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March 29, 1973

OSD Review Completed

OSD review
completed pages
2-5

MEMORANDUM FOR

The Secretary of Defense

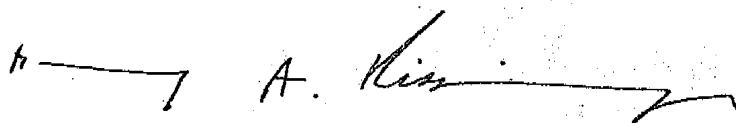
MORI/CDF
C05106372 Pages
2-5

SUBJECT: Replacement of RVNAF Combat Losses

The President considers that it is premature to move to the policy of restricted or delayed resupply proposed in your memorandum of March 17, 1973. We have had less than 60 days experience with the ceasefire, and the North Vietnamese are continuing to infiltrate men and materiel into SVN in clear violation of it. If the DRV chooses to use these forces to launch a major country-wide offensive, it could be critically important that the GVN have all possible supplies immediately available. Moreover, if we are to reduce the level of our military supply support to the GVN at some point, it should be in the context of a reciprocal reduction in supply to the DRV by its supporters.

The GVN could and probably would interpret a restricted resupply policy as evidence of reduced U. S. support, despite continued provision of other items such as ammunition. The DRV and PRG could also misunderstand that policy to be a long-term rather than temporary approach. Consequently, for the present, the President desires continued one-for-one replacement. This policy will be reviewed again on June 30, 1973, in light of developments.

Your proposals to increase the VNAF force structure, and to replace VNAF F-5A attrition from F-5E production beginning in FY-74 are approved.



Henry A. Kissinger

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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March 22, 1973

MEMORANDUM FOR:

MR. KISSINGER

FROM:

RICHARD T. KENNEDY

JOHN H. HOLDRIDGE

SUBJECT:

Replacement of GVN Equipment Losses

Secretary Richardson has proposed a change in the one-for-one rate at which we replace major SVN military items (Tab B). Specifically, he recommends that:

- Those items which can be provided without degrading U.S. forces or diverting from firm MAP/FMS commitments would be replaced as urgently as possible.
- Other items (i. e., those that would degrade U.S. forces or divert from MAP/FMS commitments, such as those in the table below) would be replaced as available, maintaining GVN stocks of ground equipment at no less than six months estimated attrition.
- The VNAF force structure would be increased to keep equipment on hand in use, but aircraft replacement would be limited until crew ratios are sufficient to justify additional equipment. (We are told this increase would be from 56 squadrons to 66, the planned steady-state VNAF structure.)

Mr. Richardson's proposal is based on the fact that GVN inventories of major equipment items are very high, relative to their force structure as illustrated in the following table:

	<u>Authorized</u>	<u>On Hand</u>	<u>Excess</u>	OSD review completed
Light Tank	241	316	75	MORI/CDF C05106372 pages 2-5
Medium Tank	188	265	77	
APC	1164	1373	209	
Weapons Carrier	153	158	5	
105 mm Howitzer	1187	1270	83	

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DECLAS:12-31-81

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-2-

Mr. Richardson argues that:

- U. S. stocks of many major items are depleted, while the SVN overages of those same items are adequate to cover anticipated attrition for from one to several years into the future without further replacement deliveries.
- We can establish "credits" with the ICCS for equipment not immediately replaced.
- Direct one-for-one replacement would generate procurement costs of about \$346 million through FY-76.
- The VNAF is not likely to be able to provide sufficient trained crews to man their current aircraft inventory for several years (thus, aircraft replacement would be correspondingly delayed).
- Funding will be even more difficult if MASF is moved to MAP.

Mr. Richardson's proposal rests primarily upon the considerations of funding, the impact on U. S. forces and on MAP/FMS commitments, and congressional reaction toward maintaining SVN forces in a heavy excess position while our own forces face shortages. In his view continued regular replacements of items such as ammunition will serve to reassure the GVN that our failure to promptly replace some major items does not reflect a lessening of U. S. support.

The types of equipment which would be delayed are the major and high visibility items. The extent of the delay would vary by item (informally we are advised that no A-37s or UH-1s would be provided until late FY-75 or into FY-76, for example).

We believe that there are substantial reasons for opposing Mr. Richardson's proposal at this time:

- This policy of reduced replacement deliveries would come immediately on the heels of our final withdrawal. Clearly the GVN could and likely would interpret any appreciable delay in replacing such equipment as a sign of reduced U. S. support.
- Our failure to resupply at the rate authorized by the Agreement would be perceived by the other side. It could be misinterpreted by the DRV and PRG as indicative of a longer-term intention to reduce our military supply.

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-3-

- Enhance Plus was undertaken to assure that the GVN would have adequate means to meet any military contingency should a ceasefire break down. We have less than 60 days experience with the ceasefire, and the North Vietnamese are continuing to infiltrate men and material into SVN in clear violation of it. Until we can be reasonably certain that the ceasefire will hold, we should continue replacement on a direct one-for-one basis.
- CIA estimates that deliveries from China and the USSR to North Vietnam are continuing in all categories at a high rate. If we are to reduce the level of our military supply support to the GVN at some point, it should be in the context of a reciprocal reduction in supply to the DRV by its supporters.
- Establishing "credits" with the ICCS has two disadvantages. First, if the DRV/PRG revert to major military action, the GVN will need equipment in hand, not in transit. Second, credits notwithstanding, at the point where we wanted to catch up, the change in resupply policy would look like a massive infusion of hardware. The communist members of the ICCS might also interfere with this resupply.

In our judgement the arguments against adopting Mr. Richardson's proposal now are compelling. While we recognize that we will have to adjust the rate of our deliveries at some point in recognition of the high inventories in South Vietnam, it is much to soon to take that step. Only when we can be reasonably certain of a durable ceasefire and a reciprocal reduction of arms supply to the North should we move in this direction.

Mr. Richardson makes two other points:

- We should plan to replace GVN F-5As with F-5Es. The A models can only be obtained by withdrawing them from our allies. The E models will be available beginning in FY-74.
- VNAF will be expanded to its planned 66 squadrons now, even though trained personnel are not available to fully man the increased number of squadrons. Available crews would fly and maintain all the aircraft in rotation. As additional crews become available, the units would be brought up to strength.

We believe both of these proposals should be approved. The F-5E is an acceptable replacement for the F-5A under the terms of Article 7. The increase in VNAF force structure will assure that all of the aircraft we have provided will be used regularly and properly maintained to sustain combat readiness. Moreover, the GVN will have more operational flexibility

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with the larger number of units, and recruitment and training efforts will be encouraged to fill them out more quickly.

The memorandum from you to Secretary Richardson at Tab A states that for the present we should continue to effect maximum one-for-one replacement but notes that we will review this policy on June 30, 1973, in light of developments. It concurs with his proposals to increase the VNAF force structure and to utilize F-5E production to replace F-5A attrition.

RECOMMENDATION:

That you sign the memorandum to Secretary Richardson at Tab A.

PM Phil Odeen concurs.

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

17 MAR 1973

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Replacement of RVNAF Combat Losses (U)

(C) As I indicated during our conversation yesterday, we have addressed the issue of the levels at which we maintain RVNAF inventories of major items of equipment. Projects ENHANCE and ENHANCE PLUS provided RVNAF inventory levels in excess of unit requirements, and also significantly drew down US inventories of some items. I propose to replace RVNAF equipment using the guidelines outlined below, unless it is contrary to agreements we made with the GVN during the course of the negotiations.

(S) In ground equipment, the ARVN is in an extremely strong inventory posture as the table below on selected major items indicates:

	Authorized In Units and Main Float	On Hand	Excess	Est 6 Months Attrition	Post Cease- Fire Losses
Tank, light M-41A3	241	316	75	15	15
Tank, medium M-48A3	188	265	77	3	16
APC, M-113	1164	1373	209	60	22
Weapons carrier, M-125A1	153	158	5	2	1
105mm, Howitzer	1187	1270	83	9	5

With no plans to increase its structure in such units as tank or artillery battalions, the RVNAF has, in some cases, several years of advanced attrition. In the meantime, this equipment is in storage presenting major maintenance costs and deterioration problems.

(S) The high level of activities before and after the cease-fire resulted in some losses in excess of the estimated attrition shown above. Virtually all of these losses occurred as a result of the Marine Division attempt to seize the south bank of the Cua Viet and hence are not likely to be repeated unless there is a general renewal of full-scale fighting--a circum-

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2

stance which would change our entire concept of support for RVNAF. Even with these heavier than predicted losses, the RVNAF inventory is still ahead of needs and can amply meet expected attrition over the next few years.

(S) By contrast the US inventory posture on these items was adversely affected. ENHANCE and ENHANCE PLUS depleted our inventory of selected items such as those illustrated above and required diversion of equipment from US forces and MAP and FMS commitments. Unfortunately, funding limitations, production lead time and worldwide shortages put these items in the scarce category for the foreseeable future. The M-48A3 tank exemplifies such a case. These tanks were diverted from US reserve forces to meet the buildup of RVNAF. Currently, US resources are limited to those in the hands of the reserves or scheduled to them from depot rebuild. No production of this item is underway. The Armed Services Committees have also pointed out that we have provided M-48A3 tanks to RVNAF while keeping the less effective M-48A1 for US forces. They sought last year to make us exchange the ARVN A3s for A1 models. We held to our position, but further diversions to replace excesses would undoubtedly cause Congressional repercussions. The Army, meanwhile, is studying ways to increase M-48A3 availability but time and money will be required.

(C) For somewhat different reasons it may be difficult to replace critical air items such as fighter-attack aircraft, helicopters and transports. As you know, F-5A aircraft are available only by negotiations with selected Allies. An acceptable alternative for replacing the F-5As is to wait until the F-5Es become available, starting in FY 74.

(S) Other aircraft present major budgetary problems. Establishment of a force structure which fully utilizes the A-37s, C-130s and UH-1s provided under ENHANCE PLUS would generate an immediate requirement for replacement procurement through FY 76 estimated at over \$346 million, even though VNAF training is not likely to produce sufficient crews to fully utilize such a structure for many years. Additionally, funds are not available at this time for a sizeable RVNAF procurement program. Attempting to fund the replacements will be even more difficult if funding is transferred from MASF to MAP. Therefore, I propose to allow the VNAF structure to be increased so that equipment is kept active, but limit provision of replacement aircraft until crew-ratios are sufficient to justify additional aircraft.

(S) In view of the above considerations, an immediate one-for-one replacement of all items of equipment as allowed by the Agreement is not prudent. I recognize that the GVN may have expected us to replace

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3

equipment on a one-for-one basis, and may view a failure to do so as a sign of weakened US commitment. However, with careful management, I am sure we can maintain their optimum combat capability without incurring Congressional wrath, reduced readiness for US forces, or extreme budgetary penalties. Furthermore, we will be relieving the RVNAF of a measure of their responsibility for storing, securing, and maintaining large depot stocks which diverts skilled manpower and funds from other functions. We will of course establish credits with the ICCS for any RVNAF equipment which is not replaced immediately and will be able to provide replacements from world-wide US assets as the situation dictates. Therefore, I propose to institute a policy under which we would replace as urgently as possible on a one-for-one basis losses which can be accommodated without degradation of US forces or diversion from firm MAP or FMS commitments. Other items would be replaced as available, maintaining RVNAF stocks of ground equipment at a level providing no less than six months advanced attrition. Aircraft replacement will be analyzed on the basis of VNAF crew-ratio and maintenance considerations.

(S) I believe the GVN must be made to understand the practical basis for this policy and should recognize from our continued replacement of such items as ammunition that we mean to continue to provide the wherewithal for them to defend themselves. Having established the RVNAF national inventory level as of 27 January, we need the flexibility to manage resources in a way that maximizes RVNAF combat capabilities without undue cost and disruption to the US.

E.L.R.
3/17/73

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