

NYC 67 14 JAN 1961

TO SMITH MILLER

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315A

FOLLOWING ARE CORRECTIONS FOR REMAINDER OF MONTHLY DIRECTIVE

NO. 28:

SECTION I, B - NO. 1 (PERSPECTIVES AND CONSIDERATIONS), FIFTH PARAGRAPH, MAKE READ: "SINCE ITS FOUNDING, THE U.N. HAS DONE MUCH TO FULFILL THESE HOPES, BY PARTICIPATING IN MANY KEY SITUATIONS: THE SOVIET UNION FINALLY WITHDREW ITS TROOPS FROM IRAN IN 1946, AFTER A SECURITY COUNCIL RESOLUTION ADOPTED DESPITE ONE OF GROMYKO'S 'WALKOUTS'; DUTCH-INDONESIAN FIGHTING ENDED AS A RESULT OF THE WORK OF U.N. NEGOTIATORS; THE KASHMIR ARMISTICE WAS ACHIEVED; COMMUNIST AGGRESSION IN KOREA WAS MET BY A U.N. FORCE; AND 47 NEW COUNTRIES HAVE BEEN ADMITTED SINCE JANUARY 1946, 32 OF THEM FORMER COLONIES." OMIT FINAL SENTENCE OF PARAGRAPH ENTIRELY. SAME SECTION, 7TH PARAGRAPH, ELIMINATE WORDS "RESOLVE THE" AND MAKE READ: "...IN THE NUCLEAR AGE, CAN PROVIDE A FORMAL INSTRUMENT FOR RESOLVING THE POLITICAL PROBLEMS OF THE WORLD...", ETC. ADD QUOTE MARKS AFTER "...AND STRENGTHEN THE U.N.", AND ELIMINATE REMAINING WORDS: "IT IS THE CENTER OF OUR FOREIGN POLICY AND THE BEST HOPE FOR PEACE IN THE WORLD."

SAME SECTION, ELIMINATE TWELTH PARAGRAPH, BEGINNING "THWARTED

... IN ITS ATTEMPTS..." AND ENDING "...THE TRAGIC SITUATION IN THE CONGO."

SAME SECTION, THIRTEENTH PARAGRAPH, ELIMINATE WORDS "...DEFEAT

OVER THE CONGO..." AND CHANGE TO READ: "STUNG BY A DEFEAT ON THE CONGO ISSUE IN THE GENERAL ASSEMBLY...", ETC.

(MORE)

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SAME SECTION, FOURTEENTH PARAGRAPH, ELIMINATE OPENING WORDS, THROUGH "...HAVE NOT GOTTEN ANYWHERE, BUT". PARAGRAPH NOW BEGINS: "SOVIET BLOC MEMBERS HAVE BEEN USING...", ETC.

SECTION I, B - NO. 2 (DIRECTIVE), (A): ELIMINATE WORD "ACHIEVEMENTS" AND MAKE READ "...REVIEW THE PARTICIPATION OF THE UNITED NATIONS...", ETC. SAME SECTION, (B): ELIMINATE WORDS THAT NOW READ "...POTENTIALLY AN EFFECTIVE FOR PEACE CAPABLE OF..." AND MAKE READ: "...THAT THE U.N. IS ONE OF THE FACTORS FRUSTRATING COMMUNIST PLANS...", ETC.

SECTION III, U.S. ECONOMIC SITUATION, NO. 1 (PERSPECTIVES AND CONSIDERATIONS) MAKE OPENING SENTENCE READ "THE EXTENT AND DURATION OF THE CURRENT U.S. RECESSION CANNOT BE ASSESSED WITH ANY CERTAINTY." THIRD SENTENCE, SAME PARAGRAPH, ADD WORD "FILL" BEFORE "EMPLOYMENT ACT OF 1946".

SAME SECTION, THIRD, FOURTH, AND FIFTH PARAGRAPHS, EDIT TO READ AS FOLLOWS: "THE MEASURES LIKELY TO BE CHIEFLY RELIED UPON -- UNLESS THE RECESSION SHOULD WORSEN -- ARE THOSE BUILT-IN STABILIZERS THAT HAVE BECOME A PART OF THE U.S. ECONOMY SINCE THE THIRTIES AND WHICH COME AUTOMATICALLY INTO PLAY WHENEVER THERE IS A CUT-BACK IN PRODUCTION AND CONSEQUENT LAY-OFFS OF LABOR. CHIEF AMONG THESE IS UNEMPLOYMENT INSURANCE. (SOME REFERENCES TO UNEMPLOYMENT INSURANCE ARE INCLUDED IN THE BIBLIOGRAPHY CONTAINED IN MONTHLY DIRECTIVE 14, NOV., 1959, II, C.) ITS PRIMARY PURPOSE, OF COURSE, IS TO ASSURE A TEMPORARY INCOME TO THOSE WHO LOSE THEIR JOBS OR ARE TEMPORARILY LAID OFF. IT ALSO SERVES TO A DEGREE TO CUSHION THE SHOCK OF LOST WAGES ON OTHER SECTORS OF THE ECONOMY THROUGH THE SPENDING OF THESE FUNDS FOR CONSUMER GOODS.

"ALL 50 STATES HAVE PROVISIONS FOR UNEMPLOYMENT INSURANCE...".
ETC.
(MORE)

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SAME SECTION, ELIMINATE FINAL PARAGRAPH, BEGINNING "WEEKLY BENEFITS RECEIVED..." AND CONCLUDING "...FROM BECOMING TOO SEVERE."

SECTION III, NO. 2 (DIRECTIVE), (A): EDIT SENTENCES BEGINNING "VIGOROUS ACTION PROGRAMS..." AND "OCCASIONAL RECESSIONS..." SO AS TO READ: "VIROROUS ACTION PROGRAMS, SUPPLEMENTAL UNEMPLOYMENT INSURANCE AND OTHER WELFARE MEASURES, WILL SERVE TO CONFIRM THAT THE UNITED STATES TODAY IS CAPABLE OF CORRECTING DOWNTURNS IN THE BUSINESS CYCLE AND INSURING THAT OCCASIONAL RECESSIONS ARE MERELY PAUSES IN A STEADY...", ETC.

SAME SECTION, ELIMINATE PARAGRAPHS (B) AND (C) ENTIRELY.

ANNEX TO MD NO. 28, U.S. BALANCE OF PAYMENTS, (PERSPECTIVES AND CONSIDERATIONS), IN FOURTH PARAGRAPH, EDIT "--ENCOURAGEMENT OF LONG-TERM CORPORATE INVESTMENT ABROAD;" TO READ "--ENCOURAGEMENT OF LONG-TERM U.S. PRIVATE INVESTMENT ABROAD;". ALSO, CHANGE OPENING WORDS OF FIFTH PARAGRAPH TO READ: "U.S. EXCESS OF EXPORTS OVER IMPORTS INCREASED MARKEDLY...", ETC. ALSO, CHANGE CLOSING SENTENCE OF SAME PARAGRAPH TO READ: "MOVEMENTS OF THIS SORT ARE NOT NECESSARILY SIGNS OF WEAKNESS NOR STRENGTH...", ETC.

ANNEX, NO. 2 (DIRECTIVE), (A), (1.), EDIT FIRST SENTENCE TO READ: "THE BALANCE-OF-PAYMENTS PROBLEM ARISES NOT OUT OF BASIC U.S. WEAKNESS BUT OUT OF THE EXTENT OF U.S. DOLLAR EXPENDITURES."
END MSG