

**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#4 memo	Rostow to President, 4:15 p.m. <i>open 3/17/03</i> <del>S</del> 2 p <i>[Duplicate of #426, Vol 88]</i>	7/12/68	<del>A</del>
#5a cable	Saigon 32385 S 17 p <i>Duplicate of #18a, NSF, CF, VN, "8B(3) [A]- Bunker Weekly - Sanitized NLJ/CBS 10"</i>	7/11/68	A
#6 memo	Rostow to President, 3:10 p.m. <del>TS</del> 1 p <i>open 2.26.04 NW 03:51</i>	<del>7/12/68</del>	<del>A</del>
#9a ltr	Maude to Fowler <i>open 12-23-09</i> <del>C</del> 1 p <i>Duplicate of #175a, NSF, CF, UK, Vol 13</i>	7/11/68	<del>A</del>
#9b msg	Roy Jenkins to Fowler <i>open 12-23-09</i> <del>C</del> 1 p <i>Duplicate of #175b, NSF, CF, UK, Vol 13</i>	7/11/68	A
#10 memo	Rostow to President, 10:55 a.m. <i>Open MLT 97-134 9.21.98</i> <del>S</del> 1 p <i>[dupl #149, UN Agency File, Vol 10]</i>	7/12/68	<del>A</del>
#10b rpt	<i>DUPLICATES in files of WWR, Box 2, MTGS JULY-DEC 1968, DOC. #S 52K, 52L, 52M</i> "Guidance for Ambassador George Ball..." <del>S</del> 4 p <i>open 7-7-99 NLJ 97-131</i>	undated	<del>A</del>
#10c draft	President to PM Eshkol <i>Open MLT 97-134 9.21.98</i> <del>S</del> 2 p	undated	<del>A</del>
#10d draft	President to King Hussein <del>S</del> 2 p <i>open 7-7-99 NLJ 97-131</i>	undated	<del>A</del>
#11 memo	Rostow to President, 9:40 a.m. S 2 p <i>DUPE IN FILES OF WWR, BOX 2, MTGS JULY-DEC 68</i> <i>+ #465, NSF, CF, VN, HARVARD/CRUISE/Paris, "Indian Progress..." "Box 134"</i>	7/12/68	A
#11a cable	Deptel to Paris <i>Dupe w/for #11 - DOC 52d + #65a as above</i> S 3 p	7/11/68	A
#13 memo	Rostow to President, 8:50 a.m. <i>open 3/17/03</i> <del>S</del> 1 p	7/12/68	<del>A</del>
#13a cable	Saigon 32470 <i>open 3/17/03</i> <del>S</del> 3 p	7/12/68	<del>A</del>

FILE LOCATION

**NSF, Memos to the President, W. Rostow, Vol. 87, July 5-12, 1968 Box 37**

**RESTRICTION CODES**

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#15 memo	Rostow to President <i>open 3/17/03</i> <del>S 1 p</del>	<del>7/12/68</del>	<del>A</del>
#15a draft	Deptel to Saigon <i>open 3/17/03</i> <del>S 56 p</del>	<del>undated</del>	<del>A</del>
#17 memo	Rostow to President, 7:35 p.m. C 1 p	7/11/68	A
#17a memo	Fowler to President C 1 p	7/11/68	A
#22 memo	Rostow to President, 5:35 p.m. S 1 p <i>Dupe in Files of WWR, Box 2, MTGS JULY-DEC '68</i>	7/11/68	A
#22a cable	Paris 17843 <i>see 22 FOR DUPE</i> S 4 p	7/11/68	A
#22b cable	Deptel 199838 to Paris <i>see 22 FOR DUPLICATE</i> S 6 p [Dup. #1, NSF, CF, VN, "HARVAN, VII" Bx 117]	7/10/68	A
#23 memo	Rostow to President, 2:45 p.m. <i>open 3/17/03</i> <del>S 1 p</del>	<del>7/11/68</del>	<del>A</del>
#24a cable	Saigon 32265 <i>open 3/17/03</i> <del>S 2 p</del>	<del>7/10/68</del>	<del>A</del>
#29 memo	Rostow to President, re: Guyana <i>open 11/21/96 NLJ 94-290</i> S 1 p <i>Duplicate of #20, NSF, CF, Guyana, Vol I</i>	7/11/68	A
#29a memo	Zwick to President, re: Guyana <i>open 11/25/96 NLJ 94-290</i> <del>C 1 p</del> <i>Duplicate of #20a, NSF, CF, Guyana, Vol I</i>	<del>7/8/68</del>	<del>A</del>
#29b memo	Gaud and Freeman to President, re: Guyana <i>open 9-30-94 NLJ 94-285</i> <del>C 2 p</del> <i>Duplicate of #20a, NSF, CF, Guyana, Vol I</i>	<del>6/21/68</del>	<del>A</del>
#29c rpt	"Military Expenditures Review" <i>open 1-10-95 NLJ 94-281</i> <del>C 1 p</del> <i>Duplicate of #20c, NSF, CF, Guyana, Vol I</i>	<del>undated</del>	<del>A</del>

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<del>#35 memo</del>	<del>Rostow to President, 6:15 p.m. open 12-23-09</del> <del>C 1 p Duplicate of #6, NSF, CF, Bahamas</del>	<del>7/10/68</del>	<del>A</del>
#39b ltr	Williams to President C 1 p	7/3/68	A
#46a draft	Deptel to Saigon S 2 p	7/9/68	A
<del>#47 memo</del>	<del>Rostow to President, 7:00 p.m. open 3/17/03</del> <del>S 1 p</del>	<del>7/9/68</del>	<del>A</del>
<del>#48 memo</del>	<del>Duplicate of #47 open 3/17/03</del>		
#49 memo	From Katzenbach, re: 4:30 meeting S 1 p	undated	A
#49a cable	Deptel to Paris S 3 p	undated	A
#49b rpt	"Tab B--Possible Opening Proposal..." S 1 p	undated	A
#49c rpt	"Topics to be Included" S 13 p	undated	A
<del>#55 cable</del>	<del>Rostow to President (CAP 81592) open 12-23-09</del> <del>C 3 p Duplicate of #7, NSF, CF, Poland, vol 3</del>	<del>7/9/68</del>	<del>A</del>
<del>#60 memo</del>	<del>Rostow to President open 4-17-95 NLS 94-456</del> <del>TS 6 p (Dup of #1, NSF, Files of WWR-VN-WR" Box 4)</del>	<del>7/8/68</del>	<del>A</del>
<del>#61 memo</del>	<del>Duplicate of #60 open 4-17-95 NLS 94-456</del>		

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
6a memo	Rostow to Secretary of Defense & Director, CIA <i>sanitized 11-24-03 NW/PAL 03:123</i> 1 p TS	7/12/68	A
<del>25 note</del>	<del>Rostow to the President, 12:05 p.m.</del> <del>1 p TS</del> <i>open 3/17/03 NLT. 141.022.010/2</i>	<del>7/11/68</del>	<del>A</del>
28 memo <i>exempt 2-26-04 NW 03:151</i>	Rostow to the President, agenda 1 P TS <i>exempt per EIC 9/00</i>	7/11/68	A
54 memo <i>exempt 2-26-04 NW 03:151</i>	Rostow to the President 2 pp TS <i>exempt per EIC 9/00</i>	7/9/68	A
54a memo	Katzenbach to the President <i>same sanitization 11-24-03</i> 4 pp TS <del>sanitized 3/17/03</del> <i>NW/PAL 03:124</i>	7/5/68	A
54b memo	Maxwell Taylor to the President 1 p TS <i>exempt 11-24-03 NW/PAL 03:123</i>	7/8/68	A

FILE LOCATION

National Security File, Memos to the President, Rostow, Volume 87, July 5-12, 1968, Box 37

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*ACTION*

Friday, July 12, 1968 - 7:25pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Message of Congratulations to the King of Laos

*Profile*

The third son of the King of Laos is getting married. State suggests you send a message of felicitations. (You sent a similar message at the time of the marriage of the King's second son.) Ambassador Sullivan would deliver the message at an appropriate time.

The suggested text follows:

"Mrs. Johnson and I are delighted to extend our most cordial felicitations and warmest best wishes on the happy occasion of the marriage of your son HRH Prince Si Savang and Princess Ratsami Bovon."

I recommend you approve the message.

W. W. Rostow

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_



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Meeting With the President  
Friday, July 12, 1968 - 6:00pm

AGENDA

1. NATO: Symington Amendment. (Secs. Rusk and Clifford)
  - Conversations with Mansfield and Russell.
  - Other actions required.
  
2. Outgoing Cable to Harriman-Vance. (Sec. Rusk)  
  
See Tab A.
  
3. George Ball Instructions: Letters to Eshkol and Hussein. (Sec. Rusk)  
  
See Tab B
  
4. Soviet Troops: Czechoslovakia. (Sec. Rusk)  
  
Situation report and contingency planning.
  
5. Other.

W. W. Rostow

DECLASSIFIED  
White House Guidelines, Feb. 24, 1983  
By kg, NARA, Date 10-6-92

WWRestow:rla

~~SECRET~~



Friday, July 12, 1968  
4:45 p. m.

**MR. PRESIDENT:**

This captured document suggests the Paris talks are at least as unsettling to the VC as they are for our Vietnamese friends.

W. W. Rostow

Attachment



ja

July 12, 1968

SUBJECT: Paris Peace Talks

A Directive dated 5 June 1968, originated by A51 (SUB-COSVN) Current Affairs Committee, reproduced on 13 June 1968 by T20, urges addressees to "urgently correct erroneous ideology and assessment of the Peace Talks at Paris and the General Offensive."

The document states that according to reports from various localities and units in weak areas (contested areas), a number of people including low level cadres tuned in the Saigon and BBC radio stations every day in order to follow the Paris Peace Talks. At the beginning they expected immediate results of the conference in restoring independence and peace to SVN. But they became pessimistic upon learning that the war may be escalated and prolonged due to the US refusal to withdraw troops from SVN and to cease bombing completely in NVN. They even argued that "if we respond to the US proposals, i.e., our troops will withdraw to NVN and US troops withdraw to the United States and then participate in a Diem-Thieu-Ky style (free) election, how can we expect to win victory?" In conclusion, these people kept debating in accord with enemy propaganda and quit believing in the complete victory to be attained in the all out attack and general uprising. In areas which were subject to violent FWMAF/RVNAF counterattacks, those people who were demoralized by difficulties and hardships and who failed to appreciate the great victories achieved throughout SVN, especially in the Saigon-Cholon-Gia Dinh areas, became pessimistic and doubted the complete victory to be obtained during the all out attack and general uprising. As a corrective measure, A51 urged addressees to make maximum use of the COSVN Resolution #6 and the Resolution dated 14 May 1968 in political indoctrination sessions.

The document states that every cadre and combatant should be indoctrinated to fully understand Chairman Ho's teaching: "More difficulties and hardships to be encountered when reaching victory" so that they would harden their standpoint and accomplish their missions under all circumstances.



In regard to the Paris Peace Talks, A51 reaffirmed that: "everyone must realize that the aggressors were forced to de-escalate the war, restrict bombings on NVN and come to the Paris conference as defeated aggressors who were condemned by the entire world. As for us, we came to the Paris conference as victorious men who have fought for a right cause with the sympathy and support of all people in the world. This was a great political success for us and a bitter political setback for the enemy. Everyone should realize that the Paris Peace Talk is only part of our diplomatic struggle aiming at winning stronger support for our resistance against Americans from all people of the world. This diplomatic struggle is very important but it cannot bring forth decisive effects. It can expand our victories or create more favorable conditions for us in the war. This peace negotiation will become meaningful only when we succeed in the all-out attack and general uprising. Under such circumstances, this peace negotiation will be a favorable condition for the enemy (US) to accept a complete failure or a withdrawal (from SVN) with honor. Therefore, we must commit all our might to successfully implement an all-out attack and general uprising to seize power and cannot sit and wait for the Paris Peace Talk or any other diplomatic struggle."

## THE WHITE HOUSE

WASHINGTON

Friday, July 12, 1968

4:15 p. m.

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MR. PRESIDENT:

I set out the following idea not because I believe it to be correct nor because I recommend it; merely because I think you should have available all the options of which we can conceive.

1. I begin with the fact that both Tommy Thompson and Chip Bohlen feel a certain regret that we did not pick up Kosygin's message, institute a total bombing halt, and then lean very heavily on the Soviet Union to produce results, against the background of a threat to resume bombing if the results did not take place. As old Soviet hands they are impressed that Kosygin should have used the following language in addressing you: "My colleagues and I think -- and we have grounds to do so -- that complete cessation by the United States of bombing and other acts of war with respect to the DRV could contribute to a breakthrough in the situation and produce prospects for a peaceful settlement."
2. The fact is that since June 5 the over-all level of combat in South Vietnam has greatly diminished and the shelling of Saigon has ceased.
3. But also we have every reason to expect in August -- if not earlier -- a major offensive in I Corps and against Saigon.
4. The idea would be for Sect. Rusk to tell Dobrynin or Tommy to tell Kosygin that:
  - We note the de-escalation in the actual fighting in South Vietnam in recent weeks;
  - We note the cessation of shelling of Saigon;
  - We are prepared to stop bombing on Day X;
  - It is, of course, essential after the bombing cessation:
    - that this low level continue;
    - that Saigon not be attacked;
    - that we move promptly to a reinstallation of the DMZ;
    - that the U. S. and the Soviet Union discuss the reinstallation of the Geneva Accords of 1962 (Dobrynin told Sect. Rusk flatly this would be possible after a bombing cessation);
    - and, as Chairman Kosygin told the President, that he and his colleagues had grounds to believe that the DRV would move rapidly towards a "peaceful settlement."

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E.O. 12958, Sec. 3.5

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-2-

5. Before actually instituting a bombing cessation, we would require from the Soviet Union some broad understanding along these lines.

6. This is pretty high-risk poker; and the case is good for waiting to see if in fact Hanoi responds directly to the Zorin suggestion. But the fact is that the Kosygin letter gives us an opening for this gambit if you should decide you would like to force the issue.

W. ~~alt~~ Rostow

~~SECRET~~

## THE WHITE HOUSE

WASHINGTON

SECRET/NODIS

Friday, July 12, 1968 - 3:30pm

Mr. President:

Herewith a capsule of Bunker's mid-year summary:

*Per file*A. General

- Trend toward stronger, more unified SVN indicated by response to Tet attacks, March 31 announcement, Paris talks and shelling of Saigon.
- Civilianization and legitimization of the government continues; Thieu opts for constitutional leadership; Huong widely respected.
- Overall trend unfavorable to enemy; Hanoi's hopes for GVN collapse or Paris breakthrough dimmed by SVN response to Tet and by American firmness.
- Thieu and Ky predict massive new enemy attacks; Bunker cites possibility of general scale-down and transformation to primarily political struggle.
- Major achievements include:
  - . Defeat of Tet attacks; enemy lost 52,000 KIA in February.
  - . Other major enemy offensives at Khe Sanh, Kontum area and Saigon defeated by Allies.
  - . RVNAF forces showed improved performance and increased to 765,000; estimate one million will be mobilized by January 1969.
  - . Tet pacification setback gradually being restored; attack on VC infrastructure stepped up.
  - . Tet evacuee resettlement continues steadily.
  - . Tet price rise now receding; business confidence low and economy sluggish but worst economic damage overcome.
  - . GVN reorganization gains momentum; more corrupt and incompetent officials being replaced; Huong Government performing well.
  - . National Assembly and Executive Branch learning to cooperate; Assembly bills include budget, mobilization and reconstruction.
- Remaining problems include:
  - . Enemy controls large areas and 3 million people, 17.6% of population.
  - . Enemy infiltration making up for enemy losses.
  - . Inefficiency and corruption still plague GVN.
  - . Hour late for creation of new coalition of nationalist forces (Lien Minh) formed to compete with communists.
  - . Rivalries among leadership group.
  - . A genuine but loyal and responsible opposition still lacking.

B. Political

- Tet offensive and Paris talks resulted in: closing of urban public ranks, lessening of coup possibilities, formation of Huong government and Thieu's assumption to fuller role as constitutional President.

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By ios/ky, NARA, Date 10-5-92



-- Thieu-Ky rivalry seems partially resolved; Thieu consolidated position, Ky lost supporters; efforts continue to bring Ky into decision-making process, including his involvement in the negotiations problem.

-- Huong has significantly broadened base of government; still faces difficult tasks of cleaning up government and making administration more efficient and equitable.

-- Thieu-sponsored "Lien Minh" (Alliance for Social Revolution) still lacks unified leadership and strong popular base but is the most hopeful nationalist political organization to appear so far; if properly nurtured it could become favorable base for nationalists to face communist political threat.

-- The communist's "Alliance of National Democratic and Peace Forces" has had scant non-communist support and relatively little impact; Hanoi seems to be holding it in reserve as device for possible use in political maneuvering related to a negotiated settlement.

-- Public attitudes reflect hardened anti-communism, apprehension over outcome at Paris, and healthy realization that people themselves must secure own future and repair political, administrative and social shortcomings.

#### C. Military

-- RVNAF performance, generally good during Tet attacks, shows continuing improvement. Looting has been a problem.

-- M-16's now in hands of all infantry, marine, airborne and ranger battalions.

-- Priority up-grading measures for RF/PF include improved equipment, logistic support and pay.

-- RVNAF strength increased by 120,000 to 765,000 total during last six months.

-- General Mobilization Law of June 19 subjects 18-39 year olds to immediate draft with others in reserve status. 18 year olds and some 17 year olds are now being drafted.

-- Major enemy threats included Tet attacks in February, Khe Sanh siege of February-March, Kontum threat of May-June, May offensive, and mid-June attacks on Saigon.

-- During last six months NVN infiltrated 98,000-113,000 troops and NVN proportion of total enemy strength rose from 62% to 72%. Total enemy recruitment in South Vietnam of 31,500 contrasted with estimated losses of 151,000.

#### D. Pacification and Urban Recovery

-- Favorable 1967 pacification trend interrupted by post-Tet withdrawal from countryside. Momentum resumed and further progress expected in last half 1968.

-- Pacification personnel increased by 85,000 to 500,000. RF/PF fleshed out to about 100% of authorized strength.

-- Leadership still a problem, but some corrupt and ineffective GVN officials replaced and more changes are in the offing.

- Neutralization of VC infrastructure cadre now up to 1200 per month. Thieu's recent decree on intelligence organization and responsibilities was further gain.
- Rural economy and transport still below pre-Tet levels. However, major LOC's are open and no significant shortages exist.
- Chieu Hoi rallying rate still well below 1967 but trend is up. NCO and higher level cadre defections up 250% over 1967.
- Self-defense organizations not yet contributing much to pacification, but interest is growing and program could be significant by end 1968.
- Urban recovery has been a success. 892,000 Tet evacuees cared for, all but 27,000 resettled. Only 44,000 not resettled of 179,000 evacuees from May attacks.
- Huge refugee/evacuee burden peaked in May at 1,650,000 but was down to 1.4 in July. One million may require care thru 1968.
- Outlook again reasonably favorable barring decline in morale or another Tet-sized attack. Pacification remains the most difficult chore and solid gains will be slow.

E. Economic

- Progress of 1967 radically changed by 1968 Tet attacks despite rise following Tet and May-June attacks; price index holds at 14.7% over December 1967.
- Contradictory trends in price rise despite monetary expansion due to populace shift from spending to hoarding.
- Recovery slow, imports lag, businessmen strive to reduce inventories rather than invest anew.
- Trade between Saigon and countryside rapidly restored; tax collections reach record single month high; import tax and 20% surcharge on domestic taxes imposed.
- May offensive and rocket attacks on Saigon were setback; damage moderate.
- Economy remains sluggish, business confidence reflects uncertainty, new investment very limited, some capital flight noted.
- GVN is countering threat of large monetary overhang with tax increases and improved enforcement.
- Lower House passage of war risk insurance bill, and reconstruction loan fund seen as aid to recovery; rice policy revision urgently needed.
- USAID support of GVN economy continues; relief and recovery efforts added new tasks.
- Regular programs on schedule: planting of improved rice, and sale of fertilizer goals exceeded; school construction continues despite attacks; medical training programs stepped up.

W. W. R.



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SANITIZED

Authority NLJ/CBS 10  
By is, NARS, Date 11-28-83

Thursday, July 11, 1968

**LBJ LIBRARY**

FOR THE PRESIDENT FROM BUNKER (Saigon 32385) **CBS Subpoena**  
Case # NLJ/CBS 10

A. General

Document # 1051

As mentioned last week, I shall try in this message to indicate where we stand at mid-year; to summarize the events, achievements, and shortcomings of the first half of 1968. This first section is an overview, followed by more detailed accounts on political, military, economic, and pacification developments.

The past six months were crowded with important events. The two major developments were, of course, the Tet attacks and your successful efforts to open talks with Hanoi. These stimulated, or at least accelerated, other significant developments; the formation of the Huong government, general mobilization, the founding of the pro-government political organization known as the Lien Minh, and the May-June attacks on Saigon.

Looking beyond the bare events of the past six months, I think what is important is the clear trend toward a stronger, more self-confident, more unified Vietnamese people and government. In the first instance, the Vietnamese responded to the Tet attacks with a spirit of unity, determination, and a willingness to sacrifice which has not been seen before in the course of this long struggle. The people did not support the Tet invaders; on the contrary, they supported a sweeping mobilization. The new constitutional government, only a little over three months old, did not collapse. On the contrary, the democratic institutions proved both reasonably effective and a source of psychological strength in the emergency. The Republic of Vietnam Armed Forces did not falter and defect; on the contrary, the Vietnamese Forces generally fought well, drove the enemy out of the cities, swelled their ranks with new volunteers, and have since repeatedly shown increased combat effectiveness.

I think the new strength and self-confidence of the Vietnamese and their leaders was also reflected in the response to your March 31 speech and the subsequent opening of the Paris talks. Despite renewed enemy attacks on Saigon, including indiscriminate nightly shellings for weeks, and despite underlying apprehensions about American intentions, the people have remained calm and steady. Thieu, moving with increasing confidence and acting in accord with the constitution, invited the highly respected Tran Van Huong to form a new Cabinet. As a result, the Government of Vietnam probably has more popular support than at any time since "big" Minh took office in the wake of the revolution against Diem. Instead of street demonstrations, there were debates in the Assembly; and since Huong took office, debates in the uncensored press.

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Also emerging clearly from the events of the past six months is the continuation of the process begun over two years ago when the military leadership announced that they would organize elections for a constitutional Assembly. Civilianization and the legitimization of the government began then, and it has continued. Thieu has clearly opted to play the role of constitutional President of all the people rather than the representative of the generals. For him, this has involved both a reaching out to form alliances with civilian leaders and some realignment of the military structure. For the generals, and for Ky in particular, it has meant the acceptance of reduced political power. These changes in the power structure were not made without hazard and cost, but they were made and the government is better, stronger, and more effective because of them.

As for the enemy, I think the Tet attacks and the decision to go to Paris both reflect a realization that the overall trend of events is unfavorable to the Communist effort to seize South Vietnam by force. Both the all-out Tet military effort and the agreement to open discussions with us represented major changes in their tactics. If Hanoi hoped for a breakthrough from either or both, they must by now be disillusioned. While most signs point to another major military effort on their part (both Thieu and Ky believe this is inevitable), I think there is some possibility that, in the face of American firmness, they may decide to reduce the level of violence and transform the struggle into a primarily political conflict.

Accomplishments of the past six months as well as some of the remaining problems will be covered in more detail in the following parts of this message. To note some of the major achievements:

1. The Tet attacks were met and defeated with extreme losses to the enemy. While suffering 1,300 Vietnamese military and 700 Americans killed in action, from January 30 to February 7, friendly forces killed almost 25,000 of the enemy and captured nearly 5,000. By March 2, the enemy had lost over 52,000 killed in action from the Tet attacks. We estimate that about half the enemy forces committed were killed or captured.

2. All other important enemy offensive actions in the past six months were decisively defeated. The enemy was unable to take Khe Sanh despite a prolonged effort. A major threat at Kontum was broken up by friendly action, particularly artillery and air strikes. The enemy was unable to maintain pressure on Saigon and suffered 8,786 killed in action during the May 5-11 attacks on the city.

3. Republic of Vietnam Armed Forces were expanded rapidly after Tet, partly as a result of a sharp increase in volunteers and partly as a result of the mobilization effort. Between January 1 and June 30, Republic of Vietnam Armed Forces strength increased by over 120,000 and now stands at approximately 765,000 men. This is 48,000 above the force structure program for end FY-68. It is anticipated that by the end of the calendar year, Republic of Vietnam Armed Forces strength will total 801,000; to this must be added approximately 220,000 in paramilitary organizations, for a total of over one million men under arms. The magnitude of



this achievement can perhaps be better understood when one realizes that the relatively secure population of 11 million under Government of Vietnam control is the manpower pool from which these men must be drawn. This is 1/18 of the population of the United States. Equipment has been upgraded, morale and performance improved.

4. The after effects of the Tet offensive interrupted and set back the momentum pacification had gained in 1967. Population under Government of Vietnam control dropped from 67 percent at the end of 1967 to just under 60 percent by the end of February. Nevertheless, despite the diversion of massive resources to security and recovery efforts, we have been gradually regaining control over the countryside. By the end of June, population under Government control had risen to 63.3 percent. Pacification assets have grown substantially. Collective personnel strength now numbers about 500,000. The number of Revolutionary Development and Montagnard cadre teams now stands at 777. Regional and Popular Forces, the essential element in sustained territorial security, is receiving better equipment and training, and now is close to 100 percent of its assigned strength. The attack on the Viet Cong infrastructure has been stepped up and this is now being neutralized at the rate of over 1,200 a month. Leadership is being improved at the province and district level with the removal of incompetent or corrupt officials. The outlook for pacification during the remainder of the year will depend on whether the country will be subjected to new disruptive and destructive attacks as at Tet.

5. Altogether, some 892,000 Tet refugees were cared for and of these, only 27,000 were in temporary shelters as of July 4. All Tet evacuees in Saigon have been resettled. Of the approximately 179,000 refugees created in Saigon/Gia Dinh by the May attacks, about 44,000 have been resettled.

6. Prices rose dramatically following the Tet attacks, but they also declined rapidly and now stand at 14.7 percent over the December 26 level. While business confidence is still low and the economy generally sluggish, the economic effects of the Tet and post-Tet attacks have been largely overcome.

7. The Government was reorganized and strengthened by the elimination of a number of corrupt officials (17 province and 26 district chiefs have been replaced for reasons of incompetence or corruption); by some changes in the administrative relations between the provinces and the central government; and by the formation of the Huong Cabinet. The Huong government settled in rapidly and is performing quite well, showing a greater willingness to assume responsibility and to take decisions than its predecessor.

8. The National Assembly and the Executive Branch are learning how to work together without sacrificing their mutual independence. The Assembly has proved a responsible and a reasonably effective body. It has passed several major pieces of legislation, including the national budget, the general mobilization law, and the war reconstruction surtax. Well along toward final passage are other important bills, including a political party law, a press law, war rise insurance, "state of war" legislation, and a law organizing the Supreme Court.



9. Several efforts had been made to merge nationalist political groups into one unified, pro-government organization, but without success. Thieu has now taken a personal interest in this effort and the Lien Minh (Alliance for Social Revolution) was officially launched July 4, with both Thieu and Ky in attendance.

The Vietnamese Government and its people still face many difficult, unresolved problems. The first of these is security. Despite the expansion of the Republic of Vietnam Armed Forces and its increased effectiveness, the enemy still retains the capacity to threaten the security of the cities and hamlets of the nation. Large areas remain under enemy control. As of May 31, he controlled 3 million people, or 17.6 percent of the population, while approximately 3 million more were in contested areas. While the enemy has suffered extreme losses, these have been largely made up by a record rate of infiltration, which still continues, and by forced recruiting.

The old problems of bureaucratic inefficiency and corruption still plague the Government, and the leadership must apply constant pressure to make progress in this area. General mobilization has not made it easy to increase governmental efficiency.

While a good start has been made in building a United Nationalist Coalition of Political Forces to compete with the Communists, it is only a start -- and the hour is late. The Nationalists have still to build real unity at the top and a strong infrastructure at the bottom of their Lien Minh. Thieu has moved the nation significantly closer to full constitutional democracy, but there remain many obstacles. His relationship with Ky is still not satisfactory, but it is tolerable. He does not fully control all of the generals. He must work harder at winning the cooperation of the Assembly. A genuine but loyal and responsible opposition is not yet on the horizon.



There are other weak areas. Civil Defense has lagged badly; Ky dropped it without making any real progress. Although some 175,000 people are organized in Civil Defense groups, it needs to be widely expanded, needs more weapons, and particularly some of the more highly motivated groups such as the Hoa Hao, the Catholics, and the Cao Dai can be more effectively utilized. The GVN also needs an effective information program here and abroad.

I think the above summarizes the principal difficulties that still lie ahead of us. But the Vietnamese people and their leaders bring much strength and determination to their task. If we are equal to the challenges we face, I believe they are also.

#### B. Political

Political developments in the past half year were in every case conditioned and in many instances determined by the Tet attacks and the opening of the Paris Talks. It was these two events more than anything else which made the formation of the Huong Government both necessary and possible. The Tet attacks caused a growing lack of confidence in the Loc Government, to the point where both the Assembly and the military in effect had begun to demand a change; the opening of the Paris Talks convinced most if not all political leaders that a government with a broader popular base was essential in order to give the GVN a strong negotiating position. And it was these two events also which persuaded Huong that the national situation demanded he abandon his retirement, and, as he put it, help "paddle, bail, row, and steer" the SAMPAN of State.

While Tet and the Paris Talks were profoundly unsettling in many ways, it must be said that they also tended to increase political stability and move the nation more rapidly toward full constitutional government. This was because after Tet there was a general recognition of the need for national unity and greater sacrifice. The urban population was aware of their own vulnerability for the first time, and they tended to close ranks politically. Tet and the Paris Talks also ruled out any power plays by the Generals. There were, perhaps, a few who did not see the overriding demand for stability, and the impossibility of a coup, but Vice President Ky was not among them. The need to present a strong and united image both at home and abroad--particularly in Washington and Paris--was compelling even from the point of view of dissatisfied military elements. This in turn made it possible for Thieu to assume more fully the constitutional role of President rather than Representative of a ruling military clique.



The Thieu - Ky Relationship The rivalry between Thieu and Ky was not dissipated in the first half of 1968, but it seems to have been partially resolved by Thieu's growing ascendancy in the government and the steady erosion of Ky's political power.

Perhaps the lowest point in the Thieu - Ky relationship was reached in early March. At that time Thieu evidently believed that General Loan was instrumental in causing the Assembly to refuse his request for decree powers in the economic and financial field. At least some of Ky's supporters were talking about a coup or the amendment of the Constitution to permit Ky to act as Prime Minister; to his credit he gave them no encouragement.

I talked very plainly with both Thieu and Ky at that time. They both realized that the logic of the situation absolutely required that they avoid a destructive internal conflict. While neither was particularly gracious or skillful, they managed to move away from the precipice.

Believing that the solution to the problem was to engage Ky in responsible government work, we were instrumental in causing Thieu to give Ky, first, the Chairmanship of the Central Recovery Committee, and later, the responsibility for running the Civil Defense Program. Whether because Thieu did not delegate Ky enough real authority or because Ky simply cannot play second fiddle, Ky resigned from both positions after only a short period of time.

Despite these failures to employ Ky's considerable talents and drive in constructive work, we are continuing to try to bring him into the decision making process. One device to this end is the regular monthly meetings which we have recently initiated between Thieu, Ky, Huong, several Ministers, and ourselves. This seems to be working reasonably well. Another is the proposal for a small War Cabinet on the GVN side which I have been urging to Thieu.

Ky's political power has declined steadily since the election campaign of last year. The position of Vice President does not offer any significant political leverage, and Thieu has gradually consolidated his position as President, a position which of course carries great power under the Constitution. The most dramatic evidence of Ky's declining fortunes was the recent removal--partly deliberate, partly accidental--of a large number of his supporters from the Government. These included not only a number of Cabinet Officers, but the powerful and often troublesome Director General of Police, General Loan. This diminishing of Ky's power has not ended the problem of the Thieu - Ky rivalry, but it does not make it less critical. Ky and some of his more able



supporters are not being used, and that is a loss to the nation. Their capacity for destructive power plays is significantly reduced, however, and to that extent the Thieu - Ky problem is alleviated.

I will of course continue to watch this problem very closely in the coming months, and I will continue to try to ameliorate if not solve it. I think the best way to prevent Ky from becoming the focal point of dissident nationalist elements (for example, extreme anti-communist Catholic groups, the Dai Viets, Northern Refugee Groups, and dissatisfied military officers) is to involve him fully in the negotiations problem. This is not without some risks, but it has been working well in our joint consultations on the Paris Talks and I believe it can be done with profit for all concerned.

The Huong Government. As noted above, the formation of the Huong Government was a long step toward civilianization of the Government, and it both reflected and furthered the decline in Ky's political power. It also significantly broadened the popular base of the GVN. Huong is himself one of the most respected of SVN leaders, and he has in his Cabinet several men who command political support from quarters where the GVN previously had only opposition. Among these are Labor leader Dam Sy Hien and Buddhist lay leader Mai Tho Truyen. Also notable in this category are Au Ngoc Ho and Ton That Thien, both of whom have connections and influence in the more radical anti-military and previously anti-GVN camps.

Huong in office has taken hold of the job quite well, as have most of his Ministers. There is no question but what this Government not only commands more support but also is more able than its predecessor. Some had feared that Huong would prove too inflexible for the political maneuvering that is likely to be demanded of this Government. This fear seems unjustified, as Thieu himself commented to me recently. While as tough as ever, Huong appears to be a good deal smoother in his political moves than he was in 1965.

This is not to suggest that there are no problems. Huong was obliged to drop Phan Quang Dan from his Cabinet because of Dan's ill-timed comments about contacts with the NLF. Foreign Minister Thanh has also been under fire in the Assembly and the press, though this seems to have died down. The appointment of Saigon Mayor Nhieu provoked a controversy over his alleged corrupt activities in the past. (Both Thieu and Huong seem to be persuaded that Nhieu is clean enough, if not perfect; the uproar was provoked mainly by Defense Minister Vy's objections to Nhieu, and Vy now seems content to stay on in the Cabinet and drop the matter.)

It remains to be seen whether the Huong Government can make good on its promises of cleaning up the Government and making the Administration more efficient and more equitable. A good start has been made to clean up the Government at national and local levels, but as the process continues, Huong will not find it easy to get at the powerful vested interests in and out of the military. The lifting of censorship and the release of a large number of persons under illegal detention won applause from many quarters. (Extreme anti-Communist northern Catholic factions are restive, however; Tri Quang's release did not please them. Though it was generally regarded as a democratic move.)

Political organizations. Following Tet, the general feeling of the need for more national unity found expression in two new political organizations, the National Salvation Front and the Free Democratic Force. The Front was launched by Tran Van Don February 18, and the first meeting brought together most of the



principal political leaders of the nation. Unfortunately the Front was soon faced with a rival organization, the Free Democratic Force, which was known to have been inspired by President Thieu. Most Vietnamese concluded that the Front was Ky's vehicle and the Force, Thieu's. Both organizations were hurt by being caught up in the Thieu-Ky rivalry.

Realizing the need for a strong nationalist political organization to back the Government now and face the Communists in the future political struggle, President Thieu decided that he would have to take a more active and more public role in fostering political party development. He stated the need frankly and pledged his support to both a pro-Government party and a loyal opposition in public speeches last month.

The Lien Minh is too new to judge its potential with any certainty. It does not now have a unified leadership or a strong base in the people. Nevertheless, it is by all odds the most hopeful nationalist political organization to appear so far. With continued assistance and leadership from Thieu, continued acquiescence by Ky and Huong if not outright support, and enough time for careful rice roots organization, the Lien Minh should give the nationalist elements a base from which to face the Communist political threat on relatively favorable terms. The outcome of any future political conflict will of course depend very heavily on the terms of the peace agreement. The Lien Minh will probably not fare at all if it is deprived of support from the present legal framework, ie, the Constitutional Government under Thieu.

Public attitudes. As noted above, public opinion in Vietnam was greatly influenced in the past half year by Tet and the opening of the Paris talks. Both events tended to harden opinion against the Communists. They also tended to focus public opinion more than ever on the basic questions of peace and war.

Profoundly weary of war, nationalist Vietnamese of most political persuasions are also profoundly fearful of the consequences of a peace settlement over which they suspect they may have too little influence. While considerably reassured by our firm posture and our public statements, most Vietnamese still view the Paris talks with more fear and resentment than hope. They fear that the American commitment to the Government and people of South Vietnam will weaken under the pressure of domestic public opinion in a presidential election year. Vietnamese also resent the fact that the Hanoi regime -- in this war -- enjoys the prestige of sitting as an equal at the Conference Table with the United States, while the representatives of the people of South Vietnam -- who are the victims of aggression -- are relegated to what they consider the ignominious role of observer. Their full participation in substantive negotiations remains a cardinal element in the GVN's position and, indeed survival.



Coupled with this widespread fear and resentment, however, is a growing (and more healthy) realization that it is for the Vietnamese people themselves to secure their own future. Especially since Tet, people have begun to understand that they must in sheer self-interest begin to repair the shortcomings in political organization, in administration, and in social discipline so evident in Vietnamese society.

There is far greater agreement among nationalist Vietnamese of varying political inclinations about what would not be acceptable in a possible peace settlement than about what form such a settlement might take. Among the negatives: There can be no coalition government with Communists, no ceding of territory, and no dealing with the NLF as a political entity. Individual members of the NLF can be reintegrated into Vietnamese society, enjoying all the constitutional rights of Vietnamese citizens, but only after they have laid down their arms and agreed to accept the constitution -- which explicitly prohibits any form of Communist activity.

The Alliance. I noted my basic estimate of the enemy's political intentions in the General Section. I think a half year summary must also include mention of the Alliance, a political phantom with which the NLF now shares the enemy's propaganda spotlight.

The Alliance, or rather the Saigon and Hue Committees of it, was first announced by Liberation Radio during the Tet Offensive. It fell from sight shortly thereafter, only to re-emerge with considerable fanfare in mid-April with formation of a National Alliance. Hanoi's purpose in creating the Alliance seems to have been to create a new "non-Communist" group which might attract more support than the NLF and which could be used as a non-Communist "representative of the Vietnamese people." The Alliance has not been able to attract significant non-Communist political support and has indeed had relatively little impact. The Communists may have great plans for it and they probably do, but at present it appears more as a shell, a device being held in reserve by the Communists for possible use in the political maneuvering attendant upon moving towards a negotiated settlement in South Vietnam.

### C. Military

Performance of RVNAF during the Tet attacks was generally good, in some cases superior. While performance was sometimes marred by looting, the RVNAF generally improved its image in the eyes of the people in this critical period.



Since Tet the RVNAF has continued to improve its fighting capability. Vietnamese units have frequently shown a new confidence and a new aggressiveness. In part, this is due to the better weapons we have provided. All infantry, marine, airborne, and ranger battalions now have the M-16. The next priority is the Regional Force/Popular Force; by the end of July all RF/PF, Pru and advisory units in Gia Dinh province around Saigon, some 27,000, will be equipped with the M-16. A MACV study on the effect of equipping RVNAF units with the M-16 shows not only a significant increase in firepower and general capability but also an impressive rise in confidence, morale and esprit.

Because of their crucial role in territorial security, another important priority is the upgrading of the Regional and Popular Forces. Measures underway not only include increased force strength and improvement in equipment, but also the operation of some 354 Mobile Advisory Teams, Advisory Logistical Teams, increase in pay for the Popular Forces, the establishment of 177 Group Headquarters, and awards and decorations programs.

Probably even more important than the new weapons in improving RVNAF performance was the experience of meeting the best the enemy could muster and defeating it soundly. While in the U.S. there was a profound psychological shock as a result of Tet, the Vietnamese, including the Armed Forces, emerged with a strong and effective boost in morale.

After Tet, the RVNAF was expanded rapidly, both by draft calls and by increased voluntary enlistments; for example, during February the RVNAF received 10,084 volunteers, as compared with 3,924 in February of 1967. As of January 1, RVNAF strength was 643,116. By mid-June this figure had climbed to 757,141. Final statistics are not yet in, but we believe that by June 30, the RVNAF had 765,000 men under arms, an increase of well over 120,000 men in six months.

Under the General Mobilization Law signed into law on June 19, all men aged 16 to 50 are to be mobilized. Those from 18-38 are eligible for immediate draft calls; those age 17 and 39-50 can be called later if RVNAF manpower needs should require them. Drafting of 18 year olds was well underway by the end of June. In some cases, men aged 17 and a half are being called up.

Major enemy offensive actions during the past months were the Tet attacks, the attempt to take Khe Sanh, the May attacks on Saigon and the threat in the Kontum area. The most ambitious effort was the Tet Offensive at the end of January emphasizing widespread coordinated attacks on many important cities and towns of the Republic. The enemy intention was to seize control of population centers, generate revolt and defections among the populace and in the RVNAF, undermine the people's morale and weaken, if possible destroy, the Government. It must be said that he gained a very considerable psychological impact abroad, particularly in the U.S. but here, despite heavy material damage and a set-back to security and hence to pacification in the countryside, no significant enemy objectives, military or political were achieved; and his losses in personnel were extremely heavy.



The Khe Sanh Combat Base was also a Tet objective. During February and March, the NVA 304th and 325C divisions and supporting units tried repeatedly to mount attacks on Khe Sanh but were forestalled by massed air artillery fire. By late March, these forces had abandoned their offensive posture.

Midway in the period the pattern of enemy activity was altered. To avoid the heavy cost of the Tet period, sharp attacks were launched at a succession of points to give an impression of momentum. Increased infiltration facilitated these and other operations.

On May 5 the general offensive was renewed with attacks on Saigon and some 190 other actions, primarily attacks by fire. Enemy casualties again were heavy. In May and June an attempt by the NVA 1st and 325C divisions, the latter recently deployed from Khe Sanh, to mount an offensive in the Kontum area was abandoned in the face of massed air artillery fire. In mid-June preparations for new assaults on Saigon became apparent although execution seems to have been delayed by vigorous friendly ground sweeps and ARC LIGHT strikes.

Perhaps the most noteworthy trend of the period affecting the enemy was the increased NVA troop domination of the war. An estimated 98,000 - 113,000 arrived in RVN. This included the 304th and 320th Divisions into the First Corps in January and elements of the 308th Division into the same zone between March and May. Total enemy recruitment in RVN was 31,500 as against estimated losses of 151,900. Enemy strength on January 1 was estimated at 225,000-250,000 and on June 1 at 190,000-228,000. The estimated NVA proportion rose from 62 percent on January 1 to 72 percent on June 1.

#### D. Pacification and Urban Recovery

After the buildup of pacification momentum and resources in 1967. We confidently expected further gradual acceleration in 1968. But the after effects of the enemy Tet offensive seriously interrupted this favorable trend. Population in ABC Hamlets (plus towns) dropped from 67 percent at end-1967 to just under 60 percent by the end of February. It is important to remember that the Tet offensive did not specifically target on the hamlets. On the contrary, our losses occurred primarily because GVN forces were pulled in to defend the towns.



Since end-February we have been gradually regaining control over the countryside, despite the diversion of massive resources to security and recovery in the towns. By mid-year, population in ABC hamlets--our best available pacification measurement--had risen to 63.3 percent. Now that the momentum of pacification has been resumed and more assets are available, we expect to be able to make progress again the second half of 1968.

One main reason is the further growth in pacification assets. Their collective strength--RF/PF, police, RD Teams, APTS, census grievance cadre, etc.--has grown by 85,000 from 426,000 at the end-1967 to about 500,000 by mid-1968. RD and Montagnard cadre teams now number 777. Assigned strength of RF/PF is close to 100 percent. Funds are adequate. Our pacification organizations is intact. Of course it bears constant repetition that these pacification forces are entirely Vietnamese--and the lowest grade GVN resources at that. They are dispersed across the entire region of SVN, in many cases improperly, and their leadership still leaves much to be desired. Thus, pacification will continue to move at a Vietnamese rather than American pace.

Nonetheless, there are encouraging developments. Since sustained local security is the essential first step of pacification, we have finally gotten the GVN moving on upgrading the vital RF/PF. They have grown to 1,053 RF Companies and 4,561 PF Platoons. The number of automatic M-2 carbines and Browning automatic rifles has nearly doubled in RF/PF units. Serious deficiencies still exist--slow or undependable resupply, insufficient training, shortage of operational radios, and thin unit leadership. In sum, the RF/PF forces are still relatively low quality but getting stronger and slowly better.

An even brighter spot is the stepped-up attack on the VC infrastructure, which Komer has personally pressed continuously. In the last six months, we have neutralized about 6,000 identifiable infrastructure cadre--and are now running at a rate over 1,200 a month. The GVN is beginning to move ahead the program--41 provinces have functioning committees and [REDACTED] have been set up. Moreover, Thieu has pushed the effort nationally by signing on July 1 a strong decree setting forth organization and responsibilities. A

By dint of much pushing and prodding, we are also getting the GVN to put in stronger leadership at the key district and province level. Because pacification is 99 percent GVN business, Vietnamese leadership determines

its course. By working directly with Thieu and providing him with frank appraisals, we have been quite successful in getting poor officials replaced. With removal of the pitiful Chau Doc Province Chief this week, the score since September 1967 stands 17 Province and 26 District Chiefs. Their replacements have been much better. In addition, we have influenced removal of the corrupt Mayor of Vung Tau, five Police Chiefs, 13 Chieu Hoi Chiefs, 7 Refugee Chiefs and numerous lesser officials. While leadership at district level is still poor, Thieu is finally acting on our private list of the 50 worst.



While rural economic revival, so important to gaining the farmers' support of the Government of Vietnam, has not yet reached pre-Tet levels, we are working hard on it. Rice is not yet flowing normally to Saigon from the delta, the paddy price to farmers is depressed, and roads and waterways -- while physically open -- are not as heavily traveled because the psychological effects of Tet linger on and they are still subject to harassment. The enemy is clearly seeking to strangle the rural economy and isolate the cities, but the Government, with massive U. S. help, is keeping major lines of communication open. Bridges are repaired more rapidly than ever. Upgrading key route 4 has been almost completed as far as Can Tho. No significant shortages exist.

Chieu Hoi ralliers are still disappointingly low, with the 1968 rate running only one-third that of the first half 1967 surge. However, the monthly average is now running over 1,000 returnees, and the percentage of NCO and higher level Hoi Chanh is about 250 percent larger than last year. The current trend is upward, whereas in the last half of 1967 it was dropping.

Next, self-defense is beginning to catch on. The Tet offensive led increasing numbers of civilians and civic organizations to appeal to the Government for arms to defend themselves. After several false starts, the Government is finally moving to organize the effort sensibly. Few arms have been distributed and self-defense does not yet contribute much to pacification. But within six months it could.

Many pacification resources and much of our energy had to be diverted to urban recovery following Tet. Bob Komer and his people did a remarkable job of energizing the Government of Vietnam. First priority had to be given to caring for 892,000 Tet evacuees, to helping rebuild more than 120,000 homes destroyed and 31,000 others damaged, and to restoring shaken public confidence. Project recovery has been a success story, although marked by many frustrations. Cash relief and resettlement allowances have been distributed to about 100,000 families; 62 percent of cement needed and 76 percent of roofing requirements have been distributed. Six thousand family apartment units are being or soon to be constructed in Saigon/Gia Dinh. An Army of the Republic of Vietnam/U. S. engineer task force is at work clearing rubble, laying out housing sites, and assisting erection of pre-fab housing in heavily damaged areas.

Another 179,000 evacuees were created by the May-June attacks against Saigon/Gia Dinh. Government of Vietnam performance in caring for these people has been remarkable. Victims of May-June attacks are already being resettled. The all-time high of 1,650,000 refugees/evacuees being cared for in May had diminished to about 1,400,000 at end-June. Growing U. S./Government of Vietnam concentration on this huge refugee burden is bearing fruit, though the burden still takes our best efforts. We expect a further decline, but over a million refugees will probably require care during the rest of 1968.

In sum, the outlook for pacification is again reasonably favorable, barring a sharp decline in Vietnamese morale or another Tet-size attack. Regional and Popular Force expansion and improvement will continue to pay off. The attack on the Viet



Cong infrastructure should accelerate. Our refugee and recovery burden should decline. The Chieu Hoi rate should pick up. Solid gains will be slow at best, however, as pacification is the most difficult chore we confront in Vietnam. Continuing weaknesses are the slowness of local administration to improve, the defensive-mindedness of pacification forces, the Government's complex and slow working pacification organization, and the need to spread our assets between cities and rural areas. We are working hard on these problem areas and many others.

#### E. Economic

The economic picture in Vietnam changed radically in the last six months. 1967 had been a year of progress toward economic stability, of spreading economic prosperity into the countryside, and of moderate economic growth. Prior to the Tet offensive it looked as if 1968 would see a continuation of all of these trends, with the main problem -- but a manageable one -- being the containment of inflationary pressures which were beginning to build up from the monetary side during the last two months of 1967 and in January, 1968.

The Tet offensive came at a time when markets were closed for several days and households were stocked for the festivities, and the shock of the fighting on the consumer was consequently cushioned. However, when housewives began to venture forth and found markets still closed and all items scarce, prices soared. On February 12, a first comprehensive U.S. AID check showed the retail price index 58 percent above January 27. This peak was followed, however, by an almost uninterrupted decline over the next seven weeks as supply conditions in Saigon were gradually restored. By March 18, the index approximated the January 27 level.

The price declines took place against the background of rapid monetary expansion. By the end of March the money supply had risen VN9.6 billion above the January level. This rapid increase of the money supply was mainly due to a drastic drop in imports (down 15 percent during the first quarter of 1968 from the 1967 quarterly average) and an even greater drop in Government revenue collections (down 23 percent below the 1967 quarterly average). Government expenditures, on the other hand, remained roughly at the previously expected level.

The contradiction in the development of prices and the money supply is explained mainly by a marked shift in consumer preferences from all types of spending to hoarding, and hoarding in the most liquid form available to the average citizen, i. e., in piasters. There was little evidence of capital flight and the black market dollar and gold rates remained remarkably stable.

The recovery of the economy from the shock, disruption and destruction of the Tet offensive was slow, particularly in the business sector. Imports continued to lag and businessmen were more interested in reducing inventories than making new investments.



However, trade between the countryside and Saigon recovered relatively rapidly. By April, many parts of the economy had made a substantial recovery from Tet, though activity in the business section remained sluggish. Tax collections were at a historic record for any single month. In order to combat the growing monetary overhand and finance the increased costs of general mobilization, the Government imposed increased rates for austerity taxes on imports and submitted a proposal for a 20 percent surcharge on domestic taxes to the Assembly. The movement of foodstuffs from the countryside into Saigon (with the exception of rice) was practically back to normal.

The May offensive and the subsequent rocketing of Saigon was of course a setback to the gradually recovering economy. However, the actual damage done by the offensive was moderate compared to Tet. The effect on prices also was much less severe. From April 29 to May 6, the U. S. AID index rose by 21 percent, but fell again by 9 percent during the following two weeks. The main economic effect of the offensive and of the shelling of Saigon may turn out to be a further setback to the recovery of business confidence.

At mid-year, the Vietnamese economy is still sluggish. Business confidence reflects uncertainty, new investment activity is very limited, and dis-investments and some capital flight have probably taken place. During June both the free market dollar and gold rates increased significantly (by 4.7 and 7.7 percent respectively between May 27 and June 24). But given the disruptions of war and the harassments of the transportation system, prices have remained remarkably stable (the U. S. AID index stood only 14.7 percent over December 26 on July 1).

A large monetary overhang is being created, and it may cause serious problems at some future date. The government is countering this to some extent by tax increases. The 20 percent surcharge on domestic taxes has been passed by the National Assembly. The government has also increased import duties, installed the Brussels code, will probably consider increases in petroleum products taxes by decree and is considering further increases in customs duties. Otherwise it is concentrating for the time being on better enforcement.

For the moment, the main problem is to help the private sector to recover and keep going despite the risks and uncertainties of war. This, of course, depends mainly on the security situation, but economic policy can also play its part. The passage by the Lower House of the war risk insurance bill and the passage and beginning implementation of the reconstruction loan fund should help. A revised rice policy is urgently needed and the Government is now concentrating on this problem.

During the past half year, U. S. AID has continued its efforts to build a stronger economy while assisting in the relief and recovery effort. U. S. AID provided money, cement, roofing, and other commodities for the recovery effort. At the same time, regular programs went forward on schedule; for example, the goal for planting of improved rice was exceeded, and the sale of fertilizer more than doubled over the same period for last year. School construction went forward despite the enemy attacks and medical training programs were stepped up.

Friday, July 12, 1968  
3:10 p. m.

~~TOP SECRET~~

*Pres file  
sup*

MR. PRESIDENT:

Max Taylor and Don Hornig believe it to be a good idea if I were to issue the attached intelligence directive against the possibility of either a total bombing halt against North Vietnam or a general cease-fire in South Vietnam.

We have checked with Dick Helms and Paul Nitze. They would be glad to receive a directive of this kind.

~~TOP SECRET~~ attachment

W. W. Rostow

Memorandum O. K. \_\_\_\_\_

No \_\_\_\_\_

Call me \_\_\_\_\_

DECLASSIFIED  
E.O. 13292, Sec. 3.5  
NLJ 03-151  
By iso, NARA, Date 12-1-03



~~TOP SECRET~~

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THE WHITE HOUSE

WASHINGTON

July 12, 1968

MEMORANDUM FOR: THE SECRETARY OF DEFENSE  
THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Intelligence Contingency Planning for the Viet-Nam Theater

In view of the possibility that negotiations with North Vietnamese representatives may lead to agreements calling for a total bombing halt or a general cease-fire in Viet-Nam, the President would like to have in readiness a comprehensive plan for the deployment and use of signals intelligence, photographic and other resources to monitor enemy performance under such agreements, particularly as they might bear on (1) the infiltration of men and supplies (2) the use for military purposes of the Demilitarized Zone and over-the-border sanctuaries and (3) the movement and maneuver of enemy forces in South Viet-Nam. The President wishes to be assured that every effort is being made by the departments and agencies concerned to integrate all resources available to provide the intelligence coverage which will be required to meet this contingency should it arise.

For this purpose, it is requested that the Director of Central Intelligence coordinate the development of such a plan in consultation with the Secretary of Defense and the heads of the intelligence agencies concerned. The plan should include a definition of the intelligence requirements, the proper manner for deploying and using of existing resources and those in a sufficiently advanced state of research and development, an assessment of the adequacy of these resources, and proposals for the development or procurement of specific new systems that could improve our capability in the time available. Consideration should be given to the desirability of including in the plan such intelligence collection resources as the [REDACTED]

I would appreciate receiving an initial report by July 25, 1968, on the progress made in preparation of the plan.

EO 12958 3.3(b)(1)>25Yrs  
(S)

W W Rostow  
W. W. Rostow

CC: The Chairman, President's Foreign  
Intelligence Advisory Board.

The Special Assistant to the President  
for Science and Technology.

HANDLE VIA COMINT CHANNELS ONLY

SANITIZED

E.O. 13292, Sec. 3.5

NTJ/RAC 03-123

By ms, NARA, Date 10-22-03

~~TOP SECRET~~

ACTION

Friday, July 12, 1966

1:00pm

~~1. [unclear]~~  
2. Pres file

Mr. President:

Herewith, as you requested, a proposed Presidential statement on the aid bill.

I think the statement will help.  
I recommend you approve.

W. W. Rostow

As you see, Nick did the job  
as a letter: it's easily  
convertible to a statement.  
W

EKH/vmr



Dear Mr. Speaker:

The House of Representatives is about to consider a critical piece of legislation -- the Foreign Assistance Act. I want to emphasize to you -- and through you to all Members of Congress -- my strong support for this bill.

I have just returned from Central America, where I saw and felt at first hand the needs and aspirations of people who look to us for leadership and help. These people, with energy and hope, are hard at work building a new life. They, and the millions of others in Asia, Africa and Latin America who are struggling to better their own lives and the lives of their children, deserve the assurance that they are not alone and friendless.

The world's poor know that there is no moratorium on disease.

They know that there is no moratorium on hunger, starvation, or illiteracy.

And they know that there can be no moratorium on their own war against these age-old enemies. Can we do less than offer them a small measure of support and encouragement in this battle?

In the end, each citizen and each member of Congress must make his own judgment of our national priorities. Let me only say that my foreign aid budget request takes into account our critical needs at home as well as those abroad. As the Congress knows, it was the lowest request in history.

The Foreign Affairs Committee has reduced this request by \$600 million -- about 20%. I regret this cut, but, in view of our joint concern for our fiscal problems, I will not oppose it.

But with these cuts, program has been pared to the bone. Below this level the vitality of the regional initiatives we have stimulated in the developing areas would be severely threatened. Countries around the world which have trusted our resolve and heeded our advice would lose the confidence in peaceful progress which distinguishes this era from the long dark centuries of hopelessness which have been their common burden.

This is not, nor should it become, a partisan issue. Every President since Harry Truman has understood the importance of aid to our own security and to the future of the free world. Nor, if I may add a personal note, can I imagine a greater disservice to my successor than the defeat, or crippling, of this bill. Be he Democrat or Republican, liberal or conservative, he will be charged with executing the foreign policy of the United States. It is our common responsibility to pass on to him intact the full range of instruments necessary to the performance of his duties. I speak from my own experience -- and the experience of my three predecessors -- when I say that none is more vital than foreign aid.

We are now engaged in crucial talks looking toward the end of the tragic conflict in Viet-Nam. We are about to begin talks with the Soviet Union on limiting the arms race. At a time when America's commitment to peace with security has begun to bear fruit, we must not seem to be withdrawing from the struggle against the basic causes of war and unrest.

I call upon the Congress to reaffirm -- as it has so resolutely in the past -- America's moral and material commitment to help others help themselves toward a better and more peaceful future.

Sincerely,

The Honorable  
John W. McCormack  
Speaker of the House  
of Representatives

LBJ/WWR/EKH/vmr



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THE UNDER SECRETARY OF STATE  
WASHINGTON

July 11, 1968

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Presidential Statement on the Aid Bill

In line with your instructions at the Cabinet meeting yesterday, at Tab A is a draft Presidential letter to Speaker McCormack. (Bill Gaud has seen and approved the text.) It makes a strong pitch for passage of the Aid Bill and could serve as a public Presidential statement. It offers several advantages over a Presidential speech. It is short and punchy, and would have more impact than a longer, necessarily more complicated speech on the subject.

I recommend that you read the letter before TV Monday, since House debate is scheduled to begin Tuesday.

If you approve the letter, we will need your signature at Tab A.



Nicholas deB. Katzenbach

Enclosure.

1. I will read the letter before TV \_\_\_\_\_
2. No \_\_\_\_\_
3. See me \_\_\_\_\_

~~CONFIDENTIAL~~

DETERMINED TO BE AN  
ADMINISTRATIVE MARKING  
NOT NAT'L SECURITY  
INFORMATION, E. O. 11652,  
SEC. 1.1(a).

BY RG ON 9-28-92

DRAFT LETTER TO THE SPEAKER OF THE HOUSE

Dear Mr. Speaker:

The House of Representatives is about to consider a critical piece of legislation--the Foreign Assistance Act. I want to emphasize to you--and through you to all Members of Congress--my strong support for this bill.

I have just returned from Central America, where I saw and felt at first hand the needs and aspirations of people who look to us for leadership and help. These people, with energy and hope, are hard at work building a new life. They and the millions of others in Asia, in Africa and Latin America who are struggling to better their own lives and the lives of their children, deserve the assurance that they are not alone and friendless.

The world's poor know that there is no moratorium on disease

They know that there is no moratorium on hunger, starvation or illiteracy.

And they know that there can be no moratorium on their own war against these age-old enemies. Can we do less than offer them a small measure of support and encouragement in this battle?



In the end, each citizen and each member of Congress must make his own judgment of our national priorities. Let me only say that my foreign aid budget request takes into account our critical needs at home as well as those abroad. As the Congress knows, it was the lowest request in history.

The Foreign Affairs Committee has reduced this request by \$600 million--about 20%. I regret this cut, but, in view of our joint concern for our fiscal problems, I will not oppose it.

But with these cuts, the program has been pared to the bone. Below this level the vitality of the regional initiatives we have stimulated in the developing areas would be severely threatened. Countries around the world which have trusted our resolve and heeded our advice would lose the confidence in peaceful progress which distinguishes this era from the long dark centuries of hopelessness which have been their common burden.

This is not, nor should it become, a partisan issue. Every President since Harry Truman has understood the importance of aid to our own security and to the future of

the free world. Nor, if I may add a personal note, can I imagine a greater disservice to my successor than the defeat, or crippling, of this bill. Be he Democrat or Republican, liberal or conservative, he will be charged with executing the foreign policy of the United States. It is our common responsibility to pass on to him intact the full range of instruments necessary to the performance of his duties. I speak from my own experience--and the experience of my three predecessors--when I say that none is more vital than foreign aid.

We are now engaged in crucial talks looking toward the end of the tragic conflict in Viet-Nam. We are about to begin talks with the Soviet Union on limiting the arms race. At a time when America's commitment to peace with security has begun to bear fruit, we must not seem to be withdrawing from the struggle against the basic causes of war and unrest.



-4-

I call upon the Congress to reaffirm--as it has so resolutely in the past--America's moral and material commitment to help others help themselves toward a better and more peaceful future.

The Honorable  
John W. McCormack  
Speaker of the House of Representatives

ACTION

1. ~~sup~~  
2. Pres file

July 12, 1968 - 1:00 pm

Mr. President:

Attached, for your approval, is a proposed message to a conference on education and scientific training in Africa (July 16 - 27 in Kenya). The conference is sponsored jointly by UNESCO and the OAU. You've sent messages before to similar regional meetings on education in Asia and Latin America and an earlier conference in Africa.

State recommends, and I agree, that you approve the message.

W. W. Rostow

Approve ✓

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_

WWR:RM:lw

Att:File #2129



### Proposed Message

I am especially pleased to send greetings to a conference on education in Africa. We in America know from our own experience how deeply young nations thirst for learning. We know that education is the cornerstone of peace and prosperity everywhere in the world.

But this great task demands planning as well as passion, international cooperation as well as national commitment. Your presence testifies to that truth. Together, you can do much to free Africa from the bonds of ignorance.

Our observer delegation has come to learn from you and to share our knowledge just as we share your hopes and dreams. They bring from me and all Americans our warmest wishes for the success of your work.

Sincerely,

Lyndon B. Johnson

6

INFORMATION

Friday, July 12, 1968 - 12:00 noon

*Pres file*

MR. PRESIDENT:

Attached is a note from Chancellor Jenkins to Secretary Fowler expressing appreciation for our strong support for the sterling package at Basle.

He also indicates the British are finally moving hard to resolve this issue.

W. W. Rostow

*Copy*

ERF:mst





UNITED KINGDOM TREASURY AND SUPPLY DELEGATION  
BRITISH EMBASSY  
WASHINGTON, D.C. 20008

11th July 1968

CONFIDENTIAL

Dear Mr. Secretary,

I have been asked to convey to you the  
enclosed personal message from the Chancellor  
of the Exchequer.

Yours sincerely,

*Evan Maude*

E.W. Maude

The Honorable  
Henry H. Fowler,  
Secretary of the Treasury

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



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UNITED KINGDOM TREASURY AND SUPPLY DELEGATION

BRITISH EMBASSY

WASHINGTON, D. C. 20008

CONFIDENTIAL

TEXT OF MESSAGE

11th July 1968

I should like to express my warm appreciation to you and your colleagues in Washington for the constructive and helpful attitude you have taken up about the new facility for sterling which has been discussed in Basle. The positive support which Governor Robertson gave to the proposals and the fact that he was able to do so with the full authority of the President, made, I am told, a considerable impression on the other Governors at the meeting. The announcement we made on Monday, 8th July, has already had a favourable impact. We are embarking on our discussions with sterling area countries urgently. I hope that we are at the beginning of a new period of stability in the sterling area.

ROY JENKINS

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



ACTION

~~SECRET~~

Friday, July 12, 1968 -- 10:55 a.m.

Mr. President:

I am a little obscure as to where we left the question of George Ball's instructions, at the lunch on Wednesday.

If I remember correctly, Sec. Rusk left the original with you.

If you have not cleared them and wish further discussion, this afternoon's meeting at 6:00 p.m. would be a good occasion.

George Ball is now in London and should, if at all possible, receive his instructions, including, if you agree, the letters to Eshkol and Hussein, by close of business on Saturday, July 13.

W. W. Rostow

Instructions and letters okay \_\_\_\_\_

Discuss at 6:00 p.m. ✓

Call me \_\_\_\_\_

~~SECRET~~

WWRostow:rln

1

*Pres file*

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 92-124  
By is, NARA Date 9-21-78

10a

THE SECRETARY OF STATE  
WASHINGTON

(OS)

~~SECRET-EXDIS~~

MEMORANDUM FOR THE PRESIDENT

Subject: Ambassador Ball's Trip

Attached for your review is the suggested guidance for Ambassador George Ball on the Middle East leg of his trip. Ambassador Ball concurs.

Dean Rusk

Enclosure:

Suggested guidance.

~~SECRET-EXDIS~~

DETERMINED TO BE AN  
ADMINISTRATIVE MARKING  
NOT NAT'L SECURITY  
INFORMATION, E. O. 12356,  
SEC. 1.1(a).

BY ky ON 9-2-92



~~SECRET-EXDIS~~

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GUIDANCE FOR AMBASSADOR GEORGE BALL  
ON MIDDLE EAST TRIP

Ambassador George Ball, accompanied by Assistant Secretary Joseph Sisco, will visit Tel Aviv, Amman, Beirut, and Jidda in between UN talks in London, Paris, Tokyo, and Seoul. The purpose of the Middle East trip is three-fold: (a) to familiarize George Ball first-hand with the current developments in the area; (b) to assess the present attitude of the parties and the prospects for progress toward a peace settlement; and (c) to encourage steps by the parties which will help Jarring make progress toward an agreement called for by the Security Council resolution of November 22, 1967. George Ball will take no American blueprint; the talks are primarily exploratory.

In Israel George Ball will:

1. Deliver a letter to Prime Minister Eshkol from President Johnson (Enclosure 1).

2. Explore the whole situation as we both see it now, in the light of Jarring's recent activities, and developments in the area, soliciting Israeli ideas as to next steps, and suggesting these points:

(a) Progress with Jarring during this month is highly desirable -- perhaps indispensable -- to head off serious risks in the Security Council and in the field;

(b) We have relied throughout this period on official Israeli assurances that Israeli peace aims are moderate, and that Israel's primary goals are peace and security in the area and the establishment of secure and recognized boundaries, and that, apart from some agreed modification of the armistice lines, its purpose is not the acquisition of additional territory. These Israeli statements have been and remain basic to our own posture.

(c) The US has very real and independent interests in the Middle East, which include our relations with the

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**E.O. 12958, Sec. 3.6**  
**NLJ** 97-131  
**By** 10, **NARA Date** 10-30-98

Arab world and which make it imperative that we limit Soviet influence in the area. Progress toward a settlement has been slower than we had anticipated, and continuation of this essentially stalemated situation severely hampers our ability to protect these interests.

(d) The time has come for a diplomatic and public peace offensive on the part of Israel. Recent Israeli policy is contributing to placing substantial onus for lack of progress on Israel, particularly in the light of recent Egyptian tactical moves. The Soviets and the Arabs have persuaded a large part of world opinion that Israeli positions have hardened, and that Israeli intransigence is responsible for the absence of peace. This state of opinion has dangers and could result in difficult situations in the Security Council which would neither be in the interests of the US or Israel. It would not be helpful either to Israeli or to American long-term interests if the United States were put in a position of having to consider using its first Security Council veto in this connection. As Israel knows, the US has never cast a veto in the Security Council and it could not be expected to do so if a draft resolution before the Council proposed a plausible approach to a political settlement based on the November 22 resolution.

(e) George Ball could suggest that, in order to lay an essential political foundation either for negotiations or for a Security Council debate, Israel stress and restate to Jarring: (i) its acceptance of the November 22 Resolution as a whole, and its desire to carry out that Resolution through agreement with the Arabs as required by paragraph 3 of the Resolution; (ii) that Israel stands ready to withdraw from occupied territories to secure and recognized boundaries, and (iii) that Israel is willing to undertake discussions in the pattern of the Rhodes formula (i.e., a pattern in which no form of negotiation is excluded) and that if Jarring is able to get UAR acceptance of this position, Israel is prepared to put forward substantive suggestions in order to reach the agreement required in paragraph 3 of the November 22 resolution. We realize that Israel has already at one time or another made statements relating to these points.



The political fact, however, is that these statements have not had a sufficient impact on world opinion and have been negated by more recent statements which have given the impression of a harder position. They need to be stated clearly and simply, with great emphasis. Particularly given recent Egyptian tactical moves, it would be helpful if the same points could be made publicly.

In Jordan George Ball would:

1. Deliver a letter to King Hussein describing the purpose of the trip and assuring him of our intention to continue to use our political and diplomatic influence in support of Jarring's mission (Enclosure 2).
2. Encourage Jordan to take the lead with its Arab brethren, and in particular with Nasser, in actively discouraging recourse to the Security Council and keeping the Jarring mission alive. Note that the presence of the Foreign Ministers in New York for the opening of the Assembly will give them an opportunity to review the situation.
3. Explore with him the current status and prospects of any secret contacts between Israel and Jordan.

In Lebanon George Ball would:

1. Discuss the current status of the Jarring mission and stress the desirability of keeping the Israel-Lebanon border free from incidents.
2. Try to arrange a talk with UAR Foreign Minister Riad which could give Ball the opportunity to assess the degree to which recent UAR moves are tactical or more fundamental. In such a talk we could explore and encourage the UAR (a) to commit itself to the concept of agreement (i.e., binding contractual arrangement) between the parties; and (b) to make a commitment to Jarring of willingness to engage in direct talks at some stage with Israel under Jarring's auspices.

~~SECRET-EXDIS~~

-4-

In Saudi Arabia George Ball would:

1. Assure the King of continuing U.S. interest in the well-being of Saudi Arabia and seek to elicit his support for moderate approaches toward the Arab-Israel problem.

Publicly the Middle East trip should be played in low key and explained as an opportunity for George Ball in his new Ambassadorial post to familiarize himself firsthand with area developments. It would be important to avoid giving the impression that the trip involves a new American peace initiative in the Middle East or that we consider the Jarring mission at an end and have decided to take over as mediator.

Enclosures:

1. Draft letter to Prime Minister Eshkol
2. Draft letter to King Hussein
3. Press Statement on Trip

~~SECRET-EXDIS~~

10c

~~SECRET-EXDIS~~

Enclosure 1

DRAFT LETTER TO PRIME MINISTER ESHKOL

Dear Mr. Prime Minister:

I have asked Ambassador George Ball, who has just assumed his new responsibilities at the United Nations, to discuss with you and your colleagues and with certain Arab statesmen current developments in the area. I know from our very useful exchange last January that you are fully familiar with our policy and that you share my concern over the lack of progress towards a peaceful settlement since the end of hostilities. We stand squarely on my statement of June 19, 1967 and we maintain our full support for the Security Council resolution of November 22, 1967.

The trip to the area will give George Ball the opportunity to become fully familiar with the Middle East problem. I must frankly say that I fear the situation is deteriorating and that it will continue to do so in the area and in the Security Council unless some progress towards a settlement can be made. In particular, I am asking Ambassador Ball to

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E.O. 12958, Sec. 3.6  
NLJ 97-134

~~SECRET-EXDIS~~

By us, NARA Date 9-21-98



~~SECRET-EXDIS~~

-2-

explore with you steps which your Government might be prepared to take now to facilitate UN Representative Jarring's efforts to bring about agreement between Israel and its neighbors.

I hope that you and Ambassador Ball may have a completely candid exchange of views which will advance our mutual interest in the prompt establishment of a durable and stable peace in the area.

Sincerely,

Lyndon B. Johnson

~~SECRET-EXDIS~~

~~SECRET-EXDIS~~

Enclosure 2

DRAFT LETTER TO KING HUSSEIN

Your Majesty:

I have asked Ambassador George Ball, who has just assumed his new responsibilities at the UN, to discuss with you and certain other Arab statesmen, and with Israeli officials, current developments in the area. The trip to the area will give him the opportunity to become fully familiar with the Middle East problem. Ambassador Ball brings with him assurances of our continued firm support for Jordan and my sincere personal wishes for Your Majesty.

It has been more than a year since the end of hostilities. In this time there has not been any progress toward the agreement called for in the Security Council resolution of November 22, 1967. I fully appreciate the difficulties you face in the continuing absence of a settlement, and the courage and moderation you have shown in meeting them.

I assure you that the United States Government has given its full support to the efforts of Ambassador Jarring and that it will continue to do so. Ambassador Ball's visit to Jordan, and to other states in the area, is evidence of

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E.O. 12958, Sec. 3.6  
NLJ 97-134  
By us, NARA Date 9-21-98

~~SECRET-EXDIS~~

~~SECRET-EXDIS~~

-2-

our concern and of our close interest in the efforts which are being made to find a way toward peace.

I shall look forward to hearing from Ambassador Ball your thoughts on these matters. I hope that his discussions with you will help lead to the just and durable settlement which we all so fervently desire.

Sincerely,

Lyndon B. Johnson



PRESS RELEASE

Ambassador George W. Ball, United States Representative to the United Nations, and Joseph J. Sisco, Assistant Secretary of State for International Organization Affairs, will leave New York on July 10 for a series of consultations on UN matters. These will begin with meetings in London. Such consultations have been held regularly with the British prior to the annual General Assembly.

They will also visit Paris for informal talks on UN matters before making a brief trip to Tel Aviv, Amman, Beirut and Jidda to give Ambassador Ball an opportunity to familiarize himself first hand with developments in the area.

They will also go to Tokyo and Seoul for consultations with the Japanese and Korean Governments, on UN questions.

The contemplated schedule is as follows:

London July 11, 12  
Paris July 13, 14  
Tel Aviv July 15, 16  
Amman July 17  
Beirut July 18  
Saudi Arabia July 19  
Tokyo July 24, 25  
Seoul July 26, 27

12

*Free file*

Friday, July 12, 1968  
8:50 a.m.

Mr. President:

Under your guidance -- almost at your insistence -- there has been a dramatic turn-around in the food and agriculture picture and a new priority on family planning.

I believe you should make a speech soon along the lines of the attached.

It's a good story.

If you decide to do it, I suggest a paragraph on South Vietnam -- along the lines of Orville's report.

W. W. Rostow

WWRostow:rlm

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7/11/68

LADIES AND GENTLEMEN:

I want to talk to you today about a new hope for peace in our threatened world.

Behind the clamor of the headlines this new force has sprung as quietly as a tiny seed of grain renews the life of a fallow field. It lights the dark corners of despair for two-thirds of mankind. And its promise -- if we are wise and bold enough to seize it -- points the path to a new era in human history.

I speak of the great agricultural revolution that is gathering momentum in the hungry lands of the world. For the power and success of that revolution are unmistakable. It is now, in this generation, that man can at last break the chains of hunger. It is now, in this generation, that most of the world's children can escape the terrible physical and mental scars of malnutrition.

The battle against hunger is as old as mankind. Most men have lived out their lives in a gloomy and grinding cycle of birth, hunger and death -- with weakness and disease their constant companions. Even as America awakened her bountiful harvest and shared it around the world, ancient want deepened toward modern calamity.

Less than a decade ago, much of the world swayed over the chasm of food disaster.

-- The once fertile soil of the Asian subcontinent lay exhausted and barely able to keep food production abreast of population growth for the task of survival.



- The Philippines depended on imports for \_\_\_\_\_% of their staple food needs.
- Turkey's agriculture was stagnant and without hope of feeding a growing population.
- Brazil was buffeted by rural unrest rooted in privation and hopelessness.

It was not surprising that we heard prophecies of doom in those years. Experts charted the ominous collision course of population growth and food production. But they did not chart the will and determination of those who had not given up hope -- or the course of change in a world desperate for new beginnings.

From Brazil to Taiwan, from the Philippines to Pakistan, the forecasts of failure and frustration have been confounded. Millions of fields and farms have been reborn:

- Despite two years of the worst drought of this century, India is now harvesting the largest grain crop in her history, 32% above last year's level and 14% above any previous year.
- In 1968 India will plant 16 million acres in new high-yield varieties of grain. By 1970 she will plant 32 million acres. These varieties were not planted at all until 1965. Incredibly, India now has the capacity to be self-sufficient in food grains in the 1970's.
- Pakistan has harvested a wheat crop 30% above her previous record, and has 3 1/2 million acres already planted in the

new seeds. She may be self-sufficient in grains by 1970.

- The Philippines achieved self-sufficiency in rice production this year for the first time since the turn of the century.
- Iran not only grows enough grain for her own people, but this year has become a wheat exporter.
- Ceylon's rice harvest this year has climbed 13% above the previous record, and her people are forging ahead with a vigorous campaign to grow more food.
- Last year Turkey's wheat crop set a new record and this year's total production of food grains will be more than one-third higher than in 1965.

These striking figures are, of course, only the sum of the multitude of vital advances in the villages and the ministries and the laboratories of these nations. And the measure of national rebirth does not tell of other equally precious rewards:

- the farmer who harvests dignity and self-respect with his new crops;
- the urban workers who regain strength and faith from the revolution in the countryside;
- the children who grow up knowing peaceful change is possible.

But how did this happen? What made this revolution possible?

First and foremost, it has been the will and energy and wisdom of the nations themselves. Their leaders have understood that no nation, however endowed, can build an industrial society on the sands of stagnant

agriculture. They have understood that no government can long survive if it ignores the legitimate needs and aspirations of the majority of its citizens who live in the countryside. They have understood, too, that the food resources of America and other developed nations were a poor and short-lived substitute for the pride and independence of feeding themselves.

So there has been a new political commitment behind the agricultural revolution. And with it has come an outpouring of talent and hard work. In one area alone -- the use of fertilizer -- the footprints of this change are deep and impressive.

- India has more than doubled fertilizer use in the last two years and will more than double it again in the next two. One dollar in every five she spends abroad buys fertilizer and her own production will triple by 1970.
- Pakistan used only 30,000 tons of fertilizer per year just a few years ago, and virtually none for food crops. Next year she will use nearly 15 times that much fertilizer, nearly all of it for food crops.
- In 1960 Turkey's imports were dominated by industrial and consumer items while her farms languished. This year Turkey's imports of fertilizer will be the largest single item she receives in world trade.

The second great wellspring of this agricultural revolution has been outside help. Every American can be deeply proud of the part we have played in this historic advance.



It was more than 15 million tons of American grain that staved off starvation for sixty million Indians during the drought of the last two years. But we have used our food aid everywhere not just to relieve hunger, but to encourage self-help.

AID has invested \$ \_\_\_\_\_ million in farm-to-market roads, irrigation projects, ~~the~~ agricultural research and training and other agricultural enterprises.

We have had a major role in the sevenfold increase in fertilizer availability over the past decade. AID will finance \$200 million worth of fertilizer for India in 1969. The next few years may see a rise in production of 25 million tons of grain in Asia -- largely because of U.S.-built fertilizer plants in South Korea, the Philippines, Taiwan, India, Iran, and Malaysia.

In the huts and paddies of the developing world Americans have worked to overcome the farmers' crippling distrust of new ways. In the Philippines an AID "do-it-yourself" rice kit has sold the blessings of modern technology to those who need it most.

But our contribution has not been limited to the efforts of government. Twenty-five years ago the Rockefeller Foundation began work on the new high-yielding cereal strains that are the heart of the agricultural revolution today. The wheat seeds they developed in Mexico, adapted ~~to~~ local conditions, are the new staff of life in much of the world. In 1962 the Rockefeller and Ford Foundations established the International Rice Research Institute in the Philippines. The result has been a new miracle rice which yields four to six times as much as most traditional varieties.

The potential of these new seeds has sent a charge of excitement throughout Asia. Where for centuries there was one slim crop of rice prey to drought and pests, there are now three -- robust and rich. Where the peoples of India and Pakistan waited anxiously for one fragile harvest of grain, there is now double cropping of winter wheat and summer corn.

We have given this help and encouragement because it was right. And because this agricultural revolution is truly a revolution for peace and freedom. But we should not forget that we also share in the prosperity born of new hope. The agricultural revolution has set off a spiral of expanding markets which enrich America as well:

- . Total agricultural output in the developing nations in 1967 rose by 8% above 1966 -- and world production set a new record.
- . Last year world trade in agricultural products reached an all-time high of nearly \$34 billion.
- . As markets expand, this nation has enjoyed unparalleled prosperity in agricultural trade. Since 1960 our agricultural exports have grown 62%.

This is clearly a picture of great achievement and still greater opportunity. Against the dreary backdrop of pessimism at the beginning of this decade, the agricultural revolution is a dazzling spectacle.

All the revived hopes, all the renewed energy, all the breathless prospects should not obscure the most important fact that this is a revolution still aborning. It has begun wondrously. But it has only begun.

Whether it succeeds is a choice for all of us -- rich and poor alike.

For the United States and other wealthy nations the task is clear. Our help made possible the birth of this revolution; our help is indispensable if it is to survive.

Children in South Asia are eating 6% more this year than last. But they cannot continue to ward off malnutrition without help from us in the discovery and distribution of valuable nutrients. Fields bursting with new life with the miracle seeds will fall fallow again without continuing help with fertilizer imports and domestic production of fertilizer.

This means more development aid with emphasis on agriculture. It means more willingness to share our own harvest where it will grant a respite for growth or a spur to self-help.

We are often asked to show the results of foreign aid, to prove the return on what we have invested in needy nations. The agricultural revolution -- the green field, the healthy child, the confident, democratic leader -- is most dramatic proof.

In the end, however, it is for the nations themselves to sustain this revolution, just as they have labored to bring it about. They must persevere in the hard, sometimes unpopular, shedding of preconceptions and prejudices. They must plan for the problems that lie ahead -- farm credits, water development, plant disease, foreign exchange shortage, marketing and price incentives. And they must do this free of dogma, sharing their experience where fruitful despite old quarrels.

They are in a life and death race against the rapid growth of their populations. The agricultural revolution can only purchase precious time.



For the next decade, perhaps, rising yields of food may gain a little on the birth rate.

But beyond the next decade -- unless there is action, and action now -- the agricultural revolution, indeed the whole grand enterprise of development, will come crashing down in a sea of humanity.

-- At current rates by 1980 the world's population will be 4-1/2 billion.

-- At present rates, India will have 50% more school children -- or 150 million in all -- by 1975.

-- At current rates, the population of Latin America will nearly double by 1990.

However much we prosper -- rich and poor together -- there simply are not enough resources on this planet to avert the social and economic tragedy that will come with unbridled growth of population into the 1970's.

I have said many times that family planning is a family matter. Each family must make its own decision. We stand ready to help when, and only when, we are asked. But the alarm bell has long since tolled for all of us.

In 1964 we had no population program worth the name in developing countries. This year we have \$35 million to fight this decisive struggle on the war on hunger.

There are other signs of action. More than twenty-five nations have begun <sup>or intend</sup> ~~a plan~~ to begin family planning programs. Many of these programs have the wise and enthusiastic support of the government and its leaders. But progress is still slow and time is running out.

Let me repeat. The fateful decision to escape from the lengthening shadow of a population tragedy is not ours to make. But we must not be meek to proclaim our pride in the agricultural revolution. And we must not be meek to sound the alarm when that progress is so endangered.

\* \* \* \*

Each generation leaves the next an uncertain legacy. For Americans in the turmoil of the post-war world the burdens have been as heavy as the blessings. We have known matchless prosperity yet unprecedented nuclear peril. We have known satisfaction in national achievement yet endless testing of our will and vision.

Most of all, we have known a world of dizzying change. In two fleeting decades more than a billion people have thrust forward in the search for a better life. It is their stormy passage to that goal that shapes the destiny of our time.

We may learn to live with the nuclear beast; we cannot survive if three out of every four human beings are desperate with starvation.

We may someday quench the flames of political conflict; once ignited, we could never put out the fires of violence and destruction caused by a billion empty stomachs.

We have no more urgent task to pass on to our children. And no more urgent test to begin to meet. The agricultural revolution is not only a triumph, it is also history's reprieve.

We have earned it with hard work, generosity and foresight.

We must use the time well

Thank you and good afternoon.



12

INFORMATION

~~SECRET~~

Friday, July 12, 1968 -- 8:50 am

Mr. President:

You will be interested in Thieu's responsive attitude towards your concept of the Honolulu meeting.

He will come via PanAm with a very small party.

Ellsworth will come with his political counselor (Calhoun) and economic counselor (Cooper) -- Abrams and Komer will stay.

W. W. Rostow

Salgon 32470

~~SECRET~~

WWRostow:rlh

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By jc, NARA, Date 3-6-03



# Department of State

# TELEGRAM

## ~~SECRET~~

6

DE RUMJIR 32470 1940936  
ZNY SSSSS ZZH  
O 120929Z JUL 68 ZFF-1  
FM AMEMBASSY SAIGON  
TO SECSTATE WASHDC IMMEDIATE 6628  
STATE GRNC  
BT

~~SECRET~~ SAIGON 32470

NODIS

REF: A. DEPTTEL 199837  
B. DEPTTEL 200878

SUBJECT: HONOLULU MEETING

CN 3362Q  
JULY 12, 1968  
6:45 a.m.

DECLASSIFIED

E.O. 12958, Sec. 3.5

State Dept. Guidelines

By je NARA, Date 3-6-03

1. I INFORMED THIEU THIS MORNING OF PRESIDENT'S HOPES AND CONCEPTS FOR CONDUCT OF HONOLULU MEETING, MAKING POINTS IN REF A PARA 1.

2. THIEU AGREED ON DESIRABILITY OF DIRECT PERSONAL MEETINGS AND MINIMUM ACCOMPANYING STAFF, BUT SAID HE WOULD LIKE PART OF TIME SET ASIDE FOR JOINT REVIEW AND DISCUSSIONS.

3. WE THEN DISCUSSED WHAT HE REGARDED AS KEY PROBLEMS TO BE EXAMINED. THESE WERE:

A. MILITARY SITUATION.

B. ENEMY INTENTIONS AND PREPARATIONS: MILITARY AND POLITICAL OBJECTIVES.

C. DEVELOPMENT OF SOUTH VIET-NAM'S ARMED FORCES: MOBILIZATION PROGRAM; PERFORMANCE, EQUIPMENT AND TRAINING; REDUCTION AND PHASE OUT OF US FORCES AND NEW EQUIPMENT NEEDS.

D. PACIFICATION AND SECURITY.

E. STRENGTHENING CONSTITUTIONAL GOVT AND MAKING IT MORE EFFECTIVE: RECENT REORGANIZATION EFFORTS AND LEADERSHIP CHANGES; LEGISLATIVE-EXECUTIVE RELATIONS; STEPS TO PRODUCE POLITICAL BACKING FOR GOVT (LIEN MINH).

F. ECONOMIC PICTURE: RECOVERY SINCE TET; REFUGEE PROBLEMS; INFLATION AND TAX MEASURES.

G. PARIS TALKS IN ALL THEIR ASPECTS, INCLUDING REFERENCE TO NLF AND THE ALLIANCE OF NATIONAL DEMOCRATIC AND PEACE FORCES. (I HAD PREVIOUSLY EXPLAINED TO THIEU THAT PRESIDENT WOULD LIKE TO PLACE MAJOR EMPHASIS ON PARIS TALKS, AND THIS IS ENTIRELY AGREEABLE TO HIM.)

## ~~SECRET~~

~~SECRET~~

-2- SAIGON 32470 NODIS 7/12/68

CN-3362Q

4. HE SUGGESTED FOLLOWING SCHEDULE, BUT IS OPEN TO OUR VIEWS:

A. HE PLANS ARRIVE AT 1700 HOURS THURSDAY, JULY 18, AND WOULD LIKE TO REST THAT EVENING.

B. FRIDAY, JULY 19:

- 1) PRIVATE SESSION OF PRESIDENTS.
- 2) JOINT REVIEW (2 HOURS OR SO).
- 3) WORKING LUNCH (POSSIBLY CONTINUATION OF JOINT REVIEW).
- 4) PRIVATE SESSION.
- 5) DINNER.

C. SATURDAY, JULY 20

- 1) JOINT SESSION.
- 2) MEETING ON COMMUNIQUE.
- 3) LUNCH
- 4) PRIVATE SESSION.
- 5) POSSIBLY DINNER.

5. HE PLANS TO HOLD A PRESS CONFERENCE AT CONCLUSION OF MEETINGS, BUT HAS TURNED DOWN "FACE THE NATION" AND OTHER REQUESTS. HE PLANS TO LEAVE NIGHT OF 20TH FOR SAIGON, BUT CAN STAY OVER AND LEAVE MORNING OF 21ST IF NECESSARY. HE THOUGHT PRESIDENT WOULD WANT TO GIVE A DINNER, AND THIEU MIGHT HOST A LUNCH OR DINNER.

6. HIS OFFICIAL PARTY, WHICH WILL CONSIST OF ABOUT 10 PERSONS, WILL INCLUDE:

FOREIGN MINISTER  
DEFENSE MINISTER

JGS CHIEF CAO VAN VIEN (THIEU INDICATED HE MAY CHANGE HIS MIND ABOUT TAKING VIEN).

AMBASSADOR BUI DIEM

MINISTER OF ECONOMY (AU NGOC HO)

TWO ASSISTANTS: NGUYEN PHY DUC, SPECIAL ASSISTANT TO THE PRESIDENT, AND DANG NGOC TRAN, DIRECTOR OF PROTOCOL IN THE OFFICE OF THE PRESIDENT.

7. I SAID I THOUGHT HIS SUGGESTED SCHEDULE WOULD BE GENERALLY ACCEPTABLE, AND THE COMPOSITION OF HIS PARTY WAS ABOUT RIGHT FOR THIS MEETING. HE SAID HE WOULD DO MOST OF THE TALKING IN THE JOINT REVIEW.

~~SECRET~~



~~SECRET~~

-3- SAIGON 32470 NODIS 7/12/68 CN 3362

8. I GAVE HIM THE NAMES OF THE PRESIDENTIAL PARTY AND EXPLAINED WHY WE THOUGHT IT NOT DESIRABLE FOR EITHER HARRIMAN OR VANCE TO COME TO HONOLULU. HE AGREED. I SAID THE PRESIDENT AND SECRETARY RUSK WOULD HANDLE THE DISCUSSIONS ON THE PARIS TALKS. I SAID MY PARTY WOULD BE CALHOUN AND COOPER. GENERAL ABRAMS AND AMB KOMER WOULD NOT RPT NOT BE GOING, AND SECRETARY CLIFFORD AND GENERAL WHEELER WOULD BE ABLE TO TALK ON OUR SIDE ON MILITARY MATTERS AND WOULD BE WELL BRIEFED SINCE THEY WOULD BE GOING DIRECTLY FROM THEIR TALKS HERE TO HONOLULU.

9. THIEU AND PARTY WILL BE FLYING TO HONOLULU IN A PANAM CHARTER (AND PRESUMABLY WILL RETURN THE SAME WAY).

10. REF B RELATING TO BUNDY'S VISIT TO TCC COUNTRIES ARRIVED AFTER MY MEETING. I WILL DISCUSS IT WITH THIEU WHO IS COMING TO A FAMILY DINNER TOMORROW NIGHT.

BUNKER  
BT

~~SECRET~~

1  
Friday - July 12, 1968 - 8:20 AM

Mr. President:

*Pres file*

You will be interested in this status report on the Mexican desire to present a statue of Benito Juarez before you leave office.

In checking with State and Interior, I find that they have not taken the necessary action to obtain Congressional authorization for erection of the monument. They understand that they are to move forthwith.

W. W. Rostow

Attachment

UNITED STATES GOVERNMENT

# Memorandum

14a

TO : ARA - Mr. Covey T. Oliver

DATE: July 2, 1968

FROM : ARA/MEX - Maxwell Chaplin *mc*

SUBJECT: Benito Juarez Statue - INFORMATION MEMORANDUM

In a conversation of July 1 with Wes Boles, Jesus Cabrera of the Mexican Foreign Office said that Mexico would select a statue previously cast for presentation to the city of Washington. Carrillo Flores and his Education Minister colleague, Augustin Yañez, will select from statues of Juarez now in New Orleans, Queretaro and one other Mexican city. Once a selection is made a new casting will be commissioned and the architect and sculptor sent to Washington to look over the site. Their visit to Washington may take place before the end of this month.

The GOM seems quite anxious to make this presentation before the end of the Johnson administration and is quite aware of the lack of time.

cc: Mr. Bowdler

*WDB*  
ARA/MEX:WDBoles:md 7/2/68





*The President:*

*15*  
*Clearance tonight would be*  
*helpful since Amb. Bunker*  
*is dining with Thieu Sat.*  
**ACTION** *evening Saigon*  
*time*  
*WWR*

Friday, July 12, 1968

**SECRET-EXDIS**

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Honolulu Meeting

*Pres file*

Here for your approval is a draft cable to Saigon which represents our present plans for the Honolulu meeting. It reflects the views of Jim Jones, Tom Johnson and State.

I believe the suggested schedule will give you plenty of time for personal conversations with Thieu. Should you, in the event, want additional private meetings there is plenty of time for scheduling them.

You will see that we have scheduled full arrival ceremonies for Thieu along the lines of a South Lawn ceremony. This is scheduled for Hickam Field, which enables us to control it and keep out any would-be hecklers. We have also scheduled you to go to the airport to see President Thieu off. Our feeling is that both these *pieces of* ceremonies are necessary because Thieu will expect them, and the press might read something into the absence of the ceremonies. Otherwise, the schedule is austere with you entertaining Thieu at dinner on Friday and his reciprocating with a luncheon on Saturday.

*altered by*  
*your comm*  
*at 6pm*  
*meeting*

We have timed the release of the Communique in order to make our Sunday press, and Thieu's press conference on Saturday afternoon should get big play on the Sunday television shows.

Although we have scheduled all the working meetings at CINCPAC, we could put some of these in the residence, if it turns out to be suitable and if you wished it.

In regard to the announcement of the exact dates of the visit, we propose to leave that up to Thieu, who should be the best judge of how much risk there is in an early announcement. Whatever day he selects for the announcement, we propose to let the story break first in Saigon with confirmation to follow here a few hours later. (In view of the 12 hours time difference, there is simply no feasible hour for a simultaneous announcement.) The suggested text of the message follows:

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E.O. 12958, Sec. 3.5

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

By *jc*, NARA, Date 3-6-03

*WWR*

**SECRET-EXDIS**

**SECRET-EXDIS**

**Action: SAIGON**

**Info: CINCPAC**

**Subj: Honolulu Meeting**

1. Substance reftel has been discussed here and we have arrived at following proposed schedule which you may present to President Thieu for his concurrence.
2. President now plans to arrive Honolulu 1 pm July 18. There will be no military honors nor arrival statement. Afternoon will be free and at 5 pm he will be at the airport to greet President Thieu who will be accorded full military honors (arrival will be at Hickam Air Force Base). Greetings and arrival statement will be exchanged.
3. At 8 pm July 18 President will dine with senior members of the U. S. delegation. Evening will be free for Vietnamese party.
4. July 19 at 10 am the two Presidents will hold a first meeting at CINCPAC headquarters. What is envisaged is a private meeting of some 45 minutes to one hour duration after which principals will be joined by their advisers for general review for which President Thieu has indicated preference.
5. Lunch July 19 will be working lunch at CINCPAC headquarters.
6. Afternoon July 19 will be open for two principals while their staffs meet in working sessions. We anticipate that there will be several of

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E.O. 12958, Sec. 3.5

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

By jc, NARA, Date 3-6-03

SECRET-EXDIS

these side meetings dealing with such subjects as negotiations, economic matters, military/RD.

7. At 8 pm July 19 President will host dinner for President Thieu at his quarters.
8. Morning July 20 at 9 am staffs will meet for working session for approximately one hour's duration after which joint communique will be issued.
9. Time difference between Hawaii and East Coast requires early release of communique if it is to receive appropriate attention in Sunday morning press. (We would aim for 10 am release at latest.)  
At approximately 10:30 am principals would have final working session at which staffs would report on discussions held in side meetings.
10. Lunch July 20 will be opportunity for President Thieu to reciprocate President's hospitality.
11. Afternoon July 20 would be free for both principals and would provide opportunity for President Thieu's press conference as well as television taping. We note from your reporting Thieu has turned down "Face the Nation" invitation. John Scall's ABC "Issues and Answers" has put in tentative bid to tape President Thieu. In view of the fact that Thieu has already appeared in the past on both "Face the Nation" and "Meet the Press" it might be worthwhile entertaining



SECRET-EXDIS

Scall's invitation. This would have the advantage of being televised nationwide on ABC day after the meeting. Suggest that, unless you have reservations, you discuss this proposal with President Thieu and obtain his views.

12. We assume President Thieu will depart Honolulu late afternoon July 20. If this is his intention, President would see him off at the airport.

13. It has not yet been decided where President will be staying during the course of his stay in Hawaii. Decision on this point will probably not be taken until some time during week of July 14. We have blocked space for President Thieu and his party at the Royal Hawaiian. We note that GVN advance party is departing Saigon July 15 and presumably will arrive Honolulu same day or early July 16. On arrival they should contact POLAD/CINCPAC who will put them in touch with White House/State advance party.

14. Regarding your own travel plans, Secretary Clifford will have space for you, Calhoun, and Cooper aboard his aircraft. Regarding your return to Saigon, question arises as to whether President Thieu will want to offer you transportation aboard his aircraft. For same reason that Viet-Nam party has chartered commercial aircraft for this meeting, they might find it attractive to bring you and your party back with them. Please let us know if this is their intention.

SECRET-EXDIS

15. We note from your 32486 that President Thieu intends to bring along an unofficial delegation of about 40 making the total on their side approximately 50. From your previous conversations with him he is aware that we are attempting to keep U.S. party as small as possible. In accordance with the usual practice we would bear the cost of lodging for the members of the official delegation. Costs of rooms and other expenses for their unofficial party would be a charge on the GVN. We assume that unofficial party would not repeat not be present at any of the sessions or included in any official entertainment.

16. We would appreciate receiving as soon as possible full list of official delegation in protocolary order as well as list of names of those members of the unofficial party. This information should be repeated CINCPAC for POLAD, attention Mr. Samuel King, Department of State protocol officer.

END

(Suggested Addition to State Cable on Honolulu Meeting)

17. We will defer to Thieu's wishes in regard to the announcement of the exact dates and details of the meeting. We are prepared to announce Monday, July 15, if Thieu wishes. Whatever day he selects, we suggest GVN make announcement at 6:00 p.m. Saigon time, with confirmation to follow from here at regular 11:00 a.m. White House

*17. We would prefer announcement as late as Wednesday.*

SECRET-EXDIS

press briefing. Please ascertain Thieu's wishes on timing and provide us with the text of their announcement in adequate time for confirmation here.

I recommend that you approve the message.

W. W. Rostow

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_

SECRET-EXDIS



INFORMATION

THE WHITE HOUSE  
WASHINGTON

160

Friday, July 12, 1968

Mr. President:

Tom Johnson has already executed  
your instructions on this.

W. W. R.

*Pres file*

160

Knock it down and call AP here and tell them  
that we haven't plans on who is going yet,  
and this is where the credibility gap always  
begins.

LBJ/mf  
8:35p  
7-11-68

*WWR wants you to  
late call of. Done  
call into Hendrix.*

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Thursday, July 11, 1968 - 5:45 PM

Mr. President:

AP 97 this afternoon reports General Abrams, Ambassador Bunker, and other top officials will attend next week's Honolulu conference, reliable sources said in Saigon.

We have telephoned Saigon and learned, from General Sidle, that this AP report is wrong and groundless. No Mission spokesman has made any such statement. Sidle believes that some AP reporter in Saigon has spun this story from whole cloth.

We could take steps to knock-down this erroneous ticker story or merely let it stand.

W. W. Rostow

16b

Raid  
6.20p

1/15  
re ap  
AP 97  
P. J. Core  
m. m. d  
10.20  
place  
6

ACTION

18

Thursday, July 11, 1968 - 6:00 pm

Mr. President:

Attached, for your approval, is a telegram thanking Podgorny for his Independence Day message. The incoming message is at Tab A.

*Pres file*

W. W. Rostow

Approved ✓ 7/12/68

Disapproved       

Speak to me



## PRESIDENTIAL MESSAGE

Dear Mr. Chairman:

My sincere thanks for your message of congratulations on the anniversary of our national independence. The people of the United States share my hope that the relations between our two countries will continue to improve in the months and years to come.

Sincerely,

Lyndon B. Johnson

**The President**

**The White House**

**On the occasion of your national holiday -- Independence Day -- accept, Mr. President, the congratulations of the Soviet people to the people of the United States of America.**

**Nikolay Podgorny**

Thursday, July 11, 1968 - 6:00 pm

*Free file*

**MEMORANDUM FOR THE PRESIDENT**

**SUBJECT: Your Meeting with Ambassador John Hayes  
Friday, July 12, 1:30 p.m.**

Ambassador Hayes went to Bern in November 1966 and is back in Washington for home leave and consultations.

We have no significant bilateral problems with the Swiss.

The Swiss continue to maintain their time honored neutrality. However, they have played peripheral but useful intermediary roles in the Pueblo crisis and with North Vietnam. They are showing some signs of wanting to play a more active role in the world and recently joined the OECD's Development Aid Committee.

The Swiss are very active in gold discussions.

W. W. Rostow

*ERF*  
*MB*  
MWG:mst



Thursday, July 11, 1968 - <sup>5:45</sup> 3:05 PM

Mr. President:

AP 97 this afternoon reports General Abrams, Ambassador Bunker, and other top officials will attend next week's Honolulu conference, reliable sources said in Saigon.

*Pres file*

We have telephoned Saigon and learned, from General Sidle, that this AP report is wrong and groundless. No Mission spokesman has made any such statement. Sidle believes that some AP reporter in Saigon has spun this story from whole cloth.

We could take steps to knock down this erroneous ticker story or merely let it stand.

W. W. Rostow

## WITH CLIFFORD-VIETNAM

SAIGON (AP) - GEN. CREIGHTON W. ABRAMS, AMBASSADOR ELLSWORTH BUNKER AND SEVERAL OTHER TOP U.S. MISSION OFFICIALS WILL GO TO THE HONOLULU CONFERENCE OF PRESIDENT JOHNSON AND PRESIDENT NGUYEN VAN THIEU EXPECTED LATE NEXT WEEK, RELIABLE SOURCES SAID TODAY. 20a

ABRAMS, THE U.S. MILITARY COMMANDER IN VIETNAM, IS EXPECTED TO REMAIN IN SAIGON FOR THE PRESUMMIT CONFERENCE VISIT TO VIETNAM OF SECRETARY OF DEFENSE CLARK M. CLIFFORD AND THEN GO TO HAWAII.

INFORMANTS SAID CLIFFORD IS EXPECTED TO SPEND MOST OF HIS TIME IN SAIGON BUT WILL MAKE SOME FIELD TRIPS. THEY DECLINED TO DISCLOSE HIS EXACT ITINERARY FOR SECURITY REASONS.

THE VIETNAMESE HAVE NOT MADE KNOWN WHO WILL ACCOMPANY THIEU ON THE TRIP, BUT INFORMANTS SAID VICE PRESIDENT NGUYEN CAO KY PROBABLY WILL REMAIN IN SAIGON.

RZ122PED JULY 11

PRESERVATION COPY

ACTION

*Per file*

Thursday, July 11, 1968 -- 5:40 p.m.

Mr. President:

Herewith a draft of a talk on peace, done at my direction by Ed Hamilton. I also attach a draft earlier prepared, which deals with building the peace in broader terms. The section on reconciliation (pages 12-15) introduces some additional themes, including our stance towards Communist China.

In giving instructions for revision, therefore, you may wish to indicate:

Stay with Hamilton draft \_\_\_\_\_

Develop draft on "building the peace" covering the whole  
sweep of foreign policy \_\_\_\_\_ ✓ 7/12/68

Introduce China theme in revising and developing Hamilton  
draft \_\_\_\_\_

W. W. Rostow

WWRostow:rla



21a

Ladies and Gentlemen:

It is very kind of this great university to humor an old teacher as he prepares to get back into harness. I need all the practice I can get.

It has been some time since I left my own alma mater to enter that great graduate school in Washington. But I remember those days well. And I particularly remember that our overriding concern then -- even beyond the headlines -- was the same problem which is first in our minds today: how to build a lasting peace.

We watched with horror in those days as a great people fell under the spell of an evil beyond human imagination. We looked to the checks and balances men had established to keep the peace and we saw them fall aside one by one, torn by petty dissension, enfeebled by disuse, defeated by the delusion that aggression sated is aggression halted.

And then there was war. \_\_\_\_\_million Americans laid down their books and their tools and set out to defend their country by force of arms -- because there was no other way. But I know I speak for every man who served in that war when I say that each of us determined that in the future there just must be another way.

With victory for the forces of freedom came a new dimension to the problem of peace. The dawn of the nuclear age transformed world war from a disastrous means of settling disputes to an unthinkable cataclysm which could settle nothing except the death of civilization. The idea of victory in total war passed into obsolescence.

As nuclear power spread and danger grew, men of many nations set about the fateful task of nuclear peace. The odds were forbidding. For we have learned much about peace in this generation.

We have learned that peace is not to be discovered, to be stumbled on by accident. It is man-made. It is a tapestry of all the hopes and the hostilities, the generosities and the brutalities, the wisdom and the wantonness which define the human condition.

And we found that the weaving of that tapestry could not be done in a single day or a single year. Many hoped that peace would come as a discrete event, a grand settlement providing for international control of all arms and conciliation of all disputes. The days and nights of searching have taught us that the problem is harder than that. The walls of mistrust which divide us do not crumble easily, even before the spectre of a world dependent on an uneasy balance of nuclear terror.

We did not give up -- nor do we now give up -- hope that some day a grand settlement may be possible. But we set out, step by step, on the long journey toward, in the words of the poet, "the peace which springs from the large aggregate of little things." We set out to create the spirit of trust and the habits of cooperation that are the only real bases for lasting peace.

I wonder if all of us realize how far we have come along that road. American efforts have been centered around two main thrusts:

First, we have sought to build bridges of understanding between the United States and the Soviet Union, the two Leviathan's of the post-war era. Most of you will remember how impossible that appeared only a few years ago.



← All of you will remember the cold fear which gripped the world during the Cuban missile crisis. But look at the record since:

-- In \_\_\_\_\_ a hot line was established between Washington and Moscow to make as certain as humanly possible that tragedy will never spring from misunderstandings. \_\_\_\_\_ years later this simple telephone line played a major role in limiting the conflict in the Middle East.

-- In 1964, the United States and the Soviet Union, along with Great Britain, took simultaneous action to cut back the production of enriched uranium.

-- In 1964, the United States and the Soviet Union also ratified a Consular Convention -- the first treaty in history between the two countries -- which ensures that the citizens in each country will be protected while in the territory of the other.

-- In 1966 an agreement was signed authorizing the first direct air service between the U.S. and the Soviet Union. Next (or last) \_\_\_\_\_ day's maiden flight is more than a new air route on the world map. It is the beginning of a new chapter in the relations of two great peoples who can only gain by knowing each other better.

-- And only a few days ago I was able to announce that the United States and the Soviet Union have agreed to begin talks on limitation of the full range of offensive and defensive nuclear weapons and delivery systems.

All of these steps are important and all have helped to improve the structure of peace. But no amount of U. S.-Soviet understanding can insure peace. All the world is threatened by the shadow of war. All the world must join if that shadow is to disappear.

Therefore, our second major thrust has been to propose and support and negotiate a world framework for nuclear peace in which all nations may be represented and all men protected. Here too we have had unprecedented success:

- In 1963, 106 nations signed the Limited Test Ban Treaty, barring nuclear tests in the atmosphere;
- In 1967, 89 nations signed a treaty banning nuclear weapons from outer space and fortifications on the moon.
- And in 1968, \_\_\_\_\_ nations have already signed a treaty banning proliferation of nuclear weapons. Further, the United States and the Soviet Union have made assurances of action through the UN Security Council in the event of nuclear blackmail or attack on nations which sign the treaty and have no nuclear weapons.

The road immediately ahead on both these fronts is clear. We have two items of urgent business immediately before us:

First, ratification of the Non-Proliferation Treaty by the United States Senate and signature by as many nations as possible.

Second, early and open discussions between the U. S. and the Soviet Union on limitations of weapons and delivery systems.



Nothing on our national agenda is more important to me than these tasks. I pledge to you and to every American that every ounce of effort and persuasion your government can muster will be applied in behalf of these vital causes.

We shall not allow the conflict in Viet Nam to cloud our vision or slow our march. For there is another great lesson in the record I have just reviewed;

It is precisely when world peace is most threatened by limited war that we need to strengthen the safeguards against unlimited war.

There were those around the world who cried "wait!" There were those who felt it was useless or dangerous or even treasonable to deal with any communist country before there is a settlement in Viet Nam. What if we had followed that advice? Would a Viet nam settlement have come sooner? Would we be able to make up the precious time lost in caging the nuclear beast?

No mortal can be certain of the answers to those questions, but I can give you my judgment. I think we served peace best by a policy of balance, a policy which worked for nuclear peace and peace in Viet Nam on the one hand while doing what is necessary to halt aggression in Viet Nam on the other. We cannot -- and we will not -- abandon the people of South Viet Nam. At the same time, we cannot abandon the search for peace in that conflict and in the world at large.

And for all our advances, we have only begun the greater search. We do not confuse nuclear peace with total peace any more than we confuse nuclear power with the power to settle all disputes everywhere. We have far to go to create a system which will insure against local and regional violence.

It is part of a President's job to be thought omnipotent. During the Middle East crisis last year, millions of decent, well-meaning people wrote me asking why I didn't issue an order -- or why we and the Soviets didn't issue an order -- and get the fighting stopped.

The answer is simple: It was not within my power. It was not within the power of the Soviet leaders. It was not within the power of the United States and the Soviet Union together. Once the crisis reached the stage of violence, no combination of outsiders had the power to end it without the threat of nuclear catastrophe.

That is the measure of the challenge before us -- not to make the great powers more powerful, but to make humanity better able to erase the scourge of violence. No single nation will ever wield the power to keep the peace of the world. But all nations, working together, firm in their resolve to drive violence from human affairs, can, I believe, bring this greatest blessing to themselves and their posterity.

It is this quest which we pursue in Washington, in Moscow, in Geneva, in Paris, and wherever else events dictate. Our course is firmly set. We work for miracles, but we do not expect them and we are not discouraged when progress is slow. We press on with the business at hand.

For we are determined, in the great words of President John Kennedy, to "pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty." In a nuclear age, liberty can only survive in peace. To achieve that peace is our sacred trust and our deepest resolve.

Thank you and good afternoon.



21b

Building the Peace

I wish to talk about foreign policy tonight -- but in a special way.

Usually the President must address himself to specific circumstances; and, more often than not, he must speak at a moment of crisis and action.

Tonight -- here at a distinguished university -- I want to pause and reflect with you a little on the broad purposes of our foreign policy. I should like us to look back together and look forward.

I

Some of the young regard men of my generation as the prisoners of memories of times before they were born. There is an element of truth in this:

-- Because we did live through the severe depression of the 1930's;

-- We did see a great President struggle but fail to break the grip of isolationism upon the country;

-- We did see a terrible world war result from our failure and the failure of others to stop aggression before it was too late.



-- We do live with the certain knowledge that a third world war would be a nuclear war.

~~And~~ We know that since 1914 the world has been living in the midst of war and the threat of war -- and for twenty three of those years, with the shadow of nuclear weapons.

The peaceful world of 1914 was basically Atlantic and European; now every corner of the globe is part of the world political system.

The world of 1914 was a world of railroads and steamships -- the automobile and the airplane had hardly been born. This is a world of intercontinental ballistic missiles, satellite communications, the jet aircraft.

The world of 1914 -- so far as effective power and politics were concerned -- was primarily a world of white men. This is a world of many races and colors and cultures.

Our task in the years since 1945 and your task in the next generation is the same: it is to master the forces of violence and conflict and to build stable peace -- for the first time since 1914.

There is no other purpose in your nation's foreign policy. In the four and one-half years that I have been your President, this has been my sole preoccupation in foreign affairs.

## II

The question for the President -- the question for all of us -- is this: How do you go about, step-by-step, building a stable peace? How do you move a world torn by ideological conflict, by old quarrels, by the frustrations of poverty and stagnation -- how do you move such a world from where it is to where it should be? How do you get from here to there?

In our time we have moved forward by setting four goals and acting on them day by day.

When I went out to Manila in October 1966, and met with our allies, I found that they shared our vision. And we agreed to state our objectives in

this simple form:

- Aggression must not succeed.
- We must break the bonds of poverty, illiteracy and disease.
- We must strengthen economic, social and cultural cooperation in the region.
- We must seek reconciliation and peace.

Although these four objectives were applied in Manila to Asia and the Pacific, they are as clear a statement of your nation's foreign policy in the past four years as could be found.

### III. Aggression must not succeed.

The first rule for a stable peace is that all nations learn that they cannot achieve their ambitions by applying force across international frontiers. This is certainly not a world in which the status quo can be maintained. It is changing rapidly every day within almost every country. The relations among the nations of the world are also changing. The issue which we have faced at many times and places since 1945 is whether we



should permit change to come about through international violence or the threat of violence. America had to stand up with others in the protection of Iran and Greece and Turkey; twice to protect Berlin; to defend South Korea; to prevent the installation of nuclear missiles in Cuba; and now to prevent the taking over of South Vietnam by external force. In each of these crises, we did not stand alone. Those closest to the danger understood it best in each case; but, as the strongest nation standing with the forces of freedom and order, we were there.

But the frustration of aggression is not a foreign policy. It does not, in itself, produce a stable peace. But it is the necessary condition for building a stable peace.

I can tell you that there is no harder decision that a President can face than the commitment of our military forces to action, or even to the risk of action. But without the will to make that decision, there would not

now be freedom in Western Europe, in many parts of Latin America, in  
*in the Middle East,*  
South Korea, and in Southeast Asia.

IV. We must break the bonds of poverty,  
illiteracy and disease.

But we helped save the independence of Western Europe, South Korea,  
the Dominican Republic, and other nations for a larger purpose: to give  
their peoples a chance to choose their own destiny and to permit them to  
break the bonds of stagnation, poverty, illiteracy and disease. There is no  
more fundamental truth in the modern world than this: peace can only be  
stable in an environment of human progress.

When I became President, I turned -- almost as a first task -- to  
make sure the Alliance for Progress moved forward and accelerated.

When I leave the office of the Presidency, a major source of satisfaction  
will be the fact that the average per capita growth in Latin America has  
more than doubled as compared with the first three years of the Alliance  
for Progress: from nine-tenths of one percent in 1961 through 1963, to two



and two-tenths percent from 1964 through 1967. We have put 35% more resources per annum into the Alliance for Progress in the last 4 years than we did in the first 3 years; and in these years Latin America moved forward in self-help -- with tax collections, for example, rising in Latin America from less than half a billion dollars a year in 1961 through 1963 to nearly \$3 billion in the period 1964 through 1967.

It was in these years also that three fundamental principles were built into our programs of assistance and accepted throughout the world.

First, self-help is the first rule of development. No nation can build another from outside. But some have proved that they can move forward to the point where foreign aid is no longer necessary; for example, Taiwan, Iran, and Israel. Others are moving towards that day in promising style.

Second, agricultural production is fundamental not merely to feed the people but also as the only sure foundation for industrial development. It is pretty hard, as you know, to get good news into the press. But true miracles have been brought about in the last few years with the new rice and

wheat strains; the rapid acceptance of chemical fertilizers and pesticides; and the movement of agriculture to top priority in many developing nations.

I believe it is within our grasp now to buy the time necessary for family planning policies to take hold, so that the human race can be spared a terrible Malthusian crisis.

Third, we cannot and we should not, bear the burden of assistance alone; and we are not bearing the burden alone. We have moved quietly but rapidly to multilateral methods for giving aid: in the Alliance for Progress we have the Inter-American Committee on the Alliance for Progress. The resources of the World Bank, the Inter-American Bank and the International Monetary Fund are now brought together in an orderly way around the development programs of each Latin American nation. And so it is with assistance to Korea and Indonesia, India and Pakistan, Turkey and many other nations which require and deserve assistance.



The United States is not acting alone. It is taking its fair share of the aid burden.

It is because there is such promise in these multilateral arrangements that I expressed yesterday my regret that the Senate Foreign Relations Committee did not move forward to authorize our share in the Special Fund of the Asian Development Bank.

In this same spirit of cooperation and sharing, we have moved forward in trade and monetary affairs. Most of you listening to me tonight cannot remember the monetary crisis of the 1930's which brought on beggar-thy-neighbor policies of protection, leading to the deep depression which was the setting for the Second World War. I can tell you that the forces of monetary instability and protectionism that could again tear apart the world community are not far from the surface. In these four years we have struggled, and we have thus far succeeded in enlarging international trade and monetary cooperation:

-- The Kennedy Round was completed;

-- We are moving with imagination and wisdom to provide, through cooperation, an alternative to gold at a time when gold production simply will not permit it to play its historic role as the key monetary reserve.

V. We must strengthen economic, social and cultural cooperation in the regions.

While public attention has been focused on Vietnam, there has been a quiet revolution in the world and in the way men regard it.

A few years ago we would have talked about the underdeveloped areas -- tending to lump together Asia, the Middle East, Africa, and Latin America. But a new spirit began to develop in three of these regions, and we have thrown our weight fully behind it.

The governments and peoples of Latin America, Africa, and Asia felt a strong desire to take a larger part of their own destiny into their hands; but they realized that as individual nation-states they could not do the job;



they could not achieve the strength and dignity in dealing with the larger nations of the world which they sought. They set about building or improving regional organizations which would permit them to play the strong, proud, independent role they wished to play in the last third of this century.

That is why I strongly supported the Latin American movement towards integration at the Conference of Punta del Este.

That is why, in the first speech given by an American President wholly devoted to Africa, I threw our support behind the regional and sub-regional institutions of Africa.

That is why, as Asia gathered confidence behind the allied shield in Vietnam, I did what I could to encourage the spirit of cooperation in the vital emerging New Asia.

As we look ahead, it is clear that the United States cannot -- in its own interest or in the cause of peace -- withdraw into isolation. But as others



gain strength and organize themselves in the regions, we can look forward to a decline in the burden that America has had to bear in this first postwar generation. I look forward to the day when the United States can be the friend and partner -- but the junior partner -- in all the regions of the world where we have interests and they have interests in our presence and participation.

And I would add, that when peace comes to the Middle East, as it must, the nations of that region, too, will, I believe, learn to work together on a regional basis on behalf of their peoples. That is the true road to dignity and effectiveness on the world scene.

#### VI. Reconciliation.

To prevent aggression from succeeding; to achieve economic and social progress; to help build islands of regional order -- all of this is the foundation for the nation's ultimate objective: reconciliation and peace among nations and men.

-- In these years we have had to transform confrontation and violence in Panama into friendly negotiations.

-- We have twice had to play our part in preventing our good friends Turkey and Greece from going to war over Cyprus.

-- We have had to use our influence to bring a quick end to war between our good friends India and Pakistan and to do what we could to encourage both nations in the direction of peace and progress.

-- In the Middle East crisis the hot line was used to keep the major powers from confrontation, to achieve a cease-fire and to leave open the possibility of a stable peace based on the five principles which I enunciated on June 19 last year.

With respect to the Soviet Union and Eastern Europe, we have been patiently seeking to build bridges -- some of them small, some of them frail -- but some of them important -- bridges to decent, normal relations and peace.

We have worked with the Soviet Union and achieved an Outer Space Treaty, a Consular Convention, and an Air Agreement. We have worked

shoulder to shoulder with the Soviet Union and others to bring about a non-proliferation treaty. There are still important areas of difference and conflict between our views and those of Moscow; but there is, in the end, only one way to go in a world where both the Soviet Union and the United States have the capacity to destroy each other and the future of humanity -- toward understanding, accommodation, and to co-operation.

In the same spirit, we have held out our hand and will continue to hold out our hand to mainland China. That great nation is going through an historic inner conflict and debate. On the outcome will depend its future domestic and foreign policy. It is our hope that the talented and intelligent people of China will choose the path of creative modernization at home and peaceful fellowship with their neighbors abroad. There is so much that the Chinese people could do for themselves, for their region, and for the world. They should know that this nation -- and the world community -- look forward with hope to the end of a long self-imposed isolation. Thus far our efforts



have been rebuffed. We shall no doubt be rebuffed again. But we shall continue on the path of patience and hope.

## VII

As I observe the unrest of the youth of many countries and study with sympathy its causes, I sometimes feel that one cause is a feeling that times are changing, great transitions are taking place, and their leaders do not seem to understand that fact. On another occasion, I said, "We are in the midst of a great transition: from narrow nationalism to international partnership; from the harsh spirit of the Cold War to the hopeful spirit of common humanity on a troubled and threatened planet."

I believe that judgment is right. Despite the struggle in Southeast Asia and crises in many parts of the world, I believe that we are moving in these good directions. But, as I said before, the task -- your task and mine -- and my successor's -- is to get from here to there. To build this structure of a stable peace is a slow, painstaking job. It cannot be built

with slogans or rhetoric; it must be built brick-by-brick. It takes patience.

It takes hard work. It takes the ability to live with frustration and still

remain loyal to great goals. It also takes all the idealism, all the

outrage at injustice that youth can bring to public affairs.

These goals are not going to be finally achieved in a day -- or a year --  
in the life of this Administration -- or the next. But I deeply believe they  
can -- they must be achieved. America cannot do the job alone; but the  
job cannot be done without a strong and purposeful America which remains  
true to the best that is in us, and that <sup>means</sup> the best that is ~~there~~ in you.

# # # #

**SECRET**

*Free file*

Thursday, July 11, 1968 -- 2:45 p.m.

Mr. President:

Amb. Bul Diem came to see me yesterday about Honolulu. In response to his request, I explained that your objective was primarily to talk privately with President Thieu; to get a better understanding of his problems; and to isolate the actions that we both might have to take in the months ahead in the common interest.

At the end I asked him where he thought we were in the war and in the negotiations. His response I found rather interesting.

1. The Hanoi delegation went to Paris uncertain about the U. S. position. In particular, they hoped to find a U. S. delegation so anxious to get a quick settlement that it would surrender rapidly on the question of bombing and other things. They found this was not the case.

2. They also hoped to use Paris as a propaganda base which would exert pressure on the U. S. in the U. S. and from elsewhere. In this, too, they were disappointed. Moreover, their mortar attacks on Saigon back-fired.

3. For Hanoi the first phase is now over. They are making up their minds where they go from here. That is why Le Duc Tho is back in Hanoi.

4. Bul Diem noted that they had kept their freedom of action by opening up, through the Jordan dinner, etc., private channels of communication. He thinks they will keep those channels open in the weeks ahead but make no decisive move until late August or September.

5. In particular, he believes that they will await:

- the outcome of their next attack on Saigon;
- the outcome of the U. S. political conventions, especially the Democratic convention.

6. If the attack on Saigon fails and McCarthy is not nominated, he believes they will make a "capital decision." They will move rapidly towards a settlement of the war.

Bul Diem did not present this view dogmatically but merely as his own best assessment. I thought it would interest you as one man's view.



INFORMATION

*Pres file*

~~SECRET~~

Thursday, July 11, 1968  
12:10 p. m.

Mr. President:

This evaluation of the enemy's  
problems and intentions by Ky may  
interest you.

Key passages are marked.

W. W. Rostow

Saigon 32265

~~SECRET~~

DECLASSIFIED  
White House Guidelines, Feb. 24, 1983  
By rg, NARA, Date 9-2-92

WWRostow:rlh

Wednesday, July 10, 1968

TEXT OF CABLE FROM SAIGON (32265)

Following the discussion Secretary Freeman and I had with Vice President Ky on agricultural matters, the Vice President presented in some detail his views about the present security situation in the Capital Military District and his expectations of impending military action.

He first observed that by increasing substantially the numbers of NVA forces in South Vietnam and by intensifying their military efforts here, the North Vietnamese now fell heir to all the problems of transport and logistical support that plagued any expeditious force. As a consequence, they were more vulnerable. Because this was so and because friendly forces had grown steadily stronger, the Allied Forces would have many advantages in dealing with the NVA compared to the problems of coping with the guerrilla Viet Cong. The NVA were losing substantial numbers of their troops as they traveled the Ho Chi Minh Trail to the South. They had taken devastating losses of 110,000 killed from February to May. They have lost untold additional numbers in the deaths of wounded and injured not included in body counts. Finally, we are beginning to see more frequent defections in their ranks.

Nonetheless, the Vice President said he felt the enemy would surely launch another major attack soon. He recalled that shortly before the Tet Offensive, he had told General Westmoreland that he expected a major, nation-wide effort by the NVA, one that they were prepared to carry out at the cost of great sacrifices. He had not then anticipated the attack on Saigon but he had rightly estimated the scale of the effort and the enemy's readiness to accept heavy military losses to attain political and psychological objectives.

Ky said the enemy would suffer an even greater military defeat in the impending attack than that of the Tet Offensive, but he was fully prepared to accept it to win a psychological victory.

The Vice President speculated that the enemy might attempt to seize the capitals of the five provinces surrounding Saigon and simultaneously infiltrate Saigon itself with guerrilla fighters and snipers.

SECRET/EXDIS

By this tactic, they would avoid direct confrontation with the stronger Allied Forces ringed around the city by striking inside and outside the ring. If they were successful, even temporarily, they would hope to persuade world, and particularly U.S., opinion that the capital was at their mercy and that it was time for us to sue for peace in Paris.

He predicted the enemy's effort would be short lived and unsuccessful; that, in any case, his forces gathered around Saigon could not continue to exist indefinitely. With supply lines so long and so open to Allied interdiction, the enemy would surely strike soon, knowing that he cannot keep himself intact in Main Force military units much longer.

The Vice President spoke with apparent confidence that the enemy is approaching what could be a final military defeat and concluded by saying that with a little more confidence and determination in the USA, we can win the war soon.



INFORMATION

~~TOP SECRET CODEWORD~~

Thursday, July 11, 1968  
12:05 p.m.

*Pres file*

Mr. President:

This is an able and sobering  
account of the impact on Saigon of past  
attacks plus enemy force dispositions  
for the next round.

W. W. Rostow

~~TOP SECRET~~

Intelligence Memorandum

"The Impact of Communist Military Pressure on Saigon"

Copy No. 133

ER IM 68-83

July 1968

SC 10304/68

WWRostow:rlh

DECLASSIFIED

Authority PLS.141.022.010/2

By jc NARA, Date 3-6-03

26

*Pres file*

JUL 1 1 1968 - 9:30 AM

**Mr. President:**

**Admiral McCain will be in Washington from July 15-19 for briefings preparatory to relieving Admiral Sharp in Honolulu in August.**

**Do you wish to meet with him while he is here?**

**Yes** \_\_\_\_\_

**No** \_\_\_\_\_

**W. W. Rostow**

277  
ACTION

Thursday - July 11, 1968

*sent up at about 8:30 AM  
7/12/68*

**MEMORANDUM FOR THE PRESIDENT**

**SUBJECT: San Salvador Follow-Up**

*1 ~~copy~~  
2 Pres file*

Today Bill Bowdler and I met with the top officers in State-AID handling the Alliance. We sketched a scenario for mobilizing additional US private and public support for the San Salvador Declaration.

You may want to send Felipe Herrera the letter at Tab A suggesting that he review how the Bank can be helpful.

Bill spoke with Carlos Sanz this afternoon about the CIAP role. Sanz reported that CIAP is meeting in Guatemala on July 25 to make its first regional review of the Central American Common Market (CACM). Sanz said that in studying CACM performance, CIAP would give its encouragement and support to the San Salvador commitments. We shall brief Sol Linowitz for this meeting.

W. W. Rostow

**Attachment**

Tab A - Suggested President letter, for signature, to Dr. Felipe Herrera.

July 12, 1968

Dear Dr. Herrera:

My recent trip to Central America has reinforced my conviction that the process of development in Latin America can be greatly accelerated when states in a region integrate their economies and physically link their countries through a network of transport and telecommunications.

I was impressed by the progress achieved under the Central American Common Market, but also sobered by all that still remains to be done. We are examining our programs in the area to see what additional public and private support we can contribute.

I know the Bank has given strong backing to Central America in housing, education, agriculture and roads. I hope you will study the Declaration of San Salvador to see what further contribution the Bank can make in helping the Central American Presidents carry out their commitments.

Ambassador Clark is now travelling through South America with Assistant Secretary of State Oliver to familiarise himself with the work of the Bank in that part of the hemisphere. On his return, I will ask him to work closely with you.

From what I hear, your visit to Texas over the 4th of July weekend was a success. I hope you



-2-

and Mrs. Herrera enjoyed it.

Sincerely,

/s/ Lyndon B. Johnson (7-13-68)

The Honorable  
Felipe Herrera  
President  
Inter-American Development Bank  
Washington, D. C.

LBJ/WGBowdler:mm  
(Prepared July 11, 1968)

~~SECRET~~

ACTION

Thursday - July 11, 1968

27  
*Pres file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: PL 480 Program for Guyana

Herewith a joint memorandum from Agriculture and AID (at Tab B), concurred in by BOB (at Tab A), recommending that you authorize negotiation of a \$1 million PL 480 program for Guyana.

This assistance is part of our overall strategy to help Prime Minister Burnham defeat Jagan in the general elections scheduled for late this year. While there is an economic justification for the commodities to be furnished and the uses to which the local currency generated will be put, the overriding consideration is to give Mr. Burnham additional resources with which to carry on development projects with high political impact.

The \$1 million of PL 480, plus the \$2.5 million of Supporting Assistance already approved, is the amount which State estimates the Prime Minister needs to supplement his own efforts.

I recommend approval.

W. W. Rostow

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 94-290  
By CB, NARA Date 10-16-96

Attachments -

Tab A - BOB memo from Charles Zwick to President, July 8, 1968.

Tab B - Joint Agriculture-AID memo, from William Gaud and Orville Freeman to President, June 21, 1968.

~~CONFIDENTIAL~~

Tab A 2149

29a

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

JUL 8 1968

MEMORANDUM FOR THE PRESIDENT

Subject: Guyana P. L. 480 Program

Bill Gaud and Orville Freeman recommend that you authorize negotiation of a \$1 million P. L. 480 program with Guyana. Commodities include vegetable oil, wheat/wheat flour, tobacco and potatoes. Repayment will be in dollars over a 20-year period at 2.5 percent, plus a 2-year grace period at 2.0 percent.

During FY 1968, the United States provided Guyana \$4.7 million in project loans plus \$2.5 million in Supporting Assistance.

National elections will be held in Guyana by March 1969 and the pro-West Burnham Government will be opposed by Communist oriented Cheddi Jagan. Secretary Rusk has recommended a P. L. 480 program to provide Burnham additional budget support for political impact projects prior to the election.

Gaud and Freeman will seek to negotiate various self-help measures, mainly in the agriculture sector, as described in their memorandum.

State/AID conclude that Guyana's low military expenditures level does not interfere with development.

Recommendation

That you approve negotiation of a \$1 million P. L. 480 program with Guyana.

*Charles J. Zurich*  
Charles J. Zurich  
Director

Attachment

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 94-290  
By CG, NARA Date 10-16-96

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

tab B

To: The President

Subject: Public Law 480 Program with Guyana

JUN 21 1968  
DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 94-285  
By mg, NARA, Date 9-30-94

We recommend that you authorize us to negotiate a PL 480 sales agreement with Guyana to provide approximately 1,500 tons of edible vegetable oil, 2,000 tons of wheat/wheat flour, 100 tons of tobacco and 3,000 tons of potatoes for which the current export market value (including applicable ocean transportation costs) is approximately \$1.0 million. The proposed terms are payment in dollars of 5 percent on delivery and the balance in approximately equal installments over 20 years; interest will be 2 percent per annum during a two-year grace period and 2.5 percent thereafter. The Departments of State and Treasury concur in this recommendation.

#### Need for Program

The Guyana (Burnham) Government has undertaken with help from the United States Agency for International Development and the British and Canadian Governments an ambitious economic development program over the past three years. We have given particular priority to assisting this government in its effort to demonstrate what a democratic government can achieve following the years of difficulties under the rule of communist-oriented Cheddi Jagan. The Burnham government is making a special effort to accelerate its development projects, particularly for agriculture, but local currency costs for development have placed a substantial strain on the Burnham government's budget.

This agreement would assist the Burnham Government to sustain its record of economic achievement and progress, which is important at this time since national elections will be held in Guyana prior to March 31, 1969, with Jagan again opposing Burnham.

#### Self-Help Efforts

In negotiating this agreement, we will seek the following commitments from the Government of Guyana:

The local currency generated from the sale of the commodities in the importing country shall be made available for development of agriculture as follows:

1. For the construction and improvement of roads connecting rural areas with the market cities and also for planning and construction of access roads in the Atkinson/McKenzie land settlement project.
2. For the modernization of agriculture through the expansion of adaptive research and extension and increasing the

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

2

means for storage, processing and distribution of basic food crops and for land development and water control in farming areas along the coast.

3. For the improvement of facilities and operation of the government maternity and child health centers, especially for projected family planning, and including vaccinations for polio, etc.
4. For strengthening systems of collection, computation and analysis of statistics to better measure the availability of agricultural inputs and progress in expanding production and marketing of agricultural commodities.
5. For other improvements in the agricultural sector to be agreed upon by the USAID Mission and the Government of Guyana.

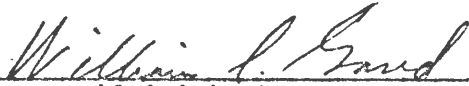
#### Military Expenditures Review

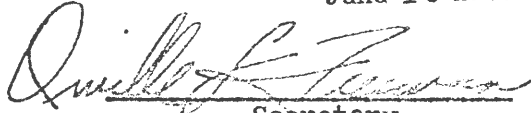
With respect to Section 620(S) of the Foreign Assistance Act, State/AID has concluded that U.S. developmental assistance is not being diverted to military expenditures and that Guyana's resources are not being diverted to military expenditures to a degree which materially interferes with Guyana's development. A summary of State/AID conclusion is attached.

#### Recommendation

That you authorize us to proceed with this PL 480 sales agreement.

June 13 1968

  
\_\_\_\_\_  
Administrator  
Agency for International Development

  
\_\_\_\_\_  
Secretary  
Department of Agriculture

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

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

~~CONFIDENTIAL~~

26

~~CONFIDENTIAL~~

MILITARY EXPENDITURES REVIEW

State/AID in consultation with the inter-agency advisory committee concerned with the implementation of Section 620(s) of the Foreign Assistance Act of 1961, as amended (the Symington Amendment), has determined (a) that Guyana's resources are not being diverted to unnecessary military expenditures to a degree which materially interferes with its development, and (b) that U.S. development assistance is not diverted by Guyana to military purposes (there have not heretofore been PL 480 sales to Guyana). Among the principle factors in the determination are the following:

1. The Country Team has indicated that U.S. development assistance is not being diverted to military expenditures;
2. The defense share as a percent of GNP for 1966-67 is 0.6% as compared to the median for the region of 1.65%;
3. The defense share as a percent of central government expenditures for 1966-67 is 2.45%, as compared to the regional median of 10.2%.

Before Guyana became independent in May 1966, military forces consisted of British troops and a volunteer force of Guyanese under the direct control of the Governor. Guyana defense expenditures therefore date from the establishment of the Guyana Defense Force early in 1966, which took over defense responsibilities upon departure of British troops in October 1966. The Force was originally equipped through a United Kingdom grant of the military equipment used by United Kingdom troops in Guyana. The Force currently consists of approximately 1,000 men. Defense expenditures are at the minimum required in order to maintain forces for internal order. The major items obtained since independence include four locally-built river/coastal patrol boats, two Helio-Courier aircraft (single engine, propeller aircraft for use on short runways) and four armored Land Rovers.

~~CONFIDENTIAL~~

**DECLASSIFIED**  
E.O. 12356, Sec. 3.4  
NJL 94-281  
By Cb, NARA, Date 12-16-94

**SANITIZED**  
E.O. 12356, Sec. 3.4  
NJL  
By                     , NARA, Date

**ACTION**

**Thursday - July 11, 1968**

*fr*

**Mr. President:**

**I enclose a suggested reply (Tab A) to a letter from Tex McCrary (Tab B) urging that you close the Darien Gap before leaving office.**

**I wish this could be done, but the route question in Colombia continues to be snarled in Colombian domestic politics.**

**W. W. Rostow**

**Attachments**

**Tab A - Suggested Presidential reply to letter from Tex McCrary.**

**Tab B - Letter of July 3, 1968 from Tex McCrary.**

31

July 11, 1968

Dear Tex:

Many thanks for your letter of July 3.

You may remember that two years ago I proposed closing the Darien Gap of the Pan American Highway. While the route through Panama presents no difficulties, there are legislative problems concerning the route in Colombia. Colombian authorities must resolve these before anything can be done about building the road.

I appreciate your interest in this matter.

Sincerely,

/s/ Lyndon B. Johnson

Mr. John Reagan McCrary  
161 East 61st Street  
New York 21, New York

EBJ/WGBowdler:mm



18/

306  
original  
the President

JOHN REAGAN McCRARY

July 3, 1968

*The President  
The White House  
Washington, D. C.*

*Dear Mr. President:*

*There is an athlete's phrase I have just learned which describes this phase of your astounding career:*

*"Finishing Kick".*

*Out at the Olympic Trials where I watched my son compete for that coveted ticket to Mexico City, the track men used the phrase repeatedly, from sprints to the 10,000 meters, to describe the essential ingredient of a Gold Medal.*

*"Finishing Kick".*

*You have it, and each day that quality shows more clearly.*

*This is written now because I read that you are headed for Salvador this Saturday; hence I remind your staff of an earlier suggestion I sent to you and the fellow Texan I saw on TV at the Treaty signing Monday -- C.R. Smith. The suggestion:*

*Provide the "finishing kick" for the Pan American Highway -- close the last link in Columbia before you leave the White House. And how appropriate if you could have your friend Henry Ford at your side when you announced your intent this Saturday.*

*Throughout South America "Ford" is as familiar a name as "Roosevelt"; there is a rally of Model T Fords in Buenos Aires every year.*

*Incidentally, we meet today with Marvin Watson, where I hope to complete the plan that touched base first in your office, for a major Post Office facility in Harlem, to be topped -- we hope -- with a garage mechanical school, operated by Ford.*

*...cont'd*

*Page 2*

*Even our "Manhattan Project II" profits from the radiant  
of your finishing kick.*

*Stay well,*

*Tex*  
*John Reagan McCrary*

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INFORMATION

Thursday - July 11, 1968

*Pres file*

Mr. President:

The attached cable from Guatemala gives a particularly gratifying account of favorable Congressional and press reaction to your visit.

W. W. Rostow

Attachment

Message from Embassy Guatemala, July 10 (#5492)





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Department of State

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PAGE 01 GUATEM 05492 110055Z

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ACTION ARA 16

INFO SS 20, GPM 04, H 02, NSC 10, CIAE 00, DODE 00, INR 07, P 04, RSC 01,

USIA 12, NSA 02, O 02, OPR 02, SY 03, E 15, AID 28, PC 04, RSR 01, /133 W  
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R 102338Z JUL 68  
FM AMEMBASSY GUATEMALA  
TO SECSTATE WASHDC 5267  
INFO AMEMBASSY MANAGUA  
AMEMBASSY SAN JOSE  
AMEMBASSY SAN SALVADOR  
AMEMBASSY TEGUCIGALPA

UNCLAS GUATEMALA 5492

SUBJ: CA SUMMIT MEETING: JOHNSON VISITS GUATEMALA PRESS SUMMARY  
JULY 10, 1968

1. PRENSA LIBRE REPORTED CONGRESS JULY 9 APPROVED THREE-POINT RESOLUTION EXPRESSING SATISFACTION WITH RESULTS CA SUMMIT MEETING. BY RESOLUTION CONGRESS OF GUATEMALA DESIRES-
- A) EXPRESS PLEASURE AND SATISFACTION CONDUCT AND ROLE PRESIDENT MENDEZ AND WIFE THROUGHOUT MEETING;
  - B) CONGRATULATE, THROUGH THEIR RESPECTIVE CONGRESSES, CHIEFS OF STATE NEIGHBORING REPUBLICS EL SALVADOR AND HONDURAS FOR TIMELY AND AMICABLE SETTLEMENT DIFFERENCES OVER BORDER PROBLEMS THAT HAD THREATENED HARMONY WHICH NOW HAPPILY PREVAIL AMONG CA COUNTRIES;
  - C) EXPRESS SATISFACTION FOR CONCERN PRESIDENT JOHNSON MANIFESTED TO IMPROVE DESTINY PEOPLES THIS CONTINENT BY TRIP TO CA TO OFFER HELP AND COLLABORATION TOWARD SOLUTION PROBLEMS CONFRONTING OUR PEOPLES AND PROMOTE POLICY OF COMPREHENSION AND RAPPROCHEMENT--THEREBY REAFFIRMING TRADITION ESTABLISHED BY SUCH PALADINS AS LINCOLN, JEFFERSON, ROOSEVELT AND KENNEDY.
2. JULY 9 IMPARCIAL EDITORIAL VIEWS PRESIDENTS' MEETING AS NOT MERELY ENDING CRISIS BUT AS POSITIVE STEP OPENING NEW PERIOD OF MORE ACTIVE COOPERATION. SUBSCRIBES TO JOHNSON'S CALL HAVE CA CONTINUE "WORKING TOWARD FUTURE SINCE TASK IMMENSE AND TIME REMAINING VERY SHORT."

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# Department of State

# TELEGRAM

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3. GRAFICO EDITORIAL WISHES "LEAVE ASIDE BOTHERSOME ASPECTS SAN SALVADOR MEETING AND COMMENT UPON ONE POSITIVE ASPECT.". QUOTES FROM JOINT DECLARATION PRESIDENTS' REAFFIRMATION "BASIC PRINCIPLE THAT FREE MEN, WORKING THROUGH REPRESENTATIVE DEMOCRATIC INSTITUTIONS, CAN BEST SATISFY ASPIRATIONS SUCH AS WORK, HOUSING, LAND, HEALTH, AND EDUCATION." RECOGNIZING THAT PRESIDENTS' WORDS HAVE ONLY "RELATIVE EFFICACY" DOES NOT REDUCE IMPORTANCE REITERATION OF AIM FOUND IN PUNTA DEL ESTE CHARTER. "WITHOUT GOING INTO PROLIX#COMMENTARY ON HISTORY, IN MANY CASES BEST FORGOTTEN, IS FACT THAT CA HISTORY IS ONE OF CONTINUOUS GOLPES, MANY SUPPORTED BY U.S. DIPLOMACY." THUS JOINT DELCARATION MAY SIGNIFY PASSING ERA OF GOLPES AND CAUDILLOS (REPRESENTED AMONG SIGNATORIES BY LOPEZ AND SOMOZA RESPECTIVELY.) "OF COURSE, SHOULD NOT MINIMIZE EFFECT DECLARATION. IT REAFFIRMS PRINCIPLES AND PRINCIPLES ARE FUTURE GOALS, NOT NECESSARILY TODAY'S REALITIES. IS ALWAYS USEFUL REAFFIRM PRINCIPLES."

4. PRESS JULY 10 CONTINUES HEAVY PHOTO-NEWS COVERAGE AIRPORT CEREMONIES. MORNING IMPACTO CARRIED SPANISH VERSION OF PRES. JOHNSON'S REMARKS TWICE IN SAME EDITION -- ONCE ON EDITORIAL PAGE, AGAIN ON EWS#PAGES. GRAFICO CARRIED TWO EDITORIALS, PLUS EXTENSIVE COVERAGE ON "EXTREME SECURITY MEASURES" SURROUNDING LBJ. AT AIRPORT STOPS, INCLUDING FULL REPRINT OF PROTESTS PUBLISHED COSTA RICAN PRESS. MEIN

NOTE: WAS RECEIVED.

UNCLASSIFIED

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INFORMATION

Wednesday, July 10, 1968 - 7:10pm

*Pres file*

MR. PRESIDENT:

Attached is Fred Deming's brief memo summarizing the agreement in Basle last weekend on the sterling balance problem.

The negotiation went well. Our share -- \$550 million -- is well within the guideline you approved.

The UK has already started to negotiate with overseas holders of sterling.

W. W. Rostow

ERF:mm

~~CONFIDENTIAL~~

DECLASSIFIED  
White House Guidelines, Feb. 24, 1983  
By sg, NARA, Date 9-28-92



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THE UNDER SECRETARY OF THE TREASURY  
FOR MONETARY AFFAIRS

WASHINGTON, D.C. 20220

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July 10, 1968

MEMORANDUM FOR THE PRESIDENT

At Basle this past weekend, the discussions on the sterling balance problem went quite well. The countries who will be expected to put up the money for the "safety net" of \$2 billion gave firm assurances to the U. K. of willingness to participate, contingent upon the U. K. reaching satisfactory arrangements with the sterling area countries. Those arrangements will involve a guaranty of official balances. By this means, the drain from the sterling balances should be held within tolerable limits and be able to be handled with the "safety net."

Few hard commitments were made on the actual money participations in the "safety net" by the individual countries concerned. The Germans and the Italians apparently made firm commitments for their suggested shares of \$350 and \$200 million, respectively, and most of the others did not balk at the figures proposed for them by the Bank for International Settlements. On the basis of the figures the BIS submitted, the U. S. share would be \$550 million.

France was unable to participate at this time but was sympathetic to the plan. Since the prospective French share was \$200 million, it may be that her participation will be distributed among the other participants at this time.

In summary, it now seems clear that the plan will be worked out. The U. K.'s consultations with the sterling area countries and the technical aspects of the \$2 billion "safety net" should be completed in the next few weeks, so that the whole plan could come into operation by September.

Attached is a copy of the Communique issued by the Bank of England on Monday and a copy of the statement used at the Treasury in response to inquiries on the sterling balance package.

It is possible that a question on this subject might come to the White House. If so, I would suggest that an answer along the lines of the Treasury response could be used. It might be supplemented with the following sentence: "We believe that the prospective arrangement announced by the Bank of England will be a stabilizing force in the international monetary system and represents another example of international monetary cooperation."

(Signed) Frederick L. Deming  
Frederick L. Deming

Attachments

U. S. RESPONSE TO BANK OF ENGLAND COMMUNIQUE  
(dealing with sterling balances)

The Bank of England has announced (see attached) that there was considerable progress made in discussions held this past weekend in Basle with respect to the problems of fluctuation in the sterling balances. This is a problem which has been under multilateral consideration for some time. The United States expects to participate with the other countries named in the arrangements, which are to be completed as soon as satisfactory consultations have taken place with sterling area countries. At this time, we have no further comment as to details of the plan.

Attachment



July 8, 1968

COMMUNIQUE BY THE BANK OF ENGLAND

The Bank of England announce that a meeting was held at the Bank for International Settlements in Basle on Sunday, July 7, at which the President of the Bank for International Settlements and the Governors or their representatives of the central banks of Austria, Belgium, Canada, Denmark, Germany, Holland, Italy, Japan, Norway, Sweden, Switzerland, the United States, and France continued their discussion of proposals made at earlier meetings for new arrangements to offset fluctuations in the sterling balances of sterling area countries. Considerable progress has been made in these discussions.

As a result, the Bank for International Settlements and the twelve first named central banks, speaking where appropriate with the authority of their Governments, have given firm assurances of willingness to participate in the arrangements which are to be completed as soon as satisfactory consultations have taken place with sterling area countries. The Bank of France, while in the present circumstances it must reserve its position, has expressed its sympathy with the steps being taken to deal with this problem.

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INFORMATION

Wednesday - July 10, 1968 - 7:00 pm

*Free file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter from President Balaguer

Herewith a letter from President Balaguer expressing appreciation for the special allocation of 75,000 tons of sugar from the Puerto Rico short-fall.

W. W. Rostow

Attachment

President Balaguer's letter of June 24, 1968

The President of the Dominican Republic

Santo Domingo de Guzmán, D.N.

June 24, 1968

His Excellency Lyndon B. Johnson  
President of the United States of America,  
Washington, D.C.

Excellency:

I am happy to express to Your Excellency, in my own name and that of the Dominican Government and people, most sincere appreciation for your Government's recent measure consisting of allocating to the Dominican Republic 75,000 tons of sugar from the shortfall in the production of the Commonwealth of Puerto Rico, within the preferential market of the United States of America.

This additional gesture of support by Your Excellency's Government of the efforts being made by the Dominican Republic to achieve its complete economic recovery is a source of encouragement to all of us who are today committed to strengthening our country's economy in constantly improving democratic conditions.

In formulating most sincere best wishes for Your Excellency's well-being and that of the people of the United States of America, I avail myself of the opportunity to renew to you the assurances of my most distinguished consideration and personal esteem.

[Signed] J. Balaguer

Joaquin Balaguer

INFORMATION

4

Wednesday, July 10, 1968 - 6:40 PM

MEMORANDUM FOR THE PRESIDENT

Per file

SUBJECT: Roger Stevens' Trip to Eastern Europe

I believe you already know that Roger Stevens is making a trip through Eastern Europe between July 11 and August 16. He will be attending a UNESCO meeting in Hungary, will be the guest of the Minister of Culture in Romania and will make brief visits to Moscow, Leningrad, Warsaw and Prague. The State Department believes this will be a useful trip and is sending a Circular to our Embassies about it.

Roger mentioned to a member of my staff today that he will be accompanied by a Mr. and Mrs. Young of the Arts Council and Mrs. Auchincloss (Jackie Kennedy's mother). Apparently Roger was talking with Mrs. Auchincloss about his trip, and she demonstrated such enthusiasm that he found the only gracious thing to do was to invite her along. I don't know if Roger has mentioned this to you, but I thought you might like to be advised in light of the press interest that is likely.

W. W. Rostow



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free file

INFORMATION

~~CONFIDENTIAL~~

Wednesday - July 10, 1968 - 6:15pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting with Bahamas Premier Lynden O. Pindling:  
Thursday, July 11, 5:30 p.m.

Your appointment with the Premier was made at the request of Senator Smathers. He will be accompanied by the Senator and British Ambassador Deas, whom the Senator has invited.

The Premier has come to the US to help persuade the Congress to exempt the Caribbean, including the Bahamas, from the proposed reduction of the duty-free limitation for returning US residents from \$100 to \$10.

Senator Smathers has made appointments for the Premier with the Joint House-Senate Conference Committee, which is considering the bill, the Vice President, Secretary Fowler, and appropriate people in State.

The appointment with you is billed as a courtesy visit. He may raise the duty-free limitation with you. Since what he seeks coincides with the Administration's position, you may wish to thank him for his help.

If it seems appropriate, you might tell him about your trip to Central America and make clear that we hope the Caribbean islands, including the Bahamas, will work toward economic regionalism, as the Central Americans are doing. The Premier is considering whether the Bahamas should join the Caribbean Development Bank, and we hope they do.

I enclose a short biographic sketch of Premier Pindling (Tab A) and a brief resume of Bahamas' political-economic situation (Tab B).

W. W. Rostow

Enclosures - Tabs A and B.

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

tab A  
35a

# Lynden O. Pindling

Premier Pindling, leader of the all-Negro Progressive Liberal Party (PLP), and its chairman since 1963, became the islands' first Negro premier following elections in early 1967. A successful London-educated lawyer and political leader for ten years, the 38-year-old Premier is a self-described "conservative with a social conscience" who has demonstrated considerable reasonableness and a desire to cooperate with the U.S. He has given public assurances of the dedication of his government to free enterprise, foreign investment and a continuance of the role of the Bahamas in the western world defense pattern. He has been in the U.S. on several occasions, most recently last week when he visited the Hawaiian islands, which greatly impressed him. Pindling is married and has three children--two sons and a daughter.

fwb 356

The Bahamas

The Bahamas are an archipelago of 700 separate low-lying islands, extending in a southeasterly direction from the east coast of Florida. Its population of 150,000 is 86% Negro.

The Bahamas are a Colony of the United Kingdom. The government is a parliamentary one, with complete internal self-government which came into effect in 1964. The Government is lead by Premier Pindling and a Cabinet responsible to a House of Assembly. The Senate, with limited powers to delay measures approved by the House, is appointed by the Governor. The Queen, through the Governor, remains responsible for external affairs, defense and internal security.

The Bahamas principal industry is tourism, which has increased to approximately 1 million persons per year, most of whom are from the United States. The Bahamas are an important international banking and investment center as well, with several U.S. firms operating subsidiary corporations in Nassau. Major U.S. hotel chains also operate large enterprises there. The Bahamas are an important U.S. export market, and are strategically important to the U.S. The Air Force, Navy and Coast Guard all have installations located in the islands.

July 1968

*Pres file*

*3/1*

Wed., July 10, 1968  
6:00 p. m.

**MR. PRESIDENT:**

Occasionally my brother Gene lets fly  
with a statement that makes me right proud.

I think you will enjoy this, if you have  
time -- notably from p. 27 to the end.

The occasion was July 4th at Monticello.

**W. W. Rostow**

**Attachment**

*(42 page speech)  
given July 4, 1968  
at Monticello*



SECRET

Lunch Meeting With the President  
Wednesday, July 10, 1968 -- 1:00 p.m.

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*Pres file*

AGENDA

1. Vietnam. (Secs. Rusk and Clifford)

Draft instructions for next private talk, if date is set. \*

2. U.S. Troop Level in NATO. (Secs. Rusk and Clifford)

Situation report on Congress and next steps.

3. Bilaterals with Soviets on Control and Limitation of Nuclear Weapons.  
(Sec. Rusk)

Sec. Rusk will give brief report on preparations for talks with Soviets.

4. Instructions for George Ball on Middle East. (Sec. Rusk)

5. Other.

W. W. Rostow

*\*Time was set this morning in Paris: 9pm next Monday, July 15.*

DECLASSIFIED  
White House Call on 17, Feb. 24, 1983  
By rg, NARA, Date 9-2-92

WWRostow:rla

SECRET

**INFORMATION**

**Wednesday - July 10, 1968**

**Mr. President:**

*Pres file*

**I enclose reports from our Central American Embassies on press reaction to your airport visits which I thought you might like to scan.**

**W. W. Rostow**

**Enclosures**

**Reports from Embassies in Managua, San Jose, Tegucigalpa, Guatemala , and from Panama.**



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3.  
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PAGE 01 MANAGU 02022 092332Z

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ACTION ARA 16

INFO SSO 00, NSCE 00, CIAE 00, DODE 00, GPM 04, H 02, INR 07, L 03, NSAE 00,  
NSC 10, P 04, RSC 01, SP 02, SS 20, USIA 12, AID 28, CU 04, CPR 02, SY 03,  
RSR 01, /119 W

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P R 092220Z JUL 68  
FM AMEMBASSY MANAGUA  
TO SECSTATE WASHDC PRIORITY 2679  
INFO AMEMBASSY GUATEMALA  
AMEMBASSY SAN JOSE  
AMEMBASSY SAN SALVADOR  
AMEMBASSY TEGUCIGALPA

UNCLAS MANAGUA 2022

REF: MANAGUA 2010

SUBJ: PRESS REACTION PRESIDENT JOHNSON'S VISIT

OLEANDER

1. FOLLOWING PRESS ROUNDUP FORWARDED BY USIS EARLIER TODAY  
(JULY 9):

PRESIDENT JOHNSON'S MEETING WITH CENTRAL AMERICAN  
PRESIDENTS AND HIS VISIT TO NICARAGUA DOMINATED NEWS  
IN MANAGUA DURING PAST FIVE DAYS. (REF. MANAGUA 2010)  
FOR EXAMPLE, MANAGUA'S TWO DAILY NEWSPAPERS CARRIED MORE  
THAN 230 ARTICLES AND PHOTOS DURING FIVE-DAY PERIOD.  
RADIO AND TELEVISION STATIONS GAVE TRIP EQUALLY HEAVY  
COVERAGE. DURING PAST THREE DAYS FRONT PAGES OF BOTH  
DAILIES ALL BUT COMPLETELY DEVOTED TO VISIT.

NEARLY ALL COVERAGE FAVORABLE. ONLY EXCEPTION IS  
THAT OPPOSITION DAILY LA PRENSA CARRIED ASSOCIATED PRESS  
PHOTOS AND STORIES, AS WELL AS SOME BY STAFF CORRESPONDENTS,  
OF PROTEST IN SAN SALVADOR, AND BRIEF PIECES ON MINOR  
STUDENT DEMONSTRATION AT NATIONAL UNIVERSITY IN LEON,

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# Department of State

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PAGE 02 MANAGU 02022 092332Z

CONFISCATION OF PROTEST POSTERS IN SCHOOL OF ARCHITECTURE AND ENGINEERING IN MANAGUA, DISCUSSION IN CONGRESS ON SUITABILITY DECLARING NATIONAL HOLIDAY FOR PRESIDENT JOHNSON'S VISIT, AND ARREST OF PRESIDENT OF LOCAL RADIO NEWSMEN'S UNION AND ABOUT 20 OTHERS FOR APPARENT SECURITY REASONS.

THERE HAS BEEN NO UNFAVORABLE EDITORIAL COMMENT. COVERAGE IN LA PRENSA HAS BEEN CONFINED TO NEWS STORIES, AND COLUMNS CONTRIBUTED BY NON-EMPLOYEES. FOUR EDITORIALS IN NOVEDADES ALL HAVE BEEN FAVORABLE. NOVEDADES TUESDAY SAID:

"EN UN DIA DECLARADO COMO DE FIESTA NACIONAL, YA INSCRITO EN NUESTRA HISTORIA COMO TRASCENDENTE, JOHNSON NOS BRINDABA PERSONALMENTE SU ADHESION DE ESTADISTA Y SU ADMIRACION DE CIUDADANO POR EL PROGRESO ALCANZADO POR UN PAIS, QUE CUENTA CON UN GRAN DIRIGENTE FORJADO EN LA ESENCIA MISMA DE LA DEMOCRACIA AMERICANA.

CON MEJORES OJOS PARA VER, EL PRESIDENT NORTEAMERICANO CAPTO EL SENTIR DE UN PUEBLO JUBILOSO QUE LO RECIBIO CON ENTUSIASMO; UN ESTUDIANTE CORRECTO Y AMISTOSO, QUE DISENTIA NOTABLEMENTE DE LA ACTITUD ECUESTRE ASUMIDA POR DETERMINADOS AGITADORES QUE TRATARON DE RESTARLE LUCIMIENTO A LA VISITA DE JOHNSON A NICARAGUA."

LA PRENSA TUESDAY CARRIED ON PAGE 2 TEXT OF PRESIDENT JOHNSON'S AIRPORT TALK BUT NOT TEXT OF PRESIDENT SOMOZA'S REMARKS. NOVEDADES TUESDAY FRONT-PAGED PRESIDENT SOMOZA'S TALK BUT DID NOT CARRY PRESIDENT JOHNSON'S TEXT.

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4

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PAGE 01 SAN JO 03178 100033Z

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ACTION ARA 16

INFO SS 20, GPM 04, H 02, NSC 10, O 02, OPR 02, SY 03, AID 28, PC 04, RSR 01,

USIE 00, CIAE 00, DODE 00, INR 07, P 04, RSC 01, NSA 02, /106 W  
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R 092355Z JUL 68  
FM AMEMBASSY SAN JOSE  
TO SECSTATE WASHDC 3671  
INFO AMEMBASSY SAN SALVADOR  
AMEMBASSY GUATEMALA  
AMEMBASSY TEGUCIGALPA  
AMEMBASSY MANAGUA  
AMEMBASSY PANAMA

UNCLAS SAN JOSE 3178

JOINT STATE/USIA

SUBJECT: NEWS WRAP-UP JOHNSON VISIT

1. JULY 8 AFTERNOON PAPER LA PRENSA LIBRE AND MORNING PAPERS LA NACION AND LA REPUBLICA TODAY GAVE FULL AND FAVORABLE COVERAGE TO PRESIDENT JOHNSON'S VISIT TO COSTA RICA, EMPHASIZING WARMTH OF RECEPTION AT AIRPORT AND SPONTANEITY OF JOHNSON FAMILY'S RESPONSE TO CROWDS.

2. ALL PAPERS HAD WEALTH OF PHOTOS OF PRESIDENT MINGLING WITH CROWD AND GAVE GREAT PROMINENCE TO LUCI JOHNSON DANCING WITH COSTA RICAN FOLK DANCE GROUP, WHICH DELIGHTED CROWDS. ENTIRE ATMOSPHERE DURING VISIT WAS EXTREMELY FRIENDLY, ALTHOUGH THERE WERE A FEW MINOR INCIDENTS.

3. LA NACION AND LA REPUBLICA MENTION, AS ONLY INCIDENT INVOLVING "FBI AGENTS", IN CONTRAST TO ALLEGED FBI CONDUCT IN SALVADOR, ARREST OF FBI AGENT ON ORDERS OF MINISTER OF GOVERNMENT FOR SHOWING DISRESPECT TO WIFE OF MINISTER BY NOT ALLOWING HER TO ENTER THE AIRPORT. LA PRENSA LIBRE CARRIED FULL STORY ON INCIDENT.

4. LA REPUBLICA CARRIED PAID AD FROM THREE COSTA RICAN NEWSMEN PROTESTING TREATMENT BY SECURITY AGENTS IN AIRPORT YESTERDAY IN REFUSING THEM ADMITTANCE TO RECEPTION AND LAMENTING THAT US

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AUTHORITIES FREQUENTLY ASSUME POSITIONS NOT REFLECTING DEMOCRATIC VIRTUES OF PEOPLE THEY REPRESENT. LA NACION PRINTED IDENTICAL PROTEST AS REGULAR STORY.

5. BOTH PAPERS PUBLISHED DETAILED ARTICLES ON ARRESTS OF SEVERAL YOUTHS, INCLUDING UNIVERSITY STUDENTS, FOR DEMONSTRATING AGAINST PRESIDENT JOHNSON AT THE AIRPORT AND IN SAN JOSE. PRESIDENT OF UNIVERSITY STUDENT FEDERATION, ARRESTED IN CONNECTION WITH INCIDENT AT AIRPORT, VISITED LEGISLATIVE ASSEMBLY WITH OTHER STUDENT LEADERS SHORTLY AFTER BEING RELEASED AND PRESENTED REQUEST THAT CR SECURITY AGENCY BE ELIMINATED, CHARGING THAT IT WAS UNNECESSARY AND OVERLY AGGRESSIVE.

6. LA REPUBLICA CARRIED STORY THAT TWELVE MEMBERS OF THE LEGISLATIVE ASSEMBLY ASKED THAT BODY TO APPROVE PROTEST MOTION TO MINISTRY OF FOREIGN RELATIONS FOR THEIR TREATMENT AT HANDS OF SECURITY AUTHORITIES DURING JOHNSON VISIT. SAID TREATMENT CONSISTED OF THEIR NOT BEING ALLOWED TO ENTER THE RAMP AREA, FOR WHICH THEY DID NOT HAVE PASSES.

BOONSTRA.

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ACTION ARA 16

INFO SS 20, GPM 04, H 02, NSC 10, CIAEI 00, DODEI 00, INR 07, NSAE 00, PI 04,

RSC 01, USIA 12, IO 13, E 15, AID 28, PC 04, O 02, OPRI 02, SY 03, RSR 01,

SP 02, /146 W

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P R 092130Z JUL 68  
FM AMEMBASSY TEGUCIGALPA  
TO SECSTATE WASHDC PRIORITY 2879.  
INFO AMEMBASSY GUATEMALA  
AMEMBASSY MANAGUA  
AMEMBASSY SAN JOSE  
AMEMBASSY SAN SALVADOR

UNCLAS TEGUCIGALPA 3304

OLEANDER

SUBJECT: PRESS REACTION TO VISIT OF PRESIDENT JOHNSON.

1. HONDURAN PRESS GAVE PRESIDENT JOHNSON'S VISIT FULLEST COVERAGE AFFORDED VISITOR IN MEMORY. STORY COMPLETELY DOMINATED NEWS MEDIA. FRONT PAGES CONSISTENTLY FEATURED PHOTOS OF PRESIDENT JOHNSON AND FAMILY.
2. ALL PAPERS HEADLINED WARM GREETINGS TO PRESIDENT JOHNSON BUT LIMITED EDITORIAL COMMENT INCLUDED SOME CRITICISM OF ALLEGED PURPOSES OF VISIT.
3. INDEPENDENT EL DIA SUMMED UP GENERAL PUBLIC OPINION WITH STATEMENT: "OUR COUNTRY IS HONORED BY THE VISIT OF PRESIDENT JOHNSON" NEVERTHELESS EDITORIALY WARNED PRIOR TO SAN SALVADOR MEETINGS THE PAST LA SUMMIT CONFERENCES HAVE OFTEN PRODUCED MEAGER RESULTS. EL DIA EARLIER SPECULATED THAT SECRET REASON FOR JOHNSON TRIP WAS TO URGE CENTRAL AMERICAN PRESIDENTS "NOT TO APPROVE PROTOCOL" OF SAN JOSE SUPPOSEDLY BECAUSE OF ADVERSE EFFECT ON US EXPORTS.
4. EL PUEBLO, OPPOSITION LIBERAL PARTY ORGAN, RESPONDING

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# Department of State

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TO TAUNTS OF GOVERNMENT PAID RADIO COMMENTATORS, WHO ASSERTED JOHNSON VISIT SHOWS US GOVERNMENT DOES NOT AGREE WITH CRITICS WHO LABEL GOH /NDEMOCRATIC, PREDICTABLY VOICED "HOPE THAT VISIT DOESN'T SERVE TO PROP UP DICTATORS LIKE LOPEZ ARELLANO, WHO MAKE JOKE OF DEMOCRACY AND ELEMENTARY HUMAN RIGHTS".

5. ANTI-GOVERNMENT LA PRENSA OF SAN PEDRO SULA, ALTHOUGH INITIALLY UNENTHUSIASTIC ABOUT VISIT, FRONTPAGED WELCOME GREETING TO JOHNSON AND EXPRESSED HOPE "THAT HIS VISIT AFFIRMS AGAIN THE FRIENDSHIP AND UNDERSTANDING THAT HAVE ALWAYS EXISTED BETWEEN US AND HONDURAS". PAPER CAUGHT ENTHUSIASM OF JOHNSON'S SPS STOP AND IN ITS FIRST REACTION AFTER VISIT PROUDLY HEADLINED ALLEGED STATEMENT BY PRESIDENT JOHNSON THAT SAN PEDRO SULA GAVE HIM GREATEST WELCOME OF DAY.

6. PRO-GOVERNMENT EL CRONISTA, ANGERED BY INITIAL REVOCATION OF THE PRESS CREDENTIALS OF ITS OWNER AND MANAGER ANTONIO VALLADARES AND HIS EXCLUSION FROM OTHER FUNCTIONS CHARGED SALVADORAN NATIONAL GUARD ACTED ON CIA ORDERS AND BLASTED PRESIDENT JOHNSON'S PERSONAL GUARDS FOR TRAMPLING THE RIGHTS OF CENTRAL AMERICAN REPORTERS. EL CRONISTA ALSO REPRINTED PROTEST STATEMENT BY NICARAGUAN AMBASSADOR TO SALVADOR AGAINST ALLEGED MALTREATMENT OF CENTRAL AMERICAN JOURNALISTS. ALTHOUGH STILL FUMING EL CRONISTA FRONT-PAGED WARM WELCOME GREETING TO JOHNSON.

7. DIARIO DEL NORTE, THE GOVERNMENT ORGAN, TERMED THE VISIT "AN EVENT OF TRANSCENDENTAL HISTORIC IMPORTANCE WHICH STRENGTHENS THE FUTURE OF DEMOCRACY". THE PAPER ALSO APPLAUDED JOHNSON "FOR CONTINUING THE FIGHT IN VIETNAM IN SPITE OF THE IMMENSE COSTS" SAYING THAT THIS SHOWS PRESIDENT JOHNSON IS AWARE "THAT A DISHONORABLE PEACE IN VIETNAM WOULD BRING A CHAIN OF OTHER VIETNAMS THROUGHOUT THE WORLD". DIARIO DEL NORTE WARMLY PRAISED LUCI JOHNSON NUGENT'S INSPIRING REMARKS TO HONDURAN YOUTH.

8. ALL NEWSPAPERS FRONT-PAGED STORIES DESCRIBING ALLEGED HOSTILE GREETING AFFORDED TO PRESIDENT JOHNSON BY SALVADORAN STUDENT GROUPS. FEATURED BURNING OF EFFIGY ON STEPS OF EMBASSY.

9. THE FREEING OF ANTONIO MARTINEZ ARGUETA AND THE SUBSEQUENT RELEASE OF THE SALVADORAN PRISONERS RECEIVED WIDE PUBLICITY

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*Department of State*

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AND HELPED CREATE ATMOSPHERE CONDUCTIVE TO SUCCESSFUL MEETINGS.

10. JOHNSON'S ANNOUNCEMENT OF 65 MILLION DOLLAR IN AID TO  
CA. ALSO RECEIVED WIDE PUBLICITY.

11. FIRST TEGUCIGALPA PRESS REACTION TO SPS VISIT WILL COME  
THIS AFTERNOON.

JOVA

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# Department of State

# TELEGRAM

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PAGE 01 GUATEM 05465 100106Z

92

ACTION ARA 16

INFO CIAE 00,DODE 00,GPM 04,H 02,INR 07,L 03,NSC 10,P 04,RSC 01,SP 02,

SS 20,USIA 12,NSA 02,AID 28,RSR 01,112 W

R 092354Z JUL 68  
FM AMEMBASSY GUATEMALA  
TO SECSTATE WASHDC 5252  
INFO AMEMBASSY MANAGUA  
AMEMBASSY SAN JOSE  
AMEMBASSY SAN SALVADOR  
AMEMBASSY TEGUCIGALPA  
AMEMBASSY PANAMA

✓ TAYLOR  
✓ JORDEN  
✓ KERRY  
✓ ROCHE  
✓ SANDERS  
✓ TAYLOR  
✓ JORDEN  
✓ KERRY  
✓ ROCHE  
✓ SANDERS  
✓ TAYLOR

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SUBJ: CA SUMMIT MEETING: JOHNSON VISIT TO GUATEMALA: PRESS SUMMARY  
JULY 9, 1968

1. PRESIDENT'S VISIT DOMINATED MORNING PRESS. PRENSA LIBRE DEDICATED FOUR PAGES TO WHAT DESCRIBED AS "WARM WELCOME." GRAFICO CARRIED FIVE PAGES DESCRIBING ARRIVAL CEREMONIES AND STRESSING NO INCIDENTS DURING VISIT (CONTRASTING SMOOTH LOCAL ARRANGEMENTS WITH "UNFORTUNATE" INCIDENTS SAN SALVADOR).

2. GRAFICO EDITORIAL CRITICIZES US SECURITY MEASURES AND GUATEMALAN FONMIN CENSORSHIP. QUOTES FROM JOINT DECLARATION CA, MEXICAN AND PANAMANIAN CORRESPONDENTS ISSUED SAN SALVADOR JULY 6 (FULL TEXT PUBLISHED AS NEWS ITEM) THAT OVERZEALOUS US SECURITY AGENTS DISCRIMINATED AGAINST LATINS, MAKING THEM FEEL "STRANGERS IN OWN COUNTRY," WHILE PERMITTING AMERICAN PRESS TO COVER SSIONS. EDITORIAL STATES COVEY OLIVER'S EXPLANATION TO LATIN PRESS TOO LITTLE AND TOO LATE. ALSO LAMBASTS FORMINISTRY FOR DELAYING RELEASE STORIES SENT BY THEIR CORRESPONDENTS IN SAN SALVADOR WHILE GUATEMALAN PRESIDENTIAL OFFICE REVIEWED FOR CENSORSHIP.

3. IN ADDITION CARRYING FULL TEXT LATIN PRESS PROTEST, GRAFICO DEPLORED INTENSIVE US SECURITY PRECAUTIONS DURING

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# Department of State

# TELEGRAM

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AIRPORT VISIT HERE. FULL PAGE PICTURES AND STORY SHOW PRESIDENT SURROUNDED BY SS AND SUB-HEADS "EXTREME PRECAUTIONARY MEASURES." COMPLAINS EVEN PRESS WITH BADGES ISSUED GUATEMALAN PUBLIC RELATIONS SECRETARIAT UNABLE INTER SECURE ZONE. CLAIMS LOCAL TELEVISION CAMERAMEN ELBOWED AND SHOVED BY SS.

4. PRENSA LIBRE EDITORIALIZED THAT CONFERENCE SPARKED AGREEMENT AMONG PRESIDENTS BUT THIS MERELY POINT OF DEPARTURE. MUST CONVERT FINE WORDS INTO CONCRETE ACTIONS. A SECOND EDITORIAL "THE IGNORED AVALANCHE" NOTES PRESIDENTS' DECLARATION APPROACHED POPULATION-EXPLOSION TIMIDLY. IGNORING THIS PROBLEM IS "LIKE BUILDING-HOUSE IN PATH AVALANCHE."

5. PRESIDENT MENDEZ QUOTED BY LEADING DAILY IMPARCIAL AS STATING: "I RETURN HIGHLY PLEASED BY SUCCESSFUL CONFERENCE CA PRESIDENTS.

WE ACHIEVED POSITIVE GAINS FOR PEACE AND INTEGRATION OUR FRATERNAL PEOPLES."

6. AIRPORT CEREMONIES: PLANNED 55-MINUTE STOP AT NEW TERMINAL, LA AURORA AIRPORT HIGHLY SUCCESSFUL, WITHOUT HITCH OR INDICENT. CROWD ESTIMATED OVER 3,000 PERSONS CAREFULLY SCREENED AND IDENTIFIED FOR SECURITY REASONS AWAITED USAF ONE ON AMPLE APRON BEFORE UNCOMPLETED TERMINAL BUILDING. IN ADDITION TOP GOG OFFICIALS, CROWD INCLUDED DIPLOMATIC CORPS, MAJORITY USCIT RESIDENT COMMUNITY, SCHOOLCHILDREN, BOY SCOUTS, AND MILITARY UNITS. PROTOCOLARY ADDRESSES BY BOTH PRESIDENTS ENTHUSIASTICALLY RECEIVED BY FLAG-WAVING CROWD (DESPITE RAPID FIRE DELIVERY OF PRES. JOHNSON'S TRANSLATOR). PRINCIPALS THEN ENTERED TERMINAL WHERE PRES. JOHNSON SIGNED GUEST BOOK, ACCEPTED REFRESHMENT, BRIEFLY INSPECTED ART AND HANDICRAFT EXHIBITS, SELECTING SEVERAL PAINTING AND CERAMICS DEPARTURE PRECISELY ON TIME. GOG OFFICIALS OBVIOUSLY HIGHLY PLEASED WITH SMOOTH-WORKING ARRANGEMENTS DESPITE SOME GRUMBLING FROM LOCAL PRESS CORPS. ELABORATE, MASSIVE AND CONTINUOUS SECURITY PRECAUTIONS OBVIOUSLY SUCCESSFULLY PREVENTED ANY UNTOWARD SUBVERSIVE INCIDENTS OR EVEN DEMONSTRATION, AND NONE TOOK PLACE EITHER AT AIRPORT OR IN CITY.

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TELEGRAM

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49

UNCLASSIFIED 753

PAGE 01 PANAMA 03950 091746Z

46  
ACTION ARA 16

INFO NSA 02, CIAE 00, DODE 00, GPM 04, H 02, INR 07, L 03, NSC 10, P 04,  
RSC 01, SP 02, SS 20, USIA 12, E 15, IO 13, PC 04, AID 28, SA 01, RSR 01,  
/145 W

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R 091615Z JUL 68  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 4396  
INFO AMEMBASSY SAN JOSE  
AMEMBASSY MANAGUA  
AMEMBASSY TEGUCIGALPA  
AMEMBASSY GUATEMALA  
AMEMBASSY SAN SALVADOR

UNCLAS PANAMA 3950

SUBJECT: MEDIA REACTION TO PRESIDENTS JOHNSON'S VISIT TO CENTRAL AMERICA

1. PRESIDENT JOHNSON'S MEETING WITH CENTRAL AMERICAN (CA) CHIEFS OF STATE GIVEN PROMINENT COVERAGE IN PANAMANIAN NEWS MEDIA. MAJOR NEWSPAPERS THROUGHOUT FIRST WEEK OF JULY GAVE FRONT-PAGE HEADLINE TREATMENT TO AP AND UPI DISPATCHES ON PRESIDENT'S VISIT. EDITORIAL COMMENT AND NEWS TREATMENT GENERALLY POSITIVE, WITH EXCEPTION OF CERTAIN EMPHASIS ON "STUDENT MANIFESTATIONS". VISIT BASICALLY SEEN AS DEMONSTRATION OF US INTEREST IN ACHIEVING ECONOMIC INTEGRATION AND RAISING LIVING STANDARDS OF PEOPLE.

2. BEGINNING JULY 2 ESTRELLA FRONT-PAGED AP STORIES UNDER BANNER HEADLINES. JULY 6 ESTRELLA EDITORIAL NOTES PROBLEMS FACING CENTRAL AMERICAN COMMON MARKET (CACM) AND STATES PRESIDENTS JOHNSON'S VISIT WILL SPARK GREATER INTEGRATION BY BRINGING TO LIGHT NEED FOR NEW APPROACHES TO ACHIEVE INTEGRATION GOALS.

3. PANAMA AMERICA IN JULY 2 EDITORIAL LAUDS PRESIDENT JOHNSON'S VISIT AS DEMONSTRATION OF US INTEREST IN LATIN AMERICA (LA).

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# Department of State

# TELEGRAM

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PAGE 02 PANAMA 03950 091746Z

PANAMA AMERICA STATES PRESIDENT'S PRESENCE SIGNIFIES US IS READY TO LOAN LA NATIONS FUNDS NEEDED TO ACHIEVE INTEGRATION. EDITORIAL ENDS BY EXPRESSING "SURPRISE" THAT PANAMA WAS NOT ATTENDING, BLAMING PRES ROBLES AND FONMIN ELETA FOR COUNTRY'S LACK OF PARTICIPATION.

4. JULY 6 PANAMA AMERICA EDITORIAL NOTES SIGNIFICANCE MEETING HAS FOR OTHER LA STATES, CALLING MEETING A "VALUABLE EXPERIENCE" FOR REST OF CONTINENT'S COUNTIRES. EDITORIAL POINTS OUT, HOWEVER, NEED TO SOLVE "TRADITIONALLY UNFAVORABLE TRADE BALANCE" BETWEEN RICHER AND POORER NATIONS IN ORDER TO OBTAIN "PERMANENT AND BENEFICIAL RESULTS."

5. ENGLISH LANGUAGE PANAMA AMERICAN AND STAR & HERALD GAVE WIDE STORY AND PHOTO COVERAGE TO PRESIDENT'S VISIT. COVERAGE POSITIVE AND NO MAJOR PROMINENCE GIVEN TO STUDENT DEMONSTRATIONS.

6. PRO-GOVT EL MUNDO EDITORIAL ON JULY 7 ASKS WHY PANAMA DID NOT PARTICIPATE AT MEETING, NOTING THAT "COURAGE AND VALOR" SEEM LACKING IN PANAMA TO MAKE DECISION TO JOIN INTEGRATION MOVEMENT.

7. EXPRESO EDITORIALS ON JULY 5 AND 8 CITE INTEREST OF PANAMANIAN IN MEETING, AND STATE DESIRE FOR HOPE, PARTIOTISM, AND GOOD JUDGEMENT TO PREVAIL SO THAT 7 YEARS OF INTEGRATION EFFORTS ARE NOT WASTED. EDITORIALS NOTE THAT TURE PROGRESS IN CA REQUIRES POLITICAL REFORM AND SOCIAL CHANGE, AND CALL UPON INCOMING ADMINISTRATION OF DR. ARNULFO ARIAS TO STUDY CAREFULLY RESULTS OF MEETING.

8. NEGATIVE NOTE SOUNDED BY EL SOL, PRESENTLY BLAMING US FOR DEFEAT OF PRESIDENTIAL CANDIDATE DAVID SAMUDIO. EL SOL IGNORED MEETING UNTIL JULY 9 AND THEN ONLY COMMENTED ON NEGATIVE ASPECTS ARISING OUT OF STUDENT DEMONSTRATIONS.

9. TV CHANNEL 2 SENT SPECIAL TEAM TO EL SALVADOR TO COVER MEEING. RESULT WAS LENGTHY FILM OF EVENTS INCLUDING ARRIVAL OF ALL PRESIDENTS, PRES. JOHNSON'S TRIBUMPHANT RIDE INTO CITY AND ALSO STUDENT DEMONSTRATION AGAINST MEETING WHICH TV 2 REPEATEDLYPOINTED OUT WAS OBVIOUSLY COMMUNIST DIRECTED. FILM SHOWN SEVERAL TIMES ON JULY 7 AND 8. TV 2 EDITORIAL JULY 8 SPOKE FAVORABLY OF RESULTS OF MEETING,

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*Department of State*

**TELEGRAM**

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PAGE 03 PANAMA 03950 091746Z

MENTIONING LARGE SUM OF US LOANS PROMISED BY PRES JOHNSON  
AND PRAISING US SUPPORT OF CACM. ADAIR

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20002 Pres. file

Wednesday, July 10, 1968

MEMORANDUM FOR THE PRESIDENT

Attached is a letter from Soapy Williams describing his initial attempts to establish rapport with the Filipino people and the man-eating Manila press.

Clearly, Williams intends to send you progress reports from time to time. I suggest that you acknowledge this first one. In the future, we will reply on your behalf except where the substance of the message deserves your personal attention.

I recommend you sign the attached.

151

W. W. Rostow

Attachment

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_

372

July 10, 1968

Dear Seapy:

I was glad to have your letter of July 3 and the description of your first brush with the Filipino press. Your mission seems off to a good start, and I am looking forward to your progress report on the priorities we talked about.

Sincerely,

/s/ Lyndon B. Johnson

Honorable G. Mennen Williams  
American Embassy  
Manila, Philippines

LBJ:WMWright:pas:7/9/68



Tuesday, July 9, 1968

cler  
Sgt 7/10)

Mr. President:

You may wish to send to Mrs. Robert F. Kennedy this bound collection of condolence messages that world leaders addressed to you, to the Secretary of State and to others on the occasion of the assassination of the Senator.

A letter transmitting the volume to Mrs. Kennedy is attached for your signature, if you approve.

W. W. Rostow

July 10, 1968

Dear Ethel:

The tragic death of Senator Kennedy shocked and pained not only us in America but also citizens of every land who cherish freedom and human betterment. In the moments after your terrible loss, world leaders sent many messages of condolence. It occurred to me that you and the children might like to have this volume which contains these expressions of loss and sympathy. All have been acknowledged.

Lady Bird and I will continue to keep you in our thoughts and prayers. Your courage and dignity are an example for all.

Sincerely,

/s/ Lyndon B. Johnson

Mrs. Robert F. Kennedy  
1147 Chain Bridge Road  
McLean, Virginia

LBJ:LS:cjf

*Pres file*

Wednesday, July 10, 1968  
10:50 a. m.

41

**MR. PRESIDENT:**

**SUBJECT: Pan American Inaugural Flight to Moscow**

PanAm's inaugural flight to Moscow is scheduled for July 15 (to return July 19). It looks like quite a junket.

PanAm plans to invite about 30 public and government figures and about 30 publishers to make the trip.

From the Executive Branch, PanAm proposes inviting Transportation Secretary Boyd, Deputy Under Secretary of State Bohlen, Asst. Secretaries Leddy and Donnelley, and half a dozen other officials (see attached memo).

O. K. \_\_\_\_\_ No \_\_\_\_\_ Add \_\_\_\_\_

PanAm would like to include several White House staffers -- perhaps Califano, Murphy, McPherson and Goldstein. Nat Davis, knowing the language, might actually be useful. The State Department is a bit nervous about possible Congressional criticism, but believes such participation would boost PanAm and add to the impact of the inaugural flight. I'm just nervous.

Califano O. K. \_\_\_\_\_ Murphy O. K. \_\_\_\_\_ Nat Davis O. K. \_\_\_\_\_  
Goldstein O. K. \_\_\_\_\_ McPherson O. K. \_\_\_\_\_ Add \_\_\_\_\_

From the Congress, PanAm expects to invite Senators Magnuson, Cotton and Monroney and Representatives Staggers, Friedel, Springer, Devine, Celler, Boland, Dolski and Boggs. They are committed to these people, but would undoubtedly be willing to add a few others if desired.

Add \_\_\_\_\_

PanAm would like to invite one or two Governors. If we make no suggestions, they would ask the National Governors Conference for names. Price Daniel suggests Hulett Smith of West Virginia or Dick Hughes of New Jersey; and Governor Shafer of Pennsylvania for bi-partisanship.

Hughes O. K. \_\_\_\_\_ Smith O. K. \_\_\_\_\_ Shafer O. K. \_\_\_\_\_

Robert T. Murphy of the CAB would be invited.

PanAm has talked with the State Department about inviting the Vice President, and there has been some press speculation about this possibility. State does not intend to encourage the idea unless you have an interest.

There has been some talk of a woman going. After watching her in Central America, Luci is my candidate. Russia would never be the same!

W. W. Rostow

Attachment





DEPARTMENT OF STATE  
WASHINGTON

S/S 9484

IN REPLY REFER TO:

July 3, 1968

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MEMORANDUM FOR MR. WALT W. ROSTOW  
THE WHITE HOUSE

Subject: Pan American VIP Inaugural Flight  
to Moscow

Arrangements are being made for the beginning of New York-Moscow air service on July 15. Pan American and Aeroflot will each operate VIP inaugural flights. The date of Pan American's inaugural has not been decided, but we hope it will be about July 15. Among other US Government representatives, Pan American has indicated to us an interest in inviting several White House staff members (Messrs. Califano, Murphy, McPherson, and Goldstein).

White House staff participation might demonstrate to the Soviets the President's great interest in New York-Moscow air service and also give a boost to Pan American's prestige. On the other hand, and perhaps more significantly, White House participation might be subject to Congressional or other domestic criticism.

We had thought that US Government interest in air service could be adequately demonstrated by the following representatives (subject to availability and agency decision):

Department of State

Deputy Under Secretary for Political Affairs  
Charles E. Bohlen  
Assistant Secretary John M. Leddy  
Assistant Secretary Dixon Donnelley  
Acting Deputy Assistant Secretary Malcolm Toon  
Gifford D. Malone, Soviet Desk

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2124  
1. Davis  
2. Ret.  
4/a

Department of Transportation

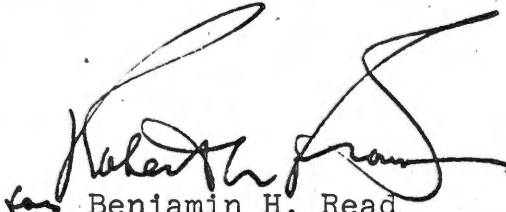
Secretary Alan S. Boyd  
Assistant Secretary for International Affairs  
Donald G. Agger  
Administrator of the Federal Aviation Administration  
General William F. McKee  
Assistant Administrator for International Aviation  
Affairs, FAA, Charles O. Cary

Civil Aeronautics Board

Member Robert T. Murphy

Pan American will also invite several Senators and Representatives. The rest of the list will consist principally of publishers.

We would appreciate your informing the Department as soon as possible whether White House staff participation is desired.

  
for Benjamin H. Read  
Executive Secretary

INFORMATION

Wednesday, July 10, 1968  
10:30 a.m.

Mr. President:

This straw in the wind re-inforces view that the enemy plans to zero in on Saigon in early August -- in time for the Democratic Convention.

That has long been Thieu's view of timing -- and is now Abrams'.

W. W. Rostow

WWRostow:rlh

*Pres. file*

*Ruston*  
July 10, 1968

*42a*

SUBJECT: Future Offensive

A letter, dated June 13, 1968, from a cadre of HQ, SVNLA, to a cadre of Sub-Region 6, COSVN, pertains to preparations for an offensive on Saigon - Cholon areas. Try to maintain close coordination with other people to insure unity of action. Forces (possibly meaning agents) should be sent to each and every precinct, particularly the 1st, 2nd, 3rd, and 5th precincts. Rearrange and consolidate terrain feature data files concerning these precincts. Make maximum efforts to complete these not later than the first part of August 1968. Special attention should be paid to the research and collection of pictures and documents which can be used to clarify the terrain feature problems.

CDEC #06-2573-68, Bulletin 13, 762



INFORMATION

Wednesday, July 10, 1968  
9:10 a.m.

Mr. President:

Herewith indication that diplomatic  
relations have been re-established with  
Clayton Fritchey.

W. W. Rostow

WWRostow:rlh

*Free file*

CLAYTON FRITCHEY

43a

NEWSDAY  
NEWSDAY SYNDICATE

HARPERS MAGAZINE

July 9, 1968

Dear Walt:

Many thanks for sending along the text of the President's remarks. To me, of course, this is LBJ at his best...I'm enclosing a couple of columns which might be of some interest to you and the President.

Best wishes,

Mr. Walt Rostow  
The White House  
Washington, D. C.

# On The News

## Teen Letters

### Why Vietnam?

President Johnson is criticized as being poorly qualified but has worked diligently to promote the welfare of the older generation and has put through civil rights legislation.

One big factor prevents President Johnson from being a great President and that is the conflict of Vietnam. People are quick to criticize him for they have no solution and therefore blame the President. People do not realize the choices Johnson had to make nor his reasons for making those choices. If citizens knew what the essential reasons were, their vision might be favorable with the President's views. People fail to remember what the reasons are for having the U.S. help the South Vietnamese and themselves of their enemy, the North Vietnamese.

—Robert Silverman, 16

### In-Between Prices

I agree wholeheartedly with Susan Weibelberg (June 3) that movie prices are very unfair. I went to a movie theater and had to pay the adult price but had to sit with children. One should be able to sit where one wants in a movie theater unless one wants to smoke or starts trouble. But I don't believe that teens should boycott a theater if it is unfair with rates.

Instead, a group of teenagers should make an appointment with the manager; and if the manager is willing, the theater should charge a fair price for teenagers somewhere between children's and adult prices. In that way teenagers will have a fair price without taking unnecessary measures.

—Lorraine Laskowski, 13

### Heart Transplants

I disagree with Arthur Mereddy (May 14). I am a Catholic and think heart transplants are right. If a transplant is in order, then it should be attempted. What is a doctor's work for but to save lives?

Mr. Mereddy mentioned the Bible. In those times there were disease, pain and death. Years ago the average age for living was about 30. It increased to 60 and now is in the 70s. Times are changing. We don't live in the Bible days. I say, "Hooray!" for heart transplants and those wonderful men who perform the operation.

Louise Hinck, 15

## CLAYTON FRITCHEY

# The Risks of Judicial Appointment

Washington—Next to new Presidents, the most unpredictable figures in American public life are new members of the U.S. Supreme Court, including new chief justices.

The Senate Judiciary Committee is preparing to review the nominations of Abe Fortas for chief justice and Homer Thornberry for associate justice, but if it holds hearings until doomsday it is not likely to have any more success than previous committees in trying to discover what nominees are going to be like once they are safely in office for life.

Many of the most famous justices of our time (once confirmed) have turned out to be astonishingly different than either the Senate or the appointing President imagined they were going to be. In looking back over the appointees for the last three or four decades, in considering how many later surprised the Presidents who put them on the bench, one is driven to the conclusion that our modern Presidents—with the possible exception of Lyndon Johnson—must have had their minds on other matters at the time.

There is, however, nothing absentminded about Johnson, particularly where appointments are concerned. He has brought any number of extremely able men into the highest levels of the government, and few of them have been disappointments either to him or the country. He is a shrewd judge of men, and generally he has got about what he bargained for.

This is true of both Fortas (appointed in 1965) and Thurgood Marshall (1967), although it must be conceded they have been on the Court only a relatively short time, and the real qualities of some of the justices have emerged only after a number of years on the bench. Still, the promotion of Fortas is convincing proof that his perfor-

mance so far must be close to what Johnson had expected.

What a contrast this is with Eisenhower's appointment of Earl Warren as chief justice. The general obviously respected the former California governor, but it is also obvious that he never dreamed he was putting on the bench a man who would transform America—not always in Eisenhower's image.

It wasn't just the historic desegregation decision (which the court had been ducking all this century and which Eisenhower has yet to approve), but also the later reapportionment ruling which Warren privately regards as even more far reaching. It is an extraordinary commentary on our form of government that the greatest social and political reforms of the postwar era were wrought not by the executive or legislative branches but by the judicial. It couldn't happen that way in any other nation.

Warren was aided and abetted by another Eisenhower appointee, Justice William Brennan, a Catholic whose bold but unforeseen liberalism must still be a shock to his grantor. It is equally interesting to note that the conservative justice who chiefly opposed Warren on the reapportionment decision was the late Felix Frankfurter, who at the time of his appointment by Franklin Roosevelt was regarded as a Harvard left-wing liberal.

Johnson is now being accused of "cronyism," but he is not the first President to put his friends on the court. John F. Kennedy's first appointee was his friend and campaign supporter, Byron White. All of Truman's four appointees (Frankfurter, Tom Clark, Sherman Minton, and Chief Justice Vinson) were old friends, but once on the court they often seemed indifferent to the Fair Deal.

Roosevelt had a hard time consolidating the New Deal because the hostile Court he inherited stubbornly refused to retire or expire. He did not have an opportunity to make a single appointment in his first term, but he ended up naming eight, most of them good friends. One was Hugo Black, who began life as a member of the K'm, became the most liberal justice on the court and is now widely admired in the most conservative legal circles.



Clayton Fritchey



tumped up charges against Revere for stealing a horse, but he escaped and became a hero of the revolution.

In the meantime, the students had set up barricades at Bunker Hill and occupied the administration building and the library. The British flicks, dubbed "Red Coats," attacked Bunker Hill and, after much brutality, drove the "Unragedes" out.

This act of stupidity on the part of the police turned the working class of the colonies against the establishment, and they sent a petition to King George III demanding that he resign.

George III refused, saying if he went there would be no one to take his place and there would be chaos and disorder in the land. He also hinted the French were behind the whole thing in an effort to embarrass him (at

measure of how far we have come. It is when the state combines (a) the assumption that it knows with (b) its power to coerce, that we get into trouble. In a free society, the combination ought to be applied sparingly, judiciously, and with a reverent sense of our own shortcomings.

Unhappily, little of this restraint is evident in the current crusade against the cigaret. The FTC's report is not couched in the objective and dispassionate language of men who hold their own powers in awe. The report is flip, supercilious, pejorative, and marvelously self-assured. The cigaret manufacturers are treated as rogues, villains, seducers of the young. Those who dare to doubt the conclusions of the surgeon general are disdained as a contemptible minority. The report is full of action verbs: A cigaret "spews" tar. The concurring statement of

tion in imposing Draconian controls. Cigaret advertising last year amounted to \$244,000,000 on radio and TV. It is a ponderable sum, but it seems not to have been deeply pondered by the FTC. There is considerable evidence, as Surgeon General William H. Stewart has observed, that existing warnings and voluntary restraints are having an effect. Since 1953, the annual rate of increase in cigaret consumption has declined sharply. A million persons a year are giving up the habit. Between 1955 and 1966, the number of successful ex-smokers more than doubled.

We ought to weigh one thing with another, and we ought to keep this in mind—that man's freedom demands room for man's folly. The Congress and the bureaucracy, if they choose, can create by fiat a society that would be utterly safe, sanitary, antiseptic—and dull. But who wants it?

## CLAYTON FRITCHIEY / Nixon's Tough Talk Is Poor Strategy

Washington—If Richard Nixon's preconvention sniping at the administration is a clue to the type of campaign he intends to wage if nominated, he is likely to find that, like Barry Goldwater, he has hit upon the wrong strategy.

It has been obvious for some time that Nixon is preparing to run against Hubert Humphrey and his mentor, President Johnson, but he seems to have forgotten how agile and effective the President and vice president have always been in defending themselves against old-fashioned "hard-line" attacks.

It is going to be hard for Nixon or anybody else to convince the public that they are soft on communism. In the 1964 presidential campaign, Goldwater took a fling at picturing Johnson as soft on Vietnam, and he still hasn't recovered from the boomerang. The President swiftly pegged Goldwater as a trigger-happy warmonger. It was food for a landslide.

Now Nixon has incautiously exposed himself to a similar counterattack. As soon as a U.S. troop-carrying plane was forced to land in the Kurile Islands by Russian MIGs, Nixon was issuing ultimatums even before the President or the Russians could be heard. "This latest seizure of American servicemen," Nixon said, "cannot be allowed to turn into a flying Pueblo incident."

The President, however, did not lose his head, nor did the Russians. A little quiet diplomacy quickly resolved the

matter. The U.S. regretted that the plane, flying off course, had violated Soviet territory. The Russians promptly released the plane and that was that. Nixon has seriously misread the American mood if he believes his aggressive approach to the plane and the Pueblo incident is more appealing to the voters than the careful restrained way the President acted in both cases.

Any man who has been vice president for eight years as Nixon has, ought to know it is risky to criticize an administration before he has the facts, especially when it is certain that the President is in possession of them. It is also dangerous for one who aspires to the Republican leadership to take hasty positions without consulting other leaders of the party.

It was only too noticeable that no other key Republicans joined Nixon in trying to exploit the plane incident. And the weeks before that it was also noticeable that Nixon did not have much company from the Republican leadership when he attacked Johnson's appointment of Abe Fortas to succeed Earl Warren as chief justice. Both the conservative minority leader of the Senate, Everett Dirksen, and the liberal governor of New York, Nelson Rockefeller, pointedly differed with Nixon and the propriety of the President's action.

Nixon is an intelligent and highly disciplined man, yet

his partisanship is sometimes so compulsive that he cannot resist launching attacks that do him more harm than good. Crime, for instance, is an issue, but not if it is exploited crudely and ineptly.

The former vice president charged that crime had gone up 88 per cent under Johnson, which was instantly countered with a charge that it increased by 98 per cent under Eisenhower and Nixon. In any case, it is one area where Johnson is not very vulnerable, for he has been prodding Congress for two years to pass a crime bill. As of this moment, it is Johnson who is doing everything possible to get a real gun control bill, while Nixon looks the other way.

The President, who himself appoints a new study commission at the drop of a hat, must also be amused by Nixon's pledge, if elected, to roll back centralized government by creating a special commission to go into the problem.

Nixon must surely know that the Library of Congress is already bulging with the unimplemented studies of previous government reorganization panels. Above all, he might have guessed that somebody would look up the record of the Eisenhower-Nixon administration and discover that the federal government became bigger than ever during those years.



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OO WTE10  
DE WTE 2676

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Authority NLS/CBS 7

By us, NARS, Date 7-25-83

~~SECRET~~

44

FROM WALT ROSTOW  
TO THE PRESIDENT  
CITE CAP81596

1968 JUL 9 20 42

*Pres file*

~~SECRET~~

JULY 10, 1968

IN VIEW OF THE QUESTIONS THAT WILL BE BEFORE YOU TOMORROW,  
I THOUGHT YOU MIGHT WISH TO HAVE AVAILABLE THE FULL TEXT  
OF ABRAMS' WEEKLY ASSESSMENT JUST IN.

PART I (APPRAISAL OF THE ENEMY AND FRIENDLY SITUATION)

A. ENEMY SITUATION:

(1) ALL AVAILABLE INTELLIGENCE INDICATES THAT NO MAJOR  
OFFENSIVE EFFORT IS IMMINENT IN ANY OF THE THREE AREAS WHERE  
WE NEXT EXPECT A MAJOR EFFORT: NORTHERN 1 CORPS, CENTRAL  
1 CORPS, AND THE SAIGON AREA. THE PROBABLE ABSENCE OUT  
OF COUNTRY OF THE 304TH AND 320TH DIVISIONS INDICATES  
THAT ENEMY OFFENSIVE ACTION IN THE DMZ AREA IS NOT NOW  
IMMINENT, FURTHER SOUTH, MILITARY REGION TRI TIEN HUE UNITS  
ARE PROBABLY IN THEIR BASE AREAS AND WOULD REQUIRE ABOUT  
THREE WEEKS TO CONCENTRATE, THESE INDICATORS SUGGEST EARLY  
AUGUST FOR INCREASED ENEMY ACTIVITY, AND MID TO LATE AUGUST AS  
THE MOST LIKELY TIME FRAME FOR THE NEXT MAJOR OFFENSIVE IN  
THE NORTHERN PROVINCES, IN CENTRAL 1 CORPS UNITS BASICALLY  
CONTINUED TO EVADE FRIENDLY OPERATIONS WHILE CONCENTRATING  
ON RICE COLLECTION. SOME UNITS IN THE AREA ARE NOW CLOSE  
TO FULL STRENGTH, WHILE THE TIMING IS NOT YET FIRM,  
EARLY AUGUST APPEARS TO BE THE EARLIEST THAT SIGNIFICANT  
ENEMY ACTIVITY COULD COMMENCE, WHILE MID TO LATE AUGUST SEEMS  
MORE PROBABLE. IN THE SAIGON AREA, WITH TENUOUS EVIDENCE  
THAT THE 9TH VC DIVISION IS REDEPLOYING, AND GIVEN THE  
LOCATION AND EFFECTIVENESS OF UNITS CAPABLE OF EMPLOYMENT  
AGAINST THE CAPITAL, MID-JULY IS THE EARLIEST THAT MAJOR  
UNITS COULD BE IN ATTACK POSITIONS. THE UNITS WHICH WERE  
ENGAGED IN SAIGON IN EARLY JUNE PROBABLY WILL NOT BE FIT  
TO FIGHT AGAIN UNTIL LATE JULY. ALL OF THESE UNITS HAVE  
PROBABLY EITHER DISPERSED IN FORWARD AREAS OR HAVE WITHDRAWN  
TO REMOTE BASE AREAS. ASSESSMENT OF ALL TIME INDICATORS  
IN THE SAIGON AREA POINTS UP LATE JULY AS THE EARLIEST PERIOD  
TO EXPECT INCREASED ENEMY ACTIVITY AND EARLY TO MID-AUGUST  
AS THE MOST LIKELY PERIOD FOR A MAJOR ENEMY EFFORT.

(2) IN 1 CORPS, THE ENEMY CONTROLS 84 MANEUVER BATTALIONS.  
ENEMY ACTIVITY HAS BEEN AT AN UNUSUALLY LOW LEVEL, ONLY  
AROUND THE KHE SANH COMBAT BASE WAS ENEMY INITIATIVE NOTED.  
A ROCKET ATTACK, A PROBING ACTION AND A COMPANY SIZED  
ATTACK ON FRIENDLY FORCES NEAR THE BASE INDICATE THE ENEMY

68 JUL 9 PM 4:56

TUESDAY



WILL CONTINUE TO INCREASE HIS PRESSURE AS THE BASE IS EVACUATED. NO ELEMENT OF THE 304TH DIV HAS BEEN IDENTIFIED IN CONTACT IN MORE THAN A MONTH SUGGESTING THE DIVISION HAS WITHDRAWN FROM KHE SANH. IN THE CENTRAL AND EASTERN DMZ, ENEMY ACTIVITY WAS RESTRICTED TO RECONNAISSANCE AND ATTACKS BY FIRE ON ALLIED BASES. CONTINUING LACK OF CONTACT WITH ANY ELEMENT OF THE 320TH NORTH VIETNAMESE ARMY DIVISION DURING THE WEEK SUGGESTS THE DIVISION HQ AND ITS SUBORDINATE REGIMENTS REMAIN NORTH OF THE EAST AND CENTRAL DMA. MAJOR ENEMY FORCES IN MILITARY REGION TRI TIEN HUE REMAIN IN THEIR TRADITIONAL BASE AREAS ASSIMILATING REPLACEMENTS. IN CENTRAL AND SOUTHERN I CORPS, FORCES AVAILABLE TO MR-5 REMAIN DISPERSED; HOWEVER, PREPARATIONS FOR OFFENSIVE OPERATIONS PROBABLY CONTINUE.

(3) IN II CORPS, THE ENEMY HAS 50 MANEUVER BATTALIONS. B-3 FRONT FORCES HAVE CONTINUED TO AVOID CONTACT WHILE REGROUPING IN CAMBODIAN BASE AREAS AND THERE ARE NO INDICATIONS OF A LARGE-SCALE OFFENSIVE IN KONTUM PROVINCE. MOST MAJOR UNITS REMAIN IN THE TRI-BORDER AREA. THE PRESENT LOCATION OF 1ST NVA DIVISION ELEMENTS IS STILL UNCLEAR; HOWEVER, THE BULK OF THE DIVISION IS BELIEVED TO BE IN THE NORTHWESTERN PLEIKU PROVINCE AREA. PRISONERS OF WAR IN BINH DINH PROVINCE ATTEST TO THE ENEMY'S LACK OF SUFFICIENT FOOD SUPPLIES, WHICH POSSIBLY EXPLAINS THE JUNE RELOCATION OF MAJOR ELEMENTS OF THE 3D NVA DIV TO QUANG NGAI PROVINCE. THERE IS EVIDENCE THAT THE ENEMY MAY BE STRENGTHENING HIS VC LOCAL FORCE BATTALIONS IN MR-6. THIS WOULD CONTRIBUTE TO A CONTINUATION OF THE FAIRLY HIGH LEVEL OF ACTIVITY NOTED IN RECENT WEEKS IN THE SOUTHERN II CORPS AREA.

(4) IN III CORPS THE ENEMY CONTROLS 57 MANEUVER BATTALIONS. ENEMY FORCES CONTINUED TO AVOID MAJOR CONFRONTATION THROUGHOUT THE CORPS AREA. ENEMY ATTACKS ON FRIENDLY INSTALLATIONS NORTH AND NORTHWEST OF SAIGON DURING THE WEEK WERE PROBABLY INTENDED TO SCREEN ENEMY MOVEMENT INTO THE CENTRAL PROVINCES. THE 9TH VC DIVISION WAS NOT CONTACTED DURING THE WEEK. THIS LACK OF CONTACT WHICH HAS CONTINUED SINCE MID-JUNE SUGGESTS THE DIVISION IS REDEPLOYING. AGENT REPORTS, PW STATEMENTS, AND CAPTURED DOCUMENTS CONTINUE TO REFLECT ENEMY INTENTIONS AND PREPARATIONS TO RESUME ATTACKS AGAINST SAIGON, HOWEVER, DESPITE SUCH INTENTIONS, THESE ARE NO INDICATIONS THAT A MAJOR ATTACK IS IMMINENT.

(5) IN IV CORPS, THE ENEMY HAS 23 MANEUVER BATTALIONS. THE ENEMY MAINTAINED A CONSIDERABLY REDUCED LEVEL OF ACTIVITY DURING THE WEEK. THIS EFFORTS WERE LIMITED TO HARASSMENT OF OUTPOSTS AND GVN CONTROLLED URBAN AREAS. THE DISCOVERY OF SEVERAL LARGE MUNITIONS CACHES IN THE NORTHERN IV CORPS AREA, TOGETHER WITH INCREASED ENEMY ACTIVITY ALONG KNOWN INFILTRATION ROUTES INDICATE THE ENEMY IS INCREASING HIS SUPPLY EFFORT FROM CAMBODIA. RECENTLY CAPTURED ENEMY DOCUMENTS REVEAL THE ENEMY IS APPARENTLY ENCOUNTERING CIVILIAN RESISTANCE TO HIS LABOR AND FINANCIAL DEMANDS IN THE DELTA.

B. FRIENDLY SITUATION: FRIENDLY OPERATIONS THROUGHOUT THE REPUBLIC HAVE BEEN CHARACTERIZED BY EXTENSIVE RECONNAISSANCE IN FORCE AND COMBAT SWEEPS AS THE ENEMY ATTEMPTS TO EVADE SIGNIFICANT CONTACT. PARTICULAR EMPHASIS HAS BEEN PLACED ON INTERDICTION OF ENEMY LINES OF COMMUNICATION IN ORDER TO CHOKE OFF THE FLOW OF MEN AND MATERIAL FROM LAOS AND CAMBODIA. THE DISTRIBUTION OF FRIENDLY COMBAT ASSETS REFLECT DEPLOYMENTS TO COUNTER THE ENEMY IN THE PRIME THREAT AREAS OF I CORPS AND III CORPS. 63 PERCENT OF THE US/FREE WORLD RVNAF MANEUVER BATTALIONS ARE LOCATED IN THESE AREAS AND WERE SUPPORTED BY 74 PERCENT OF THE TACTICAL AIRSTRIKES AND 68 PERCENT OF THE IN-COUNTRY B-52 STRIKES.

(1) I CORPS,

(A) THERE ARE 93 US/FREE WORLD RVNAF BATTALIONS IN I CORPS OPERATION AGAINST 84 ENEMY BATTALIONS (AN INCREASE OF 3 ENEMY BATTALIONS).

(B) THE ENEMY CONTINUES TO AVOID CONTACT AND HAS WITHDRAWN TO BASE AREAS TO RESUPPLY AND RECEIVE REPLACEMENTS. THIS WITHDRAWAL FINDS FRIENDLY UNITS USING THE OPPORTUNITY TO ACCELERATE OFFENSIVE OPERATIONS TO DISRUPT THE ENEMY'S OFFENSIVE PREPARATIONS AND LOGISTICAL SYSTEM. ONE SUCH OPERATION, OPERATION THOR, WAS LAUNCHED ON 1 JUL 68 AGAINST THE ENEMY ARTILLERY AND AAA COMPLEX IN THE SOUTHWESTERN NVN PANHANDLE. THE OPERATION IS A MASSIVE ATTACK BY FIRE (B-52S, TAC AIR, ARTILLERY, AND NAVAL GUNFIRE) AND WILL CONTINUE UNTIL 6 JULY 68. KHE SANH COMBAT BASE WAS CLOSED ON 6 JULY; HOWEVER, 4 USMC BATTALIONS ARE CONTINUING OPERATIONS IN WESTERN QUANG TRI PROVINCE. OPERATIONS IN THE COASTAL AREAS ARE DIRECTED TOWARDS DENYING THE ENEMY ACCESS TO THE HARVESTED RICE CROP.

(2) II CORPS.

(A) THERE ARE 63 US/FREE WORLD RVNAF MANEUVER BATTALIONS IN II CORPS OPERATIONS AGAINST 50 ENEMY BATTALIONS (A DECREASE OF 6 ENEMY BATTALIONS).

(B) THE WITHDRAWAL OF MAJOR ENEMY FORCES INTO THE RELATIVE SECURITY OF OUT-OF-COUNTRY SANCTUARIES IS BEING EXPLOITED BY FRIENDLY FORCES IN OPERATIONS OUTSIDE THEIR ESTABLISHED TAORS, ESPECIALLY IN THE FOUR SOUTHERN PROVINCES. OPERATIONS IN THE WESTERN HIGHLANDS CONSIST PRIMARILY OF SMALL UNIT RECONNAISSANCE IN FORCE TO LOCATE AND ESTABLISH CONTACT WITH THE ENEMY. SENSOR DEVICES ARE BEING EMPLOYED TO DETECT ENEMY MOVEMENT, COMBINED SCREENING OPERATIONS ALONG THE BORDER INCLUDE US, ARVN AND CIDG RECONNAISSANCE ELEMENTS. IN THE COASTAL LOWLANDS, OPERATIONS CONTINUE AGAINST THE REMNANTS OF THE 18TH NVA REGIMENT.

**(3) III CORPS.**

(A) THERE ARE 94 US/FREE WORLD/RVNAF MANEUVER BATTALIONS IN III CORPS OPERATING AGAINST 5/ ENEMY BATTALIONS (AN INCREASE OF ONE FRIENDLY BATTALION).

(B) THE ENEMY CONTINUES TO MAINTAIN MILITARY AND PSYCHOLOGICAL PRESSURE AGAINST SAIGON AND ADJACENT METROPOLITAN AREAS AVOIDING CONTACT. FRIENDLY FORCES CONTINUE TO INTERDICT THE ENEMY'S LINES OF COMMUNICATIONS AND TO DISRUPT THE ENEMY'S OFFENSIVE PREPARATIONS. COMBAT SWEEPS IN III CORPS DURING THE PASS WEEK NETTED LARGE QUANTITIES OF ENEMY SUPPLIES, INCLUDING 136 107MM AND 122MM ROCKETS.

**(4) IV CORPS:**

(A) THERE ARE 47 US/RVNAF MANEUVER BATTALIONS IN IV CORPS OPERATING AGAINST 23 ENEMY BATTALIONS (A DECREASE OF ONE ENEMY BATTALION).

(B) OPERATIONS IN IV CORPS CONTINUE THEIR CONCENTRATION ON THE INTERDICTION OF COMMUNICATIONS LIAISON ROUTES, SECURITY OF URBAN AREAS, AND RECONSTRUCTION OF LINES OF COMMUNICATIONS. OPERATIONS OF THE DELTA BLACKHAWK FORCE ALONG THE CAMBODIAN BORDER RESULTED IN THE CAPTURE OF 27 TONS OF ENEMY MATERIAL AND AMMUNITION, THE LARGEST SINGLE CACHE DISCOVERED IN SVN. THE CACHE INCLUDED 467,000 ROUNDS OF SMALL ARMS AMMUNITION. ALSO LOCATED AND DESTROYED WERE SEVERAL SOPHISTICATED METAL WORKING MACHINES EMPLACED IN CONCRETE.

~~SECRET~~

DTG 091839Z JUL 68



45  
Tuesday, July 9, 1968  
7:30 p. m.

*Free file*

Mr. President:

Via Mr. Cater

Herewith some possible talking points for a report to the Cabinet on your Central American trip.

I cleared the item at the bottom of page 2 with Sec. Rusk this morning. If you wish to proceed along those lines.

W. W. Rostow

WWRostow:rla

45a

July 9, 1968

Talking Points on the Central American Trip

A. Purpose of the Trip

1. To show United States support for economic integration in Central America.
2. To dramatize the success of the Central American Common Market as an example for other areas of the hemisphere and world of what can be accomplished through regional cooperation.
3. To rally increased effort to expand the quantity and quality of education.

B. Direct Accomplishments

1. The meeting took place at a critical time when the Central Americans face important adjustment problems in the Common Market and morale was sagging.
2. My trip to review their achievements and problems with them and offer increased US support recharged their confidence and determination.
3. Before I arrived, they made a frank assessment of their accomplishments, which are impressive:
  - almost 700% increase in intraregional trade;
  - an average annual growth in GNP of 6%, although it has slowed down in the past 2 years;
  - a 65% increase in investment;
  - a 50% increase in expenditures for education;
  - effective regional institutions under dynamic, young leadership.

But, more importantly, they also measured how much more needs to be done:

- in education, housing, health and population control;
  - in diversifying and increasing exports;
  - in linking the countries with better roads and telecommunications;
  - in perfecting the Common Market institutions.
4. They agreed to redouble their efforts in these fields.
  5. They committed themselves to ratify the protocol imposing a 30% surtax on exports -- an essential first step in the readjustment process.

**C. Important Follow-Up**

1. The trip convinced me more than ever before that the road to peace and progress lies through regionalism and subregionalism.
2. Central America can be made a microcosm for this process which will be a challenge and stimulus for other areas to follow.
3. I am impressed by the material gains I saw and the human talent available. I saw this particularly in the educational field symbolized by the LBJ School in a poor neighborhood and in the San Andres Normal School which will house the ITV pilot project for Central America.
4. But as I drove through the streets and countryside and saw thousands of children and young people, I realized how much more needs to be done quickly in schooling, housing, health and jobs.

I am asking Walt Rostow to work with Secretary Rusk and Bill Gaud in organizing a working group to bring together resources in private industry, the universities and government to spur a major development effort in Central America.

D. A Political Side-Benefit

1. For the past 13 months relations between Honduras and El Salvador had progressively deteriorated as both sides refused to exchange prisoners seized in a border dispute area.
2. The increased bitterness between the two countries was also poisoning Common Market cooperative relations.
3. My trip prompted the two sides to work out a quick solution announced on the eve of my arrival.



ACTION

46

~~SECRET~~

Tuesday, July 9, 1968 - 7:20 p.m.

*Pres file*

Mr. President:

On page 2 of this draft telegram there is an offer to Thieu to fly him from Saigon to Honolulu and back, if that is his preference.

Thieu had earlier preferred to charter a PanAm flight for his Honolulu trip; and the cable indicates we agree that would be best for him and for us. Nevertheless, can we make this contingent offer?

W. W. Rostow

U. S. plan for Thieu okay if he prefers \_\_\_\_\_

No \_\_\_\_\_

Call me \_\_\_\_\_

~~SECRET~~

DECLASSIFIED  
White House Guidelines, Feb. 24, 1988  
By rg, NARA, Date 9-28-92

WWRostow:rla

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By *JC*, NARA, Date 3-6-03

## THE WHITE HOUSE

WASHINGTON

47

Tuesday, July 9, 1968  
7:00 p. m.~~SECRET~~/HARVAN/PLUS

MR. PRESIDENT:

We had a meeting of almost two hours under Sect. Rusk's chairmanship this afternoon, on the conditions for a bombing cessation, in the light of the exchanges which have proceeded back and forth over the past week which I summarized for you in a memorandum of yesterday. The results were:

1. Sect. Rusk is dispatching a cable of instruction for the tea-break meeting tomorrow which does not go beyond existing instructions. Essentially, Harriman and Vance would be asked to establish:

- if they are willing to set a date for another private evening session;
- if so, would they be prepared to explore the Phase 1 - Phase 2 proposal as we understand it;
- ~~they~~ <sup>Harriman</sup> would not promise to lay on the table a plan at such a private session, but only examples of what we have in mind.

Sect. Rusk is cautious about committing ourselves to lay a plan on the table until we are pretty clear that they are prepared to explore the Phase 1 - Phase 2 track seriously. He also wants time to check with Saigon before any such final move.

2. We went through the attached "Possible Opening Proposal for Second Phase Actions." I will not report here in detail the full lengthy discussion, but we appear to be moving toward consensus except on one issue; namely, the restraints on military action against cities in the South that we would ask in return for a bombing cessation. There Bunker and Harriman are quite far apart; Sect. Rusk leans to Bunker, at least as an opening negotiating position; Clifford leans to Harriman.

3. At tomorrow's lunch, there should be for your consideration two documents, assuming that in the course of the morning we learn that the Hanoi delegation has agreed to, say, a Friday dinner meeting:

- a draft cable of instruction;
- a draft background paper on possible <sup>opening</sup> proposal for Second Phase actions revised in the light of today's discussion.

The attached book contains the major exchanges that have taken place if you wish to go into them.

~~SECRET~~/HARVAN/PLUS attachments*W.A.W.* Rostow

## MEMORANDUM

INFORMATION

DECLASSIFIED

E.O. 12958, Sec. 3.5

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

By jc, NARA, Date 3-6-03

THE WHITE HOUSE

WASHINGTON

48

Tuesday, July 9, 1968

7:00 p.m.

~~SECRET~~/HARVAN/PLUS

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The attached book contains the major exchanges that have taken place if you wish to go into them.

~~SECRET~~/HARVAN/PLUS attachments

Walt Rostow

## INFORMATION

Tuesday, July 10<sup>9</sup>, 1968 -- 2:30 p.m.

Mr. President:

With respect to the attached, you should know:

-- I have spoken to no one at all about my plans for next year;

-- Aside from a desire to work on my three projects, I have made no commitments as to where I shall work.

W. W. Rostow

WWRostow:rla



0

The Washington Post  
Monday, July 8, 1968

## ***LBJ Seeks Help on His History***

President Johnson, thinking increasingly about his future and his place in history, has begun to ask officials for guidance about preparing his own history and about gathering information on his Administration.

The President also is urging several of his staff members to go with him to Texas after his term expires next Jan. 20. Robert Hardesty, one of his favorite ghost writers, has all but agreed to be a writer in residence at the LBJ Ranch until the LBJ Library is opened at the University of Texas.

Other staff members are considering offers to remain on the President's staff. But reports that Special Assistant Walt W. Rostow will be among them are said to be untrue. He plans to write and do academic work in the East.

AL 10N

51

Tuesday, July 9, 1968

12:00 noon

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Waiver of Special Charge on Treasury Gold Transactions

~~2. People~~  
2. People

At Tab A is Secretary Fowler's memo recommending you give him additional authority to waive the one-quarter of one percent special charge on Treasury purchases and sales of gold. This means that the transaction is made at the flat rate of \$35 an ounce.

This special charge was first established in 1934 by the Secretary of the Treasury, with the approval of the President. Presidential authorization is required to waive it.

As a result of actions taken by President Kennedy and yourself, the Secretary of the Treasury has standby authority to waive the charge on up to \$4 billion of Treasury gold purchases and \$6.5 billion of gold sales. Most of this authority has now been used. Secretary Fowler, therefore, requests that you authorize him to waive this charge on an additional \$1 billion of Treasury gold purchases and \$1 billion of Treasury gold sales.

We usually waive this charge in transactions with gold pool countries. We also waived it in recent years for most gold purchases -- otherwise the gold would have been offered to other countries. We apply the charge now mostly on gold sales -- other than to the gold pool countries.

Secretary Fowler points out we are re-examining our over-all policy on this special charge in light of the discontinuance of gold pool operations and the establishment of the two-tier system. In any event, however, he would need this additional authority to put the Secretary of the Treasury in a position to deal effectively with the specific circumstances of each gold transaction.

I concur in Secretary Fowler's recommendation.

W. W. Rostow

If you approve, we will need  
your initials at Tab A \_\_\_\_\_

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_

ERF:MM



THE SECRETARY OF THE TREASURY  
WASHINGTON

51a

JUN 28 1968

Dear Mr. President:

The Secretary of the Treasury has been authorized by the President to purchase gold from and sell gold to foreign monetary authorities, through the Exchange Stabilization Fund, in appropriate cases at the flat price of \$35 per fine troy ounce without imposition of the one-quarter of one-percent charge normally applied on gold transactions. Under existing authorizations, such purchases may be made up to \$4 billion and sales up to \$6.5 billion. Cumulative purchases and sales now approach these totals. I recommend that the cumulative totals be increased to \$5 billion for purchases and \$7.5 billion for sales.

Under the Gold Reserve Act of 1934 and the existing delegations of authority, the Secretary of the Treasury may buy and sell gold without imposition of the one-quarter of one-percent charge only with your approval. I believe it is in the national interest that this authority be continued and extended. The general approval for waivers such as is requested here began in connection with the activities of the gold pool. Since the market operations of pool countries have now ceased, we are re-examining the need and desirability of the waiver of the handling charge. It may be decided that it is no longer in our interest to waive the handling charge on the same basis as we have in the past. We can foresee, however, that even if some general change in policy is deemed desirable, there will still be a number of cases, particularly with respect to gold sales to the United States where the waiver authority should be available to the Secretary of the Treasury.

If you approve my recommendation for the continued waiver of the charge, will you please so confirm in the space provided below. The amount of gold purchased and

- 2 -

sold under such circumstances would not, in the absence of further report to you, exceed an additional \$1 billion in each case beyond existing authority.

Faithfully yours,

*Henry H. Fowler*

Henry H. Fowler

The President  
The White House

Approved */s/ Lyndon B. Johnson*  
The White House



Tuesday, July 9, 1968

*Free file*

MR. PRESIDENT:

Attached for your signature is the instrument of the ratification of the International Coffee Agreement, 1968.

You sent this international agreement to the Senate for its advice and consent on April 23, 1968. The Senate adopted its resolution of advice and consent to ratification on June 28.

W. W. Rostow

If you approve, we will need your signature on the attached instrument of ratification.

No \_\_\_\_\_

Call me \_\_\_\_\_

MWG:mst



DEPARTMENT OF STATE

Washington, D.C. 20520

July 8, 1968

MEMORANDUM FOR MR. WALT W. ROSTOW  
THE WHITE HOUSE

Subject: Ratification, in duplicate, of International Coffee Agreement, 1968

I enclose for the President's signature the ratification, in duplicate, of the International Coffee Agreement, 1968.

The Agreement was sent to the Senate on April 23, 1968 for advice and consent to ratification. On June 28, 1968 the Senate adopted its resolution advising and consenting to ratification.


The International Coffee Agreement presently in force expires on September 30, 1968. Experience under the 1962 Agreement has, on the whole, been good. The American consumer has had adequate supplies of coffee at reasonable prices. The text of the new Agreement substantially corrects the shortcomings of the existing Agreement and includes several innovative provisions particularly in the important areas of production control and diversification. The foreign policy considerations which prompted participation in the original Agreement remain valid today. As was made evident by several Latin American Chiefs of State at Punta del Este, our participation in the Agreement continues to be regarded in Latin America as a critical test of hemispheric solidarity.

It is necessary to complete both the ratification and the enactment of implementing legislation before the existing Agreement and its implementing legislation lapse on September 30. It is desirable that the

2154

52 1-Filed  
2-Ret.

ratification be executed so that we may be prepared, as soon as the necessary implementing legislation has been enacted, to deposit the instrument of ratification with the Secretary-General of the United Nations in accordance with Article 61 of the Agreement.

  
Benjamin H. Read  
Executive Secretary

Enclosure:

Ratification, in  
duplicate.

Tuesday, July 9, 1968

*Pres file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Message Requesting Senate Advice and Consent to U.S.  
Ratification of the Convention on Transit Trade of  
Land-Locked States

At Tab A, for your approval and signature, is a letter to the Senate asking for advice and consent to ratification of a Convention on Transit Trade of Land-Locked States.

The Convention was adopted by the United Nations Conference on Transit Trade of Land-Locked Countries on July 8, 1965. It was signed on behalf of the United States on December 30, 1965.

The purpose of the Convention is to help assure land-locked states of fair treatment in the movement of their trade through neighboring states. This issue is important to developing land-locked countries such <sup>as</sup> Afghanistan, Bolivia and Nepal. The European land-locked countries such as Austria, Switzerland and Czechoslovakia, long ago worked out satisfactory transit relations with their neighbors.

This is routine business. The United States would have no obligations under the Convention, since we are neither a land-locked nor a transit state.

The Convention would have some modest benefits for us. Programs on this issue would help reduce trade barriers with land-locked countries and lessen friction between these countries and their neighbors.

The Convention has been adopted by 12 countries, most of whom are land-locked. No major country has yet joined. U.S. adherence to the Convention would encourage others to come in.

Bill Macomber's people have checked with the Foreign Relations Committee staff. No one sees any problems there with this kind of Treaty.

I recommend that you sign the letter at Tab A.

W. W. Rostow

If you approve we will need your signature  
on the attached letter \_\_\_\_\_

~~Disapprove~~ \_\_\_\_\_ Call me \_\_\_\_\_

ERF:mst



53a

**TO THE SENATE OF THE UNITED STATES:**

Today, I ask the Senate to give its advice and consent to ratification by the United States of the Convention on Transit Trade of Land-Locked States.

This Convention was adopted by the United Nations Conference on Transit Trade of Land-Locked Countries on July 8, 1965. It was signed on behalf of the United States on December 30, 1965.

The purpose of the Convention is to incorporate into treaty law the rights and obligations of land-locked states and their transit state neighbors regarding the movement of goods in international transit trade.

By helping to lessen administrative difficulties encountered in transit trade, the Convention would benefit the United States trading community.

By becoming a party to the Convention, the United States would show its support for solving many of the transit problems of land-locked states, long a source of irritation in several areas of the world.

I enclose, for the information of the Senate, the report of the Secretary of State on the Convention.

I recommend that the Senate give favorable consideration to United States ratification of the Convention.

**Enclosures:**

1. Report of the Secretary of State.
2. Certified copy of the Convention on Transit Trade of Land-Locked States.

**THE WHITE HOUSE**

2133  
54a

~~TOP SECRET~~

EO 12958 3.3(b)(1)>25Yrs  
(C)

DEPARTMENT OF STATE  
WASHINGTON

July 5, 1968

MEMORANDUM FOR THE PRESIDENT  
THE WHITE HOUSE

Subject: U.S. Communications Facility at  
Reshawar, Pakistan

Recommendation:

That Ambassador Oehlert be authorized to indicate to President Ayub your recognition of his problems and your willingness, despite the damage it will do to our interests, to agree to close out the Peshawar station, asking at the same time that in order to reduce the damage we be given adequate time beyond July 18, 1969, to close out the station along the lines suggested in the last two paragraphs of this memorandum.

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

The Deputy Secretary of Defense, the Director of Central Intelligence, and the Chairman of the Joint Chiefs of Staff concur in this paper.

Discussion:

President Ayub told Ambassador Oehlert in the course of a long and agitated statement on Peshawar on May 31 that the security of Pakistan requires that the United States communications station there be closed. Ayub's position confirmed the earlier delivery of a note by the Pakistani Ministry of Foreign Affairs and a public statement by the Pakistani Foreign Minister

SANITIZED  
E.O. 12958, Sec. 3.6  
NLJ/RAC 03-124  
By isa, NARA, Date 9-8-03

~~TOP SECRET~~

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-2-

to the National Assembly that the GOP intended to terminate the communications facility when the present ten-year agreement expires on July 18, 1969. Ayub's statement seemed to overrule previous hints from the Pakistani Ministry of Defense that a way could be found to preserve the station -- especially if United States military supply policy were to be changed to permit direct arms sales to Pakistan. When pressed by the Ambassador, Ayub said the only possibility he could think of, apart from complete withdrawal, was replacement of the present Peshawar station by a smaller, less visible installation in a different location under complete Pakistani control.

The [ ] man Peshawar [ ] is still important to the United States intelligence community and we would like to retain it as long as possible. A recent comprehensive technical assessment prepared under the cognizance of the Director of Central Intelligence indicates that Peshawar is substantially less important now than it was a few years ago and that the loss of intelligence on [ ] can, to an acceptable degree, be offset provided that we can find alternative facilities elsewhere in the area, Iran being the most promising. From a technical viewpoint, [ ] but there is no realistic substitute facility available to obtain the information now derived on certain targets in [ ]. This information, though desirable, is not vital in itself.

Development of these alternatives presents certain technical and political problems. A contingency facility planned for Iran, for example, could not be ready before the spring of 1970 and we might not find it advisable to introduce into Iran the full number of personnel planned for this facility in accordance with the contingency plan for Peshawar (NASM 348). However, it appears at present that alternatives are likely to be available at least to the degree where it would not be in our interests to offer a substantial price to Pakistan in an effort to maintain the facility at Peshawar.

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-3-

For this reason, and because we feel that our basic policy decisions on economic aid and military supply should be made on the basis of broader United States interests vis-a-vis Pakistan, we do not believe that any major change in these policies is likely to be desirable for the specific purpose of affecting the Pakistani position on Peshawar. Ambassador Oehlert will, of course, make continued tactical use of our military sales and of our AID program in ways designed to help us get the most advantageous possible settlement of the Peshawar question. However, we do not believe prior decisions are necessary either to give Ayub something beyond that permitted by our present military supply policy in order to save Peshawar or to deny him something otherwise possible under this policy or under our economic aid program in order to pressure him into meeting our requirements on Peshawar.

Within this framework, our purpose is to hold as much as we can at Peshawar as long as we can. Probably the most acceptable arrangement would be one in which we accepted Pakistani termination of the ten-year agreement as of July 18, 1969, but sought to arrange an indefinite additional period during which we would actually move out. During this period we might dismantle some of the antenna which are not essential to us, seek other ways to reduce the visibility of the activity, see whether or not the Pakistanis would be interested in some of the equipment which we do not want to relocate, and attempt to eliminate or greatly reduce our exclusion area so that the Pakistani presence on the base could be complete. Should Ayub insist on setting definite dates for completion of the move, we might first ask for a maximum of three years, aim at getting two, and settle for the most we get.

The possibility of establishing some kind of smaller United States-operated facility, [redacted] agreeable to the GOP, will also be explored. Ayub himself has already mentioned the possibility of Pakistani

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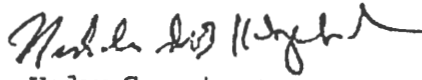


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-4-

continuation of a part of the Peshawar operation in a smaller, less visible facility in a different location completely under GOP control. This too will be investigated.

Detailed supporting guidance for Ambassador Oehlert's discussions with President Ayub is now being prepared.

  
Under Secretary

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~~CONFIDENTIAL~~

DECLASSIFIED

Authority FRUS, 64-68, 10117, 434

By jc NARA. Date 12-21-09

1968 JUL 9 16 53

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*Handwritten:* Free file

EEA848  
OO WTE10  
DE WTE2672

FROM WALT ROSTOW  
TO THE PRESIDENT  
CITE CAP81592

68 JUL 9 PM 1:10

TUESDAY

~~CONFIDENTIAL~~

FOLLOWING IS A MEMO FROM NICK KATZENBACH RECOMMENDING A PRESIDENTIAL STATEMENT CONDEMNING ANTI-SEMITISM IN POLAND AS A SUBSTITUTE FOR CONGRESSIONAL ACTION WITHDRAWING MOST FAVORED NATION FROM POLAND.

CONGRESSMAN FARBSTAIN WILL PROBABLY OFFER HIS AMENDMENT TO THE FOREIGN AID ACT WITHDRAWING MOST FAVORED NATION FROM POLAND ON THURSDAY. HE HAS NOT MADE KNOWN HIS SPECIFIC LANGUAGE.

IN THE SENATE, DODD LAST WEEK INTRODUCED A SENSE OF THE SENATE RESOLUTION CALLING OF THE PRESIDENT TO WITHDRAW MOST FAVORED NATION FROM POLAND UNTIL SUCH TIME AS THE POLISH GOVERNMENT CHANGES ITS ANTI-SEMITIC, ANTI-STUDENT, AND ANTI-INTELLECTUAL POLICIES.

MANDATORY WITHDRAWAL OF MOST FAVORED NATION FROM POLAND NOW WOULD NOT BE EFFECTIVE FOREIGN POLICY AND WOULD NOT HELP THE JEWS IN POLAND. I BELIEVE NICK'S RECOMMENDATION IS WELL WORTH A TRY.

TELL KATZENBACH TO GO AHEAD -----

CALL ME -----

FOR THE PRESIDENT FROM KATZENBACH

SUBJECT: POLISH JEWS AND MOST FAVORED NATION

I HAVE LEARNED THAT CONGRESSMAN FARBSTAIN INTENDS, WITHIN THE NEXT FEW DAYS, TO OFFER AN AMENDMENT TO THE FOREIGN AID BILL WITHDRAWING MOST FAVORED NATION FROM POLAND. HE WILL ARGUE THAT POLAND NO LONGER DESERVES PREFERENTIAL TARIFF TREATMENT BECAUSE OF GOVERNMENT-INSPIRED ANTI-SEMITISM. UNLESS WE TAKE IMMEDIATE ACTION, I EXPECT THE AMENDMENT TO PASS. THIS WOULD BE UNFORTUNATE BECAUSE:

-- IT COULD LEAD THE POLISH GOVERNMENT TO MORE RESTRICTIVE MEASURES AGAINST JEWS.



-- IT WOULD HARM OUR RELATIONS WITH POLAND, AND MAKE IT EXTREMELY DIFFICULT TO RETURN MOST FAVORED NATION TREATMENT TO POLAND IN THE FUTURE.

-- IT WOULD LIMIT THE POWERS OF THE PRESIDENT.

I HAVE TALKED TO HERMAN EDELSBERG, OF B'NAI B'RITH, WHO IS ONE OF THE JEWISH LEADERS ENCOURAGING FARBSTAIN TO INTRODUCE THE AMENDMENT. HE, IN TURN, HAS TALKED TO MYER FELDMAN AND OTHER JEWISH LEADERS. EDELSBERG TELLS ME THAT FARBSTAIN IS TOO FAR DOWN THE ROAD NOW TO PULL BACK. BUT HE ALSO SAYS THAT HE AND HIS COLLEAGUES CAN PROBABLY PREVENT PASSAGE OF THE AMENDMENT (BY AVOIDING A ROLL CALL VOTE) IF HE CAN ASSURE PROPONENTS OF THE MEASURE (INCLUDING FARBSTAIN) THAT THERE WILL BE A STRONG PRESIDENTIAL STATEMENT--WITHIN THE NEXT SEVERAL WEEKS, BUT AFTER THE FOREIGN AID BILL HAS PASSED--CONDEMNING ANTI-SEMITISM IN POLAND.

ALTHOUGH I AM NOT SURE THE AMENDMENT CAN BE BLOCKED, I THINK THIS TACTIC IS WELL WORTH THE EFFORT. A PRESIDENTIAL STATEMENT WOULD BE POLITICALLY USEFUL AT HOME, AND FAR LESS HARMFUL TO OUR RELATIONS WITH POLAND AND TO THE WELL-BEING OF POLISH JEWS THAN WOULD CONGRESSIONAL ACTION WITHDRAWING MOST FAVORED NATION. IF THE JEWISH LEADERS CANNOT PREVENT PASSAGE OF THE AMENDMENT, THERE WILL BE NO NEED FOR A PRESIDENTIAL STATEMENT.

IF YOU AGREE, I WILL TELL EDELSBERG THAT YOU ARE PREPARED TO MAKE A PUBLIC STATEMENT OF CONCERN ABOUT THE PLIGHT OF JEWS IN POLAND. (YOU COULD DO THIS: 1) AT A PRESS CONFERENCE; 2) BEFORE A GROUP OF JEWISH LEADERS; OR 3) IN RESPONSE TO A LETTER--WHICH WE WOULD GENERATE--FROM A GROUP OF JEWISH LEADERS.) I ALSO WOULD CALL IN THE POLISH AMBASSADOR AND EXPLAIN TO HIM THAT:

-- WE WILL TRY TO HEAD OFF WITHDRAWAL OF MOST FAVORED NATION, BUT THE RESPONSIBILITY FOR THE PUBLIC OUTCRY WHICH THIS AMENDMENT REPRESENTS RESTS WHOLLY ON THE SHOULDERS OF THE POLISH GOVERNMENT.

-- THE PRESIDENT HAS DECIDED THAT, IF WE ARE ABLE TO PREVENT MOST FAVORED NATION WITHDRAWAL, HE MUST ISSUE A STRONG STATEMENT CONDEMNING ANTI-SEMITISM IN POLAND.

-- IF THE POLISH GOVERNMENT FAILS TO HEED OUR WARNING, THE MOST FAVORED NATION ISSUE WILL CERTAINLY COME UP AGAIN IN THE NEXT SESSION OF CONGRESS. AT THAT TIME THERE WILL BE NO WAY TO PREVENT THE PASSAGE OF AN AMENDMENT WHICH WOULD BE IN THE INTERESTS OF NEITHER OF US.



**DRAFT PRESIDENTIAL STATEMENT FOLLOWS:**

"FOR MANY GENERATIONS THE AMERICAN AND POLISH PEOPLES HAVE SHARED COMMON ASPIRATIONS FOR HUMAN RIGHTS AND DIGNITY. HIGH AMONG THESE RIGHTS STAND FREEDOM OF RELIGIOUS FAITH AND FREEDOM FROM DISCRIMINATION BASED ON ORIGIN.

WE KNOW THE HUMAN SUFFERING THAT FOLLOWS THE SUPPRESSION AND VIOLATION OF THESE RIGHTS.

LIKE MILLIONS OF OTHER AMERICANS, I HAVE READ WITH DEEP CONCERN OF RECENT DEVELOPMENTS IN POLAND. THESE REPORTS MAKE IT CLEAR THAT MANY OF THE RELATIVELY FEW JEWS LEFT IN POLAND NOW LIVE IN UNCERTAINTY AND FEAR. ACTIONS BY THE POLISH GOVERNMENT, WHATEVER MAY HAVE BEEN THEIR PURPOSE AND MOTIVATION, HAVE RESULTED IN THE DISMISSAL FROM POSITIONS NOT ONLY IN GOVERNMENT BUT IN PROFESSIONAL LIFE OF PEOPLE OF JEWISH FAITH OR ORIGIN.

THE WORLD NEEDS NO REMINDER OF HOW ANTI-SEMITISM CAN SPREAD LIKE A PESTILENCE, LEAVING HORROR AND TRAGEDY IN ITS WAKE.

THE LESSONS OF HISTORY REMAIN TOO VIVID AND TOO STARK TO EVER AGAIN PERMIT CIVILIZED NATIONS TO MAKE INNOCENT MEN THE VICTIMS OF POLITICAL STRATAGEMS OR MANEUVERING. TOGETHER WITH MY COUNTRYMEN, I CONDEMN ANTI-SEMITISM WHEREVER IT MAY EXIST, WHATEVER FORM IT MAY TAKE, WHATEVER IT MAY BE CALLED. I CALL ON THE POLISH GOVERNMENT, AND ON MEN OF GOOD WILL EVERYWHERE, TO JOIN WITH ME IN THIS CONDEMNATION."

DTG 091536Z JUL 1968

~~CONFIDENTIAL~~



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1968 JUL 9 16 57

56

*Free file*

FROM WALT ROSTOW  
TO THE PRESIDENT  
CITE WH81594

UNCLAS

JULY 9, 1968

THERE FOLLOWS A PROPOSED PRESIDENTIAL LETTER TO DOC MORGAN IN SUPPORT OF HIS COMMITTEE'S VERSION OF THE FOREIGN AID BILL. MESSRS. KATZENBACH, GAUD, SANDERS AND I ARE PERSUADED THAT THIS MAY HELP TO HOLD OFF THE REPUBLICANS AND THAT WE NEED ALL THE HELP WE CAN GET. MORGAN WILL BE DELIGHTED TO RECEIVE IT AND WOULD PROBABLY READ IT INTO THE RECORD AT THE BEGINNING OF THE DEBATE.

THE AID BILL IS SCHEDULED COME ON THE FLOOR AFTER HOUSING, PROBABLY FIRST THING TOMORROW. IF YOU APPROVE THE LETTER, YOU MAY WANT TO HAVE GEORGE RELEASE IT FROM THE RANCH THIS AFTERNOON TO CATCH TOMORROW MORNING'S PAPERS. WE SHOULD ALSO LET MORGAN KNOW IT'S COMING BEFORE HE READS IT ON THE TICKER.

BEGIN TEXT:

DEAR MR. CHAIRMAN:

SOON THE CONGRESS MUST DECIDE WHAT SMALL SHARE OF OUR NATIONAL WEALTH SHOULD BE SPENT TO HELP THE FREE PEOPLES IN ASIA, AFRICA, AND LATIN AMERICA WHO LIVE IN THE SHADOW OF DESPAIR. IT IS NOT FOR AMERICANS TO DECIDE WHETHER CHANGE WILL OCCUR IN THESE LONG-SUFFERING LANDS; HISTORY HAS DECREED THAT THERE WILL BE CHANGE. BUT THE CONGRESS, BY ITS ACTION ON THE FOREIGN AID BILL, WILL DECIDE WHETHER THE UNITED STATES WILL CONTINUE TO OFFER THE CRITICAL MARGIN OF HOPE WHICH SO OFTEN SPELLS THE DIFFERENCE BETWEEN FORWARD PROGRESS AND THE LONG SAD SLIDE INTO CHAOS.

I DO NOT ASSERT THAT THIS IS AN EASY JUDGMENT. THE TEMPTATION IS GREAT TO THROW OFF THE BURDEN OF WORLD LEADERSHIP AND CONCENTRATE ALL OUR ENERGIES ON THE DEEP AND BITTER PROBLEMS WHICH BESET OUR OWN SOCIETY. I YIELD TO NO MAN IN MY CONCERN ABOUT THESE PROBLEMS NOR IN MY DETERMINATION TO SOLVE THEM.

BUT WE HAVE LEARNED IN THIS CENTURY THAT VIOLENCE ANYWHERE IS A THREAT TO PEACE EVERYWHERE. WE HAVE LEARNED THAT OUR VERY WEALTH IMPOSES DECISIONS WHICH CAN DETERMINE WHETHER OUR CHILDREN WILL INHERIT A COMMUNITY OF INDEPENDENT AND PROGRESSIVE NATIONS OR A PLANET STEEPED IN THE BLOODY GLOOM OF STAGNATION AND VIOLENCE. AND WE HAVE LEARNED THAT IN MATTERS OF SECURITY THERE IS NO REFUGE IN ISOLATION.

TOGETHER OVER THE PAST TWENTY YEARS WE HAVE SHAPED THESE LESSONS INTO A BIPARTISAN POLICY OF HOPE FOR NATIONS WITH THE WILL TO  
XEROX FROM QUICK COPY

HELP THEMSELVES. WE HAVE SET CAREFUL LIMITS. OUR CAPITAL AID IS IN THE FORM OF LOANS, NOT GRANTS. WE INSIST ON ECONOMIC PERFORMANCE BY RECIPIENTS; WE DO NOT MAKE UNCONDITIONAL HANDOUTS. WE SUPPLY AMERICAN GOODS AND SERVICE; WE DO NOT DAMAGE THE U.S. BALANCE OF PAYMENTS. AND OUR MISTAKES -- THOUGH WE DO SOMETIMES MAKE MISTAKES -- ARE FAR OUTWEIGHED BY OUR SUCCESSES. LET THE MAN WHO DOUBTS THAT WALK THROUGH THE GOLDEN GRAIN FIELDS OF SOUTH ASIA, OR THROUGH THE THRIVING NEW FACTORIES OF KOREA, OR SEE -- AS I HAVE JUST SEEN -- THE ENERGY AND THE VISION AT WORK TO BUILD A NEW CENTRAL AMERICA OUR SKEPTICISM DIES HARD IN THIS JADED AGE, BUT IT CANNOT SURVIVE THAT EVIDENCE.

IN THE END, EACH CITIZEN AND EACH MEMBER OF CONGRESS MUST MAKE HIS OWN JUDGMENT OF OUR NATIONAL PRIORITIES. LET ME ONLY SAY THAT MY BUDGET RECOMMENDATIONS FOR FOREIGN AID TAKE INTO ACCOUNT OUR CRITICAL NEEDS AT HOME AS WELL AS THOSE ABROAD. THEY REPRESENT LESS THAN HALF OF ONE PERCENT OF OUR NATIONAL INCOME. IN MY JUDGMENT, THEY CONSTITUTE THE MINIMAL U.S. CONTRIBUTION TO OVERSEAS DEVELOPMENT CONSISTENT WITH OUR NATIONAL INTERESTS AND OUR NATIONAL CONSCIENCE.

THE FOREIGN AFFAIRS COMMITTEE HAS SEEN FIT TO REDUCE THIS REQUEST BY \$600 MILLION -- ABOUT 20 PERCENT. I REGRET THIS CUT, BUT, IN VIEW OF OUR JOINT CONCERN FOR OUR FISCAL PROBLEMS, I WILL NOT OPPOSE IT.

FURTHER CUTS, HOWEVER, WOULD BE AN INVITATION TO DISASTER. MOMENTUM BUILT UP IN YEARS OF HARD WORK WOULD DISSOLVE IN FRUSTRATION AND DISILLUSION. THE VITALITY OF THE REGIONAL INITIATIVES WE HAVE STIMULATED IN ASIA, AFRICA AND LATIN AMERICA WOULD BE SEVERELY THREATENED. COUNTRIES AROUND THE WORLD WHICH HAVE TRUSTED OUR RESOLVE AND HEEDED OUR ADVICE WOULD LOSE THE CONFIDENCE IN PEACEFUL PROGRESS WHICH DISTINGUISHES THIS ERA FROM THE DARK CENTURIES OF HOPELESSNESS WHICH ARE THEIR COMMON HERITAGE. I CANNOT IMAGINE A MORE SERIOUS BLOW TO OUR INTERESTS AROUND THE WORLD.

NOR, IF I MAY ADD A PERSONAL NOTE, CAN I IMAGINE A GREATER DISSERVICE TO MY SUCCESSOR. BE HE DEMOCRAT OR REPUBLICAN, LIBERAL OR CONSERVATIVE, HE WILL BE CHARGED WITH EXECUTING THE FOREIGN POLICY OF THE UNITED STATES. IT IS OUR COMMON RESPONSIBILITY TO PASS ON TO HIM INTACT THE FULL RANGE OF INSTRUMENTS NECESSARY TO THE PERFORMANCE OF HIS DUTIES. I SPEAK FROM MY OWN EXPERIENCE -- AND THE EXPERIENCE OF MY THREE PREDECESSORS -- WHEN I SAY THAT NONE IS MORE VITAL THAN FOREIGN AID.

I URGE THE CONGRESS TO ENACT THE FOREIGN AID BILL AS REPORTED BY THE FOREIGN AFFAIRS COMMITTEE.

SINCERELY,

END TEXT.

LETTER APPROVED FOR RELEASE THIS AFTERNOON.-----

NO.-----

CALL ME.-----

DTG: 091554Z JUL 68

XEROX FROM QUICK COPY

Tuesday, July 9, 1968

57  
*sent thru Mr Hopkins  
7/9/68*

Mr. President:

Attached, for your signature, is this year's Captive Nations Proclamation. The tone and language are similar to the proclamations made for the past several years.

As you know, the 1959 Congressional resolution specifically requests you to issue a proclamation each year. The Press Office will handle it in low key.

*Pres file*

W. W. Rostow

-----

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS the joint resolution approved July 17, 1959 (73 Stat. 212) authorizes and requests the President of the United States of America to issue a proclamation each year designating the third week in July as "Captive Nations Week" until such time as freedom and independence shall have been achieved for all the captive nations of the world; and

WHEREAS human freedom, national independence, and justice are fundamental rights of all peoples; and

WHEREAS the enjoyment of these rights, to which all peoples justly aspire, remains severely limited or denied in many areas of the world; and

WHEREAS the United States of America, in keeping with the principles on which it was founded, has sought consistently to promote the observance of fundamental human rights throughout the world;

NOW, THEREFORE, I, LYNDON B. JOHNSON, President of the United States of America, do hereby designate the week beginning July 14, 1968 as Captive Nations Week.

IN WITNESS WHEREOF, I have hereunto set my hand this day of            in the year of our Lord nineteen hundred and sixty-eight, and the Independence of the United States of America the one hundred and ninety-third.



Tuesday, July 9, 1968

*Pres file*

Mr. President:

You may wish to send to Mrs. Robert F. Kennedy this bound collection of condolence messages that world leaders addressed to you, to the Secretary of State and to others on the occasion of the assassination of the Senator.

A letter transmitting the volume to Mrs. Kennedy is attached for your signature, if you approve.

W. W. Rostow

582

**Dear Ethel:**

**The tragic death of Senator Kennedy shocked and pained not only us in America but also citizens of every land who cherish freedom and human betterment. In the moments after your terrible loss, world leaders sent many messages of condolence. It occurred to me that you and the children might like to have this volume which contains these expressions of loss and sympathy. All have been acknowledged.**

**Lady Bird and I will continue to keep you in our thoughts and prayers. Your courage and dignity are an example for all.**

**Sincerely,**

**Mrs. Robert F. Kennedy  
1147 Chain Bridge Road  
McLean, Virginia**

**LBJ:LS:cjf**

59  
Ltr signed  
July 8

Friday, July 5, 1968

MR. PRESIDENT:

*Pres file*

At Tabs A and B, for your signature, are letters to two 4-H Club boys asking that they convey National Day (August 1) greetings to Swiss President Spuehler. (You sent similar greetings to the Swiss President last year through two 4-H Club girls.) The boys will be in Switzerland for the summer on an exchange program organized by the National 4-H Club Federation.

The letters were requested by the American Society for Friendship with Switzerland, which has also asked the 50 State Governors to send messages.

W. W. Rostow

(If you approve, we will need your  
signature at Tabs A and B.)

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_

MWG:mm

512

July 8, 1968

Dear Mr. McFadden:

I have been informed that the American Society for Friendship with Switzerland has chosen you and Mr. Patton to represent the Society at Swiss National Day ceremonies on August 1. You must be very proud of this honor. My warmest congratulations to both of you.

I would be grateful if you would convey my personal greetings on that occasion to His Excellency Dr. Willy Spuehler, President of the Swiss Confederation. Please assure him that he and the fine people of Switzerland have the best wishes of all Americans for peace and prosperity.

Sincerely,

/s/ Lyndon B. Johnson

Mr. James M. McFadden  
FRD 2  
Lexington, Missouri  
64067

LBJ:MWG:mm



596

July 8, 1968

Dear Mr. Patton:

I have been informed that the American Society for Friendship with Switzerland has chosen you and Mr. McFadden to represent the Society at Swiss National Day ceremonies on August 1. You must be very proud of this honor. My warmest congratulations to both of you.

I would be grateful if you would convey my personal greetings on that occasion to His Excellency Dr. Willy Spuehler, President of the Swiss Confederation. Please assure him that he and the fine people of Switzerland have the best wishes of all Americans for peace and prosperity.

Sincerely,

/s/ Lyndon B. Johnson

Mr. Walter B. Patton  
RFD 2  
Galena, Kansas  
66739

LBJ:MWG:mm

**TOP SECRET-SENSITIVE**

**DECLASSIFIED**  
**E.O. 12356, Sec. 3.4**  
**NIJ 94-456**  
**By CLG, NARA, Date 4-5-95**

**July 8, 1968**  
**Monday**

*Free file*

**MR. PRESIDENT:**

As you know, there has been an extensive exchange of views between Washington-Paris-Saigon on our terms for a total bombing cessation. ("Washington", for these purposes, includes Nick Katzenbach, Bundy, Clifford, but not Rusk, and no definitive JCS position. Rusk has encouraged the exchange, but kept his freedom of action.)

Paris is pressing for us to respond to Soviet advice and table a proposal at the earliest private session. (Brom indicated this morning it could come this Friday.) And, in any case, the Delegation wishes to be equipped with definitive instructions on this key matter.

(You should know Secretary Rusk is more reserved. He believes Hanoi is now considering where it goes from here; the other side has not yet accepted in principle the Zorin proposal as a framework for negotiation. Therefore, we should not hurry to lay out a detailed proposition.)

The purpose of this memo is to summarize the elements in the proposal that has been examined in these exchanges; and the areas of agreement and of debate. (I ordered all the exchanges typed up in a book for you, so that when you get to Washington the material will be available.) Secretary Rusk, General Taylor, and I may have views which differ even on some points otherwise agreed. I don't know the precise nature of Secretary Rusk's reservations; but I shall indicate General Taylor's views and mine, point-by-point.

**I. Phases I**

- U.S. agrees to cease bombing North Vietnam and "other activities that involve the "use of force," that is, excluding reconnaissance. (Agreed.)
- Prior to execution of above a clear mutual understanding will be reached on substance of Phase II.
- A time interval would be accepted by U.S. between bombing cessation and execution of Phase II. (Washington proposed

*Not to be used for Phase II*

3-4 days; Paris a week; when queried, Paris said Phase II actions might vary in time with respect to bombing cessation, within a week; Saigon not yet heard from on this point. Walt Rostow thinks 48 hours is sufficient to save Hanoi's face and the deal will be difficult to hold for longer than two days after total bombing cessation.)

- After some exchange, it now appears agreed that it will be difficult to deliver on a promise of "secrecy" on the deal. Therefore, while formally respecting the separation of the two stages in public statements, we should not make excessive promises to Hanoi on this point.

## II. Phase II

- Restoration of the DMZ. No personnel or equipment in or moved through DMZ. (Agreed)
- Military Action near DMZ. No fire across DMZ or "massing of forces" on either side. (Agreed); but Abrams being asked what is operational meaning for our forces of "no massing").
- Military Restraints in the South. Washington proposes no "rocket, mortar, or sabotage" attacks on Saigon. Bunker wants no attacks of any kind on Saigon, Hue, Danang, arguing most dangerous psychological effects on GVN and ARVN of such attacks, with no bombing of the North. Taylor strongly agrees. Paris wants restraint on Saigon treated as "an assumption" and does not want to go beyond Saigon.

Washington also initially raised issue of whether, for purpose of symmetry (and to meet Zorin's proposal) we should undertake some symbolic restraint in the South to give the appearance of paying something (other than bombing cessation in North) for enemy's laying off Saigon. I believe consensus is now that each action, on each side, need not be matched: We are trying to negotiate a package as a whole.

- Infiltration Rate and Force Levels. Washington initially proposed that the U. S. and DRV keep forces at present levels and agree "not to increase military personnel in SVN" above level at time of bombing cessation. Also proposed: an initial "token withdrawal" on both sides, equal in size (about 5000 men); plus subsequent weekly withdrawals. Paris agreed, but said weekly withdrawals could be held for a later stage. Saigon said no withdrawals whatsoever in early stage of Phase II negotiations.



(As you see, we have shifted from infiltration rate to force levels. I'm sceptical that this is to our advantage because:

- Our force levels obvious; enemy's not. Enemy could cheat.
- Our infiltration intelligence has been recently better than order of battle.
- Infiltration rate determines the intensity with which enemy can sustain fighting; if we leave order of battle fixed, and no limit on infiltration, he could run an intense fight - and- talk strategy. If infiltration limited, his fighting capacity limited. But this is a military matter and you will wish to know JCS and Abrams' views.
- Laos. After initially considering an interim proposal to freeze Laos' activities on both sides at present levels, consensus appears emerging that we should insist strongly that a Laos settlement, on basis Geneva Accords of 1962, is essential to a final agreement but that we do not overload Phase II negotiations, at early stage, with Laos issue, that is, infiltration and bombing of Laos would continue.
- Prisoners of War. After some thought it is pretty generally agreed we should not introduce the question of U.S. prisoners of war into the actions that accompany bombing cessation and opening of Phase II.
- Agreements in principle on Elements in an Ultimate Settlement. There is an interesting difference between Paris and Washington on Zorin's rather fuzzy suggestion that we should negotiate something about subsequent talks before the bombing stops.
  - A. Washington thought he referred to the items that should comprise the substance of a settlement.
  - B. Paris thought he referred to the structure of talks and how Saigon and the NLF could be introduced into the talks.

There is no great problem about A, although Saigon has waited to assure that post-war supervision of agreements and post-war rehabilitation be included.

B, in my judgment, may turn out to be the critical issue; that is, whether and when Hanoi agrees to GVN participation



4.

in the talks - on a your-side-our-side basis or some other basis, for example, secret bilaterals. We're in a precarious position up to that point, especially if bombing of the North has totally stopped. Once Hanoi recognizes the GVN as a legitimate interlocution, things could move fast.

In any case, it is agreed the key elements in a final settlement, which we could lay on the table before bombing stops, looks something like this:

- Mutual withdrawal of NVN and Allied forces (Manila);
- Internal political structure of South Vietnam decided by South Vietnamese in free choice;
- Full compliance 1962 Laos Accords;
- Both sides respect neutrality of Cambodia;
- Effective international supervision of agreements;
- Post-war rehabilitation.

### III. The Paris-Saigon Compromise

After one round of detailed exchanges, Paris and Saigon came in with hard-core proposals that were pretty close.

Paris said it should try to negotiate for Phase II.

- DMZ;
- No attacks on Saigon;
- Fix force levels;
- Your-side-our-side for negotiations in Phase II.

Saigon wanted:

- DMZ;
- No attacks on Hue, Danang, and Saigon;
- Reduced level of infiltration.

Saigon has not yet indicated the priority it places on negotiating your-side-our-side before the bombing ceases; but wishes us to "probe" Hanoi on this point.

Right now the issues appear to be:

- Saigon OR Saighn, Hue, and Danang.
- The priority we attach to prior agreement on GVN role in Phase II talks, before bombing stops.

#### IV. The Taylor Warning

General Taylor feels strongly that there should be a general statement made to the Hanoi negotiators in working out Phase I and Phase II that our no-bombing position is generally contingent on their not improving their military position. He says: "They must never think that we will never again resort to the sanction of bombing."

(I should add an observation to them and to the Soviets along the lines of my comment to *Kopylov* the TASS-KGB man who came in for a chat; namely, that once bombing totally stops, it is extremely important that there be prompt forward movements on substantive issues. An intense talk-and-fight strategy, with no substantive progress, and no bombing of the North could create very serious problems for Saigon and for us in the United States. The San Antonio phrase "productive" still matters.)

#### V. A General Observation

Thus far Hanoi has conducted itself:

- with no commitment to the Zorin framework for negotiation;
- no willingness to recognize the GVN as a legitimate interlocutor;
- no commitment to honor the Geneva Accords of 1954 and 1962.

In trying to negotiate a measure of mutual military de-escalation, we are, therefore, flying blind.

**We have no real knowledge of Hanoi's basic intention:**

- **To seek military and political advantage, by embarrassing our relations with Saigon;**
- **Or to save face on the bombing of the North and try to negotiate an early peace.**

**Until we have a better sense of Hanoi's intentions, we should proceed cautiously, paying great attention to Bunker's anxieties about Thieu's position. That is why I regard Hanoi's acceptance of the GVN into the negotiation as so critical.**

#### **VI Schedule**

**As I understand a double-talked conversation with Brom Smith this morning the schedule is as follows:**

- Tuesday:**      **A meeting chaired by Secretary Rusk to prepare for the President a statement of the consensus plus a statement of key differences, if any, and issues for the President's decision.**
- Wednesday:**    **Meeting with the President and dispatch of instructions to Paris.**
- Friday:**        **An informal Paris meeting, I think.**

**W. Walt Rostow**

~~TOP SECRET-SENSITIVE~~

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DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 94-456

By cl, NARA, Date 4-5-95

July 8, 1968  
Monday

*Pres file*

MR. PRESIDENT:

As you know, there has been an extensive exchange of views between Washington-Paris-Saigon on our terms for a total bombing cessation. ("Washington", for these purposes, includes Nick Katzenbach, Bundy, Clifford, but not Rusk, and no definitive JCS position. Rusk has encouraged the exchange, but kept his freedom of action.)

Paris is pressing for us to respond to Soviet advice and table a proposal at the earliest private session. (Brom indicated this morning it could come this Friday.) And, in any case, the Delegation wishes to be equipped with definitive instructions on this key matter.

(You should know Secretary Rusk is more reserved. He believes Hanoi is now considering where it goes from here; the other side has not yet accepted in principle the Zorin proposal as a framework for negotiation. Therefore, we should not hurry to lay out a detailed proposition.)

The purpose of this memo is to summarize the elements in the proposal that has been examined in these exchanges; and the areas of agreement and of debate. (I ordered all the exchanges typed up in a book for you, so that when you get to Washington the material will be available.) Secretary Rusk, General Taylor, and I may have views which differ even on some points otherwise agreed. I don't know the precise nature of Secretary Rusk's reservations; but I shall indicate General Taylor's views and mine, point-by-point.

#### I. Phase I

- U. S. agrees to cease bombing North Vietnam and "other activities that involve the use of force," that is, excluding reconnaissance. (Agreed.)
- Prior to execution of above a clear mutual understanding will be reached on substance of Phase II.
- A time interval would be accepted by U. S. between bombing cessation and execution of Phase II. (Washington proposed



3-4 days; Paris a week; when queried, Paris said Phase II actions might vary in time with respect to bombing cessation, within a week; Saigon not yet heard from on this point. Walt Rostow thinks 48 hours is sufficient to save Hanoi's face and the deal will be difficult to hold for longer than two days after total bombing cessation.)

- After some exchange, it now appears agreed that it will be difficult to deliver on a promise of "secrecy" on the deal. Therefore, while formally respecting the separation of the two stages in public statements, we should not make excessive promises to Hanoi on this point.

## II. Phase II

- Restoration of the DMZ. No personnel or equipment in or moved through DMZ. (Agreed)
- Military Action near DMZ. No fire across DMZ or "massing of forces" on either side. (Agreed); but Abrams being asked what is operational meaning for our forces of "no massing").
- Military Restraints in the South. Washington proposes no "rocket, mortar, or sabotage" attacks on Saigon. Bunker wants no attacks of any kind on Saigon, Hue, Danang, arguing most dangerous psychological effects on GVN and ARVN of such attacks, with no bombing of the North. Taylor strongly agrees. Paris wants restraint on Saigon treated as "an assumption" and does not want to go beyond Saigon.

Washington also initially raised issue of whether, for purpose of symmetry (and to meet Zorin's proposal) we should undertake some symbolic restraint in the South to give the appearance of paying something (other than bombing cessation in North) for enemy's laying off Saigon. I believe consensus is now that each action, on each side, need not be matched: We are trying to negotiate a package as a whole.

- Infiltration Rate and Force Levels. Washington initially proposed that the U. S. and DRV keep forces at present levels and agree "not to increase military personnel in SVN" above level at time of bombing cessation. Also proposed: an initial "token withdrawal" on both sides, equal in size (about 5000 men); plus subsequent weekly withdrawals. Paris agreed, but said weekly withdrawals could be held for a later stage. Saigon said no withdrawals whatsoever in early stage of Phase II negotiations.

(As you see, we have shifted from infiltration rate to force levels. I'm sceptical that this is to our advantage because:

- Our force levels obvious; enemy's not. Enemy could cheat.
- Our infiltration intelligence has been recently better than order of battle.
- Infiltration rate determines the intensity with which enemy can sustain fighting; if we leave order of battle fixed, and no limit on infiltration, he could run an intense fight - and- talk strategy. If infiltration limited, his fighting capacity limited. But this is a military matter and you will wish to know JCS and Abrams' views.
- Laos. After initially considering an interim proposal to freeze Laos' activities on both sides at present levels, consensus appears emerging that we should insist strongly that a Laos settlement, on basis Geneva Accords of 1962, is essential to a final agreement but that we do not overload Phase II negotiations, at early stage, with Laos issue, that is, infiltration and bombing of Laos would continue.
- Prisoners of War. After some thought it is pretty generally agreed we should not introduce the question of U.S. prisoners of war into the actions that accompany bombing cessation and opening of Phase II.
- Agreements in principle on Elements in an Ultimate Settlement. There is an interesting difference between Paris and Washington on Zorin's rather fuzzy suggestion that we should negotiate something about subsequent talks before the bombing stops.
  - A. Washington thought he referred to the items that should comprise the substance of a settlement.
  - B. Paris thought he referred to the structure of talks and how Saigon and the NLF could be introduced into the talks.

There is no great problem about A, although Saigon has waited to assure that post-war supervision of agreements and post-war rehabilitation be included.

B, in my judgment, may turn out to be the critical issue; that is, whether and when Hanoi agrees to GVN participation

4.

in the talks - on a your-side-our-side basis or some other basis, for example, secret bilaterals. We're in a precarious position up to that point, especially if bombing of the North has totally stopped. Once Hanoi recognizes the GVN as a legitimate interlocution, things could move fast.

In any case, it is agreed the key elements in a final settlement, which we could lay on the table before bombing stops, looks something like this:

- Mutual withdrawal of NVN and Allied forces (Manila);
- Internal political structure of South Vietnam decided by South Vietnamese in free choice;
- Full compliance 1962 Laos Accords;
- Both sides respect neutrality of Cambodia;
- Effective international supervision of agreements;
- Post-war rehabilitation.

### III. The Paris-Saigon Compromise

After one round of detailed exchanges, Paris and Saigon came in with hard-core proposals that were pretty close.

Paris said it should try to negotiate for Phase II.

- DMZ;
- No attacks on Saigon;
- Fix force levels;
- Your-side-our-side for negotiations in Phase II.

Saigon wanted:

- DMZ;
- No attacks on Hue, Danang, and Saigon;
- Reduced level of infiltration.

Saigon has not yet indicated the priority it places on negotiating your-side-our-side before the bombing ceases; but wishes us to "probe" Hanoi on this point.

Right now the issues appear to be:

- Saigon OR Saigon, Hue, and Danang.
- The priority we attach to prior agreement on GVN role in Phase II talks, before bombing stops.

#### IV. The Taylor Warning

General Taylor feels strongly that there should be a general statement made to the Hanoi negotiators in working out Phase I and Phase II that our no-bombing position is generally contingent on their not improving their military position. He says: "They must never think that we will never again resort to the sanction of bombing."

(I should add an observation to them and to the Soviets along the lines of my comment to *Kopytin* the TASS-KGB man who came in for a chat; namely, that once bombing totally stops, it is extremely important that there be prompt forward movements on substantive issues. An intense talk-and-fight strategy, with no substantive progress, and no bombing of the North could create very serious problems for Saigon and for us in the United States. The San Antonio phrase "productive" still matters.)

#### V. A General Observation

Thus far Hanoi has conducted itself:

- with no commitment to the Zerlin framework for negotiation;
- no willingness to recognize the GVN as a legitimate interlocutor;
- no commitment to honor the Geneva Accords of 1954 and 1962.

In trying to negotiate a measure of mutual military de-escalation, we are, therefore, flying blind.



We have no real knowledge of Hanoi's basic intention:

- To seek military and political advantage, by embarrassing our relations with Saigon;
- Or to save face on the bombing of the North and try to negotiate an early peace.

Until we have a better sense of Hanoi's intentions, we should proceed cautiously, paying great attention to Bunker's anxieties about Thieu's position. That is why I regard Hanoi's acceptance of the GVN into the negotiation as so critical.

#### VI Schedule

As I understand a double-talked conversation with Brem Smith this morning the schedule is as follows:

- Tuesday:** A meeting chaired by Secretary Rusk to prepare for the President a statement of the consensus plus a statement of key differences, if any, and issues for the President's decision.
- Wednesday:** Meeting with the President and dispatch of instructions to Paris.
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W. Walt Rostow

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

July 5, 1968

62  
TELL WALT I  
WANT TO TALK  
TO HIM ABOUT THAT.  
LBJ/JAS

CONFIDENTIAL

Mr. President:

I have taken seriously your injunction that I ensure the story of President Johnson's foreign policy be properly told. And I have a scheme.

1. One man should lead the project, Walt Rostow or someone else. There are others who would do it well.
2. He should assemble a team of men who:
  - know the field;
  - are sympathetic to the President's purposes;
  - are capable of writing good professional history;
  - are willing to come to Austin for a year or two;
  - might be interested in teaching a course while in Austin
3. They would work on special monographs covering:
  - Latin America
  - Western Europe
  - East and West relations
  - Africa
  - Middle East
  - Asia
  - Vietnam
  - International Financial Policy
4. I have in mind such men as: Henry Owen, Bill Bowdler, William Jorden, Ed Hamilton, Francis Bator. Ray Cline would be an excellent deputy to the project director to organize the monographs.

I believe some of our best government people would be glad for a year's sabbatical from government. We'd also want some straight academics to join the team.

DETERMINED TO BE AN ADMINISTRATIVE  
MARKING, CANCELLED PER E.O. 12066,  
SEC. 1.3 AND ARCHIVIST'S MEMO OF  
MAR 16, 1993.

BY rg ON 9-2-92

5. Meanwhile the man in charge would be working on a single volume, writing the whole story.
6. The result would be, therefore, not a single book, but a shelf including a synthesis plus the separate specialized volumes. (Incidentally, that's how I did my three big projects of the 1950's on the USSR, Communist China and the U.S.)
7. We would get a Board of Advisors including Rusk, McNamara, Vance, etc.
8. Now a point you should ponder. I believe the project should begin with, say, Sputnik and cover the whole period since 1958, including the Kennedy period. These are the reasons:
  - It is the whole period since Sputnik and Khrushchev's big push of 1958 which is the natural historical unit.
  - The problems and achievements of the Johnson Administration can only be properly understood if the Kennedy Administration is included.
  - The effort would demonstrate that the LBJ School was not going to be parochial.
  - Nothing of real distinction has been done on the foreign policy of the Kennedy Administration.

Walt Rostow

INFORMATI /

~~Mr. Rostow~~

63

July 5, 1968

Mr. President:

I thought you and  
Mrs. Johnson would like to see  
the warm thank-you note the  
Shah and Empress of Iran have  
sent you.

*Pres file*

W. W. R.




July 3, 1968  
No. 136.

Excellency,

I have the honour to forward a message which has just been received from His Imperial Majesty Aryamehr Shahanshah of Iran for The President. It would be appreciated if, through the Department's good offices, it is transmitted to its high destination.

Please accept, Excellency, the assurance of my highest consideration.

  
Hushang Ansary  
Ambassador.

Enclosure

His Excellency  
Dean Rusk  
Secretary of State  
Washington, D.C.



-F<sup>6</sup>

29th June, 1968.

Dear Mr. President,

*I would like to express to you and Mrs. Johnson, once again, my sincere gratitude for the very friendly and impressive reception that you extended to me during my recent visit to Washington, which I shall always remember with particular pleasure as I have my previous sojourns in your midst.*

*The Empress and I have greatly admired the choice gifts consisting of a beautiful bronze candle-holder, two exquisite automatic clocks, a finely executed silver gilt cigarette box containing an engraved dedication copied from your own hand, and two embroidered cushions, which you and Mrs. Johnson presented to us on the occasion of my visit and which are all worthy examples of expert craftsmanship and artistic taste. We shall cherish these gifts as tangible souvenirs of my memorable visit to your great country and as a token of the warm feelings of amity and mutual understanding that happily mark the relations between our two nations.*

*We were highly pleased to receive also an autographed group portrait in vivid colours of your happy family, which will always have a place amongst our most treasured possessions.*

*The children were absolutely thrilled with the delightful presents intended for them, including the embossed leather saddle complete with stirrups and riding hat for the Crown Prince, the gold bracelet with charms for Princess Farahnaz and the toy bear for Prince Ali Reza.*

*The Empress and I wish to convey to you, Mr. President, and Mrs. Johnson our heartfelt thanks for your kind and thoughtful gesture, and we send you both our warmest greetings and best wishes.*

Sincerely,

*M. R. Pahlavan*

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

6  
Friday, July 5, 1968

MR. PRESIDENT:

*Pres file*

At Tabs A and B, for your signature, are letters to two 4-H Club boys asking that they convey National Day (August 1) greetings to Swiss President Spuehler. (You sent similar greetings to the Swiss President last year through two 4-H Club girls.) The boys will be in Switzerland for the summer on an exchange program organized by the National 4-H Club Federation.

The letters were requested by the American Society for Friendship with Switzerland, which has also asked the 50 State Governors to send messages.

W. W. Rostow

(If you approve, we will need your signature at Tabs A and B.)

Disapprove \_\_\_\_\_

Call me \_\_\_\_\_

  
MWG:mm

642  
July 8, 1968

Dear Mr. McFadden:

I have been informed that the American Society for Friendship with Switzerland has chosen you and Mr. Patton to represent the Society at Swiss National Day ceremonies on August 1. You must be very proud of this honor. My warmest congratulations to both of you.

I would be grateful if you would convey my personal greetings on that occasion to His Excellency Dr. Willy Spuehler, President of the Swiss Confederation. Please assure him that he and the fine people of Switzerland have the best wishes of all Americans for peace and prosperity.

Sincerely,

Mr. James M. McFadden  
FRD 2  
Lexington, Missouri  
64067

LBJ:MWG:mmm



6/11  
July 8, 1968

Dear Mr. Patton:

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Sincerely,

Mr. Walter B. Patton  
RFD 2  
Galena, Kansas  
66739

LBJ:MWG:mm

FOR THE PRESIDENT FROM BUNKER

PARIS FOR VIETNAM MISSION

HEREWITH MY FIFTY-EIGHTH WEEKLY MESSAGE

## A. GENERAL

1. I AM PREPARING A BRIEF SUMMARY FOR YOU OF WHERE WE STAND AT MID-YEAR AND HOPE TO HAVE THIS FOR MY NEXT WEEKLY MESSAGE. I SHOULD, HOWEVER, LIKE TO MAKE A FEW BRIEF GENERAL OBSERVATIONS ON THE SITUATION AS I SEE IT NOW. THE GOVERNMENT HAS GROWN IN EFFECTIVENESS AND THERE IS INCREASING EVIDENCE OF DETERMINATION TO MAKE IT MORE EFFECTIVE; A CONSCIOUSNESS THAT POPULAR SUPPORT WILL BE GAINED ONLY THROUGH EFFECTIVE GOVERNMENT. THIEU HAS CONTINUED TO MOVE AHEAD WITH HIS GOVERNMENT REORGANIZATION PLANS WITH INCREASING CONFIDENCE; HE SAID TO ME RECENTLY, I HAVE "NAILED THE COON SKIN TO THE WALL." IN THE PROCESS, THIEU HAS GROWN IN STATURE AND POWER AND HAS GAINED WIDER SUPPORT. IN OUR DEALINGS WITH THE MEMBERS OF THE NEW GOVERNMENT, WE HAVE NOTED A GREATER WILLINGNESS TO TAKE RESPONSIBILITY AND TO MAKE DECISIONS THAN WAS THE CASE WITH ITS PREDECESSOR. CONSIDERING ITS INEXPERIENCE WITH THE INSTRUMENTS OF GOVERNMENT, THE ASSEMBLY ON THE WHOLE HAS ACTED RESPONSIBLY AND PASSED SOME CONSTRUCTIVE LEGISLATION. THE ARMED FORCES HAVE CONTINUED TO IMPROVE IN MORALE, EQUIPMENT, PERFORMANCE, AND IN STRENGTH; THE RVNAF TODAY EXCEEDS ITS AUTHORIZED STRENGTH BY MORE THAN 75,000. TO GIVE SUBSTANCE TO THE FORM OF DEMOCRATIC INSTITUTIONS, THIEU HAS SET THE STAGE FOR THE FORMATION OF A LEGAL, PROGOVERNMENT POLITICAL ORGANIZATION, AT THE SAME TIME ENCOURAGING THE FORMATION OF AN OPPOSITION PARTY. THESE ARE DEVELOPMENTS WHICH HAVE BEEN ACHIEVED OFTEN STEP BY PAINFUL STEP BUT I THINK THEY ARE REAL AND HAVE SUBSTANCE. I SHARE A REASONED CONFIDENCE THAT, PROPERLY ENCOURAGED AND SUPPORTED, CONSTITUTIONAL GOVERNMENT CAN CONTINUE TO GROW IN STRENGTH AND EFFECTIVENESS. I SHALL BE REPORTING ON THIS IN GREATER DETAIL NEXT WEEK.

2. THE MAJOR DEVELOPMENTS OF THE PAST WEEK HAVE BEEN A) THIEU'S MOVE TO OPENLY FOSTER THE FORMATION OF A PRO-GOVERNMENT POLITICAL ORGANIZATION; B) THE REDUCED LEVEL OF ENEMY MILITARY ACTIVITY (IT REACHED THE LOWEST LEVEL OF THE YEAR) C) THE SUBSTITUTION BY THE ENEMY OF TERROR ATTACKS FOR OFFENSIVE MILITARY ACTION; AND D) AN IMPROVING PUBLIC IMAGE OF THE GVN AS MORE AND MORE GOVERNMENT OFFICIALS, ESPECIALLY PROVINCE CHIEFS, ARE REPORTED TO BE ASSUMING A MORE DYNAMIC AND COURAGEOUS ROLE IN THE DEFENSE OF BOTH URBAN AND RURAL AREAS, OFTEN IN THE FACE OF SUSTAINED ENEMY HARASSMENT.

DECLASSIFIED

Authority 71C 9 / CBS 10By 10/1/92, NARA, Date 10-5-92



3. I HAVE PREVIOUSLY REPORTED THE CLEAR DECISION BY THIEU TO PLAY THE ROLE OF CONSTITUTIONAL PRESIDENT. THIS IS PART OF A CONTINUING PROCESS IN WHICH, SINCE 1966, WE HAVE SEEN A STEADY GROWTH OF DEMOCRATIC INSTITUTIONS. THE PROCESS IS NOT COMPLETE, BUT IT HAS COME A LONG WAY. THE MOST RECENT STEP TOWARD A WORKING DEMOCRATIC SYSTEM IS THIEU'S PUBLIC RECOGNITION OF THE NEED FOR STRONG POLITICAL PARTIES AND HIS DECISION TO OPENLY FOSTER THEIR FORMATION. ON JUNE 29, HE PRESIDED OVER THE INAUGURAL MEETING OF A NEW UMBRELLA ORGANIZATION INTENDED TO BACK THE GOVERNMENT AND CREATE A FRAMEWORK TO COMPLETE EFFECTIVELY WITH THE COMMUNISTS IN THE POLITICAL SPHERE. KNOWN AS THE LIEN MINH, THE NEW ORGANIZATION UNITES THE TWO RIVAL POLITICAL ORGANIZATIONS WHICH APPEARED IN THE WAKE OF THE TET ATTACKS - TRAN VAN DON'S NATIONAL SALVATION FRONT (OFTEN REGARDED AS PRO-KY), AND NGUYEN VAN HUONG'S FREE DEMOCRATIC FORCE (GENERALLY CONSIDERED TO BE THIEU'S PARTY.) THE THIRD COMPONENT IN THE NEW ORGANIZATION IS THE HOA HAO/CVT ORGANIZATION KNOWN AS THE FARMER-WORKER ASSOCIATION.

4. IN HIS REMARKS TO MORE THAN TWO HUNDRED OFFICIAL DELEGATES WHO ATTENDED THE JUNE 29 MEETING, THIEU NOTED THAT AT SOME STAGE THERE WILL BE AN END TO THE MILITARY STRUGGLE AND THE OPENING OF A PERIOD DURING WHICH THE STRUGGLE WITH THE COMMUNISTS WILL SHIFT TO THE POLITICAL ARENA. THE NATIONALISTS MUST BE STRONG ENOUGH TO DEFEAT THE COMMUNISTS POLITICALLY WHEN THAT TIME ARRIVES. HE COMMENTED THAT SINCE POLITICAL UNITY HAD NOT YET BEEN REALIZED, HE FELT COMPELLED TO TAKE REALISTIC AND STRAIGHT-FORWARD STEPS TO MEET THE CONSTITUTIONAL REQUIREMENT FOR GOVERNMENT ENCOURAGEMENT OF A PARTY SYSTEM: THAT THE GOVERNMENT RELATIONSHIP WITH POLITICAL PARTIES, HOWEVER, WOULD BE STRICTLY CONSTITUTIONAL. HE SAID THAT HE WANTED POLITICAL PARTIES, OPERATING OPENLY, TO PLAY A MAJOR ROLE BOTH IN "NATIONAL ACTIVITIES" AND IN MOBILIZING THE PEOPLE IN A JOINT EFFORT WITH THE GOVERNMENT TO OPPOSE THE COMMUNISTS.

5. IT IS NOT YET CLEAR WHICH POLITICAL FACTIONS WILL BE ADDED TO THE THREE MAJOR COMPONENTS MENTIONED ABOVE. THE FRONT OF ALL RELIGIONS, WHICH HAS SEVERAL FACTIONS, WAS REPORTED TO BE ONE OF THE FOUNDING ORGANIZATIONS, BUT IT IS NOT CERTAIN NOW WHETHER ITS PRINCIPAL LEADER, FATHER GUYNH, WILL PLAY AN ACTIVE ROLE.

~~SECRET~~

~~SECRET~~



TO RUEHC/SECSTATE WASHDC IMMEDIATE 6889  
INFO RUEFNCR/AMEMBASSY PARIS IMMEDIATE 1453  
STATE GRNC

BT

~~SECRET~~ SECTION 2 OF 5 SAIGON 31757

N O D I S

6. THE ROLES OF THE VICE PRES AND PRIMIN ARE ALSO STILL NOT CLEAR. THIEU DID NOT INVITE THEM TO THE JUNE 29 MEETING; HE EXPLAINED TO ME THAT HE HAD NOT DONE SO BECAUSE HE DOES NOT WANT THE PARTY TO APPEAR AS A CREATURE OF THE GOVERNMENT, BUT HOPES THAT IT WILL SUPPORT THE GOVERNMENT. IT IS REPORTED, HOWEVER, THAT BOTH KY AND HUONG MAY ATTEND THE FORMAL ORGANIZATION MEETING WHEN THE PARTY IS PUBLICLY ANNOUNCED, WHICH IT IS EXPECTED MAY BE TODAY OR SHORTLY THEREAFTER.

7. WHILE THE PRO-GOVERNMENT ELEMENTS ARE BEING RALLIED AROUND THE LIEN MINH, AS THE NEW ORGANIZATION IS CALLED, AT LEAST THREE OPPOSITION POLITICIANS APPEAR TO BE TRYING TO FORM A UNITED OPPOSITION. THE MOST ACTIVE TO DATE HAS BEEN HA THUC KY, WHO IS REPORTED TO HAVE DRAWN UP A SHADOW CABINET. HE HELD HIS OWN RALLY ON JUNE 26, WHERE HE REPORTEDLY TALKED WITH SOME FIFTY "OUT" POLITICIANS ABOUT THE POSSIBILITY OF PUTTING TOGETHER A UNITED OPPOSITION PARTY. (THE POLITICAL PARTY LAW NOW IN THE ASSEMBLY CALLS FOR THE NAMING OF A SINGLE OPPOSITION LEADER, AND HA THUC KY IS PROBABLY HOPING TO PLAY THAT ROLE.) HOA HAO SOCIALIST PHAN BA CAM IS ALSO TRYING TO PUT TOGETHER AN OPPOSITION COALITION. THE PRESS REPORTS THIS MORNING THAT FORMER CHIEF OF STATE AND PRESIDENTIAL CANDIDATE PHAN KHAC SUU PROPOSES TO FORM A NEW POLITICAL PARTY TO BE CALLED "THE NEW PEOPLE'S FORCE." HE REPORTEDLY DEFINED THE ACTION PROGRAM OF HIS PARTY AS "REVOLUTIONARY" IN BUILDING TOWARD SOCIALIST ECONOMY.

8. I DO NOT WANT TO OVER-STRESS THE PROGRESS MADE TO DATE TOWARDS A TWO-PARTY SYSTEM IN WHICH BOTH PARTIES HAVE GOOD ORGANIZATION AND GRASS ROOTS SUPPORT. ONLY THE VERY BEGINNINGS OF SUCH A SYSTEM ARE IN EVIDENCE. NEVERTHELESS, I AM ENCOURAGED BY THIEU'S EFFORTS AND THE RESPONSE TO THEM. I AM NOT PERSUADED THAT THE VIETNAMESE NATIONALISTS CANNOT UNITE SUFFICIENTLY TO COMPLETE WITH THE COMMUNISTS IN A POLITICAL CONTEST; AND I BELIEVE THAT THEY ARE BEGINNING TO UNDERSTAND THE NECESSITY FOR SUCH COOPERATION IF THEY ARE TO SURVIVE.

9. THE DEVELOPMENT OF AN EFFECTIVE PRO-GOVERNMENT PARTY WILL DEPEND PRIMARILY ON THE PERFORMANCE OF THE GOVERNMENT; ON WHETHER THE GOVERNMENT CAN INSPIRE TRUST AND CONFIDENCE. IN THIS RESPECT, I AM ENCOURAGED BY THE PERFORMANCE OF THE HUONG CABINET. MOST OF THE MINISTERS HAVE TAKEN HOLD WELL, AND HUONG HIMSSELF, I THINK, IS DOING WELL. THERE WAS CONCERN THAT HE MIGHT PROVE TOO STUBBORN AND INFLEXIBLE TO WORK EFFECTIVELY WITH THIEU, BUT THIS HAS NOT PROVED TO BE SO. THIEU HAS TOLD ME THAT HE IS PLEASED WITH THE WAY IN WHICH HUONG IS WORKING, THAT HE IS PROVING TO BE MUCH MORE FLEXIBLE AND POLITICALLY ASTUTE THAN WHEN HE SERVED FORMERLY AS PRIME MINISTER AND MAYOR OF SAIGON.



10. AS EVIDENCE OF THE GOVERNMENT'S CONFIDENCE IN ITSELF WAS THE RELEASE THIS WEEK FROM "PROTECTIVE CUSTODY" OF THICH TRI QUANG AND FOUR OF HIS FELLOW AN QUANG BONZES. THIS MOVE IS IN LINE WITH HUONG'S DETERMINATION TO RELEASE PRISONERS WHO ARE BEING HELD ILLEGALLY. ANOTHER SIGN OF GOVERNMENT CONFIDENCE AND STRENGTH IS THE CONTINUED TOLERATION OF A FREE PRESS WHICH DOES NOT HESITATE TO CRITICIZE THE GOVERNMENT IN RATHER STRONG TERMS.

11. THERE IS, OF COURSE, THE CONTINUING PROBLEM OF ASSOCIATING THIEU AND KY TOGETHER MORE CLOSELY IN THE DECISION-MAKING PROCESS. KY STILL HAS THE POTENTIAL OF MAKING DIFFICULTIES. HE COULD PROVIDE A RALLYING POINT FOR NORTHERN, EXTREME ANTI-COMMUNIST, ANTI-AMERICAN, AND ANTI-CIVILIAN GOVERNMENT ELEMENTS. I DO NOT THINK KY WILL CHOOSE TO PLAY SUCH A DESTRUCTIVE ROLE IN THE PRESENT CRITICAL SITUATION, HOWEVER, PARTICULARLY IF THIEU WILL REALLY MAKE SOME EFFORT TO BRING HIM INTO CLOSER COLLABORATION IN SETTING GOVERNMENT POLICY, OUR JOINT MEETINGS WITH THIEU, KY, HUONG, AND THE MINISTERS OF INTERIOR AND DEFENSE, THE FIRST OF WHICH TOOK PLACE YESTERDAY, SHOULD HELP TO SERVE THAT PURPOSE. SO SHOULD OUR CONTINUING MEETINGS WITH THIEU, KY AND THE FOMMIN ON THE PARIS TALKS AND THE PROBLEMS OF A PEACEFUL SETTLEMENT.

12. THE MILITARY SITUATION: ENEMY MILITARY ACTIVITY LAST WEEK REACHED THE LOWEST LEVEL OF THE YEAR. THERE ARE A VARIETY OF REASONS BEHIND THE LULL IN ENEMY ATTACKS, AND THE SITUATION VARIES FROM ONE AREA TO ANOTHER. IN THE DELTA, THE ENEMY SEEMS TO BE ENGAGED IN LITTLE MORE THAN TRYING TO MAINTAIN THE STATUS QUO. HIS POSTURE PROBABLY REFLECTS CONCENTRATION ON OTHER AREAS WHICH HE CONSIDERS MORE IMPORTANT STRATEGICALLY; BUT IT ALSO REFLECTS ENEMY PROBLEMS AND WEAKNESSES WHICH WERE AGGRAVATED BY LOSSES INCURRED AT TET AND POST-TET.

13. IN THE HIGHLANDS OF II CORPS, ENEMY INACTIVITY IS CLEARLY THE RESULT OF FRIENDLY PRE-EMPTION. THERE IS EVERY INDICATION THAT HE HAD PLANNED A MAJOR THRUST IN KONTUM. OUR ARTILLERY AND AIRSTRIKES, PARTICULARLY B-52 RAIDS, KEPT THE ENEMY OFF BALANCE, AND BY EARLY JUNE THE THREAT TO KONTUM WAS DISSIPATED AS HIS BADLY MAULED UNITS WITHDREW WITHOUT GIVING MAJOR BATTLE. WITH THE ADVENT OF THE MONSOON, WE EXPECT LITTLE ENEMY ACTIVITY IN THE HIGHLANDS FOR SOME TIME TO COME.

~~SECRET~~

247

*Secretariat*

-52

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~~SECRET~~

~~NO DIS~~

MODIS

FOR THE PRESIDENT FROM BUNKER

PARIS FOR VIETNAM MISSION

HEREWITH MY FIFTY-EIGHTH WEEKLY MESSAGE

14. THE PICTURE IN I CORPS AND III CORPS IS QUITE DIFFERENT. HERE, THE ENEMY IS PLAINLY MAKING PREPARATIONS FOR OFFENSIVE ACTION. IN I CORPS, PREPARATIONS ARE CONCENTRATED IN QUANG TRI, THUA THIEN, AND QUANG NAM PROVINCES WITH HUE PROBABLY A MAJOR OBJECTIVE. IN III CORPS, THE ENEMY HAS BEEN WEAKENED BY A COMBINATION OF ATTRITION IN BATTLE AND THE EFFECTS OF MASSIVE AIRSTRIKES. HE IS NEVERTHELESS IN A CONTINUING STAGE OF PREPARATION WITH A HEAVY FLOW OF REPLACEMENTS AND REINFORCEMENT OF MEN AND MATERIEL TO SUPPORT RENEWED PRESSURE ON SAIGON.

15. MACV'S ESTIMATE IS THAT THE PRESENT COUNTRYWIDE LULL IN ENEMY ACTIVITY HAS BEEN FORCED ON HIM. THEY BELIEVE THAT WHILE THE ENEMY PLANNED TO INCREASE THE TEMPO AND INTENSITY OF THE WAR, A DETERIORATING FORCE POSTURE AND OVERPOWERING FRIENDLY COUNTER-ACTION COMPELLED HIM TO REDUCE THE LEVEL OF HIS ATTACKS. HIS LOSSES HAVE BEEN MADE UP IN MANY CASES WITH GREEN RECRUITS. SOME ARE VERY YOUNG. MANY HAVE HAD LITTLE OR NO TRAINING. A RECENT SAMPLE OF INFILTRATORS SHOWED THAT ONE-HALF HAD HAD THE NORMAL TWELVE WEEK TRAINING; THE REMAINDER HAD HAD FROM ZERO TO EIGHT WEEKS.

16. THE MACV ESTIMATE IS ALSO SUPPORTED BY THE CONTINUED USE OF ENEMY TERROR AND SABOTAGE; TACTICS WHICH HE NORMALLY USES TO MAINTAIN PRESSURE WHEN DIRECT MILITARY ACTION IS NOT FEASIBLE. THE MOST DRAMATIC RECENT EXAMPLE WAS THE JUNE 28 TERROR ATTACK ON SON TRA IN QUANG NGAI PROVINCE. IN THAT ATTACK, ENEMY FORCES DELIBERATELY ATTACKED THE CIVILIAN POPULATION AND PUT THEIR HOMES TO THE TORCH. EIGHTY-EIGHT PERSONS WERE KILLED, 73 OF THEM CIVILIANS; 103 CIVILIANS WERE WOUNDED, AND 570 HOMES BURNED. IN A HAMLET OF 4,000, 2,800 ARE NOW HOMELESS. SON TRA HAD NO MILITARY SIGNIFICANCE AS SUCH.

17. OTHER TERROR ACTS GO ON STEADILY THROUGHOUT THE NATION. LAST WEEK THE ENEMY ASSASSINATED 134 CIVILIANS (NOT INCLUDING THE SON TRA CASUALTIES), WOUNDED 157, AND KIDNAPPED 166. A SABOTAGE TEAM SUCCEEDED IN DROPPING A FORTY METER SPAN OF THE BEN LUC BRIDGE ON STRATEGIC HIGHWAY FOUR SOME SIXTEEN MILES SOUTH OF SAIGON. A PONTOON BRIDGE WAS IN PLACE WITHIN THREE DAYS.



18. WHILE THE ~~RECENT~~ ENEMY CONTINUES TO USE TERROR, AND THE QUALITY OF ITS TROOPS HAS DECLINED PERCEPTIBLY IN MANY AREAS, THE RVNAF ARE STEADILY EXPANDING AND IMPROVING. ALL 161 MANUEVER BATTALIONS CONTAINED IN THE FY-68 FORCE STRUCTURE HAVE BEEN ACTIVATED AND ARE OPERATIONAL. THE ESTIMATED PERSONNEL STRENGTH OF REGULAR FORCES AS OF 30 JUNE IS 406,500 COMPARED TO AN AUTHORIZED STRENGTH OF 363,703. BOTH REGIONAL AND POPULAR FORCES HAVE ALSO INCREASED IN STRENGTH; THE RF FROM 157,591 ON 31 MARCH TO 184,050 AT 31 MAY. DURING THIS SAME PERIOD, PF STRENGTH INCREASED FROM 153,094 TO 159,859.

19. AS OF 30 JUNE, THE ISSUE OF M-16 RIFLES TO ALL ARVN MANUEVER BATTALIONS HAD BEEN COMPLETED. THE ISSUE OF THIS SUPERIOR, LIGHTER, MORE EFFECTIVE WEAPON HAS MEASURABLY INCREASED ARVN MORALE, EFFECTIVENESS, AND PRIDE. THE NEXT PRIORITY FOR THE M-16 IS THE RF/PF, PRU AND ADVISER OF THE SAIGON/GIA DINH CAPITAL MILITARY DISTRICT. ISSUE OF THE 27,000 M-16S REQUIRED FOR THESE UNITS WILL BE COMPLETED BY EARLY AUGUST, THIS SUBSTANTIALLY INCREASING THE CAPABILITY FOR THE DEFENSE OF THIS AREA.

20. I THINK IT IS ALSO TRUE THAT THE VIETNAMESE FORCES HAVE GAINED IN THE ESTIMATION OF THE POPULATION SINCE TET. THE RECENT MASS SURRENDER OF MORE THAN 150 VC/NVA TROOPS IN GIA DINH INCREASED CONSIDERABLY THE RESPECT OF THE GIA DINH POPULATION FOR THEIR OWN MILITARY. THIS WAS PARTICULARLY TRUE BECAUSE THE GVN FORCES USED "NEW TACTICS" OF GROUND ENCIRCLEMENT RATHER THAN MASSIVE AERIAL OR ARTILLERY BOMBARDMENT WITH THE ATTENDANT DESTRUCTION OF PROPERTY. (I AM ALSO ENCOURAGED BY THIS INDICATION THAT IT IS NOT ONLY THE VC WHO HAVE LEARNED SOMETHING ABOUT WARFARE IN THE CITIES SINCE TET.)

21. THERE IS, OF COURSE, THE POSSIBILITY THAT THE CURRENT LULL IS A DELIBERATE DE-ESCALATION MOTIVATED BY POLITICAL CONSIDERATIONS YET ENEMY PROPAGANDA, CAPTURED DOCUMENTS, INTERROGATIONS, AND PAST PERFORMANCE INDICATE THAT THE ENEMY'S PREFERRED STRATEGY IS TO EXERT MAXIMUM MILITARY PRESSURE WHILE NEGOTIATING. HIS STRENUOUS EFFORTS TO PREPARE FOR OFFENSIVE ACTION IN I CORPS AND AROUND SAIGON PLUS THE CONTINUED USE OF TERROR SUGGESTS THAT THE ENEMY HAS NOT CUT BACK HIS MILITARY ACTIVITY FOR POLITICAL REASONS.

22. I WOULD NOT BE SURPRISED, HOWEVER, TO FIND THAT HANOI WILL ATTEMPT TO MAKE A VIRTUE OF NECESSITY. WHILE THE MAIN REASON FOR THE LULL IN ENEMY ACTIVITY IS PROBABLY THE INCREASING STRENGTH OF FRIENDLY FORCES AND THE NECESSITY TO REPLACE THE HEAVY LOSSES HE HAS SUFFERED SINCE THE BEGINNING OF THE YEAR, HANOI MAY CHOOSE TO PORTRAY THEIR LACK OF ACTION AS RESTRAINT IF THIS SUITS THEIR NEGOTIATING TACTICS.

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B. POLITICAL

23. ATTITUDES TOWARD PEACE. THE NUMBER ONE POLITICAL QUESTION IN THE MINDS OF VIRTUALLY ALL VIETNAMESE REMAINS THE QUESTION OF PEACE. IT FIGURES IN ASSEMBLY DEBATES, THE PRESS, DINNER CONVERSATION, THE MARKET PLACE, AND MANY ASPECTS OF DAILY LIFE. FEAR OF A SETTLEMENT THAT WILL NOT GUARANTEE THE INDEPENDENCE AND FREEDOM OF THE SOUTH VIETNAMESE REMAINS WIDESPREAD, AS DOES CONCERN ABOUT AMERICAN INTENTIONS AND IMPATIENCE WITH THE PARIS TALKS. THIS CAME OUT IN THE CONTINUED DEBATE IN THE LOWER HOUSE ON THE NEED FOR A CLARIFICATION OF THE US POSITION WHICH I REPORTED ON LAST WEEK. IT CAME OUT ALSO IN DEBATE ON AN AGENDA ITEM ENTITLED "THE CABINET AND THE NATIONAL SITUATION." IN THE COURSE OF A HEATED AND UNCONCLUSIVE SESSION, THE GVN WAS BLAMED FOR NOT KNOWING WHAT IS GOING ON AT PARIS -- A SITUATION WHICH ONE DEPUTY TERMED A "NATIONAL DISGRACE."

24. WHILE THE MORE EXTREME STATEMENTS MADE IN THE RECENT ASSEMBLY DEBATES PROBABLY DO NOT REPRESENT MORE THAN A MINORITY OF VIETNAMESE OPINION, IT IS CLEAR THAT IMPATIENCE WITH THE PARIS TALKS AND THE PARTIAL BOMBING PAUSE IS WIDESPREAD. RECENT REPORTS FROM OUR OFFICERS IN I CORPS INDICATE THAT THIS IS THE GENERAL FEELING THERE AS WELL AS IN SAIGON.

25. PERHAPS IN PART AS A RESPONSE TO THE CRITICISM OF THE GOVERNMENT IN THE JUNE 27 DEBATE ON "THE CABINET AND THE NATIONAL SITUATION," THE PRIMIN ON JUNE 28 ISSUED A COMMUNIQUE WHICH WARNED THAT A SENTENCE OF "LIMITED HARD LABOR" WILL BE METED OUT TO THOSE PERSONS WHO DIRECTLY OR INDIRECTLY DISSEMINATE COMMUNIST POLICY, CARRY OUT ACTIVITIES DESIGNED TO "WEAKEN THE NATIONAL ANTI-COMMUNIST WILL," OR ADVOCATE PRO-COMMUNIST NEUTRALISM. THE COMMUNIQUE WAS SPECIFICALLY DIRECTED AT THOSE GROUPS WHICH, AS I REPORTED LAST WEEK, HAVE RECENTLY ISSUED PEACE APPEALS.

26. THE HARD LINE, NORTHERN CATHOLIC ORGANIZATION, GREATER SOLIDARITY FORCE, GOT INTO THE ACT BY ISSUING A RESOLUTION WHICH DEMANDED THE RECALL OF THE BUI DIEM MISSION TO PARIS, ASKED THE US TO END THE PARIS TALKS, AND EXPRESSED DETERMINATION TO "MOBILIZE THE POPULATION IN OPPOSITION TO THE PARIS TALKS." THE PRESS ALSO CONTINUED TO BE FULL OF EDITORIAL COMMENT ON THE WHOLE RANGE OF ISSUES CONNECTED WITH PEACE.



7. I BELIEVE THAT PART OF THE IMPATIENCE WITH THE PARIS TALKS REFLECTS THE INCREASED CONFIDENCE OF THE VIETNAMESE PEOPLE AND GOVERNMENT IN THEIR OWN ABILITY TO DEAL WITH THE ENEMY. THEY HAVE CONTINUED TO SPRING BACK FROM THE TET ATTACKS WITH THE ATTITUDE THAT THEY MUST DO MORE FOR THEMSELVES, TAKE ON GREATER SHARE OF THE BURDEN, AND MAKE GREATER SACRIFICES. THIS ATTITUDE ALSO INVOLVES THE FEELING THAT THEY NEED NOT BE AS DEPENDENT ON THE US AS THEY HAVE BEEN, AND THAT IN THEIR OWN INTEREST THEY SHOULD NOT BE. I THINK THIS IS A HEALTHY TREND.

28 ASSEMBLY ACTIVITY. ALTHOUGH THE ASSEMBLY IS NOW IN RECESS, THE PROCESS OF FORMING POLITICAL BLOCS IN BOTH HOUSES CONTINUES. JUST BEFORE THE RECESS, PRO-THIEU DEPUTIES FORMALLY ANNOUNCED A NEW PRO-GOVERNMENT BLOC IN THE LOWER HOUSE. SENATOR DANG VAN SUNG EXPECTS TO BRING A MAJORITY OF THE SENATE INTO HIS PRO-GOVERNMENT GROUPING. THE LOWER HOUSE BLOC HAS 22 MEMBERS WHILE SUNG EXPECTS ABOUT 32 OF THE 63 SENATORS IN THE UPPER HOUSE TO JOIN HIS NEW BLOC.

29. ATTITUDES: I MENTIONED THAT THE PUBLIC IMAGE OF THE GVN HAS IMPROVED RECENTLY. AT THE SAME TIME, VC ATTEMPTS TO MOBILIZE AND TAX THE POPULATION SEEM TO HAVE BACKFIRED IN MANY INSTANCES IN III AND IV CORPS. THERE WERE MANY EMBITTERED COMMENTS ON THE ENEMY'S CRUELTY AND DESTRUCTIVENESS AS WELL AS HIS HIGH TAXES.

21. IV CORPS REPORTS THAT PRO-GVN AND UNCOMMITTED PEOPLE ARE GENERALLY TENDING TO DISREGARD OR DISBELIEVE ENEMY PROMISES AND THREATS. THIS IS EVIDENCED IN THE WAY THEY ARE USING ROADS AND WATERWAYS INCREASINGLY DESPITE VC WARNINGS. URBAN PEOPLE ARE TENDING TO DISCOUNT VC THREATS OF NEW ATTACKS. MEANWHILE, RETURNEES ARE CHARGING THEIR DEFECTIONS TO "DISILLUSIONMENT WITH PROMISES OF SUCCESS AND GLORY, LACK OF ADVANCEMENT, HOLLOWNESS OF VC PROMISES, AND DISREGARD FOR PERSONAL AND FAMILY WELFARE."

#### C. PACIFICATION

31. WITH BOTH THIEU AND INTERIOR MIN KHIEM VERY RECEPTIVE TO STEPPED UP ATTACK ON VC INFRASTRUCTURE, BOB KOMER AND HIS STAFF HAVE PUSHED THROUGH A STRONG DECREE GIVING IT VITAL PRESIDENTIAL BACKING. WORKING OF THE DECREE WITH THIEU TOLD ME YESTERDAY HE HAD SIGNED IS VERY CLOSE TO THAT OF OUR DRAFT. THE MOST IMPORTANT RESULT WILL BE GREATLY IMPROVED MILITARY-POLICE COOPERATION. THIS WILL BE A MILESTONE IN THE KEY PHOENIX/PHUNG HOANG PROGRAM.

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NOTES

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FOR THE PRESIDENT FROM BUNKER.

PARIS FOR VIETNAM MISSION

~~HEREWITH MY FIFTY-EIGHTH WEEKLY MESSAGE~~

32. MEANWHILE, PHOENIX/PHUNG HOANG OPERATIONS IN GIA DINH AND SAIGON ITSELF HAVE BEEN GREATLY ACCELERATED. AN ADDITIONAL 109 PRU PERSONNEL ARE IN PLACE AND OPERATING ✓  
in GIA DINH (IT WAS A PRU TEAM THAT CAPTURED COLONEL NGOT, COMMANDER OF VN "VANGUARD" FORCES ON 10 JUNE.) ✓  
ALL OF THESE OPERATIONS ARE TIED IN WITH THE NEW CAPITAL MILITARY DISTRICT COMMAND ORGANIZATION WHICH HAS OVERALL RESPONSIBILITY FOR SAIGON'S DEFENSE.

33. KOMER'S CONTACTS IN THIEU'S OFFICE ARE MOST USEFUL IN THE PACIFICATION BUSINESS. FOR EXAMPLE, HE HAS GIVEN THIEU A LIST OF 50 INEFFECTIVE AND/OR CORRUPT DISTRICT CHIEFS. LAST WEEK THE PRESIDENT WROTE TO HUONG THAT ALL SUCH POOR DISTRICT CHIEFS BE REPLACED IN TWO WEEKS. ON TUESDAY, AP CARRIED THE STORY OF THE IMPENDING WHOLESALERE SHIFT OF DISTRICT CHIEFS, WHICH IT GOT FROM VIETNAMESE SOURCES. THIS IS A WELCOME CHANGE FROM THE PAINFULLY SLOW BUREAUCRATIC PROCESS SO TYPICAL OF THE GVN IN THE PAST. ✓

#### D. URBAN RECOVERY

34. RECOVERY FROM TET IS ESSENTIALLY COMPLETED IN 11 PROVINCES, AND ONLY FOUR PROVINCES (QUANG TRI, THUA THIEN, VINH PHU AND BINH DUONG) ARE STILL LESS THAN 50 PERCENT COMPLETED. TET EVACUEES DECLINED 33,000 TO 172,000 -- OF WHOM ONLY 36,000 REMAIN IN TEMPORARY SHELTERS. WITH CARE OF TET VICTIMS LARGELY FINISHED, ATTENTION HAS BEEN TURNED TO VICTIMS OF THE MAY-JUNE "MINI-TET" ATTACKS IN SAIGON/GIA DINH. THESE EVACUEES REMAINED AT 116,000 IN SAIGON, BUT DECREASED TO 34,000 IN NEARBY GIA DINH. COUNT OF HOUSES DAMAGED MORE THAN 50 PERCENT HAS STABILIZED AT JUST OVER 20,000. ✓

35. WAR RISK INSURANCE PLAN, WHICH WE HAVE PUSHED HARD, PASSED LOWER HOUSE THIS WEEK.



2. ECONOMIC

36. RETAIL PRICES CONTINUED TO DECLINE THIS WEEK. THE OVERALL INDEX WAS DOWN 3 PERCENT. THIS DECREASE REFLECTED PRIMARILY FALLING FOOD PRICES. MOST NON-FOOD ITEMS WERE UNCHANGED, WITH EXCEPTION OF WHITE CALICO, WHICH DECLINED CONSIDERABLY AS MANY SMALL SCALE TEXTILE FIRMS ON THE FRINGES OF SAIGON RESUMED OPERATION. AS OF NOW, PRICES ARE ONLY 5.4 PERCENT ABOVE THEIR PRE-TET LEVEL.

37. THE DECLINE IN FOOD ITEMS REFLECTED INCREASED DELIVERIES TO THE CAPITAL AREA AS SUPPLIES FROM THE PROVINCES CONTINUED AT NORMAL LEVELS. IN GENERAL, INTERDICTIONS AND HARASSMENTS OF SURFACE ROADS INTO SAIGON WERE DOWN THIS WEEK, WHICH ACCOUNTED FOR THE RELATIVELY PLENTIFUL SUPPLY OF GOODS REACHING SAIGON; THE SUBSEQUENT DROPPING OF A SPAN IN A MAIN BRIDGE ON ROUTE 4 TO THE DELTA WAS AN UNFORTUNATE SETBACK, HOWEVER. DALAT CABBAGE DROPPED 53 PERCENT FOLLOWING THE REPAIR OF A BRIDGE ON ROUTE 20 AND THE RESUMPTION OF SHIPMENTS FROM DALAT. ✓

38. ON JUNE 23, THE LOWER HOUSE PASSED THE WAR RISK INSURANCE BILL WHICH NOW GOES TO THE SENATE. ACTION BY BOTH HOUSES ON THE 20 PERCENT SURTAX BILL WAS COMPLETED ON JUNE 23. THE SURTAX ON MOST DOMESTIC TAXES IS EXPECTED TO YIELD VN \$1.5 BILLION DURING THE REMAINDER OF 1968.

39. WE HAVE REACHED AGREEMENT WITH THE GVN FOR A \$50 MILLION DEPOSIT IN A SPECIAL ACCOUNT WITH THE U.S. TREASURY FOR THE FUTURE PURCHASE OF U.S. RICE. THIS SHOULD BRING VIETNAMESE FOREIGN EXCHANGE RESERVES DOWN TO THE AGREED \$300 MILLION LEVEL.

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