

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSC / Sowers to Smith 09/06/2002

By LJA Date 02/13/07

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

August 11, 1971

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National Security Decision Memorandum 126

TO:                   The Secretary of State  
                      The Secretary of Defense  
                      The Secretary of the Treasury  
                      The Secretary of Agriculture  
                      The Director, Office of Management and Budget

SUBJECT:            Additional Assistance to Thailand

The President has directed that a \$45 million special assistance package be negotiated with the Government of Thailand in order to strengthen the Thai economy and the defense capabilities of Thai forces. The purpose of this package is to accelerate the improvement of general Thai armed forces (RTARF) capabilities and to assure that they are capable of meeting likely contingencies.

The package will be composed of a \$30 million PL 480 commodity loan to be made available over the two year period FY 1972 and FY 1973 and a \$15 million addition to the FY 1972 Thai MASF program. This assistance will be provided to the Government of Thailand in accord with the following guidelines:

--           The local currency proceeds from the PL 480 loan will be allocated to agriculture and education development.

--           At least the equivalent of \$20 million in Thai expenditures, additional to those currently budgeted, will be allocated to agreed military activities.

--           The additional \$20 million in Thai military budget expenditures and the \$15 million MASF grant will finance the following principal activities:

a)    RTA manpower augmentations above those currently budgeted for maneuver and logistics units.

b)    expansion of RTA training programs.

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- c) increases in the level of counterinsurgency operations.
- d) upgrading of logistics facilities.
- e) improving Thai Air Force capabilities to conduct sustained operations under likely contingencies.

The U.S. Mission in Thailand should advise the Thai government that:

-- This package is an immediate measure to assist Thai military force improvements. While the U.S. will support the formation of a fifth division, this support is not provided for in this package.

-- The U.S. government requires assurances, including access to the Thai military budget, that actual incremental expenditures in the identified areas have taken place.

-- As a follow-on to this decision, the U.S. will give consideration to other additional measures to assist Thai forces and the Thai economy. Implementation of such additional measures will be in part contingent on Thai performance and the establishment of adequate procedures for the implementation of this package, as well as on the availability of funds from the Congress.

In implementing the foregoing decisions, the Secretary of State in coordination with the Secretary of Defense should insure that:

-- Negotiations with the Thai government begin immediately on the program as described herein.

-- A report is provided, with a program budget by September 15, 1971, to the President on the final package negotiated including the specific actions to which the Thai have agreed.

After review of the NSSM 99 options for further adjustments in Thai assistance, the Senior Review Group should provide alternatives to

the President by October 1, 1971, on additional assistance to Thailand. These alternatives should encompass both economic and military assistance.

This and the subsequent NSSM 99 decision on military and economic assistance to Thailand should be reflected in the proposed FY 1973 assistance program. The FY 1973 program will be submitted to the Senior Review Group and the Director of the Office of Management and Budget by November 1, 1971.



Henry A. Kissinger

cc: The Chairman, Joint Chiefs of Staff  
The Director, Central Intelligence  
The Assistant to the President for  
International Economic Affairs