTORAL
PERIOD, BUT RADIO AND TV JOURNALISTS SEEM EQUALLY DETERMINED NOT
TO RETURN TO PRIOR ROLE OF GOVERNMENT TRAINED SEALS.

6. AMERICANS.

PROBLEMS FOR AMERICAN RESIDENTS WERE RETURNING TO NORMAL. TOURISM
IS STILL DEAD (25 GUESTS AT HILTON) BUT TOUR GROUPS NOW COMING IN
DESPITE TRANSPORTATION BOTTLENECKS. WELFARE-WHEREABOUTS PERSONNEL
TELEGRAPHIC MESSAGES OFF FROM 100'S DAILY LAST WEEK TO FEW TODAY.
CHECKS BEING CASHED. NO STUDENT INJURIES REPORTED. IT SEEMS
LIVELY THAT LOCAL SALARIES AND POST ALLOWANCES WILL BE IMMEDIATE
PROBLEMS FOR EMBASSY.

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7. COMMUNISTS.

BECAUSE IT POSSESSES STRONG PARTY AND LABOR UNION MACHINERY, FRENCH COMMUNIST PARTY (PCF) ALONE AMONG OPPOSITION FORCES HAS HANDS ON LEVERS OF POWER WITH WHICH DRAW ADVANTAGES FROM DISORDERLY SITUATION SUCH AS STUDENTS AND WORKERS CREATED IN MAY. DURING THIS CRISIS PCF WAS RUSHED ALONG BY EVENTS AND BY PRESSURE TO ITS LEFT OF EXTREMISTS AND FROM BELOW BY MILITANT PCF MEMBERSHIP; WHEN IT APPEARED DE GAULLE MIGHT BE BOWING OUT, PCF FOR FIRST TIME REACHED OUT FOR SHARE OF POWER. HOWEVER, IT WAS ESSENTIALLY A CONSERVATIVE ELEMENT IN CRISIS, WISHING DRAW LIMITED GAINS FOR WORKERS AND FOR ITSELF, WHEN DE GAULLE FINALLY SHOWED HIS FIRMNESS, PCF IMMEDIATELY DROPPED BACK INTO RESPECTABLE OPPOSITION. NOW DE GAULLE HAS ACCUSED PCF--AS HE HAS IN PAST-- OF BEING INSTIGATORS OF CRISIS AND ENEMIES OF REPUBLIC, AND THIS WILL BE MAJORE THEME OF ELECTIONS. WHILE CRISIS SHOWED HOW FAR PCF AND FEDERATION ARE FROM BEING PARTNERS, IT ENDED WITH THEIR BEING--AS BEFORE--INDISPENSIBLE ALLIES IN ELECTORAL STRUGGLE AGAINST GAULLISM. PCF STANDS ON ITS OLD POSITION OF OPPOSING "REGIME OF PERSONAL POWER," AND BECAUSE OF MAY TURMOIL MAY EVEN HAVE MORE APPEAL AS PARTY WHICH RECOGNIZES NEED FOR FUNDAMENTAL REFORMS IN FRANCE. PCF MUST HOWEVER BE ESPECIALLY CAUTIOUS NOT TO LAY ITSELF OPEN TO CHARGES OF INCITING INSURRECTION, AND IT WILL PROBABLY PURSUE ITS STRATEGY--IN VERY PEACEFUL AND PATRIOTIC FASHION--OF MAKING ITSELF FIRST PARTY OF LEFT IN ORDER TO IMPOSE TIGHTER ALLIANCE WITH FEDERATION. PCF HAS SUFFERED EMBARRASSMENT IN CRISIS, BUT ITS BASIC STRENGTH IS UNIMPAIRED, AND IF MOOD OF COUNTRY REMAINS THAT OF DEMANDING REFORMS, PCF HAS RECOGNIZED "FIRST PARTY OF PROTEST" CAN CONTINUE TO PLAY EXTREMELY IMPORTANT ROLE EITHER IN OPPOSITION OR AS PARTICIPANT IN POPULAR FRONT GOVT. EXPERTS LIKE MANAC'H, FOR EXAMPLE, ASSERT THAT DEGAULLE HAS BUILT UP CP AS ONLY EFFECTIVE OPPOSITION PARTY BY FORCING VOTERS TO CHOOSE BETWEEN "COMMUNISTS AND ANTI-COMMUNISTS;" HENCE CP WILL MAKE SUBSTANTIAL GAINS IN ELECTIONS.

3. ELECTIONS

TACTICS AND PROCEDURES FOR JUNE 10-22 ELECTION CAMPAIGN WILL BE SUBSTANTIALLY SAME AS FOR MARCH 1967 LEGISLATIVE ELECTIONS (PARIS 15435). CAMPAIGN ISSUES HOWEVER WILL BE CLEARER THAN LAST TIME. GAULLISTS WILL USE CARROT OF SOCIAL "RENOVATION" AND "PARTICIPATION" AND STICK OF COMMUNIST PHOBIA TO PERSUADE NORMALLY

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ANTI-GAULLIST MODERATES TO VOTE FOR GAULLIST CANDIDATES ON SECOND ROUND. IMPOSSIBLE PREDICT HOW CREDIBLE GAULLIST PROMISES OF "NEW DEAL" WILL BE AFTER HAVING DONE VERY LITTLE ABOUT BASIC PROBLEMS IN CONTENTION DURING TEN YEARS IN POWER. ON OTHER HAND THERE IS NO DOUBT THAT GAULLISTS WILL BE ABLE WORRY MANY MORE FRENCHMEN THAN THEY COULD LAST YEAR ABOUT REALITY OF COMMUNIST MENACE.
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SUBJECT: SITUATION REPORT NOON JUNE 4 -- DEPARTMENT EMBASSY TELE-
CONS

IFOP POLL OF PARISIANS ON MAY 31 INDICATES INTER ALIA 53 PER
CENT APPROVED DE GAULLE'S ADDRESS MAY 30, PARTICULARLY HIS DEC-
ISION DISSOLVE NATIONAL ASSEMBLY (75PERCENT). PARISIANS ALSO
INDICATED THAT IN LAST FEW DAYS THEIR OPINION OF POMPIDOU AND
DE GAULLE HAD GONE UP -- 47 AND 41 PERCENT RESPECTIVELY -- WHILE
ONLY 12 PERCENT HAD BETTER OPINION OF MITTERRAND AND 54PERCENT
A LESS FAVORABLE VIEW OF HIM. MENDES-FRANCE REMAINED VIRTUALLY
STATIONARY.

WHEREAS THERE IS NO CONSENSUS YET ON LIKELY ELECTION RESULTS,
MANY FEAR THAT FRANCE WILL TEND TO THE EXTREMES. ALSO QUITE A
FEW BELIEVE GAULLISTS WILL WIN IN ELECTIONS, BUT WILL HAVE
LEARNED LITTLE IN RECENT EXPERIENCES, WILL THEREFORE CHANGE
LITTLE, AND VIOLENT REACTIONS, CALMED TEMPORARILY BY DE GAULLE'S
MILITANT SPEECH, WILL THUS BE ONLY POSTPONED.

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WHOEVER GOVERNS FRANCE AFTER ELECTIONS WILL FACE BATTERY OF DIFFICULT INTERNAL PROBLEMS, AND IT IS SOLUTION--OR NON-SOLUTION OF THESE PROBLEMS THAT WILL DOMINATE FRENCH POLITICAL SCENE FOR IMMEDIATE FUTURE (AS OPPOSED TO DE GAULLE'S "POLITIQUE DE GRANDEUR" WHICH EVERYONE, FRIEND OR FOE, AGREES CAN NEVER BE SAME AGAIN).

9. ECONOMICS.

ELECTORAL PERIOD WILL BE DOMINATED BY EFFORTS TO GET ECONOMY BACK INTO OPERATION AND TURNING AT NORMAL RHYTHM. WHATEVER INCIDENCE OF WAGE SETTLEMENTS MAY ULTIMATELY BE ON COSTS AND PRICES IN NATIONALIZSH INDUSTRIES, IT IS VIRTUAL CERTAINTY THAT GOVT WILL NOT RISK ALIENATING VOTERS BY UPWARD ADJUSTMENTS RIGHT AWAY IN SUCH ITEMS AS GAS AND ELECTRICITY RATES AND RAILROAD AND PARIS SUBWAY FARES. HOWEVER, PRICES AT RETAIL LEVEL COULD START TO CLIMB RATHER QUICKLY UNDER COMBINED INFLUENCES OF TEMPORARY SUPPLY BOTTLENECKS AND WELL KNOWN PSYCHOLOGICAL REFLEXES OF FRENCH SHOPKEEPERS TO PROTECT THEIR OWN POSITION IN FACE OF SIZEABLE INCREASES JUST GRANTED WAGE EARNERS. IF SUCH A PHENOMENON DID MANIFEST ITSELF, GOVT MIGHT WELL IMPOSE NEW GENERAL PRICE FREEZES AS STOP GAP MEASURE. EXTERNALLY MONETARY AUTHORITIES SEEM TO BE ANTICIPATING THAT FRANC WILL REMAIN UNDER HEAVY PRESSURE IN COMING DAYS DESPITE REIMPOSITION OF EXCHANGE CONTROLS. AFTER RUNNING DOWN THEIR OFFICIAL WORKING BALANCES IN FOREIGN EXCHANGE, THEY HAVE - AS MIGHT HAVE BEEN EXPECTED -- CHOSEN NEXT TO MOBILIZE THEIR IMF CREDITOR POSITION TO FINANCE PROSPECTIVE DRAIN IN IMMEDIATE FUTURE. HOW SOON THEY HAVE TO DIP INTO THEIR GOLD STOCKS WILL BE FUNCTION OF SUCH FACTORS AS HOW RAPIDLY COUNTRY GETS BACK TO WORK, HOW WELL PUBLIC ORDER IS MAINTAINED, HOW FRENCH PRICES BEHAVE AND FINALLY WHAT SORT OF ASSEMBLY VOTERS CHOOSE. IN A SEA OF UNCERTAINTIES ONE THING SEEMS CERTAIN: GAULLISTS WILL NOT DEVALUE FRANC DURING THIS ELECTORAL PERIOD.

WITH PROBABLE REAL GROWTH FOR YEAR 1968 NOW LIMITED TO 3.5 PER CENT OR LESS, RESOURCE GAP OF SUBSTANTIAL PROPORTIONS WILL INEVITABLY FORCE PRICES UP. WHILE PRODUCTIVE CAPACITY OF ECONOMY WOULD PERMIT IT TO RESPOND TO SOME PORTION NEW DEMAND, POLITICO-SOCIAL CLIMATE THAT SUCCEEDS ELECTION WILL PROBABLY SHRIVER

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SUBJECT: SITUATION REPORT NOON JUNE 4 -- DEPARTMENT EMBASSY TELE-
CONS

BE DETERMINING FACTOR. PRICE CONTROLS ALMOST CERTAIN BUT UNLIKELY
HAVE MUCH REAL EFFECT OR, IF THEY DO, SHOULD ONLY ACCELERATE
BUSINESS FAILURE BY THOSE UNABLE MEET COST INCREASES. EXPORT-
ORINATED FIRMS WILL BE ESPECIALLY HARD HIT WITH RISING COSTS AND
MAY ALSO BE FORCED LAY OFF SOME WORKERS. ON OTHER HAND, INCREASED
DOMESTIC DEMAND, EVEN AT HIGHER PRICES COULD OFFER ALTERNATE
MARKET FOR MANY SUCH FIRMS. ON BALANCE, SOME NET IMPROVEMENT IN
EMPLOYMENT SEEMS PROBABLE BY END THIS YEAR, BUT PROBABLY NOT
ENOUGH PERMITECONOMY OPERATE AT FULL CAPACITY, GIVEN RATHER
PRECARIOUS FRENCH EXTERNAL COMPETITIVE POSITION EVEN BEFORE STRIKE
AND STRUCTURAL RIGIDITIES WHICH HAVE ALWAYS HINDERED FACTOR
MOBILITY HERE. AGAINST BACKGROUND OF RISING PRODUCTION COSTS
AND PROBABLE HEAVY RESERVES LOSSES, QUESTION OF DEVALUATION WILL
REMAIN IN THE AIR, REGARDLESS OF POLITICAL COLORATION OF POST-
ELECTION GOVT, ALTHOUGH ARRIVAL OF NEW MAJORITY, FREE OF

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RESPONSIBILITY FOR PAST POLICIES, WOULD INCREASE POSSIBILITY OF EARLY ACTION ON EXCHANGE RATE FRONT. IF GOVT (WITH OR WITHOUT DEVALUATION) USES OCCASION OF 1969 BUDGET PRESENTATION NEXT FALL FOR POLITICALLY UNPOPULAR EARLY STABILIZATION PROGRAM, UNREST COULD BREAK OUT AGAIN. THUS OCTOBER-NOVEMBER LIKELY BE NEXT MOST CRITICAL PERIOD IN ECONOMIC TERMS AND POTENTIALLY EXPLOSIVE POLITICALLY.

13. FOREIGN POLICY

FOR SHORT-TERM WE CAN PROBABLY EXPECT MODULATION AND ROUNDING OF EDGES IN FOREIGN POLICY. THIS COULD MEAN TACTICAL WARMING OF FRANCO-AMERICAN RELATIONS, COOLING TOWARDS MOSCOW AND RESTRAINT REGARDING VIETNAM. COOPERATION IN CERTAIN AREAS COULD DEVELOP, PARTICULARLY SINCE FRANCE WILL BE IN TROUBLE FINANCIALLY AND DOCTRINE MAY BECOME LESS IMPORTANT THAN PRAGMATISM. IN LONGER TERM, QUESTION IS WHETHER DE GAULLE REMAINS, AS IN PAST, UNQUESTIONED MASTER IN THIS FIELD AND, IF SO, HOW LONG.
SHRIVER

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Pres file

Tuesday, June 4, 1968 -- 6:15 p.m.

Mr. President:

With respect to the NSC meeting tomorrow, I would recommend that you not go into any detail on the plans for financial proposals to save the franc, the pound, and the dollar. Work is going forward quietly in a very small circle, along the lines of my conversation on the way to the Ranch.

You will be receiving a recommendation about Thursday. The point is that our plans require the highest security, since a leak of what we are considering could throw the markets into a tail spin.

W. W. Rostow

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By *RG* NARA, Date *6-5-92*

WWRostow:rln

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