

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#3c memo	For Ambassador, re: El Salvador S 3 p	6/29/68	A
#4a cable	Deptel to Saigon S 3 p	6/30/68	A
#4b cable	Deptel to Saigon S 3 p	6/30/68	A
#6 memo	Rostow to President, 11:10 a.m. S 1 p	6/30/68	A
#6a memo	Ginsburgh to Rostow PCI 3 p	6/30/68	A
#8 memo	Rostow to President, 10:45 a.m. S 1 p	6/30/68	A
#8a cable	Saigon 31393 S 2 p	6/30/68	A
#9 memo	Rostow to President, 10:00 a.m. C 1 p	6/30/68	A
#9a memo	Katzenbach to President C 4 p	6/29/68	A
#10 memo	Zwick to President S 2 p	6/27/68	A
#10a memo	President to Under Secretary of State S 1 p	6/29/68	A
#10b memo	Department of State to President S 1 p	6/25/68	A
#10c memo	Katzenbach to President S 3 p	6/25/68	A

FILE LOCATION

NSF, Memos to the President, W. Rostow, Vol. 85, June 29-30, 1968 Box 37

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#11 memo	Bowdler to President S 1 p	6/29/68	A
#13 memo	Rostow to President, 5:30 p.m. S 1 p	6/29/68	A
#13a cable	San Salvador 2184 S 1 p	6/29/68	A
#14 memo	Rostow to President, 5:30 p.m. S 1 p	6/29/68	A
#14a cable	Mexico 5746 S 1 p	6/29/68	A
#17a memo	To Ambassador S 1 p	6/29/68	A
#19a memo	Taylor to President <i>open 8-12-93 NLS 92-383</i> S 4 p [Duplicate of #22a, NSF, CF, VN, "8I-Taylor memos"]	6/29/68	A
#20 memo	Rostow to President, 12:15 p.m. <i>sanitized 8-12-93 NLS 92-383</i> S 1 p [Duplicate of #23, NSF, CF, VN, "8I-Taylor memos"]	6/29/68	A
#20a memo	Taylor to President <i>open 8-12-93 NLS 92-383</i> S 2 p [Duplicate of #23a, NSF, CF, VN, "8I-Taylor memos"]	6/29/68	A
#21 memo	Rostow to President <i>open 12-23-09</i> S 3 p [Duplicate in Biary Backup, "7/1/08"]	6/29/68	A
#23 memo	Rostow to President, 2:15 p.m. S 1 p	6/29/68	A
#23a memcon	Bohlen and Tcherniakov S 2 p	6/29/68	A
#24 memo	Rostow to President, 1:10 p.m. <i>open 10-5-01</i> S 1 p	6/29/68	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#24a memo	Intelligence Memorandum S 3 p <i>EXAMPTNY 019-037-1</i>	6/29/68	A
#24b cable	USUN 5797 S 3 p	6/28/68	A
#25 memo	Rostow to Read C 1 p	undated	A
#26a memo	Rusk to President <i>Open RAC 3/98</i> C 3 p <i>[Duplicate of #18a, NSF, CF, VN, "SEA Development Program, Vol 3]</i>	6/28/68	A
#26b memo	Rostow to President, 9:00 a.m. <i>open 12 547 RAC</i> C 2 p <i>[Duplicate of #18b, NSF, CF, VN, "SEA Development Program Vol 3]</i>	6/21/68	A
#27 memo	Rostow to President, 9:15 a.m. <i>open 7/26/95 NY 94-18</i> C 1 p <i>[Duplicate of #8a, NSF, CF, Brazil, Vol VII-A] [Sanitized 1981]</i>	6/29/68	A
#30 memo	Rostow to President, 8:15 a.m. TS 1 p	6/29/68	A
#31b cable	Moscow 4440 <i>open 12 23 09</i> C 1 p <i>[Duplicate of #12b, NSF, files of WWRostow, "NPT signing statement"]</i>	6/29/68	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#29 memo	Walt Rostow to the President, 8:25 a.m. 1 p TS open 11/3/09	6/29/68	A
^a #29 b report	Intelligence Report sanitized RAC 3/04 1 p TS	6/28/68	A
^b 29 a map	map exempt RAC 3/04 1 p S	6/68	A
30a report	Intelligence Report exempt RAC 5/03 1 p TS	6/29/68	A
30b map	map exempt RAC 5/03 1 p TS	6/68	A

FILE LOCATION National Security File, Memos to the President, Rostow, Volume 85, June 29-30, 1968, Box 37

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1

Sunday, June 30, 1968 -- 9:00 pm

Mr. President:

This is the draft as it now stands,
after clearance with Sec. Rusk and
William Foster.

In this form, it is on the cards
and on the teleprompter type.

W. W. Rostow

WWRostow:rlh

Pres file

1a

Presidential Remarks
Signing of NPT
11:30 a.m.
Monday, July 1, 1968
Words: 997

This is a reassuring and hopeful moment in the relations among nations.

We have come today to sign a Treaty which limits the spread of nuclear weapons.

After nearly a quarter century of danger and fear -- reason and sanity have prevailed to reduce the danger and to lessen the fear. All mankind is reassured.

As the moment is reassuring, so it is, even more, hopeful and heartening. For this Treaty is evidence that amid the tensions, the strife, the struggle and sorrow of these years, men of many nations have not lost the way -- or the will -- toward peace. The conclusion of this Treaty encourages the hope that other steps may be taken toward a peaceful world.

It is for these reasons -- and in this perspective -- that I have described

this Treaty as the most important international agreement since the beginning of the nuclear age.

It enhances the security of all nations by significantly reducing the danger of nuclear war among nations.

It encourages the peaceful use of nuclear energy by assuring effective safeguards against its destructive use.

But, perhaps most significantly, the signing of this Treaty keeps alive and active the impulse toward a safer world.

We are inclined to neglect and overlook what that impulse has brought about in recent years. These have been fruitful times for the quiet works of diplomacy. After long seasons of patient and painstaking negotiation, we have concluded, just within the past five years,

-- the Limited Test Ban Treaty

-- the Outer Space Treaty

-- and the Treaty creating a nuclear-free zone in Latin America.

The march of mankind is toward the summit -- not the chasm. We must not, we shall not allow that march to be interrupted.

This Treaty, like the treaties it follows, is not the work of any one nation. It is the accomplishment of nations which seek to exercise their responsibilities for maintaining peace and a stable world order. It is my hope -- and the common will of mankind -- that all nations will agree that this Treaty affords them added protection. We hope they will accept the Treaty and thereby contribute further to international peace and security.

As one of the nations having nuclear weapons, the United States -- all through these years -- has borne an awesome responsibility. This Treaty increases that responsibility -- for we have pledged that we shall use our weapons only in conformity with the Charter of the United Nations.

Furthermore, we have made clear to the United Nations Security Council what I would repeat today: if a state which has accepted this Treaty does not have nuclear weapons and is a victim of aggression, or is subject to a threat of aggression, involving nuclear weapons, the United States shall be prepared to ask immediate Security Council action to provide assistance in accordance with the Charter.

In welcoming the Treaty that prevents the spread of nuclear weapons, I repeat the United States commitment to honor all our obligations under

existing treaties of mutual security. Such agreements have added greatly to the security of our nation and the nations with which such agreements exist. They have created a degree of stability in an often unstable world.

This Treaty is an important security measure. But it also lays an indispensable foundation:

- for expanded cooperation in the peaceful application of nuclear energy;
- and for additional measures to halt the nuclear arms race.

We will cooperate fully to bring the Treaty safeguards into being. We shall thus help provide the basis of confidence necessary for increased cooperation in the peaceful nuclear field. After the Treaty has come into force we will permit the International Atomic Energy Agency to apply its safeguards to all nuclear activities in the United States -- excluding only those with direct national security significance. Thus, the United States is not asking any country to accept any safeguards we are not willing to accept ourselves.

As the Treaty requires, we shall also engage in the fullest possible exchange of equipment, materials, and scientific and technological information for the peaceful uses of nuclear energy. The needs of the developing nations will be given particular attention.

We shall make readily available to the non-nuclear treaty partners the benefits **OF** nuclear explosions for peaceful purposes. And we shall do so without delay and under the Treaty's provisions.

At this moment of achievement and hope, I am gratified to be able to report and **announce** to the world a significant agreement -- an agreement I have actively sought and worked for since January 1964:

Agreement has been reached between the Governments of the Union of Soviet Socialist Republics and the United States to enter in the nearest future into discussions on the limitation and reduction of both offensive strategic nuclear weapons delivery systems and systems of defense against ballistic missiles.

Discussion of this most complex subject will not be easy. We have no illusions that it will be. I know the stubborn, patient persistence it has required to get this far. I know the difficulties that lie ahead. I know the fears, suspicions, and anxieties we shall have to overcome. But I believe that the same spirit of accommodation shown in the negotiation of the present Treaty can bring us to a good result.

Man can still shape his destiny in the nuclear age -- and learn to live as brothers.

Toward that goal -- the day when the world moves out of the night of war into the light of sanity and security -- I solemnly pledge the resources, the resolve, and the unrelenting efforts of the people of the United States and their Government.

#

ACTION

2

Sunday, June 30, 1968 -- 5:45 p.m.

Pres file

Mr. President:

Herewith a draft for your further guidance and refinement.

I am asking Sec. Rusk and -- at his suggestion -- Bill Foster to check the language for diplomatic precision. There's a lot of theology involved in this -- linked to negotiations with other governments.

The teleprompter crew is standing by.

W. W. Rostow

WWRostow:rln

2a
Presidential Remarks
Signing of NPT
11:30 a. m.
Monday, July 1, 1968
Words:

This is a reassuring and hopeful moment in the relations among nations. We have come today to sign a Treaty which limits the spread of nuclear weapons.

After nearly a quarter century of danger and fear -- reason and sanity have prevailed to reduce the danger and to lessen the fear. All mankind is reassured.

As the moment is reassuring, so it is, even more, hopeful and heartening. For this Treaty is evidence that amid the tensions, the strife, the struggle and sorrow of these years, men of many nations have not lost the way -- or the will -- toward peace. The conclusion of this Treaty encourages the hope that other steps may be taken toward a peaceful world.

It is for these reasons -- and in this perspective -- that I have described

this Treaty as the most important international agreement since the beginning of the nuclear age.

It enhances the security of all nations by significantly reducing the danger of nuclear war among nations.

It encourages the peaceful use of nuclear energy by assuring effective safeguards against its destructive use.

But, perhaps most significantly, the signing of this Treaty keeps alive and active the impulse toward a safer world.

We are inclined to neglect and overlook what that impulse has brought about in recent years. These have been fruitful times for the quiet works of diplomacy. After long seasons of patient and painstaking negotiation, we have concluded, just within the past five years,

- the Limited Test Ban Treaty
- the Outer Space Treaty
- the Antarctic Treaty
- and the Treaty creating a nuclear-free zone in Latin America.

The march of mankind is toward the summit -- not the chasm. We must not, we shall not allow that march to be interrupted.

This Treaty, like the treaties it follows, is not the work of any one nation. It is the accomplishment of nations which seek to exercise their responsibilities for maintaining peace and a stable world order. It is my hope -- and the common will of mankind -- that all nations will agree that this Treaty affords them added protection. We hope they will sign and thereby contribute further to international peace and security.

As one of the nations having nuclear weapons, the United States has -- all through these years -- borne an awesome responsibility. This Treaty increases that responsibility -- for we have pledged that we shall use our weapons only in conformity with the Charter of the United Nations.

Furthermore, we have made clear to the United Nations Security Council what I would repeat today: if a state which has signed this Treaty does not have nuclear weapons and is a victim of aggression, or is subject to a threat of aggression, involving nuclear weapons, the United States shall be prepared to ask immediate Security Council action to provide assistance in accordance with the Charter.

Moreover, in welcoming the Non-Proliferation Treaty, I reaffirm that the United States remains fully committed to honor its obligations under existing

treaties of mutual security. Such agreements have added measurably to the security of our nation and the nations with which such agreements exist.

They have created a degree of stability in an often unstable world.

This Treaty is an important security measure. But it also lays an indispensable foundation:

- for expanded cooperation in the peaceful application of nuclear energy;
- and for additional measures to halt the nuclear arms race.

We will cooperate fully to bring the Treaty safeguards into being. We shall thus help provide the basis of confidence necessary for increased cooperation in the peaceful nuclear field. Under the Treaty we will permit the International Atomic Energy Agency to apply its safeguards to all nuclear activities in the United States -- excluding only those with direct national security significance. Thus, the United States is not asking any country to accept any safeguards we are not willing to accept ourselves.

As the Treaty requires, we shall also engage in ^{THE FULLEST} possible exchange of equipment, materials, and scientific and technological information for the peaceful uses of nuclear energy. The needs of the developing nations will be given particular attention.

We shall make available to the non-nuclear treaty partners the benefits of nuclear explosions for peaceful purposes. And we shall do so without delay and under the Treaty's provisions.

At this moment of achievement and hope, I am gratified to be able to report a significant agreement -- an agreement I have actively sought and worked for since January 1964:

Agreement has been reached between the Governments of the Union of Soviet Socialist Republics and the United States to enter in the nearest future into discussions on the limitation and reduction of offensive strategic nuclear weapons delivery systems and systems of defense against ballistic missiles.

Discussion of this most complex subject will not be easy. We have no illusions that it will be. I know the stubborn, patient persistence it has required to get this far. I know the difficulties that lie ahead. I know the fears, suspicions, and anxieties we shall have to overcome. But I believe that the same spirit of accommodation shown in the negotiation of the present Treaty can bring us to a good result.

Man can still shape his destiny in the nuclear age -- and learn to live as brothers.

Toward that goal -- the day when the world moves out of the night of war into the light of sanity and security -- I solemnly pledge the resources, the resolve, and the unrelenting efforts of the people of the United States and their Government.

#

ACTION

3

~~SECRET~~

Sunday, June 30, 1968 - 4:00 pm

Mr. President:

Pres file

This is the action memorandum I sent you last night. We cannot find the original. Would you please restate your decision on the cable.

W. G. Bowdler

~~SECRET~~

WGB:rln

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 9-1-92

~~SECRET~~

ACTION

Saturday - June 29, 1968 - 7:30 p.m.

Mr. President:

I request your approval to send the message at Tab A to our Ambassadors in Central America proposing announcement of the San Salvador trip at 4:00 p.m. EDT on Monday, July 1.

George Christian thinks it better to announce in the afternoon instead of the morning because of the NPT ceremony scheduled at 11:30 a.m.

Approve Disapprove Call me .

The proposed cable carries the text of your acceptance of the invitations by the Secretary General of ODECA and President Sanchez of the host country. At Tab B are the actual letters of acceptance for your signature.

W. W. Rostow

Attachments

Tab A - Proposed message, for Presidential approval, on announcement of San Salvador trip.

Tab B - Proposed letters of acceptance for signature.

DECLASSIFIED
White House Classification, Feb. 24, 1983
By RG, J.ATL, Date 9-19-82

36

A

3d

B

Dear Mr. President:

I accept with great pleasure your invitation to San Salvador to participate in a meeting of Presidents of the member states of the Organization of Central American States to be held at the Organization's headquarters on July 6 and 7, 1968. I look forward to joining you and your colleagues in the meeting and to being with you and the people of El Salvador.

Sincerely,

His Excellency
A. Fidel Sanchez Hernandez
President of the Republic of El Salvador
San Salvador

LBJ/WGBowdler:mm
June 29, 1968

Dear Mr. Secretary General:

I am deeply honored by the invitation you sent me today on behalf of the Presidents of the member states of the Organization of Central American States to join them in a meeting to take place at ODECA headquarters on July 6 and 7, 1968. I accept the invitation with great pleasure and request you inform my distinguished colleagues that I look forward to seeing them and taking part in their deliberations.

Sincerely,

**His Excellency
Albino Roman y Vega
Secretary General of the
Organization of Central American States
San Salvador, El Salvador**

LBJ/WGBowdler:mm
June 29, 1968

4

ACTION

SECRET

Sunday, June 30, 1968 - 3:00 p.m.

Pres file

Mr. President:

These two telegrams are for your urgent clearance, having already been cleared by Sec. Rusk and Under Sec. Katzenbach.

W. W. Rostow

SECRET

WWRostow:rln

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By AG, NARA, Date 9-1-92

5

Pres file

Sunday, June 30, 1968 -- 3:00 p. m.

Mr. President:

You may wish to consider using -- or not using -- the attached peroration which reaches back to President Kennedy's statement on the occasion of the Nuclear Test Ban Treaty.

W. W. Rostow

WWRostow:rla

5a

The nations of the world have made their will manifest in this Treaty. They have determined that the nuclear arms race must be ended. The nuclear-weapon powers must act boldly to assure that this goal is achieved. For our part, I solemnly affirm that the United States will do all in its power to realize the great promise of the Non-Proliferation Treaty, which points to a world free of the evil of nuclear weapons -- a world in which the atom will be used only for the benefit of mankind.

// Many of us recall the words of President Kennedy five years ago, when the Nuclear Test Ban Treaty negotiations were completed. He recalled the ancient Chinese proverb: "A journey of a thousand miles must begin with a single step."

Since that time we have taken several further steps. Today we move towards the completion of one and set in motion another.

As we move forward, confidence should grow. The steps should get longer; the pace of progress should increase.

I know the stubborn, patient persistence it has required to get this far. I know the complexities and difficulties that lie ahead. *I know the fear, suspicion, and anxiety we shall have to overcome.*

But I wish you to know, also, my faith that man can still shape his destiny on the nuclear age -- and learn to live as brothers -- that the end of the thousand mile trail can and will be reached. //

INFORMATION

7

Sunday, June 30, 1968 - 10:50 am

Mr. President:

I regard Joe Kraft's last sentence as
the high point of my career as a
Presidential aide!

Free file

W. W. Rostow

WWRostow:rln

Moment for Detente

Change in Russia-China-U.S. Balance Prompted Soviet Move on Arms

By Joseph Kraft

AT THE GLASSBORO summit meeting last year, the Russians agreed in principle to talk with this country at some time about limiting offensive and defensive weapons. But why does Gromyko suddenly announce that the time is now?

The answer seems to lie in two different circumstances—the Paris peace talks and the coming presidential election—which vitally affect the tripartite balance among Russia, China and the United States. And it may well be that the moment is ripe for improvement of relations between Washington and Moscow along a wide front.

CONSIDER first Soviet relations with Communist China. Before the Paris peace talks got under way, the Russians were on the defensive with respect to China on the issue of Vietnam.

The Chinese were charging that the Soviet leaders had gone soft, and were letting down the Communist side in order to take their ease in the Babylon of an American-style consumer society. As evidence, Peking kept charging tepid Russian support for the front-line fighters for communism—the North Vietnamese.

These charges had a potent impact in Moscow because they dovetailed with feelings widespread among party apparatchiks and the Russian military. Against this kind of pressure, it was exceedingly difficult for the Soviet managers, interested in channeling resources away from military purposes, to move toward any accommodation with the United States. Thus

all during the past year, when the issue of talks on limiting weapons came up, the Russians indicated the subject was difficult because of "the international atmosphere."

The Paris peace talks have changed this atmosphere in a notable way. Between Communist China, which opposed the talks, and the North Vietnamese, who are participating in them, there has been an evident falling out.

CHINESE Foreign Minister Chen Yi, on April 26, publicly expressed opposition to the talks. The North Vietnamese Ambassador in Peking, Ngo Minh Loan, quit his post two days later and has been absent ever since the Paris talks began. In two major Chinese cities, Nanning and Canton, there have been public demonstrations against local North Vietnamese diplomatic officials, with demands that these officials repudiate the Paris talks.

The trouble between Peking and the "front-line fighters of communism" in Hanoi has powerfully diminished China's ability to blackmail the Russians. The Soviets have more and more been coming off the defensive in their dealings with Peking. Tuesday, for example, Tass published the news of the anti-North Vietnamese demonstration in Nanning.

WITH THE Chinese pressure off, the Russians at last have the latitude for dealing with this country. And their appetite for making the most of the opportunity seems to be whetted by their analysis of political developments in this country.

For unlike the Chinese and the North Vietnamese, the

Russians have a very keen appreciation of American politics. They know there is a strong likelihood that former Vice President Richard Nixon will be the next American President. In the past at least, Moscow has had a distinct aversion to Nixon.

The Russians also know that the competitive atmosphere of a presidential campaign tends to wind up anti-Communist sentiment in the country and on the part of the candidates. They understand that Administrations on the way out can deal more easily than new regimes that have to live up to campaign promises. Thus it is clear that in 1960, before the U-2 incident and its botched handling got in the way, Khrushchev was trying to move toward a wide-ranging settlement of Cold War issues with President Eisenhower.

THE PRESENT Russian leaders appear to be moving in the same way Khrushchev tried to move in 1960. In a series of matters—in the nonproliferation treaty, in American-Soviet cultural relations, in the matter of direct New York-Moscow flights and in damping down a potential Berlin crisis—there have been repeated signs of Russian willingness to deal.

Against that background, the latest statement on offensive and defensive weapons suggests the presence of a rare opportunity. And for holding the door open to that opportunity, for sweating it out with the Russians when the going was not so good, President Johnson deserves great personal credit.

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ACTION

9

~~CONFIDENTIAL~~

Sunday, June 30, 1968
10:00 a. m.

Pres file

Mr. President:

Herewith Nick Katzenbach seeks your decision on one of three options to break the impasse in our negotiations with the Soviet Union on cultural exchanges. They recommend the third option and explain why.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rlh

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By ju/rq, NARA, Date 7-22-97

9a

THE SECRETARY OF STATE
WASHINGTON

June 29, 1968

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 97-335
By us, NARA Date 7.18.98

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: US-Soviet Exchanges Negotiations

Our negotiations in Moscow for renewal of the US-USSR Exchanges Agreement for 1968-69 have reached an impasse on two major provisions--- exhibits and performing arts groups. Most other portions of the text are agreed or are unlikely to pose serious difficulties.

In the two programs at issue, the Soviets have insisted that they are unable to continue at the levels provided in the last agreement. Specifically, they have offered to exchange three performing arts groups against five provided for in the 1966-67 agreement (of which the Soviets sent only four, although we sent five), and one exhibit against two in the last agreement (of which they sent only one, while we sent two).

Soviet reluctance concerning exchanges with the US in cultural and informational fields is not new, but is now probably increased by difficulties in the Soviet Union with the intellectual community, as well as by Moscow's problems with Czechoslovakia and intra-bloc solidarity as a whole.

Although the Soviets have negotiated in a constructive fashion on a number of other portions of the agreement, including a potentially useful arrangement for improved distribution of Amerika magazine, they have ~~stood absolutely firm on the two disputed programs~~.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

Overall, the prospects for the program under a new agreement, apart from the two in dispute, are as follows: General procedural provisions are entirely consistent with our position, including protective language to assure full reciprocity in performing arts and other programs. Program levels range from those specified in the last agreement downward to those actually implemented in 1966-67. Academy of Science and American Council of Learned Societies annexes are at pre-existing levels. An annex on cooperation in atomic energy has been agreed, ending a Soviet-enforced lapse since 1965.

Ambassador Thompson, who returned to Moscow June 25, has now expressed the view that we cannot expect significant improvement in the Soviet position. He has serious doubts as to the utility or desirability of any high-level appeal, and believes that we would be well advised to move ahead to conclude an agreement soon if it is decided that the terms are acceptable.

Unless we are merely to continue talking with little apparent prospect of significant improvement in the program for the new agreement, we face a decision among the following options:

1. To suspend or terminate the negotiations unless the Soviets accept some compromise in exhibits and performing arts.
2. To accept the Soviet position and conclude an agreement on that basis.
3. To accept the Soviet position on performing arts and exhibits, but to invoke countervailing reductions from Soviet proposed levels in exchanges of primary interest to them, e.g. technical and agricultural, in order to restore a balance among the ingredients in the total program.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

Clearly the reduced performing arts and exhibits programs will decrease the impact of the exchanges program. Nevertheless, I believe that it is in our best interests to continue--even at reduced levels--rather than to break off the negotiations. I very much doubt that we can force the Soviets to back down from their present position. To terminate the talks now would fly in the face of everything you have tried to do with the Russians since Glassboro.

If you decide that we should conclude an agreement at the reduced levels, I believe that our position would be improved by imposing some counter-vailing cuts, as suggested in option 3. We would then be able to explain the agreement as maintaining its normal balance, although at a lower level than we would have liked.

After you have given us your decision on how to proceed we will instruct Ambassador Thompson to make a last effort to obtain some modification of the Soviet position. We will ask him to try for Soviet agreement to receive our exhibit in up to three more cities, making a total of six (as the proposed agreement now reads we can show our exhibit in three cities). If we can get the Soviets to agree to this change it would achieve much of the value of two separate exhibits. Even if Thompson failed, we could proceed under either option two or three.

I have talked to Dean Rusk and Len Marks who agree that we should ~~follow option three~~

Options:

1. Terminate negotiations unless the Soviets accept some compromise.

Approve _____ Disapprove _____

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

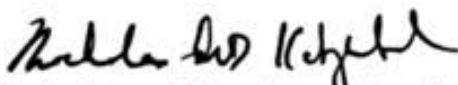
-4-

2. Accept the Soviet position and conclude an agreement.

Approve _____ Disapprove _____

3. Accept the Soviet position on performing arts and exhibits, but reduce the levels of certain of the exchanges of interest to the Soviets.

Approve _____ Disapprove _____


Nicholas deB. Katzenbach
Under Secretary

~~CONFIDENTIAL~~

~~SECRET~~

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLI 97-334

By isa, NARA Date 8-20-98

JUN 27 1968

2062 10
Sgd June 27
10
Pres file

MEMORANDUM FOR THE PRESIDENT

Subject: Presidential Determination to Authorize the Use of Export-Import Bank Funds for Foreign Military Credit Sale of Hawk Missile Equipment to Israel

Attached is a memorandum from Under Secretary Katzenbach recommending that you sign a Presidential Determination to authorize the use of up to \$25 million of Export-Import Bank funds for a military credit sale of Hawk missile equipment to Israel. The terms of the credit agreement would be 10% down, repayment in six years at 6 percent interest.

The recently enacted extension of the Export-Import Bank Act requires that before Export-Import Bank funds can be used for foreign military credit sales to economically less developed countries you must determine that such sales are in the national interest. Under the law, using an Interest Equalization Tax definition, Israel is a less developed country. In making this determination you must take into account the U.S. interest in avoiding (1) arms races among countries not directly menaced by the Soviet Union or Communist China, (2) the arming of military dictators who are denying social progress to their peoples, and (3) expenditures by developing countries on arms of scarce foreign exchange needed for economic development.

Nick Katzenbach holds, and I agree, that you would be justified in making this determination in this case. The sale is consistent with our policy of helping Israel to defend itself with the least effect on the arms competition in the Middle East. Of the various forms of arms we discussed with Israel, Hawk-type defensive missiles would appear least likely to fuel an arms race.

I believe that Israel has the financial capability to acquire these weapons on a cash or commercial credit basis. However, there are special circumstances to support a credit sale

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GROUP 3
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NOT AUTOMATICALLY DECLASSIFIED

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arrangement in this case, one of which is the expectation of a possible future sale of F-4's which would be largely on a cash or commercial credit basis. The Israelis are concerned about bunching up dollar repayments associated with their heavy defense burden. This \$25 million credit will ease their problem a bit.

I have no objection to the credit sale for Hawk missiles, if it is not considered a precedent for the much larger F-4 sales. Nick Katzenbach and Paul Warnke have assured me that this is the case and that this will be made clear in the discussions with the Israelis.

Israel is specifically exempted from the penalty provisions of Conte-Long amendments. State Department, with AID and Defense concurrence, has advised that the penalty provisions of the Symington Amendment do not apply to Israel.

I recommend that you sign the determination.

(signed) Charles J. Zwick
Charles J. Zwick
Director

Attachments

~~SECRET~~

~~SECRET~~

10a

THE WHITE HOUSE
WASHINGTON

June 29, 1968

Presidential Determination
No.

MEMORANDUM FOR THE UNDER SECRETARY OF STATE

SUBJECT: Determination under Section 2 (b) (4) of the Export-Import Bank Act of 1945, as amended, Authorizing an Export-Import Bank Credit Sale to Israel, an Economically Less Developed Country for Purposes of the Interest Equalization Tax

In accordance with the recommendation in your memorandum of June 25, 1968, I hereby determine, pursuant to Section 2 (b) (4) of the Act, that it is in the national interest to consummate a credit sale to Israel in the amount of up to \$25 million for the purchase of four (4) HAWK batteries, related ground support equipment, and missiles, to include Export-Import Bank participation in the financing.

You are requested on my behalf to report this determination to the Senate and House of Representatives within thirty days.

15/ Lyndon B. Johnson

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 97-334
By ics, NARA Date 8-20-98

~~SECRET~~

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not automatically declassified.



DEPARTMENT OF STATE

Washington, D.C. 20520

Copy for Mr. Show

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~~SECRET~~

JUN 25 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Determination to Authorize Export-Import Bank to Finance a Credit Sale (with Department of Defense Guarantee) in FY 1968 to Israel, an Economically Less Developed Country for Purposes of the Interest Equalization Tax

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 97-335
By us, NARA Date 9.18.98

The attached formal Memorandum recommends your favorable determination to permit Export-Import Bank participation in the financing of an up to \$25 million credit sale to Israel for the purchase of four (4) HAWK batteries, related ground equipment, and missiles in order to assist Israel to conserve its cash position for possible purchases, in the next year or two, of other items of military equipment. The Israelis want to buy F-4's but, in offering this credit, we have not indicated to them any change in our current reservation on a decision to sell these aircraft to them at the present time. Should you decide, in the future, to sell F-4's to Israel, the proposed credit for HAWKS in FY 1968 would reserve Israeli cash for purchase of aircraft or any other extensive purchases they are interested in.

No consultations regarding this proposal have taken place with Congress but we anticipate no Congressional difficulties with the proposed credit sale. Our FY 1969 military sales justification to Congress projected such a sale of HAWKS to Israel in FY 1968. The Conte-Long Amendments and the penalty provisions of the Symington Amendment do not apply to Israel.

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not automatically declassified



DEPARTMENT OF STATE

Washington, D. C. 20520

10.2

~~SECRET~~

June 25, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Military Credit Sale to Israel

We propose to make up to \$25 million credit available in FY 1968 to Israel under the Export-Import Bank Act of 1945, as amended (The "Act") for the purchase of four (4) HAWK batteries, and related radar sets, launchers, generators, loaders-transporters, shop equipment and missiles. We recommend that you make a determination under Section 2 (b) (4) of The Act that it is in the national interest to consummate this credit sale to Israel, an economically less developed country for the purposes of the Interest Equalization Tax. The Department of Defense and the Export-Import Bank concur.

Merits of the Proposed Transaction

We have been negotiating with Israel for some months for the purchase of HAWK surface-to-air missile batteries. Israel recently increased its request from three to four batteries. However, the Israelis have indicated they are not interested in a corresponding increase in the number of missiles at this time. (We sold five (5) batteries of HAWKS to Israel in 1963.) An Export-Import Bank credit for up to \$25 million would facilitate consummation of this transaction and would assist Israel in conserving its cash position for possible future purchases of a wide variety of defense articles and materiel with which to modernize its armed forces.

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not automatically declassified.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 97-335

By is, NARA Date 9.18.98

U. S. Interests

Our decisions on Israeli requests to purchase U. S. military equipment are made on a case-by-case basis. Our arms sales to Israel have been related to our policy of helping Israel to maintain its ability to defend itself in view of our interest in supporting peace and stability in the Middle East.

Legal Aspects

On May 6, 1968, the Export-Import Bank and the Department of Defense reached an agreement under which the Bank would participate in the FY 1968 Foreign Military Sales Program, subject inter alia, to obtaining requisite Presidential Determinations.

The Export-Import Bank Act of 1945, as amended, requires a Presidential Determination that consummation of the proposed transaction is in the national interest before the Bank may participate in the credit sale of defense articles or services to any country designated as economically less developed for the purposes of the Interest Equalization Tax.

The Act also stipulates that in making any such Determination you take into account, among other considerations, the national interest in avoiding arms races among countries not directly menaced by the Soviet Union or by Communist China; in avoiding arming military dictators who are denying social progress to their own peoples; and in avoiding expenditures by developing countries of scarce foreign exchange needed for peaceful economic progress.

We believe that the proposed credit sale to Israel is in the national interest under the foregoing criteria. This defensive equipment will not contribute to an area arms race; there is no question of a military dictatorship, and Israel's foreign exchange position is sound. Israel is

~~SECRET~~

- 3 -

specifically exempted from the provisions of the Conte-Long amendments. It has been determined that the penalty provisions of the Symington Amendment do not apply to Israel.

RECOMMENDATION

I recommend that you make the necessary determination under Section 2 (b) (4) of the Export-Import Bank Act to permit the Bank to finance a credit sale of up to \$25 million to Israel for the purchase of HAWK batteries and missiles in FY 1968. Such sale would be guaranteed by the Department of Defense. If your determination is favorable, we will so report to the Congress within thirty days as required by the Export-Import Bank Act of 1945, as amended.

Approve _____ Disapprove _____

Nicholas deB Katzenbach

Under Secretary

~~SECRET~~

3/17/68
A TRUE COPY

12

~~CONFIDENTIAL~~

Saturday, June 29, 1968 - 6:50 pm

Mr. President:

These are the letters which you have written to the Chairmen of the Soviet Union from 1964 to date, covering arms control and the NPT.

We will have typed versions of these on Monday.

W. W. Rostow

BKS:rlh

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By AG, NARA, Date 9-1-92

Pres file

15

Saturday, June 29, 1968
5:00 p. m.

MR. PRESIDENT:

For the trip to San Salvador, do you wish to have Secretary Rusk accompany you?

W. W. Rostow

Yes _____

No _____

Call me _____

16

ACTION

Saturday, June 29, 1968
4:45 p. m.

Free file

Mr. President:

The reason we suggest Pat Dean is that we could get ourselves in trouble with London since your seeing Pindling alone could be interpreted by some in London as our interjecting ourselves in an unresolved British Commonwealth problem.

W. W. Rostow

WWRostow:rln

has file

17

Saturday, June 29, 1968
4:20 p. m.

MR. PRESIDENT:

I recommend we send the attached message to our Ambassadors in Central America to find out if the Central American Presidents will accept your invitation to fly them back to their respective countries.

Bowdler tells me invitation is on the wire from San Salvador.
Amb. Castro called to report this.
W W. Rostow

SECRET attachment

Approved _____

Disapproved _____

Call me _____

Pres file

18

Saturday, June 29, 1968
3:00 p. m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

If you have time, you may wish to run through
Bunker's attached backgrounder of June 27.

W. W. Rostow

~~CONFIDENTIAL~~ attachment (Saigon 31331)

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By 19, NARA, Date 9-19-82

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CO III CTZ BIEN HOA
CO IV CTZ CAN THO

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STATE FOR DONNELLEY

DOD FOR GOULDING

PARIS FOR USDEL

REF : SAIGON 31162

1. FOLLOWING TEXT AMB BUNKER BACKGROUNDER WITH PRESS JUNE 27:

2. MR. ZORTHIAN: THIS IS ATTRIBUTABLE TO SENIOR AMERICAN OFFICIALS, HIGH-RANKING AMERICAN OFFICIALS OR SOME SUCH PHRASING UNLESS THE AMBASSADOR INDICATES THAT HE IS GOING OFF THE RECORD. I WOULD ASK YOU TO RESPECT WHATEVER COMMENTS HE MAKES IN THAT FORM. SIR --

AMBASSADOR: I AM VERY GLAD TO SEE YOU THIS MORNING. THERE IS NO SPECIAL REASON FOR THIS MEETING, OR BRIEFING, EXCEPT THE

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PAGE 02 SAIGON 31331 01 OF 06 291348Z

FACT THAT WE HAVE NOT BEEN TOGETHER FOR A LONG TIME, BUT I THOUGHT IT WOULD BE A GOOD IDEA TO EXCHANGE VIEWS. I THINK THE LAST MEETING WE HAD WAS SOME TIME IN FEBRUARY AFTER THE TET BUSINESS AND I HAD INTENDED TO GET TOGETHER SOONER. I DID EXPECT TO GET TOGETHER LAST WEEK BUT I HAD A PAIN IN THE NECK -- PHYSICAL NOT MENTAL -- AND WASN'T FEELING QUITE UP TO IT. BUT I HOPE WE GET TOGETHER MORE OFTEN IN THE FUTURE, PARTICULARLY BECAUSE I THINK THESE TIMES ARE GOING TO BE INTERESTING MONTHS AHEAD WITH A NEW GOVERNMENT THAT HAS BEEN IN ABOUT A MONTH. THE REACTION OF OUR PEOPLE WHO HAVE BEEN DEALING WITH THE NEW MINISTERS HAS BEEN QUITE FAVORABLE. THEY SEEMED TO BE SETTLING DOWN AND MAKING DECISIONS WHICH IS GOOD. I THINK WE ARE COMING INTO TIMES, AS I SAY, THAT ARE GOING TO BE INTERESTING AND DELICATE. ON THE PARIS PEACE TALKS, THERE IS A FEELING, CERTAINLY ON THE PART OF THE VIETNAMESE GOVERNMENT AND I GUESS WE SHARE IT TOO, THAT THERE ARE APT TO BE MORE PRESSURES EXERTED BY HANOI AND THE VC ON THE MILITARY SIDE. AND I THINK THERE WILL BE IN ADDITION TO MILITARY PRESSURE AN EFFORT TO EXPLOIT POLITICAL AND PSYCHOLOGICAL ASPECTS OF THE SITUATION ON THE PART OF THE VC AND HANOI. I AM SURE THERE WILL BE MANY RUMORS SPREAD IN AN EFFORT TO CREATE DIVISION BETWEEN US AND THE GVN AND WITH THE GVN ITSELF. SAIGON IS QUITE A RUMOR FACTORY IN THAT RESPECT -- DOMINGO IN MY EXPERIENCE -- AND I THINK THERE IS ONE THING I WOULD LIKE TO SUGGEST BECAUSE THERE WILL BE EFFORTS I AM SURE TO CREATE DIVISION BETWEEN US AND THE GVN AND WITHIN THE GVN AND THEREFORE AFFECT OUR NATIONAL INTEREST. IF YOU DO GET THESE RUMORS WE SHALL BE GLAD TO CHECK THEM WITH YOU AND GIVE YOU OUR VIEWS, AS TO WHETHER THEY ARE SUBSTANTIVE OR NOT. THOSE THAT DO NOT HAVE SUBSTANCE CAN CREATE DIFFICULTY SOMETIMES AND WOULD BE USEFUL TO AVOID. WELL, SUPPOSE WE GO AHEAD ON QUESTIONS THEN.

4. QUESTION: PERHAPS IN VIEW OF THE FACT THE NATIONAL ASSEMBLY IS MEETING TODAY, WAS IN SESSION YESTERDAY MR. AMBASSADOR, I AM INFORMED THAT THEY ARE PLANNING TO ASK THE US GOVERNMENT THROUGH THE AMERICAN EMBASSY IN SAIGON WHAT THE AMERICAN DECISION IS REGARDING THE NLF AND THE PARIS TALKS AND FOR GENERAL CLARIFICATION. DO YOU HAVE ANYTHING TO ADD TO WHAT YOU HAVE ALREADY SAID ON THIS SUBJECT.

5. AMBASSADOR: NO. I UNDERSTAND THE DEBATE YESTERDAY WAS CARRIED OUT IN QUITE A CONSTRUCTIVE WAY. THE IMPORTANCE

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PAGE 03 SAIGON 31331 01 OF 06 291348Z

OF THE VIETNAMESE PART OF THE WHOLE EFFORT IS QUITE STRONGLY EXEMPLIFIED IN THEIR ASKING FOR FURTHER CLARIFICATION OF WHAT OUR OBJECTIVES ARE. IT SEEMS TO ME THOSE OBJECTIVES HAVE BEEN MADE VERY CLEAR BY THE PRESIDENT AND SECRETARY RUSK. I HAVE TRIED TO EMPHASIZE THEM, TOO. AS YOU KNOW, I SPOKE TO THE NATIONAL DEFENSE COLLEGE TRYING TO MAKE CLEAR WHAT OUR POLICY AND PURPOSES WERE HERE. I HAD THE TEXT DISTRIBUTED IN AN EFFORT TO MAKE CLEAR WHAT OUR OBJECTIVES ARE. SO I THINK WE HAVE ALREADY DONE A GOOD DEAL IN THAT RESPECT.

6. QUESTION: MR. AMBASSADOR, IN VIEW OF THE FACT YOU HAVE DONE THAT AND MR. RUSK HAS REITERATED THIS POSITION, DO YOU FEEL THIS KIND OF DEBATE SERVES A USEFUL PURPOSE? WHAT IS BEHIND THIS?

7. AMBASSADOR: I THINK OBVIOUSLY THERE IS AN UNDERLYING FEELING OF APPREHENSION IN SOME QUARTERS HERE ABOUT THE DEGREE OF OUR COMMITMENT AND I THINK IT COMES OUT IN THIS SORT OF WAY. I DON'T THINK THE APPREHENSION IS AT ALL JUSTIFIED BUT I SUPPOSE IT IS HUMAN NATURE. I THINK IT UNNECESSARY BECAUSE OF THE VERY CLEAR STATEMENTS MADE BY US.

8. QUESTION: MR. AMBASSADOR, IS YOUR JOB MADE MORE DIFFICULT BY THE FACT WE HAVE A "LAME DUCK" PRESIDENT, AND SENATOR MCCARTHY IS SHOWING UP BETTER AS THE WEEKS GO ON IN POLLS, AND THERE IS A POSSIBILITY THAT US POLICY JUST MIGHT CHANGE WITH THE NEW PRESIDENT? HOW DO YOU REASSURE THE VIETNAMESE IN VIEW OF THE FACT THAT THINGS ARE SOMEWHAT UNSETTLED IN THE STATES.

9. AMBASSADOR: NO, I WOULD SAY THAT MY JOB IS NOT MADE MORE DIFFICULT; ON THE CONTRARY, I THINK THE PRESIDENT BY HIS ACTIONS HAS GIVEN HIMSELF A FREE HAND IN VIET-NAM IN POLICY MATTERS. CERTAINLY I WOULD SAY THAT MEMBERS OF OUR GOVERNMENT WHO HAVE BEEN HERE, CONGRESSMEN OF EITHER PARTY, HAVE ASSURED THE VIETNAMESE OF OUR COMMITMENT HERE AND I DON'T SENSE ANY FEELING ON THAT SCORE ON THE PART OF THE VIETNAMESE GOVERNMENT.

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CO II CTZ NHA TRANG
CO III CTZ BIEN HOA
CO IV CTZ CAN THO

LIMITED OFFICIAL USE SECTION 2 OF 6 SAIGON 31331

10. QUESTION: THAT IS WITHIN THE VIETNAMESE GOVERNMENT, WITHIN THE EXECUTIVE BRANCH. BUT THE FEELING APPARENTLY DOES EXIST IN THE LEGISLATIVE BRANCH, OBVIOUSLY, OR THERE WOULDN'T BE THIS.

11. AMBASSADOR: I THINK THERE IS SOME GENERAL FEELING OF APPREHENSION AS TO THE DEGREE OF OUR COMMITMENT, EXTENT OF OUR COMMITMENT. THIS IS THE WAY IT COMES OUT AMONG CERTAIN ELEMENTS. THIS IS NATURAL IN A DEMOCRATIC SYSTEM AND WHERE A COUNTRY HAS BEEN UNDER SO MUCH PRESSURE. IT IS A PERFECTLY NATURAL REACTION, BUT IT HASN'T AFFECTED MY PROBLEMS, REALLY, OTHER THAN IN TRYING TO MAKE CLEAR JUST WHAT OUR PURPOSES ARE HERE, AND WHAT OUR COMMITMENT IS, AND OUR POLICY IS.

12. QUESTION: MR. AMBASSADOR, WHAT DO HUONG AND THIEU AND THE OTHERS SAY ABOUT PARIS THESE DAYS. IN OTHER WORDS, THESE CONSTANT DELAYS. HUONG SAID PUBLICLY, IN A PUBLIC SPEECH, NOT "ONE IOTA OF PROGRESS" HAS BEEN MADE CONTRARY TO EXPANDED

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COFFEE BREAKS. WHAT DO THEY SAY PRIVATELY TO YOU? ARE THEY APPREHENSIVE?

13. AMBASSADOR: I THINK THAT THE STATEMENTS OF GOVERNOR HARRIMAN HAVE BEEN VERY REASSURING TO THEM. THEY COMMENTED FAVORABLY ON HIS STATEMENTS. I THINK THEY FEEL THAT NO PROGRESS HAS BEEN MADE. I THINK THEIR VIEW IS IT IS GOING TO BE A LONG DRAWN OUT PROCESS, AND THE TALKS WILL BE COMBINED AS I SAID EARLIER WITH MILITARY, POLITICAL AND PSYCHOLOGICAL PRESSURES.

14. QUESTION: DO THEY SEEM TO SHOW THE SAME EXTENT OF PATIENCE THAT WE ARE SHOWING, AT LEAST PUBLICLY? IS IT A FEELING THAT SOME DAY, SOMEHOW, THESE TALKS WILL ELEVATE TO A POINT WHERE SOMETHING CONSTRUCTIVE WILL COME OUT OF IT?

15. AMBASSADOR: I THINK THEY HOPE SOMETHING CONSTRUCTIVE WILL COME OUT OF IT. I DON'T KNOW THAT THEY FEEL TERRIBLY OPTIMISTIC ABOUT IT AT THE MOMENT. I DON'T WANT TO SPEAK FOR THEM. I THINK WHAT I SAY ABOUT WHAT THIEU AND KY FEEL OUGHT TO BE OFF THE RECORD. I DON'T WANT TO BE QUOTING THE VIETNAMESE GOVERNMENT. I WANT YOU TO GET IT FROM THEM, THE EXACT FEELING. I WANT TO TAKE THAT OFF THE RECORD.

16. MR. ZORTHIAN: TAKE IT OFF THE RECORD. DID YOU ALL HEAR THAT COMMENT ON PRESIDENT THIEU AND KY IS OFF THE RECORD.

17. QUESTION: OFF THE RECORD, NOW WHAT'S BEEN SAID PREVIOUSLY IS BACKGROUND...

18. MR. ZORTHIAN: YEST, IT IS ATTRIBUTABLE; EVERYTHING IS BACKGROUND.

19. QUESTION: I JUST WONDERED, WHEN IS PRESIDENT THIEU LIKELY TO GO TO THE STATES?

20 AMBASSADOR: I DON'T KNOW. THE DATES HAVE NOT BEEN SET YET.

21. QUESTION: HE'S STILL GOING AND PRESUMABLY WILL TRY TO GET SOME MONEY FOR HIS NEW DEFENSE.

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22. AMBASSADOR: I DON'T KNOW WHAT HE WILL BE TRYING TO DO, YOU WILL HAVE TO ASK HIM.

23. QUESTION: I AM INTERESTED IN WHAT YOUR REACTIONS ARE TO THE OBVIOUS DEMAND FOR MONEY, FOR MATERIAL FOR THE NEW MOBILIZATION, THE INCREASED SIZE ARMED FORCES.

24. AMBASSADOR: I DON'T KNOW THAT HE WILL MAKE ANY SPECIAL DEMANDS OTHER THAN WHAT HAS BEEN AGREED TO. OBVIOUSLY EQUIPMENT HAS TO COME FROM THE UNITED STATES FOR ALL THE VIETNAMESE ARMED FORCES, EXCEPT FOR THEIR LOCAL EXPENDITURES WHICH THEY ARE PREPARED TO HANDLE THEMSELVES. THEY HAVE NO MUNITIONS FACTORY FOR ARMS, AND EQUIPMENT HAS TO COME FROM US.

25. QUESTION: YOU SPOKE OF MILITARY PRESSURES A FEW MINUTES AGO. WHAT CAN YOU TELL US ABOUT THIS THIRD OFFENSIVE, PLANS TO APPLY?

26. AMBASSADOR: I DON'T KNOW IF I CAN TELL YOU VERY MUCH. I THINK IT IS FAIRLY OBVIOUS WHERE THE PRESSURES ARE AND WHERE THEY ARE LIKELY TO BE; THAT IS, IN I CORPS, THE DMZ, QUANG TRI, THE HUE AREA, MAYBE THE CENTRAL HIGHLANDS, AND SAIGON. I WOULD THINK THOSE WOULD BE THE LIKELY PLACES; THAT IS WHERE THERE ARE THE BEGGET CONCENTRATIONS OF ENEMY FORCES.

27. QUESTION: MR. AMBASSADOR, DO YOU FEEL ANY PROGRESS WILL BE MADE AT THE PARIS TALKS UNTIL THERE IS SOME SORT OF MILITARY BREAKTHROUGH ON ONE SIDE OR THE OTHER HERE IN VIET-NAM?

28. AMBASSADOR: WELL, I DON'T KNOW. IT IS VERY HARD TO PROGNOSTICATE ON DEVELOPMENTS IN PARIS. IT SEEMS TO ME FAIRLY CLEAR THAT HANOI'S POLICY IS TO USE THE TALKS PLUS THE PRESSURES -- MILITARY, POLITICAL AND PSYCHOLOGICAL -- TO TRY TO GAIN THEIR ENDS. BUT WHAT THE COURSE MIGHT BE, WHERE OR WHEN A BREAKTHROUGH MIGHT COME, SOME EVIDENCE ON THEIR PART OF BEING WILLING TO TAKE AS GOVERNOR HARRIMAN SAID, SOME RECIPROCAL MEASURES, SOME EVIDENCE OF SOME WILLINGNESS TO DE-ESCALATE IN SOME SENSE, I COULD NOT SAY.

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RSR 01, /128 W

R 291130Z JUN 68
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC 5790
INFO USIA WASHDC
DOD WASHDC
CINCPAC
AMEMBASSY PARIS
CO I CTZ DANANG
CO II CTZ NHA TRANG
CO III CTZ BIEN HOA
CO IV CTZ CAN THO

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29. QUESTION: IN THAT REGARD, SECRETARY RUSK IN A RECENT PRESS CONFERENCE SPOKE ABOUT A HALT IN THE SHELLING OF SAIGON, JUST THAT SORT OF KIND OF DE-ESCALATION. WE HAVEN'T HAD SHELLING IN SAIGON FOR SIX DAYS. DO YOU ATTRIBUTE ANY SIGNIFICANCE TO THAT, OR IS IT JUST A QUESTION OF TACTICS ON THEIR PART, OR A SUPPLY PROBLEM?

30. AMBASSADOR: I DON'T KNOW. IT IS HARD TO SAY IF IT IS A QUESTION OF SUPPLIES OR A QUESTION OF TACTICS. IT COULD BE A QUESTION ALSO OF BETTER DEFENSE ARRANGEMENTS WHICH HAVE BEEN MADE AND ARE BEING MADE HERE. THESE ARE CERTAINLY MUCH MORE EFFECTIVE WITH THE APPOINTMENT OF THE NEW COMMANDER OF THE MILITARY DISTRICT, AND THE CLOSER COORDINATION BETWEEN HIS HEADQUARTERS AND GENERAL HAY'S. JOINT PLANS WHICH HAVE BEEN WORKED OUT SHOULD PROVE VERY EFFECTIVE. IT MAY BE THE COMBINATION OF ALL THOSE THINGS.

31. QUESTION: DO YOU FEEL THERE IS A SLIM POSSIBILITY THAT

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PAGE 02 SAIGON 31331 03 OF 06 291600Z

THIS IS THE KIND OF RESPONSE THAT RUSK SPOKE OF?

32. AMBASSADOR: IT COULD BE, I DON'T KNOW.

33. QUESTION: SIR, IN YOUR KNOWLEDGE OF NEGOTIATIONS DO YOU GET ANY IMPRESSION THAT THE TALKS IN PARIS MAY NECESSARILY GO ON UNTIL ANOTHER PRESIDENT? DO YOU SEE ANY POSSIBILITY THEY COULD BE RESOLVED SUCCESSFULLY BEFORE NEXT JANUARY?

34. AMBASSADOR: I THINK IT DEPENDS ON HANOI'S ATTITUDE. IN MY EXPERIENCE IN NEGOTIATIONS, THEY CAN GO ON FOR A LONG TIME. EVERY NEGOTIATION I HAVE BEEN IN HAS GONE ON MUCH LONGER THAN I THOUGHT WHEN IT STARTED. I DON'T SEE ANY REASON WHY NOT HERE.

35. QUESTION: MR. AMBASSADOR, YOU SPOKE OF A CERTAIN DEGREE OF APPREHENSION IN CERTAIN CIRCLES OF THE VIETNAMESE GOVERNMENT, TO THE DEGREE OF OUR COMMITMENT HERE AND THE OUTCOME OF THE PEACE TALKS. WOULD YOU SAY, SIR, THAT THE SOUTH VIETNAMESE GOVERNMENT HAS TAKEN ANY CONCRETE STEPS BEYOND EXPRESSION OF THIS APPREHENSION TOWARD THE POSSIBILITY OF THE PEACE TALKS BEING SUCCESSFULLY CONCLUDED AND A CEASEFIRE BEING PLANNED FOR THIS COUNTRY.

36. AMBASSADOR: I AM NOT QUITE CLEAR ON YOUR QUESTION. YOU MEAN, TAKEN ANY STEPS IN ANTICIPATION? WELL, I THINK THE VIETNAMESE GOVERNMENT IS THINKING ABOUT THE PROBLEM OF PEACE, OF COURSE, THE PROBLEM OF THE NATURE OR THE KIND OF SETTLEMENT THAT MIGHT COME OUT OF THE SITUATION. WE ARE ALL THINKING ABOUT THAT. IT IS PRETTY DIFFICULT, I THINK, TO DO MORE THAN TRY TO PLAN AHEAD.

37. QUESTION: MR. AMBASSADOR. TO GET BACK TO PRESIDENT THIEU FOR A MINUTE AND HIS TRIP TO THE STATES -- IN VIEW OF POLITICAL CAMPAIGN AND THE CONVENTIONS COMING UP, IS THERE A POSSIBILITY HE WOULD CANCEL OUT THE TRIP OR CANCEL IT UNTIL NEXT YEAR. IT SEEMS THE CLIMATE IS NOT RIGHT FOR A VISIT.

38. AMBASSADOR: MY IMPRESSION IS THE CLIMATE IN THE UNITED STATES IS RATHER MORE FAVORABLE THAN A LITTLE WHILE AGO. BUT NO DEFINITE PLANS HAVE BEEN SET YET.

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39. QUESTION: DO YOU HAVE ANY FEELING, MR. AMBASSADOR, THAT THE COMMUNISTS IN GENERAL HAVE POLITICALLY AND PSYCHOLOGICALLY OVERPLAYED THEIR HAND BY REFUSING TO YIELD ANYTHING AT PARIS AND BY SHELLING SAIGON AND BY THEIR REFUSAL TO DE-ESCALATE IN ANY WAY.

40. AMBASSADOR: IT SEEMS TO ME, FOR EXAMPLE, THAT TO REFUSE TO ADMIT TO HAVE TROOPS IN SOUTH VIET-NAM IS OVERPLAYING THEIR HAND. THEIR HAVING EXHIBITED SUCH A RIGIDITY OF POSITION ON THIS HASN'T BEEN HELPFUL TO THEM AND THEIR CAUSE. THIS IS EVIDENT FROM PRESS REACTION IN THE OTHER PARTS OF THE WORLD.

41. QUESTION: MR. AMBASSADOR, THERE HAS BEEN SOME CONTROVERSY LOCALLY IN THE GVN AND LEGISLATIVE BRANCHES AND A RATHER INTERESTING SERIES OF EXCHANGES IN THE SAIGON DAILY NEWS ABOUT WHAT PROPORTION OF THE NLF CONSISTS OF MISGUIDED NATIONALISTS. DO YOU HAVE ANY READING ON THAT?

42. AMBASSADOR: I HAVEN'T -- NO.

43. QUESTION: CAN YOU TELL US ANYTHING OF DR. DAN'S CONTROVERSY?

44. AMBASSADOR: NO.

45. QUESTION: MR. AMBASSADOR, THERE HAS BEEN SOME CRITICISM FROM SOME VIETNAMESE ABOUT THE MOBILIZATION PROGRAM. THEY FEEL THAT PERHAPS THE COUNTRY WILL BE TOO STRIPPED OF MEN IN CIVIL JOBS BY THE CALL-UP PLANNED THIS YEAR. ARE YOU SATISFIED WITH THAT PROGRAM?

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FM AMEMBASSY SAIGON
TO SECSTATE WASHDC 5791
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46. AMBASSADOR: I THINK THAT IS A SERIOUS PROBLEM AND SOMETHING THEY HAVE GOT TO GIVE ATTENTION TO. I THINK IT IS VERY IMPORTANT TO KEEP THE CIVIL ECONOMY FUNCTIONING AND THERE IS A DANGER -- SOME DANGER, I THINK THAT IS A SERIOUS PROBLEM AND SOMETHING THEY HAVE GOT TO GIVE ATTENTION TO. I THINK IT HAS BEEN EVIDENCED IN SOME PLACES ALREADY; PEOPLE HAVE BEEN DRAFTED WHO ARE FAIRLY ESSENTIAL TO THE ECONOMY. I THINK THE VIETNAMESE GOVERNMENT IS NOW FULLY AWARE OF THAT AND HAS TAKEN SOME STEPS TO MEET IT. THIS IS A BIG UNDERTAKING, OF COURSE, THAT THEY ARE GOING IN FOR. IF ALL THIS MOBILIZATION IS COMPLETED THEY ARE CONTEMPLATING A MILITARY AND PARAMILITARY FORCE OF A MILLION MEN UNDER ARMS. I THINK IF YOU WANT TO MAKE A COMPARISON OF THAT, WHAT THAT WOULD MEAN IN THE UNITED STATES, IT IS FAIRLY INTERESTING. OUR ESTIMATES FROM OUR HAMLET EVALUATION SURVEY INDICATE THAT ABOUT 62-63 PERCENT OF THE POPULATION OF SOME 17 MILLION ARE UNDER GVN CONTROL; ABOUT 11 MILLION WHICH IS THE MAN POOL FROM WHICH THEY HAVE TO DRAW THEIR MANPOWER. THAT IS ABOUT 1/18TH OF THE POPULATION OF THE

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U.S. ONE MILLION MEN UNDER ARMS HERE IS THE SAME AS 18 MILLION UNDER ARMS IN THE UNITED STATES. IT IS A VERY SIZEABLE UNDERTAKING; AND IT IS NOT THAT THEY HAVE THE TOTAL POPULATION UNDER THEIR CONTROL TO DRAW FROM. IT IS A PRETTY BIG PERCENTAGE IN ANY COUNTRY, EVEN ONE AS HIGHLY DEVELOPED AS THE UNITED STATES. IT IS EVEN MORE SO IN A COUNTRY SUCH AS THIS.

47. QUESTION: MR. AMBASSADOR, IN THIS CONNECTION WHAT IS THE EMBASSY'S ATTITUDE TOWARD RAISING OF 60,000 HOA HAO AS PROPOSED BY SOME OF THE PEOPLE FROM THE DELTA AREA?

48. AMBASSADOR: WE HAVE NO ATTITUDE ON THAT SUBJECT. IT IS UP TO THE GVN TO DETERMINE. I DIDN'T REALIZE IT HAD BEEN VERY SERIOUSLY RAISED.

49. QUESTION: MR. AMBASSADOR, AS A VETERAN NEGOTIATOR, WHAT DO YOU SEE AS A POSSIBLE BREAKTHROUGH IN PARIS? WOULD IT BE A QUESTION OF FAILURE OF A MILITARY EFFORT? WHAT COULD TRIGGER OFF SOMETHING MEANINGFUL? RUSSIAN PRESSURE WHICH WE WOULD ASK THEM TO APPLY?

50. AMBASSADOR: I DON'T KNOW, IT COULD BE ALL KINDS OF THINGS. I REALLY HATE TO SPECULATE ON IT AS LONG AS I AM NOT THERE. I THINK THE IMPORTANT THING IS FIRST TO GET INTO PRIVATE NEGOTIATIONS, SECRET TALKS. THEN I THINK POSSIBLY A BREAK CAN COME. IT HAS BEEN MY EXPERIENCE THAT AGREEMENT WAS ALWAYS WORKED OUT IN PRIVATE, SECRET NEGOTIATIONS, NEVER PUBLICLY WHERE PEOPLE ARE FORCED TO TAKE POSITIONS THAT ARE NOT CONDUCIVE TO FLEXIBILITY OR COMPROMISE, WHICH IS THE ESSENCE OF NEGOTIATIONS. WE ARE NOT IN NEGOTIATIONS YET? JUST IN TALKS, PRE-TALKS, TRYING TO GET INTO NEGOTIATIONS. THAT IS ANOTHER SITUATION.

51. QUESTION: MR. AMBASSADOR, FORGIVE ME FOR GOING BACK TO MOBILIZATION AFTER WHAT YOU SAID. DO YOU THINK YOUR GOVERNMENT WILL STILL BE WILLING TO PROVIDE THOSE MILITARY MEN WITH ARMS, BECAUSE IF NOT...

52. AMBASSADOR: I THINK SO, I SEE NO REASON WHY WE SHOULD NOT. WE ARE ALREADY PROVIDING THEM WITH GOOD ARMS STEADILY, IF YOU CONSIDER THE M-16...

53. QUESTION: EXCELLENT...

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54. AMBASSADOR: THAT IS WHAT WE ARE DOING.
55. QUESTION: YOU WOULD GIVE IT TO THE WHOLE MILLION...
56. AMBASSADOR: EVENTUALLY. WE CAN'T DO IT IN A MONTH; BUT WE CAN DO IT OVER A PERIOD OF TIME.
57. QUESTION: MR. AMBASSADOR, THE QUESTION OF THE IMPOSED COALITION STILL IS BOTHERING ME A BIT. WE SAID IN THE PAST THAT WE DON'T SUPPORT A COALITION GOVERNMENT AND WE DON'T WANT TO IMPOSE ANYTHING ON THE VIETNAMESE THAT THEY HAVEN'T DECIDED THEMSELVES. THERE IS SOME REACTION ABOUT A COALITION NOT IMPOSED, IF THE VIETNAMESE ELECTED THEMSELVES TO HAVE A COALITION. I BELIEVE THIS LED TO THE INTERPRETATION OF YOUR STATEMENT A FEW WEEKS AGO...
58. AMBASSADOR: NOT MY STATEMENT, I STATED WHAT HAD BEEN SAID BY OTHERS.
59. QUESTION: YOUR STATEMENT BEFORE THE COLLEGE...
50. AMBASSADOR: I WAS QUOTING. IT WAS NOT MY OWN FORMULATION. IT WAS THE FORMULATION OF THE PRESIDENT AND SECRETARY RUSK.
51. QUESTION: COULD WE GO BACK ON THAT A LITTLE BIT AND SAY WHAT IS THE U.S. POSITION ON THIS. DO WE FEEL ANY COALITION WOULD HAVE TO BE IMPOSED?
52. AMBASSADOR: OUR POSITION IS THIS, QUITE SIMPLY, I THINK, AND I THINK IT HAS BEEN SAID MANY TIMES. FIRST, OUR POSITION IS BASED ON A HISTORIC POSITION THAT GOES BACK TO 1776, GOVERNMENT BY CONSENT OF THE GOVERNED. ONE OF OUR OBJECTIVES HERE IS THAT THE VIETNAMESE PEOPLE DETERMINE THEMSELVES THE KIND OF GOVERNMENT UNDER WHICH THEY WISH TO LIVE. THAT IS THEIR BUSINESS.

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CO II CTZ NHA TRANG
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CO IV CTZ CAN THO

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63. QUESTION: MR. AMBASSADOR, DID I UNDERSTAND BY THAT,
AS TO WHETHER OR NOT THERE IS A COALITION GOVERNMENT, THAT IS
UP TO THE VIETNAMESE GOVERNMENT?

64. AMBASSADOR: I THINK THE KIND OF POLITICAL SETTLEMENT WHICH
IS WORKED OUT HERE IS SOMETHING THE SOUTH VIETNAMESE PEOPLE MUST
WORK OUT.

65. QUESTION: PRESUMABLY THEY COULD ACCEPT A COALITION
GOVERNMENT AND WE WOULD NOT CONSIDER IT AS NOT HAVING BEEN
IMPOSED ON THEM.

66. AMBASSADOR: I SADI AT THE DEFENSE COLLEGE: "WE DO
NOT SEEK NOR WILL WE ACCEPT AN IMPOSED COALITION BETWEEN
THE LEGAL CONSTITUTIONAL GOVERNMENT OF SOUTH VIET-NAM AND THE
NATIONAL LIBERATION FRONT. THAT WAS MADE VERY CLEAR IN THE
JOINT COMMUNIQUE ISSUED BY THE REPUBLIC OF VIET-NAM AND ITS
ALLIES AT THE CONCLUSION OF THE RECENT WELLINGTON CONFERENCE.

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SECRETARY OF STATE RUSK REITERATED IT MOST RECENTLY ON MAY 15 WHEN HE DESCRIBED AS 'MISCHIEVOUS AND FALSE' SUGGESTIONS THAT THE U.S. WAS PREPARED TO IMPOSE A COMMUNIST ROLE UPON THE SOUTH VIETNAMESE GOVERNMENT AND PEOPLE REGARDLESS OF THEIR VIEWS...WHAT WE DO SEEK IS A SETTLEMENT WHICH WILL MEET THE NEED FOR A DURABLE PEACE AND STABILITY IN ALL OF SOUTHEAST ASIA."

67. QUESTION: MR. AMBASSADOR, I DON'T MEAN TO REFER SPECIFICALLY AND TO PUT UNDUE FOCUS ON YOUR SPEECH, I QUITE UNDERSTAND WHAT YOU MEANT BY THAT. THERE SEEMS TO BE A QUESTION BEING AVOIDED THAT A COALITION DOES NOT HAVE TO BE IMPOSED.

68. AMBASSADOR: IT DOESN'T HAVE TO BE BUT THIS IS SOMETHING...WHAT I AM TRYING TO GET OVER IS THIS: I AM NOT GOING TO TAKE A POSITION ON COALITION OR NO COALITION OR THE FORM OF THE POLITICAL SETTLEMENT WHICH THE VIETNAMESE PEOPLE THEMSELVES WORK OUT. OUR POINT IS IT IS FOR THE VIETNAMESE PEOPLE TO WORK OUT THEIR OWN POLITICAL SOLUTION. HOW IT MAY DEVELOP, I DO NOT KNOW. I AM NOT TAKING ANY POSITION; THE UNITED STATES GOVERNMENT IS NOT TAKING ANY POSITION. IT IS TAKING A POSITION AGAINST AN IMPOSED COALITION.

69. QUESTION: CAN YOU CHARACTERIZE THE SITUATION IN THE COUNTRYSIDE OF VIET-NAM NOW AS COMPARED TO BEFORE TET. DO YOU THINK THE PROGRAMS OF THE US MISSION AND THE GVN HAVE COME BACK TO A POINT EQUAL TO OR BETTER THAN THEY WERE AT THAT LEVEL?

70. AMBASSADOR: I DON'T THINK THEY HAVE COME BACK FULLY TO TET. OUR LAST HAMLET EVALUATION SURVEY OF PRE-TET INDICATED ABOUT 67 PERCENT OF THE POPULATION UNDER GVN CONTROL; THAT HAD GONE DOWN TO JUST UNDER 60 PERCENT DURING TET, 59.9, SOMETHING LIKE THAT; BY THE END OF MAY IT WAS BACK TO 62 PERCENT. IT IS COMING BACK GRADUALLY AND SLOWLY; IT HAS NOT YET COME BACK TO FULL PRE-TET SITUATION.

71. QUESTION: IN THAT CONNECTION WHAT IS THE EXTENT OF VIET CONG PENETRATION OF THE COUNTRYSIDE, WAS IT LESS THAN YOU HAD ANTICIPATED DURING THAT IMMEDIATE POST-TET PERIOD? IN OTHER WORDS, WHEN ALL COMMUNICATIONS WERE VIRTUALLY CUT DOWN IN THE IMMEDIATE AFTERMATH OF TET, IT WAS ASSUMED THE VIET CONG

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WERE GOING INTO THE COUNTRYSIDE AND TAKING OVER EVERYTHING. THIS IS EXAGGERATED BUT NEVERTHELESS THE FEELING WAS THERE. DID IT TURN OUT TO BE AS BAD AS SOME PEOPLE THOUGHT IT WAS?

72. AMBASSADOR: NO, IT DID NOT. IN A LOT OF PLACES THERE WERE NEITHER VIET CONG NOR GOVERNMENT FORCES. THERE WAS A VACUUM. IT TURNED OUT TO BE NOT AS BAD AS WE HAD ANTICIPATED.

73. QUESTION: ON A BACKGROUND BASIS, MR. AMBASSADOR, CAN WE GO ON TO THE LOCAL POLITICAL SITUATION INSOFAR AS THIEU AND KY ARE CONCERNED SUCH AS GENERAL THANG RESIGNED, LOAN WAS REPLACE, AND SO FORTH. HOW DO YOU SEE THE SITUATION TODAY VIS-A-VIS THIEU AND KY?

74. AMBASSADOR: NO, I DO NOT WANT TO GO INTO THAT, CERTAINLY NOT ON A BACKGROUND BASIS. MY OWN VIEW--OFF THE RECORD-- REGARDING THESE CHANGES WHICH HAVE BEEN MADE, IS THAT MANY OF THEM HAVE BEEN NECESSARY, SUCH AS OBVIOUSLY TO HAVE A COORDINATED COMMAND IN THE CAPITAL DISTRICT. THE APPOINTMENT OF GENERAL MINH HAS BEEN VERY WELL RECEIVED. BOTH THIEU AND KY TOLD ME HE WAS PROBABLY ONE OF THE BEST DIVISION COMMANDERS. OBVIOUSLY A MAYOR AND CHIEF OF POLICE ARE NEEDED TO FUNCTION. I THINK THESE ARE ALL CHANGES FOR THE BETTER IN ORDER TO CARRY ON EFFECTIVE ADMINISTRATION. IT IS MY OWN VIEW THAT THESE REPORTS ABOUT THIEU AND KY ARE HIGHLY EXAGGERATED. KY IS ACTING IN A RESPONSIBLE WAY. I FIND THIS IN TALKS WITH BOTH OF THEM ON THE PROBLEM OF PEACE AND OTHER SUBJECTS. AND I THINK THE GOVERNMENT IS FUNCTIONING WITH INCREASING EFFECTIVENESS.

75. QUESTION: HOW WOULD YOU EVALUATE THE GOVERNMENT'S PROGRAM IN THE LAST THREE OR FOUR MONTHS WITH THE PERIOD PRIOR TO THAT. DO YOU THINK THEY HAVE MADE CONSIDERABLY MORE PROGRESS THAN, SAY, DURING THE PAST YEAR OR SO, OR AS A RESULT OF THE TET OFFENSIVE?

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HAVE HAD TO BE DIVERTED TO COVER THE RECOVERY PROGRAM. BUT, THERE AGAIN, I THINK THE GOVERNMENT TOOK HOLD WITH A GREAT DEAL OF VIGOR. AS A MATTER OF FACT, I WENT OUT WEEK BEFORE LAST TO SEE THE PETRUS KY DEVELOPMENT FOR REFUGEES. THEY ARE PUTTING UP THESE PRE-FABRICATED HOUSES, AND THEIR SO-CALLED HIGH RISE APARTMENTS. THEY ARE GOING AHEAD VERY RAPIDLY; IT IS QUITE A REMARKABLE PIECE OF WORK. IT IS AN INDICATION OF CONSIDERABLE DETERMINATION TO MOVE AHEAD.

77. QUESTION: MR. AMBASSADOR, IN THE AFTERMATH OF THE TET OFFENSIVE THERE WAS MUCH SOUL-SEARCHING ON THE PART OF MANY AMERICANS HERE AS TO WHETHER WITH ALL THE PROLIFERATION OF PROGRAMS IN THE PROVINCES THERE OUGHT TO BE MORE CONCENTRATION OF EFFORTS, OF RESOURCES. DO YOU GET THE IMPRESSION IN THE TIME SINCE TET THERE HAS IN FACT BEEN ANY CONCENTRATION OF EFFORT OR REDEPLOYMENT OF AMERICAN EFFORT FROM WHAT WE HAVE LEARNED?

78. AMBASSADOR: YES, NOT ONLY OF AMERICAN EFFORT, BUT OF JOINT EFFORT; PACIFICATION IS OBVIOUSLY A VIETNAMESE EFFORT WITH OUR SUPPORTING ROLE. I THINK THERE ARE SEVERAL THINGS. IN THE FIRST PLACE, THERE IS GREATER SIMPLIFICATION OF THE OVERALL EFFORT? SECONDLY, THERE IS MORE CONCENTRATION ON SECURITY AS AN ASPECT OF PACIFICATION. IN MY VIEW SECURITY IS THE FIRST ESSENTIAL? NOT ONLY SECURITY BUT CONTINUING SECURITY. WE AND THE VIETNAMESE TOGETHER, ARE PUTTING MORE EMPHASIS ON DEVELOPMENT, TRAINING AND EQUIPMENT OF REGIONAL AND POPULAR FORCES WHO ARE REALLY THE KEY ELEMENTS IN SECURITY IN THE COUNTRYSIDE. MY OWN VIEW IS THAT CONCENTRATION ON FEWER THINGS IN THE PROGRAM WILL BE MORE EFFECTIVE.

79. QUESTION: GENERAL WESTMORELAND, PRIOR TO HIS DEPARTURE, SAID, RATHER REITERATED, HIS BELIEF THAT BY THE END OF 1969 IT WOULD BE POSSIBLE TO PHASE OUT AMERICAN TROOPS. DO YOU SHARE THAT VIEWPOINT?

80. AMBASSADOR: END OF 1969?

81. QUESTION: THAT IS WHAT HE SAID , SIR.

82. AMBASSADOR: I DON'T KNOW, I AM SURE HE IS PROBABLY BETTER ABLE TO PERFORM A MILITARY ESTIMATE THAN I AM.

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83. MR. ZORTHIAN: MAKE IT ONE MORE QUESTION...

84. QUESTION: CAN I COME BACK ONCE MORE TO COALITION...

85. AMBASSADOR: WELL, I THINK I HAVE SAID ALL I WANT TO SAY ABOUT COALITION; WE HAVE GOTTEN INTO THIS. I'LL TAKE ANOTHER QUESTION.

86. QUESTION: IS THERE ANYTHING THAT WE HAVEN'T ASKED YOU THAT YOU WOULD LIKE TO TALK ABOUT?

87. AMBASSADOR: I THINK THAT NOW I WOULD LIKE TO GET YOUR VIEWS.

88. QUESTION: WHAT HAPPENS IF THE FACT IS THERE IS CONTINUATION OF THIS STALLING AND THE ONLY PROGRESS IS THE INCREASE IN COFFEE BREAKS OVER A LONG PERIOD OF TIME (WHICH REALLY DOESN'T HELP US UNLESS SOME OF THEM ARE DIABETICS AND THE SUGAR IS HURTING THEM) IF WE ASSUME IT GOES ON AND ON, THERE ARE THOSE WHO SAY WE SHOULD ESCALATE AND RESUME BOMBING OF NORTH VIET-NAM. PERHAPS IT IS A TOUCH SUBJECT, AND YOU WOULD RATHER GO OFF THE RECORD; BUT, COULD YOU GIVE US YOUR VIEWS ON THE PROSPECTS OF THAT HAPPENING?

89. AMBASSADOR: ALL I WANT TO SAY ABOUT IT IS TO QUOTE WHAT GOVERNOR HARRIMAN SAID, THE ATTACKS ON SAIGON CAN HAVE THE MOST SERIOUS CONSEQUENCES ON THE TALKS. HE MADE THAT QUITE CLEAR IN THE EIGHTH MEETING.

90. MR. ZORTHIAN: LET ME REMIND YOU, ATTRIBUTION TO SENIOR AMERICAN OFFICIAL OR SOME SIMILAR PHRASE. TWO POINTS ARE OFF THE RECORD: THE AMBASSADOR'S COMMENT ON PRESIDENT THIEU'S AND KY'S REACTION TO PARIS TALKS AND HIS COMMENTS ON THEIR RELATIONSHIP. OTHER THAN THAT THE REST OF THE MATERIAL IS USABLE. THANK YOU VERY MUCH, SIR.

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Saturday, June 29, 1968
2:30 p. m.

Pres file

Mr. President:

Herewith an exceedingly helpful memorandum from Gen. Taylor. I have made it available to Katzenbach.

W. W. Rostow

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DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 9-1-92

WWRostow:rln

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June 29, 1968

MEMORANDUM FOR THE PRESIDENT

Subject: Comments on the Vance-Zorin talk 28 June 1968

The following thoughts arose upon reading the cable reporting the Vance-Zorin meeting of 28 June.

a. Need for concrete proposals covering actions to be taken in Phase II.

Zorin makes the point that now is the time to come forward with specific proposals for Phase II. I agree and append a possible scenario for consideration. (Appendix 1).

b. Significant points in Zorin's proposal for Phase II

Zorin undertakes to define what is meant by the DRV slogan "No reciprocity." It means no public linking of our cessation of bombing with any act of de-escalation by the DRV and assumes that the lapse of 2-3 weeks will void any suspicion of linkage. I can not believe that he thinks that our "deal" would not leak out in such a period when all the press in the world would be trying to find out why the U.S. had abandoned its position on the bombing and had exposed its troops and those of its allies without compensation to the consequences of no-bombing. Might not the inevitable leak be used as an excuse to renege on Phase II agreements?

c. Need for bombing to defend our troops

Zorin picks up this weak argument of ours and points out that it is the only basis for our demand for reciprocity. It is time for us to drop it as a primary reason for no bombing-otherwise we give the impression of fearing for the safety of our vastly superior ground forces while being indifferent to the safety of the civilian population in South Viet-Nam. It should be defended as offsetting in part the attacks on the cities, the increased terrorism in the countryside (e.g. the destruction of Song Tra #1 reported this morning), and the massive infiltration of troops from North Viet-Nam.

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E.O. 12356, Sec. 3.4
NJ 92-383
By mg, NARA, Date 8-12-93

d. Prospect of a negotiation stalemate

Phase II as Zerin describes it would be an endless sequential debate over thorny issues which are a deliberate mixture of military and political subjects, many of vital consequence to the GVN and our other allies. If we took his scenario unchanged, we would have no assurance of any compensation for the cessation of the bombing, but would be assured of a drawn-out wrangle and very unhappy allies.

e. Aerial reconnaissance of North Viet-Nam

It is interesting to note that Zerin did not pick up the point that we are not including a cessation of aerial reconnaissance along with the bombing. Ha Van Lau did not miss the point which is likely to become an issue shortly.

I am with Zerin on the point that we need a U.S. position on Phase II and submit Appendix 1 as a possible scenario for discussion. I am impressed with the amount of coordination with allies which is implicit in any such plan.

M.D.T.

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A Proposed Scenario for Phase I - Phase II Negotiations

Phase I

Agreements to be reached in Paris on:

- a. Date when bombing stops.
- b. Manner and timing of the demilitarization of the DMZ.
- c. Manner and timing of the subsidence of attacks on civilian populations (cities and towns) in South Viet-Nam.
- d. Time, place, representation and agenda of Phase II negotiations.

Phase II

(Consists of three negotiation packages A, B & C)

Negotiation A

A continuation without interruption of the present negotiations in Paris with observers added representing the GVN, the Troop Contributing Countries (TCC) and the NLF.

Agenda: Cessation of external reinforcement and infiltration; withdrawal of foreign troops from South Viet-Nam and Laos; international supervision of the execution of the preceding agreements; plans for the economic development of Southeast Asia.

Negotiation B

A meeting of representatives of the military commanders of the GVN, US, TCC, DRV and NLF, preferably in the DMZ.

Agenda: Conditions of a cease-fire; plans for the movement of units and individuals under terms of agreements reached in these negotiations; logistic arrangements to support agreements; if possible, the agenda indicated below as Negotiation C.

Negotiation C

A meeting of representatives of GVN and NLF in Paris or elsewhere (if this negotiation cannot be absorbed into Negotiation B). U.S. and DRV to provide observers.

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Agenda: The future of the VC (political, economic and social arrangements).

Timing

Negotiation A continues in Paris without interruption.

Negotiations B and C begin as soon as necessary arrangements can be made.

Confirmation and international guarantee of the final settlement.

Takes place in Paris as a final act by an appropriately expanded Negotiation A group.

Pres file

20

Saturday, June 29, 1968
12:15 p. m.

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MR. PRESIDENT:

Herewith General Taylor reflects on Cy's private session.

He is doing a second memo on the Vance-Zorin conversation.

We both agree that it is now our interest to come up with a precise formula for a bombing cessation and the structure of subsequent negotiations.

In effect, both Zorin and were asking: What precisely do you want? And they are saying: the other side is waiting.

1.3 (a)(5)

The Russians may not be correct on the second point; but I believe we should put our negotiators in a position to take the initiative.

W. W. Rostow

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E.O. 12356, Sec. 3.4
NLJ 92-383
By Kip, NARA, Date 8-12-93

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THE WHITE HOUSE
WASHINGTON

June 29, 1968

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MEMORANDUM FOR THE PRESIDENT

Subject: Comments on the Vance/Ha Van Lau Meeting June 27/28 (Paris 17153)
(prepared prior to receiving the report of the Vance-Zorin meeting
28 June)

The report of this meeting is very interesting and, although inconclusive, is moderately encouraging in offering the possibilities of further substantive talks in private. I have a few specific comments which may be timely in preparing a position for the next meeting of principals on Wednesday, July 3rd.

Reciprocity

At some point, our negotiators are going to have to speak bluntly with regard to the essentiality of reciprocity if we are going to have productive negotiations. Reciprocity is the essence of negotiations which, by their nature, imply concessions in exchange for concessions. It is about time to tell the Hanoi representatives that we are not going to concede the remnants of our bombing without some very clear understandings as to the "circumstances" which will follow the cessation of our bombing. These concessions should be such as to permit us to conduct subsequent negotiations over a period of months without incurring military disadvantages.

In this connection, we should not be discouraged by the flat refusal of the Hanoi delegation to consider reciprocity and their insistence upon treating it as a dirty word. They have abandoned more deeply entrenched positions in the past such as their long-term insistence on a complete end of the bombing before any discussions could take place. Of late, they have virtually conceded a second capital point, namely, that they really do have North Vietnamese troops in South Viet-Nam. My feeling is that they will give away on the reciprocity issue also if we show no sign of yielding.

"Circumstances" Following a Cessation of Bombing:

It seems urgent to me that we decide here in Washington exactly what are the "circumstances" which are a prerequisite to a cessation of the bombing. I have always assumed that by "circumstances" we mean assurances bearing on the future behavior of the North Vietnamese/Viet Cong on the battlefield and at the negotiating table during the period in which we abstain completely from

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NEJ 92-383
By ijp, NARA, Date 8-12-93

bombing North Viet-Nam. Thus far, we have cited examples of possible "circumstances" without being really specific. Prior to the Wednesday meeting, I believe that we should hammer out among ourselves exactly what we shall require in terms of promises of future performance.

Negotiations Following the Termination of our Bombing:

Among the "circumstances" to be agreed are not only the actions of de-escalation to compensate for the cessation of our bombing but also the form and substance of negotiations which are to follow. Before stopping the bombing, we should know the place, date and representation for the subsequent negotiations and have a general understanding on the agenda.

Miscellaneous Points

You will have noted the view expressed by Vance that the cessation of the bombing will not be linked publicly to the acts of mutual restraint which follow, presumably in the hope that the world will never know that there has been a deal between us. I would think it impossible to keep our understanding secret, particularly since it will have to be communicated shortly to the GVN and nothing of this nature is kept secret long in Saigon. Also, the US press is thoroughly capable of ferreting out such a deal.

I thought our representatives were far too tepid in defending the importance of the bombing to our side. It is not a convincing argument to say that the bombing is necessary to protect our troops. It has this indirect effect but there are far more compelling reasons which lead us to feel that we must receive compensation for a total cessation. For one thing, our allies are going to be most unhappy if we give up the bombing without payment, a fact which we should not hesitate to use in defending our position in Paris. Meanwhile, the mildness of our response on the bombing encourages the other side to believe that we agree that it has been ineffective and counter-productive. Such a misapprehension is bad since it removes concern by the Hanoi leaders that, if they go too far, we will resume the bombing in the face of domestic and international criticism.

Recommendations

My principal recommendation at this point is that we proceed as a matter of urgency to develop our list of essential "circumstances" and our preferred scenario for future negotiations. Also, I suggest that Vance disabuse his opposite numbers with regard to the unlikelihood of our returning to bombing even if the DRV/VC commit aggressive excesses in South-Viet-Nam. (My comments on the Vance-Zorin meeting are being submitted separately).

M.D.T.
M.D.T.

SECRET

21

Saturday, June 29, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Dealing with the Sterling Balance Problem

Pres file

The troubles of the French franc are adding to the pressures on sterling. Our objective is to avoid either a French devaluation or a floating rate for sterling. One would probably touch off the other. Both would cause monetary chaos.

One part of our program to deal with this threat is to get the Germans and possibly a few of the other European surplus countries to up-value their currencies. Deming and Gene Rostow tried this out on Kiesinger and the German financial officials when they were in Bonn for the offset negotiations. The Germans were not forthcoming but they know this is one possibility. They agreed to continue serious bilateral discussions with us on these international monetary issues.

The second part of our program is to reduce the pressure on the UK by doing something about sterling balances held abroad. These balances as of December 1967 totaled about \$10 billion, broken down as follows:

	<u>In billion dollars</u>
Official reserves held by sterling area countries	5.3
Private holdings in sterling area countries	3.0
Public and private holdings in non-sterling area countries	<u>1.8</u>
Total	10.1

The real threat to the system comes from the official liquid holdings of sterling area countries -- of the \$5.3 billion about \$1.2 billion is in long-term form and not likely to be cashed in. The rest of these reserves are vulnerable. Countries holding them are jittery about sterling and have already cashed some in. They want to transfer either into gold or dollars. This causes a drain on UK foreign exchange reserves and also a drain on our gold stock.

SECRET

DECLASSIFIED
E.O. 13292, Sec. 3.4
By *BP*, NARA, Date *12-21-09*

SECRET

- 2 -

If these official reserves can be stabilized, the other sterling holdings probably would cause little problem. For the most part they are needed for current financial and trade transactions.

The central bankers have been working on a British proposal to deal with the problem. The proposal comes down to the following:

-- The British would guarantee governments holding sterling reserves against a future British devaluation. (The British calculate this would require an exchange value guarantee on \$3.3 billion.) In return the British would try to get the holders of these sterling balances to agree not to shift out of sterling except to finance a balance of payments deficit.

-- The major industrial countries -- about thirteen -- would provide the British with a long-term credit of \$2 billion. This credit would serve as a "safety net". It would be used to offset such liquidations of official sterling balances as took place and any private holders that wanted to get out of sterling.

The issue we face is whether we should participate in this safety net, and if so, how it would be done.

Participation probably would be in proportion to a country's reserve holdings. It is also probable that the French would now be excluded. On this basis our share would be about \$700 million. The remaining \$1.3 billion would be taken up by the Europeans, Japan, and Canada.

The terms of this credit would provide for drawings by the British for the first three years, a subsequent two-year grace period, and amortization over the succeeding five years.

The form of the credits would be UK drawings in the Bank for International Settlement which in turn would draw on the countries making up the safety net. These countries could provide short-term swaps or deposits to the BIS -- with the understanding that they would be renewed or funded.

All of your advisers believe that the problem is critical, that U.S. interests require that it be solved quickly, and that U.S. participation is essential. We will be expected to take a position at a meeting to be held in Basle next weekend. Vice Chairman Robertson will represent us at that meeting.

SECRET

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- 3 -

Your advisers also believe this must be done without budgetary impact.

We believe the best way to accomplish this is through the cooperation of the Exchange Stabilization Fund and the Federal Reserve.

The Exchange Stabilization Fund would act as principal for U.S. participation and take the credit risk. But since its resources are limited, it would call on the Federal Reserve, as necessary, for help.

The Federal Reserve Act stringently limits the Fed from acquiring long-term foreign assets, But the Fed probably can take assets acquired by the Exchange Stabilization Fund as long as it has assurance that these assets can be put back to the Treasury when necessary. It has done so in the past. The Fed presumably would exercise this right only with adequate notice and with regard for the resources available to the Exchange Stabilization Fund.

With your approval of our participation and your endorsement of the approach, Bill Martin believes he can get the agreement of the Federal Reserve Board and Open Market Committee.

Secretary Fowler recommends a meeting with you on Monday afternoon to go over this issue.

If a meeting is feasible, I recommend that Secretary Fowler, Deming, Bill Martin, Robertson, Gene Rostow, Okun, Fried and myself attend.

W. W. Rostow

Arrange meeting _____

Disapprove _____

Call me _____

~~SECRET~~

ERF:mm

22

Saturday - June 29, 1968
1:45 p.m.

Pres file

Mr. President:

Herewith a memorandum from Ambassador Duke asking for a decision on the presentation gift you would like to give the Chiefs of State at San Salvador.

W. W. Rostow

Attachment

22a

THE CHIEF OF PROTOCOL
DEPARTMENT OF STATE
WASHINGTON

June 29, 1968

MEMORANDUM FOR THE PRESIDENT
THE WHITE HOUSE

Due to the limitations on time, and the fact that the Tiffany factory is completely shut down for the next week, it is recommended that during the forthcoming meetings with the Presidents of Central America, either of the following would be an appropriate gift for presentation to the Chiefs of State:

- (1) Sterling silver cigarette box engraved with an appropriate inscription, bearing the Presidential Seal and the Seal of the Host Organization, ODECA (Organization of Central American States). Galt & Bros. Jewelers here in Washington have assured us that if we place the order by 9:30 AM on Monday morning, they would be able to prepare the boxes for us.

APPROVE: _____


DISAPPROVE: _____

- (2) Custom made Bulova Presidential Desk Clock engraved with the Presidential Seal, and in a leather presentation case. Costa Rica has had one, so only this country's President would need an alternate gift, such as above.

APPROVE: _____

DISAPPROVE: _____

I would need to have your judgment on this by Monday morning in order to accomplish either possibility.


Angler Biddle Duke
Ambassador

Copies:
Mr. Bowdler, Mr. Rimestad, Mrs. Abell

INFORMATION

~~SECRET~~
EYES ONLY

Saturday, June 29, 1968 - 1:10 pm

Mr. President:

Herewith a most sensitive document indicating:

-- A 17 July meeting in London between Herzog and the Jordanian Foreign Minister;

-- Agreement in principle to a Hussein-Eshkol meeting in the Ellat-Aqaba area later, if Hussein concludes such a meeting could be conducted securely.

Also attached is a conversation of Ball's with Bunche, which indicates that:

-- Jarring received a much more forthcoming proposal from Cairo than he had expected;

-- The Soviets may be pushing the Jarring mission rather than trying to force a Security Council confrontation;

-- George Ball's conclusion is that we must now get a more forthcoming position from Israel with respect to direct negotiations, plus "an indication as to where Israel considers secure boundaries should be drawn."

A good deal hinges on Nasser's discussions in Moscow next week.

~~SECRET~~

W. W. Rostow

WWRostow:rln

DECLASSIFIED
Authority FRUS, Vol XX # 204
By NARA, Date 10-5-01

ACTION

26

~~CONFIDENTIAL~~

Saturday, June 29, 1968 - 10:00 a.m.

Pres file

Mr. President:

Herewith Sec. Rusk recommends that you approve in principle a trip to Asia by Eugene Black in September. The background is indicated in the attached memorandum of conversation of my talk with Black some days ago.

Sec. Rusk, Bill Bundy, and I feel his trip could be helpful, even if the special funds for the Asian Development Bank are not authorized by the Senate.

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 9-1-92

cc: E. Hamilton
M. Wright

WWRostow:rln

26a

THE SECRETARY OF STATE
WASHINGTON

~~CONFIDENTIAL~~

June 28, 1968

MEMORANDUM FOR THE PRESIDENT

Subject: Trip to Asia by Mr. Eugene Black

Recommendation:

I recommend that you approve in principle a trip by Mr. Black to Asia in September with:

- a firm commitment for a major speech in Japan;
- a mission to represent the US at the dedication of the transmission line for the Mekong River project dam now being constructed in Laos;
- possible visits to Cambodia and other Southeast Asian countries if all factors warrant;
- a visit to Manila to get a first-hand feel of the Asian Development Bank operation there.

Approve _____ Disapprove _____

Please call me _____

Discussion:

Mr. Black has consulted in the last week with Walt Rostow and Bill Bundy on this possibility.

DECLASSIFIED
Authority RAC 22765
By iss NARA, Date 3-13-98

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

The immediate question is whether he should accept an invitation to speak in mid-September before the Research Institute of Japan. This is the most important and influential forum in Japan, and a succession of American representatives have spoken there in recent years -- General Taylor, George Ball, Alex Johnson, and Bill Bundy specifically. A speech by Mr. Black on this occasion would reach a wide and important audience in Japan and indeed in all Asia. In Japanese terms, it would provide the perfect occasion for stressing the importance of greater Japanese effort in Asia.

Hence, it is my judgment that this engagement alone warrants the trip and your approval in principle.

In addition, the timing now looks as if it would fit the dedication of a transmission line of the Nam Ngum project now being constructed in Laos. Mr. Black's attendance on this occasion would be a strong symbol of our continuing interest in the Mekong project, and an ideal occasion for talks with the Thai and Lao heads of government, both of whom will be in attendance. Mr. Black could use this visit to discuss acceleration of feasibility studies for the Pa Mong dam, which is the key project in the whole Mekong scheme.

Thirdly, it is entirely conceivable -- subject to further judgment between now and September -- that Mr. Black could make a useful visit to Cambodia on Mekong matters. This could develop broader political significance, but on any basis the visit could be useful.

Lastly, Mr. Black might find it wise to stop in other Asian capitals and specifically to visit Manila in order to discuss the operations of the Asian Development Bank at first-hand. He would thus put himself in a strong position to serve as a continuing advocate for US support for the Asian Development Bank, in whatever role your successor might wish to use him.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

More broadly, Mr. Black seems to me an ideal spokesman for the U. S. to the people of Asia at this particular time. He is your appointee, and would speak in that capacity. But it would not be lost on Asians that he is a unique senior statesman with influence in both Parties, who comes as close as any man can to being a symbol of continuity in U. S. concern for Asia and for Southeast Asia in particular. To the extent that there are fears in Asia that the U. S. will pull back, a Black visit would be as useful as any single move in allaying such fears.

Mr. Black has of course taken into account the possibility that the Senate will not act favorably on the authorization for special funds for the Asian Development Bank. He and we feel that it would help his trip considerably if this authorization goes through. However, we are equally clear that if it should fail of passage, his visit might be the best way to cushion the adverse impact.

Mr. Black's immediate concern is that he wishes to reply promptly to the Japanese invitation. For the moment, this would be the only firm engagement in the visit, and the rest would be worked out in continuing consultation with Walt Rostow, AID, and Bill Bundy. I most strongly believe that this is a worthwhile project and recommend your approval in principle, so that he can go ahead at once to accept the Japanese invitation.

Messrs. Gaud and Walt Rostow concur in this recommendation.

Dean Rusk

Dean Rusk

~~CONFIDENTIAL~~

26b

Friday, June 21, 1968
9:30 a. m.

CONFIDENTIAL

MR. PRESIDENT:

Eugene Black came in yesterday to report the following to me.

1. In the wake of the earlier 7 to 7 vote on the Special Fund of the Asian Development Bank, he went to work on the Senate Foreign Relations Committee. He now believes the following will vote for the authorization:

- Fulbright
- Sparkman
- Hickenlooper
- McCarthy
- Alton
- Cooper
- Dodd
- Carlson
- Pell
- Total: 9

Possible, after recent talks with Black:

- Lenscho
- Case
- Church
- Total: 3

Firmly against:

- Williams
- Mundt
- Morse
- Gore
- Symington
- Total: 5

2. He says that in this effort he has received no support from the Treasury. Fowler and Barr have been lobbying for IDA but not the ADB.

3. He feels that some of the positive votes may not hold up unless there is an indication of serious united Administration support for the authorization.

4. It is his hope that you would ask Fowler to get behind the ADB Special Fund after the tax bill is passed. It would also be immensely helpful if you could tell Sparkman firmly that you would like to have this moved forward on an authorization basis even though there will be no appropriations for some time.

DECLASSIFIED

Authority RAC 22760

By ju NARA. Date 12-5-97

5. Black says that whether the ADB Special Fund moves forward in the Congress has some bearing on two enterprises in which he might otherwise wish to engage and which might be helpful to the government. In each case he would feel somewhat embarrassed if he had to perform against the background of a failure to move the ADB bill forward.

6. The first of these concerns Cambodia. Next the potential donors for the Prekh Thanat dam are meeting in Bangkok. There are some problems *about* administration, but it looks not impossible that the money can be rounded up without U. S. participation (you will recall that we decided not to put the question of U. S. contribution up to Congress because of the Cambodian tie to the war in Vietnam). If the donors agree, he would like to go out to Asia to talk with the Cambodians about the project and the further development of the Mekong River enterprise. In the course of this trip, he would like to be present at the dedication of the first transmission line in Laos from the Nham Gum dam to Vientiane. If we wished him to raise any non-Mekong issues with Sihanouk, he would be glad to do it. He would be equally glad simply to stick to his *Mekong* business.

7. He has been strongly urged by Alexis Johnson to come to Japan in September to speak to an audience of some 5,000 Japanese leaders. It would be a good occasion for him to engage the Japanese further in the aid business. He would, however, feel awkward going out if he were in a position where the Japanese had committed themselves to \$100 million for the ADB Special Fund and we had not been able to move it at all in the Congress.

My own reflection on the problem is this:

- Gene Black has been a good and effective soldier on the ADB business. That, in itself, should not, however, determine whether or not you urge Fowler and Sparkman to move forward in this matter.
- The reason I should like to see the ADB move forward is because it represents a substantial achievement of your Administration, and I would like to see the institution left in the best possible shape at the close of this Administration.

W. W. Rostow

~~CONFIDENTIAL~~

Pres file

ACTION

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

27

~~CONFIDENTIAL~~

Saturday, June 29, 1968 - 9:15 am

MEMORANDUM FOR THE PRESIDENT

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-18

SUBJECT: Education Sector Loans for Brazil and Chile

By WJ, NARA, Date 5-22-95

Herewith the last two loan papers requiring your approval under the new commitment procedure. I regret their eleventh-hour nature, but the AID-BCB-Treasury clearance process delayed their reaching me, until 8:30 last night.

Both are education sector loans: \$16 million for Chile and \$32 million for Brazil. The Chilean sector loan (Tab A) is the second in this field. Performance under last year's loan was excellent. This one is designed to help President Frei expand on past achievements.

The Brazilian loan (Tab B) you authorized last February as part of the total assistance package for FY 1968. But you asked that it be checked back with you before signing.

As reflected in the current student disturbances in Brazil, educational reform and improvement of facilities, particularly at the secondary and university levels, has been sadly neglected by the Castello Branco and Costa e Silva governments. Past efforts on our part to get them to correct the situation have not been successful. The large sector loan negotiated, which carries a heavy Brazilian self-help commitment, will hopefully start in motion a major overhaul of the secondary school system where the need is most critical.

Both loans come to you endorsed by Gaud, Cliver and Zwick and approved from a balance of payments standpoint by Secretary Fowler. Neither Chile nor Brazil have engaged in heavy military purchases during FY 1968 that would bring the Symington and Conte-Long amendments into play. We know of no intention of them to do so in the near future.

Both loans advance the priorities agreed at Punta del Este. They have been carefully negotiated in terms of educational objectives in each country and self-help requirements. I recommend approval.

W. J. Softow

Chilean Loan: Approve _____ Disapprove _____ Call me _____

Brazilian Loan: Approve _____ Disapprove _____ Call me _____

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27a

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

JUN 26 1968

MEMORANDUM FOR THE PRESIDENT

Subject: Chile Education Sector Loan

Bill Gaud requests your approval to authorize a \$16 million education sector loan for Chile. Last June you approved a similar education loan to Chile for \$10 million for the first year of a five year program. The present loan covers an 18-month period to phase our reviews into Chile's budget year cycle.

Chilean performance under the first education loan has been excellent. Virtually all targets have been met or exceeded:

- All elementary schools have adopted a thoroughly modernized first grade program
- Government investment in education rose from 5.4% of total public investment in 1966 to 6% in 1967
- 139 pilot schools have adopted modernized second and third grade programs
- 13 regional vocational training centers are being constructed.

This loan will support Chile's efforts to expand these achievements:

- public investment in education will increase to 6.5% of total public investment in 1968
- the modernized second, third and ninth grade programs will be adopted throughout Chile
- the 139 pilot schools will adopt modernized fourth and fifth grade programs
- important administrative, managerial and procedural reforms will increase educational productivity.

The loan will be released in three tranches, the first immediately, and the last two (in January and July 1969), following satisfactory reviews of performance.

Balance of Payments. Secretary Fowler agrees that tying procedures under this loan will minimize its impact on the U. S. balance of payments. *X 1/15/69*

Symington and Conte-Long Amendments. Gaud advises that no action under these amendments is necessary with regard to Chile. Chile, in fact, has reduced military expenditures to devote more resources to agriculture and education.

Recommendation. I recommend that you authorize this \$16 million education sector loan for Chile.

Charles J. Quirk
Charles J. Quirk
Director

Attachment

Approve _____

Disapprove _____

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington 25, D. C.

JUN 21 1968

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OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed A.I.D. Sector Loan for Education in Chile

I recommend that you authorize me to proceed with a loan of \$16.3 million to the Government of Chile for the education sector.

Background

The quality of primary and secondary Chilean education is generally low. There has been a general stagnation through the system with the result that curriculum development, teaching methods and use of instructional material lag behind many modern developments. There has been a gross lack of educational opportunities for the lower income groups. The organizational and administrative arrangements of the Ministry of Education need strengthening to implement many of the planned reforms.

The present government, however, is committed to a program of educational reform as a major vehicle for social mobility and as a basic element in its effort to accelerate economic development. To guide its action in this endeavor, the Ministry of Education has prepared a five-year comprehensive education reform plan.

By 1971 the government plans to achieve a thorough upgrading of quality throughout the system as well as a quantitative expansion of education opportunities. Quality improvements would include: (a) a complete modernization of curriculum in the first eight years of basic education, in the four years of middle level general education, and in the four years of middle level vocational education; (b) massive use of teaching materials; (c) expansion of in-service teacher training; (d) improvement of pre-service teacher preparation; and (e) introduction of testing, guidance and evaluation systems. Six years of general education will be provided for all primary school-age children. Although the eight year general basic education structure will be in effect, there will be a time lag in raising the basic educational level to eight years of general education for all students. The aim is to increase the proportion of the 15 to 19 age group in school from 28% in 1965 to 35% by 1970 and to 50% by 1975.

On June 28, 1967 you approved a \$10 million education sector loan for Chile. That loan was conceived as the first phase of a U.S. assistance program to help finance Chile's education reform plan. The loan was linked to a number of specific measures to be undertaken by the Government of Chile in the education field and to overall performance towards achieving the objectives of the reform program.

The reform plan envisions a 3% annual increase in capital expenditures through 1971. In order to finance the plan, the GOC has estimated that it will need, in addition to its own investment, a total of \$60 million from A.I.D. and \$14 million from the World Bank, with which it is now negotiating. In order to be most responsive to GOC needs and to permit meaningful reviews of progress, the second phase of A.I.D. assistance to the education sector should be geared to the GOC budget year. For that reason we propose a \$16.3 million loan to cover the balance of calendar year 1968 and calendar year 1969.

1968 Sector Loan

The proposed loan will be to the Government of Chile with the Ministry of Education acting as the representative of the government. As in the first education loan, one of the objectives is for an increase in the relative share of Chilean Government investment resources devoted to education. In 1968 Chilean public sector investment in education is planned at 6.5% of total public sector investment compared with 6% in 1967 and 5.4% in 1966.

This second loan will continue to support activities by the Ministry of Education in the following areas:

Structural Reform: The second and third grades of general basic education involving modernized programs of study, retrained teachers, and revised teaching methods will be adopted throughout Chile. Modernized fourth and fifth grade programs will be added in the initial group of 139 pilot schools which initiated the first two grades in 1966 and the third in 1967. The first year of the new middle level education cycle will be instituted in all middle level schools throughout Chile.

Educational Productivity: The Ministry of Education will continue to make administrative, organizational and procedural improvements in seeking a more efficient and modern education system. The new administrative and guidance programs set up in 1967 and 1968 will be strengthened and evaluated to improve the planning, budgetary and management processes of the Ministry of Education.

Curriculum Development: Detailed study programs will be developed in both general and vocational education activities for the second year of middle level school and grades 5 thru 8 in the primary level. Teacher guidance and course materials will be prepared for the new programs of study instituted in the first two years of middle level education and grades 1, 2, 7 and 8 of general basic education cycle. If the curricula are developed at least 1.5 million free textbooks will be distributed to students in both general basic and middle level schools.

Expansion of Education Facilities: Approximately 120,000 square meters of new schools will be constructed primarily in marginal areas to provide universal educational opportunities. Approximately 20,000 square meters of new regional education centers will be constructed throughout Chile offering courses in vocational and middle level general education. Approximately 50,000 square meters of the existing 48 middle level vocational schools will be remodeled and reequiped.

Self Help

Generally the targets and goals of the first education sector loan were met and sometimes exceeded. 1967 expenditures by the Government of Chile in education exceeded their target by approximately \$16 million. Considerable progress has been made in effecting administrative and financial management reforms. As a result it has been possible to translate the 5 year plan and its broad objectives into working plans and to establish physical targets for textbook distribution, teacher training and expansion of school construction at all educational levels. All elementary schools have adopted the new plan and approach in the first grade. Second and third grade courses have been modernized in 139 pilot schools. The eighth grade has been removed from middle level education and added to the general basic education cycle. Curriculum has been modernized and expanded in the early grades of the primary level and the first year of middle level education. Construction has begun on 96 primary schools, rather than 70, as originally planned. Work has begun on 11 regional education centers. Forty-two vocational schools have been selected for consolidation and diversification. Training courses have been given to 12,724 general basic and middle level school teachers, supervisors and administrators.

Balance of Payments

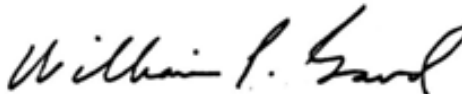
U.S. assistance dollars will continue to be used exclusively for the purchase of goods and services in the U.S. Approximately \$12.3 million from this loan will be used to generate local currency for education sector support under the Special Letter of Credit procedure. Approximately \$4 million will cover costs of U.S. goods and services including up to \$300,000 for technical assistance required directly by the Ministry of Education. Improved aid-tying techniques will be used and additional incentives will be given to Chilean importers to purchase in the U.S. in an effort to improve further the U.S. share of the Chilean market.

Symington and Conte/Long Amendments

Barring a major change in the military equipment purchase plans of the GOC, no deduction will be required from U.S. assistance to Chile for FY 1968 as a result of the Conte/Long amendment to the Foreign Assistance Appropriation Act. State/AID in consultation with the inter-agency advisory committee concerned with the implementation of section 620(s), the Symington amendment to the Foreign Assistance Act, has determined that U.S. development assistance to Chile is not being diverted to military uses nor are Chile's own resources being diverted to unnecessary military expenditures in a way which materially interferes with its development. On the contrary Chile has diminished the share of resources to be used for military purposes in order to increase its expenditures in the high priority development areas of agriculture and education.

Recommendation

That you approve the authorization of \$16.3 million education sector loan to Chile.



William S. Gaud

~~CONFIDENTIAL~~

674

27c

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

JUN 26 1968

MEMORANDUM FOR THE PRESIDENT

Subject: Brazil Education Sector Loan

Bill Gaud requests your approval to authorize a \$32 million Education Sector Loan for Brazil. Last February you authorized negotiation of this loan as part of a \$225 million FY 1968 assistance package, with the understanding that it would be submitted to you for final approval before signing.

Brazil's secondary schools are not producing enough of the middle-level managerial and technically skilled personnel required for economic development. Improvement in the secondary school system depends primarily on state governments. The proposed loan will assist four selected states that are most willing and able to introduce necessary reforms.

Self-help. Our funds will be matched by combined Federal and state budgetary allocations. In addition, the participating state governments must agree to increase the share of education in total outlays from 20% to 30% in the next five years.

In attempting to break the education bottleneck, the loan and the matching Brazilian contribution will finance

- construction and equipment for 291 new multi-purpose secondary schools and a model school in each of the 19 state capitals
- conversion of 30 traditional academic secondary schools to multi-purpose secondary schools
- training for 27,000 teachers and administrators
- enrollment of an additional 240,000 secondary school students by 1971.

~~CONFIDENTIAL~~

DECLASSIFIED

Authority OMB ltr 11/10/80

By Edw/hg, NARA, Date 10/5/92

Balance of Payments. The loan will be used to finance imports from the U.S. under the same procedures as applied to the program loan to assure additional U.S. exports. As you were informed at the time of the Punta del Este Conference, loans for agriculture, education and health necessarily have a large local cost component because these programs require only small amounts of directly related imports. Brazilian law prohibits imports of goods produced in Brazil, limiting further the selection of goods which can be financed under this loan. AID has agreed with Treasury to seek ways, if possible, in future sector loans to increase the amount of imported goods to be used directly in the programs being financed.

*1/16/67
 1. attach
 2. grant
 3. no-obj. to pending
 4. there
 5. to say
 6. that*

Military Expenditures. Gaud reports that there has been no material change in the facts underlying the February State/AID assessment that sanctions under the Symington amendment do not apply to Brazil. State/AID know of no military purchases planned in the remaining days of FY 1968 which might require reductions in economic assistance under the Conte-Long amendment.

Recommendation. I recommend you approve Gaud's request to authorize this loan.

Charles J. Zwick

Charles V. Zwick
 Director

Attachment

Approve _____

Disapprove _____

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

27d

CONFIDENTIAL

JUN 21 1968

OFFICE OF
THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Education Sector Loan for Brazil

On the recommendation of Ambassador Tuthill and Deputy U.S. Coordinator Fowler, I am requesting your approval to authorize a \$32.0 million Education Sector Loan to the Government of Brazil.

On February 24, 1968, you authorized us to begin negotiations with the Government of Brazil for an economic assistance package of approximately \$255 million. It consisted of program loan funds of \$125 million, health and education sector loans totaling \$46 million (of which approximately \$30 million was earmarked for the education sector), project loans amounting to \$49 million, and a PL-480 Title I Sales Agreement for 500,000 tons of wheat valued at approximately \$35 million. Your authorization was given with the understanding that the health and education sector loans would be submitted for your approval.

During the period from March 4-8, 1968, U.S. representatives successfully concluded negotiations with the Brazilian Government on the over-all economic assistance program. The understandings reached in these negotiations were in accord with the criteria outlined in my memorandum to you of February 6, 1968. On the basis of these negotiations, I authorized release of \$50 million in 1967 program loan funds plus the signing of a 1968 program loan of \$75 million to the Government of Brazil. On May 12, 1968, you approved my authorization of a \$15.4 million Health Sector Loan to Brazil.

The Education Sector Loan is now ready for authorization. This loan will help finance a national secondary education program, designed to launch a major attack on the key bottleneck in Brazil's educational structure. This proposed sector loan will contribute to the construction of nearly 300 junior high schools in four Brazilian states. Almost 23,000 teachers will be trained throughout the country and the skills of over 4,400 key educational personnel will be upgraded in such areas as new educational concepts, modernized course content and teaching methods, and improved school policies. The increased enrollment of the secondary school system from this initial effort will be over a quarter of a million students.

DECLASSIFIED *NWJ 80-20*
Authority *AID/ta 1/15/80 re*
By *mi/rs* NARA, Date *10/5/92*

CONFIDENTIAL

- 2 -

The strategic importance of taking priority action in the field of secondary education is highlighted by many facts. Secondary education is the main source of technical and middle management skills, of higher education candidates and thus of professional skills, and of fully trained teachers for elementary schools. In spite of the important role it plays in Brazil's development future, the secondary education system is woefully inadequate. Facilities are scarce and mal-distributed, and of these, about one-half are private schools, charging tuition which most potential students cannot afford. Less than half of all cities and towns have any secondary education facilities at all. Most existing schools must operate on a two or three shift system because of the demand. Even with this schedule, public schools can only accommodate 39 percent of the qualified applicants from elementary schools.

Studies of the secondary school system indicate that the most effective approach to eliminating this critical bottleneck is to concentrate on the expansion and improvement of the multi-purpose junior high school (ginasio). The more versatile type of school is relatively new to Brazil and represents a definite improvement over Brazil's traditional academic ginasios. The point of entry for an effective development effort in public secondary education must be at the state level, since the states by law have been given the responsibility for this area. Consequently, the plan is to introduce the multi-purpose junior high school into state secondary education systems in significant numbers, thereby effecting not only substantial additions to the states' quantitative capacities but also key qualitative improvements that can easily spread to other schools in the system.

In March 1967, the Brazilian Ministry of Planning and Economic Coordination published a ten-year National Education Plan which identified the secondary education system as the key area requiring improvement. In June 1967, the President of Brazil authorized the Minister of Education to begin discussions with the Mission concerning the capital assistance to this area. A joint Brazilian/U.S. planning team was established to assist the Brazilian states meet the criteria set out in the National Plan for strengthening their secondary education systems. In early 1968, four states - Rio Grande do Sul, Minas Gerais, Espirito Santo, and Bahia - completed comprehensive four-year secondary education plans complementary to this National Plan. These plans form the basis for investment in new facilities and improvements throughout the states' secondary education systems.

The proposed sector loan seeks to effect basic changes in the quality of teacher capabilities, curriculum, education administration, and the physical facilities in the secondary education system. It also provides

leverage to obtain important self-help commitments from the Brazilian Government concerning the financing of secondary education programs. An important result will be to increase the amount and regulate the flow of federal resources for education normally allotted to the states, thus permitting the states to expand their educational network and to allow for more rational planning and administration than has heretofore been possible. Finally, the loan will call for the states to increase significantly their expenditures for the education sector in general and secondary education in particular. Specifically, the participating states will develop multi-purpose junior high schools and a limited number of comprehensive high schools as an integral and high priority element of the secondary education development plan. The four state plans constitute an essential beginning to the global program envisioned under the National Education Plan. The benefits and features deriving from these four state programs will further this effort in all the states of Brazil.

The \$32 million proposed A.I.D. loan will be matched by an equal commitment from the Government of Brazil, \$20 million coming from federal government funds and \$12 million from the states involved. The bulk of the total \$64 million fund will be allocated to school construction and teacher training. Because of our serious balance of payments problem, the Mission made every effort to increase to the maximum extent the amounts of direct dollar imports under this loan. It was found, however, that only \$620,000 could be utilized in this manner without seriously distorting the basic thrust and intent of this loan.

While it might have been possible to increase the direct import component by considering vocational training or university level education, these areas are already receiving financing from other sources and do not, in our judgment, represent as high and as critical development priority as the proposed program in secondary education.

Even though the cruzeiro counterpart of the proposed loan will be directed to procurement in Brazil the dollars from the loan will be used for the financing of U.S. exports in the same manner as the 1968 Program Loan. We have tightened the list of U.S. commodities eligible for financing with these funds so as to increase the additionality of U.S. exports to the maximum practical extent.

We have discussed this matter with the Treasury, and we have agreed, at their suggestion, to conduct a study of direct imports under sector lending, with particular reference to the problems posed by the Brazilian Law of Similar.

CONFIDENTIAL

- 4 -

My memorandum to you of February 6, 1968 stated that Brazil might acquire certain military equipment which would require A.I.D. to decide whether the Conte-Long Amendments of the Foreign Assistance Appropriations Act would apply. To the extent that such equipment were determined to be "sophisticated weapons systems," the law would require an equivalent reduction in economic assistance. No such purchases have yet been made, nor are any planned for the final few days of FY 1968, so far as we can determine from all available intelligence sources. Thus, the possibility of such a deduction need not be a consideration in the authorization of this loan.

State/A.I.D., in consultation with the inter-agency 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 Brazil'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 PL-480 sales are diverted by Brazil to military purposes. The assessment on which this determination was made was submitted to you in connection with the Economic Assistance Package for Brazil which you approved on February 24. The facts on which the assessment was based have not changed during the interim.

Recommendation: That you approve the authorization of a \$32.0 million Education Sector loan to Brazil.

William S. Gaud

William S. Gaud

ACTION

28

Saturday, June 29, 1968 - 9:05 a.m.

Mr. President:

Herewith a proposed insert.

Pres file

I believe that, against the background of Gromyko's statement, the teaser in the last sentence will be sufficient to focus attention on the Monday ceremony. May I ask: Has George arranged for live TV coverage for Monday? I should think that with a few judicious telephone calls, this would be possible.

W. W. Rostow

WWRostow:rlh

21a

6/29/68 -- W. W. Rostow

DRAFT SPEECH INSERT

Years of stubborn, dedicated effort lie behind our great achievements in domestic policy; for example, in education, in health, in housing, in race relations.

The same is true of foreign policy.

The non-proliferation treaty, which will be signed on Monday at the White House and sent to the Senate, is such an achievement. We have been working towards that treaty for more than four years. Along with the Atmospheric Test Ban, it stands as a monument to the proposition that men are determined to control the dangers of the nuclear age -- not be destroyed by them.

But more is required. We must now turn to a task at least equally complex and difficult: to bring under control the nuclear arms race -- in offensive and defensive weapons -- in ways which do not endanger the security of the United States, our allies, or others.

It would be easy for the United States and the Soviet Union to continue on the present course -- piling weapon system on weapon system -- diverting billions upon billions of dollars -- while adding nothing to the security of either side.

The time is now at hand to find security in a more rational way.

I hope to have more to say about this on Monday.

29

INFORMATION

~~TOP SECRET TRINE~~

Saturday, June 29, 1968 - 8:25 a.m.

Profile

Mr. President:

Herewith the enemy appears to have placed a surface-to-air missile unit above the 20th parallel to help protect Bai Thuong airfield -- suggesting its continued future use to stage MIG's south.

W. W. Rostow

~~TOP SECRET TRINE~~

WWRostow:rln

DECLASSIFIED
Authority N.S. 139.025.004/4
By rg/jc NARA, Date 11-3-09

25X1

[Redacted]

29a

25X1

III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. The North Vietnamese may intend to strengthen their air defenses around Bai Thuong Airfield just south of the 20th parallel.

[Redacted]

25X1D

3. Air defense improvement in the vicinity of Bai Thuong would suggest the Communists plan to continue or perhaps increase their use of this key facility to stage MIG interceptor flights over southern North Vietnam.

SANTITIZED
Authority NLJ-141-022-009/p
By jc, NARA, Date 1/3/04 28 June 1968

III-1

[Redacted]

~~TOP SECRET~~ [Redacted]

25X1

25X1

ACTION

~~CONFIDENTIAL~~

Pres file

Saturday, June 29, 1968 - 8:10 a.m.

Mr. President:

Herewith (Tab A) draft remarks for the NPT signing on Monday. It has been cleared by Sec. Rusk and Sec. Clifford. It is classified at the moment because of the paragraph on page 6 announcing the talks.

If you wish to put this in the hands of speech writers, the sentence at the bottom of page 3 and top of page 4 should, if possible, not be altered. It is the exact language Sec. Rusk recommended and you cleared, ~~before~~ reaffirming our existing mutual security treaties and our continuing loyalty to them -- an essential element in the NPT effort.

You will also be interested in the attached cable indicating the possibility Dobrynin will be here briefly on Monday for the NPT signing. (Tab B)

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
White House Guidelines, Feb. 24, 1963
By rg, NARA, Date 9-28-92

WWRostow:rlh

31a

~~CONFIDENTIAL~~

N O D I S

REMARKS BY THE PRESIDENT
AT
SIGNING OF NPT

This historic occasion marks a major step in mankind's efforts to master the destructive force of the atom and to assure that it will be used exclusively for peaceful purposes. As the number of nuclear powers and the capacity for mass destruction has increased over the past twenty years, nations have become acutely aware that nuclear catastrophe could be averted only by decisive, rational action. Today the forces of reason and sanity have prevailed as we have taken this momentous action to limit the further spread of nuclear weapons.

The Treaty which is now open for signature is the result of years of patient and careful deliberation. It represents a delicate balancing of national interests required in the larger quest for a world in which the nuclear spectre will be removed. This Treaty is not

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 12356,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 16, 1983.

BY DCH/AG 10-5-92

~~CONFIDENTIAL~~

-2-

the work of any one nation but is in fact the product of all nations which have sought to exercise their responsibilities for the maintenance of peace and a stable world order. This Treaty is the most important international agreement in the field of disarmament since the nuclear age began. It will enhance the security of nations by materially reducing the danger of nuclear warfare. It will facilitate cooperation in the peaceful uses of nuclear energy through confidence inspired by effective safeguards. And it will provide a strong impetus for the nuclear powers to proceed with negotiations to end the nuclear arms race.

As the Treaty has neared fruition, nations have once again examined their fundamental interest in determining their position on adherence. It is my earnest hope that all nations will conclude that this Treaty will afford them added protection from the threat of nuclear warfare and that it will contribute substantially to international peace and security.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

The United States has always been deeply cognizant of the awesome responsibility it bears as one of the nuclear weapon powers. We recognize that this Treaty places an even greater obligation on this country to assure that this power is used justly and wisely. We welcome this obligation and, as reaffirmed in the Preamble of the Treaty, we solemnly pledge that we will always use this power in conformity with the UN Charter.

This Treaty itself will enhance the security of all parties. In addition, we have made clear in the United Nations Security Council that we are prepared, as a permanent member of the Security Council, to seek immediate Security Council action to provide assistance in accordance with the Charter to any non-nuclear-weapon state party to the Treaty that is a victim of an act of aggression, or an object of a threat of aggression, in which nuclear weapons are used. Moreover, in welcoming the Non-Proliferation Treaty, I wish to reaffirm that the United States remains fully committed to fulfilling its obligations under existing treaties of mutual security.

~~CONFIDENTIAL~~

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-4-

Such arrangements have provided a significant measure of security for the United States and other parties to these treaties. They have created a degree of stability in an often unstable world.

In addition to its importance as a security measure, this Treaty will lay an indispensable foundation for expanded cooperation in the peaceful application of nuclear energy and for additional measures to halt the nuclear arms race.

We will cooperate fully to bring treaty safeguards into being in order to provide that necessary basis of confidence which will contribute toward increased cooperation in the peaceful nuclear field. The United States is not asking any country to accept safeguards that we are unwilling to accept ourselves. When safeguards are applied under the Treaty, the United States will permit the International Atomic Energy Agency to apply its safeguards to all nuclear activities in the United States -- excluding only those with direct national security significance.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-5-

In carrying out the Treaty purposes with respect to peaceful uses of nuclear energy, we shall, as the Treaty requires, facilitate the fullest possible exchange of equipment, materials, and scientific and technological information for the peaceful uses of nuclear energy. The needs of the developing nations will be given particular attention. We shall make available to the non-nuclear treaty partners -- without delay, and under the Treaty's provisions -- the benefits of nuclear explosions for peaceful purposes.

Finally, this Treaty is a major and necessary step in the effort to halt the nuclear arms race. It follows logically from the important agreements concluded in the past five years -- the Limited Test Ban Treaty, the Outer Space Treaty, the Antarctic Treaty, and the Treaty of Tlatelolco. We can now proceed with hope and confidence to the next stage. As the Treaty specifies, we will pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-6-

early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control.

We have stated repeatedly our willingness to engage in discussions with the Soviet Union regarding steps to curtail the strategic arms race. I am, therefore, particularly gratified to announce today that an arrangement has been reached between the Governments of the Union of Soviet Socialist Republics and the United States to enter in the nearest future into discussions on the limitation and reduction of both offensive strategic nuclear weapons delivery systems and systems of defense against ballistic missiles.

We have no illusions that the path to agreement in this complex and sensitive field will be easy. But, with the same determination and spirit of accommodation shown in the negotiation of the Treaty we are signing today, I am convinced that mutually beneficial agreement can be achieved.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-7-

The nations of the world have made their will manifest in this Treaty. They have determined that the nuclear arms race must be ended. The nuclear-weapon powers must act boldly to assure that this goal is achieved. For our part, I solemnly affirm that the United States will do all in its power to realize the great promise of the Non-Proliferation Treaty, which points to a world free of the evil of nuclear weapons -- a world in which the atom will be used only for the benefit of mankind.

~~CONFIDENTIAL~~

LADIS

316

REC'D
MAIL

~~CONFIDENTIAL~~

1968 JUN 23 08 07

~~CONFIDENTIAL~~

HCE826

PAGE 01 MOSCOW 04440 290757Z

11
ACTION ACDA 16

INFO SS 20,GPM 04,L 03,ZUR 15,IO 13,INR 07,CIAE 00,NSAE 00,OST 01,
SSO 00,NSCE 00,CCO 00,RSR 01,RSC 01,/081 W

O 290725Z JUN 68
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC IMMEDIATE 8870

~~C O N F I D E N T I A L~~ MOSCOW 4440

REF MOSCOW 4378

1. DOBRYNIN LAST NIGHT AGAIN INQUIRED WHO WOULD SIGN NPT FOR US. PLEASE ADVISE URGENTLY.
2. HE SAID IT WOULD BE DECIDED THIS MORNING WHETHER HE WOULD RETURN TO WASHINGTON SOLELY TO TAKE PART IN SIGNING. IF SO HE WOULD RETURN TO MOSCOW SOMETIME NEXT WEEK TO COMPLETE HIS CONSULTATION HERE.
THOMPSON

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

DECLASSIFIED
Authority NSA 94-342 (426)
j/lip. NARA. Date 12-21-09

32

Pres file

INFORMATION

Saturday, June 29, 1968 - 7:45 a. m.

Mr. President:

Herewith a list of 30 Chiefs of Mission appointed by you where nominee was confirmed prior to the departure from post of previous incumbent.

It is probably the same list given you by Sec. Rusk yesterday.

W. W. Rostow

WWRostow:rln

CHIEF OF MISSION APPOINTMENTS BY PRESIDENT JOHNSON
WHERE NOMINEE CONFIRMED PRIOR TO DEPARTURE
FROM POST OF PREVIOUS INCUMBENT*

<u>Post</u>	<u>Nominee</u>	<u>Confirmation Date</u>	<u>Predecessor Relinquished Post</u>
Algeria	Amb. John D. Jernegan	7/21/65	7/29/65
Argentina	Amb. Edwin M. Martin	1/23/64	5/18/64
Austria	Amb. Douglas MacArthur II	5/ 5/67	5/10/67
Ceylon	Amb. Cecil B. Lyon	7/29/64	9/20/64
Ceylon	Amb. Andrew V. Corry	5/24/67	6/17/67
Costa Rica	Amb. Clarence Boonstra	1/26/67	2/19/67
Czechoslovakia	Amb. Jacob D. Beam	5/27/66	8/ 1/66
Denmark	Amb. Katharine E. White	4/ 7/64	5/17/64
Germany	Amb. Henry Cabot Lodge	4/19/68	5/21/68
Haiti	Amb. Claude G. Ross	4/17/67	5/21/67
Honduras	Amb. Joseph J. Jova	6/ 2/65	6/28/65
Jordan	Amb. Harrison M. Symmes	10/18/67	11/ 5/67

*Based on records readily available. It is possible one or two additional cases might be documented if there were time to examine retired files.

<u>Post</u>	<u>Nominee</u>	<u>Confirmation Date</u>	<u>Predecessor Relinquished Post</u>
Korea	Amb. William J. Porter	6/ 8/67	6/10/67
Lebanon	Amb. Dwight J. Porter	3/17/65	4/ 8/65
New Zealand	Amb. John F. Henning	1/26/67	2/28/67
Norway	Amb. Margaret Joy Tibbetts	7/29/64	9/ 4/64
Paraguay	Amb. Benigno C. Hernandez	6/ 8/67	6/25/67
Poland	Amb. John A. Gronouski	9/10/65	9/24/65
Portugal	Amb. W. Tapley Bennett, Jr.	5/ 9/66	6/ 1/66
Romania	Amb. Richard H. Davis	9/22/65	10/12/65
Sweden	Amb. William W. Heath	4/ 5/67	4/17/67
South Africa	Amb. William M. Rountree	10/20/65	11/18/65
Tanzania	Amb. John H. Burns	9/24/65	12/22/65
Thailand	Amb. Leonard Unger	8/11/67	9/ 8/67
Trinidad & Tobago	Amb. William A. Costello	9/13/67	9/18/67
Turkey	Amb. Parker T. Hart	7/21/65	8/21/65

<u>Post</u>	<u>Nominee</u>	<u>Confirmation Date</u>	<u>Predecessor Relinquished Post</u>
Upper Volta	Amb. Elliott P. Skinner	5/27/66	7/13/66
U.S.S.R.	Amb. Llewellyn E. Thompson	10/12/66	11/14/66
Viet-Nam	Amb. Henry Cabot Lodge	7/28/65	7/30/65
Viet-Nam	Amb. Ellsworth Bunker	4/ 5/67	4/25/67

PER/PAS 6/28/68