

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-18

By WJ, NARA, Date 5-22-95

19

~~CONFIDENTIAL~~

ACTION

Tuesday - January 14, 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY 1969 Assistance Program for Chile

~~Handwritten~~
2. Pres file

Bill Gaud and Covey Oliver have requested your authorization to negotiate a \$68 million economic assistance package with Chile for 1969 (Tab C). The package includes a \$20 million program loan, a \$10 million agricultural sector loan, a \$36 million PL 480 agreement, and \$2 million in project loans. Orville Freeman joins Gaud in recommending your approval of the PL 480 sale agreement -- mainly for wheat, corn, and rice (Tab D).

Charlie Zwick has some reservations about Chile's economic performance and prospects. On balance, however, he recommends your approval of the whole package (Tab A).

Joe Barr is prepared to support all elements of the package except the program loan. He questions the need for balance of payments support of this magnitude, and raises other questions about the realism of AID's proposed negotiating instructions. He states that he can not weigh what he sees to be economic shortcomings in the program loan proposal against political considerations underlying our support for President Frei, and would have to leave that to your judgment. Barr is satisfied, moreover, that the arrangements governing AID lending in Chile provide reasonably satisfactory protection for the US balance of payments (Tab B).

We provided a \$20 million program loan for Chile in 1968. The final installment was released in December. Chile's performance on the self-help commitments under that loan and under an earlier agricultural sector loan of \$23 million has been reasonably satisfactory -- especially when Chile's economy is being buffeted by the worst drought in its history. As Zwick and Barr state, progress toward price stability has been slipping. The outlook is now for about 30 percent inflation in 1969 -- up from 28 percent last year. But without substantial continued foreign support, Frei's stabilization program could completely collapse. The drought has undermined both agricultural and industrial production and sent unemployment

rates skyrocketing. To deal with this temporary social and political crisis, Frei is having to divert funds for temporary jobs and emergency farm credit. So far, Chile is managing its economic crisis with considerable skill. The outlook for 1969 is not as bleak as Zwick and Barr suggest.

This assistance package has been worked out in close cooperation with the IBRD and the IMF, both of whom have negotiating teams in Chile now to work out overall agreements to support Frei's 1969 program. Our negotiating objectives in the fields of fiscal, exchange rate, and monetary policies are integral parts of this effort. For example, Chile is seeking an IMF standby, and the IMF team doubts that Chile will qualify without the prospect of the US assistance package outlined in this memorandum. It is very important to the future of Frei's economic program that we be able to negotiate our package this month in parallel with the other two international agencies. Our negotiating leverage is also augmented by simultaneous negotiations.

Critical congressional elections are scheduled for March in Chile. Frei's term runs until late 1970. His ability to continue those constructive programs in such fields as agrarian reform and education which have made Chile a leader in the Alliance for Progress depend heavily on the kind of showing his party makes in the March election. With the great strains placed on the economy by the drought, Frei needs both the assistance proposed and the strong moral support implied by a negotiating package of this type. Ambassador Korry urges your approval of the negotiations so that no time-lag can intervene in the rhythm of our support for Frei's program.

Chile has made outstanding achievements in the social and political fields under the Alliance for Progress -- and Frei is currently reasserting a strong leadership position within the Christian Democratic Party to consolidate many of these gains during his two years in office. Although Chile's economic problems are worrisome, Frei has shown remarkable tenaciousness and courage in facing up to them in recent months. I have looked carefully into the reservations expressed by Barr and Zwick, and I think they are based to some extent on a misunderstanding of recent actions taken by the Chilean Government and Congress.

On balance, I think Chile is a good bet and that President Frei deserves our full support. I recommend that you authorize negotiation of the full assistance package as outlined in the Gaud memorandum at Tab C.

W. W. Rostow

Approve —

Disapprove —

Call me —

Attachments

Tab A - Charlie Zwick's recommendation, January 6, 1969.

Tab B - Joe Barr's recommendation, January 10, 1969.

Tab C - Bill Gaud's recommendation, December 23, 1968.

Tab D - Joint recommendation by Bill Gaud and Orville Freeman, December 23, 1968.

SWLewis:mm

19c



~~CONFIDENTIAL~~

3984

196

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

JAN 6 1969

MEMORANDUM FOR THE PRESIDENT

Subject: 1969 Economic Assistance Program for Chile

Bill Gaud and Covey Oliver request your authorization to negotiate a \$68 million economic assistance package with Chile for calendar year 1969. This package consists of a \$20 million program loan, a \$10 million agricultural sector loan, a \$36 million P.L. 480 agreement, and \$2 million in project loans. AID also anticipates the need for a \$20 million program loan later in 1969 from fiscal 1970 funds.

Chile's economic prospects are bleak. The rate of inflation is rising, hitting 30% in 1968 and expected to be higher in 1969. The budget deficit is also rising. GNP growth has declined from 5% in 1966 to 2% in 1968. Production is falling and unemployment increasing. Drought and the Government's inability to restrain wage increases and limit public expenditures have been the major causes of this deterioration.

The purpose of this assistance package, like the \$20 million program loan you approved last July, is to help the Frei Government limit further economic deterioration which could benefit political extremists. It will not produce any progress toward the stabilization goals of recent years. But AID believes that the Government of Chile with this assistance may be able to hold the rate of inflation to 30% if it implements self-help measures to:

- limit government expenditure increases to 5% in real terms;
- observe the IMF standby conditions on credit expansion;
- depreciate the exchange rate equal to the cost-of-living increase.

These self-help commitments will be difficult to negotiate. Moreover, on the basis of the evidence I have seen it seems unlikely that the Chilean Government will be able to carry them out during the pre-election period.

Performance under the previous P.L. 480 agreement and the \$23 million agricultural sector loan has been uneven. Chile made some progress toward reorganizing its agricultural institutions. However, it reduced rather than increased real prices paid to farmers. With the new sector loan and

~~DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E. O. 12356,
SEC. 1.4(a).~~

DECLASSIFIED
Authority NLS 94-18
By ML/SP NARA, Date 3-6-98

~~CONFIDENTIAL~~

BY _____ ON _____

P. L. 480 agreement, we shall again seek commitments to increase incentives to farmers, i.e., to raise real prices of farm commodities and to lower the prices of agricultural inputs.

The proposed assistance program is at best an economic holding operation, the requirements for which are not entirely clear from either a Chilean budget or balance of payments point of view. Nevertheless, it has the economic advantages of:

- improving foreign exchange reserves for contingencies such as a drop in copper prices
- allowing Frei to carry on a higher level of public expenditures with less expected inflationary impact.

Gaud, Oliver, and Ambassador Korry judge our assistance to be a vital show of support for President Frei, especially on the eve of the March congressional election. They further assert that any delay in providing additional funds would risk contributing to the downfall of moderate political forces in Chile. It should be noted, however, that AID would require Frei to take some unpopular steps such as limiting expenditures, holding wage increases to below cost of living increases, and raising agricultural prices.

I recognize that the U.S. has an important political interest in the Frei Government which has moved faster than any other Latin American country toward the social and political goals of the Alliance for Progress, although handicapped by an irresponsible political opposition and a severe drought.

Balance of Payments - The funds will be used to finance imports from the U.S. Secretary Barr agrees that the tying procedures and related additionality measures proposed by AID will serve to minimize the impact of the proposed loans on the U.S. balance of payments.

J.P. Schwartz

Military Expenditures - State/AID has determined that Chile's military expenditures do not require action under either the Symington amendment or the Conte amendment.

Recommendation - On balance, I recommend that you authorize the negotiation of this assistance package.

Charles J. Zwick
Charles J. Zwick
Director

Attachment

Approve _____

Disapprove _____

19c

B



THE SECRETARY OF THE TREASURY
WASHINGTON

19d
JAN 16 1969

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: FY 1969 Assistance Program for Chile

Although I am prepared to support the agricultural sector loan, project loan and PL 480 elements in the attached memorandum, I am concerned about the financial rationale for the \$20 million program loan.

The Chilean economic program does not aim positively at stabilization. At least a 30 percent inflation rate is contemplated in 1969. Real economic growth will be minimal at best. Externally, there is no demonstrable need for assistance on balance of payments grounds even with lower world copper prices. Internally, fiscal revenues will cover less of the fiscal budget in 1969 than in 1968, but no major new tax measures are expected. Budget and wage legislation just passed by the Chilean Congress do not appear to offer a framework within which a satisfactory program can be negotiated along the lines of AID's proposed negotiating instructions. Moreover, the peak impact of the drought will only become clear in the early months of 1969. Even if the full dimensions of the problem were known, there is serious doubt that the government is capable of adopting the kind of vigorous self-help-oriented program that would be necessary to reverse the worsening economic situation.

There may be important political considerations involved in our continuing to support a liberal democratic regime in Chile, but I am not in a position to determine if the political arguments are sufficient to offset the economic shortcomings of the loan, and would have to leave that to your personal judgment. As far as protection of the U. S. balance of payments is concerned, the arrangements governing AID lending in Chile are reasonably satisfactory.

DECLASSIFIED

Authority NLS 94-22

By 14/152 NARA, Date 3-3-98


Joseph W. Barr

~~CONFIDENTIAL~~

19e

C

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

19f

~~CONFIDENTIAL~~

OFFICE OF
THE ADMINISTRATOR

DEC 23 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY 1969 Economic Assistance Program for Chile

On the recommendation of Assistant Secretary Oliver and Ambassador Korry, I am requesting your authorization to begin negotiation immediately with the Government of Chile for a 1969 economic assistance package of \$66.2 million, consisting of a program loan of \$20 million, a PL-480 program of \$36.2 million and an agricultural sector loan of \$10 million. In FY 1969 we also plan to make two project loans totaling \$2 million.

The underlying situation in Chile and the need for further economic assistance have not changed substantially since my memorandum to you on July 15, 1968, supplemented by the memorandum of August 16, 1968. In the July 15 memorandum, I indicated that we would review the need for additional assistance after taking into account the results of the Chilean congressional elections of March 2, 1969. Subsequent developments have led me to reassess the timing factor, and I now believe it to be essential that negotiations go forward as quickly as possible. Politically, President Frei is making a vigorous bid to reassert his leadership of the Christian Democratic Party prior to the March elections, while at the same time taking strong measures to avoid a new inflationary spiral. To accomplish this latter objective, which critically affects the former, he needs our support as soon as possible.

DECLASSIFIED

~~CONFIDENTIAL~~

Group 3

Downgraded at 12 year intervals;
not automatically declassified.

Authority NLJ 93-450
By mp/jw, NARA, Date 3-3-78

Our program for 1969 will have the maximum effect only if we negotiate jointly with the IMF and the IBRD early in January 1969, when the Government is making crucial decisions for the year. Unless we are in a position to negotiate at that time, we cannot expect them to commit themselves to take measures that depend in part on our assistance. It is important to start discussion of the agricultural sector loan, which provides support for agrarian reform, as early as possible in the year to utilize the leverage of the other program elements and to bring this assistance to bear on the disastrous drought situation that grips Chile. Our support, or lack of support, for this loan will be viewed in Chile as an indication of the U.S. attitude toward agrarian reform.

Chilean Performance under the 1968 Program Loan

On the basis of the analysis in the prior memoranda, you authorized the negotiation and signature of a \$20 million program loan for 1968, provided the Chileans fulfilled certain policy conditions. The loan was signed September 10, and the first tranche of \$10 million was released soon thereafter. A review of performance was held in October, with the participation of CIAP representatives, at which it was concluded that Chile had complied with virtually all of the requirements of the program loan. The second tranche of \$10 million is scheduled for release in December.

The Chilean Government limited the growth of its 1968 budget to what could be financed by non-inflationary means. It met the required monetary policy tests and did not increase its net borrowing from the Central Bank. Non-inflationary financing of total budget expenditures increased from 91 per cent to 94 per cent, and public investment priority was given to more directly productive areas such as agriculture, education, industry and mining, as agreed. Unfortunately, the Government was not able to persuade Congress to limit public sector wage increases to a level consistent with stabilization strategy. These wage increases, plus even larger private sector increases, adversely

affected the cost of living. In other areas, the Chilean Government has carried out its policies and commitments. It has moved the dollar-escudo rate parallel with the growth of the cost-of-living index and should by year end achieve some net depreciation of the escudo. It plans to continue this policy during 1969. The Government has lengthened the maturities of Chile's external debt, particularly suppliers credits, and reduced its short-term debt service burden. Meanwhile, it has continued a policy of trade liberalization, increased private capital imports, expanded non-traditional exports, taken measures to achieve additional dollar imports from the United States, and should end the year with a surplus in its balance of payments for 1968. The Chileans have agreed to some prepayment of private American bank debt and are examining the possibility of purchasing appropriate U.S. Government instruments in accordance with their commitment.

The Chilean Government has not been as successful in its stabilization policy. After reducing inflation from an increase of 38 per cent in 1964 to 26 per cent in 1965, and 17 per cent in 1966, the rate of increase in consumer prices rose to 22 per cent in 1967 and is expected to reach 28 per cent this year. The wage increases, previously mentioned, played an important part in this adverse trend. Although the Government has been fairly successful in meeting its monetary targets in the first three quarters of the year, the money supply is now increasing sharply. This poses a threat to price stability in the coming months.

GNP has lagged in the past two years with annual rates of increase dropping from approximately 5 per cent in the 1964 to 1966 period to perhaps 2 per cent, which is approximately the annual rate of population growth. Agrarian reform is proceeding, but at a slow pace. It is now further hampered by the drought and the desire not to create significant dislocations in the countryside immediately prior to the elections.

Progress under the FY 1968 Agricultural Sector Loan

This loan, for \$23 million, is almost fully committed for purchases of agricultural inputs from the U.S. It was

accompanied by a series of self-help conditions related primarily to increasing real producer prices and lowering input costs. The loan also permitted the Government of Chile to improve the organization of the diverse institutions dealing with agricultural price policy, credit, and marketing of farm products. A forward farm price policy was announced for the first time in Chile's history, all agriculture-related construction activities were coordinated in one agency, input prices were reduced and fertilizer use was increased. A significant start was made in developing a beef cattle industry in the Magallanes area, which is Chile's southernmost province and free of foot-and-mouth disease.

Adverse Effects of the Drought and Weather

According to the Chilean statements to CIAP in November, only 630,000 hectares of land can be irrigated this crop year in the central provinces compared to a normal total of 1,100,000 hectares. The decline in agricultural production, especially fruit crops and livestock, will be over \$200 million, or one-third of Chile's total normal agricultural production. The enormous loss will have a secondary effect on the industrial and commercial sectors and result in lower tax receipts for the Government. Other losses result from the necessity of moving livestock to better pastures in southern Chile. Low water levels have already resulted in sharp curtailment of hydroelectric power production throughout central Chile, where the bulk of the population lives, with one-fifth of the population without electricity each day during the work week. Industrial production is expected to decline 10 per cent as a result of power curtailments. The drought has also resulted in sharply decreased rates of repayments by farmers of loans made by various public or semi-public institutions, and this lag, coupled with the over-all budget problem, will sharply curtail the amount of new credit to farmers. Agricultural reform and redistribution of land have been slowed. The emphasis is on assisting farm owners to maintain employment, even though crops are substantially smaller, or to find alternative employment.

The drought will have a substantial adverse effect on the Chilean Government budget. Not only will general tax receipts decline, particularly in the agricultural sector, but higher copper production costs will result in lower copper company tax and dividend payments to the Chilean Government. Extraordinary expenditures in connection with the drought are indicated to have been approximately \$7 million from the budget and \$9 million in additional credit from public institutions in 1968. For 1969, the Government budget includes an additional 350 million escudos or approximately \$45 million for drought relief or drought-connected expenditures, but actual expenditures will probably run considerably above this amount.

On the external side, the drought resulted in Chilean requests to the United States in 1968 for \$2.5 million of well drilling equipment and grain silos, 50,000 metric tons of corn and 3,000 tons of rice in a PL-480 program which you approved in October. We have also expanded our programs of food distribution under PL-480 through the voluntary agencies and official channels in our effort to counteract the effects of the drought on the needy. The Chilean Government informed CIAP that it would have to import an additional amount of approximately \$70 million in commodities, mostly foodstuffs and animal feed, to offset the drought. In response to a request for PL-480 assistance, we have informed the Chileans that we are unable to recommend now a program in excess of \$36 million, but should the drought intensify and import needs increase, we would consider an amendment to increase the program.

Effects of the March 1969 Congressional Elections in Chile

President Frei's term runs until November 1970, and as he cannot succeed himself, he is already assuming the status of a lame-duck in the eyes of political opponents and important segments of his own party. The President is firmly determined to retain control of the administration of his program and achieve the major objectives of his "Revolution in Liberty." The Christian Democratic Party decided at its

recent party assembly to run the electoral campaign in March 1969 on the record of the Frei Administration, while at the same time depicting that Administration as only the first step in a process of continual reform of Chilean society.

Large unemployment in March 1969, even if caused by the drought, will adversely affect the Christian Democrats at the polls. In September 1968, unemployment in Santiago was 6.7 per cent and national unemployment in the construction industry was 21.4 per cent. The drought will bring a good deal of rural work to a halt and farm workers will have few alternative sources of employment.

To offset unemployment, the Government could theoretically step up expenditures for public works, for housing, and for industrial projects to provide alternative employment. Easing of monetary and credit restraints to permit the private sector to do more might have the same effect. These alternatives, except in very limited measure, are not available to the Government because of the danger of accelerating inflation. The budget for 1969 already represents a 5 per cent increase in real terms, the projected level to which the Government committed itself to the United States and CIAP. However, the Government did state to CIAP that extraordinary drought-related expenditures might make difficult the achievement of this expenditure ceiling. The Government was unable to prevent a cost-of-living increase of approximately 28 per cent in 1968 and will be lucky to do as well in 1969. It must contain inflationary pressures, however, for runaway inflation will damage the Christian Democratic chances in the March 1969 elections and in the even more important September 1970 Presidential election and would undo much of what has been accomplished since President Frei came to office in 1964.

If Presidential elections were held today, the consensus of American and Chilean political observers is that Jorge Alessandri, the former President of Chile, would be reelected. He advocates amending the Constitution to strengthen the powers of the executive at the expense of the legislature. His Administration was characterized by rampant inflation

toward its close, and the absence of social reform. The other prospective beneficiary of high unemployment and runaway inflation would be the candidate of the Marxist parties. Senator Allende won forty per cent of the vote against President Frei in 1964. The total Marxist vote has been relatively stable in recent years, although party splits have adversely affected Congressional election contests. Parenthetically, both Alessandri and any Marxist candidate are likely to alter significantly the Frei agreements with the American copper companies, even should they stop short of outright nationalization.

The assistance package proposed in this memorandum seeks to strengthen the political forces of the center which have developed, pursued, and continue to advocate a democratic, reform program consistent with Alliance for Progress goals.

The 1969 Program

To assist President Frei to maintain his economic and social program and at the same time deal with the effects of the drought and impending election, the present memorandum requests that you approve a \$20 million program loan, a \$36.2 million PL-480 Title I sales agreement, and a \$10 million agricultural sector loan. We also propose to process two small project loans later in the year. Consideration of an additional program loan of up to \$20 million for the second half of CY 1969 will be deferred until later in the year when we have had an opportunity to review developments again. This package is the minimum required by the Chilean Government to enable it to proceed with a coherent budget and international payments strategy for 1969. The Chilean budget, including the public sector wage readjustment, is now before Congress and must be enacted by December 31. If the budget should be passed with significantly higher expenditures than those contemplated in our negotiating instructions, without equivalent additional revenue measures, a reappraisal of our proposed negotiating position by appropriate Washington agencies would be necessary.

Program Loan

According to Country Team estimates, U.S. assistance of about \$70-\$80 million would be required in 1969 to assure balance of payments equilibrium and permit non-inflationary financing of the Government budget deficit. Because of the uncertainties in Chile's financial outlook for 1969, particularly the possibility of a drop in the copper price, I am requesting at this time authority to negotiate a program loan for only \$20 million. If the situation develops as expected by the Country Team, it is anticipated that it will be necessary to request authority for additional program lending on the order of \$20 million or more later in CY 1969 from FY 1970 appropriations.

In developing a program of self-help conditions to be negotiated pursuant to the program loan, we will work in close cooperation with the IMF, the IBRD, and CIAP. The IMF and the Chilean Government expect to be carrying on discussions for an additional standby arrangement during January 1969; we will make the negotiation of and adherence to the terms of an appropriate standby a condition of our loan.

We will seek as a minimum to negotiate the following commitments in connection with the program loan. If during the course of negotiations it seems that any of these commitments are clearly unattainable, we will consult with appropriate Washington agencies before proceeding with negotiations.

1) Fiscal Policy - A fiscal sector budget wherein the objective will be to keep the total level of expenditures for 1969 to an increase of about 5 per cent (in real terms), which is approximately equivalent to expected growth in Chilean Gross Domestic Product. Some flexibility will be required in the negotiations in view of drought-related expenditures, but any increases above the 5 per cent target will be strictly limited. We expect that the IMF standby will include a requirement that there be no net borrowing

by the Government from the Central Bank for the year as a whole. We will consult with the IMF on the detailed formulation of this condition and include the same requirement as a condition to this loan.

2) Exchange Rate Policy - The Government will continue its flexible exchange rate policy such that depreciation of the escudo in terms of the U.S. dollar will at least parallel increases in the cost of living. Our objective is to achieve depreciation of the escudo at a rate more rapid than the rise in the cost of living, thereby arriving at some net devaluation for the year as a whole.

3) Monetary Policy - The Government will negotiate a standby arrangement with the IMF for 1969, and strict observance of the conditions therein will constitute an integral condition of our assistance.

4) Balance of Payments - The Government will adopt opportunely those policies which would be required to deal with any balance of payments deficit and will adhere to its trade liberalization commitments to the IMF.

We propose to release this program loan in two equal tranches, coordinated with quarterly reviews of performance, about March 1, 1969 and May 30, 1969.

The requirement of Chile for program loan assistance is closely related to its revenues from the sale of copper. We will, as in past negotiations with Chile, obtain an agreement that in the event copper revenues for 1969 significantly exceed present estimates, the Chilean Government will use such excess to alleviate the U.S. balance of payments problem either by prepaying obligations due the U.S. or by purchasing appropriate U.S. financial instruments.

Agricultural Sector Loan

We propose to negotiate an agricultural sector loan designed to have an early impact on the drought emergency. Negotiation now is important to demonstrate continued U.S. support for

agrarian reform. President Frei's recent dismissal of the head of the Agricultural Development Institute (INDAP), and leader of the left wing of the PDC, is interpreted as a repudiation of agrarian reform instead of what it is: reassertion of Frei's control over his party. A new agricultural sector loan which clearly emphasizes loans to small farmers will demonstrate that the U.S. has not ceased to support this important Alliance objective. A second important timing factor is to conclude the loan in time to have the credit available to the drought-stricken farmers by the planting season in April/May.

The proposed \$10 million loan would have two elements. The first \$5 million would generate local currency for an emergency credit program for small and medium-sized farmers participating in the Chilean agrarian modernization program and would cover costs of technical assistance in the area of water resource development. The second part of the loan would provide additional agricultural inputs, such as fertilizer, insecticides, and machinery.

We would seek to negotiate a program of agricultural commitments for the coming year covering the following points:

1) Continuation of agricultural price policies initiated in 1968 including:

--a specific commitment to maintain the real price for wheat in 1970 at a level 20 per cent above 1964 (which is equal to the 1966 level) and 4 per cent above the 1968 level.

--an agreement to make forward price announcements for an agreed list of key commodities.

--continuation of free prices for slaughtered beef carcasses.

2) Continuation of real fertilizer prices at the 1968 level;

3) Development of a comprehensive approach to the problem of water resource development and use, including

better institutional coordination and investment planning;

4) Completion, prior to the release of any funds under this loan for fertilizer procurement, of the fertilizer distribution study presently in progress, and consultations with A.I.D. to develop a program to rationalize the production, import, and distribution of fertilizer.

PL-480 Sales

The Secretary of Agriculture and I are requesting in a separate memorandum your authorization to negotiate a PL-480 Title I sales agreement, as part of the over-all 1969 Chile assistance package. This agreement will provide approximately 225,000 tons of wheat, 20,000 tons of rice, 200,000 tons of corn, 11,000 tons of soybean oil and/or cottonseed oil, 7,000 tons of non-fat dry milk, and 700 tons of unmanufactured tobacco. The value of this sale is approximately \$36.2 million. The local currency generated will be used to support the Chilean Government's investment budget. Chile has made satisfactory progress in fulfilling the agricultural self-help conditions for both the agricultural sector loan and the PL-480 Title I sales agreement of last year. We plan to continue the same general self-help conditions for this agreement, emphasizing price policy and the level of agricultural investment.

Project Loans

Two project loans are expected to be ready for approval in FY 1969. The first would be a loan of \$1.5 million, mostly for U.S. dollar costs, for a sawmill to be constructed by a construction materials cooperative to improve the supply and quality of Chilean building materials. The second loan would provide \$500,000 for a revolving scholarship fund to cover costs of Chilean students studying in the United States.

Effects on U.S. Balance of Payments

Of the total FY 1969 U.S. assistance for Chile of \$68.2 million, the bulk will be for financing of directly additional U.S. goods and services. The PL-480 program of \$36.2 million

will cover costs of U.S. agricultural commodities and shipping services. The second tranche of the agricultural sector loan, \$5 million, will be for direct purchases of agricultural inputs and shipping services from the U.S. The proposed project loans of \$2 million will be for financing dollar costs of project requirements. The program loan of \$20 million and the first tranche of the agricultural sector loan, \$5 million, will generate counterpart funds under Special Letter of Credit procedures, and the dollars will be used to purchase general imports and services from the U.S. under a system designed to preserve, and if possible increase, the U.S. share of the Chilean import market. This system involves the use of a positive list and special incentives in order to promote rapid disbursement of the loan. The U.S. share of the Chilean commercial import market at present is about 30 per cent, which compares with a level of about 24 per cent in 1961-62.

Symington Amendment Determination

State/A.I.D., in consultation with the inter-agency advisory committee concerned with the implementation of Section 620 (v) (The Symington Amendment) of the Foreign Assistance Act of 1961, as amended, have determined (a) that Chile's resources are not being diverted to unnecessary military expenditures to a degree which materially interferes with its development, and (b) that neither U.S. development assistance nor PL-480 sales proceeds are diverted by Chile to military purposes. Among the principal factors in this determination are the following:

1) Defense expenditures averaged 2.2 per cent of the GNP for 1966-67 and have remained steady at about that level since 1962. This is very close to the median of about 2.0 per cent for the six largest countries in Latin America.

2) Defense expenditures averaged 7.5 per cent of total Central Government expenditures for 1966-67, which is well below the median of 10.9 per cent for the six largest countries of Latin America. The trend has been slightly downward: from 9.4 per cent in 1963 to 7.1 per cent in 1967.

3) While data are incomplete, it appears that foreign exchange spent for defense averaged 0.7 per cent of total imports of goods and services for 1966-67, which is above the median for the six largest Latin American countries of 0.3 per cent. However, since 1961 the information indicates that the percentages have been higher only in years of high economic growth and have decreased in years with less growth.

4) For 1968 and 1969 military expenditures are expected to increase slightly, reaching about 9.3 per cent of total Central Government expenditures and 2.4 per cent of Gross National Product by 1969. Foreign exchange expenditures in 1969 are expected to rise to about 1.4 per cent of total imports of goods and services. These increases are not expected to alter significantly the relationships between defense expenditures, GNP, and total Government expenditures.

5) The Country Team has reported that there is no evidence of U.S. development assistance or PL-480 sales proceeds being diverted to military expenditures.

Conte Amendment

No sophisticated weapons systems have been purchased by the Chilean Government in this fiscal year. The Mission has indicated that the Chilean Government may in the near future purchase nine additional Hawker-Hunter aircraft amounting to \$4.1 million.

In the event that a purchase of sophisticated aircraft is made, an appropriate amount will be withheld from the agricultural sector loan in order to comply with Section 620 (v) of the Foreign Assistance Act. The Loan Agreement for the Agricultural Sector Loan will contain a provision which will permit such withholding.

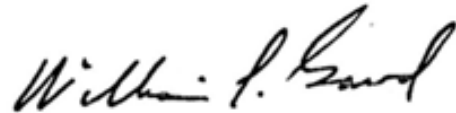
Recommendations:

In accordance with the foregoing, I recommend that you approve an A.I.D. package for Chile of \$66.2 million, made up as follows:

a) A 1969 program loan totaling \$20 million, the final loan authorization to be subject to the usual inter-agency review and approval process following forthcoming negotiations;

b) An agricultural sector loan of \$10 million, the loan to be submitted to the inter-agency review and approval process when ready later this fiscal year;

c) A PL-480 Title I sales agreement valued at about \$36.2 million.



William S. Gaud

195

D

~~CONFIDENTIAL~~

192

DEC 23 1968

To: The President

DECLASSIFIED

Subject: Public Law 480 Program with Chile

Authority NLT 94-23
By mp/jw NARA, Date 3-3-98

We recommend that you authorize us to negotiate a PL 480 sales agreement with Chile to provide, during CY 1969, approximately 225,000 tons of wheat/wheat flour, 20,000 tons of rice, 200,000 tons of corn, 11,000 tons of soybean and/or cottonseed oil, 7,000 tons of non-fat dry milk, and 700 tons of unmanufactured tobacco, for which the total current export market value (including applicable ocean transportation costs) is \$36.2 million. The proposed terms are payment in dollars of 10 percent on delivery, a 5 percent currency use payment as provided for under Section 103(b) of the Act (Purcell Amendment) which will reduce U.S. dollar expenditures for local currency by approximately \$1.7 million compared to estimated annual expenditures of \$6.0 million, and the balance in 19 approximately equal annual installments; interest would be 2 percent per annum prior to due date of first installment payment and 3 percent thereafter. The Departments of State and Treasury concur.

Need for Program

During the past year Chile has suffered one of the worst droughts in its history. This has had disastrous results not only for Chilean agriculture, but for the entire economy. In the agricultural sector, the major damage was in Chile's main agricultural region, particularly for grain crops and pasture. The drought has had a serious impact on sectors other than agriculture, because of the electric power shortage resulting from lack of water to run the hydroelectric generators. Increased unemployment, particularly in the rural areas, combined with losses in revenue are placing a severe financial strain on the Government budget, and additional financing will be urgently required for 1969. This PL 480 program will not only directly assist Chile in this emergency by providing badly needed commodities, but will provide additional financial resources to the budget to assist in alleviating the financial impact of the drought.

Self-Help Measures

The Government of Chile's performance regarding the self-help conditions in the current PL 480 sales agreement (signed December 29, 1967) has been satisfactory. With two exceptions, the self-help conditions have been fully met

~~CONFIDENTIAL~~

The goal of achieving a 5.8 percent growth in agricultural production has not been possible because of the disastrous drought; it is not yet clear what the actual rate of growth will be, but it will certainly fall short of the target. The other condition that has not been met is the requirement to maintain real agricultural prices, particularly the price of wheat, at the 1966 level (the highest ever reached in Chile). Considerable progress was made in making timely forward price announcements to permit better planning by farmers, but it is only within the past few weeks that our Country Team and the Chilean Ministry of Agriculture have finally been able to determine appropriate techniques that should permit maintenance of the real price level for agricultural commodities in the face of inflation.

In negotiating this agreement, we will seek further commitment from the Chilean Government with respect to agricultural self-help measures. The maintenance of real agricultural prices will again be a key condition, as well as the requirement that the Government maintain the relative share of agriculture in public investment expenditures at least at the level of 12.9 percent achieved in 1968.

Military Expenditures Review

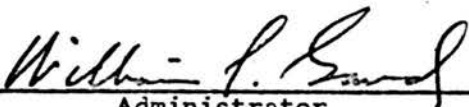
State/AID, in consultation with the Interagency Advisory Committee concerned with implementation of Section 620(s) of the Foreign Assistance Act of 1961, as amended, has determined: (a) that Chile's resources are not being diverted to unnecessary military expenditures to a degree which materially interferes with Chile's development, and (b) that neither United States' development assistance nor PL 480 sales proceeds are being diverted by Chile to military purposes. A summary of the State/AID conclusion is attached.

Recommendation

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

December 19 1968

DEC 23 1968



Administrator

Agency for International Development



Secretary

Department of Agriculture

Approve: _____

Disapprove: _____

January 14, 1969

MR. PRESIDENT:

NMCC informed the Situation Room that a bomb exploded on the flight deck of the USS ENTERPRISE setting off a fire.

The fire is under control at this time.

Several injuries resulted and medical aid has been requested from Pearl Harbor.

USS ENTERPRISE is presently 76 miles from Pearl Harbor.

W. W. Rostow

SECRET/HARVAN PLUS **Tues., a. 14, 1969**
11:10 a. m.

People
21

MR. PRESIDENT:

Here is the hopeful message from
Paris telephoned by Vance this morning.

W. W. Rostow

SECRET/HARVAN PLUS attachment

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *ly*, NARA, Date *3-5-98*

January 14, 1969

Ambassador Vance called on the Secure Phone at 10:00 a.m.

1. Oberemko came in this afternoon to see Harriman and Vance.
2. Oberemko saw the DRV delegation last night after he saw Vance and he reported that he had "good reason to believe" that the following proposal would be acceptable to the DRV and the NLF:

(a) Seating - A circular unmarked table with two rectangular tables at opposite points of the circle 45 centimeters from it (the same proposal he made yesterday to Vance except for specification of the distance of the two smaller tables).

(b) No flags or name plates.

(c) Order of Speaking - France would draw lots to determine which side spoke first. They would inform the side that had the winning lot and that side would speak first with two speeches permitted. The order of speaking would then alternate, other side, our side, etc.

3. Oberemko indicated that he was pressing hard to have agreement reached on these procedural matters tomorrow, and he indicated that time is of the essence.

Comment:

Harriman and Vance, based on past experience, think Oberemko's report can be taken as accurate. They recommend that we authorize Bunker to mention this new proposal to the GVN and get its concurrence (a) to accept the Oberemko proposal, and (b) to authorize the fall back to an unmarked circular table in case Oberemko is unable to deliver the other side on his proposal. The Paris delegation believes the GVN will readily accept this new proposal and they would like to be able to inform Oberemko of this fact tomorrow morning (Paris time).

Benjamin H. Read

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

By g NARA, Date 3-5-86

CONFIDENTIAL Tuesday Jan. 14, 1969
9:30 a. m.

People

22

MR. PRESIDENT:

Tommy's last talk with a high Soviet official is attached and may interest you, including, especially, the final paragraph (8).

W. W. Rostow

CONFIDENTIAL attachment (Moscow 146)

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/91, State Dept. Guidelines
By *g*, NARA, Date 3-5-98



Department of State

22a
TELEGRAM

~~CONFIDENTIAL~~ 132

PAGE 01 MOSCOW 00146 01 OF 02 131510Z

43
ACTION SS: 70

INFO CIAE 00, /070 W

R 131335Z JAN 69
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 908.

070348

Rostow

~~CONFIDENTIAL~~ SECTION 1 OF 2 MOSCOW 146

LIMDIS

1. POLYANSKY RECEIVED ME FOR AN HOUR THIS MORNING. KORNIENKO AND AN UNIDENTIFIED AID WERE PRESENT. HE SAID HE HAD TALKED BY TELEPHONE TO KOSYGIN WHO HAD EXPRESSED HIS REGRET AT NOT BEING ABLE TO RECEIVE ME AND SENT HIS BEST WISHES. AFTER AN EXCHANGE OF COMPLIMENTS, I SAID THAT I HAD RECEIVED NO INSTRUCTIONS WHATEVER AS TO WHAT I SHOULD SAY TO HIM, DOUBTLESS DUE TO THE FACT THAT WE WERE IN THE PERIOD OF TRANSITION FROM ONE ADMINISTRATION TO ANOTHER. ~~THEREFORE WHAT I HAD TO SAY WAS ENTIRELY PERSONAL AND ON MY OWN RESPONSIBILITY.~~

2. I NOTED THAT I HAD SPENT NEARLY ELEVEN YEARS IN THE SOVIET UNION OVER A PERIOD OF SOME 27 YEARS. IT HAD BEEN FASCINATING TO OBSERVE THEIR PROGRESS AND THE CHANGES THAT HAD BEEN MADE. ALTHOUGH THEY HAD MADE GREAT MATERIAL PROGRESS, I THOUGHT THEIR GREATEST ACCOMPLISHMENT WAS THE FORMAL AND CULTURAL EDUCATION OF THEIR VAST POPULATION. I KNEW THAT HE WAS PARTICULARLY INTERESTED IN AGRICULTURE, AND I THOUGHT THAT IN THE LAST FEW YEARS THEY HAD MADE IMPORTANT PROGRESS IN THIS AREA. SPEAKING FRANKLY, I HAD BEEN GREATLY DISAPPOINTED OVER THE DEVELOPMENT OF OUR RELATIONS DURING THE TWO YEARS THAT I HAD SPENT HERE ON THIS ASSIGNMENT, AND I KNEW THAT THE COURSE OF OUR RELATIONS HAD NOT LIVED UP TO THE HOPES AND EXPECTATIONS OF PRESIDENT JOHNSON. AS HE KNEW, MUCH OF THIS WAS DOUBTLESS DUE TO A NUMBER OF CIRCUMSTANCES INCLUDING THE PROBLEMS OF VIETNAM AND MORE RECENTLY CZECHOSLOVAKIA. WHEN I CAME HERE PRESIDENT JOHNSON HAD AUTHORIZED ME TO TRY TO ARRANGE FOR VISITS OF HIGH LEVEL SOVIET OFFICIALS TO THE UNITED STATES, BUT IT SEEMED THAT DURING THESE TWO YEARS ~~THERE WAS ALWAYS SOME PROBLEM WHICH MADE SUCH VISITS INOPPORTUNE.~~

~~CONFIDENTIAL~~
28

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By *[Signature]* NARA, Date 3-5-98



Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 02 MOSCOW 00146 01 OF 02 131510Z

3. I SAID THAT APART FROM SPECIFIC ISSUES, THERE WAS ONE GENERAL OBSTACLE TO THE IMPROVEMENT OF OUR RELATIONS AND THAT WAS THEIR RIGID ADHERENCE TO THEIR IDEOLOGY. I SAID I THOUGHT THE CHINESE COMMUNISTS HAD DONE US BOTH A DISSERVICE BY CONSTANTLY ATTACKING THEM AS REVISIONISTS WHICH MADE THEM SENSITIVE TO THIS PROBLEM. IN MY VIEW REVISION WAS WHAT WAS VERY MUCH NEEDED, AS TIME DID NOT STAND STILL AND NO IDEOLOGY COULD REMAIN COMPLETELY VALID WITHOUT CHANGE. I FELT JUSTIFIED IN RAISING THIS MATTER BECAUSE IT DID AFFECT OUR RELATIONS, PARTICULARLY IN THE WAY THAT THEY LOOKED AT THE ISSUES THAT AROSE BETWEEN US AND THE DEVELOPMENTS THAT OCCURED THROUGHOUT THE WORLD. I SAID THAT THEY APPEARED TO TRY TO FIT EVERY DEVELOPMENT IN TERMS OF THE CLASS STRUGGLE, MEANING THAT BETWEEN THE PROLETARIAT AND THE BOURGEOISIE. I SAID I THOUGHT SUCH A CLASS STRUGGLE WAS NO LONGER RELEVANT IN THE WORLD OF TODAY. THERE WERE CLASSES BOTH IN THE UNITED STATES AND THE SOVIET UNION, BUT THE MOST IMPORTANT ONES WERE BETWEEN YOUNG AND OLD, POOR AND RICH AND IN OUR CASE, BLACK AND WHITE. I THOUGHT THEIR ATTEMPT TO LOOK AT VIRTUALLY ALL PROBLEMS IN THE WEST IN TERMS OF WORKERS AND CAPITALISTS CAUSED THEM TO INCORRECTLY ANALYZE MANY PROBLEMS, AND I SUGGESTED THAT HE ASK SOME OF THEIR RESEARCH PEOPLE TO RE-EXAMINE SOME OF THE ISSUES THAT HAD ARISEN BETWEEN US OVER THE LAST TEN OR 20 YEARS. I THOUGHT IT WOULD BE USEFUL IF THEY ATTEMPTED TO SEE WHAT THEY THOUGHT OUR PURPOSES WERE AT THE TIME THESE ISSUES AROSE, AND WHAT THE NATURE OF THESE PROBLEMS WERE AT THAT TIME AND WHAT NOW IN RETROSPECT THEY THOUGHT ABOUT THEM. I ADMITTED THAT IT MIGHT BE USEFUL FOR US TO DO THE SAME THING AS I THOUGHT WE OFTEN MISREAD THEIR POLICIES.

4. I APOLOGIZED FOR MAKING THESE PHILOSOPHICAL REMARKS, BUT THOUGHT THAT TO A LARGE EXTENT THE FATE OF THE WORLD DEPENDED UPON UNDERSTANDING BETWEEN OUR TWO GOVERNMENTS.

5. IN REPLY, POLYANSKY BEGAN BY AGREEING WITH MY LAST REMARK, BUT THOUGHT THAT THERE HAD BEEN CONSIDERABLE PROGRESS IN THE DEVELOPMENT OF OUR RELATIONS EVEN DURING THE LAST COUPLE OF YEARS. NOT ENOUGH HAD BEEN DONE, BUT THE RESULT WAS NOT BAD. HE AGREED COMPLETELY WITH THE NEED FOR GREATER PERSONAL CONTACTS, INCLUDING THOSE AT THE TOP LEVEL. WITH RESPECT TO IDEOLOGY, HE THOUGHT NEITHER OF US WOULD CONVINC THE OTHER OF THE CORRECTNESS OF OUR VIEWS. WITH RESPECT TO THE CLASS STRUGGLE, HE THOUGHT THAT EVEN THE PROBLEM OF BLACK AND WHITE WAS PART OF THE CLASS STRUGGLE BECAUSE THE BLACKS WERE POOR. HE SAID THAT THE PROBLEMS OF YOUTH WERE EVERYWHERE, BUT

~~CONFIDENTIAL~~

2



Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 03 MOSCOW 00146 01 OF 02 131510Z

THEY WERE NOT PARTICULARLY CONCERNED IN THE SOVIET UNION AS THEY
THOMPSON

~~CONFIDENTIAL~~

28



Department of State **TELEGRAM**

~~CONFIDENTIAL~~ 232 POSS DUPE

PAGE 01 MOSCOW 00146 02 OF 02 131553Z

43
ACTION SS 70

INFO CIAE 00,1070 W

..... 070700

R 131335Z JAN 69
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 909

~~CONFIDENTIAL~~ SECTION 2 OF 2 MOSCOW 00146

LIMDIS

THOUGHT THESE WERE MANAGEABLE. WITH RESPECT TO CRISES, HE HAD RECENTLY READ MR. NIXON'S BOOK ON SIX CRISES, AND SAID THAT WHILE HE DID NOT AGREE WITH ALL OF IT, IT DID CONTAIN SOME INTERESTING IDEAS. WE DID HAVE MANY PROBLEMS, BUT HE THOUGHT THAT THEIR SOLUTION DEPENDED IN A LARGE DEGREE UPON THE UNITED STATES. HE MENTIONED PARTICULARLY THE MIDDLE EAST AND SAID THAT IF WE WOULD SUPPORT THEIR PROPOSALS WITH ISRAEL, THE PROBLEM COULD BE SOLVED. THEY HAD PUT THEIR PROPOSALS TO US BUT HAD RECEIVED NO REPLY. I INTERJECTED THAT I UNDERSTOOD THEY WOULD RECEIVE OUR COMMENTS BEFORE THE END OF THIS WEEK. HE MENTIONED THAT TRADE BETWEEN OUR TWO COUNTRIES HAD VIRTUALLY DRIED UP AND THOUGHT THIS WAS A PITY. HE THOUGHT THERE WAS GREAT ROOM FOR DEVELOPMENT, BOTH IN TRADING GOODS AND EXPERIENCE IN VARIOUS FIELDS. HE MENTIONED SUCH MATTERS AS THE TREATMENT OF CANCER AND THE POPULATION EXPLOSION WITH RESULTANT HUNGER THROUGH THE WORLD. WE COULD COOPERATE ON THESE PROBLEMS REGARDLESS OF OUR SOCIAL SYSTEMS.

6. I BROUGHT UP THE QUESTION OF COOPERATION IN THE FIELD OF SPACE EXPLORATION AND SAID THAT I REALIZED THERE WERE SOME LIMITS UPON WHAT WE COULD DO BECAUSE OF THE RELATIONSHIP OF THIS TO MILITARY MATTERS, BUT WE SHOULD AT LEAST BE ABLE TO EXCHANGE INFORMATION WHICH WOULD DIMINISH THE DANGERS TO OUR ASTRONAUTS. I THOUGHT ALSO THAT IN VIEW OF THE TREMENDOUS COSTS OF THESE PROGRAMS, WE COULD USEFULLY TO SOME EXTENT DIVIDE UP THE FIELD AND AVOID DUPLICATION. I ALSO SAID I THOUGHT THAT ONE TO THE MOST PROMISING FIELDS WAS THAT OF DISARMAMENT AND I FELT SURE THAT OUR MISSILE TALKS COULD SUCCEED BECAUSE THEY WERE SO GREATLY IN OUR MUTUAL INTEREST. THE ARMS RACE HAD BECOME INCREDIBLE EXPENSIVE AND WE BOTH HAD NEED OF OUR RESOURCES IN DEALING WITH DOMESTIC

~~CONFIDENTIAL~~

3/



Department of State

TELEGRAM

~~CONFIDENTIAL~~

PAGE 02 MOSCOW 00146 02 OF 02 131553Z

PROBLEMS. ONE OF THE DIFFICULTIES IN DEALING WITH THESE PROBLEMS WAS THE GREAT DISTRUST BETWEEN US AND THIS WAS WHY I ATTACHED SO MUCH IMPORTANCE TO THE DEVELOPMENT OF OUR EXCHANGE PROGRAMS AND VISITS ON ALL LEVELS.

7. IN CONCLUSION, I SAID I THOUGHT THEY HAD FORMED A WRONG IMPRESSION OF MR. NIXON SO FAR AS THEIR INTERESTS WERE CONCERNED. I SAID I ~~ENVIED MY SUCCESSOR~~ AS I WAS CONVINCED THAT A NUMBER OF IMPORTANT ISSUES BETWEEN US WERE NOW RIPE FOR SOLUTION AND WOULD BE RESOLVED DURING MR. NIXON'S ADMINISTRATION.

8. POLYANSKY SAID THAT HE HAD READ REMARKS OF MR. NIXON'S INCLUDING ONE TO THE EFFECT THAT HE FULLY SUPPORTED MR. DULLES' VIEWS ON DEALING WITH COMMUNISTS, BUT HE SAID WITH A SMILE THAT COMMUNISTS WERE ABLE TO FORGET THE PAST. HE POINTED OUT MOREOVER THAT WHEN MR. NIXON BECAME PRESIDENT AND ASSUMED THE TREMENDOUS RESPONSIBILITIES OF THE PRESIDENCY, HE WOULD HIMSELF BE A DIFFERENT PERSON. THE SOVIET GOVERNMENT WOULD JUDGE HIM BY HIS ACTIONS AND IF HE DISPLAYED GOOD WILL, HE AGREED THAT MUCH PROGRESS COULD BE MADE IN OUR RELATIONS. HE CONCLUDED BY ASKING ME TO TRANSMIT GREETINGS FROM KOSYGIN TO BOTH PRESIDENT JOHNSON AND MR. NIXON. THOMPSON

~~CONFIDENTIAL~~

31

~~SECRET~~

23

Lunch Meeting With the President
Tuesday, January 14, 1969 -- 1:00 p.m.

AGENDA

1. Vietnam. (Sec. Rusk and Sec. Clifford)
 - Paris Situation report.
 - Military situation report and expected operations.

2. Middle East. (Sec. Rusk)
 - Response to Soviet note.

3. Strategic missiles. (Sec. Rusk and Sec. Clifford)
 - Next steps.

4. Other.

W. W. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By H, NARA, Date 3-5-98

WWRostow:rla

~~SECRET~~

PROCESSING NOTE:

#24 not used in this file

MP 3/20/98

INFORMATION

25

~~TOP SECRET~~

Monday, January 13, 1969
12:35 p. m.

Pres file

Mr. President:

Herewith Abrams' assessment of the situation, resulting from his latest meetings with his commanders. You will wish to note particularly para. 4.

W. W. Rostow

MAC 509

~~TOP SECRET~~

WWRostow:rlh

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By *[signature]* NARA, Date 3-5-86

ETHY ONLY

~~TOP SECRET~~

RECEIVED
WHCA

25a

1969 JAN 13 14 00

ZCZCQAA339
 ZCZCQAA339
 OO YEKADS
 DE YSNKQA 21 0131331
 O 131306Z ZYH ZFF-5
 FM GEN WHEELER CJCS
 INFO WHITE HOUSE (MR ROSTOW) _____
 STATE (MR RUSK)
 CIA (MR HELMS)
 O 121005Z ZYH ZFF-3
 FM GEN ABRAMS COMUSMACV
 TO ADM MCCAIN CINCPAC
 INFO GEN WHEELER CJCS
 ZEM

Rostow

~~TOP SECRET~~ MAC 509 EYES ONLY

1. (U) REFERENCE: MAC MSG 17641 DTG 2809057Z DEC 68.
2. (TS) YESTERDAY (SATURDAY) WE HAD ONE OF THE FINEST COMMANDERS' CONFERENCES TO DATE. IT LASTED THE GREATER PART OF THE DAY. IN ADDITION TO OUR OWN COMMANDERS, WE HAD IN ATTENDANCE, ADMIRAL BRINGLE, COMSEVENTHFLEET, WITH MEMBERS OF HIS STAFF, AND FOR THE MORNING SESSIONS, AMBASSADOR BUNKER.
3. (TS) THE PURPOSE OF THE CONFERENCE WAS TO REVIEW THE CURRENT SITUATION AND TO CONSIDER FRIENDLY ACTIONS AGAINST THE ENEMY OPTIONS OUTLINED IN REFERENCE. EACH COMMANDER PRESENTED HIS CONCEPT OF OPERATIONS AGAINST THE FULL GAMUT OF ENEMY OPTIONS; FIRST WITH HIS CURRENTLY ASSIGNED FORCES AND THEN, WITH INCOUNTRY REINFORCEMENTS THAT MIGHT BE MADE AVAILABLE SHOULD ENEMY OPTIONS DEVELOP AS POSTULATED. I MUST SAY THAT ALL PRESENTATIONS WERE OF THE HIGHEST PROFESSIONAL CALIBER. AS A RESULT OF THESE PRESENTATIONS AND THE DISCUSSIONS WHICH FOLLOWED, I HAVE REACHED SEVERAL CONCLUSIONS AND TENTATIVE DECISIONS AS FOLLOWS:

A. THE ENEMY IS PUTTING FORTH A SUSTAINED EFFORT IN LOGISTICS BUILDUP JUST NORTH OF THE DMZ. THE SAME IS TRUE OF HIS SUPPLY OPERATIONS IN THE LAOTIAN PANHANDLE; ALSO THROUGH SIHANOUKVILLE TO BORDER SANCTUARIES IN CAMBODIA, FROM THE DELTA TO NORTHERN II CORPS. AT THE MOMENT, THE ENEMY IS RESTRAINING HIMSELF FROM CROSSING THE DMZ IN FORCE. IN THE LAOTIAN PANHANDLE, WE ARE HAVING ONLY LIMITED SUCCESS IN REDUCING HIS THROUGH PUT SINCE 15 DEC; FOR THE SECOND WEEK IN SUCCESSION OVER FIFTY PER CENT OF THE ARC LIGHT STRIKES HAVE BEEN USED IN LAOS. IN THE CAMBODIAN SANCTUARIES, IT'S ANOTHER STORY. THE ENEMY'S SUPPLIES INTO AND THROUGH THAT COUNTRY ARE UNIMPEDED BY FRIENDLY FORCES. THE GREATEST THREAT COMES FROM THE ENEMY FORCES ASTRIDE THE CAMBODIAN-SOUTH VIETNAM BORDER.

PRESERVATION COPY

DECLASSIFIED

E.O. 12056, Sec 3.3

DA Memo. Jan. 5, 1968

By NARA Date 3-5-98

B. THE FORMAL THRUST OF OUR OPERATIONS AND THE AZIMUTH ON WHICH WE ARE TRAVELING ARE CORRECT. THE MOST IMPORTANT OBJECTIVE, THE ONE WITH THE HIGHEST PAYOFF, IS THE ACCELERATED PACIFICATION PROGRAM. THE MOMENTUM OF PACIFICATION HAS GOT TO BE MAINTAINED ALONG WITH ANY OTHER ACTIONS THAT TAKE PLACE.

C. THE RESOURCES CURRENTLY AVAILABLE TO MACV ARE SUFFICIENT TO MEET ANY OR ALL OF THESE THREATS SIMULTANEOUSLY, PROVIDED OUR CARDS ARE PLAYED AT THE RIGHT TIME AND PLACE. SUCH EXECUTION IS ESSENTIAL IN ORDER TO ASSURE NO REDUCTION IN PACIFICATION MOMENTUM. WE ARE WORKING FOR THE DEGREE OF INTELLIGENCE ACCURACY THAT WILL PERMIT THIS.

D. FOR THE TIME BEING, FORCES WILL REMAIN AS CURRENTLY DISPOSED. A SLIGHT ADJUSTMENT WILL BE MADE IN THE VICINITY OF THE PARROT'S BEAK WHERE KERWIN IS BEING AUTHORIZED TO OPERATE WITH THE AIR CAVALRY IN KIEN TUONG PROVINCE USING THE VAM CO TAY AS AN AXIS. THE CAVALRY'S OPERATIONS WILL BE IN CONJUNCTION WITH NAVFORCEV INTERDICTION OPERATIONS (GIANT SLING SHOT) UP THE VAM CO DONG AND VAM CO TAY RIVERS. THE COMBINATION OF WATERWAYS, LAND, AND AIR PATROLS IS INCREASING THE EFFECTIVENESS OF INTERDICTION OF ENEMY LOC'S AND INFILTRATION.

E. AS LONG AS THE PRIMARY THREATS ARE ON ALMOST OPPOSITE FLANKS, IT LOOKS AS IF THE REINFORCEMENTS FOR EITHER WILL COME FROM THE CENTER, I.E., II CTZ. ACCORDINGLY, RAY PEERS HAS BEEN GIVEN A MISSION TO FURNISH UP TO 2 BRIGADES FOR REINFORCEMENT. AS THE SITUATION LOOKS NOW, THE EMPLOYMENT IF REQUIRED WOULD BE IN I CTZ. WE SHOULD BE ABLE TO HANDLE THE CURRENT THREAT IN THE III CTZ WITH THE TROOPS NOW THERE.

4. (TS) IT APPEARS TO ME THAT THE ENEMY MUST GENERATE SOME TYPE OF STRONG REACTION AGAINST THE SUCCESSES OF THE PACIFICATION PROGRAM. I DON'T SEE HOW HE COULD DO OTHERWISE. THIS COULD TAKE THE FORM OF A MAIN FORCE GROUND ATTACK, A PACIFICATION FIGHT AT THE VILLAGE AND HAMLET LEVEL, OR A COMBINATION OF THE TWO, JUST AS WE ARE DOING. IN ANY EVENT, I EXPECT HIM TO MAKE A MAJOR EFFORT. THIS IS WHAT WE ARE LOOKING FOR AND PLANNING AGAINST. SMASHING SUCH A REACTION PROMPTLY AND COMPLETELY IN ALL ITS FORMS COULD BE THE WATERSHED EVENT THAT WOULD LEAD ALL PARTIES TO RECOGNIZE AND ACCEPT A REALISTIC ASSESSMENT OF THE U. S. POSITION.

GP-1

900

INFORMATION

24

~~SECRET~~/HARVAN PLUS

Monday, January 13, 1969
12:30 p. m.

Mr. President:

Herewith Oberemko in Paris tests us on a compromise proposal, which Vance reports by telephone.

It is in the right direction; but we shall have to see if:

- the Hanoi delegation buys it;
- the other elements in the package are all right.

W. W. Rostow

~~SECRET~~/HARVAN PLUS

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-336
By ing, NARA, Date 1-11-93

Pres file

WWRostow:rln

~~SECRET/NODIS/HARVAN/PLUS~~

January 13, 1969

262
DECLASSIFIED

Authority NLT 91-335

By mp/ls NARA, Date 2-27-98

Ambassador Vance called on the Secure Phone at 10:30 a.m.

1. Oberemko called on Vance and Harriman this morning at Oberemko's request.
2. Oberemko said that he was putting forward a procedural compromise proposal. He said it was authorized by his Ambassador but not by the Soviet government and it was simply a personal initiative by Zorin and Oberemko designed to break the deadlock.
3. Oberemko suggested a round table with two small rectangular tables adjacent at opposite sides - the closer to the round table the better from the U.S. point of view, the further removed ^{the better} from Hanoi's point of view.
4. He said that Lau was coming to see him tonight and he asked if Harriman and Vance had any reaction to his proposal.
5. Harriman and Vance said they could not get a Governmental position on this proposal or commit the GVN on the matter today. They pressed Oberemko to make sure that his proposal was part of an overall package deal in which the drawing of lots for the order of speaking was satisfactorily resolved as well, and Oberemko said he considered it a part of an overall solution. Harriman and Vance did not encourage him but asked him to put the matter to Lau without any commitment on our part at this time.

Comment

The delegation suggests that we not advise the GVN on this move at this time but let Bunker continue to press Thieu to go to the fall-back proposal of a round unmarked table until we know whether Oberemko's idea is acceptable to the DRV - which they doubt.

~~SECRET/NODIS/HARVAN/PLUS~~

Pres file

Monday, January 13, 1969 -- 9:30 a. m.

Mr. President:

You have agreed to see Sir Patrick Dean today, 12:15 p. m. , for his farewell call.

Attached is some background material covering his tour in Washington and his future plans.

I will be standing by with Ed Fried.

W. W. Rostow

ERF:WWR:rla

SELECTED BACKGROUND INFORMATION
ON SIR PATRICK DEAN

- Presented credentials April 13, 1965; retirement date February 5, 1969.
- Host during five official visits to Washington by Prime Minister Harold Wilson.
- Visits by other prominent British personalities during his tour included Princess Margaret (1965), Princess Alexandra (1967), and former Prime Ministers Anthony Eden and Harold Macmillan.
- Traveled extensively throughout the United States; numerous honorary degrees, including Columbia University, William and Mary, and University of South Carolina.
- Following retirement, will visit in Arizona as guest of former US Ambassador to London, Lewis Douglas.
- During March-April 1969, will tour Italy, Germany, Austria, and Holland.
- Initial retirement residence will be in London.
- Successor, John Freeman, former UK High Commissioner in India, expected to arrive in Washington late in February.

Monday, 8:45 AM
January 13, 1969

Mr. President:

Herewith:

1. A letter from Thieu (TAB A)
2. Bunker's effort to get Thieu's clearance for a last try, with a plain round table (TAB B).

W. W. Rostow



Department of State

TELEGRAM

W W
S. J. 6

200

~~SECRET~~

P 131040Z JAN 69
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC PRIORITY 7353
INFO RUFNCR/AMEMBASSY PARIS PRIORITY 3496
STATE GRNC
BT

2 8 8 8Q
JANUARY 13, 1969
6:49 A.M.

~~SECRET~~ SAIGON 683

NODIS/HARVAN/PLUS

DECLASSIFIED

Authority NLS 91-506
B. m. / j. NARA. Date 1-7-98

LITERALLY EYES ONLY FOR THE SECRETARY FROM BUNKER
PARIS LITERALLY EYES ONLY FOR HARRIMAN AND VANCE

1. PRESIDENT THEIU ASKED THAT I TRANSMIT THE FOLLOWING LETTER TO
PRESIDENT JOHNSON. THE LETTER WAS TRANSMITTED TO ME TODAY ALTHOUGH
IT IS DATED JANUARY 11TH.

BEGIN TEXT

DEAR MR. PRESIDENT:

I HAVE RECEIVED YOUR LETTER OF JANUARY 8TH, TRANSMITTED TO ME
BY AMBASSADOR BUNKER, AND HAVE GIVEN VERY THOUGHTFUL CONSIDERATION
TO THE POINTS YOU MADE CONCERNING THE IMPLICATIONS YOU SAW DEVELOP-
ING FROM THE SITUATION IN PARIS.

AT THIS TIME, I AM HOPEFUL THAT THE PRELIMINARY DIFFICULTIES WILL BE
AWAITING OUR TWO GOVERNMENTS AFTER THE TALKS BEGIN, BUT I AM ALSO
CONFIDENT THAT OUR TWO COUNTRIES WILL BE ABLE TO MEET THEM
TOGETHER SUCCESSFULLY, IN THE PURSUIT OF OUR COMMON GOALS
WHICH ARE THE DEFENSE OF FREEDOM AND THE ESTABLISHMENT OF
AN HONORABLE AND DURABLE PEACE. THE OUTCOME OF THE PRESENT
EVENTS WILL AFFECT GENERATIONS TO COME, AND THE VIETNAMESE
PEOPLE ARE PROUD TO BE WITH THE AMERICAN NATION IN MEETING
THIS CRUCIAL CHALLENGE.

AS YOU KNOW, SIDE BY SIDE WITH THE AMERICAN GOVERNMENT,
OUR GOVERNMENT HAS MADE THE UTMOST EFFORTS IN THE SEARCH FOR
A PEACEFUL AND HONORABLE SETTLEMENT OF THIS CONFLICT, AND TO GIVE
AN EARLY START TO THE PEACE TALKS. AMONG OUR MAJOR CONCESSIONS
TO THAT END, THE VIETNAMESE GOVERNMENT HAS ACCEPTED THE PRESENCE
OF THE SO-CALLED NLF AT THE TALKS, THE POSSIBILITY FOR THE OTHER
SIDE TO ORGANIZE ITSELF AS THEY WISH, THE ABSENCE OF FLAGS AND
NAMEPLATES WHILE AT AN INTERNATIONAL CONFERENCE GOVERNMENTS
AND ONLY GOVERNMENTS COULD AND SHOULD HAVE THEIR FLAGS AND
NAMEPLATES, AND FINALLY THE ROUND SHAPE OF THE TABLE WHICH
THE COMMUNISTS PROPOSED.

~~SECRET~~

~~SECRET~~

-2- SAIGON 683, JANUARY 13, NODIS/HARVAN/ PLUS

WE REGRET THAT THE AMERICAN PUBLIC ARE NOT FULLY AWARE OF THE EXTENT OF OUR GOOD WILL BECAUSE, AS SECRETARY RUSK POINTED OUT IN HIS PRESS CONFERENCE OF JANUARY 3RD, "THESE PROCEDURAL MATTERS DO CONCEAL IMPORTANT QUESTIONS OF SUBSTANCE", AND "THE DELEGATES OF HANOI ARE TRYING TO ACCOMPLISH SOMETHING INDIRECTLY, BY MEANS OF PROCEDURAL ARRANGEMENTS, WHICH THEY ARE NOT ENTITLED TO DO".

IN ANY CASE, NOW AS BEFORE, YOU HAVE ALWAYS, AS YOU HAVE HAD IN THE PAST, OUR FULLEST COOPERATION, BECAUSE OUR TWO NATIONS ARE SHOULDER TO SHOULDER IN THIS VITAL STRUGGLE FOR FREEDOM, AND THE VIETNAMESE GOVERNMENT AS WELL AS THE VIETNAMESE PEOPLE REMAIN DEEPLY GRATEFUL TO YOU FOR THE COURAGEOUS DECISIONS YOU HAVE TAKEN IN MEETING THE CHALLENGE OF COMMUNIST AGGRESSION IN VIET-NAM.

WE KNOW THAT WITHOUT THE NOBLE AND COURAGEOUS HELP OF THE UNITED STATES UNDER YOUR LEADERSHIP, THE REPUBLIC OF VIETNAM MAY HAVE BEEN OVERWHELMED BY COMMUNIST FORCES IN 1965. AMERICAN SUPPORT HAS BEEN ALSO INSTRUMENTAL IN THE VIETNAMESE BUILDING OF DEMOCRATIC INSTITUTIONS IN RECENT YEARS.

BUT THE VIETNAMESE PEOPLE ARE ALSO PROUD PEOPLE, AND WITH THE WHOLEHEARTED SUPPORT OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF VIET-NAM I HAVE STATED OUR PURPOSES TO MAKE INCREASING EFFORTS TO ALLEVIATE GRADUALLY THE BURDENS NOBLY ASSUMED BY THE UNITED STATES IN THIS STRUGGLE. TO THAT EFFECT, I HOPE THAT A BEGINNING OF EXECUSION CAN BE MADE THIS YEAR.

AGAIN, LET ME ASSURE YOU, MR. PRESIDENT, OF OUR ABIDING GRATITUDE FOR WHAT YOU HAVE DONE FOR VIET-NAM AND THE FREE WORLD IN THE RECENT CRUCIAL YEARS DURING WHICH I HAVE HAD THE PRIVILEGE OF BEING IN CLOSE AND CORDIAL RELATIONSHIP WITH YOU.
SINCERELY,

NGUYEN VAN THIEU

END TEXT.

BUNKER

~~SECRET~~



Department of State

W 10
su 2/4 6
TELEGRAM

~~SECRET~~

P 130830Z JAN 69
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC PRIORITY 7348
INFO RUFNCR/AMEMBASSY PARIS PRIORITY 3494
STATE GRNC

2 8 6 2Q
JANUARY 13, 1969
4:06 A.M.

BT

~~SECRET~~ SAIGON 660

DECLASSIFIED

N O D I S/HARVAN/PLUS

Authority NLJ 91-506

PARIS FOR VIET-NAM MISSION

By ML/gf NARA, Date 1-7-98

REF: PARIS 434 (DELTO 1143)

1. AT MY INSTRUCTION POLITICAL COUNSELOR CALLED ON FOREIGN MINISTER THIS MORNING JAN 13 AND GAVE HIM WRITTEN REPORT ON JAN 12 PARIS MEETING BASED ON REFTEL. HE SAID WE HAD MADE AN HONEST AND DETERMINED EFFORT TO SELL OUR STAGE ONE PROPOSALS (NOTING THAT THE SECOND PROPOSITION OF STAGE ONE HAD ONLY BEEN INTRODUCED AFTER EFFORTS TO SELL THE FIRST ONE HAD FAILED), AND ASKED FOR THE GREEN LIGHT TO PROCEED TO THE SECOND STAGE.
2. AS DEPT IS AWARE, PRESIDENT THIEU'S FATHER PASSED AWAY YESTERDAY. UNSURPRISINGLY, THANK SAID HE DID NOT THINK HE COULD CONTACT THE PRESIDENT TODAY ABOUT THE PARIS NEGOTIATIONS. EVEN TOMORROW, THANK SAID, WOULD BE VERY DIFFICULT. AT OUR URGENT SUGGESTION, HE AGREED TO SEND THE PRESIDENT THE WRITTEN REPORT THAT WE HAD FURNISHED HIM. TODAY THIEU'S FATHER WILL BE HONORED AT HIS HOME AND TOMORROW JAN 14 THERE WILL BE EXTENSIVE CEREMONIES FOR THIEU TO RECEIVE CONDOLENCES FROM VARIOUS GROUPS INCLUDING THE DIPLOMATIC CORPS.
3. WE URGED THANK TO FIND AN OPPORTUNITY, IF NOT TODAY THEN CERTAINLY TOMORROW, TO TALK WITH THIEU AND TO SEEK HIS AUTHORIZATION TO PROCEED TO STAGE TWO. THE FOREIGN MINISTER LOOKED VERY SOLEMN, NODDED, BUT MADE NO PROMISES. HE AGREED TO LET US KNOW TOMORROW AFTERNOON AND UNDERSTANDS THAT IF HE HAS NOT BEEN ABLE TO DISCUSS THE MATTER WITH THE PRESIDENT BY THAT TIME, I WILL HAVE TO TELEPHONE THE PRESIDENT MYSELF. HOPEFULLY BY TOMORROW AFTERNOON THIEU WILL HAVE READ OUR REPORT OF THE JAN 12 MEETING AND FULLY REALIZED ITS IMPLICATIONS.

~~SECRET~~

~~SECRET~~

-2- SAIGON 660, JANUARY 13. NODIS/HARVAN/ PLUS

4. ALSO ON MY INSTRUCTIONS POLITICAL COUNSELOR MENTIONED TO THANK THAT WE HAD RECEIVED A REPORT YESTERDAY THAT A MEMBER OF THE ENTOURAGE OF ONE OF THE VIETNAMESE PARTICIPANTS OF OUR JAN 10 MEETING IS GIVING OUT THE INFORMATION THAT THE GVN IS NOW PREPARED TO AGREE TO THE UNMARKED ROUND TABLE. (NEW ZEALAND AMBASSADOR EDMONDS LAST NIGHT TOLD POLITICAL COUNSELOR HE HAD HEARD THIS FROM DANG DUC KHOI, WHO CLEARLY GOT IT FROM KY.) I THOUGHT IT DESIRABLE TO MENTION THIS TO THANK TO PROTECT US AGAINST ANY SUSPICION THAT SUCH LEAKS MIGHT BE OCCURRING ON OUR SIDE. AT THE SAME TIME, AWARENESS THAT THE DECISION IS BEGINNING TO LEAK MAY ALSO HELP TO PRECIPITATE THIEU'S AGREEMENT TO MOVE ON PROMPTLY TO STAGE TWO. BUNKER

~~SECRET~~

LIMITED OFFICIAL USE

Monday, January 13, 1969

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Meeting with Ambassador W. Tapley Bennett, Thursday, January 16 1:00 p. m.

Bennett has been our Ambassador to Portugal since June 1966. You last met with him in June 1968. Since then, Portuguese Prime Minister Salazar suffered a serious brain hemorrhage and was replaced by Professor Marcello Caetano. The transition has been uneventful so far. Although Caetano gives the impression of being somewhat more flexible than Salazar, his policies appear to differ little from those of his predecessor.

A biographic sketch of Ambassador Bennett is attached.

W. W. Rostow

WR
JKN
JKN:mm

UNCLASSIFIED

29a

BIOGRAPHIC SKETCH

OF

THE HONORABLE W. TAPLEY BENNETT, JR.

W. Tapley Bennett, Jr. ("Tap") was born in Griffin, Georgia, April 1, 1917. He graduated from Griffin High School, received a B.A. from the University of Georgia in 1937 and an LLB from George Washington University in 1948. He also attended the University of Freiburg, the University of Georgia Law School and American University.

Mr. Bennett is married to Margaret Rutherford White, daughter of the late U.S. Ambassador John Campbell White. They have five children: W. Tapley III, age 20; John C. W., age 18; twin daughters Anne B. and Ellen P., ages 15; Victoria R., age 13.

Mr. Bennett was an instructor in political science at the University of Georgia in 1937 and was in U.S. Army Intelligence in the Panama Canal Zone and the European Theater, 1944-46, entering as a Private and leaving as a First Lieutenant.

His government service began in 1940 at the Department of Agriculture. He joined the State Department in 1946 and has held numerous positions, principally in Latin American Affairs, including Deputy Director, Office of South American Affairs in 1951. Ambassador Bennett served as Political Counselor in Vienna and Rome and as Deputy Chief of Mission in Athens before his nomination as Ambassador to the Dominican Republic in 1961. He was sworn in as Ambassador to Portugal, June 7, 1966. He is a 1955 graduate of the National War College.

He is a member of the Georgia Bar Association, Phi Beta Kappa and Phi Delta Phi, as well as other professional and social clubs and associations.

Ambassador Bennett delivered the 1966 Commencement Address and received an Honorary Doctor's Degree at Indiana State University, June 5, 1966.

UNCLASSIFIED

CONFIDENTIAL

INFORMATION

January 13, 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Brazil

Pre file

A political struggle within the army continues in Brazil -- with the result in doubt, and the prize being de facto control of all levels of government. President Costa e Silva issued another "Institutional Act" on December 13 under extreme pressure from his fellow generals -- he hopes to use its extraordinary powers sparingly, but he is being pressed hard to widen the political purge and to clamp down permanently on the Supreme Court, the press, and other opposition expression so that the "work of the Revolution" can be finished in peace. He may be unseated by his military colleagues if he continues to resist invoking more extreme repressive measures.

Meanwhile, the country stays quiet, helpless to affect the course of events. To varying degrees labor, church, students, journalists, "intellectuals", and most politicians are shaken and temporarily cowed. Most businessmen and some politicians applaud the tougher government line on "subversion and corruption". Censorship is now technically lifted -- but newspapers must practice a form of rigid "self-restraint" or face confiscation.

Moderate civilian politicians urge the U. S. to wait quietly on the sidelines -- not publicly denouncing the dictatorial trend -- but holding back any new aid commitments until the struggle between moderates and radicals in the army is resolved. Our Embassy in Rio de Janeiro also advocates this course. State has followed this line since December 13 -- while maintaining normal diplomatic, aid, and military contacts, we have been "reviewing" our assistance programs, a polite way of saying "no new commitments".

So far, the Brazilian Government has not disputed our posture on aid. The Finance Minister hopes we will soon release \$50 million from the 1968 program loan -- an installment due in December for which Brazil's self-help performance fully qualifies. However, we are holding up this release until the political picture clears somewhat, in part in anticipation of strong negative reactions from the Congress, should we release quickly.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By Lg, NARA, Date 3-5-98

~~CONFIDENTIAL~~

-2-

Unless Costa e Silva presses for the money -- which he has not done to date, Secretary Rusk believes we should hold this important decision for the next Administration.

W. W. Rostow

SWLewis:mm

31

Pres file

THE WHITE HOUSE
WASHINGTON

Sunday, January 12, 1969
8:20 PM

Mr. President:

Following is Vance's negative exchange in Paris today with the other side. He requests permission to fall back to the simple round table.

Until we get this go ahead--and we test it--we shall not know whether Hanoi simply has good intelligence and knows our fall back position or whether it does not wish to move ahead at the present time.

W. W. Rostow

W. W. Rostow



Department of State

(15) 3/1a
TELEGRAM

~~SECRET~~

02836

VV CRA476
OO RUEHCR
DE RUFHCR 434/1 0122200
ZNY SSSSS ZZH
U 122135Z JAN 69
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9712
INFO RUEHCR/AMEMBASSY SAIGON IMMEDIATE 2437
STATE GRNC
BT

000 JAN 12 PM 5 52

~~SECRET~~ SECTION 1 OF 2 PARIS 434

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

By ly, NARA, Date 3-5-98

DELTO 1143

MODIS HARVAN

SAIGON: DELIVER AT OPENING OF BUSINESS

FROM VANCE
SUMMARY REPORT, VANCE/LAU MEETING, JANUARY 12.

1. THIS AFTERNOON HABIB AND I MET FOR MORE THAN TWO HOURS WITH LAU AND VY AT THEIR HOUSE IN CHOISY. ALSO PRESENT ON OUR SIDE WERE MILLER AND ENGEL, AND ON THEIR SIDE, THE USUAL PEOPLE.
2. I OPENED BY SAYING THAT WHEN THE LAST MEETING ENDED WE EACH AGREED TO CONSIDER WHAT THE OTHER HAD SUGGESTED AND TO DISCUSS THE VARIOUS PROPOSALS WITH OUR COLLEAGUES. SINCE THEN, WE HAD NOTED IN THE PRESS THAT THE DRV OFFICIAL SPOKESMAN HAD SAID THAT ALL THE PROPOSALS WE HAD MADE WERE UNACCEPTABLE. I SAID THAT WE TRUSTED THAT WAS NOT THE CASE AND THAT AFTER CAREFUL REFLECTION THEY HAD DECIDED THAT WHAT WE HAD PROPOSED PROVIDES A BASIS FOR FINAL SETTLEMENT OF PROCEDURAL ISSUES. I SAID WHAT WE HAD PROPOSED ALLOWED EACH SIDE TO VIEW THE MEETINGS AS IT CHOSE AND WAS THUS A TRUE COMPROMISE. I ASKED LAU FOR HIS CONSIDERED VIEWS ON THE PROPOSALS WHICH WE HAD MADE.
3. LAU REPLIED THAT HE HAD DISCUSSED THE PROPOSALS WHICH WE HAD MADE WITH THE MEMBERS OF HIS DELEGATION AND WITH THE NLF, AND THAT THEY HAD CONCLUDED THAT ALL OF OUR PROPOSALS WERE UNACCEPTABLE. HE SAID THAT OUR PROPOSALS SOUGHT TO IMPOSE UPON THEIR SIDE OUR TWO-SIDED CONCEPT AND THAT THIS WAS UNACCEPTABLE TO THEM. HE THEN REVIEWED

~~SECRET~~

~~SECRET~~

-2- 434 SECTION 1 OF 2 FROM PARIS, JAN. 12, 1969 (NODIS)

AT LENGTH OUR VARIOUS PROPOSALS AND SAID THAT IN EACH ONE OF THEM WE WERE INSISTING UPON MAINTAINING THE CONCEPT OF TWO SIDES, AND THAT THE SAME WAS TRUE WITH RESPECT TO OUR PROPOSAL FOR THE DRAWING OF LOTS BETWEEN THE TWO SIDES FOR THE ORDER OF SPEAKING. HE SAID THAT THEY HAD MADE A MAJOR CONCESSION IN AGREEING TO DROP THEIR DEMAND FOR FLAGS AND NAMEPLATES, AND THAT HE WISHED TO KNOW WHETHER WE HAD GIVEN SERIOUS CONSIDERATION TO THEIR PROPOSAL.

4. I REPLIED THAT THEY HAD STUCK INFLEXIBLY TO THEIR PROPOSAL AND WERE SEEKING TO IMPOSE THEIR VIEW OF THE NEW MEETINGS UPON US. I SAID, ON THE OTHER HAND, WE HAD ACCEPTED THE CIRCULAR FORM AND HAD SOUGHT TO FIND AN ADAPTATION OF THAT FORM WHICH IS AN ACCEPTABLE COMPROMISE. I SAID THAT WE HAD MADE MANY CONSTRUCTIVE EFFORTS TO BREAK THE LOGJAM, WHEREAS THEY HAD STRUCK RIGIDLY TO THEIR PROPOSAL. I SAID THAT TO REJECT IS ONE THING, AND TO PROPOSE ALTERNATIVES IS ANOTHER. WE HAD FOLLOWED THE LATTER COURSE OF ACTION. I SAID THAT INSOFAR AS THEIR PROPOSAL WITH RESPECT TO THE ORDER OF SPEAKING, IT WAS OBVIOUSLY NOT A SERIOUS PROPOSAL BECAUSE IT SOUGHT TO EQUATE THE NLF WITH THE GVN AND THUS IMPOSE THEIR VIEW UPON US. I SAID THAT ACCORDINGLY WE REJECTED THEIR PROPOSAL WITH RESPECT TO THE ORDER OF SPEAKING. I SAID THAT, AS WE HAD SAID FROM THE VERY OUTSET, WE VIEW AND WILL CONTINUE TO VIEW THE NEW MEETINGS AS TWO SIDED. I SAID AS FAR AS THEY WERE CONCERNED, I KNEW THAT THEY HELD A DIFFERENT VIEW AND THAT, IN AN EFFORT TO REACH A COMPROMISE, WE HAD AGREED THAT EACH SIDE COULD ORGANIZE ITSELF AS IT CHOSE. I SAID THAT OBVIOUSLY WE WERE THE ONES WHO WERE TAKING THE CONSTRUCTIVE STEPS TO GET THE NEW MEETINGS STARTED AND THAT THEY WERE TRYING TO IMPOSE THEIR VIEWS ON US. I ASKED LAU WHETHER HE HAD ANYTHING NEW TO PROPOSE ON HIS SIDE TO TRY TO BREAK THE LOGJAM.

5. LAU REPLIED THAT THEY HAD MADE THEIR NEW PROPOSAL AT THE LAST MEETING WITH A MAJOR CONCESSION ON FLAGS AND NAMEPLATES, THAT THEIR NEW PROPOSAL WAS SENSIBLE AND REASONABLE AND THAT HE HAD NOTHING NEW TO PROPOSE TODAY. WE THEN DEBATED AT LENGTH OUR DIFFERENT VIEWS WITH RESPECT TO WHO WAS IMPEDING THE HOLDING OF THE NEW MEETINGS AND WHO MUST BEAR THE RESPONSIBILITY FOR THE FACT THAT THEY HAVE NOT YET BEEN HELD.

~~SECRET~~

~~SECRET~~

-3- 434 SECTION 1 OF 2 FROM PARIS, JAN. 12, 1969 (NODIS)

6. AFTER THIS LENGTHY DEBATE, I SAID THAT WE HAD CAREFULLY REVIEWED THE SITUATION WITH OUR SOUTH VIETNAMESE COLLEAGUES AND, IN AN EFFORT TO BREAK THE IMPASSE, I WAS PREPARED TO SUGGEST TONIGHT A NEW PACKAGE. I THEN OUTLINED THE NEW PACKAGE INVOLVING A TABLE WITH TWO BAIZE STRIPS; NO FLAGS AND NAMEPLATES; AND OUR PROPOSAL THAT THEIR SIDE COULD SPEAK FIRST IN WHATEVER ORDER THEY CHOSE. I EMPHASIZED THAT WE HAD MADE A MAJOR NEW PROPOSAL ON THE ORDER OF SPEAKING, AS WELL AS THE OFFER TO AGREE TO ONLY A BAIZE STRIP ON EACH SIDE OF THE CIRCULAR TABLE, IN PLACE OF THE BAIZE AREA WHICH WE HAD PREVIOUSLY PROPOSED. I SAID THAT IF WE COULD COME TO AGREEMENT ON THIS PACKAGE, I WOULD SUGGEST THAT THE NEW MEETINGS WOULD START WITHIN THE NEXT TWO OR THREE DAYS, PROVIDED THE FRENCH GOVERNMENT COULD GET ITS CARPENTRY DONE IN TIME. I SUGGESTED THAT WE TAKE A RECESS AND THAT LAU REVIEW OUR PROPOSED NEW PACKAGE WITH VY BEFORE RESPONDING.

7. LAU DID NOT TAKE UP THE SUGGESTION OF A RECESS AND IMMEDIATELY ADDRESSED HIMSELF TO OUR PACKAGE PROPOSAL. HE SAID HE SAW NOTHING NEW IN OUR PROPOSAL WITH RESPECT TO SEATING ARRANGEMENTS; THAT IT WAS MERELY A VARIATION IN THE WIDTH OF THE DIVIDING LINE IN THE TWO-SIDED CONCEPT, WHICH WE WERE SEEKING TO IMPOSE UPON THEM. HE THEN LAUNCHED INTO ANOTHER LONG DIATRIBE ON WHAT HE CALLED OUR ATTEMPT TO IMPOSE OUR TWO-SIDED VIEWS ON THEM.

8. I THEN RESPONDED AT LENGTH, CHARGING THAT THEY WERE BEING INTRANSIGENT IN REFUSING TO CONSIDER ANY REASONABLE PROPOSAL TO BREAK THE LOGJAM. AFTER A LENGTHY DEBATE, LAU SAID THAT HE WISHED TO REPEAT THAT HE SAW NOTHING NEW IN WHAT WE HAD PROPOSED WITH RESPECT TO SEATING ARRANGEMENTS, AND THAT HE HOPED WE WOULD REFLECT ON WHAT HE HAD SAID AND AGREE TO THEIR PROPOSAL WITH RESPECT TO A CIRCULAR, UNMARKED TABLE, WHICH WAS NEITHER TWO-SIDED NOR FOUR-SIDED. HE SAID THAT IF THIS WERE
HARRIMAN
BT

PASSED SAIGON BY OC/T

~~SECRET~~



Department of State

TELEGRAM

15

~~SECRET~~

VV CRD433
OO RUEHCR
DE RUFNCR 434/2 0122215
ZNY SSSSS ZZK
O 122200Z JAN 69
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9713
INFO RUEHCR/AMEMBASSY SAIGON IMMEDIATE 2438
STATE GRNC

02834
1969 JAN 12 PM 5 49

BT
~~SECRET~~ FINAL SECTION OF 2 PARIS 434

DELTO1143

NOIS/HARYAN

SAIGON: DELIVER AT OPENING OF BUSINESS

FROM VANCE

SUMMARY REPORT, VANCE/LAU MEETING, JANUARY 12.

DONE, HE WAS SURE THAT THE REMAINING PROBLEMS COULD BE EASILY RESOLVED AND AGAIN UNDERSCORED THE MAJOR CONCESSION THAT THEY HAD MADE ON FLAGS AND NAMEPLATES. AFTER FURTHER DEBATE, WE TOOK A RECESS.

9. AFTER THE RECESS, I SAID THAT WE HAD CONSULTED FURTHER AND, IN AN EFFORT TO FIND A COMPROMISE TO BREAK THE IMPASSE SO THAT WE COULD MOVE INTO THE NEW MEETINGS, I WAS PREPARED TO SUGGEST AN ALTERNATIVE PACKAGE. I THEN PUT FORWARD THE ALTERNATIVE PACKAGE.

10. LAU CONSULTED AT THE TABLE WITH VY AND THEN RESPONDED. HE SAID THAT THE ALTERNATE PACKAGE WAS JUST ANOTHER VARIATION OF OUR ATTEMPT TO IMPOSE OUR TWO-SIDED CONCEPT ON THEM AND TO DENY THAT THE NLF WAS A SEPARATE DELEGATION. I REPLIED THAT HE KNEW VERY WELL THAT WE HAD NEVER ACCEPTED THE PROPOSITION THAT THE NLF WAS A SEPARATE DELEGATION AND THAT WE HAD ALWAYS INSISTED THAT IT WAS A TWO-SIDED CONFERENCE. I SAID, HOWEVER, THAT WE HAD ATTEMPTED TO BRIDGE THE IMPASSE BY PERMITTING EACH SIDE TO VIEW THE CONFERENCE AS IT WISHED.

~~SECRET~~

~~SECRET~~

-2- 434 SECTION 2 OF 2 FROM PARIS, JAN. 12, 1969 (NODIS)

11. LAU THEN SAID THAT HE WISHED TO RESTATE THAT IF WE AGREED TO THEIR PROPOSAL WITH RESPECT TO SEATING ARRANGEMENTS, HE BELIEVED THE REMAINING PROBLEMS COULD BE EASILY RESOLVED, PROVIDED THAT THE QUESTION OF ORDER OF SPEAKING WAS NOT TWO-SIDED, A FURTHER LONG DEBATE ENSUED WHERE WE EACH RESTATED OUR POSITION AT LENGTH AND FORCEFULLY.

12. I THEN SUGGESTED THAT LAU REPORT OUR PROPOSALS TO HIS COLLEAGUES AND REFLECT UPON THEM AND SAID THAT WE WOULD DO THE SAME. LAU SAID THAT HE AGREED TO DO SO BUT THAT HE WANTED TO RESTATE THIS POSITION WITH RESPECT TO THEIR VIEW OF THE CONFERENCE, AND THAT WE SHOULD AGREE TO THEIR PROPOSAL FOR AN UNMARKED, CIRCULAR TABLE. I RESPONDED BY RESTATING OUR POSITION AND SUGGESTED THAT WE MEET AGAIN UPON THE CALL OF EITHER OF US.

13. IN LAM'S ABSENCE, WE HAVE JUST REPORTED THE MEETING TO THE GVN DELEGATION (PHONG) ALONG THE FOREGOING LINES.

14. COMMENT: THERE WAS NO GIVE IN THE DRV POSITION TODAY, DESPITE OUR CONTINUED AND PERSISTENT PROBING FOR ANYTHING NEW IN WHAT THEY HAD TO SAY. WE AWAIT THE "GREEN LIGHT" FROM SAIGON TO MOVE TO THE NEXT PHASE.
HARRIMAN.
BT'

PASSED SAIGON BY OC/T

~~SECRET~~

~~CONFIDENTIAL~~

32

FAA953
M WTE5
DF WTE 0073

1969 JAN 12 17 14

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP9051

Pres file

~~CONFIDENTIAL~~

JANUARY 12, 1969

I'M PUTTING THIS INFORMATIONAL MEMORANDUM FROM NICK TO YOU ON THE WIRE SO THAT YOU AND GEORGE WON'T BE CAUGHT SHORT IF IT LEAKS.

NICK TELLS ME HE PROPOSES TO PASS THE STATE MEMO TO ACDA LATE ON MONDAY.

IT IS PURELY A STATE DEPARTMENT ACTION -- NO WHITE HOUSE DECISION OR INVOLVEMENT.

SUBJECT: SECURITY CLEARANCE OF JOHN PATON DAVIES

BECAUSE OF A CONTROVERSIAL, THOUGH ALMOST ANCIENT, HISTORY, YOU SHOULD BE AWARE OF RECENT DEVELOPMENTS WITH RESPECT TO A REQUEST BY THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY FOR A SECURITY CLEARANCE FOR JOHN PATON DAVIES.

AS YOU MAY RECALL, DAVIES' SECURITY CLEARANCE AS A FOREIGN SERVICE OFFICER WAS TAKEN AWAY IN 1954 ON GROUNDS OF "BAD JUDGMENT" DESPITE A FINDING THAT "THE EVIDENCE DEVELOPED IN THIS CASE DOES NOT WARRANT A CONCLUSION THAT DAVIES IS OR HAS BEEN IDEOLOGICALLY ORIENTED OR EMOTIONALLY ATTACHED TO THE DOCTRINES OF COMMUNISM."

FIRST ON JULY 10 AND AGAIN ON DECEMBER 20, 1967 MIT WROTE ME THAT THEY WANTED TO USE DAVIES AS A CONSULTANT ON ONE OF THE PROJECTS THEY WERE CARRYING OUT FOR ACDA DEALING WITH LIMITING THE FLOW OF ARMS TO UNDERDEVELOPED COUNTRIES. I REFERRED THE LETTER TO ACDA. ON JANUARY 13, 1968 ACDA WROTE BACK THAT BEFORE PROCEEDING WITH THEIR USUAL PROCEDURES, THEY WOULD LIKE A CURRENT SECURITY EVALUATION BY THE DEPARTMENT OF STATE, WHICH HAD TERMINATED DAVIES' CLEARANCE IN 1954.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By 62, NARA, Date 3-5-98

A PROLONGED REVIEW OF THE OLD FILES, AS WELL AS A COMPLETE, UPDATING, FULL FIELD INVESTIGATION HERE AND ABROAD TOOK UNTIL EARLY DECEMBER OF LAST YEAR. AT THAT POINT -- BECAUSE OF ITS WELL-PUBLICIZED HISTORY--I ASKED WALTER SKALLERUP, FORMER DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR SECURITY POLICY AND A RECOGNIZED EXPERT IN THE FIELD, TO UNDERTAKE AN INDEPENDENT REVIEW OF THE WHOLE RECORD. SKALLERUP IS PRESENTLY A PARTNER IN THE PROMINENT WASHINGTON FIRM "COX, LANGFORD, AND BROWN".

SKALLERUP HAS NOW REPORTED BACK "THAT IT WOULD BE CLEARLY CONSISTENT WITH THE INTERESTS OF THE NATIONAL SECURITY TO GRANT JOHN PATON DAVIES A SECURITY CLEARANCE". HIS DETAILED MEMORANDUM SHOWS ABSOLUTELY NOTHING OF CONCERN.

I THINK THIS MATTER SHOULD BE HANDLED ENTIRELY ROUTINELY EXCEPT THAT, BECAUSE OF A PRIOR INVOLVEMENT AS A WITNESS, DEAN WILL DISQUALIFY HIMSELF AND ASK ME TO MAKE THE DECISION. THE DECISION, INCIDENTALLY, WOULD NOT AMOUNT TO HIRING DAVIES OR EVEN GRANTING HIM A CLEARANCE. ONLY ACDA COULD DO THAT. IT WOULD SIMPLY BE A MEMORANDUM TO ACDA SAYING THAT OUR REVIEW SHOWS NO GROUNDS FOR CONCERN.

I AM CALLING YOUR ATTENTION TO THIS MATTER, WHICH I THINK SHOULD BE HANDLED ROUTINELY AT THE DEPARTMENT LEVEL AND BY DEPARTMENTAL DECISION, ONLY BECAUSE OUR LETTER COULD CAUSE A SHORT FLURRY OF NEWSPAPER STORIES. ON AN ESSENTIALLY ADJUDICATIVE AND NON-DISCRETIONARY MATTER CONGRESSIONAL CONSULTATION WOULD, OBVIOUSLY, BE INAPPROPRIATE.

DTG 121626Z JAN 69

~~CONFIDENTIAL~~

INFORMATION

Pres file

~~SECRET--SENSITIVE~~

Sunday, January 12, 1969
12:05 p. m.

Mr. President:

This account of how Ky came to persuade Thieu on the round table may interest you.

W. W. Rostow

~~SECRET--SENSITIVE~~

CIA memo 11 January 1969 to Mr. Rostow
"Report on the Background and Atmospherics Surrounding the Government of Vietnam's Acceptance of the Undivided Round Table Proposal," signed by Richard Helms

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 03.90
By is, NARA, Date 9-4-03

WWRostow:rln

34

INFORMATION

Pres. file

~~TOP SECRET~~

Sunday, January 12, 1969 - 12:00 noon

Mr. President:

On receipt of this memorandum from Fisher, I told him that Sec. Rusk and he should arrange the clearances with Clifford and Wheeler.

You may be interested in the draft cables which will launch consultations on the principles to govern the missile talks.

W. W. Rostow

~~TOP SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By g, NARA, Date 3-5-98

WWRostow:rla

~~TOP SECRET- EXDIS~~
UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTON

34a

OFFICE OF
THE DIRECTOR

January 11, 1969

MEMORANDUM TO MR. WALT ROSTOW - THE WHITE HOUSE

From: Adrian S. Fisher

Subject: NAC Consultations Re Limitation and Subsequent
Reduction of Strategic Armaments

Attached are three telegrams to Harland Cleveland concerning consultation in NAC on the possible agreement with the Soviets on the limitation and subsequent reduction in strategic armaments. The Secretary suggested that I send them over to you. As you will see, the first was drafted by the Secretary and the second is merely a copy of material which he had already seen. The third is based on discussions which I had with him but the text has not been cleared by him.

Pursuant to the Secretary's instructions, I am showing them to John Leddy but, in view of the shortness of time, I thought you might want to look at them this afternoon even though action can not be taken until Monday.

The references to clearances by Secretary Clifford and General Wheeler do not mean that they have cleared these particular telegrams, but is merely designed to indicate that they should do so. I assume this is something you would want to handle yourself.

Adrian S Fisher
Adrian S. Fisher
Acting Director

Attachments:
As stated

~~TOP SECRET-EXDIS~~

DECLASSIFIED
Authority: NLT 09-0442-3
By: [Signature], NARA, Date: 5-14-02

35

ACTION

Friday - January 10, 1969

Free file

Mr. President:

State has recommended that you write President Diaz Ordaz to thank him for the statue of Benito Juarez which was dedicated here on Tuesday by Foreign Secretary Carrillo Flores and Secretary Rusk. A proposed letter is attached for your signature.

W. W. Rostow

Attachment

Proposed Presidential letter for signature to Mexican President Diaz Ordaz

SWLewis:mm

35a

January 10, 1969

Dear Mr. President:

Please accept my warmest thanks for giving us the magnificent statue of Benito Juarez, and for sending your distinguished Foreign Secretary to dedicate it.

The City of Washington is proud of its monuments to the heroes of our country and of other countries with which we share a common heritage. History has shown Benito Juarez as second to none in the service of freedom and human dignity. We welcome his presence here.

As you know, I have always given highest priority to the strengthening of good relations with your country. We are delighted that you gave us this opportunity to pay our homage to your great hero.

With best personal regards,

Sincerely,

His Excellency
Gustavo Diaz Ordaz
President of the United Mexican States

LBJ/SWLewis:mm

P file

36

~~SECRET/HARVAN PLUS~~

Friday, January 10, 1969

MR. PRESIDENT:

At Tab A is an agreed joint instruction for Paris which represents movement with Saigon. After one more try with a baize strip or a line across the table, Saigon is prepared to fall back to an unmarked circular table. So, Bunker did his job.

At Tabs B and C are the full reports of how we did it, if you wish all the details.

New Subject

You will be interested to know that Rogers and Laird have agreed that we should go forward to check out the revised strategic missile principles with our allies. Sect. Rusk hopes that we can get them to the Russians next week -- but we can't be sure of the timing.

Nice to report a little good news.

W. W. Rostow

~~SECRET/HARVAN PLUS~~ attachments (Saigon 530, Saigon 527, Saigon 529)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 91-54
By mf, NARA, Date 5-31-91



Department of State TELEGRAM

~~SECRET~~

36a

O 101500Z JAN 69 ZFF-6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7262
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 3480
STATE GRNC

2 4 6 3 Q
1969 JAN 10 AM 11 39

BT
~~SECRET~~ SAIGON 530

ACTION COPY

DECLASSIFIED

Authority NLS 91-53
By mplix NARA, Date 2-27-98

NODIS/KARVAN/PLUS
PARIS FOR VIETNAM MISSION
REF SAIGON 529

SUBJ: SUGGESTED JOINT INSTRUCTION FOR PARIS

1. FOLLOWING IS THE AGREED TEXT, CONFIRMED BY FOREIGN MINISTER THANH, OF WHAT WE UNDERTOOK TO SUBMIT TO WASHINGTON FOR APPROVAL AS JOINT INSTRUCTIONS TO US AND GVN DELEGATIONS IN PARIS, IN AN EFFORT TO RESOLVE THE PROCEDURAL IMPASSE:

2. BEGIN TEXT.

WE HAVE AGREED ON A TWO-STAGE STRATEGY. WE WILL MAKE A SERIOUS EFFORT TO GET THE OTHER SIDE TO AGREE TO ONE OF TWO PROPOSALS AT THE NEXT FOLLOWING MEETING. IF THAT SERIOUS EFFORT FAILS, AND IN AGREEMENT ON THE TIMING, WE WOULD FALL BACK ON THE SECOND STAGE PROPOSAL.

3. AT THE NEXT US-DRV MEETING IN PARIS TO PREPARE THE NEW MEETINGS, THE US REPRESENTATIVE WILL FIRST INQUIRE WHETHER THE OTHER SIDE HAS GIVEN SERIOUS CONSIDERATION TO OUR MOST RECENT PROPOSALS (THE FINAL ONE OF WHICH WAS A CIRCULAR TABLE WITH BAIZE STRIPS, NO FLAGS AND NAMEPLATES, AND LOTS TO DECIDE WHICH SIDE IS TO BEGIN UNDER AN AABB ORDER OF SPEAKING, WITH TWO LOTS, POSSIBLY FOUR, REPRESENTING SIDES AND NOT DELEGATIONS, I.E. LOTS IN TWO COLORS.) SHOULD THE OTHER SIDE REFUSE TO MOVE, HE MAY TABLE TWO ALTERNATIVE PROPOSALS;

A. THE CIRCULAR TABLE WITH BAIZE STRIPS, NO FLAGS AND NAMEPLATES, BUT THE OTHER SIDE TO BEGIN WITHOUT ANY DRAWING OF LOTS; OR

B. ROUND OR CIRCULAR TABLE WITH THIN BUT VISIBLE LINE SEPARATING THE TWO SIDES, NO FLAGS AND NAMEPLATES, AND DRAWING OF LOTS BY SIDES WITH TWO COLORS.

4. IF EFFORTS TO OBTAIN ACCEPTANCE OF THESE PROPOSALS PROVE UNAVAILING, WE WOULD MAKE A FURTHER PROPOSAL AT A NEXT MEETING

~~SECRET~~

WHOSE TIMING IS TO BE DECIDED BY MUTUAL AGREEMENT. AT THAT MEETING OUR REPRESENTATIVE WOULD FIRST MAKE ANOTHER ATTEMPT TO GET THE OTHER SIDE TO ACCEPT ONE OF OUR PREVIOUS PROPOSALS, AND IF THIS IS UNAVAILING, WOULD PROPOSE THE FOLLOWING FALL-BACK POSITION:

A. UNMARKED CIRCULAR TABLE;

B. NO FLAGS OR NAMEPLATES;

C. ORDER OF SPEAKING BY SIDES, THE SIDE THAT BEGINS TO BE DECIDED BY DRAWING FROM TWO LOTS, E.G. ONE RED AND ONE YELLOW. THE DRAWING TO BE BY A THIRD PARTY (POSSIBLY A FRENCH OFFICIAL), WITH THE FIRST LOT DRAWN DETERMINING WHICH SIDE BEGINS.

5. SHOULD THE OTHER SIDE ACCEPT OUR FALL-BACK POSITION, EACH OF US WILL MAKE A CONCERTED EFFORT TO EXPLAIN TO OUR OWN PUBLIC OPINION AND TO WORLD OPINION THAT THE AGREED ARRANGEMENTS WILL BE ESSENTIALLY TWO-SIDED. SHOULD THE OTHER SIDE NOT ACCEPT OUR FALL-BACK POSITION, WE WILL MAKE A CONCERTED EFFORT TO EXPLAIN TO OUR OPINION AND TO WORLD OPINION THAT WE HAVE PROVED OUR GOOD FAITH AND SERIOUS INTENT AND THAT THE OTHER SIDE IS RESPONSIBLE FOR THE FAILURE OF SUBSTANTIVE TALKS TO BEGIN.

6. IT IS ESSENTIAL THAT COMPLETE SECURITY BE PRESERVED ABOUT THE EXISTENCE OF A FALL-BACK POSITION. END TEXT

7. IN CLEARING FOREGOING WITH THANK, POLITICAL COUNSELOR ELICITED THE FOLLOWING COMMENTS:

A. THE TERMS "ROUND OR CIRCULAR" IN PARA 3 B ABOVE ARE UNDERSTOOD TO MEAN THAT OUR REPRESENTATIVE WILL HAVE FLEXIBILITY TO MOVE FROM ROUND TO CIRCULAR SHAPE. (GVN HAD ORIGINALLY PROPOSED ROUND AND WE HAD ARGUED IN FAVOR OF CIRCULAR SHAPE).

B. ABSENCE OF MENTION OF THE NUMBER OF LOTS IN PARAGRAPH 3 MEANS THAT OUR REPRESENTATIVE SHOULD HAVE FLEXIBILITY ENABLING HIM TO SETTLE FOR FOUR LOTS (OF TWO COLORS) IF THIS IS HELPFUL IN OBTAINING AGREEMENT. THIS FLEXIBILITY WOULD NOT BE GIVEN, HOWEVER, IF WE GO TO THE FALL-BACK POSITION IN PARAGRAPH 4.

C. MOST IMPORTANT, WHEN WE EXPRESSED CONCERN THAT PROVISION FOR TIMING OF SECOND MEETING "BY MUTUAL AGREEMENT" MIGHT INVOLVE FURTHER DELAY, THANK SAID IT WAS HIS IMPRESSION THAT THIEU WAS CHIEFLY CONCERNED THAT FALL-BACK POSITION NOT BE USED AT THE NEXT MEETING BUT THAT HE WOULD NOT EXPECT TO HAVE A LONG INTERVAL BETWEEN THAT MEETING AND THE SUBSEQUENT ONE IF THE POSITIONS OUTLINED IN PARAGRAPH 3 ABOVE DO NOT RESULT IN AGREEMENT.
BUNKER
BT

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

366

O 131252Z JAN 69 ZFF-6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7256
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 3474
STATE GRNC

2 4 3 0 Q
1969 JAN 10 AM 10 15

ACTION COPY

BT
~~SECRET~~ SECTION ONE OF THREE SAIGON 527

DECLASSIFIED

Authority NLS 91-53

By ap/isp NARA, Date 2-27-98

MODIS/HARVAN

PARIS FOR VIET-NAM MISSION

SUBJECT: MORNING MEETING WITH PRESIDENT THIEU JANUARY 10

1. BEFORE HANDING PRESIDENT THIEU THE LETTER FROM PRESIDENT JOHNSON, I BRIEFLY REVIEWED WITH HIM WHAT HAD HAPPENED SINCE THE VANCE-LAU MEETING IN PARIS ON JANUARY 2, ESPECIALLY HOW WE HAD UNSUCCESSFULLY TRIED TO ENGAGE A DIALOGUE ABOUT NEXT STEPS WITH FOREIGN MINISTER THANH, AND I RECALLED THAT I HAD TRIED TO SEE THIEU SINCE JANUARY 6.
2. I THEN HANDED HIM THE PRESIDENT'S LETTER, WHICH HE READ CAREFULLY. WHEN HE HAD FINISHED I SAID TO HIM THAT PRESIDENT ELECT NIXON AND MR. ROGERS ASSOCIATE THEMSELVES WITH WHAT I WOULD NOW BE SAYING.
3. THERE IS NO BASIC DISAGREEMENT BETWEEN THE US AND GVN, I SAID, PROCEDURAL ISSUES. BOTH OF US WANT TO GET THE BEST POSSIBLE DEAL. WHERE WE MAY HAVE A DISAGREEMENT IS OF THE ASSESSMENTS OF OUR MUTUAL INTERESTS IN MAKING THE NEXT TACTICAL MOVE. IF I WAS NOT MISTAKEN, I SAID, THIEU SEEMED TO FEEL THAT HE HAS A PROBLEM WITH VIETNAMESE OPINION WHILE PRESIDENT JOHNSON HAS A PROBLEM WITH AMERICAN OPINION. I SUGGESTED THAT THIS IS NOT THE WAY TO LOOK AT THE MATTER. BOTH OF US, THE USG AND THE GVN, HAVE THE SAME URGENT PROBLEM -- TO AVOID A SITUATION WHERE AMERICAN OPINION WILL MAKE IT IMPOSSIBLE TO CONTINUE OUR COMMITMENT HERE.
4. THIS PROBLEM IS TOTALLY UNRELATED TO THE CHANGEOVER FROM ONE ADMINISTRATION TO ANOTHER ON JANUARY 20, I SAID. MR. NIXON WILL BE FACED WITH IT JUST AS MUCH AS THE PRESENT PRESIDENT, AND MR. NIXON HAD ASKED ME TO INFORM THIEU THAT HE REGARDS A ROUND TABLE, AND ANY FORMULA FOR SPEAKING ORDER BASED ON TWO SIDES, AS ACCEPTABLE. HE WANTS TO GET THE PRELIMINARIES OUT OF THE WAY SO THAT WE CAN MOVE TO SUBSTANTIVE NEGOTIATIONS IMMEDIATELY AFTER JANUARY 20 IF THEY HAVE NOT STARTED BEFORE THAT TIME.

~~SECRET~~

~~SECRET~~

-2- SECTION ONE (THREE SAIGON 527, JAN 10 ...DIS/HARVAN)

5. I THEN SAID, FURTHER DRAWING ON INSTRUCTIONS, THAT MR. NIXON'S REASON FOR TAKING THIS STAND IS AS FOLLOWS: THE DEALY IN GETTING SUBSTANTIVE NEGOTIATIONS STARTED IS SO RAPIDLY ERODING AMERICAN CONGRESSIONAL AND PUBLIC OPINION THAT IS WE ARE TO STAY IN VIET-NAM AND CONTINUE TO GIVE THE GVN OUR SUPPORT, WE SIMPLY HAVE TO MOVE TO SUBSTANTIVE NEGOTIATIONS AT ONCE. WE MEAN TO CONTINUE TO NEGOTIATE AND FIGHT AT THE SAME TIME, AND TO STAND FIRM WITH THE GVN ON MATTERS OR PRINCIPLE, BUT THE AMERICAN PUBLIC AND CONGRESS WILL NOT AT THIS STAGE TOLERATE FIGHTING ALONE WHEN THERE IS AN OPPORTUNITY TO NEGOTIATE, AND THEY HAVE NO PATIENCE WITH ARGUMENTS OVER PROCEDURE THAT SEEM TO THEM UNREASONABLE. THE GOVERNMENT OF VIET-NAM MUST BE CAREFUL NOT TO DRIVE THE UNITED STATES GOVERNMENT INTO A POSITION WHERE IT IS COMPELLED TO MOVE AHEAD ON ITS OWN.

6. I SIAD AS THEIU HAD SEEN FROM THE PRESIDENT'S MESSAGE, HE SUPPORTS THE GVN COMPLETELY ON THE PRINCIPLE THAT THE MEETINGS MUST BE TWO-SIDED, BUT HE POINTS OUT THAT THE ARRANGEMENTS THAT WE PROPOSE PROTECT THEIR ESSENTIALLY TWO-SIDED CHARACTER. I CALLED THIEU'S ATTENTION TO ONE KEY PASSAGE OF THE LETTER IN WHICH PRESIDENT JOHNSON SAID THAT THE SITUATION IN THE CONGRESS AND IN THE AMERICAN PUBLIC "IS AS DANGEROUS AND VOLATILE AS I HAVE SEEN IT AT ANY TIME IN THE LAST 4 YEARS, OR INDEED IN MY 40 YEARS IN PUBLIC SERVICE", AND I ALSO READ TO THIEU THE NEXT FOLLOWING SENTENCE WHICH WARNS AGAINST A "REAL AVALANCHE OF CRITICISM DIRECTED IN PART AT THE AMERICAN GOVERNMENT, BUT FAR MORE ACUTELY DANAGING TO THE IMAGE OF YOUR GOVERNMENT IN THE AMERICAN CONGRESS AND WITH THE AMERICAN PEOPLE". I ALSO CALLED SPECIAL ATTENTION THE THE LAST TWO SENTENCES OF PRESIDENT JOHNSON'S PERSONAL MESSAGE. FOR GOOD MEASURE I ADDED A REMARK, WHICH I CHARACTERIZED AS A PERSONAL ONE, THAT THEIU WILL VERY MUCH NEED MR. JOHNSON'S SUPPORT ALSO AFTER THE PRESIDENT LEAVES OFFICE. I REMINDED HIM THAT THE PRESIDENT HAS BEEN A GREAT FRIEND OF SOUTH VIET-NAM, AND I SAID THIEU SHOULD BE CAREFUL TO KEEP HIM AS A FRIEND.

7. BECAUSE FOREIGN MINISTER THANH (SAIGON 245) HAD FAVORABLY REFERRED TO SECRETARY RUSK'S JANUARY 3 STATEMENT THAT PROCEDURAL PROBLEMS CONTAIN ELEMENTS OF SUBSTANCE, I STRESSED THAT MR. RUSK LIKewise PERSONALLY BELIEVES THAT IT IS IMPERATIVE THAT WE RESOLVE THE PROCEDURAL IMPASSE IMMEDIATELY, NOTING AGIAN THAT MR. RSUK'S SUCCESSOR TAKES THE SAME POSITION. I THEN READ TO THEIU THE KEY PASSAGE OF THE SECRETARY'S PERSONAL MESSAGE TO ME INCLUDING THE SENTENCE: "I HOPE THE VIET-NAMESE GOVERNMENT IS NOT TAKING UNDUE COMFORT FROM THE FACT THAT (THE TIME BEING SAVED IN PARIS) MAY BE WELL USED ON THE BATTLEFIELD, BECAUSE THE DAMAGE TO THEIR CAUSE BY ADVERSE REACTIONS HERE COULD BECOME IRREPARABLE."

~~SECRET~~

~~SECRET~~

-3- SECTION ONE OF THREE SAIGON 527, JAN 10 (NODIS/HARVAN)

8. NEXT I TURNED TO THE DECISION THAT NOW NEEDS TO BE MADE. I EXPLAINED THAT WE PROPOSE A PACKAGE DEAL OF WHICH THE MOST IMPORTANT ELEMENT IS TO NAIL DOWN THE TWO-SIDED NATURE OF THE TALKS THROUGH THE ORDER OF SPEAKING AABB. THE DRAWING OF LOTS IS TO BE BY SIDES. THERE ARE TO BE NO NAMEPLATES AND FLAGS, AND WE WOULD ACCEPT THE UNMARKED CIRCULAR TABLE AT WHICH THEY ARRANGE THEMSELVES ON THEIR HALF AND WE ARRANGE OURSELVES AS WE WANT ON OUR HALF. I SAID THIS IS WHAT WE PROPOSE TO PUT UP TO THE OTHER SIDE IF THEY ARE NOT FORTHCOMING AT THE NEXT MEETING.

BUNKER
BT

~~SECRET~~



Department of State TELEGRAM

~~SECRET~~

ACTION COPY

2 4 3 1 Q

1969 JAN 10 AM 10 07

O 101250Z JAN 69 ZFF6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7257
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 3475
STATE GRNC

BT

~~SECRET~~ SECTION 2 OF 3 SAIGON 527

NODIS/HARVAN

PARIS FOR VIET-NAM MISSION

SUBJECT: MORNING MEETING WITH PRESIDENT THEIU JANUARY 10

9. I EMPHASIZED THAT WE ARE NOT IN ANY WAY RECEDING FROM OUR STATEMENTS OF NOVEMBER 13 AND NOVEMBER 27, THAT THESE ARE TWO-SIDED MEETINGS. (I NOTED THAT THE TWO-SIDES PRINCIPLE WOULD ALSO BE MAINTAINED IF WE HAD TO FALL BACK ON THE ABBA ORDER OF SPEAKING.) WE WILL TAKE MEASURES TO MAKE CLEAR THAT THE TALBE ARRANGEMENT IS ESSENTIALLY TWO-SIDED. THIS CAN BE DONE IN SEVERAL WAYS. ONE WAY, WHICH WE HAD DISCUSSED EARLIER, INVOLVES LEAVING A SPACE BETWEEN OUR SIDE AND THEIR SIDE, BY REMOVING ONE CHAIR AT EACH MID-POINT OR LEAVING IT UNOCCUPIED. ANOTHER WAY IS TO PUT A PILE OF BOOKS OR FILES OF BRIEFING PAPERS ON TOP OF THE TALBE BETWEEN OUR SIDE AND THEIR SIDE. BOTH OF THESE THINGS, AND OTHERS AS WELL, SUCH AS OUR ADDRESSING THEM AS "YOUR SIDE" OR SPEAKING OF "THE OTHER SIDE", WOULD FURTHER MARK THE TWO-SIDED NATURE OF THE NEW MEETINGS. I SAID THE TOTAL PACKAGE WHICH I HAD DESCRIBED IS CERTAINLY MORE TWO-SIDED THAN ANYTHING ELSE. BY HANOI'S OWN ADMISSION THE ROUND TABLE DOES NOT REFLECT THEIR CONTENTION THAT THE TALKS ARE FOUR-SIDED. IF THEY DO NOT ACCEPT OUR PACKAGE, WE WILL HAVE PLACED THEM ON THE DEFENSIVE. AT THE PRESENT TIME, NOT MATTER WHAT WE MAY SAY PUBLICLY, IT IS WE WHO ARE ON THE DEFENSIVE. HANOI WANTS TO KEEP US IN THIS POSITION, WE HAVE TO BREAK OUT OF IT.

10. WINDING UP MY PRESENTATION, I SAID IT IS NOW MORE THAN TWO MONTHS SINCE THE FINAL BOMBING HALT, OVER A MONTH SINCE THE GVN DELEGATION ARRIVED IN PARIS, EIGHT MONTHS SINCE THE TALKS BEGAN IN PARIS BETWEEN THE UNITED STATES AND DRV, AND IN THE VIEW OF MY GOVERNMENT THE TIME HAS DEFINITELY COME WHEN WE MUST MOVE TO SUBSTANTIVE MATTERS ON WHICH WE CAN TOGETHER PRESENT A FIRM UNITED FRONT. THE ISSUE OF THE SHAPE OF THE TALBE IS A LIABILITY FOR BOTH OF U.

~~SECRET~~

~~SECRET~~

-2- SECTION 2 OF 3 SAIGON 527, JAN 10 (NODIS/HARVAN)

11. THIEU, WHO HAD TAKEN CAREFUL NOTES OF MY PRESENTATION, REPLIED THAT I KNEW HIM TO BE NO "SUPER-RWK". HE RECALLED THAT AS LONG AS TWO YEARS AGO, HE HAD OUTLINED TO ME HOW HE SAW THE EVOLUTION OF THE CONFLICT, THAT HE DID NOT EXPECT IT TO END WITH A CLEAR MILITARY VICTORY AND THAT EVENTUALLY THERE WOULD HAVE TO BE POLITICAL SETTLEMENT INVOLVING COMPETITION WITH THE COMMUNISTS, A COMPETITION WHICH WOULD BE DECISIVE. HE HAD THEN SAID THAT THE PEOPLE HAD TO BE PREPARED FOR THAT CONTEST AND THAT THAT WOULD TAKE TIME. MANY ISSUES WOULD HAVE TO BE RESOLVED, AND ONE OF THEM WOULD BE HOW TO ARRANGE THE CONTEST. MEANWHILE HE HAD STEADILY MOVED AHEAD, HE PUBLICLY ENUNCIATED THE PRINCIPLE OF "ONE MAN, ONE VOTE". THIS SHOWED HOW FAR WE HAD COME IN THOSE TWO YEARS. THE VIETNAMESE PEOPLE WHO UNDERSTAND THAT THERE WILL BE PEACE WITHOUT VICTORY, THAT THEY MUST EXPECT A DIFFICULT CONTEST WITH THE COMMUNISTS, AND THAT THE US ALSO WANTS AND EXPECT THIS.

12. THE QUESTION, THEREFORE, HAS BECOME HOW TO MAKE SOUTH VIET-NAM POLITICALLY STRONG ENOUGH TO WIN THAT LOOMING CONTEST. IN THIS SITUATION THIEU SAID, THE BATTLE OF PROPAGANDA IS OF THE UTMOST IMPORTANCE. THIS HAS BECOME A CRUCIAL FACTOR IN THE RELATIONSHIP BETWEEN THE GVN AND ITS ALLIES. IF THEY WILL HELP TO "PUSH THE ENEMY BACK", BOTH MILITARILY AND IN THE FIELD OF PROPAGANDA, THEY WILL MAKE IT POSSIBLE FOR THE SOUTH VIETNAMESE PEOPLE TO SOLVE THE POLITICAL PROBLEMS BY THEMSELVES AFTER THE END OF THE WAR. THIS IS NOT ONLY A MATTER OF SUBSTANCE, IT IS EQUALLY, AND SOMETIMES EVEN MORE, A MATTER OF APPEARANCES, OF FACE, OF PRESTIGE. PUSHING BACK THE ENEMY'S PROPAGANDA CLAIMS AFFECTS THE MORALE OF THE PEOPLE AND OF THE TROOPS, AND THE STRENGTH OF THE GOVERNMENTS DEPENDS ON THE SUPPORT OF THE PEOPLE AND OF THE TROOPS.

13. THIEU NOW TURNED TO THE QUESTION OF THE TABLES. OF COURSE THE SHAPE ITSELF IS NOT IMPORTANT, HE SAID. WHAT IS IMPORTANT IS THAT THE PEOPLE MUST NOT GET THE IMPRESSION THAT THE NLF IS ACCEPTED AS AN EQUAL OF THE GVN IN THE FORTHCOMING TALKS. IF THAT SHOULD HAPPEN, IT WOULD HAVE A VERY DANGEROUS EFFECT ON MORALE IN SOUTH VIET-NAM. IF PEOPLE FEEL THAT THE NORTH VIETNAMESE CAN GET ANYTHING THEY ASK FOR, THAT OUR SIDE IS GIVING GROUND BEFORE THE ENEMY, THAT THE ENEMY GETS THE TABLE HE WANTS BY JUST HOLDING OUT FOR IT, WHAT WILL BE THE EFFECT? THE PEOPLE WILL COME TO FEEL THAT THIS MAY ALSO HAPPEN IN THE ISSUE OF A COALITION GOVERNMENT, THAT OUR SIDE MAY MAKE CONCESSIONS IN SUCH VITAL MATTERS, TOO.

14. I INTERRUPTED THE PRESIDENT. I CERTAINLY DID NOT AGREE, I SAID, THAT THE ENEMY HAS GOTTEN EVERYTHING HE WANTS SO FAR. HE WANTED PHNOM PENH OR WARSAW AS MEETING PLACE, AND HE HAD TO SETTLE FOR PARIS. HE INSISTED THAT THE BOMBING HALT MUST BE UNCONDITIONAL AND THEN HAD TO ACCEPT WHAT ARE VIRTUAL CONDITIONS. HE WANTED NAMEPLATES AND FLAGS, AND NOW HE IS READY TO GIVE IN ON THEM. IN FACT, WE CAN GET 90 PERCENT OF WHAT WE WANT IN THE

~~SECRET~~

~~SECRET~~

-3- SECTION 2 OF 3 SAIGON 527, JAN 10 (NODIS/HARVAN)

MATTER OF PROCEDURES. IN NEGOTIATIONS ONE CANNOT EXPECT TO GET 100 PERCENT UNLESS THE OTHER SIDE SURRENDERS. THE ORDER OF SPEAKING WHICH WE PROPOSE IS CLEARLY TWO-SIDED, AND IF WE ACCEPT THE ROUND TABLE WE WILL HAVE HALF THE AREA AND CAN ARRANGE OURSELVES IN SUCH A WAY, AND PILE FILES AT THE ENDS OF THE DIAMETER, SO AS TO MAKE STILL CLEARER THAT THE TALKS ARE TWO-SIDED. I REPEATED THAT WE STAND BY OUR PUBLIC STATEMENTS OF NOVEMBER 13 AND NOVEMBER 26. WE INTEND TO REFER TO THE OTHER SIDE AS "YOUR SIDE" OR "THE OTHER SIDE", THUS CONSTANTLY EMPHASIZING THE TWO-SIDED CHARACTER OF THE MEETINGS. AGAIN, I SAID THE AMERICAN PEOPLE SIMPLY CANNOT UNDERSTAND WHY WE SHOULD GET HUNG UP BECAUSE OF A DISPUTE OVER A LINE ON THE TABLE.

BUNKER
BT

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

2 4 4 2 Q

1969 JAN 10 AM 10 28

O 101250Z JAN 69 ZFF6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7258
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 3476
STATE GRNC
BT

ACTION COPY

~~SECRET~~ SECTION 3 OF 3 SAIGON 527

NODIS/HARVAN

PARIS FOR VIET-NAM MISSION

SUBJECT: MORNING MEETING WITH PRESIDENT THIEU JANUARY 10

15. THIEU SAID THE QUESTION IS HOW ALL THIS CAN BE EXPLAINED TO THE VIETNAMESE PEOPLE. HE SAID HE UNDERSTOOD THE PROBLEM WITH AMERICAN OPINION. I SAID I WASN'T SURE THAT OTHERS UNDERSTAND IT THE SAME WAY. SOME SEEMED TO THINK IT IS JUST PRESIDENT JOHNSON'S PROBLEM. ACTUALLY THE NEXT PRESIDENT WILL HAVE THE SAME POSITION. THIEU SAID OUR COMMON PROBLEM IS HOW TO WIN THE POLITICAL WAR AND HOW TO DEVELOP A PROPAGANDA POSITION THAT WILL SUPPORT THAT WAR. I SAID THERE IS NO REASON WHY WE SHOULD BE LESS EFFECTIVE THAN THE COMMUNISTS. THE BASIC QUESTION THAT HE AND THE VIETNAMESE HAVE TO ASK THEMSELVES IS THIS: HOW IMPORTANT IS US SUPPORT TO THEM? IS IT IMPORTANT? IF IF IS, THEN THEY HAVE TO TAKE AMERICAN OPINION INTO CONSIDERATION.

16. THIEU SAID, OF COURSE AMERICAN OPINION IS VERY IMPORTANT FOR AMERICAN SUPPORT IS ESSENTIAL FOR A SUCCESSFUL OUTCOME, BUT HE HAD TO EXPLAIN TO HIS PEOPLE. HE SAID THE TIME THAT WAS SPENT IN NOVEMBER WAS WELL SPENT IN PREAPRING THE GOUND TO ENABLE THE GVN TO SEND A DELEGATION TO PARIS. IF THE GVN HAD RUSHED TO PARIS IT WOULD HAVE CREATED AN EXCEEDINGLY DIFFICULT POSITION HERE. HE SAID, "I DON'T KNOW HOW I COULD HAVE GOVERNED THE COUNTRY. WE NEEDED THAT TIME." I AGREED THAT THE DELAY IN NOVEMBER WAS USEFUL HERE, BUT IT WAS NOT USEFUL IN THE UNITED STATES WHERE IT HAD A SERIOUSLY ADVERSE EFFECT ON THE IMAGE OF SOUTH VIET-NAM AND ITS PRESIDENT. THIEU AGREED. HE ALSO AGREED WHEN IS SAID ONCE MORE THAT WE HAVE MUTUAL PROBLEM NOW AND THAT WE MUST SOLVE IT.

18. THIEU SAID HE HAS A DILEMMA HOW TO SATISFY AMERICAN OPINION AND AT THE SAME TIME MAINTAIN THE MORALE OF THE VIETNAMESE PEOPLE AND ARMED FORCES IN ORDER TO WIN IN A POLITICAL SETTLEMENT. HE AGAIN SAID THE VIETNAMESE PEOPLE HAD COME A

~~SECRET~~

~~SECRET~~

~~2~~

SECTION 3 OF 3 SAIGON 527, JAN 10 (NODIS/HARVAN)

LONG WAY, BUT THEY HAD TO BE BROUGHT ALONG GRADUALLY. HE HAD TO MOVE CAREFULLY AND SKILFULLY IN MAKING THE PEOPLE FACE THE NEED FOR POLITICAL COMPROMISE. I SAID ONCE MORE THAT THIEU NEED NOT FEEL THAT THE AMERICAN PEOPLE WOULDN'T SUPPORT VIETNAM ON MATTERS OF BASIC PRINCIPLE, BUT THEY WILL NOT SUPPORT CONTINUATION OF THE FIGHTING WHEN THEY SEE THAT AN OPPORTUNITY TO NEGOTIATE IS NOT BEING USED. THIEU ASKED NOW WE COULD BE SURE THAT THE ENEMY WOULD NEGOTIATE ON MATTERS OF SUBSTANCE. I SAID THE ENEMY WOULD BE FORCED TO FACE UP TO QUESTIONS OF SUBSTANCE AS SOON AS WE GOT OVER THIS LAST REMAINING PROCEDURAL HURDLE. THE NEGOTIATIONS WILL BE LONG AND ARDUOUS AND COMPLICATED. WE HAVE TO MAKE A BEGINNING NOW. THIEU SAID HE AGREED. I SAID: ALL RIGHT, WHAT ARE WE GOING TO DO?

19. FINALLY, THIEU SAID HE WISHED TO TALK ABOUT THE NEXT MOVE AT OUR AFTERNOON CONSULTATIVE MEETING IN THE PRESENCE OF HIS COLLEAGUES. HE HAD ASKED FOR A REPORT FROM AMBASSADOR LAM IN PARIS ON WHERE WE STAND ON THE TABLES, SPEAKING ORDER AND OTHER MATTERS AFTER THE LAST VANCE-LAU MEETING. HE SAID HE HOPED WE WOULD BE ABLE TO WORK UP A PACKAGE THIS AFTERNOON.

BUNKER
BT

~~SECRET~~



Department of State

TELEGRAM

36c

~~SECRET~~

O 101500Z JAN 69 ZFF-6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7260
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 3478
STATE GRNC
BT

2 4 5 1 Q
1969 JAN 10 AM 11 20

ACTION COPY

~~SECRET~~ SECTION 1 OF 2 SAIGON 529

NODIS HARVAN PLUS

PARIS FOR VN MISSION

DECLASSIFIED

Authority NLT 91-53

SUBJ: JAN. 10 CONSULTATION MEETING

By nc/3p NARA, Date 2-27-98

1. OUR CONSULTATION MEETING AFTERNOON JANUARY 10 WAS LONG AND DIFFICULT, LASTING OVER 3 HOURS, BUT AT THE END WE OBTAINED THE PRESIDENT'S AGREEMENT TO A TWO-STAGE ARRANGEMENT CALLING FOR (A) AT A FIRST MEETING, PRESENTATION OF TWO SLIGHTLY IMPROVED PROPOSALS FOR A CIRCULAR TABLE WITH BAIZE STRIPS OR ONLY A LINE DIVIDING THE TWO SIDES AND, IF THESE ARE REJECTED, (B) AT A SUBSEQUENT MEETING, AND FOLLOWING ONE MORE CHECK WITH THE GVN, A PROPOSAL FOR THE UNMARKED CIRCULAR TABLE, WITH THE ORDER OF SPEAKING TO BE DETERMINED BY TWO-SIDED LOTS. FULLER DESCRIPTION OF THESE PROPOSALS BELOW AND IN SEPARATE MESSAGE. FREQUENT CONSULTATIONS AMONG THE GVN REPRESENTATIVES MADE IT CLEAR THAT THEY WERE WORKING THEIR POSITION OUT AT THE MEETING.

2. ALTHOUGH WE HAD PRESENTED OUR PROPOSALS TO THANK EARLIER IN THE WEEK (SAIGON 159) AND I HAD MADE A FORCEFUL, DETAILED PRESENTATION TO THIEU EARLIER IN THE DAY (SAIGON 527), IT WAS CLEAR THAT THIEU WANTED ME TO GO OVER THE GROUND AGAIN IN THE PRESENCE OF KY AND THANK. I DID SO WITH VIGOR AND AT CONSIDERABLE LENGTH. THIEU RESPONDED WITH A LONG RECITATION OF THE CONCESSIONS THE GVN HAD MADE, INCLUDING THE BIZARRE ASSERTION THAT SINCE THE GVN AS A SOVEREIGN GOVT IS ENTITLED TO NAMEPLATES AND FLAGS, AGREEING TO DROP THEM IS A CONCESSION OF OUR SIDE, NOT OF THE ENEMY. AFTER REFUTING THIS AND OTHER ARGUMENTS, MANY OF WHICH PARALLELED THOSE THE PRESIDENT HAD PUT TO ME IN THE MORNING, I URGED AGAIN THE IMPORTANCE TO THE GVN OF AMERICAN OPINION AND THE IMPORTANCE OF THEIR ADOPTING A POSITION OF CONFIDENCE VIS-A-VIS THE NLF RATHER THAN A TIMOROUS ONE.

3. KY TOOK A VERY DIFFERENT LINE FROM THE ONE HE HAD TAKEN WITH BERGER AND ME JAN. 6 (SAIGON 160). HE SAIG ORIGINALLY THE SHAPE OF TABLE HAD BEEN UNIMPORTANT, BUT NOW IT HAD BECOME AN ISSUE OF SYMBOLIC IMPORTANCE. HE THEN SUGGESTED THAT WE PUT FORWARD THE PROPOSAL ENVISAGED AS AN INITIAL POSITION IN PAR 5 B. STATE 1411.

~~SECRET~~

~~SECRET~~

-2- SECTION 1 OF 2 SAIGON 529, JAN 10 (NODIS/HARVAN/PLUS)

I.E. THAT WE OFFER TO LET THE OTHER SIDE TALK FIRST PROVIDED THEY ACCEPT A CIRCULAR OR ROUND TABLE WITH A BAIZE STRIP, AND NO FLAGS AND NAMEPLATES. HE PLEADED THAT WE SHOULD NOT BEGRUDGE THE GVN "JUST THIS LITTLE BAIZE STRIP" AFTER ALL THE CONCESSIONS THEY HAD MADE SINCE THE BEGINNING OF THE NEGOTIATIONS. I SAID THIS PROPOSAL WAS LIKELY TO BE REJECTED BY THE OTHER SIDE, AND WE WOULD BE FACED WITH THE QUESTION WHAT TO DO THEN. WE MIGHT LAND IN AN EVEN WORSE POSITION. I URGED THAT WE ENABLE OUR NEGOTIATORS IN PARIS TO SETTLE THE PRELIMINARIES.

4. AFTER FURTHER EXTENSIVE CONSULTATIONS IN VIETNAMESE, KY ASKED WHETHER AGREEMENT TO AN UNBROKEN ROUND TABLE WAS THE "LAST CONCESSION" WE WOULD REQUEST FROM THE GVN, AND THANH QUERIED WHETHER THE US WOULD BE WILLING TO STICK TO THIS PROPOSAL (WHICH WOULD BE COUPLED WITH INSISTENCE ON CLEARLY TWO-SIDED SPEAKING ARRANGEMENTS) EVEN IF IT WAS REJECTED BY THE OTHER SIDE. I REPLIED AFFIRMATIVELY TO BOTH QUESTIONS. THIS GLIMMER OF LIGHT WENT OUT, HOWEVER, IN FURTHER DISCUSSIONS IN WHICH THIEU ARGUED AT LENGTH THAT ACCEPTANCE OF AN UNMARKED ROUND TABLE WOULD BE HAILED BY THE ENEMY AS A GREAT VICTORY, WHICH WOULD HAVE DANGEROUS REPERCUSSIONS IN SOUTH VIET-NAM. IN VIEW OF THE ABUNDANT EVIDENCE THAT WE WERE GETTING NOWHERE, I RAISED THE POSSIBILITY OF A TWO-STAGE EFFORT IN PARIS -- ONE MEETING WITH THE NORTH VIETNAMESE TO SEEK THEIR AGREEMENT ON THE FORMULA OUTLINED IN PARAGRAPH 3 ABOVE AND, IF THIS WAS REJECTED BY THEM, A FALL-BACK TO THE UNMARKED ROUND TABLE AT A SUBSEQUENT MEETING WITH THE DRV. THANH ASKED IF WE WOULDN'T ALLOW AMERICAN PUBLIC OPINION TO PUSH OUR SIDE EVER FURTHER IF THE DRV REJECTED THIS LAST OFFER, AND WHETHER WE WOULD JOIN THE GVN IN EXPLAINING THE ROUND TABLE AND ASSOCIATED ARRANGEMENTS AS A VICTORY FOR OUR SIDE IF THE DRV ACCEPTED IT. I SAID WE WOULD CERTAINLY DO SO. UNFORTUNATELY, THIS DID NOT YET YIELD A PACKAGE WITHOUT SOME FURTHER QUALIFICATIONS.

5. AFTER FURTHER CONSULTATION IN VIETNAMESE, WE TURNED TO A LONG DISCUSSION OF LOTS, WITH THE GVN LEADERS SHOWING FEAR THAT THE NUMBER OF LOTS OR THE DRAWING MECHANISM MIGHT ERODE THE TWO-SIDED FORMULA. THEY ADVOCATED THAT THE ACTUAL DRAWING BE DONE BY A THIRD PARTY SUCH AS THE FRENCH. THIEU ALSO EMPHASIZED THAT THE PRINCIPLE THAT EACH SIDE COMPLETES ITS PRESENTATION BEFORE THE OTHER SPEAKS REQUIRES THAT THE NUMBER OF SPEAKERS FOR EACH SIDE BE UNDETERMINED. HE AFT KY ALSO QUESTIONED THE NECESSITY OR DESIRABILITY OF GIVING ADVANCE NOTICE TO THE OTHER SIDE OF THE NAMES OF THE SPEAKERS; THE HEAD OF DELEGATION SHOULD BE ABLE TO ASK ANY OF THE MEMBERS OF HIS SIDE TO SPEAK, AND THE MEETING SHOULD CONTINUE UNTIL ALL WHOM THE DELEGATION CHIEFS DESIRED TO SPEAK ON ONE SIDE HAD HAD THEIR SAY. THEY INSISTED ON ALL THESE POINTS AS THEY SEEMED TO BE MOVING IN THE DIRECTION OF ACCEPTING THE UNMARKED ROUND TABLE AS A FALL-BACK POSITION.

BT

~~SECRET~~



Department of State TELEGRAM

~~SECRET~~ ACTION COPY

O 101500Z JAN 69 ZFF-6
FM ANEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2761
INFO RUFNCR/ANEMBASSY PARIS IMMEDIATE 3478
STATE GRNC

2 4 5 5 Q
1969 JAN 10 AM 11 23

BT

SECRET SECTION 2 OF 2 SAIGON 529

NODIS HARVAN PLUS

6. THIEU FINALLY SAID HE COULD AGREE TO A TWO-STAGE PROPOSAL, BUT UNDER CERTAIN CONDITIONS WHICH HE TOOK TO THE BLACKBOARD TO EXPLAIN. THIEU'S PRESENTATION WAS AS FOLLOWS:

A. OUR PRESENT POSITION IS A ROUND TABLE WITH A BAIZE STRIP, NO FLAGS AND NAMEPLATES, AND AN ABBB ORDER OF SPEAKING, TO BE DETERMINED BY TWO (OR FOUR) LOTS OF TWO COLORS.

B. AT THE FIRST MEETING WITH DRV, WE SHOULD OFFER THE OTHER SIDE A CHOICE OF EITHER A CIRCULAR TABLE DIVIDED BY A BAIZE STRIP, WITH NO LOTS AND THEIR SIDE SPEAKING FIRST; OR A ROUND OR CIRCULAR TABLE DIVIDED BY A THIN BUT VISIBLE LINE AND THE ORDER OF SPEAKING BY SIDES TO BE DETERMINED BY TWO LOTS OF DIFFERENT COLORS. ALSO, OF COURSE, NO FLAGS AND NAMEPLATES.

C. IF THESE PROPOSALS WERE REJECTED, AND AFTER RECEIVING A "GREEN LIGHT" FROM THE GVN, WE COULD PROPOSE AT A SECOND MEETING THE UNMARKED CIRCULAR TABLE AND A TWO-SIDED ORDER OF SPEAKING DETERMINED BY TWO LOTS OF DIFFERENT COLORS.

7. THIEU STRESSED THE EXTREME IMPORTANCE OF SECRECY ON THE FALL-BACK POSITION. IF THE OTHER SIDE LEARNED OF IT, HE SAID, THERE WOULD BE NO CHANCE OF THEIR AGREEING TO ANYTHING LESS. HE NOTED THAT AP HAD REPORTED BEFORE THE JANUARY 2 MEETING ON SEVERAL TABLE SHAPES THAT WE WERE GOING TO PROPOSE.

8. I BELIEVE WE HAVE GOTTEN AS MUCH OUT OF THIEU AND KY AS WE CAN, AND URGE THAT THE DEPARTMENT AUTHORIZE PARIS TO MOVE AHEAD ON THE TWO-STAGE BASIS, AND ALSO THAT WE BE ESPECIALLY CAREFUL TO PRESERVE SECRECY ABOUT THE FALL-BACK POSITION. BUNKER
BT

~~SECRET~~

Friday, January 10, 1969

Pres file

MR. PRESIDENT:

You will be happy to know that the December pacification figures show a continuation of the favorable trend we have seen over the past few months. We end up 1968 with a gain in Government Secure population of 9.4 percent during the year and a 16.5 percent higher figure than the post-Tet low.

In percent of total population, the end-December figures are:

Relatively Secure	76.3 percent
Contested	11.4 percent
VC Controlled	12.3 percent

VC Controlled showed a decline of 1.1 percent over November and is an all-time low.

W. W. Rostow

~~CONFIDENTIAL~~

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND CENTER
MESSAGE CENTER

374
24736

VZC7CJCS737
PP RUEOJFA
DE RHMSMVA #1971 0101205
7NY CCCCC
P 101033Z JAN 69
FM COMUSMACV
TO RUHHHQA/CINCPAC
INFO RUEOJFA/JCS
RUEOJFA/SECDEF
RUFHC/SECSTATF
RUEOJFA/AID WASHDC
RUFATIA/CIA WASHDC
RUEOJFA/USIA WASHDC
RUFADDWW/WHITE HOUSE WASHDC
RUFJC/AMEMB PARIS
RUOMGU/AMEMB ANKARA
RUMJIR/AMEMB SAIGON
ZEN/DIR USAID SAIGON
ZEN/DIR JUSPAO SAIGON
BT

CALL 53337
FOR NMCC/MC
SERVICE

1 10 13 522

DECLASSIFIED

E.O. 12356, Sec. 3.3

DA Memo. Jan. 5, 1988

By h NARA Date 3-5-94

~~CONFIDENTIAL~~ A L 1908 AMEMB PARIS FOR MACV REP
SURJI PACIFICATION STATUS, DECEMBER 1968 (II)
1. (C) PACIFICATION EXPANSION: AS REFLECTED BY DECEMBER HAMLET
EVALUATION SYSTEM DATA, SLOWED SLIGHTLY OVER NOVEMBER'S RATE, BUT
CONTINUED THE SHARPLY FAVORABLE TREND STARTED IN OCTOBER. GAINS
MADE IN RELATIVELY SECURE TOTAL POPULATION AND RURAL POPULATION
WERE ALMOST AS LARGE AS THE RECORD INCREASES DURING NOVEMBER.
ALL CORPS SHOWED IMPROVEMENT; WITH IV CORPS ADDING THE GREATEST
NUMBER OF PEOPLE TO ITS RELATIVELY SECURE POPULATION. THE END-
YEAR EFFORT ON THE REGULAR 1968 PACIFICATION PROGRAM, PROVINCIAL
PRESSURE TO COMPLETE THE ACCELERATED PACIFICATION CAMPAIGN,
FURTHER EXPANSION AND STRENGTHENING OF TERRITORIAL FORCES, LACK
OF SUSTAINED ENEMY ACTIVITY AGAINST THE PACIFICATION EFFORT AND A
GENERALLY QUIET MAIN FORCE ATMOSPHERE ALL CONTRIBUTED TO THE
FAVORABLE RESULTS.

2. (C) RELATIVELY SECURE POPULATION (A, B AND C CATEGORIES)
INCREASED 3.0 PERCENT TO 76.3 PERCENT -- NET ADDITION OF
537,3000 PEOPLE TO THE RELATIVELY SECURE CATEGORY. THIS IS A GAIN
OF 9.4 PERCENT DURING THE YEAR AND IS 16.5 PERCENT HIGHER THAN
THE POST-TET LOW. BY CORPS THE GAINS WERE:

	INCREASE IN RELATIVE	PERCENT RELATIVELY SECURE
	TIVELY SECURE POPULATION OF TOTAL CORPS POPULATION	
I CORPS	99,900	69.3 (UP 3.5)

INFO: CJCS-1 DJS-3 SJCS-1 J1-2 J3-8 J4-3 J5-2 SACS-3 NMCC S/DEF-7
ASD/ISA-9 ASD/IL-4 ASD/PA-1 ASD/COMP-1 ASD/M&RA-1 ASD/SA-3
WH-10 DIA-15 CSA-1 CNO-2 USAF-1 CMC-7 FILE-1 (87) JRT/JB
1 OF 3

CONFIDENTIAL

~~CONFIDENTIAL~~

DEPARTMENT OF DEFENSE

NATIONAL MILITARY COMMAND C5N

MESSAGE CENTER

II CORPS	51,300	81.7 (UP 1.5)
PAGE 3 RHMSMVA 1971	CONFIDENTIAL	
III CORPS	161,400	90.1 (UP 2.7)
IV CORPS	224,700	64.6 (UP 3.7)
TOTAL	537,300	76.3 (UP 3.0)

3. (C) CONTESTED POPULATION (D AND E CATEGORIES) DROPPED FROM 13.3 PERCENT IN NOVEMBER TO 11.4 PERCENT, DURING DECEMBER CONTESTED POPULATION DECREASED BY 323,100.

4. (C) VC-CONTROLLED POPULATION DECLINE 1.1 PERCENT FROM NOVEMBER TO A NEW LOW OF 12.3 PERCENT.

5. (C) SECURITY ONLY EVALUATIONS, BY WHICH PROGRESS OF THE ACCELERATED PACIFICATION CAMPAIGN IS MEASURED, INDICATE THAT 574,000 PEOPLE WERE ADDED TO THE RELATIVELY SECURE CATEGORY WHILE CONTESTED AND VC-CONTROLLED POPULATION DECREASED 360,400 AND 186,000, RESPECTIVELY.

6. (C) RELATIVELY SECURE RURAL POPULATION INCREASED DURING DECEMBER TO 65.0 PERCENT AN IMPROVEMENT OF 4.3 PERCENT OVER NOVEMBER AND A NET GAIN OF 4852,200 PEOPLE. THE CONTRAST THAT VC-CONTROLLED CATEGORIES DECLINED 21,109 (TO 16.1 PERCENT AND 183,500 (TO 18.9 PERCENT), RESPECTIVELY.

7. (C) THE 10 BEST AND 10 WORST PROVINCES ON TEAM PERCENT OF POPULATION IN THE RELATIVELY SECURE CATEGORIES ARE:

F:

A. 10 BEST:

- (1) AN GIANG 100.0 PERCENT
- (2) KHANH HOA 98.3
- (3) LONG KHANH 98.2
- (4) RINH TYU 95.0
- (5) TA NINH 94.8
- (6) NINH THUAN 91.9
- (7) KONUM 91.6
- (8) QUANG DUC 91.0
- (89) 83, #9= 90.3
- (10) GIA DINH 88.6

R. 10 WORST:

- (1) AN XUYEN 35.5 PERCENT
- (2) CHUONG THIEN 40.3
- (3) QUANG NAM 49.9
- (4) VICH BINH 50.5
- (5) BAC LIEU 50.7
- (6) LONG AN 51.6
- (7) DINH THUONG 52.4
- (8) KIEN HOA 54.7

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

DEPARTMENT OF DEFENSE
NATIONAL MILITARY COMMAND CENTER
MESSAGE CENTER

PAGE 3 RHMSMVA 1971 ~~C O N F I D E N T I A L~~
(9) QUANG TIN 59.3
(10) KIEN GIANG 60.6
GP-4
RT
#1971
NNNN

3 OF 3

24736

~~CONFIDENTIAL~~

38

ACTION

Friday - January 10, 1969

Pres file

Mr. President:

The Director of the National Museum in San Salvador has sent you a photograph of a large oil painting (Tab A) which now hangs in that Museum. This painting portrays you and the five Central American Presidents at your Summit Conference in July, 1968. He thought you might like the photograph as a souvenir of that meeting.

I suggest you authorize Bill Bowdler to thank the Director of the Museum personally on your behalf for his letter and photograph.

W. W. Rostow

Approve	_____
Disapprove	_____
Call me	_____.

Attachment

Tab A - Photograph sent to President by Dr. Manuel Alfonso Fagoaga, Director, David J. Gusman National Museum in San Salvador.

SWLewis:mm

Thursday, January 9, 1969
6:30 p. m.

1 file
39

MR. PRESIDENT:

Ben Read was good enough to forward this heartwarming tribute to the President in the Antigua Star of Nov. 16, 1968

W. W. Rostow

Attachment



16631

DEPARTMENT OF STATE

Washington, D.C. 20520

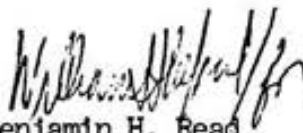
39a

December 31, 1968

MEMORANDUM FOR MR. WALT W. ROSTOW ←
THE WHITE HOUSE

Subject: Newspaper Clipping from the Antigua Star,
November 16, 1968

At the request of Ambassador Fredric R. Mann, the
Department herewith encloses a clipping from the Antigua
Star, for the appropriate office in the White House.


Benjamin H. Read
Executive Secretary

Enclosure:

Newspaper Clipping

JOHNSON WILL HAVE TO MAKE THE DECISIONS IF...³⁹⁶

IT IS TRUE that the presidential candidates in the United States Presidential election just concluded and won by Republican Richard Nixon are far outpacing President Johnson in the popular limelight. This is no doubt natural; but it should not allow us to forget that if the world is shaken by great political events or tragedies in these last months of 1968, it will be the incumbent President, and he alone, who will have to make decisions which inevitably concern us all.

President Johnson himself summed up the reasons why he did not stand again as a desire to keep the high office of the Presidency as far as possible away from the pressure of those increasingly violent controversies in which his own person had become involved. From this decision, made last March, he did not waver.

The controversies to which he referred, however, were concerned with foreign affairs and, primarily, Vietnam.

It should not now be forgotten — and we can safely assume that the history books will not forget — that in interior politics, within America itself, President Johnson has been the most enlightened of all Presidents in the field of civil rights.

This assertion is based mainly on the Civil Rights Act of 1964 and the Voting Rights Act of 1965 — which for the first time have brought political freedom to the Negroes of the southern states. In Mississippi—for long one of the most notorious states in the field of civil rights — 59.8% of eligible Negroes are on the voting lists now as opposed to only 6.7% before President Johnson.

This is a revolution of truly vast dimensions; and it has been matched elsewhere in the south and in all other fields of civil rights.

Negroes, then, have obtained a beginning of democratic political power in the south — and this beginning has already proved enough to make their southern

homes safer places to live in than they used to be. The incidence of unpunished violence—and, indeed, of all violence—against Negroes in the south has declined dramatically. And, as a result, Negro emigration to the northern ghettos has also declined. This, too, is part of the extent of President Johnson's revolution. It shows now true it is that the small institutional matters connected with the local operation of democracy are the real basis of individual freedom.

So, while watching the fascinating process of American electioneering and assessing the

chances of the various candidates, let us not forget President Johnson. God knows, there has been violence enough these last few years in the United States, and we shall never know how much worse things would have been without these courageous acts to end political repression in the south — which have been as far-reaching as anything since the abolition of slavery. We can be quite certain, however, that they have saved a very great number of innocent lives, and that the whole chain of otherwise inevitable racial troubles has simply never taken place because of them.

ANTIGUA STAR, NOV. 16, 1968

P 40

SECRET

Thursday, Jan. 9, 1969
3:40 p. m.

Mr. President:

Herewith Sect. Rusk's proposed Middle
East move for your urgent consideration.

W. W. Rostow

SECRET/EXDIS attachment

Approved _____

Disapproved _____

Call me _____



DEPARTMENT OF STATE

Washington, D.C. 20520

40a
January 9, 1969

~~SECRET/EXDIS~~

MEMORANDUM FOR THE PRESIDENT

Subject: Reply to the Soviet Middle East Documents

I recommend that you approve the attached draft reply to the Soviet communications of December 19 and December 30. I should suggest that we give this text on an urgent basis to the Israelis, the British and the French for their views, and then give it to the Soviets, with such minimal changes as may come out of the consultations.

I conclude that it is too late in the day for us to advance an alternate text of an American plan or plans to the Soviets, although we have such texts ready on a contingency basis.

Dean Rusk
Dean Rusk

Attachment:
Suggested draft reply to Soviet communications.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By *ty* NARA, Date *3596*

~~SECRET/EXDIS~~

406

~~SECRET/EXDIS~~

Proposed United States Reply to Soviet
Approaches of December 19 and December 30

We have studied the communications of the Soviet Government presented to Secretary Rusk on December 30. These communications have been brought to the attention of President Johnson who requests that this response of the United States Government be transmitted to Chairman Kosygin.

The United States Government has also studied the oral communication on the Middle East presented to Under Secretary Rostow by Minister Tcherniakov on December 19, 1968.

The United States Government welcomes the desire of the Soviet Government to cooperate with it in assisting Ambassador Jarring in his efforts to promote agreement on a peaceful settlement of the conflict in the Middle East. The United States values the continuing exchange of views with the Soviet Government concerning the Middle East, in particular since a continued impasse contains dangers of violence that could threaten the state interests of the United States.

The United States Government has noted certain constructive new elements in the latest communications from the Government of the Soviet Union, particularly the recognition reflected in those communications of the principle that a settlement should be based upon agreement among the parties to establish a just and lasting peace in the Middle East, in accordance with the provisions and principles of the Security Council Resolution of November 22, 1967.

The United States Government notes that certain other aspects of the Soviet Government's communications reiterate positions and opinions which do not accord with United States views on responsibility for the hostilities in June, 1967, and for the impasse in the Jarring Mission, and on the proper interpretation of the Security Council Resolution.

~~SECRET/EXDIS~~

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By y , NARA, Date 3-6-98

The United States considers it important that there be no misunderstanding with the Soviet Union on this vital subject, and therefore offers the following comments:

1. The United States regards it as a matter of the highest priority that the Soviet Union, the United States, and other countries use their full influence to arrest the dangerous increase in Arab terrorism in the area. Terrorism leads inevitably to reprisal. The cycle of terrorism and reprisal, in the judgment of the United States, may imperil the very possibility of reaching a peaceful settlement pursuant to the Security Council Resolution of November 22, 1967. Terrorist activities supported or tolerated by some Arab governments are a most serious violation of the cease-fire resolutions of the Security Council.

2. The Soviet communications raise again the question of Israeli acceptance of the November 22 Resolution and its readiness to implement it. In the view of the United States, Israel has accepted and agreed to implement the resolution by means of agreement. The UAR has not made clear its acceptance of paragraph 3 of the Resolution. It seems evident that the Arabs interpret these terms differently from the Israelis. In the view of the United States, the parties should now pursue the process of clarifying their positions on key substantive issues rather than debating this point further. The United States takes the plan given to us by Minister Tcherniakov on December 30 as an indication of Soviet agree-ment with this position.

3. The United States Government is glad to note that the Soviet Government considers that the points made to Foreign Minister Riad by Secretary Rusk contain constructive considerations. It would like to emphasize, however, that all the points made by the Secretary, including specifically that related to Israeli withdrawal, were based on the assumption that withdrawal would be part of a settlement agreed

between the parties which brought a just and lasting peace to the area. The United States does not share the view, expressed in the Soviet communication, that the UAR responded positively to Secretary Rusk's remarks. It had expected that the UAR would be prepared to move further in clarifying its position than it has so far been willing to do. The United States continues to hope that the Secretary's statements will ultimately have this result.

4. Both the Soviet communications of December 19 and December 30 misconstrue the views of the United States on the significance of the Israeli reference to the Armistice Agreements in Foreign Minister Eban's statement to Ambassador Jarring of November 4. The Armistice Agreements clearly specified that the Armistice Demarcation Lines were not definitive political boundaries but could be changed by agreement in the transition from armistice to a condition of true peace. As the United States emphasized in its communication of September 29, 1968, the heart of United States policy since June 5, 1967 has been that this transition must take place. This continues to be United States policy. At the same time, it has been and remains United States policy, as President Johnson said on September 10, 1968, that the secure and recognized boundaries required by the Security Council Resolution of November 22, 1967, cannot and should not reflect the weight of conquest. These principles are reflected in the Security Council Resolution which calls for the establishment of a just and lasting peace but does not specify that the secure and recognized boundaries to which Israeli forces would withdraw should be precisely the lines held prior to June 5, 1967, or on any other date. In the view of the United States, the essential purpose of the Resolution is to accomplish this transition to a condition of peace, and agreement between the parties on its elements, and not return to the status quo ante. The United States is convinced that continuation of the fragile armistice of the last twenty years would be a burden to world peace. The United States cannot speak for Israel, but believes it important to make its own views on this matter clear once more to the Soviet Government.

5. In its communication of December 30, the Soviet Government states that "the fundamental problem" of a Middle East settlement is a withdrawal of Israeli forces from "the" Arab territories they occupy pursuant to the cease-fire resolutions to the Armistice Demarcation Lines of June 5, 1967. For the reasons given in the preceding paragraph, the United States regards this position as inadmissible under the Resolution of November 22, 1967, which does not use the language employed in the Soviet note. The Resolution, in the view of the United States, requires Israeli withdrawal "from territories occupied in the recent conflict" to secure and recognized boundaries, to be established by an agreement of the parties pursuant to paragraph 3 of the Resolution. We believe this is the intendment of paragraph 2 of the Soviet plan given the United States on December 30.

6. That plan seems in form to be an agreement to make an agreement -- a provisional agreement among the parties dealing with the issues specified in the Security Council Resolution of November 22, 1967. This provisional agreement expressly calls for further consultations between the parties, to be organized by Ambassador Jarring, through which the definitive provisions of the final agreement required by paragraph 3 of the Resolution would be reached.

The United States finds the idea of a preliminary agreement or understanding between the parties a useful one, which could make it possible for Ambassador Jarring to hold productive meetings with the parties, and assist them to reach agreement on a definitive plan for fulfilling all the provisions of the Security Council Resolution, and on an agreed time schedule for carrying out such a plan. The United States is of the view that the agreement contemplated by the plan should comprise all aspects of the settlement between Israel and each of its neighbors, as a "package," before any steps for implementing the settlement be carried out.

7. The United States has found certain problems of textual interpretation in analyzing the Soviet Draft Plan. For example, paragraph 2 speaks of agreed provisions with regard to secure and recognized boundaries (with corresponding maps attached), while paragraph 4 contemplates withdrawal to the Armistice Demarcation Lines of June 5th. Paragraph 2, again, recognizes the possible utility of demilitarized zones, as mentioned in the Resolution. But paragraph 4 calls for the introduction of Arab troops into territories from which Israel withdraws. Paragraph 4 mentions restoring the situation on the frontier between Israel and the UAR which existed in May, 1967. But that situation, in the view of the United States, was the proximate cause of the war. And the preamble of the Soviet Plan calls for a condition of peace, not of armistice. Paragraph 4 also makes no mention of freedom of navigation for Israeli vessels in the Suez Canal. Paragraph 5 suggests that Israeli troop withdrawal should be completed before the obligations undertaken by the Arab governments become binding on the latter. This procedure appears inconsistent with paragraph 2 which recognizes the principle of a "package" settlement, and with the second introductory paragraph which recognizes the need for agreement on a plan for fulfillment of other provisions of the Security Council Resolution at the same time as there is agreement on a timetable and procedure for Israeli withdrawal.

8. The United States is prepared to discuss in detail the form in which the two governments could embody their views on how to achieve a "package" agreement among the parties, to be negotiated in detail not by the Soviet Union and the United States, but by the parties, meeting with Ambassador Jarring.

The United States has in mind two possible forms for such a preliminary agreement. One, following the form of the Soviet draft, could be an agreement of the parties to

reach a definitive agreement through consultations organized by Ambassador Jarring on the basis of specified heads of agreement. Another, containing the points on which we agree, could take the form of a document we could propose for consideration to Ambassador Jarring, to be sent by him, on his own responsibility, as he would revise it, as a message from him to the parties, requesting them to meet with him on the basis of specified heads of agreement. In either case, it would be preferable to have the parties concur in advance to the procedure proposed.

9. The United States and the Soviet Union are agreed that while both governments should do everything in their power to assist Ambassador Jarring and the parties to reach agreement, peace cannot be imposed by them, but should be established by the agreement of the parties. The United States has no objection to an agreed timetable for Israeli withdrawal, if such a timetable is made part of the agreement of the parties. It considers that a timetable for fulfilling the agreement of the parties should be one of the problems taken up by Ambassador Jarring with them.

The United States should, however, comment at this point on two problems of security raised in the Soviet communications.

10. The Soviet statement of December 19 in paragraph 2, refers to the United States comment of November 8 regarding Israeli territorial claims respecting the UAR and adds the remark that Israel has raised "the question about the necessity of stationing her forces at Sharm-al-Sheikh." In the view of the United States, the process of reaching agreement and achieving a peaceful and accepted settlement, as provided in the November 22, 1967, resolution, must involve negotiation of the means for carrying out all the elements of a settlement as set forth in that Resolution, including the guarantee of maritime rights dealt with in paragraph 2(a) of the

Resolution. It must be clearly appreciated that the June, 1967, conflict, like the conflict in 1956, was touched off by the issue of rights of passage through the Strait of Tiran. Only the most secure arrangements for the guarantee of these rights will make possible the realization of our hopes for peace. The choice among possible means of implementing paragraph 2(a) of the Security Council Resolution is for the parties, working with Ambassador Jarring. The United States takes no position at this time on the choice among alternative possible arrangements for guaranteeing maritime rights in the Strait of Tiran.

11. With respect to demilitarization of the Sinai, the eventual decision on this point also will depend on the parties themselves. The United States finds it difficult to believe, however, that the partial demilitarization suggested by the Soviet Government would provide the conditions of security necessary for the establishment of peace. The 1967 war began as a direct result of events in Sinai, and activities in this area has led to the outbreak of hostilities ten years earlier. It is difficult to see, in the face of this history, how a lasting peace can be based on only partial demilitarization of this sensitive area.

12. The United States continues to believe that an understanding with respect to armament levels and arms limitation is a vital aspect of the quest for peace in the Middle East. It continues to regret Soviet policy in this regard, and urges that the problem be viewed as an indispensable element of the peaceful settlement of the Middle Eastern crisis.

PROCESSING NOTE:

#41 not used in this file

MP 3/20/98

ACTION

**Thursday, January 9, 1969
10:55 a. m.**

Mr. President:

**Herewith, as requested via
Jim Jones, is a draft letter for
your signature, accepting Sec. Rusk's
resignation.**

W. W. Rostow

42

Pres file

42a
January 9, 1969

Dear Dean:

I believe you know the depth of the affection and respect I bear you.

There is in this nation of ours no one -- literally no one -- who has better met the standards of public service at the highest level.

Only the two Presidents you served could truly appreciate the absolute loyalty you rendered the office -- and the men who filled it -- in these difficult years.

As for myself, your presence at my side was a constant and essential support. Your wisdom and resourcefulness, courage and poise, experience and good sense were invaluable assets to the nation at a critical time.

And behind it all, I know, were human compassion and profound patriotism.

You carried the burdens of these eight years so gracefully -- with such strength and no complaint -- that some may not have understood the effort of heart and mind that went into this great performance. But I think I did.

I shall remain always in your debt.

In accepting your resignation, my only comfort is that Lady Bird and I will be seeing you and Virginia often in the time ahead.

Sincerely,

Honorable Dean Rusk
Secretary of State
Washington, D. C.

LBJ:WWR:mz

January 7, 1969

Dear Mr. President:

I have the honor to tender my resignation as Secretary of State, effective not later than Noon on January 20, 1969.

I leave office with a deep sense of gratitude for the privilege of serving as your Secretary of State. Perhaps no one knows better than I to what extent your every act and every thought have been driven by your deep passion for peace. Perhaps this is because your awesome responsibilities have informed you, as few other men, of the consequences for all mankind if peace fails and nations return to the law of the jungle.

As our 36th President, you have shown a deep understanding and respect for the problems of other world leaders. You have set aside theoretical hostility and have tried to find points of agreement even with those with whom we have far-reaching and dangerous differences. You have shown a deep compassion for the hundreds of millions who are trying to escape from the age-old miseries which shrink the human spirit. And you have chained the unimaginable power of the United States to the simple and decent purposes of the American people.

It remains for me to thank you for your unfailing kindness to Virginia and me. You and Lady Bird have graced the White House and made us all proud to be in your service. Your example and inspiration have sustained us.

Faithfully yours,

Dean Rusk

The President,
The White House.

43

ACTION

Pres file

Thursday, January 9, 1969 - 10:45 am

Mr. President:

When I conveyed your view to the State Department, Sec. Rusk approved the following statement. He believes that George Christian or Tom Johnson should give this response, if he is questioned at the 11:00 a. m. briefing. State could then refer to the White House statement at its noon briefing.

W. W. Rostow

WWRostow:rla

January 9, 1969

43a

The President has been increasingly concerned, since he submitted the Non-Proliferation Treaty to the Senate last July, about the effects here and abroad of delaying ratification of the treaty. It is our strong hope that all nations will sign, ratify and adhere to the terms of the Non-Proliferation Treaty.

44

INFORMATION

Thursday - January 9, 1969

Mr. President:

Pres file

You sent a letter on December 14 to President Stroessner of Paraguay (Tab B) which was delivered by Ed Clark when he attended a ceremony in Paraguay in mid-December. President Stroessner has asked Ambassador Clark to give you the attached reply (Tab A).

In his reply Stroessner expresses his warm gratitude for your support for the Alliance for Progress, and sends his regards to Mrs. Johnson, your daughters and your grandchildren.

Since President Stroessner's letter is in reply to yours, no further action on your part is necessary.

W. W. Rostow

Attachments

Tab A - Letter to the President from Paraguayan President Stroessner dated December 17.

Tab B - Presidential letter to Stroessner, December 14.

SWLewis:mm

44a

El Presidente de la República del Paraguay

Asunción, December 17, 1968

Your Excellency
The President of the United States of America
Mr. Lyndon B. Johnson
Washington, D.C.

Dear Mr. President:

I received, with a great pleasure, your kind letter dated the 14th. of December, delivered to me by Ambassador Edward Clark who, together with his wife, honored us by attending the opening ceremony of the hydroelectric complex of Acaray.

There is no doubt that this hydroelectric plant will attain the goals set in the local field as well as those set with respect to the integration of the Americas, which were so properly established at the Meeting of the Presidents in Punta del Este. As far as Paraguay is concerned I assure you, dear Mr. President, that my country remains firmly on the road toward these noble objectives. In this sense we commit ourselves to attain said purpose with our very best efforts and our toughest will, always at the service of the Panamerican cause.

I also agree with you, Mr. President, when you state that a regional co-operation of this nature will strengthen the integration

... cont'd....

El Presidente de la Republica del Paraguay

- 2 -

efforts of the peoples concerned, in the way envisioned by the Alliance for Progress, to which we have given, and will always keep giving, our most sincere support, with the absolute faith that it will fully attain its noble purpose.

In the name of the people and the government of Paraguay I take pleasure in stating our gratitude for the interest with which Your Excellency has followed the progress of a work which today constitutes one more evidence of what we are capable of obtaining under the reign of peace and democracy and with the participation of the will of the entire Paraguayan people.

I have asked Ambassador Clark to be the bearer of my gratitude for the kind wishes contained in your letter. Please also accept my best wishes and my most cordial and friendly regards. I shall appreciate your transmitting my respectful regards for Mrs. Lady Bird Johnson; your daughters Mrs. Lynda Bird Robb and Mrs. Luci Baines Nugent, as well as a fond regard for your grandchildren Patrick, Lyndon and Lucinda.

Your good and loyal friend

Alfredo Stroessner
Army General

44b

Presidential letter of December 14, 1968 to President Alfredo Stroessner
of Paraguay
(as delivered by Ambassador Ed Clark)

"Dear Mr. President:

I am delighted to know that Ambassador Edward Clark will be attending the inauguration of the Acaray River Project on December 16. I have asked him to convey to you my congratulations on this significant step along the road toward development of Paraguay and its neighbors.

This hydroelectric project, financed in part by the Inter-American Development Bank, illustrates concretely the goal we set together at Punta del Este in 1967. I believe such steps to overcome the physical barriers to Latin American unity will help speed progress toward all these goals. The electric current from those generators will flow into homes and factories in Argentina and Brazil, as well as those in Paraguay, helping all three countries to benefit from your natural resources. It is just such regional cooperation that will eventually lead to success for the Alliance for Progress everywhere in the Hemisphere.

I am happy to close our official relationship on such a note. Please accept my good wishes for the future success of this project, and my hope that the people of Paraguay enjoy the fruits of peace and progress.

Sincerely,

Lyndon B. Johnson

His Excellency
General of the Army
Alfredo Stroessner
President of the Republic of Paraguay
Asuncion."

45

ACTION

Wednesday, January 8, 1969 -- 6:00 p. m.

Profile

Mr. President:

You may wish to sign something like the attached letter to Bill Leonhart (Tab A) in accepting his resignation (Tab B) from his White House work which, indeed, he has conducted loyally and well.

W. W. Rostow

WWRostow:rla

January 8, 1969

450

Dear Bill:

In accepting your resignation from the White House staff effective January 20, I commend you for the outstanding work you have done since March 1966 in helping to force the pace of United States non-military programs in Vietnam.

You can be justly proud of the contribution you have made to the management in Washington of the many and varied projects aimed at the civilian side of the Vietnam war. The solution at which we arrived in Guam was imaginative; but it demanded for success the painstaking coordination of all arms of policy in Washington. The result, I think, has been good.

Your effectiveness, based on your judgment and experience, is well known to me and to many others in the Administration with whom you have worked closely.

You return to the State Department to resume your responsibilities there with my appreciation of the work you did here and with my "well done."

Sincerely,



Honorable William Leachart
Special Assistant to the President

LBJ:BKS:WWR:mz

45b

January 8, 1969

Dear Mr. President:

I respectfully submit, effective at your pleasure, my resignation of the responsibilities I have had in serving as Special Assistant for United States non-military programs relating to Vietnam.

It has been a great honor and privilege for me to have served on detail from the Department of State as a member of your staff since March 1966. These have been rewarding years, and I am grateful to have had this opportunity to assist in the Washington management of the civil sector of our commitments in Vietnam.

Much has been accomplished that will have lasting importance. Under your leadership, in the first year of this inter-agency staff, there was established a unified direction of Vietnam non-military operations and the first fully integrated civil-military field organization in our nation's history.

In the second year, a unified civil-military pacification concept was further elaborated. The first government-wide training institute for pacification programs was established. And the process of transferring pacification support to the departments and agencies responsible for its funding was begun. Today, every pacification program element developed since 1966 is lodged in the department or agency with primary funding accountability.

May I express to you my personal and deep appreciation for having been permitted to supervise the small inter-agency staff which has, under your direction, played some part in these processes and in the defense of freedom in Asia.

Respectfully yours,

William Leonhart

The President
The White House

46

ACTION

**Wednesday, January 8, 1969
5:05 p. m.**

Mr. President:

as requested,

**Herewith a response, for your
signature, to Arthur Larsen and
Mrs. Pomerance.**

W. W. Rostow

46a

January 8, 1969

Dear Dr. Larson and Mrs. Pomerance:

I welcome warmly, of course, your support and that of your group for the early ratification of the Nuclear Non-Proliferation Treaty.

I am sure you well understand that I believe the course of wisdom for the nation and the world would have been for the Senate to have acted promptly when the Treaty was laid before it.

Sincerely,

Dr. Arthur Larson, Chairman
Mrs. Jo Pomerance, Chairman,
Executive Committee
Educational Committee to Halt
Atomic Weapons Spread
345 East 46th Street
New York, New York 10017

LBJ:WWR:mz

47

ACTION

**Wednesday, January 8, 1960
5:00 p. m.**

Mr. President:

as requested
**Herewith, a response, for your
signature, to Arthur Goldberg.**

Profile

W. W. Rostow

47a
January 8, 1969

Dear Arthur:

I was delighted to receive your letter of January 6 with its strong support for the Non-Proliferation Treaty. It is good to know that you remain active in foreign policy and fighting for the things in which we believe.

I do not have to tell you how much I would have preferred to see the Senate act promptly on the Non-Proliferation Treaty.

Lady Bird and I send our very best to you and Dorothy.

Sincerely,

Honorable Arthur J. Goldberg
Chairman
United Nations Association of the
United States of America
833 United Nations Plaza
New York, New York 10017

LBJ:WWR:mz

ACTION

48

Wednesday, January 8, 1969 - 3:00pm

Mr. President:

Pres file

Attached, for your approval, is a condolence message to King Zahir of Afghanistan on the crash of the Afghan Airlines jet in England on Sunday.

This was the Afghans' only jet, and its loss is a real blow to their hard work (with our close cooperation) to establish a civil aviation industry.

To Afghan progressives, the accident amounts to a national disaster. State recommends -- and I agree -- that a message from you would be appropriate and thoughtful.

W. W. Rostow

Approve _____

Call me _____

WWR:HS:RM:lw

Att: File 3957

4/8a

Proposed Message to King Zahir of Afghanistan

Your Majesty:

I was deeply saddened to learn of the crash of the Ariana 727 near London. All Americans join me in expressing the most heartfelt sympathy to you, your Government and the families of those who were so suddenly and tragically lost in this accident.

Sincerely,

His Majesty
Mohammad Zahir Shah
King of Afghanistan
Kabul

ACTION

41

Pres file

Wednesday, January 8, 1969 -- 3:00 pm

Mr. President:

Brom Smith has been working hard on the question of assignment of men on temporary detail to Austin to review Presidential papers which will eventually be turned over to the Presidential library. He has come up with the attached thoughtful memorandum and recommendations which make sense to me.

We await your further instruction.

W. W. Rostow

WWRostow:rla

THE WHITE HOUSE

WASHINGTON

January 8, 1969

49a

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Staff to Review Presidential Papers in Austin

The Offices of the Secretary of State and the Secretary of Defense, as well as the Director of CIA, are preparing lists of nominees of officers who could be temporarily detailed to Austin to assist in reviewing those Presidential papers which would eventually be turned over to the Presidential Library. These nominees would be approved by the President.

It is my understanding that the detail of the officers chosen is fully covered, on a continuing basis, either under the law covering the transition or the law covering Presidential Libraries.

Because of the importance and sensitivity of reviewing Presidential papers, I strongly recommend that you proceed as follows:

1. Ask the State Department to assign one or two officers, either professional historians or general foreign policy officers, to go to Austin to organize the project and define the task. The manager of the project could then call down, for short periods, specialists in specific subjects who could be more valuable than officers with only a general knowledge of the period of the President's Administration.
2. In order to get the project established and obtain firm future commitments of the Departments of State and Defense, ask Secretaries Rusk, Clifford and Richard Helms to state in writing that their Departments and CIA will make available officers who can carry out specific review tasks in the period after January 20.
3. Because you will be supervising all these officers, your advice to the manager of the project would be indispensable to carrying it out in a timely and efficient way. I believe arrangements can be made now which would be firm for the future, yet better adapted to carry out the President's program than if we sought to tie down 8 or 9 persons before January 20.

This project must be handled carefully lest we expose the President to the danger of some opponent causing trouble by inspiring a slanted press story.

Ben Read in Secretary Rusk's office, George Elsey in Secretary Clifford's office, and Jack Smith in Dick Helms' office are awaiting my further call to give them further guidance as to how they should proceed.

Brom
Bromley Smith

Attached are copies of the letters which give the legal basis for the project.

EF

EXECUTIVE

FE12/Johnson, L.B./#

FE12/Johnson, L.B./2-5

December 19, 1968 FG 240

496

Dear Mr. Knott:

In my letter to you of August 13, 1965, I offered my Presidential and other papers and historical materials (therein defined as Materials) as a gift to the United States for the purpose of ultimate deposit in the Lyndon Baines Johnson Library. My offer further expressed this objective: to make the Materials available for the purpose of study and research -- as soon as possible and to the fullest extent possible.

That offer was accepted by you on August 17, 1965.

The President is the recipient of many confidences of others. The inviolability of these confidences is essential to the proper conduct of the Office of the Presidency. It becomes necessary, therefore, to withhold from public scrutiny certain papers and certain classes of papers for varying periods of time. Accordingly, my offer contained the following provision in paragraph 2(a):

"I hereby reserve the right to restrict the use and availability of any Materials to which this agreement applies, irrespective of the time when such Materials may have been, or may be delivered to the United States, for such time as I, in my sole discretion, may from time to time specify, and such restrictions shall be adhered to and observed in all respects for as long a period of time as may be specified or until such restrictions are revoked or terminated by me or persons authorized to act on my behalf with respect thereto, or as otherwise provided in this agreement."

Letter delivered by hand 12/19/68. pm.

Copy sent to Mrs. Territt 12/20/68

RECEIVED
DEC 23 1968
CENTRAL FILES

The volume of manuscript papers included in the Materials available for deposit under the terms of our agreement now exceeds 22 million pages. A significant future growth in volume is anticipated, perhaps to a total in excess of 30 million different pages.

These Materials must be reviewed to determine which of them must be restricted and the nature of the restriction. This review will require a meticulously careful, thorough and time-consuming analysis. There are certain papers I will be obliged to restrict personally from access to others.

To fulfill my stated objective of making the Materials available for study and research as early and as fully as possible -- and to avoid any extensive delay inconsistent with that objective -- a staff should be assembled to perform this review promptly under guidelines and instructions I will provide. A sufficient number of qualified personnel should be assigned to review as much of this material as possible during the next five years when I can devote a large part of my time to supervising this review.

I am advised that within the Executive Departments and Agencies -- from which significant portions of these Materials were developed -- there are personnel familiar with the Materials and the process of conducting the official business of government. Because of such familiarity, these persons would be far better qualified than persons less acquainted with the Materials to undertake the necessary review and analysis in order to protect our Nation's best interests.

I am advised that Section 208(c) of the Federal Property and Administrative Services Act of 1949, as amended, authorizes the Administrator of General Services, in carrying out the responsibilities imposed upon him by that Act:

"to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned."

It is my understanding that you can complete arrangements with the Heads of the Departments and Agencies concerned to utilize the services of responsible and knowledgeable officials, officers and other government personnel to perform the review and analysis of the Materials, in keeping with paragraph 2(a) of my offer of gift.

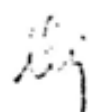
Accordingly, when, pursuant to the provisions of law cited above, such government career and service personnel, acceptable to me, are assigned to review under my direction the classified and technical Materials involved, I will turn over to the General Services Administration from time to time the Materials within the scope of my offer of gift.

In addition to the review of the Materials required by paragraph 2(a) of my offer of gift, another review is required by paragraph 2(c). That review contemplates an analysis of the Material by archival personnel. Any of the Materials falling in the three categories specified in paragraph 2(c) must be placed under seal of restriction.

The arrangements I have proposed in this letter for the purposes of the paragraph 2(a) review should enhance, complement, and expedite the review required by paragraph 2(c). These new arrangements should hasten the time in which the Materials can be made available for research and study in conformity with my fundamental objective, as stated in my offer of gift.

I should appreciate your advice whether you accept this letter as an amendment of my offer of gift dated August 13, 1965, accepted by you on August 17, 1965.

Sincerely,



Honorable Lawson B. Knott, Jr.
Administrator
General Services Administration
Washington, D. C.
LBJ/EL/LET/bk



GENERAL SERVICES ADMINISTRATION
WASHINGTON 20405

49c

EXECUTIVE

FE12/Johnson, L.B./1

OFFICE OF THE ADMINISTRATOR

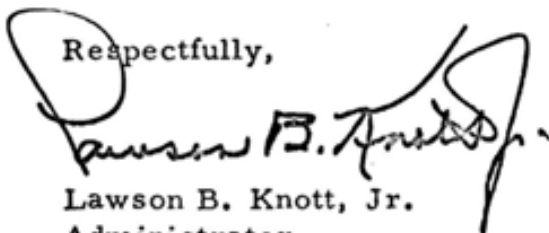
December 20, 1968

The President
The White House

Dear Mr. President:

I believe that the arrangement proposed in your letter of December 19, 1968, for carrying out the purposes of your offer of gift of your Materials for ultimate deposit in the Lyndon Baines Johnson Library represents a very satisfactory method of implementing its pertinent provisions. I accept your letter as an amendment to your offer of gift dated August 13, 1965, accepted by me on August 17, 1965.

Respectfully,



Lawson B. Knott, Jr.
Administrator