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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
not open yet	open 3-15-07 NLS 93-476 + FRHS, vol. XVI #332		
#2 report	summary notes of 579th NSC Meeting Secret sanitized 3-29-84 5 p	11/29/67	A
#4 report	briefing top secret open 6-17-94 NLS 93-463 14 p	11/28/67	A
#5 memo	to Mr. Roche from Brzezinski secret open 6-20-90 NLS 90-122 3 p	11/27/67	A
#6 memo	NSC meeting 11/29/67 secret sanitized 5-19-92 NLS 90-194 5 p more info released 1-24-01 NLS 98-420	11/29/67	A
#7 report	addendum to minutes of NSC meeting secret open 5-19-92 NLS 90-194 2 p	11/29/67	A
#8 memo	to the President from W. Rostow confidential open 3-26-90 1 p	11/28/67	A
#8a memo	for the President from W. Rostow Secret open 1-29-91 NLS 90-134 1 p	11/28/67	A

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~~SECRET/SENSITIVE~~
FOR THE PRESIDENT ONLY

SUMMARY NOTES OF 579th NSC MEETING
November 29, 1967; 12:05 to 12:50 P.M.

Cyprus

The President opened the meeting by requesting Secretary Rusk to give a summary of the current situation in Cyprus.

Secretary Rusk: Cyrus Vance, the President's special emissary, has done a superb job and has warded off war between Turkey and Greece. He did not want to embarrass Luke Battle but said that he was delighted to have had him as Assistant Secretary working on this problem on an hourly basis. He asked Mr. Battle to outline where we now are in our effort to end the Crisis over Cyprus.

Assistant Secretary Battle: Is optimistic that war between Greece and Turkey would be avoided. To Mr. Vance belongs the credit for the astonishing progress which has been made in keeping the Turkish-Greek crisis over Cyprus from turning into hostilities. Provisions of a statement which both Greece and Turkey have accepted (copy attached) were summarized. Mr. Vance is now in Cyprus trying to persuade Cyprus President Makarios to accept this agreement. Makarios could cause trouble in many ways, but the expectation is that he will not block the Vance effort.

The problem of Cyprus will be with us for some time to come, difficulties will rise in the future, for example, reaching an agreement to expand the role of the United Nations, but for the moment a Greek-Turkish war has been avoided.

Secretary Rusk: Turkey wants the United Nations Security Council to approve a new and expanded UN mandate covering Cyprus. We do not think Council action is necessary but the problem is in the hands of the Secretary General and the heat is off us. The Turks can more easily live with the failure of the Secretary General to obtain a new mandate from the UN Security Council than they could if we had agreed to get a new mandate and had been unsuccessful.

Everyone is appreciative that the President made Vance available for this assignment, adding that without his activity, Turkey would now be at war with Greece.

The President: Asked General Wheeler to summarize the military situation.

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NSA 93-4761 Vol. XVI, #332
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General Wheeler: Tension between the two countries has somewhat abated, pending the outcome of the Vance negotiations.

1. Turkey had an advantage over Greece in the air and on land. The Greeks have an advantage at sea because of their greater naval strength.

2. If Greeks chose to invade Greek Thrace, they could advance rapidly, probably as far as Salonika.

3. The Turks could put several divisions in Cyprus, probably on the north side in the Kyrenia area, in two to three weeks. They could gain control of the island, only some 40 miles from Turkey, despite Greek opposition.

4. If the Turks attack, it would take them 24 hours to gain air superiority by pre-emptive air strikes on Greek bases. They would probably invade Cyprus but probably would not invade Greece from Thrace.

CIA Director Helms: We have no reports of Soviet military activity in the area. However, the Russians are fishing in troubled waters by egging on the Turks and telling the Cypriots that Turkey was bluffing.

The President: Asked Mr. Helms to brief on the economic and military implications of the recent Soviet plan and budget announcements.

Mr. Helms: The Intelligence Community has great difficulty in being precise about Soviet defense spending because:

1. The Russians hide military expenditures in the budgets of non-military agencies;

2. The true conversion from rubles to dollars is impossible to do with any degree of accuracy.

The briefing attached to this record was then read.

Secretary Rusk: It is important for us to engage the Russians in a discussion of what actually goes into their military budget. We have tried to do this but so far we have not been able to engage them in meaningful discussions. It is important to let them know that it is our belief that they are putting into their military effort about twice as much in real resources as we are. As we see Vietnam coming to a close, it is doubly important for us to discuss military budgets with the Russians.

Secretary McNamara: It is virtually impossible to make meaningful comparisons or to state precise figures on Soviet military expenditures. It is true that in terms of labor expended, they are expending a higher percentage of their

Secretary McNamara (Continued)

resources on military expenses than we are. However, a more meaningful comparison of the strengths of the two countries is measured in terms of destructive forces. In this area we are ahead but, even though we have a superiority, it is not sufficient to be used as a political force or as a threat.

The most important advantage we have is that we can project our conventional military power abroad while the Russians cannot. For example, in the Middle East crisis, had the President so ordered, we could have supported Israel effectively. The Soviets could not have done the same for Egypt. Part of the U.S. cost under the heading on the chart, "General Forces," is to pay for this capability. Recent information indicates that the Russians may be moving in the direction of developing a comparable flexibility.

Mr. Helms: We know the Russians are moving sizeable additional forces to the Chinese border. However, this is a deployment of existing forces, a stationing along the Chinese border of units which would otherwise be maintained elsewhere in the Soviet Union and therefore the movement eastward is not a major factor in the Soviet military budget.

The President: Spoke about recent reports of Secretary McNamara's resignation.

As the group was leaving, the President called them back in order to read a memorandum from a State Department officer who is returning to Columbia University after having served on the State Department Planning Council. Although he did not identify the writer, he clearly was referring to Mr. Brzezinski (a copy of Mr. Brzezinski's memorandum is attached to this record.)

The President: Did not support all the views in the memorandum but he did think it was of interest for the Council members to hear one man's point of view.

Secretary Rusk: Agreed with one point made in the memorandum, i. e., that there will be a hairy period when the Soviets will have to decide whether they will let Hanoi fail without doing more in the way of assistance than they are now doing. We should be very careful to take this factor into account as we begin to see light at the end of the Vietnamese tunnel.

The President: The Eisenhower-Bradley TV show overall was helpful. He wished, however, that the two Generals had abided by their earlier decision, namely not to comment on new moves in Vietnam in view of the fact that they did not have responsibility for making decisions.

The President: Many major decisions have been taken over the past four years. These decisions had been made by him after consulting with the Secretary of State, Secretary of Defense, Chairman of the Joint Chiefs of Staff, and the Chiefs of Staff. Senators could agonize about decisions which they did not have to take while he had to take them. The decisions may have been wrong, but there had been no division within the Administration on the use of U.S. troops in the Dominican Republic, in Vietnam, etc.

Brouley Smith

Text of Accord

The Secretary General of the United Nations would address an appeal to the Governments of Turkey, Greece, and Cyprus, such an appeal to include:

A request that the Governments of Turkey and Greece take immediate steps to remove any threat to the security of each other and of Cyprus and as a first step along the lines of the Secretary General's previous appeal to bring about an expeditious withdrawal of those forces in excess of the Turkish and Greek contingents.

The Governments of Greece and Turkey would declare their readiness to comply forthwith with the appeal of the Secretary General.

Thereupon the Greek Government would withdraw expeditiously its military forces and military personnel and equipment from Cyprus. Accompanying this, the Turkish Government will take all the necessary measures for removing the crisis.

In response to the appeal of the Secretary General, there should be an enlarged and improved mandate for U. N. forces in Cyprus, giving it an increased pacification role, which would include supervision of disarmament of all forces constituted after 1963 and new practical arrangements for the safeguarding of internal security including the safety of all citizens.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 93463
By JW, NARA, Date 5-26-94

SOVIET DEFENSE SPENDING AND ECONOMIC POLICY

Mr. R. Helms' Briefing Notes

[service set]

28 November 1967

DCI BRIEFING
FOR THE NATIONAL
SECURITY COUNCIL

SOVIET DEFENSE SPENDING AND ECONOMIC POLICY

- I. The military and economic analysts at CIA who deal with Soviet military and space expenditures face two major problems.
 - A. First, because the Soviets conceal a good share of their total military spending, our analysts must match the explicitly announced Soviet figures against all the evidence we have, on all known military and space programs, working out the actual costs in detail. In this way, we arrive at our own ruble figure for total Soviet expenditures--announced and ~~con~~ concealed.
 - B. Second, in order to permit meaningful comparisons by our own standards, the analysts calculate what the Soviet programs would cost in dollars in the United States. This is necessary because of the unrealistic official exchange rate, and because of the inherent differences in the two economies.

US-USSR: MILITARY & SPACE SPENDING-1967

	<u>Billion Dollars</u>	
	US (Fiscal Year)	USSR* (Calendar Year)
Strategic Offense Forces	4.5	6.3
Strategic Defense Forces	1.7	5.1
General Purpose Forces	33.6	16.3
RDTE & Space	14.9	13.2
Command and General Support	28.2	14.9
TOTAL	83.0	55.7

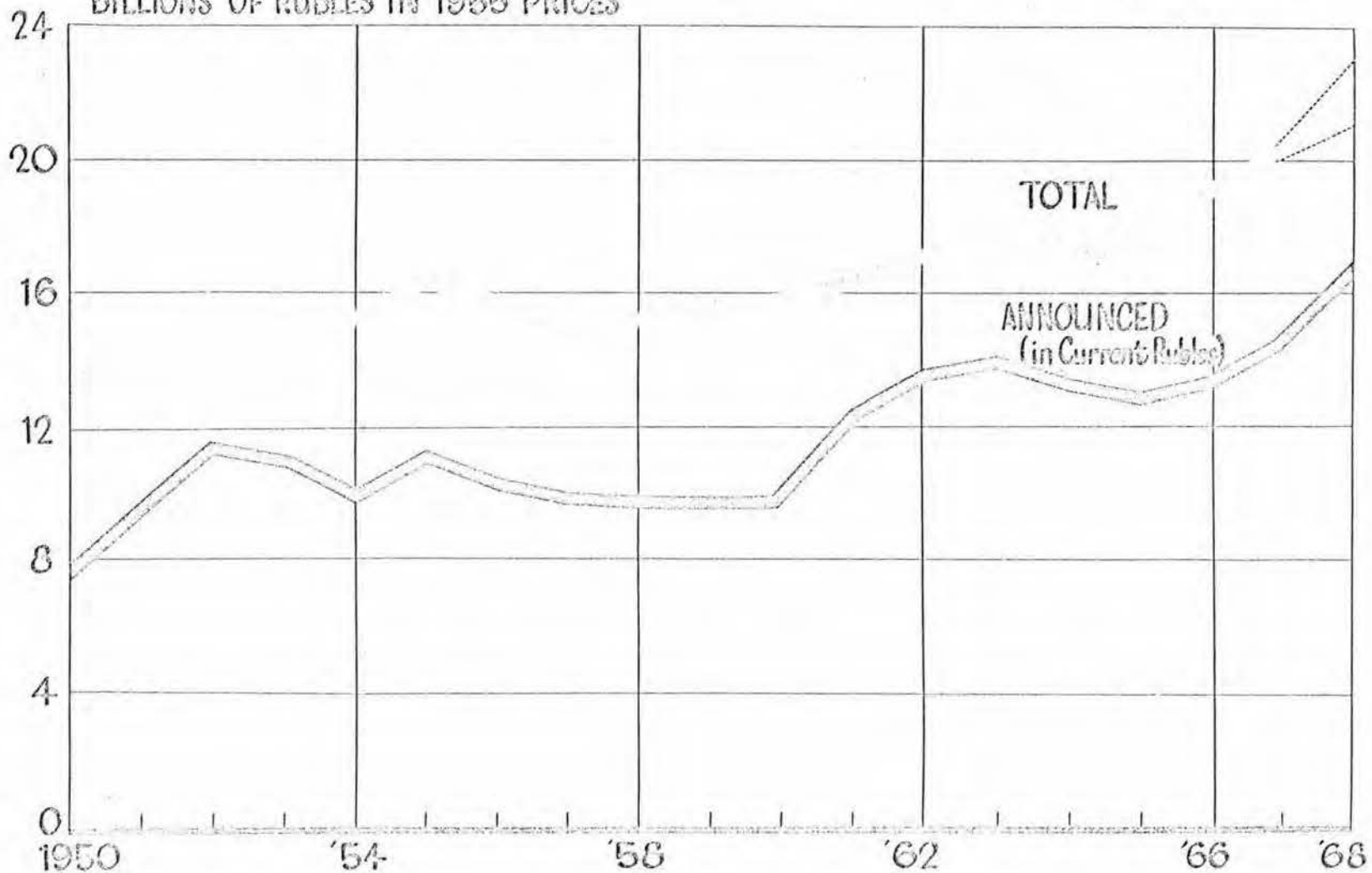
*The figures on Soviet spending show the general size of various programs in terms of what they would cost in the US.

(TABLE, U.S. vs. SOVIET MILITARY AND SPACE SPENDING, 1967)

- II. By these methods, they have determined that Soviet military and space spending in Calendar 1967 totaled 20.4 billion rubles--the highest figure since World War II.
- A. The dollar equivalent works out to about 56 billion dollars.
 - B. In other words, the Soviets, with an economy less than half the size of ours, are spending roughly as much for defense and space as we are, excluding the costs of Vietnam.
 - C. For the past five years, the Soviet defense and space effort, in dollar terms, has averaged 85 percent of what we have been spending on the same programs. This chart compares the dollar cost of U.S. and Soviet programs for 1967.
 - D. The Soviet Union at this juncture is almost matching us in funds devoted to space and what we call R,D,T and E--research, development, testing and evaluation.
 - E. The Soviets are spending 40 percent more than we are for strategic offense--\$6.3 billion

USSR: COMPARISON OF ANNOUNCED DEFENSE BUDGET & ESTIMATED TOTAL MILITARY & SPACE EXPENDITURES

BILLIONS OF RUBLES IN 1955 PRICES



as against \$4.5 billion--and three times as much for strategic defense--\$5.1 billion as against \$1.7 billion.

(1. I should note that for this particular year--1967--U.S. spending is down temporarily on these two missions. Spending on the Polaris and Minuteman programs is ending, and we have not begun to show the major costs of the Poseidon and Sentinel systems or the Minuteman MIRV re-fit.)

F. The total U.S. expenditures are larger almost entirely because of the expenditures for general purpose forces and for command and general support--the two categories covering most of the expenditures attributable to the fighting in Vietnam.

→ (CHART, ANNOUNCED vs. EST. TOTAL SOVIET SPENDING, 1950-68)

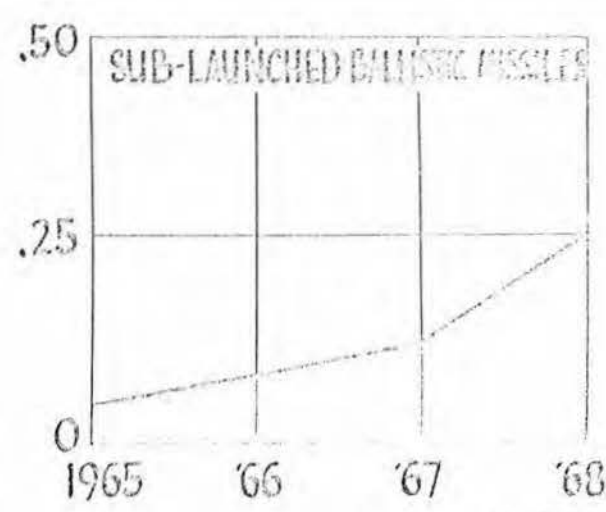
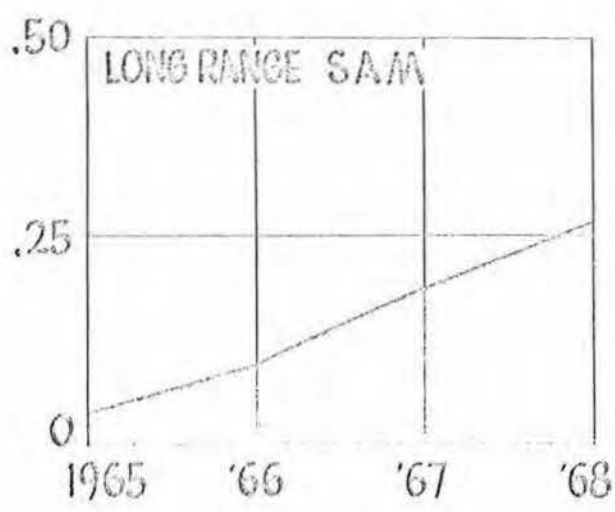
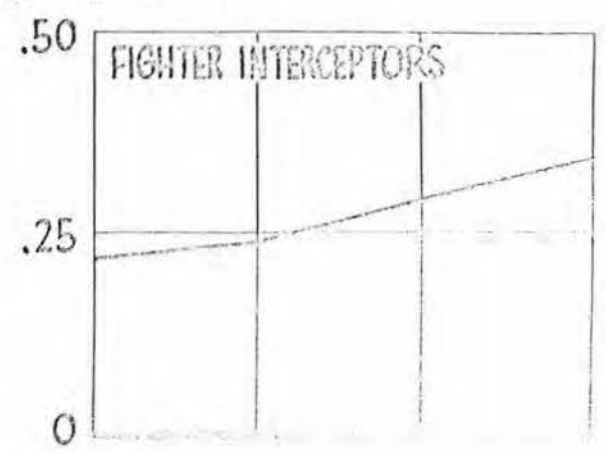
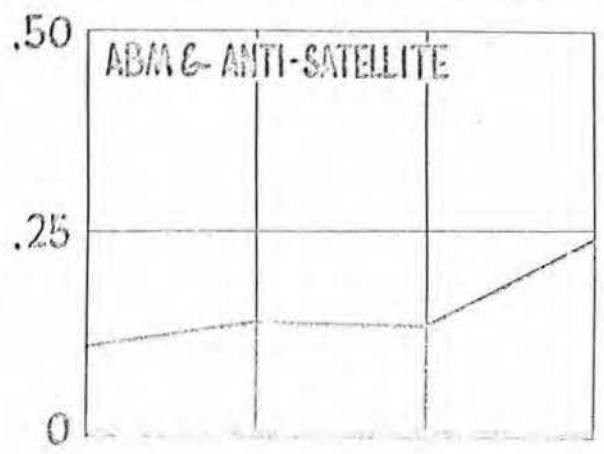
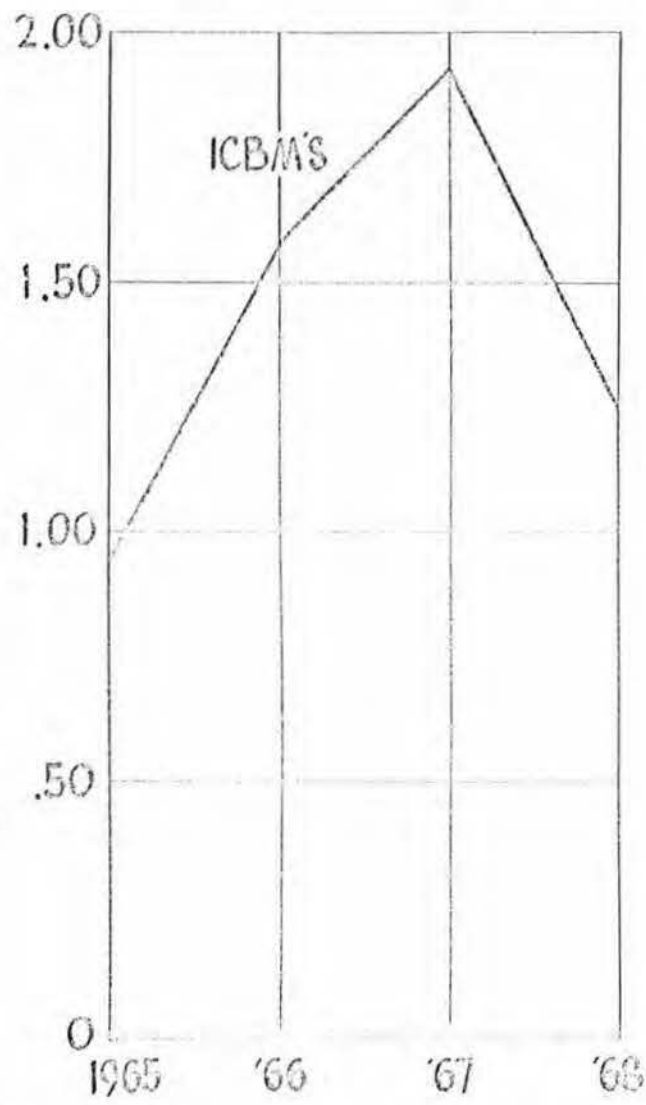
III. On October 10, the Supreme Soviet was informed that the defense budget will be increased by 15 percent in 1968. This is about twice the annual rate of increase for the past two years.

USSR: ESTIMATED

SPENDING ON SELECTED WEAPONS SYSTEMS

BILLIONS OF RUBLES IN 1955 PRICES

(Does not include annual operating expenses)



- A. In addition, there will be an increase of almost 11 percent in the budget for science-- which probably covers the bulk of research and development for both space and defense.
- B. As this chart shows, total Soviet spending for the military establishment, the nuclear program, and space runs considerably higher each year than the explicitly announced budget figures. We estimate total 1968 spending will amount to at least 21 to 23 billion rubles, or, in dollar equivalents, in the vicinity of \$60 billion.

(GRAPHS, SOVIET INVESTMENT IN SELECTED PROGRAMS, 1965-68)

IV. We believe that no single program is likely to get the lion's share of the announced increase.

A. The largest investment this year went for deployment of ICBMs aimed at the United States: 1.9 billion rubles, or the equivalent of 3.5 billion dollars.

- 1. We expect this to drop off in 1968 as present deployment programs approach completion--but an expanded program, or a start on qualitative improvements, could take up to a billion rubles of the increase--or \$2 billion.

B. You can see that investment in the other major programs used relatively small shares of the total 1967 budget:

1. The Moscow ABM system--radars, launchers, missiles: 100 million rubles, or \$165 million.
2. The Tallinn long-range surface-to-air missile system, about 200 million rubles, or \$410 million.
3. Interceptor aircraft systems, 300 million rubles, or \$720 million at our prices.
4. Ballistic missile submarines, 140 million rubles, or \$340 million.

C. Our prediction, then, is that the increased Soviet military spending in 1968 will not show up concentrated on any single mission or system. It will be spread over a number of programs, and will add to over-all Soviet military strength.

V. The Soviet military leaders apparently made their case with the Politburo, not by arguing any one over-riding need, but because the political and economic climate was favorable to them.

- A. The Kremlin wants to take a posture of high military readiness for the sake of its image in the Communist and non-aligned world, in the face of the Vietnam conflict, the Sino-Soviet dispute, Middle East tensions, and continuing rivalry with the United States.
 - 1. The cautious collective leadership in the Politburo may also feel that it cannot turn down military requests as Khrushchev sometimes did.
- B. As for the economic climate, there have been two successive good-to-excellent harvests; industrial production has been growing at 8 percent a year; and the consumer has been getting a significantly bigger piece of the pie for two years as a 50th anniversary present.
- C. For the moment, the Kremlin has decided it can provide both guns and butter.
- D. As we analyze the latest economic decisions, industry and particularly agriculture are going to have to pay for this.
 - 1. Planned investments and 1970 production goals have been cut back in major sectors of industry. Chemicals, for instance, are taking a 30 percent cut in planned investments through 1970, and as a result their output

by then is going to be 15 to 20 percent below the original target.

- E. The big agricultural investments, which were supposed to provide insurance against crop failures like those in 1963, have also been chopped. The rate of increase for fertilizer production is to be cut in half in 1968. Deliveries of farm machinery were supposed to increase sharply, but they have leveled off, and even declined in some categories.
1. The Russians in 1963 joked grimly about "Khrushchev's miracle"--that he planted wheat in Kazakhstan and harvested it in Canada.
 2. The new leaders had this in mind when they planned agricultural investments for 1966 to 1970, but now they appear to be gambling on continued good harvests.
 3. At least one Politburo member, First Deputy Premier Polyansky, has been openly critical of this reneging. He is probably not alone, and if anything goes wrong at harvest time, there will be considerable political strain in the Kremlin.

- F. The Soviet man in the street is riding high for the moment.
1. His cash income is high, and he can expect further increases between now and 1970.
 2. He can find an increasing supply of things like refrigerators and television sets in the stores.
 3. But what he really wants is more meat, milk, and other quality foods, and less reliance on bread and potatoes.
 4. If the harvests fall off, the food will not be there, and the extra cash will just buy more and louder consumer grumbling.
- G. Even in this relatively good year, the Soviet man-in-the-street has to stand in line for hours, and then runs into spot shortages, shoddy production, or sizes that don't quite fit.
1. There are more current Russian jokes on consumer problems than on any other subject. A typical story tells of the visitor who found nobody home at the apartment of

Colonel Gagarin, the cosmonaut. He asked a neighbor, and was told that Gagarin was orbiting in outer space, and would be home in three hours. As for Mrs. Gagarin, she had gone to the market to buy some meat, and would not be home for five hours.

H. In the long run, the cutback in producer industry goals is also bound to have its effect on consumer industry, as it provides fewer of the materials and means for turning out what the consumer wants.

VI. In summary, then, the Soviet Union proposes that its military and space expenditures--already the highest in post-war history--are to be boosted sharply in 1968.

A. This is being accomplished, however, at the expense of future growth of the economy.

1. Modernization of the Soviet industrial plant will have to slow down. As a consequence, technological gains will lag, and maintenance and repair will become more expensive.

2. The cut in agricultural funds means that the Kremlin is again leaving its hopes for bigger food supplies at the mercy of the weather.
- B. The 1968 budget, and the plans for 1968 to 1970, may represent a compromise on resource allocation which is acceptable to the collective Kremlin leadership.
1. As a compromise, however, it is probably not fully satisfactory to any of the individual leaders.
 2. The present decisions on resource allocation may yet come back to haunt the leadership if long-term growth rates decline, or if agricultural production stagnates.



DEPARTMENT OF STATE
WASHINGTON

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E.O. 12356, Sec. 3.4

NLJ 90-122

By ig NARA, Date 6-18-90

November 27, 1967

MEMORANDUM

TO: White House - Mr. Roche
FROM: S/P - Zbigniew Brzezinski, *ZB*
SUBJECT: China, the Soviet Union and Vietnam

In response to the President's request of this morning, the following are my thoughts on the subject:

I. Chances of Chinese Involvement

1. Although the Chinese do not wish to become involved, the likelihood of Chinese involvement will grow as the light at the end of tunnel begins to be brighter.

2. The Chinese wish the war to go on as long as possible: it ties down both the United States and the Soviet Union, while also increasing US-Soviet animosity. Moreover, stability in Southeast Asia, achieved essentially through a successful US policy, is the last thing they want.

3. In the event of a settlement or simply the gradual fading of hostilities, some internal conflict in the Hanoi leadership is to be expected. The more militant fraction may see no choice but to invite Chinese assistance. To assume that no North Vietnamese would ever call for Chinese aid is to underestimate the degree of ideological fervor and anti-US hostility that today exist in Hanoi.

4. Either responding to such a call, or even on their own initiative, the Chinese may feel that the gradual introduction of limited forces either into Laos or the DMZ would be sufficient to bolster sagging North

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Vietnamese morale and to perpetuate the conflict, without risking excessive US response. To the Chinese, both the Korean War and the very measured character of US escalation against North Vietnam provide psychological assurance that the likely US response to initially limited Chinese involvement would be measured and tempered.

II. The Soviet Attitude towards the Vietnamese War

1. At first, the Soviet leaders were concerned that the war may complicate the US-Soviet relationship or prompt unacceptable risks. This fear is probably much less today than a year or so ago.

2. As the war went on, the Soviet leaders began to see some major benefits themselves from the US involvement. In their thinking:

a. The war weakened US posture in Europe and created new openings for Soviet diplomacy;

b. it reduced the effectiveness of US bridge-building to East Europe;

c. it intensified domestic strains in the United States while consuming major US resources;

d. it diverted Chinese hostility from the Soviet Union and reduced the likelihood of a US-Chinese rapprochement.

3. Without a doubt the war also has created liabilities for the Soviet Union. The Soviets have been embarrassed by their inability to deter the US from bombing a Communist state. The war did reduce the possibility of increased US-Soviet trade, which at least some Soviet leaders desired. Nonetheless, the assumed political benefits of the war certainly must outweigh in the minds of most Soviet leaders the loss of somewhat marginal and essentially only potential economic benefits.

4. It would appear that today the Soviet leaders are primarily concerned with containing the risks of the war; not with the war itself. Furthermore, if one bears in mind the over-all Soviet view of their relationship with the United States -- including the allegedly more "aggressive" US policy -- it is difficult to see why the Soviet leaders should not view the war as, on balance, convenient, though posing certain obvious risks. A prolonged and painful continuation is preferable either to a US victory or even to a compromise settlement, which would simply free the United States to pursue more effectively its policies in Asia or Europe. Prolonging the war but minimizing its risks -- that in essence appears to be the Soviet posture in regard to the Vietnamese conflict.

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E.O. 12958, Sec. 3.5
NLJ 98-420
By cb, NARA Date 1-17-01

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November 29, 1967

MEMORANDUM FOR RECORD

SUBJECT: NSC Meeting Held November 29, 1967, at 12:00 Noon in
the Cabinet Room

PARTICIPANTS: The President
 The Vice President
 Secretary of State, Dean Rusk
 Secretary of Defense, Robert S. McNamara
 Chairman, Joint Chiefs of Staff, General Earle G.
 Wheeler
 Director, Central Intelligence Agency, Richard Helms
 Director, U.S. Information Agency, Leonard Marks
 Director, Office of Emergency Planning, Governor
 Price Daniel
 Assistant Secretary of State, Lucius D. Battle
 President's Special Assistant for National Security
 Affairs, Mr. Walt Rostow
 Executive Secretary, Mr. Bromley Smith
 White House Press Officer, Tom Johnson
 Harold H. Saunders
 Roland Inlow, Central Intelligence Agency

I. Cyprus.

The President asked Secretary Rusk to report on the latest in our efforts. Secretary Rusk, after saying how fortunate we have been to have Mr. Battle following this crisis hour by hour, asked Mr. Battle to brief the Council on the present situation.

Mr. Battle said we have made "astonishing progress," largely because of the superb efforts of Mr. Vance. We now have Greek-Turk agreement on a statement of principles which would lead to withdrawal of Greek and Turkish military forces from Cyprus in excess of the levels established in the Nicosia Treaties of 1960. The Governments of Greece and Turkey would agree to these principles in response to an appeal by the Secretary General. (Note: Mr. Battle did not specifically mention the Turkish demobilization, but this was implied as the Turkish share in defusing the crisis.) The United Nations Secretary General will now have to decide whether he can increase the UN force on Cyprus, as required by the Vance agreements, within his current mandate and without another meeting of the Security Council. A second problem is to win Makarios' agreement to these terms. He has argued for total demilitarization of Cyprus and refuses to accept any agreement which would appear to reaffirm the London-Zurich agreement. Mr. Vance is on Cyprus today.

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Mr. Battle, saying that he had been asked why we need Makarios at all, pointed out that Makarios has the power to undercut the Vance agreements by calling a Security Council meeting, by attacking the Turk-Cypriots or by charging that the Greek Government has sold out the Greek people.

In sum, Mr. Battle said he was "on the whole optimistic"; there are still problems; but at the minimum Mr. Vance has delayed and we hope averted a war. The basic problems still remain because the London-Zurich agreements are "a Rube Goldberg contraption politically and can't work." He hoped we could get out the basic problem through the UN. In any case, we have an opportunity for a new start.

Secretary Rusk added that we have somewhat succeeded in taking the Turkish heat off us. The problem of expanding the UN mandate is now between Turkey and the UN Secretary General. If the UN fails to carry out its part of the agreement, it may be easier for Turkey to accept the Secretary General's failure than to accept US or Greek failure to see the agreement successfully implemented. He concluded by saying to the President that it had been of the utmost importance that "you put in your own stack by sending Cy Vance."

The President asked General Wheeler to describe the military situation.

General Wheeler said that while there has undoubtedly been some relaxation of tensions in the last few hours, forces on both sides remain on alert. Turkey has the advantage in the air and on the ground. Greek air bases are too far away, and Turkey could easily win air superiority over Cyprus within 24 hours. Greece has the capability to move airborne forces but would run into Turk air superiority. In the overall balance, Greek seapower is superior, but in the vicinity of Cyprus, Turk air cover again would be decisive.

In Thrace, Turkey has 5 infantry divisions and 1 armored division. Greece has 3 infantry divisions and 1 tank division. If a conflict occurred, JCS believes that the Turks could advance as far as Salonika. He doubted they would go farther.

On Cyprus, the Turks have the capability to land a division on the north coast near Kyrenia, and to put 3 divisions ashore in 2-3 weeks. He believed Turkey could control the island in that time.

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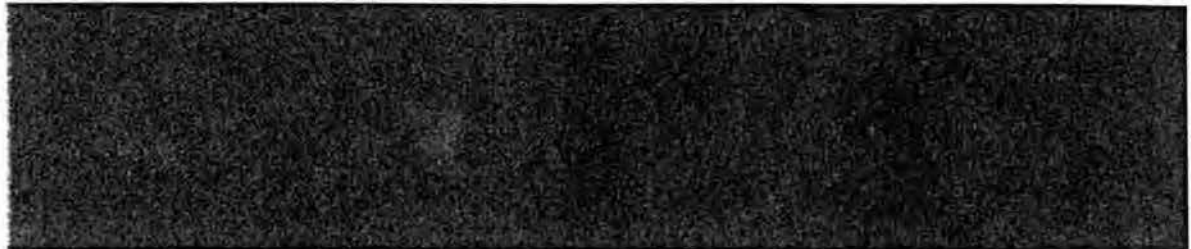
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In summary, General Wheeler said that, if shootings started, the war would probably begin with Turk pre-emptive air strikes on Greek air bases to be followed by an invasion of Cyprus. It was problematical whether the Turks would invade Thrace. He felt they would simply maintain a defensive position there.

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II. Soviet Defense and Space Budget and Economic Policy.

In response to the President's request, Mr. Helms made the following generalizations which were supported by charts which appear in the attached more detailed study from which Mr. Helms' brief was taken.

He began by pointing out the difficulties which analysts have in creating an accurate picture of the Soviet Union's defense budget. He explained that his analysts, knowing what the USSR has, build their estimate of the Soviet budget, piece by piece, from the bottom up. In a second step, the resulting ruble figure is translated into dollars in such a way as to take account of the unrealistic official rate of exchange and various differences between our economies which would distort a direct comparison between their budget and ours.

He pointed out that the \$56 billion defense and space budget, "the highest ever," approximated ours if we subtract our Vietnam costs. And yet the Soviet Union has an economy half the size of ours. (At this point he introduced a chart comparing US and Soviet defense budgets broken down by various functional categories.) Generalizing from the facts he presented, he concluded that the Soviet Union is maintaining a high level of military readiness. He commented that the consumer in the USSR appears to be getting a bigger supply of Soviet resources than previously--that it seems to be Soviet policy to give the Soviet people "both guns and butter."

Secretary Rusk commented that this analysis underscored the importance of trying to engage the USSR in serious discussion of what goes into the accounting of military budgets. We had tried this 2-3 years ago. If we see Vietnam coming to a close, we ought to try again.

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Because if we take out the social elements in the two budgets--such as the difference in pay for soldiers--it would become even more apparent that the USSR is putting a greater percentage of its GNP into military spending.

The President asked whether our advanced techniques in production wouldn't lower some of our costs in comparison with theirs. Do we know which of us gets more strategic capability to the dollar?

Secretary McNamara said it was very hard to compare directly. There are various techniques for comparison. For example, it is possible to price our striking forces in terms of men, or in terms of total destructive capability, or in terms of separately targeted warheads. It is also possible to measure costs in terms of the percentage of resources or in terms of the amount of total manpower committed to support of strategic forces.

He pointed out that the Soviet strategic force is rising at a more rapid rate than ours but that is because we already had a more substantial base.

He concluded that the most important political fact is that our force is not superior enough for us to turn it into political advantage. The reason we have been able to apply our total military capacity more effectively in situations like Cuba and the Middle East is that we can project our power and they can not. In the midst of the Middle East crisis, they had no way to reinforce the UAR, but if we had had to support Israel we could have. There is some indication that the USSR is moving in this direction. In any case, the large support component in our budget reflects in good part this superior capability to reach out and apply our power anywhere in the world.

Mr. Rostow asked whether the budget figures reflect any substantial reinforcement of the USSR's Chinese border. Mr. Helms said there was no indication. The buildup on that border was largely in terms of improved readiness and an additional force which is small in relation to total Soviet manpower.

III. Additional Item.

The President, in concluding, read from a memo which had been given to him by Mr. Zbigniew Brzezinski who returns to Columbia from the Policy Planning Council soon. The President was

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interested in Brzezinski's estimate of Chinese and Soviet policies toward Vietnam. The nub of this on China was the warning that if a settlement appeared imminent, there would be conflict in Hanoi with a militant faction perhaps calling on the Chinese to stave off final defeat. In that situation there would be a real possibility that the Chinese might gradually infiltrate enough forces to try to turn the military tide. On Soviet intentions, Brzezinski felt that the advantages of the Vietnam conflict to the Soviet Union outweighed its liabilities. The USSR's policy is to contain the risks of war, not the war itself. The Soviet posture is one of being willing to see the prolongation of the war.

Secretary Rusk said this pointed up the fact that the closer we come to success, the more difficult it will become for the other side to decide whether it can afford to let Hanoi fail in the South.

The meeting adjourned.

Harold H. Saunders
Harold H. Saunders

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SERVICE SET

DECLASSIFIED

E.O. 13526, Sec. 1.4

REF ID: A66094

DATE 5-13-92

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DATE 5-13-92

November 29, 1967

ADDENDUM TO MINUTES OF THE NATIONAL SECURITY
COUNCIL MEETING
November 29, 1967
12:00 noon
in the Cabinet Room

Between Items II and III on the foregoing minutes, the President made an extended extemporaneous statement to the Council on the reports of the past two days about Secretary McNamara's alleged resignation.

The President said that, as nearly as he could reconstruct the past, President George Woods of the World Bank had three times indicated interest in Mr. McNamara's availability to head the Bank. Mr. McNamara's reply had been that he remains at the disposal of his President as long as he can be of value in his current capacity. (Note: The purpose of the President's remarks appeared to be to establish the fact that the initiative had come from Woods and that the President had played a purely passive role.)

The President said that that is where the matter stands as of the moment. The World Bank has not offered the job and Mr. McNamara has not accepted. The President himself was not consulted by Mr. Woods.

The President said his main reason for raising this subject in the Council was to enlist the help of its members in scotching the speculation in the press suggesting a substantial rift within Administration ranks or a disagreement between the President and Mr. McNamara. The President at length rehearsed the major decisions which the Administration has made. He said that, while all of these decisions have been discussed and various viewpoints had been expressed, they had all been made with the concurrence of the Secretaries of State and Defense and the JCS. Secretary Rusk and Secretary McNamara agreed.

Secretary McNamara volunteered that the press reports of JCS differences with him did great harm and discredit to the JCS. General Wheeler agreed with this comment and said that reports of intended resignation by any of the chiefs were a "tissue of lies."

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The President said he agreed with a comment that General Eisenhower had made on TV the previous evening that it was not useful to use the expressions "hawks" and "doves." The President said he felt that we were all moderate men.

He praised Secretary McNamara's service warmly. He said that some of the Administration's decisions may have been wrong but the Administration had not been divided.

Secretary Rusk paid similar tribute to Secretary McNamara and further attested to the unity of purpose and loyalty to decisions that had been made.


Harold H. Saunders

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CONFIDENTIAL

Tuesday, November 28, 1967, 5:00 P. M.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Order of Business for NSC Meeting, noon, Wednesday,
November 29

1. Briefing on the Economic and Military Implications of the new Soviet Plan
 - a. Call on Director Helms for summary of CIA estimate.
(10 minutes)
 - b. Ask Council members for comments or questions.

2. Report of Cyprus Situation (Background paper is attached)
 - a. Ask Secretary Rusk to summarize latest developments and problems we face.
 - b. Ask General Wheeler to comment on the current military situation.

W. W. Rostow

BKS:amc

Dlet

3-26-90

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 90-134By 1-8-91 NARA, Date 1-8-91

Tuesday, November 28, 1967

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: NSC Discussion of Cyprus--The Broader Issues

The purpose of a short discussion of Cyprus is to take a deep breath in the midst of a fast-moving situation (a) to check where we stand and (b) to gain perspective on the longer-range implications of the agreement Cy Vance is working out.

Now that Cy has a Greek-Turk agreement, we still face these near-term tasks:

- We still have to get Makarios aboard. Cy is on his way to Cyprus.
- We will also have a fight in New York over expanding the role of the UN forces on Cyprus.
- We will have to work out the mechanics of monitoring the Greek troop withdrawal and the Turk standdown.

In the longer term, it looks as if we face a period of increased US involvement and costs. One thing it would be useful to do in this meeting is to begin focusing attention on what they amount to. For instance:

- Cy has rightly steered clear of trying to work out a basic solution to the Cyprus problem. How can we capitalize on what he has done to try to keep this from blowing up again? How do we now move on to basic issues?
- If we can start negotiation on the basic issues, how heavily should we involve ourselves? Another exercise like the one Dean Acheson went through in 1964?
- How hard will it be for us to help absorb the increased cost of the larger UN force Cy is arranging?

No one will have well-thought-out answers to these questions yet. But it would be worth working our way toward a consensus on the basic question--the extent of our obligation to carry through what Cy has begun.

Walt Rostow

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LIST OF INVITEES, NSC MEETING

November 29, 1967, Wednesday, 12:00 noon

The Vice President
Secretary of State Rusk
Assistant Secretary Battle
Secretary of Defense McNamara
CIA Director Helms
JCS Chairman Wheeler
OEP Director Daniel
USIA Director Marks

Walt Rostow
George Christian
Bromley Smith
Harold Saunders
Tom Johnson