

# ADDITIONAL DECLASSIFIED DOCUMENTS RELEASED BY THE US STATE DEPARTMENT

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## [KENNEDY ADMINISTRATION]

From: ***Foreign Economic Policy - Vol IX*** [Published by the US Department of State]

### **126. Summary Minutes of Meeting of the Interdepartmental Committee of Under Secretaries on Foreign Economic Policy**

*//Source: Department of State, E Files: Lot 65 D 68, Interdepartmental Committee of Under Secretaries on Foreign Economic Policy. Official Use Only. Presumably drafted by Ruth S. Donahue, who is listed as Recording Secretary. Regarding the formation and functions of the ICFEP, see Document 5.*

Washington, November 1, 1961.

[Here follows a list of participants (19).]

#### THE AID PROGRAM

##### Administrator's Statement.

Mr. Fowler Hamilton, Administrator of the Agency for International Development, first outlined the dimensions of the aid program. The total aid program provides about \$6 billion for this fiscal year. The \$6 billion includes (1) about \$2 billion for military aid (\$1.6 billion for hardware and \$400 million for supporting assistance); (2) agricultural aid between \$1.5 and \$2 billion; (3) development assistance, with development loans comprising \$1.1 billion and development grants \$400 million; a contingency fund of \$275 million, and \$153 million for aid through international organizations. For the 1,500,000,000 people in the non-Communist underdeveloped countries, the non-military aid of about \$4 billion amounts to about \$2.70 per capita. Much of this is committed to programs already underway. Hence, the amount available is limited.

Mr. Hamilton then indicated the kinds of questions which have been put to him since he came on duty. Most of them relate to standards for making grants or loans. How to decide how much is to go to whom for what? The motif of the new program is economic development. Whatever other purposes are expected to be served are supposed to be served as by-products of the process of aid-dispensing and the economic development that takes place.

At the hearings before Congress, there were many comments that the program had been confused as to purpose and poorly administered. One reason for confusion is that the purposes of the program have been constantly changing: first, lend lease; then, post-war relief and European reconstruction; next, Point IV technical assistance to underdeveloped countries and defense support in selected places; large agricultural aid starting in 1954; more emphasis on development loans in 1958; and now, a new period when we are to support, on a fairly long-term basis, not just specific projects but also political and social reforms which will contribute to economic progress. It is understandable, with the constant change, that people are confused about the aid program. Even those who understand the different kinds of funds are confused as to what they are supposed to accomplish.

Mr. Hamilton said that we have to have some standards--both in order to do a useful job and in order to keep the program going (by articulating it to Congress and the public).

Mr. Hamilton said that his discussion with Mr. **Jagan** of **British Guiana** had provided the occasion to apply one sound procedural rule, namely, that we don't discuss money until we have seen a good plan. Mr. **Jagan** realized he was the victim of a principle--a procedural principle which he didn't like but which he understood--and therefore we didn't get into a discussion of the merits of his case.

But suppose there are satisfactory plans. What standard should we use in choosing among countries? Among projects? One person may say we should teach the blind to read Braille; another will argue that instead we should devote our funds to curing glaucoma. Mr. Hamilton asked for comments on what he should use as standards.

## DISCUSSION

The discussion brought out the great diversity of views that prevail regarding the way the aid program should be handled. In view of the diffuse character of the discussion only selected points are enumerated here.

1. Danger of Ritual. There is the danger that countries will develop fairly respectable plans, send a high official to Washington, arrange some kind of a political threat or pressure, and extract an aid commitment.

2. Broad Character of Basic Objectives. The basic objectives--political independence (not necessarily an alliance with the United States), political stability, more democratic political institutions, non- Communist orientation, and economic improvement--are too general to provide much help in evaluating aid requests.

3. Exclusion of Countries Difficult. Countries that do not receive aid feel that they are discriminated against and the threat to reduce aid drastically elicits talk of a political upset which might turn the country toward the Communists or provide an economic setback. Poor, relatively stable non-Communist countries are likely to be particularly bitter about not receiving aid.

4. Development Plans. Countries should usually be required to have development plans. These plans tend to be projections which provide part of the window-dressing required for a grant. Granted the desirability of some kind of plan or projection, at least for Congressional appropriation purposes, refinement of a plan can be carried to useless extremes.

5. Project vs. Program Aid. It is often helpful in terms of efficiency to have the aid money directed toward a specific project and it is always helpful politically to have a project as a symbol of American aid, but a strong case can be made for aid which is not related to a specific project, particularly in connection with a consortium program.

6. Economic Productivity of Aid A Difficult Criterion to Apply. It is frequently said that the money should be put in those countries and in those projects or programs where it will yield the greatest return in terms of increased national output. There is so much uncertainty, however, as to the yields of various outlays, even in strictly economic terms, that this criterion provides no sure guide. Moreover, there are the claims on funds represented by projects or programs already started, unanticipated emergency needs, and the political necessity of making some funds available simply to help keep a sympathetic government in power.

7. Self-Help. One thing the Administrator can do, mainly through the field missions, is to determine whether countries are serious about their plans for improvement and whether they are prepared to do some extra things themselves. The word will get around very fast if countries have only to give lip-service to reform in order to get aid.

8. Absorptive Capacity. New and continuing studies should be made of the capacity of less developed countries to absorb productive resources from the outside. It may be that we grossly exaggerate the absorptive capacity of many countries.

9. Burden Sharing. The economic capacity of the United States and other relatively developed countries to supply development aid to the less developed countries is probably not the limiting factor at the present time. Arrangements can be made so that aid need not have serious adverse balance of payments effects. The consortium approach provides a device for coordinating aid to particular countries; its effect on the total volume of aid is hard to estimate.

10. Specific Short-Term Objectives for Particular Countries. It would be desirable for the AID Administrator to have quite specific concrete short-term objectives for the aid program in particular countries so that he, the Congress, and the public could have a reasonably firm basis for judging the usefulness of the aid expenditures.

#### The Role of Agricultural Commodities in the Aid Program.

Mr. Murphy noted the difficult time the Administration had in getting appropriations for aid. On the other hand, authorization for disposal of agricultural surpluses can be obtained without the Administration turning a hand. This brings up the question of what we can do with commodities instead of money in the aid program. He felt that to date the role of commodities has not been integrated very well with country aid plans and thought it would be useful for Agriculture and AID people to get together early in the planning stage.

Agriculture's part in the aid program is not merely disposing of surpluses. Some commodities will have to be purchased as they are not really in surplus. On cotton, for example, we now have the carry-over that we think there should be. If we want more cotton for PL - 480 programs, the acreage allotment will have to be increased and the cotton bought for the aid program! Wheat is the principal commodity in surplus.

Joseph D. Coppock/1/

/1/Printed from a copy that bears this typed signature.

#### 127. Editorial Note

The Organization for Economic Cooperation and Development (OECD) held its first Ministerial Meeting in Paris November 16 - 17, 1961. Proposals by John W. Tuthill, Ambassador-designate to the OECD, for U.S. initiatives at this upcoming OECD meeting emphasizing the recent dramatic growth of the Western European nations and promoting a vigorous plan for future cooperative economic development are contained in Cedto 295 from Paris, October 27, which is attached to a November 1 memorandum from Edward R. Murrow to McGeorge Bundy, endorsing and elaborating on Tuthill's proposals. (Kennedy Library, National Security Files, Departments and Agencies Series, Department of State, 11/1/61 - 11/5/61) Under Secretary of State for Economic Affairs George W. Ball headed the U.S.

Delegation to this OECD Ministerial Meeting. For text of his statement at the November 16 session, see Department of State Bulletin, December 18, 1961, pages 1014 - 1018. For text of the communique, November 17, see *ibid.*, December 18, 1961, pages 1018-1020. Documentation on the OECD Ministerial Meeting is in Department of State, Central File 374.800.

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From: ***Foreign Relations, Organization of Foreign Policy; Information Policy; United Nations; Scientific Matters (Vol XXV)*** [Published by the US Department of State] – (Documents 197, 247, 255, 259, 260 and 261)

**197. Memorandum From the Assistant Secretary of State for International Organization Affairs (Cleveland) to Secretary of State Rusk/1/**

Washington, March 8, 1962.

/1/Source: National Archives and Records Administration, RG 59, Central Files 1960-63, 320/3-862. Confidential. Drafted by Virginia F. Hartley on March 8.

SUBJECT

Resumed Session of the 16th General Assembly

*Time* magazine recently described the 16th General Assembly as "the sensible 16th". In the assessment that I sent to you on December 20, I noted that real progress had been made at the first part of the session.

The resumed session, which with one exception was confined to colonial issues, did nothing to upset this favorable balance and in fact made it even more favorable. With solid Latin American support (except for Cuba itself), the Assembly refused, despite strenuous Soviet bloc efforts to the contrary, to take any action even of an anodyne nature on Cuba's charges against the United States. The greater moderation on colonial issues that had marked the first part of the session continued to prevail during the resumed session. Moderate resolutions on Angola and Ruanda Urundi were adopted by overwhelming majorities, and Soviet efforts on behalf of more extreme positions, particularly in the case of Ruanda Urundi, were not appreciated by the Afro-Asians. As we hoped, no resolution was adopted on British Guiana. Only in the case of Southern Rhodesia was action taken that we fear may aggravate rather than ameliorate the problem.

A more detailed account of the Assembly's action on the five items considered at its resumed session is attached./2/

/2/Not printed. The topics discussed in the "Resume of Resumed Session" were General Assembly actions concerning Angola, Cuba, Ruanda-Urundi, Southern Rhodesia, and **British Guiana**.

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**247. Memorandum From the Executive Secretary of the Department of State (Brubeck) to the President's Special Assistant for National Security Affairs (Bundy)/1/**

Washington, March 18, 1963.

/1/Source: Kennedy Library, National Security Files, Subjects Series, United Nations (General), 1/63-4/63, Box 311. Confidential.

SUBJECT

U.S. Participation in the UN Committee of 24

The following memorandum provides information concerning the current meetings of the UN Committee on Decolonization.

General Assembly Resolution 1810 (XVII) (enclosed)/2/ enlarged the Special Committee on the Implementation of the Colonialism Declaration from 17 to 24 members and requested it "to seek the most suitable ways and means for the speedy and total application of the Declaration to all territories which have not yet attained independence." A list of members is enclosed./3/

/2/Not printed. Resolution 1810 (XVII) was adopted by the General Assembly on December 17, 1962, by a vote of 101 to 0, with 4 abstentions.

/3/Not printed. The members were: Australia, Bulgaria, Cambodia, Chile, Denmark, Ethiopia, India, Iran, Iraq, Italy, Ivory Coast, Madagascar, Mali, Poland, Sierra Leone, the Soviet Union, Syria, Tanganyika, Tunisia, the United Kingdom, the United States, Uruguay, and Venezuela. All but Bulgaria, Chile, Denmark, Iran, Iraq, Ivory Coast, and Sierra Leone had belonged to the Committee of 17.

At the 17th General Assembly the United States voted for Resolution 1810 (XVII) after defeating an attempt to have the Committee's mandate include the setting of target dates for the achievement of independence by the remaining dependent territories.

Our objectives are to have the Committee: (a) Operate by consensus rather than by voting; (b) Make factually accurate and politically realistic recommendations which we will be able to support; (c) Foster cooperation between the UN and Administering Authorities; and (d) Eliminate the Cold War from the Committee. In corridor conversations we have let it be known that we reached our decision to serve on the Committee again only after serious soul-searching and that our participation will be kept under review pending the actual operations of the expanded Committee. We should be prepared to take a walk if the Committee degenerates into a sounding board for the Soviet bloc, Mali, Iraq, Tanganyika and others who place a higher value on strident anti-colonial propaganda than they do on serious and constructive initiatives.

When votes are taken on what we consider to be unrealistic proposals, the prospective voting lineup is even more unfavorable than the one we faced last year. We must anticipate lopsided votes on the order of: 19 (Afro-Asians, Latin Americans and Soviet bloc)-5. On some of the more extreme proposals we will try to induce the three Latin Americans to abstain if they cannot vote with us. In view of the Committee's composition, we shall, so far as possible, concentrate on moderate and constructive policies rather than expand political capital in trying to increase the minority in which we will find ourselves on a number of issues.

The Committee held its first meeting on February 20 and to date has displayed unusual moderation. Coulibaly of Mali was elected Chairman and we succeeded in having a Western power, Uruguay, elected as first Vice-Chairman over Soviet objections. Cambodia was elected second Vice-Chairman. Syria was re-elected rapporteur. What promised to be a donnybrook if the Afro-Asian majority attempted to draw up a definitive list of all remaining dependent territories has not yet developed. This highly contentious issue, which might have involved Okinawa and might have obliged us to press for inclusion of certain Soviet non-self-governing territories, has thus far been avoided when the Committee adopted a practical work program approach.

In another display of initial moderation, the Committee decided to operate on the basis of consensus as much as possible. The Committee's current and prospective work program is as follows:

*Portuguese Territories.* As requested by the 17th Assembly, the Committee has decided to give priority to Portugal's African territories. Although the Soviets advocated going directly to the Security Council, Mali and other Afro-Asian Members have shown interest in reviving our rapporteur proposal which they rejected last fall. Chances are slender that some kind of UN role, e.g. a variation of our rapporteur proposal at the 17th General Assembly or a mission by the Secretary-General or his representative, can be developed in which Portugal and the Committee of 24 would acquiesce. We will nevertheless make an effort in this direction in order to keep it from an extreme tack. Portugal has declined an invitation to participate in the Committee's discussions of Portuguese Territories and has told us it cannot cooperate to any degree with the Committee, although it has left the door open for informal contact. Portugal has stated that it would be willing to have the rapporteur proposal reintroduced in the General Assembly.

If some form of Portuguese-UN cooperation cannot be worked out in the near future, we face the probability of a Security Council meeting where the African Members (Ghana, Morocco) might seek enforcement action including diplomatic and economic sanctions. In the absence of renewed large-scale violence in Angola, there is little prospect that seven affirmative votes could be mustered for such proposals. Should fighting erupt in the territories, the pressures for some kind of action in the Council (including a UN presence) would be considerably greater. We also face Security Council meetings on apartheid, inside or outside of South West Africa, particularly if large-scale violence develops.

*Southern Rhodesia.* The Secretary-General is awaiting a substantive reply to his letter of February 28 to the UK in which he offered to play a good offices role among the various elements concerned with Southern Rhodesia as requested by the resolution adopted by the 17th General Assembly. The UK appears to favor the Secretary-General's involvement; however, given Winston Field's overall approach and his antipathy toward African appeals to the UN, we should not be optimistic that his attitude will be favorable. Together with the UK we should counsel moderation in and outside of the Committee and should point out the dangers of creating a situation in which Southern Rhodesia would declare its independence.

*South West Africa.* We and the UK have urged the South African Government to cooperate with the resolution adopted at the 17th General Assembly to the extent of admitting some kind of UN executive presence into South West Africa. While South Africa will not permit the establishment of a political UN presence, we hope that it will agree to a resident UN technical assistance mission prior to the Committee's consideration of this item.

*Spanish Territories.* Since the Committee of 17 did not have time to take up Spanish Territories, we believe the Committee of 24 will wish to consider them. We hope that a spirit of cooperation will evolve between Spain and the Committee. Spain has recognized its Charter obligations to submit information on its territories to the Committee on Information from Non-Self-Governing Territories. While the Spanish Government has accepted the principle of self-determination and has instituted vigorous economic and social development programs for its territories, this problem remains a highly controversial and sensitive one within the Government. US policies in Africa are viewed with suspicion in Spain and in any discussions with the Spanish in the Committee of 24 context we must realize that our motives may be misconstrued. The likelihood that discussions of the future of the Spanish territories would bring out competing claims for them among various African countries may reduce resolutions of the Committee to vague generalities.

*British Guiana.* Developments will depend on what use if any **Jagan** believes he can make of the Committee of 24. Burnham appeared as a petitioner on March 7 and made a favorable impression, especially on the African members. Burnham clearly and succinctly made his case for a plebiscite on the question of proportional representation.

*US Territories.* In spite of the lobbying of the Pro Independencia group in New York we believe that we can prevent Committee of 24 consideration of Puerto Rico on the ground that the Assembly has already recognized its present form of self-government. If the Committee wishes to consider some US territories, we plan to steer it in the direction of the Virgin Islands, Samoa, and Guam.

Grant G. Hilliker

/4/ /4/Hilliker signed for Brubeck above Brubeck's typed signature.

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## **255. Paper Prepared in the Department of State/1/**

Washington, undated.

/1/Source: Kennedy Library, National Security Files, Subjects Series, United Nations (General), 5/63-7/63, Box 311. Confidential. Transmitted under a May 16 covering memorandum from Brubeck to Bundy. Another covering memorandum from Sam Belk of the National Security Council to Bundy, May 17, reads: "The attached memorandum represents, I think, a very good run-down of the activities of the Committee of 24 over an almost three-month period. You and Arthur will know best whether the President should see it. I think he should, but then I find the Committee far more interesting than most."

### **FIRST SESSION OF THE COMMITTEE OF 24**

(February 20-May 10, 1963)

On balance the results of the first session of the Committee of 24 were not as unsatisfactory from our viewpoint as we had anticipated. In our opinion, the following factors in combination produced this relatively favorable outcome:



- (1) The Afro-Asian members of the Committee seemed to have been genuinely concerned at the possibility the United States might refuse to serve on the Committee if it indulged in extreme and irresponsible conduct;
- (2) At least some of the Afro-Asian members had become disillusioned with the fruitless process of passing resolutions that had no chance of implementation;
- (3) On certain issues, e.g., South West Africa and Southern Rhodesia, the United States was able to go at least part of the way toward meeting the Afro-Asian position;
- (4) Our Representatives at the United Nations, headed by Ambassador Yates, engaged in some very successful lobbying on individual issues;
- (5) The Soviet Union, probably engrossed in a basic re-evaluation of its policies following the Cuban debacle, played a relatively more restrained role in the Committee and sounded cold war themes less frequently and less virulently than heretofore;
- (6) The African members of the Committee presumably anticipated that a definitive anti-colonialist program would be coordinated and enunciated at the Addis Ababa conference and they therefore did not wish to act prematurely on the big issues of sanctions and expulsions.

It is very likely that the outcomes of the Addis Ababa Conference, particularly of its summit phase beginning on May 23, will determine if and in what manner the colonial items are raised either in the Special Session of the General Assembly or in the Security Council during June when the Presidency is held by Ghana. As in the past, colonial and racial incidents on the African continent would also serve to precipitate these issues rapidly into the forums of the United Nations.

When the Committee of 24 concluded its first session May 10, it had discussed the Portuguese territories, Southern Rhodesia, Aden, South West Africa and Malta. When it reconvenes on June 10, the Committee plans to begin with North Borneo, Brunei, Sarawak, Fiji, and British Guiana, as well as considering, whenever the members so choose, the report of the Sub-Committee on Southern Rhodesia.

The following is a brief summary of the outcome of the Committee's deliberations on the issues it discussed during its first session:

#### *Portuguese Territories*

As reported in our memorandum to you of April 12, [/2/](#) the Committee of 24 adopted by a vote of 19-0-5 (Australia, Denmark, Italy, the United Kingdom and the United States) a resolution condemning Portugal's attitude and drawing the Security Council's attention to the situation with a view to the Council's "taking appropriate measures, including sanctions, . . . to secure compliance by Portugal of the relevant resolutions of the General Assembly and of the Security Council." As a result of this resolution, it is quite likely that the issue of the Portuguese territories, including the sanctions question, will face us in the Security Council in June. We are continuing our efforts to induce the Portuguese to adopt a more positive posture on these matters.

[/2/](#)Not printed. (Ibid.)

### *Southern Rhodesia*

Pursuant to the Committee's resolution of April 8, its Sub-Committee (Mali, Uruguay, Syria, Tunisia, Sierra Leone and Tanganyika) held discussions in London between April 22 and 24 with R. A. Butler, Duncan Sandys, and Lord Home. The Sub-Committee was generally impressed by the British desire to improve the situation in Southern Rhodesia but was "depressed" that the British would not intervene militarily if the white minority government in Southern Rhodesia declared its independence. The Sub-Committee's report recommended that the full Committee should consider additional ways and means of dealing with the situation including (a) consideration of Southern Rhodesia at "a special session of the General Assembly"; (b) drawing the Security Council's attention to the deteriorating situation; (c) requesting the Secretary General to continue to lend his good offices. The United Kingdom has withheld granting Prime Minister Field the independence he has sought for Southern Rhodesia, and we continue to support the British efforts towards early broadening of the franchise.

### *Aden*

On May 3, the Committee adopted a resolution by a vote of 18 in favor and 5 (Australia, Denmark, Italy, UK and US) against (Sierra Leone was absent) which, among other provisions, called for the sending of a Sub-Committee to visit the Aden Territories "to ascertain the views of the population . . . and hold talks with the administering authority." Australia, Denmark, Italy and the US (with the approval of the UK) had tabled a resolution which demonstrated their support for self-determination and independence and recommended that the people be given an early opportunity freely to decide their future. This resolution, however, was not pressed to a vote following meddlesome attempts by the Soviets to amend it.

On May 10, the Aden Sub-Committee was named (Cambodia as Chairman, Iraq, Madagascar, Venezuela, and Yugoslavia). At that time, the Chairman of the Committee of 24 announced his intention of sending a letter to the UK asking the British Government to reconsider its previously announced decision not to cooperate with the Sub-Committee. We do not believe that this letter will cause the British to change their position, nor do we believe this non-African item has sufficient pressure behind it to reach a larger UN forum before fall. We support the UK position.

### *South West Africa*

Although in Committee debates the US and the UK were subjected to oft-repeated charges that they were "doing nothing" to persuade South Africa to change its policy regarding apartheid and South West Africa, both the US and UK resisted the temptation to describe their parallel confidential diplomatic efforts vis-a-vis the South Africans because public indication at this time might undermine our future efforts to this end. Committee of 24 consideration of this item was characterized by Afro-Asian difficulty in reaching agreement on a draft resolution which would have had the effect of abrogating the mandate and calling on the UN to take over the administration of the territory by force, if necessary. Eventually, with our help, a much more moderate resolution along the lines of previous GA resolutions was tabled, and on May 10 it received the affirmative votes of 23 members of the Committee with only the UK abstaining. It requested the Secretary General to continue his efforts to establish "an effective UN presence" in the territory and drew the Security Council's attention to the situation there.

## Malta

The Committee on May 10 concluded desultory debate on Malta with the unanimous adoption of a very moderate and non-controversial resolution which noted the UK intention "to consider favorably Malta's request for independence", and invited the UK to hold a conference with the Maltese to that end. We did not speak in the Committee on the subject of Malta because of the absence of any US policy objectives which would have been served thereby.

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### 259. Message from Foreign Secretary Lord Home to Secretary of State Rusk/1/

London, July 29, 1963.

/1/Source: National Archives and Records Administration, RG 59, Presidential Correspondence: Lot 66 D 204, UK Officials and Rusk, Box 181. Top Secret. A July 29 covering memo from Denis A. Greenhill of the British Embassy to Secretary Rusk indicated that the attached message was for his and the President's eyes only.

I have sent you my official reply to your proposal for a "moderate" Resolution on Portugal and Angola but it only hints at what I want to say for your and the President's ear./2/

/2/Document 260.

2. Time and again you face us with situations in which you ask us to vote for Resolutions which will undermine any chance we have to keep the pace of independence for our remaining colonial territories under reasonable control. Time and again you beg us on bended knee to prevent **British Guiana** from achieving independence within the foreseeable future, but everywhere else you make it almost impossible for us to maintain control. I do not seem to be able to persuade your people that you cannot have it both ways.

3. If we have to vote for a Resolution which insists on the employment of a highly placed United Nations personage who will go to colonial territories with instructions which clearly contemplate that he will confer with the members of the opposition parties, our policy of bringing independence by orderly processes would be completely undermined.

4. If you set store, as you obviously do, by our maintaining control of the situation in **British Guiana**, we cannot obviously allow a United Nations personage to consult with Dr. **Jagan**.

5. If we are to bring Southern Rhodesia to the point of adjusting their franchise and accepting a programme whereby the African majority will control the government machine within a reasonable time, the very last thing we would do would be to introduce the United Nations. It would immediately close the ranks against any such plan and make Rab's aims unobtainable.

6. I do beg you to help us in this matter and not to corner us and face us with a dilemma whether to veto, because we cannot wish upon Portugal what we could not accept for ourselves, thereby getting the Africans steamed up about us again in Southern Rhodesia

and the High Commission territories; or whether rather ingloriously to abstain and then see action taken under a Resolution for which we have voted solely because we did not like being parted from our friends and find ourselves the next victims and unable to stand up for ourselves because we have set a precedent.

7. I have sent certain suggestions in my "open" message and I do hope they can be adopted. The Prime Minister and I feel very strongly about this and I hope you can instruct your Delegation in New York to take account of our difficulties.

8. Without your help we will be bound to chuck in our hand in our remaining Colonies and you cannot, I know, want that. I look forward to talking about this soon. Meanwhile, forgive this straight talking.

H./3/

/3/Printed from a copy that bears this typed initial.

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**260. Message From Foreign Secretary Lord Home to Secretary of State Rusk/1/**  
London, July 29, 1963.

/1/Source: National Archives and Records Administration, RG 59, Presidential Correspondence: Lot 66 D 204, UK Officials and Rusk, Box 181. Confidential. A covering memorandum from Denis A. Greenhill of the British Embassy, dated July 29, is not printed. For the reactions of President Kennedy and other senior U.S. officials to this letter, see Foreign Relations, 1961-1963, vol. XXI, Document 370.

I am still very worried about the wording of paragraph 3 of the American draft Resolution about the Portuguese Territories. I realise that your delegation has made an effort to help us by altering somewhat the reference to the functions of the eminent person designated by the Secretary-General, but the latest wording, as we see it, would still make it absolutely impossible for us to resist a demand that a United Nations Mission should visit territories such as Southern Rhodesia and **British Guiana**. The words which give us difficulty are "to visit the territories and to take such other steps as may help to bring about the attainment of self-determination." We would go along with amended wording which read "to conduct such other consultations as may be appropriate to attain the elimination of the causes of international friction, etc."

I am very anxious that we should be able to associate ourselves with your moderate resolution which has a number of valuable features in it; and I should be very unhappy if we found ourselves separated from working closely with your delegation by the difficulty over the words I have concluded. Do you think you could possibly see your way to getting these words omitted and those I have suggested substituted? Alternatively, if this is out of the question, I should like you to know that we would be prepared to go along with your resolution as it stands provided your delegation makes it clear in the debate that their interpretation of these words is that the action taken in operative paragraph 3 will be taken in consultation with the Portuguese.

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## 261. Telegram From the Department of State to the Mission to the United Nations/1/

Washington, August 13, 1963, 7:22 p.m.

/1/Source: National Archives and Records Administration, RG 59, Central Files 1960-63, POL 10 UN. Confidential. Drafted by Michael H. Newlin on August 12; cleared by Henry J. Tasca, Richard Friedman, and William B. Buffum; and approved by Richard Gardner. Also sent to Pretoria and repeated to London.

422. Committee of 24.

1. Pursuant to US-UK talks held by Cleveland in London we have (a) weighed pros and cons our continued participation in work of Cmte and (b) desirability of making effort with key members prior to Sept 5 meeting to induce greater moderation.

2. Re (a), Cmte's 1963 record thus far exhibits both moderation and lack of realism. Initial consensus to approach Portugal for talks with Cmte representatives without preconditions was model of how we believe Cmte should act. GOP sharp rebuff triggered res drawing situation to attention SC. In our view, Cmte acted with moderation in cases of SWA and Malta but acted unwisely re Aden, Fiji, High Commission Territories, **British Guiana**. To date, Cmte's officers have resisted pressures take up Puerto Rica. Because Cmte now scheduled consider US Trust Territory Pacific Island and can be expected take up other US territories in next six months, Dept inclined believe over-all US interests best served by remaining on Cmte for the time being in order have possibility explaining and, if need be, defending our record in person. Since we suspect UK anxious to have us remain for their own reasons, we should be careful not to give UK impression our decision firm but rather that it "knife edge" similar to UK position described Cleveland (London's 144) and subject to constant review.

3. Re (b), we should where not counter-productive seek to convey to key Afro-Asians our sincere conviction that remaining "hard core" colonial problems not susceptible to doctrinaire approach of immediate independence in every instance. US dedication to principles 1514 (XV) requires no proof. We earnestly desire assist remaining two per cent of world's population living in dependent territories to achieve self-government or independence as rapidly as possible without precipitating serious new dangers for such populations. Certain actions of Cmte have come close to falling into latter category. Unrealistic res calling for early independence SR at this delicate stage of negotiations on colony's future ran risk of provoking what Cmte and UN most wishes avoid-independent SR under white supremacist govt. Similar indiscriminate action re High Commission Territories risked provoking their incorporation into South Africa. Worst example of Cmte's 1963 session was its call for immediate independence Fiji with almost total disregard for complicated internal political situation and effect Cmte's action would have thereon. We have all too often heard otherwise responsible Cmte members explain privately that, while they recognize important differences between territories considered, once others raise demand for unqualified immediate independence they unable do anything but support simplistic approach. US hopes more responsible trend in Cmte will prevail and that greater discrimination and leadership will be shown by responsible members Afro-Asian group, enabling Cmte play constructive role in decolonization process. If less responsible trend should prevail, we see real danger Cmte's actions could damage rather than further cause of decolonization, and could cause us reassess our attitude towards Cmte.

4. Would appreciate addressee's comments and suggestions soonest re approach along lines para 3 to: non-bloc Cmte members except LA's and Cambodia. We would not plan approach LA's since ASAFs are key to possible future moderation. After comments received we will, as Cleveland promised FonOff, consult UK.

Rusk

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From: ***Cuban Missile Crisis and Aftermath, 1962-1963 Meetings and Memoranda Series: Vol XI*** [Published by US Department of State]

### **317. Memorandum From Secretary of State Rusk to President Kennedy**

Washington, April 17, 1963.

//Source: Department of State, S/S Files: Lot 65 D 438, Hearings Before the Committee on Export Control. Secret. Drafted by U. Alexis Johnson.

SUBJECT

Free World Shipping to Cuba

I. Present Status. Discussions which the United States has conducted with other maritime nations during the past several months about shipping in the Cuban trade resulted in positive action to remove Free World ships from the Cuban trade. Liberia, Turkey, Honduras and Panama have issued official decrees barring their ships from all trade with Cuba. West Germany has issued a decree prohibiting ships under its registry from trade between the Soviet Bloc and Cuba. More recently, a Greek decree prohibited Greek vessels not presently under charter to the Bloc from carrying cargoes to Cuba, and provided that Greek vessels will be withdrawn from the Cuban trade, as present charters expire. The Lebanese have assured us of their cooperation and state that they hope to rewrite their shipping laws within three months. Repeated approaches to the United Kingdom have not been productive, and HMG has reiterated its position that it does not have a legal basis for pulling its vessels out of the Cuban trade. However, HMG has engaged in informal discussions with British shipowners with some effect.

A further spur to action by foreign governments in this regard has been Section 107(b) of the Foreign Aid and Related Agencies Appropriation Act of 1963, which in substance provides that no United States economic assistance (not including PL 480) shall be furnished to any country which "permits" ships under its flag to carry "items of economic assist-ance" to Cuba./1/

/1/Public Law 87-874, approved October 23, 1962; 76 Stat 1163-1170.

Another factor has been the fear of shipowners and operators that the ILA would not load cargoes in American ports if their ships engaged in the Cuban trade.

The result of all this has been that the number of Free World vessels calling at Cuban ports was reduced from 337 in the first three months of 1962, to 62 in the first three months of 1963. However, while the number of such ships reached a low point of 12 in January of

1963, it increased to 22 in February and to 28 in March. (The foregoing figures are in part based upon classified information and the public list of ships released by the Maritime Administration in accordance with NSAM 220/2/ shows 12 in January, 19 in February, and 23 in March.) However, as a part of the increased number of vessels shown for March arrived in ballast to carry out sugar cargoes, there has not been a corresponding increase in the goods brought to Cuba by Free World ships. Preliminary information indicates that the amount of such imports was about the same in March as in January.

/2/Document 277.

The following is a breakdown of the flags of the 78 ships which have arrived through April 17, 1963: United Kingdom 32, Greece 20, Norway 6, Lebanon 6, Italy 4, Yugoslavia 4, Spain 2, Japan 1, West Germany 1, Denmark 1, Morocco 1.

Since January 1, 1963, no Free World ship which has called at a Cuban port has subsequently called at a United States port. One vessel called at a United States port and then proceeded to Cuba. Pursuant to NSAM 220, commitments to withdraw their vessels from all Cuban trade have been or are in the process of being received from a line in each of Japan, Italy, Denmark, and West Germany.

II. Discussion. The Soviet Bloc has thus far readily replaced Free World vessels withdrawn from the Cuban trade, and can presumably do the same for the remaining vessels. Thus the effects on the Cuban economy are minimal. However, Free World vessels calling at Cuban ports have, in domestic opinion, become a symbol of the willingness of the Free World to cooperate with us with respect to Cuba. Replacement of Free World vessels also in some small degree may increase the cost to the Soviet Bloc of maintaining Cuba.

NSAM 220 was confined to vessels calling at Cuban ports rather than to all ships owned or controlled by a line largely in order at that time further not to exacerbate our relations with Poland and Yugoslavia. To have applied the NSAM to ships owned or controlled by would have meant that ships of those two countries could not have carried their customary share of PL 480 cargoes destined for those two countries. The shipping of those two countries to Cuba has averaged one or two ships per month. It is likely that they will continue their participation in the Cuban trade irrespective of whatever measures we may take short of a naval blockade. Polish and Yugoslav ships are currently carrying United States-financed cargoes under the PL 480 agreements with those countries signed on February 1, 1963, and November 28, 1962, respectively. Yugoslav ships are also carrying some merchandise financed under an outstanding Export-Import Bank credit. Subsequently, a ship of the Moroccan Government line has called at a Cuban port. As this line is also carrying PL 480 cargo from the United States to Morocco, the effects on Morocco would be similar to those on Poland and Yugoslavia.

The strict application of Section 107(b) of the Foreign Assistance Act raises serious problems of fact and policy. Questions of fact are whether a country has "permitted" its ships to carry "economic assistance" and what cargoes may in fact be "economic assistance" as opposed to normal trade. Stringent and extreme application of the Act could result in the cutting-off of all economic assistance to the United Kingdom possessions such as Kenya, **British Guiana**, et cetera, as well as to Greece. The political disadvantages of such drastic action are of course obvious. Nevertheless, we have and are continuing to press the countries involved to purge themselves of all actions that could require us to invoke the Act. The Battle Act administrator (the Assistant Secretary of State for Economic Affairs) is, in accordance with the law, now assembling and transmitting to the AID Administrator factual

information bearing on the application of Section 107 for legal determination required of the AID Administrator.

Because of measures now taken by the Greek Government, it appears that, as their charters expire, most if not all of the 20 Greek vessels which have called at Cuban ports since January 1 will be withdrawing from the Cuban trade. (The Greek Government is now assembling exact information on the terms of the various charters.) Commitments from the lines now being obtained will also assure the withdrawal of at least one of the four Italian ships, the one Japanese ship, the one Danish ship, and a West German ship which is now completing its charter. The principal remaining problem is thus the 32 British and six Norwegian ships.

The minimal additional public action that we could now take would be the extension of the provisions of NSAM 220 to all ships owned or controlled by anyone owning or controlling vessels engaged in the Cuban trade. Apart from the not inconsiderable problem of exacerbation of our relations with Morocco, Yugoslavia and Poland, this could have useful and important domestic and international psychological effects. At the request of the Department of State, the Maritime Administration is now urgently studying shipping patterns in order to arrive at some estimate of its practical effect. Preliminary information indicates that its practical effects might be minimal with respect to tankers, which comprise 16 of the 32 British ships engaged in the trade. Mr. McCone feels, and I agree, that it would not be desirable to take additional public steps during the present stage of Mr. Donovan's negotiations for the release of American prisoners in Cuba.

III. Recommendations. Considering all of the foregoing factors, I recommend that:

1. We make another approach to the United Kingdom, through their Ambassador here as well as in London, seeking United Kingdom cooperation and pointing out the necessity of our taking further action unless a prompt reduction in United Kingdom shipping to Cuba can be achieved.
2. Similar approaches be made to Norway, Italy and Spain.
3. We now make all administrative preparations for the issuance, at a time to be subsequently determined, of an extension of the provisions of NSAM 220 to ships owned or controlled by persons owning or controlling vessels engaged in the Cuban trade with a grace period of forty-five days to permit withdrawal of vessels in the course of a voyage at the time the extension is made public.
4. At a time subsequently to be determined, request United States owned or controlled oil companies to refrain voluntarily, within the Western Hemisphere, from bunkering vessels known to be engaged in the Cuban trade, and seek the cooperation of the United Kingdom in the application of a similar policy by British oil companies. (This would have its principal impact on a number of very small vessels which now may be operating between Central American ports and Cuba.)

Dean Rusk/3/

/3/Printed from a copy that indicates Rusk signed the original.

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**[JOHNSON ADMINISTRATION]**

From: ***Foreign Relations, 1964-1968, Volume XXXI, South and Central America; Mexico*** [Published by the US Department of State] - (Documents 523, 524, 535, 536 & 544)

**523. Action Memorandum From the Assistant Secretary of State for European and Canadian Affairs (Tyler) to Secretary of State Rusk**<sup>/1/</sup>

Washington, July 10, 1964.

<sup>/1/</sup> Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 3 IA. Secret. Drafted by William B. Cobb, Jr. (EUR/BNA), on July 8. A copy was sent to Ball. A notation on the memorandum indicates Rusk saw it.

SUBJECT

Venezuela's Interest in British Guiana

A reliable controlled American source reports that Venezuela's Foreign Minister Ignacio Iribarren Borges wishes to talk with you privately during the Latin American Foreign Ministers Conference about British Guiana. He is expected to tell you that Venezuela is prepared to support the overthrow of Cheddi Jagan, and to seek our support for this venture.

Our Ambassador in Caracas has learned from the Minister of the Interior that Venezuela is ready to provide financial support for Forbes Burnham when the time is ripe for Jagan's overthrow.

A report from Georgetown advises that a person with good contacts in Venezuela is urging Burnham and D'Aguiar to form a "Revolutionary Government"; attempt a coup with the assistance of 100 trained men who will have had 30 days special training in Venezuela, and at the same time Cheddi and Janet Jagan will be kidnapped and taken to Venezuela.

You may wish to urge restraint on the Venezuelans, pointing out that plans are underway to seek a political resolution in BG through the democratic process of a Proportional Representation election. We hope that nothing will happen to impede this plan and we cannot support the Venezuelans even though we share their hope that someone other than Jagan will reach the top in British Guiana.<sup>/2/</sup>

<sup>/2/</sup> According to the Secretary's Appointment Book Rusk met Iribarren on July 16 and 20. (Johnson Library) Memoranda of conversation, confined to discussion of the OAS resolution on Cuba, are in the National Archives and Records Administration, RG 59, Central Files 1964-66, POL 3 IA. No evidence has been found to indicate whether Iribarren raised the Venezuelan proposal to intervene in British Guiana.

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**524. Memorandum From the Director of the Office of Colombian-Venezuelan Affairs (Margolies) to the Assistant Secretary of State for Inter-American Affairs (Mann)**<sup>/1/</sup>

Washington, January 13, 1965.

/1/ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 BR GU-VEN. Confidential. Drafted by Crowley; cleared by Cobb, Whiteman, and Randolph. A copy was sent to Adams.

SUBJECT

Venezuela Asks U.S. Intercession in Settling Guiana Boundary Dispute

*The Problem*

On December 15, 1964, the Venezuelan Foreign Minister called on Mr. Ball (then Acting Secretary), and requested that the U.S. Government use its good offices to help bring the current negotiations between Venezuela and Great Britain on the British Guiana boundary dispute to a conclusion favorable to Venezuela. Mr. Ball told the Foreign Minister that he could not comment on the problem because he was not familiar with it, but said he would look into it./2/

/2/ According to a memorandum of this conversation Iribarren said "he hoped that the United States would lend support to the Venezuelan position." (Ibid.)

*Background*

In presenting his views to Mr. Ball, the Foreign Minister handed over a memorandum/3/ that stated that the Venezuelan Government has obtained evidence which allegedly casts some doubt on the integrity of the American citizen members of the 1899 arbitration tribunal. The memorandum states that this information has not yet been made public, but offers to furnish the evidence to the Department in confidence for our study.

/3/ Attached but not printed.

Another noteworthy development in this situation is the number of recent confidential reports indicating that the Venezuelan military are very sensitive to the boundary problem. They view the possibility that British Guiana may become independent under a pro-Communist government as opening the way for a Castro beach-head on the continent. They are also apprehensive because of the proximity of British Guiana to Venezuela's developing iron and steel and hydro-electric complex in Guayana State. There are indications that the military have already prepared a contingency plan for the seizure of the area by force should this seem to them necessary at some future time.

A further complicating factor is that Forbes Burnham, the new Premier of British Guiana, is reliably reported to believe that the U.S. Government has sufficient influence with Venezuela to cause the latter to drop its claim.

*ARA/CV's Views*

Our continuing attitude (with which EUR agrees) toward this boundary dispute is that we hope to see the problem satisfactorily settled between the two interested governments through quiet and friendly negotiations without our becoming involved.

We believe that Britain would be most reluctant to modify the 1899 arbitration award, and the head of the UK Foreign Office desk for Latin America, Mr. John Slater told us recently that the British experts have found no evidence in the material submitted to them by the Venezuelans which would in the British view vindicate the Venezuelan claim.

We believe that Britain in any event will not wish to impose a boundary change on the present inhabitants of British Guiana against their will. The Venezuelans are aware of this problem, but nevertheless seek to have the boundary rectified before independence so as to avoid the awkwardness of having to demand territory from an independent neighbor. Responsible leaders in British Guiana also hope that the problem will be solved before independence, since some of them fear that Venezuela might actually seize the disputed area from a weak and newly-independent neighbor.

*Recommendations:/4/*

/4/ There is no indication on the memorandum that Mann approved these recommendations. In a January 28 memorandum to Margolies, Adams dismissed any serious consideration of "evidence." "I think it is ridiculous on the part of the Venezuelan Foreign Minister to seek our 'good offices' with the U.K., and at the same time threaten to blackmail us on the allegedly fraudulent findings of an American 66 years ago." Adams suggested that the United States refuse to accept the evidence if Venezuela submitted it "in any formal way," e.g. by diplomatic note. Otherwise, Adams agreed that the United States should avoid involvement in the dispute unless it appeared that Castro might establish a "beach-head" in British Guiana. (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 32-1 BR GU-VEN)

Even though Venezuela regards this problem as a very real one, we believe that our present position of non-intervention should remain unchanged. However, since Mr. Ball said that we would look into it, we propose from a precautionary standpoint the following:

1. When the documentary evidence is received from the Venezuelan Government, it should be translated and furnished to L for a review of the alleged proofs submitted as to any fraud on the part of members of the arbitration tribunal, and of any possible implications regarding the U.S. members. Further action, if any, would depend upon the authenticity of the evidence submitted by Venezuela as it might implicate American citizen members of the tribunal.
2. Apart from whatever conclusions the Department might draw from the evidence provided by Venezuela, it would, of course, be possible for Venezuela and the United Kingdom, should they so agree, to submit the question of the existence of any fraud and any consequent invalidity of the award either to an ad hoc arbitral tribunal, or to the International Court of Justice. For the present, however, we do not believe that the U.S. Government should try to urge this line of action upon the interested governments.
3. In order to allay the understandable fears of Venezuela that British Guiana might become a Castro beach-head on the continent after independence, the U.S. Government should give assurances to the Government of Venezuela, either through our Ambassador, or high-level officers of the Department, that we do not intend to stand idly by and allow such a course of events to take place, and that on the contrary we would use every resource to prevent such a development.

*Note:*

On January 15, Embassy Caracas reported that the visit of Prime Minister Burnham to Caracas was well received and that the subject of the boundary dispute was merely mentioned, and was neither discussed nor debated. (Emb Caracas 962.)/5/

/5/ Dated January 15. (Ibid.)

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### **535. Editorial Note**

On January 14, 1966, the Venezuelan Embassy informed the Department that Minister of the Interior Gonzalo Barrios was planning to visit Washington for 1 week starting January 18. The Embassy requested that Barrios receive an appointment with President Johnson, possibly in connection with the Minister of Mines and Hydrocarbons, Manuel Perez Guerrero, who was coming to Washington for oil consultations. (Telegram 569 to Caracas, January 14; National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 VEN) In a meeting with Ambassador Bernbaum on January 15, President Leoni made a separate appeal for the appointment, explaining that its main purpose would be to allow "first direct contact with President Johnson through Barrios, who is most trusted aid." Barrios would deliver a personal letter to Johnson addressing several issues of mutual concern, including recent petroleum developments, the Venezuela-British Guiana border dispute, and the Vietnam war. (Telegram 709 from Caracas, January 15; *ibid.*)

Under Secretary of State Mann raised the Venezuelan request with President Johnson on January 15. According to a memorandum of the conversation: "The President said that was the last thing he wanted to do, negotiate on oil. Mr. Mann said that was right but Venezuela is so important that if the President could see him and then refer him to Udall and State, he thought it would be a good political move. He said he did not think the President should discuss details. He said he thought it would be good if the President could receive him because when the President sends people down to Leoni they are received by him and if his people could not get through to the President, it might hurt feelings. The President said for Mr. Mann to bring him in for five minutes then, and to be sure that was all he stayed." (Johnson Library, Papers of Thomas C. Mann, Telephone Conversations with LBJ, May 2, 1965-June 2, 1966) A January 19 memorandum from Mann to the President requesting the appointment for Barrios is in the National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 VEN.

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### **536. Telegram From the Department of State to the Embassy in Venezuela/1/**

Washington, January 24, 1966, 3:35 p.m.

/1/ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, AID(VEN) VIET S. Confidential; Limdis. Drafted by Hill on January 21, cleared by Sayre and Bowdler, and approved by Mann. Repeated to London and Georgetown. According to the President's Daily Diary the meeting was held from 12:56 until 1:14 p.m. (Johnson Library)

585. Following summary FYI only and Nofoin. It is based on uncleared MemCon and subject to amendment upon review MemCon.

President Johnson this noon received President Leoni's special emissaries Gonzalo Barrios and Manuel Perez Guerrero who delivered letter from Leoni and, as expected, brought up Vietnam, British Guiana border dispute, and petroleum./2/

/2/ As the Venezuelan emissaries waited outside his office, Johnson returned a telephone call from Senator Clinton P. Anderson (D-New Mexico). Anderson explained the reason for his earlier call: "I know the boys from Venezuela are up in town. I've got friends in the petroleum industry that are worried about that situation." After a general discussion of Venezuelan oil, the President asked: "Now, what are we going to do ultimately, Clint, on this price thing? Now here is an illustration. These people are happy with what they are getting, they're doing well. Then we come along and say 'we are going to give you a great opportunity to bring in a lot more' and they answer us with a hell of a good price increase." The Senator suggested: "I think you ought to threaten them someday with a Price Control Act, have them start exploring it, hold some hearings on it, they might behave themselves." (Johnson Library, Recordings and Transcripts, Recording of telephone conversation between President Johnson and Anderson, January 21, 1966, 12:40 p.m., Tape F66.02, Side B, PNO 1) An uncorrected transcript of the conversation is also *ibid.*, Chron Series.

Barrios opened by expressing President Leoni's solidarity with President Johnson's policy of peace and said Venezuela wished express that solidarity by sending food and medicine to South Vietnam. President Johnson said we would welcome any help in resisting aggression and keeping Communism from enveloping free countries.

Barrios then turned to British Guiana border dispute, stating President Leoni had charged him to say Venezuela wanted peaceful solution and desired to keep British Guiana out of hands of Communist demagogues as that would be not only threat to hemisphere but direct threat to Venezuela. Barrios did not advance any particular solution but suggested President Johnson seek to obtain greater understanding of problem by all parties especially British. President Johnson said it was U.S. policy avoid getting involved in boundary disputes and doubted whether such involvement would be useful or acceptable to parties.

When petroleum came up, Perez Guerrero made presentation of importance petroleum to Venezuela's economy and political stability. He underscored Venezuela did not object to restrictions on imports of crude to U.S. but did object to discrimination in favor other countries. Described past conversations with U.S. as conducted with frankness and mutual understanding but said President Leoni disappointed no solution had been found. Leoni had, however, welcomed indication that U.S. recognized special position Venezuelan petroleum and was hopeful something could be worked out in near future. President Johnson replied that Venezuela was wise in continuing discussions with Departments State and Interior, as he had not personally dealt with details oil program since taking office. He expressed hope mutually satisfactory solution could be worked out.

At close interview, President indicated that, while he personally not involved in these matters, he would direct officials to work with Venezuelans here and Caracas towards eventually satisfactory solutions. Venezuelan delegates expressed themselves as pleased with interview. Barrios said President Leoni hoped two Presidents could meet and President Johnson said he hoped this would be possible within their respective terms of office.

Ambassador Tejera Paris also attended as did Mann, Sayre and Hill for Department. Copy letter being pouched Caracas./3/

/3/ A copy of Leoni's letter to Johnson is in the National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 VEN.

Rusk

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#### **544. Telegram From the Department of State to the Embassy in Venezuela/1/**

Caracas, July 13, 1968, 2159Z.

/1/ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, POL 33-4 VEN. Confidential; Immediate. Drafted and approved by Hill. Also sent to Georgetown and London and repeated to USUN, USCINCSO, Recife, and Sao Paulo for Oliver.

202053. Following is uncleared memcon:

Under Secretary Katzenbach called in Venezuelan Ambassador Tejera Paris to discuss July 9 Venezuelan decree asserting sovereignty over territorial seas from 3 to 12 miles off of part of Guyana claimed by Venezuela. In cordial but serious discussion, Under Secretary made following points:

(1) Meaning of decree was unclear to us and we would appreciate explanation, as it was potentially serious both from point of view international law and point of view internal Guyanese politics.

(2) If intent decree were merely to put world on notice that when and if Venezuela attained sovereignty over territory it claimed, Venezuelan law with respect territorial waters would obtain, we would have no problem with it although it was difficult to see what advantage there was to Venezuela in issuing it at this time.

(3) If, however, as accompanying explanatory note seemed to suggest, Venezuela intended immediately to exercise rights of sovereignty in 3-12 mile zone we would take "most serious" view of situation. As international lawyer, he himself could not see how such claim could be asserted and doubted that Ambassador Tejera would, in his capacity as lawyer, defend it. International law was clear that maritime rights and rights to continental shelf (which Guyana always claimed) attached to coastal state and at present Guyana was clearly the coastal state. The U.S., therefore, did not accept decree's validity if it implied actual exercise of sovereignty and, if matter came up in international forum, we could not support Venezuela. While we would not make public statement unless we had to, we would have to advise U.S. shipping and other private interests if they asked that we did not accept validity of decree.

(4) We also viewed decree as serious in terms Guyanese electoral situation. It was, we thought, of more immediate interest to Venezuela than to us and hemisphere that Burnham win elections which would probably take place in December and that Jagan be excluded. Moves such as this claim were not helpful as they eroded Burnham electoral strength in difficult elections and diverted his attention during critical remaining six month campaign period. It also made it difficult for us to counsel Burnham to use moderation as he felt obligated to defend his position.

(5) We viewed explanatory note, with allusions such as "physical act of possession", as more disturbing than decree itself and wondered what intent of Venezuela was in light of assurances President of Venezuela and country's highest officials had given that Venezuela would not resort to force. Under Secretary again emphasized seriousness of our concern if Venezuela intended exercise sovereignty.

Tejera replied that he knew nothing of decree and explanatory note, having only received their texts, but he would immediately report to Caracas and ask for instructions. Speaking personally, he at first attributed decree to Guyanese intransigence in Mixed Commission and especially their refusal to accept Venezuelan proposals for joint development. He recited history of Venezuela's frustrations in attempt to get Guyana to discuss settlement of issue in Mixed Commission and claimed Venezuela, which desired settlement by peaceful means had used great restraint in contrast to Burnham's inflammatory actions such as his recent speech in Birmingham, U.K. With regard to claim to territorial sea, he was certain that disputed territory would someday return to Venezuela and it was only natural and right Venezuela should have territorial waters which she would have under her Constitution and which are not claimed by party which wrongfully occupied disputed territory through inheritance from U.K. He would, however, query Caracas and let Under Secretary know as soon as he received reply.

*For Caracas:* You should convey above to President Leoni as soon as possible after clearance of memcon, hopefully early Monday./2/

/2/ July 15. In telegram 6896 from Caracas, July 16, the Embassy reported that Venezuelan officials were "piqued over US position on decree as stated Saturday by Katzenbach." In a meeting with Bernbaum on July 16, Iribarren declared that Venezuela's "territorial claims must take precedence over any consideration their effect on Guyana's domestic political situation." The same day Minister of Interior Leandro Mora told an Embassy officer that the Department did not appreciate "Venezuela's 'feelings' on this matter." (Telegram 6898 from Caracas, July 16; *ibid.*)

*For London:* You should convey substance to FonOff.

*For Georgetown:* You may convey general line of conversation to Burnham in strictest confidence but should avoid giving him any encouragement to take matter to international organizations.

Rusk

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## **[JOHNSON ADMINISTRATION]**

### **[PLAN BY BURNHAM TO RIG THE 1968 ELECTION]**

Source: Linden B. Johnson Presidential Library

SANTIZED  
E.O. 12958, Sec.  
NI.J 94.268

12 JUN 1968

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

SUBJECT: Plans of Guyana Prime Minister Forbes Burnham, Leader of the People's National Congress (PNC), to Rig the Elections Scheduled for Late 1968 or Early 1969

1. [2 lines deleted]

a. In meeting of high level government and People's National Congress (PNC) leaders [2 or 3 words deleted\*] Forbes Burnham, Prime Minister of Guyana and leader the PNC, gave instructions to rig the election scheduled for late 1968 or early 1969 in order to permit the PNC to win a clear majority. [In the last elections, held in December 1964, the PNC won 40.5 per cent of the total vote; the United Force (UF) won 12.4 per cent; and the Communist-led People's Progressive Party (PPP) made up principally of East Indians, won 45.8 per cent.] Burnham said that the registration of East Indians, who traditionally vote for the People's Progressive Party (PPP) should be strictly limited in order to keep their number of eligible voters as low as possible. He also gave instructions to his party leaders to increase the size of the PNC electorate by registering some PNC adherents who are between the age of 17 and 20 years of age, although the minimum age for voting is 21 years of age. He said he plans to have written into the electoral law a provision for increasing the use of proxy votes.

b. Through these means and by campaigning diligently, Burnham said he hopes the PNC will receive approximately half of the total vote cast in Guyana. In order to provide the winning margin for the PNC, he has arranged for Guyanese who reside overseas to vote in the Guyanese elections. He believes that there are sufficient PNC adherents overseas to give the PNC a clear majority. If it appears that the overseas registration is not sufficient to provide this majority, Burnham said he has instructed his campaign organizers overseas to provide enough false registrations to give the PNC the desired majority. [The PNC is conducting registration of overseas voters principally in the Caribbean, the United Kingdom, Canada, and the United States.]

2. The above information further clarifies Burnham's intentions regarding the forthcoming elections in Guyana. In April 1968 Burnham sated that he will not form a government if he has to continue to depend on his coalition partner, Peter d'Aguiar, leader of the United Force (UF), after the elections. In order to avoid having to depend on d'Aguiar, Burnham said that he will rig the elections in such a way that the PNC will win a clear majority. After winning a majority, he said, he would welcome a coalition with the UF, because be would not have to depend an the UF to maintain the government.

Thomas H. Karamessines  
Deputy Director for Plans

cc: The Honorable Paul H. Nitze  
Deputy Secretary of Defense  
Department of Defense

Ambassador Covey T. Oliver  
Assistant Secretary of State



[\* Apparently, the location of the meeting place is deleted.]

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## **[NIXON-FORD ADMINISTRATIONS]**

From: ***Foreign Relations, 1969-1976, Volume IV, Foreign Assistance, International Development, Trade Policies, 1969-1972*** [Published by the US Department of State] – (Documents 154 and 159)

### **154. Memorandum From Secretary of the Treasury Connally to President Nixon/1/**

Washington, June 11, 1971.

/1/Source: Washington National Records Center, Department of the Treasury, Secretary's Memos: FRC 56 74 A 17, Memo to the President 5-8/71. No classification marking. The date is handwritten. A handwritten note reads: "Mr. Petty's secy says the Secretary discussed this with the President on 6/11 but did not give him the original memo." Connally and Kissinger met with the President from 2:05 to 2:38 p.m. on June 11. (National Archives, Nixon Presidential Materials, White House Central Files, President's Daily Diary)

#### **SUBJECT**

Expropriations in Latin America

We are facing a situation of snowballing expropriations of the property of American investors in Latin America and the Caribbean. We are facing a serious situation in Bolivia, Chile, Guyana and Jamaica. If we allow these actions to go forward without showing our serious concern by imposing financial penalties, we can expect other countries to take similar expropriatory action. Loss of international credit standing will be an important deterrent to future expropriations.

We must act to

--protect American business overseas;

--eliminate the very substantial risk that the Overseas Private Investment Corporation (OPIC) has on expropriation insurance issued to American businessmen in Latin America by assuring full compensation where expropriations take place. OPIC potential expropriation risk in Bolivia and Chile amounts to about \$350 million and for Latin America as a whole to about \$1.5 billion;

--support the moderate political elements in Latin America and the Caribbean against the demands of the radical Left for further expropriations.

(1) In *Bolivia*, Gulf Oil was expropriated in October 1969 and a compensation settlement has been worked out satisfactory to Gulf. However, in January the International Metals Processing Company (IMPC) was expropriated, and at the end of April, on the day after we made a P.L. 480 agreement with Bolivia, another American company was expropriated. Although compensation has been promised, no meaningful discussions have taken place in either of these two cases.

(2) In *Chile*, the Allende Government has engaged in a broad program of nationalization of foreign investment. Allende is accomplishing his objective through a gradual step-by-step process utilizing technically legal means, but with the ultimate objective of communizing the whole country. While some companies have been compensated satisfactorily, the negotiations for compensation of the copper companies are just beginning. OPIC has undisputed expropriation coverage of \$300 million to American companies and a further \$200 million of such coverage which is in dispute. OPIC President Mills, and I am told Ambassador Korry, feel strongly that we should use financial pressure to assure satisfactory settlements in the copper compensation negotiations. I agree with them.

(3) In *Guyana*, legislation has been enacted to take over the bauxite facilities of ALCAN. The problem in Guyana has ramifications for the whole Caribbean area. Jamaica is carefully watching the situation in Guyana and if Guyana succeeds against ALCAN and eventually against Reynolds, an American company, they will be under great pressure from their radical Left to move against American bauxite operations there. The United States has large investments in the Caribbean with \$732 million of OPIC expropriation coverage, of which \$465 million relates to bauxite.

I would propose that bilateral assistance to expropriating countries be halted. For example, our bilateral aid program has gone forward in Guyana.

We should follow a similar policy in the multilateral lending institutions. I am seriously considering an instruction to our representatives in the World Bank and Inter-American Bank to vote against loans to Bolivia and Guyana.

These two Banks will shortly be considering loans to Bolivia, the proceeds of which will be used to finance a gas pipeline to Argentina. Part of the profits from the pipeline will be used to compensate Gulf. Our negative vote against the pipeline could upset the Gulf expropriation settlement. But we cannot let the interests of one company affect our whole posture in Latin America.

The World Bank will also be considering a loan to Guyana of \$5.4 million for anti-flood works. Even though the company is nominally Canadian (approximately 50% U.S. owned) and Canada is not opposed to the loan, I would again draw the line in this case. A loan to Guyana would be a signal that they can nationalize American property without penalty. It would similarly be a signal to the radical Left in Jamaica, which the moderates would find hard to resist, for further nationalizations there.

This situation can no longer be handled in a piecemeal fashion. It requires a decision on your part to set a strong policy of both bilateral and multilateral financial pressure on expropriating governments to both assure compensation and deter future expropriation actions.

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**159. Information Memorandum From the Acting Assistant Secretary of State for Inter-American Affairs (Crimmins) to the Under Secretary of State (Irwin)/1/**

Washington, August 4, 1971.

/1/Source: National Archives, RG 59, S/S Files: Lot 80 D 212, NSSM 131. Confidential. Drafted by Crimmins on August 4. Copies were sent to Samuels, Trezise, Aldrich, Weintraub, and Newsom.

NSSM 131

Having read the final (and to my mind retrograde) version of the response to NSSM 131,/2/ having been told that Treasury intends to pursue its so-called "hard line" vigorously in the SRG meeting this afternoon,/3/ and having much in mind my responsibilities in the execution of our policy toward the countries of Latin America, I am obliged to ask you to consider the following observations in your approach to that meeting:

/2/Document 157.

/3/In a July 21 briefing memorandum to Kissinger for a meeting with Connally later in the day, Ernest Johnston noted that Connally had "very strong views" about expropriations and advocated a "hard line" such as pressing for abstentions or negative votes in the IBRD and IDB on loans for Guyana and Bolivia. Johnston recommended that if Connally raised the question, Kissinger should indicate he shared Connally's "concern that we determine the most effective methods of protecting U.S. economic interests abroad; but that we must not lose sight of the broader foreign policy considerations. While there are important domestic imperatives in protecting the interests of U.S. investors in these countries, there are foreign policy and perhaps strategic costs to our actions which should be considered." Johnston further recommended that Kissinger "emphasize the leverage we have . . . in shaping the overall policies of (the IFIs) and point out that not only are they keenly aware of the political problems faced by the USG with regard to expropriations, but are willing to work closely with us to develop a policy which meets some of our concerns. It may be that the multilateral framework will ultimately provide stronger leverage than U. S. unilateral actions for settling the expropriation problem." (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 289, Treasury, Volume II 1971)

1. We should be clear that we are not simply discussing USG policy on expropriations. We are really talking about a frontal attack on the basic concepts that gave rise to the President's policies laid down in October 1969 and reaffirmed in his foreign policy messages of February 1970 and 1971 and in the Secretary's report to Congress of March 1971. These basic concepts were examined exhaustively in connection with NSSM 108 earlier this year./4/ That inter-agency examination confirmed their validity as the most appropriate and effective means of serving our interests--all our interests--in Latin America. Indeed, the adoption of any option above 3/3b will prejudice seriously, if not render futile, any serious consideration of NSSM 108 by the SRG.

/4/Entitled "Review of U.S. Policy Toward Latin America," dated January 10, 1970.

2. The basic judgment in 1969, reconfirmed earlier this year, was that our interests were endangered by the "hegemonic" posture of the past and that the realities required that we seek an easier, more flexible, less directive association with the countries of Latin America. While it was recognized that, given the fundamental forces at work in Latin America, the new policy was damage-limiting and that our interests would suffer some additional impairment while a new equilibrium in our relationship was being reached, it was explicitly

and carefully decided that a "harder" or "softer" policy would cause greater damage to our interests.

3. Particularly in light of our present inability or unwillingness to meet our positive commitments given in 1969, the adoption of a "hard line"--whether naked or flimsily veiled--on investment issues (with its play-out into the trade and development assistance sectors), when coupled with the post-Chilean election emphasis on military associations, will give our policy a distinct coercive, repressive cast. Aside from the fact that in present-day Latin America such an approach is destructive of our interests--all our interests--are we not obliged to counsel the President about the costs, abroad and at home, of such an image?

4. Considerable attention is paid in the NSSM 131 paper to the domestic advantages of a stronger line on expropriation. This presumably refers to the points to be made with some important sectors of the investing community. No attention is given to the countervailing fact that the US electorate and the US Congress contain important--and vocal--sectors which would find the path which the Treasury and some others wish to take the Administration down to be disastrous, not to say repugnant.

5. There is still, apparently, attractiveness for some in the thesis that "if you get tough with the Latins, they may not like you but, by God, they respect you and shape up." I should have thought that this thesis, always of the most doubtful validity, would have been destroyed by the Dominican intervention,<sup>/5/</sup> the most direct application of US authority in the recent history of our relations with Latin America, the most superficially successful exercise of that authority, and one of the most destructive in terms of our broad interests.

<sup>/5/</sup>In the margin next to this paragraph, Irwin's Executive Assistant, B. Scott Custer, wrote: "Also Cuba?" He also underscored the last phrase in the paragraph with an exclamation point in the margin.

6. In the same vein, I am very disturbed by suggestions that we have to get "tougher" with Latin America because they are not grateful for or appreciative of what we have done and are doing for them. Leaving aside the questions of who is doing what for or to whom, what forms we expect gratitude or appreciation should take, or the big philosophical debate on the responsibilities of the rich to the poor, I think we should keep in mind the basic purpose of our development assistance and other economic benefits we direct or say we want to direct toward Latin America. Those benefits are not intended as Lady Bountiful largesse. They are intended to serve our calculated national interests. We usually remember that; the Latins never forget it.

7. I am also concerned by the implied adoption, particularly evident in the final version of NSSM 131, of a defensive attitude concerning the Department's handling of expropriation problems. There is shot through the paper intimations that the Department has been indifferent or supine or that it has not given the expropriation issue proper weight in the calculus of our interests. As you well know, this is simply and demonstrably untrue. It is certain that in dealing with the cases the Department has deliberately chosen to follow the President's policy prescription of "negotiation not confrontation," to exert pressures and influence behind the scenes and not from the roof tops, and to relate our real concerns about uncompensated expropriation to the totality of our interests. Such a posture, such techniques are, I submit, marks of a responsible institution charged with the execution of foreign policy--a foreign policy viewed as the pursuit of an intricate composite of interests, not a series of artificially isolatable interests or events. In the face of simplistic, even primitive attacks, this should be a source of pride, not of weak-kneed apology.<sup>/6/</sup>

/6/Custer wrote in the margin: "JNI: I think this is a point which really should be made at the SRG meeting."

8. Does anyone with even the most superficial knowledge of the psychological drives and the economic and political imperatives of the developing countries seriously believe that the invocation of Hickenlooper in Peru would have produced compensation for IPC or have prevented Velasco from taking any other restrictive measures or deterred Allende from expropriating copper or kept the OPEC countries from moving against the oil companies?/7/ Does one seriously believe that we would have seen the limited but positive developments, carefully and painfully nurtured, in our relations with Peru--so important in terms of our broad policy concerns in Chile--if we had shouted threats at Peru and publicly flaunted our economic pressures against the Velasco Government?

/7/Libya and several other oil-exporting countries had acted against U.S. and foreign oil companies in 1970 and 1971.

9. I am convinced that the "hard" or "quasi-hard" line will, at best, provide us a few quick, cheap victories over some of the weaker Latin American countries, with the costs in terms of intensified economic nationalism, wider anti-Americanism and increased opportunities for the Soviets and their friends throughout the Hemisphere to follow almost immediately.

10. We must bear clearly in mind that the prosecution of a "hard line" is an invitation--even a request--to well-known sectors of Congress to load impossibly restrictive provisions on legislation that by any stretch of the imagination might confer "benefits" on the less-developed countries. Is that what the Administration wants? Do we want, for example, an anti-expropriation amendment on the generalized preferences bill? How could we, with consistency, argue against a flood of such measures?

11. If Secretary Connally really said: "The US can afford to be tough with Latin Americans because we have no friends left there any more"--and there has been no repudiation of the attribution--he has demonstrated only that he is a master of the self-fulfilling prophecy./8/

/8/Connally made this statement in Business Week, July 10, 1971, p. 65. In the margin next to this paragraph, Custer wrote: "JNI--Connally denied he said this or anything like it (per Ken Langley who met with Connally with other WH fellows)."

12. In sum, I believe it essential that we turn back the onslaught of Treasury and its allies which is directed not only against the basics of the President's policy toward Latin America but also against the primacy of the Department in the formulation and execution of foreign policy. Our objective should be to preserve the maximum flexibility in handling expropriation cases so that all our national interests can be assessed and so that we can consider, as we must if we are to be responsible, not only the short-term but also the middle and long-term play of those interests.