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Authority: EO 13526

Chief, Records & Declass Div, WHS

Date:

JAN 13 2012

THE SECRETARY OF DEFENSE

WASHINGTON

5 JUN 1970

Ch. VII 15

MEMORANDUM FOR THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Vietnamization - Consolidated RVNAF Improvement and Modernization Program and Related US Planning

I have reviewed your supplemental report forwarded by JCSM 202-70, as well as your recommendations on US troop redeployment subsequently forwarded by JCSM 266-70. I particularly appreciate the concerted staff effort and the hard choices they represent.

Since JCSM 202-70 was prepared, the events in Cambodia and the serious budget deficits we face have altered in a major way the manner in which we must address RVNAF Improvement and Modernization and the results we must expect from it. It is abundantly clear now that, on completion of our Cambodian operations, we must accelerate the RVNAF Improvement and Modernization Program in every possible way. This acceleration, as well as the acceleration of US redeployments, relies on GVN capability to assume a much greater responsibility for conduct of the war by the end of FY 1971. The new RVNAF confidence born in the recent cross-border operations must now be translated into specific and definable milestones in RVNAF performance within SVN.

I approve the plan you have presented with the exceptions noted below. I recognize that as we proceed, modifications will be made and I stress again that all funding for Southeast Asia must be met from existing and foreseeable DOD budget ceilings. The political and economic climate, now even more than in March, militates against requesting supplemental funds for FY 1971 except for pay increases. The President has indicated that even the costs of the recent activity surge into Cambodia must be met within current budget levels. Some of these reductions may have to come from SEA activities. Consequently, activities which require funds incremental to the FY 1971 budget for Southeast Asia will have to be financed by compensating reductions in Southeast Asia and/or other defense programs.

My specific guidance and decisions, supplemental to those announced in my memorandum of 13 March and subject to review and final approval by the President, are outlined below.

US and GVN Costs

I do not at this time approve the recommendations to request supplemental funds for the FY 1971 DOD budget. However, I have apprised the President of the defense implications of the severe fiscal problems we face in FY 1971 and FY 1972. I do not expect a reply until at least mid-to late July. Therefore, for planning purposes, assume that all funding for Southeast Asia must continue to be met within existing and foreseeable DOD budget ceilings.

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Cont. Nr. 1

cc ASD Rev No. 2

12-M-0424

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Chief, RDD, ESD, WHS
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I approve the validated funding requirements, which are shown in Enclosure. Itemized rationale for these data is available from the ASD(Comptroller) staff. These and the other PACOM program tradeoffs will be specifically addressed in conjunction with the actual allocation of FY 1971 resources during the apportionment review now underway. Any unvalidated SEA tradeoffs will require the closest possible coordination among the Service Secretaries, the Joint Chiefs of Staff, and OSD for quick resolution.

It is essential that we look at forces and levels of activity in FY 1972-73 that can be supported within the DOD budget levels likely to be available. To be realistic we must recognize that the current economic conditions, competing claims for federal resources and the mood of the Congress mean that Defense may well have significantly less funds in the FY 1972-75 time period than we assumed when the 24 March 1970 Fiscal Guidance Memorandum was issued. If you consider that costs for forces and activity levels for FY 1972-73 should be greater than planned in the Fiscal Guidance Memorandum, assume that these funds must be provided through SEA reductions or world-wide tradeoffs. I would like to receive your recommendations for FY 1972 on this matter by 20 July 1970, in order that they may be considered in preparing Program Decision Memoranda (PDM).

With respect to the economic impact of RVNAF Improvement and Modernization on the GVN, recent projections prepared by AID and DOD indicate that, despite serious economic problems, GVN domestic revenues and available US economic assistance may be sufficient through FY 1971 to meet our objectives of sustaining the GVN military effort while controlling inflation. However, by FY 1972, increased GVN military expenditures with a decline in projected GVN dollar earnings will give rise to grave economic problems for the GVN. If such problems are not to destroy the economic and consequently the political viability of South Vietnam, GVN domestic revenues and the system of US support will have to be restructured and direct economic assistance increased, at least in the short run, to provide sufficient resources to enable the GVN to attain a viable and eventually self-sufficient economy.

For our part, DOD must take what actions it can to help keep GVN economic problems within manageable proportions. A requirement may exist to support through Service MASF Budgets a portion of local costs of programs to expand RVNAF capabilities in the logistics, maintenance, and other support areas. The exact programs and funding magnitudes will be identified in conjunction with other US departments and agencies. If DOD funding requirements are identified, I will inform the Service Secretaries of the FY 1972 budget implications.

US In-Country Forces

A US in-country force level of about 260,000 for end FY 1971 should continue to be used for budget planning purposes, recognizing that the option of more rapid redeployments must be retained.

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I have reviewed your proposals in JCSM 266-70 for phasing the 150,000 man redeployment announced by the President in April. I am deferring a decision pending clarification of the Defense Budget levels for FY 1971 and FY 1972-76. In the interim proceed to redeploy 50,000 men by 15 October 1970 as directed by the President. For the period beyond 15 October 1970, you can assume that we will proceed in accordance with the FY 1971 Budget Plan.

Specific units to be deployed and details of timing and movement will be developed by the commanders in the field in coordination with the Services and the JCS; a related public affairs program will be similarly developed in coordination with OSD.

A MAAG structure of about 25,000 spaces for JUSMAAGV and 19,000 spaces for a Supplemental MAAG by end FY 1973 is approved for planning. I repeat my guidance that every effort be made to hold the MAAG strength at or below these figures. I am pleased to note the reduction of about a thousand cryptologic spaces from those recommended in the Tab to Annex A, JCSM 42-70.

Out-of-Country/Offshore Effort

Continue presently authorized air sortie levels of 1,400 B-52, 14,000 USAF tactical fighter and 3,500 USN tactical fighter sorties per month until 15 July 1970. Assume that after 15 July the sortie rates will become not more than those approved in the FY 1971 budget of 1,200 B-52, 10,000 USAF tactical fighter, and 3,600 USN tactical fighter sorties. I realize that you may wish to use the sortie levels recommended in JCSM 202-70 of 1,000 B-52, 10,000 USAF tactical fighter, and 2,700 USN tactical fighter sorties.

I emphasize these are monthly activity rates. If circumstances permit, lower air activity levels during periods of relative enemy inactivity should be used. Not only would such lower air activity levels provide some added operational surge capability when needed, but it would also allow us to signal more readily to the enemy through marked operational sortie rate increases.

A naval gunfire support level in Southeast Asia of three NGFS ships on station is approved for FY 1971.

RVNAF Force Structure

The recommended RVNAF programs, force structures, equipment authorizations and programming for FY 1971-72 are approved, and for FY 1973 are approved for planning, to include the intelligence and logistics spaces recommended

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in the exhibits. The FY 1972 approvals are subject to further review in light of US budget and GVN economic constraints. Final FY 1973 approval is deferred until we have a better long range view of the effects of the Cambodian operations on the enemy situation, Vietnamization, and US troop redeployments, and of the impact of budgetary and economic constraints on the FY 1972 force.

I am convinced that, psychologically, now is not the time to move toward reducing the projected RVNAF ceilings. With economic and political considerations making faster US redeployment and reduced US sortie levels a likelihood, we must not detract from the resolve of the RVNAF to assume greater responsibilities more rapidly. However, with the very real US budgetary and GVN economic problems in the offing, we also would be remiss not to be developing plans to reduce the RVNAF at the earliest moment the situation permits. As an initial step, I request that General Abrams initiate a comprehensive review of the RVNAF force structure with a view to a first incremental reduction in the active forces to a ceiling of not more than 1,000,000. The review should include an assessment of the conditions under which an active force of that size would be adequate and of the considerations involved should achieving that ceiling by end FY 1973 become indicated. I would like your report on the review by 1 December 1970.

It also is important that we use every opportunity to impress upon the GVN the need (1) to use its manpower resources more efficiently, and (2) to reassess on a continuing basis its force structure and strategy. Not only will such continuing review hold the promise for improved security, but it should also help alleviate the intense economic pressures confronting that nation. In the future, MACV is authorized to make field refinements to RVNAF TOEs so long as personnel and equipment changes do not exceed personnel and equipment authorization ceilings.

Leadership, Training and Morale

I continue to place high priority on our efforts to focus GVN effort on those selected programs which will most improve leadership, training and morale. I appreciate the concerted effort being made in these programs by MACV and the GVN, and that the qualitative deficiencies in these areas are among the most difficult to overcome. In view of the interrelationship and the importance to Vietnamization of leadership, training and morale, I would appreciate receiving a CY 1970 year-end progress report on improvement in these qualitative areas.

With respect to the specific proposals for raising RVNAF living standards, the recommendation to provide additional canned meats, fish, and shortening under the Ration/Food Service Program and to provide construction of 20,000 dependent shelters per year for five years is approved. I view the caveat that MACV approve the RVNAF distribution and control plan as an essential element to insure the goals behind this support are realized. Provisions

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must be made, moreover, to attach to this added US support the quid pro quo that increased RVNAF capability will be used for our joint goals of enhanced RVN security. That means principal emphasis on operations in South Vietnam rather than Cambodia.

Communications-Electronics, Logistics and Sensors

Final approval of Exhibit B and of Annex B (Communications-Electronics) to JCSM 42-70 will be forwarded separately in response to the Communications-Electronics Improvement and Modernization Program (CEIMP). I note that the RVNAF signal force structure has not progressed to the point that we can determine the precise requirement for end FY 1971 US signal troops. I would hope that we can resolve this requirement by 1 September 1970.

The recommendations at Exhibit D (Logistics) are approved.

I look forward to seeing the results of the MACV study on an integrated sensor/radar system for the RVNAF.

Special Operations

I question the desirability of US support for an RVNAF special operations capability. The projected results of these operations do not appear to warrant a US investment of \$13.1 million a year and 399 advisors, as well as 2,500 high quality Vietnamese personnel and a drain on critical air assets. In the review of FY 1972 activity levels and tradeoffs, I would like General Abrams to take a particularly hard look at whether this program should be retained. If that review concludes that we should continue to support development of an RVNAF special operations capability, I request determination of how fast we can turn over to them those operations approved in my 21 May 1970 memorandum on "Outline Plan for SALEM HOUSE Operations (C)."

Force Planning, Thailand

The plan to redeploy 7,300 USAF and 2,565 USA authorized personnel to reach an end FY 1971 ceiling of 32,200 is approved with the following exceptions:

-- No forces are to be redeployed prior to 15 July 1970, with the exception of the F-102 detachment at Don Muang.

-- Actions must be taken to continue to provide a WILD WEASEL/IRON HAND capability in order to reduce risk to ARC LIGHT forces.

-- Minimum work to keep Route 223 open as agreed with the RTG must be accomplished via contract or other means after the 809th Engineer Battalion is withdrawn until the Royal Thai Highway Department begins major upgrading in CY 1972.

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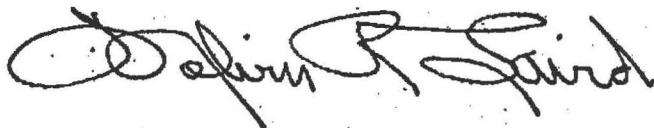
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Following the precedent set last fall, negotiations with the RTG in Bangkok will precede implementation of these redeployments. No action should be taken which will reveal the size, timing or content of the reduction packages to the RTG except as authorized by the US Mission in Bangkok. It is recognized that exceptions to this policy may be necessary. Exceptions will be the subject of separate State/Defense instructions. Strength authorizations will be changed through the SEA Deployment Adjustment System.

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Enclosure

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ANALYSIS OF FY 1971 REQUIREMENTS TO SUPPORT VIETNAMIZATION -
CONSOLIDATED RVNAF IMPROVEMENT AND MODERNIZATION PROGRAM
AND RELATED US FORCE REQUIREMENTS

(\$ Millions)

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	JCS Proposed Change to FY 71 Budget			OSD Validated Requirements		
	<u>I&M</u>	<u>US Forces</u>	<u>Total</u>	<u>I&M</u>	<u>US Forces</u>	<u>Total</u>
<u>Military Personnel</u>						
Army	48.5	-	48.5	48.5	-	48.5
Navy	-	-	-	-	-	-
Air Force	-	61.2	61.2	-	-	-
<u>O&M</u>						
Army	47.3	-	47.3	73.1	-	73.1
Navy	23.4	50.2	73.6	22.1	-	22.1
Air Force	15.9	176.1	192.0	15.9	-27.6	-11.7
<u>Procurement</u>						
Army	119.1	-	119.1	86.6	-	86.6
PAM, Navy	-	3.0	3.0	-	3.0	3.0
OPN, Navy	16.8	-	16.8	13.5	-	13.5
AP, AF	92.2	27.7	119.9	87.1	-	87.1
OP, AF	2.6	368.2	370.8	2.6	75.0	77.6
<u>Military Construction</u>						
Total	365.8	686.4	1,052.2	349.4	50.4	399.8
Available from CR, SVF				-300.0	-	-300.0
Required Reprogramming				49.4	50.4	99.8
Army	215.0	-	215.0	208.2	-	208.2
Navy/Marine Corps	41.0	53.0	94.0	35.6	3.0	38.6
Air Force	110.0	633.0	743.0	105.6	47.4	153.0
Available from CR, SVN	366.0	686.0	1,052.0	349.4	50.4	399.8
Required Reprogramming				-300.0	-	-300.0
				49.4	50.4	99.8

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