



Wireless Bulletin, President Johnson

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PRESIDENT JOHNSON SAYS U.S. WANTS TO EXTEND HAND, BUT KEEP GUARD UP.

Miami Beach, Florida, Sept. 15 -- Americans must always be prepared to defend themselves from any attack, yet also be prepared to reason out problems with any nation in the world, President Johnson said here Tuesday.

"I believe that you want your leadership and your government and your country to extend their hand, but to keep their guard up," Mr. Johnson told a labor union convention.

He spoke to delegates and guests of the annual meeting of the International Machinists Union, which represents 857,000 members in the aerospace, air line and metal working industries.

He told the union delegates that Americans are enjoying a prosperity never known before.

The President cited these new U.S. record established in the month of August:

-- More men and women were on non-farm payrolls than ever in history -- 59,250,000;

-- Factory employment reached the highest August level in more than ten years -- 17,500,000;

-- The average weekly factory worker earnings set a new record for August of \$103.

"What we enjoy today -- in our land and in our lives -- we are able to enjoy because we and the world are at peace," the President said.

"I love peace," he added. "I don't intend that it shall be lost -- for your children or mine."

Mr. Johnson told the labor audience that the challenge of this and every year is to work together for the unity of the American people.

"I know the strength of this nation," he said. "I know that we can live as we live now -- prosperous, progressive and unafraid -- so long as we live together -- united, forward-looking and undivided."

There is no problem at home or no provocation in the world from which the American people need to turn away, he said.

"With patience, with perseverance, with faith in our arms and strength in our hands and peace in our hearts, we can be masters of our destiny and captains of our fate."

U.S. DEPLORES MYSTERY ATTACK ON SPANISH SHIP.

Washington, Sept. 15 -- The United States is seeking to determine who attacked a Spanish vessel of Cuba Sunday.

"Whatever the nationality of the attackers, we cannot but deplore this attack on a merchant vessel on the high seas," State Department Press Officer Robert McCloskey said Tuesday.

Two small, fast vessels attacked and set fire to a Spanish ship Sunday night some 96 kilometers (60 miles) off the Eastern tip of Cuba.

Answering questions about the incident, Mr. McCloskey said it "is certainly not clear at this time" whether Cuban exiles were connected with the attack on the unarmed Spanish freighter, Sierra Aranzazu. The vessel was enroute to Cuba from Spain carrying a cargo of garlic, cognac, toys and textiles.

In the attack three men were killed -- the captain and two officers. The ship was abandoned. Seventeen survivors were being taken to Puerto Rico at the request of the Spanish Embassy in Washington.

The State Department spokesman gave this account of the incident:

At approximately 11:30 pm, Washington time, on September 13, the U.S. Coast Guard picked up a message from the Dutch vessel, the S.S.P.G. Thulin, reporting that an unidentified vessel was on fire about 96 kilometers off the Eastern tip of Cuba.

Early the following morning, a sea-rescue aircraft based at the U.S. Navy base at Guantanamo flew to the scene and discovered survivors on a life raft.

The U.S. plane directed the Dutch vessel to the life raft. It picked up the survivors and three dead officers at approximately 9:30 am Monday.

Enroute to Matthew Town on Great Inagua Island in the Bahamas. The Dutch vessel was stopped at approximately 4 pm Monday by three Soviet-built Cuban torpedo boats. A Cuban officer boarded the Thulin and offered to take the survivors off. The master of the Dutch ship declined, going on to Matthew Town and arriving early Monday evening.

After consultation with Bahamian officials, the U.S. Coast Guard asked the Navy to fly the wounded survivors to the Guantanamo base for emergency medical treatment. All survivors and the three bodies were then taken to Puerto Rico.

Mr. McCloskey said preliminary questioning of survivors "indicates that the Spanish vessel was circled by an unidentified boat at approximately 8:30 pm on September 13.

"Two small, fast boats, also unidentified, attacked the ship without warning with machine guns and cannon fire setting the vessel on fire," he added.

"We do not know the identity of the attacking boats," Mr. McCloskey said. "The only information we have is that of the crew members, who were unable to identify them."

At mid-afternoon Tuesday, Mr. McCloskey said, the damaged Spanish ship was being towed by a Cuban tugboat in a westerly course. There was no evidence that any crew was aboard.

Other officials who were asked how America's policy of denying trade to communist Cuba might fit into the case, pointed out that Washington has made its position clear to the Spanish Government on this matter.

They recalled that the United States determined last March that Spain was taking "appropriate steps" to get its vessels out of the Cuban trade.

U.S. PROTESTS HARRASSMENT ON HIGH SEAS BY SOVIETS.

Washington, Sept. 15 -- The United States charged Tuesday that Soviet ships have harassed American vessels on the high seas twice since June.

In a note delivered to the Soviet Government by the U.S. Embassy in Moscow, the United States cited to specific incidents, one in the North Atlantic, the second in the Caribbean.

"The United States adheres to the rights of all ships and aircraft to engage in peaceful operations in and over international waters without harassment and United States vessels and aircraft are instructed to perform accordingly," the note declared, adding:

"On the other hand, on a number of occasions in recent months, United States vessels have encountered harassment by Soviet ships."

On June 30, the United States charged, the Soviet trawler Rauda "maneuvered dangerously within 135 meters (150 yards) of the USS D.A. Joy causing the United States vessel to sound the danger signal and use emergency speeds to avoid collision."

The second incident occurred on August 18 between Cuba and Haiti when the Soviet vessel Dubna "maneuvered irresponsibly near the USS Dash and created a dangerous situation."

"In bringing these incidents to the attention of the Soviet Government," the note said, "the Government of the United States assumes that the Soviet Government will take the necessary measures to assure that Soviet pilots and masters do not violate international practices."

At the same time, the United States dismissed as "without foundation" two Soviet charges made August 3 and 5 that American ships and planes had interfered with Soviet ships.

"United States commanders," the U.S. note made clear, "are under strictest instructions not to approach foreign vessels closer than is necessary for common practice of establishing identification in international waters."

Following is the full text of the U.S. note:

The Embassy of the United States of America acknowledges the receipt of the note of the Soviet Ministry of Foreign Affairs dated August 3, 1964.

The Embassy has been instructed by the United States Government to inform the Soviet Ministry of Foreign Affairs that the investigation mentioned in the Embassy's interim note of August 18, 1964 of alleged dangerously-low overflights of Soviet vessels by United States aircraft and of charges of dangerous maneuvers by the United States vessels in the Ministry's note No. 45 of August 3, 1964 and the Soviet Embassy note No. 24 delivered in Washington August 5, 1964 has been completed. The investigations reveal that the Soviet charges are without foundation.

Detailed investigation of each of the Soviet charges found that in no case did American aircraft harass, endanger, or provoke any Soviet ships. The distances maintained by United States aircraft were at all times appropriate and in no instance constituted "dangerously-low over-flights." In the one specific charge in the Soviet note of August 3 that two American military aircraft overflew the Soviet vessel "frunze" at a height of 50 meters on June 27, investigation establishes that the Soviet charge is in error. The two United States aircraft at no time approached closer than an altitude of 500 feet and a later range of 3,000 feet. The aircraft did not overfly the "frunze" nor make any harassing or provocative maneuvers.

In the incident in the Soviet note of August 3 involving the Soviet steamer "Dubna" on July 8, it has been established that no United States aircraft were in the area of the alleged incident and furthermore that the aircraft number cited in the Soviet note of August 3 is not a United States Government aircraft number.

Detailed investigation of the shipping incidents protested in the Soviet notes of August 3 and August 5 revealed the following:

In the case of the Soviet vessel "Gruziya" on July 21, the American vessel at no time approached closer than 300 yards. To the starboard of the vessel nor in any way created a threat of collision.

In one incident of April 25 involving the Soviet merchant vessel "Leonid Leonidev" there was no United States Navy or United States Coast Guard ship in the area at the time and place specified.

In both of the other cases in the Soviet note of August 5, United States vessels were in the vicinity of Soviet vessels, but did not engage in any dangerous maneuvers.

The Soviet note charging that a Coast Guard vessel on June 1 approached within 50 meters of the Soviet vessel "Delni Vostok," is in error. The Coast Guard vessel confirms, however, that it witnessed another ship, which was not of United States registry, run parallel to the Soviet vessel and cut across the bow of the Soviet ship.

United States commanders are under strictest instructions not to approach foreign vessels closer than is necessary for common practice of establishing identification in international water. The United States adheres to the rights of all ships and aircraft to engage in peaceful operations in and over international waters without harassment and United States vessels and aircraft are instructed to perform accordingly.

On the other hand, on a number of occasions in recent months, United States vessels have encountered harassment by Soviet ships.

In the last three months alone the following incidents occurred: On June 30 at a position of 40-35 North and 65-43 West, the Soviet trawler "rauda" P5054 with stern designation "2516-Port Dayoda," maneuvered dangerously within 150 yards of the USS "D.A. Joy" causing the United States vessel to sound the danger signal and use emergency speeds to avoid collision.

On August 18, 1964 the Soviet vessel "Dubna," in passage between Cuba and Haiti, maneuvered irresponsibly near the USS "Dash" and created a dangerous situation.

In bringing these incidents to the attention of the Soviet Government, the Government of the United States assumes that the Soviet Government will take the necessary measures to assure that Soviet pilots and masters do not violate international practices.

ECONOMIC LETTER FROM THE UNITED STATES.

U.S. Economic Maintains Vigorous Pace

-- By Guy Sims Fitch --

Washington, Sept. 15 -- With the advent of September, the American economy usually begins to break out of a normal summer slowdown. But in one important respect, this has not been a normal year. The economy barely slowed down at all this summer. And now it appears to be off and running again.

A few key indicators suffice to tell the story. One can start with retail sales, the final reflection of consumer demand. These sales reached not only a new record, but also a new milestone in the usual "doldrums" month of August, exceeding a seasonally adjusted monthly total of \$22,000 million for the first time in history. This total was seven percent ahead of August 1963.

Indicative of what may lie ahead is the surge apparently under way in September. Retail sales in the week ended September 5 were five per cent ahead of the previous week, and no less than 16 per cent ahead of the same week last year.

Looming large in the sales picture has been the continued high rate of automobile buying, which has been proceeding at a record rate of better than eight million new cars a year. This is reflected in some new patterns of automobile production. While September normally is a month of rising output after the usual change-over period to new models, it rarely comes close to anything resembling a peak production level.

But this year, after a slightly earlier change-over period than usual, schedules of automobile makers call for a record September output of nearly 700,000 cars. Moreover, with new labor-management contracts in the automobile industry evidently being negotiated without a strike, the talk is that output will soar to a monthly high of 900,000 cars in October, and continue at a record pace through the year. It takes just a little figuring to determine that these trends, coming on top of the high output level earlier in the year, virtually assure another record automobile production year, perhaps of eight million new cars or more.

An important element in automobile production, of course, is steel. And here, the outlook also is bright. Demand, in fact, is so strong -- it has been coming not only from the automobile industry but from a wide range of metal-using industries -- that delivery problems could begin to show up in the not too distant future.

The third quarter of the year, embracing the months of July, August and September, now seems headed for a steel production total of more than 30 million short tons (one short ton equals 0.91 metric tons) -- a figure that seemed almost beyond reach only a few months ago. That would be enough to carry the production total for the first nine months of 1964 to some 92 million tons.

With any seasonal expansion at all -- and both historically and on the basis of present trends one can expect the fourth quarter to be better than the third -- the year's production mark should exceed 123 million tons, and might even reach the 125 million ton mark. It seems only a few months ago that steel makers were pondering whether they would surpass the 117 million ton record established in 1955.

This same type of vitality is evident in aluminum, copper and other nonferrous metals. In fact, some producers -- particularly in the steel and aluminum industries -- have begun to reactivate obsolescent plants to help meet the vibrant demand.

Another highly significant indicator of economic strength is the steady rise in business investment plans. The latest government survey issued in August shows that American business spending on new plant and equipment will continue to accelerate through the rest of 1964.

The year's outlays are expected to total \$44,200 million, which would exceed the 1963 total -- itself a record -- by some 13 per cent. The May survey has predicted an investment gain of 12 per cent, and February's gain at 10 per cent. For the fourth quarter of the year, investment outlays are projected at an annual rate of \$46,100 million, representing a rise of fully 38 percent from the rate in early 1961, when the current economic expansion began.

This rise in spending plans is typical of a period of economic expansion, and demonstrates continued business confidence in the future. But again, 1964 has put its own vibrant stamp on these plans. Not only are the plans going up, but the year has seen the relatively rare occurrence of actual spending exceeding the quarterly estimates by significant margins.

This investment surge will help American industry expand and modernize its facilities and thus keep pace with the rising demand while holding its costs in check. How long this non-inflationary situation will continue may be open to question, but it is significant that while there have been some increases in metals prices in recent months, the overall wholesale price index has maintained its general stability. The index for August has been estimated at 100.3 per cent of the 1957-59 average -- no higher -- in fact a shade lower than the readings for July 1964 and August 1963.

This means that the all-important wholesale index has been stable not only during the past year, but during the three and a half years of the current expansion -- and indeed, for the past half-dozen years. This is just what economists have been looking for -- continued price stability in the context of a strong and sustained economic growth.

ATLANTIC TREATY ASSOCIATION OPENS 10TH ANNUAL ASSEMBLY.

Ottawa, Sept. 15 -- Speakers at the opening session of the tenth annual assembly of the Atlantic Treaty Association here Monday took into account the changed world situation since the North Atlantic Treaty Organization was formed 15 years ago.

Canadian Prime Minister Lester B. Pearson, who has been a consistent advocate of the Atlantic community over the years, again voiced strong support for an Atlantic community.

Lord Gladwyn, a retired British diplomat who is the assembly president, advocated a different approach to the problems facing NATO. He spoke of a partnership based on two poles of authority, one in North America and the other in Europe.

The assembly is meeting in the West bloc of the Canadian Parliament Buildings, which has been the scene of many international conferences since it was renovated.

The association is formed of voluntary national organizations in the various NATO countries and its aim is to simulate public support for the aims of the alliance.

Lord Gladwyn was the opening speaker, and he noted that the increased power and growing prosperity of the European members have made them more anxious to have a greater say in its working, he said.

"In my personal view, it is this very recrudescence of nationalistic feeling which is at present the chief threat to our Western society," he said. "Though it has its advantages, if it gets out of hand, it will result not only in a military weakening of the alliance, but will also probably lead us into some major recession from which nobody will benefit save the Soviet Union."

He rejected the thesis that the Sino-Soviet split and the detente in the cold war made NATO obsolete, and he noted that the latest Roper public opinion poll indicated that the American people also rejected it.

Lord Gladwyn's solution was what he called a partnership: "The eventual basing of the alliance on two poles of authority, one in North America and one in Western Europe."

Mr. Pearson, who had presided when the assembly met in Boston, Mass., in 1958, reiterated what he had advocated then -- the building of a true and united Atlantic community. "It is not difficult to realize how important this is for Canada, who might be left in the cold in a purely bi-polar alliance," he said.

He rejected narrow nationalism or restricted continentalism as illusory advantages because neither Europe nor North America could 'go it alone' in this nuclear age. There were three main areas in which he said NATO should move forward over the next decade: Relations with the communist world, with the poorer and undeveloped world, and between its own members.

"There were no reasons to believe that the communist leaders had abandoned their expansionist aims, he said, but there were signs that we might be able to establish a more civilized relationship with them, the Soviet Union had come to realize."

On the question of internal relationships within the alliance, the Prime Minister advocated an outward-looking trans-Atlantic community. It could only come with the conviction that it was needed, not by merely tinkering with machinery, he declared.

He rejected two current "myths": One that any Atlantic system was bound to be American-dominated, the other that the American commitment to Europe involved indefinitely the new world redressing the balance of the old.

"If the West is to develop as a partnership of free sovereign nations united in a common approach to the problems of the thermonuclear and space age." "Mr. Pearson said, "we must accept that the Atlantic Ocean is a two-way thoroughfare and that the countries of Europe and North America must learn to practise a consultative partnership looking to the future as more important -- even for their own national development -- than a too exclusive preoccupation with the national glory and pride in the past."

U.S. UNAWARE OF SOVIET SUPER WEAPON.

Washington, Sept. 15 -- Informed sources said Tuesday the United States has no knowledge of any startling new weapon developed by the Soviet Union.

Press Reports from Moscow said Soviet Prime Minister Nikita Khrushchev told a group of visiting Japanese that the Soviet Union had developed a new weapon capable of destroying all humanity.

U.S. sources here believe the Prime Minister's remarks were aimed at intimidating the Chinese Communists. Earlier this month Moscow accused Peiping of making claims on more than 500,000 square miles (1,300,000 square kilometers) of Soviet territory.

In his remarks to the Japanese, Mr. Khrushchev was reported to have made a bitter attack on the Chinese Communists and threatened that any attempt to change the Sino-Soviet border would lead to war.

BALLISTIC MISSILE SUBMARINE CALHOUN COMMISSIONED.

New Port News, Virginia, Sept. 15 -- The United States Navy Tuesday commissioned its 26th nuclear-powered fleet ballistic missile submarine, the USS John C. Calhoun.

The submarine, is named for a 19th century American statesman who served as vice president, secretary of war, secretary of state and in the U.S. House of Representatives.

The Calhoun was launched in June 1963.