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**FINAL NEW YORK STOCKS**  
(See Financial Page)

**James**  
SAN MATEO TIMES AND DAILY NEWS LEADER  
A HOMEOWNED NEWSPAPER

**WEATHER**  
Rain likely tonight and early Friday, then clearing. Warmer tonight. Low tonight, 47; high Friday, 58. 8 to 11 craft warnings for south to southeast 29 to 35 m.p.h. Chance of rain tonight and Friday, 60 per cent.

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**Allies Break Up Red Attack on Saigon**

**Nixon To Run Again**  
Announces Candidacy

NEW YORK (AP) — Richard M. Nixon announced today in an open letter to the citizens of New Hampshire that he would be a candidate for the Republican presidential nomination.

The former vice president told the people of that state, the choice he faces larger than any differences among Republicans or among Democrats, argue even that the differences between the parties. They are beyond politics.

Nixon said in his long-expected declaration: "The world and progress here at home, will depend on the decision of the next President of the United States. For these critical years, America needs new leadership."

Nixon told the voters that he learned "the awesome nature of the great decisions a President faces" during his 11 years in Washington, and said he had a chance to reflect on the lessons of public office and measure the nation's tasks and problems during the past eight years.

**His Answers**

"I have sought to apply these lessons to the results of the present, and to the future sweep of this final third of the 20th century," he said. "And I believe I have found some answers."

He noted he had visited New Hampshire often in the past but said he was not asking the support of voters now "on the basis of old friendships. We have entered a new age. And I ask you to join me in helping make this an age of greatness for our people and our nation."

He plans to take off next on a six-day campaign swing through the state. (Please See Page 8, Column 6)

**Business Gains Too Fast For Safety: Johnson**

WASHINGTON (AP) — President Johnson called today for a temporary no-strike freeze between industry and labor, a tax increase "in the next few weeks" and a study of possible new wage-price guidelines.

In his annual Economic Report, Johnson warned Congress the business advance is running "too fast for safety." The nation must choose quickly, he said, whether it wants to avoid a "feverish boom," leading to a possible financial crisis.

The expansion can be moderate — by prompt enactment of his proposal for a 10 percent tax surcharge — to a high but healthy production gain of 90 billion he said. That would bring 1968 output to a record \$96 billion.

"Damage already has been done to interest rates, to our trade surplus, and to the lives of prison by the failure of Congress to act last fall," he said, and added:

"But it is still not too late to avoid far more serious problems if action is taken in the next few weeks."

He endorsed a voluntary moratorium on strikes in major industries to keep American goods available and competitive in world markets and prevent a "serious balance-of-payments trouble."

**Urges Cooperation**

"I urge business and labor to cooperate with the Secretary of Labor and Commerce in dealing with this danger to our export surplus."

The President also announced establishment of a Cabinet Committee on Price Stability directed to develop means of fostering peace and wage stability. Among other devices the committee will try to draft a formula for voluntary restraint in wage and price decisions.

The panel will not intervene in specific current wage or price matters," Johnson said. But he indicated it will seek some guidelines device to replace the virtually defunct wage-price guidelines promulgated under President John F. Kennedy.

The President's Council of Economic Advisors — whose new chairman, Arthur M. Okun, will head the Cabinet committee — said in its own report, transmitted to Congress along with Johnson's report, that the nation's economic growth is "too fast for safety."

Johnson said he will continue to work with all other forms of personal income going up. I don't see how they can point the finger only at those who work for hourly wages," Shmittler said.

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**Focus Shifts North**  
Major Drive Is Expected

By EUGENE V. RISHER  
SAIGON (UPI) — Allied counterattacks supported by tanks and firepower repelled Saigon infiltrators to small harassing bands Friday morning and the focus of the big Communist offensive shifted north to major border cities invaded by North Vietnamese regulars.

Gen. William C. Westmoreland, the U.S. commander, said the bloody four-day drive achieved the length and breadth of South Vietnam was only a prelude to a "big for knock-out" North Vietnamese regulars were massed.

The attack had against the Communist drive and Westmoreland, appearing grim at a briefing for war correspondents in Saigon Thursday night, said there was "some evidence that the enemy is about ready to run out of steam."

LL Gen. Frederick C. Weyand, commander of U.S. forces surrounding Saigon, said the Communists had infiltrated five battalions — perhaps 4,000 men — into the capital area for the wave of attacks and that many were North Vietnamese regulars.

"Until we destroy those battalions, and we've determined to use massive force, they can make another attack," Weyand said. "We have taken a great number of NVA (North Vietnamese Army) soldiers in Saigon. They were members sent down as replacements for VC (Viet Cong) units."

North Vietnamese propaganda outlets said Communist forces were "firmly back the initiative."

**Casualties Rise**

The number of killed and wounded on both sides climbed steadily as the war raged on in its bloodiest stage to date.

Tabulations in a Thursday night report including thousands of civilians killed and wounded placed Allied losses at 560 dead and 1,400 wounded. U.S. forces won 200 dead and 900 wounded. Allied forces reported killing 4,800 Viet Cong soldiers and capturing 1,362.

In Washington Gen. Earle G. Wheeler, chairman of the U.S. Joint Chiefs, said the Communists had suffered 6,200 killed in a series of what he called suicidal attacks. This was higher (Please See Page 8, Column 6)

**Summary Execution**



THE MOMENT THAT South Vietnamese National Police Chief Brig. Gen. Nguyen Ngoc Loan executed a Viet Cong officer with a single pistol shot in the head is pictured by Associated Press Photographer Eddie Adams in Saigon today. Carrying a pistol and wearing civilian clothes, the Viet Cong guerrilla was captured near: An Quung Phuong, identified as an officer and taken to the police chief. (AP Wirephoto by radio from Saigon)

**Reds Up Aid To Hanoi**  
Comes Mostly From Russia

WASHINGTON (UPI) — The Soviet Union and other Communist countries have been increasing their military and economic aid to North Vietnam and may have given Hanoi \$1 billion in assistance last year, Defense Secretary Robert S. McNamara said today.

McNamara told Congress in a detailed and generally somber report on the war that North Vietnamese combat forces in the south "may increase sharply in the next few months."

His assessment was part of the secretary's annual report to the Senate Armed Services Committee on the state of the U.S. defense establishment.

**Already Begun**

In recent weeks, the Pentagon has reported new North Vietnamese divisions moving south into the area of the demilitarized zone, indicating that what McNamara forecast has to some degree already begun.

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**Labor Won't Go Along On Wage Limits**

WASHINGTON (UPI) — Organized labor made clear in advance that it will not go along with the degree of wage restraint suggested by President Johnson in his economic report to Congress today.

U. S. "Roy Semler, president of the militant International Association of Machinists (IAM), said his union was willing to do its part but "not willing to let our members become doormats for anyone."

Johnson asserted in his economic report that wage and fringe benefit increases of 3.5 percent or more would be highly inflationary.

"With the cost of living going up, with corporate dividends going up, with doctors' fees going up, with all other forms of personal income going up, I don't see how they can point the finger only at those who work for hourly wages," Semler said.

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**McNamara Assessment**

WASHINGTON (UPI) — Defense Secretary Robert S. McNamara told Congress today the Soviet Union has more than doubled its intercontinental ballistic missile force in the past year.

McNamara said U. S. plans to modernize this country's long range missile force and build probably continue but at a slower pace. The United States has 1964 land-based ICBMs. He said the United States has better than a 4 to 1 nuclear superiority over Russia.

He said that even if the Soviet Union's weapons of offensive nuclear weapons and defenses were to proceed much faster than anyone expects, the United States would still maintain a more than adequate retaliatory power to serve as a deterrent to nuclear war.

McNamara said the Soviet Union had some 720 land-based ICBMs last October 1, compared with 340 a year earlier. He said the buildup will (Please See Page 8, Column 6)

**Group Seeks to Bar Leslie Salt Plans**

SAN FRANCISCO (AP) — An anti-interest for navigation or fisheries? The land includes 100 filled acres which the Alameda Conservation Association said was once navigable San Diego Bay.

The association claims the 100-acre area being transferred to the Edson Municipal Improvement District which filled in the property in a joint project with Leslie Salt.

The association asserts that 428 acres being transferred by the state contain navigable water which have been unlawfully filled or blocked off from San Francisco Bay by Leslie Salt "free of any public" or its predecessors."

**Russ Double ICBMs, U.S. Retains Lead**

By DONALD H. MAY  
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**Call Up By Individuals?**

WASHINGTON (UPI) — President Johnson is considering asking Congress for authority to call up needed reserves by individuals rather than units, it was disclosed today.

Senate Democratic Leader Mike Mansfield said the President is "looking into the matter."

U.S. has Edge  
In total numbers of nuclear warheads plus nuclear bombs, McNamara said, the U. S. has an edge of 4,000 to 1,000. But he stressed that it is not numbers which are important but the ability to inflict unacceptable damage. (Please See Page 8, Column 6)

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**Santa Clara's Rev. Donohoe To New Post**

SANTA CLARA (UPI) — The Very Rev. Pedro Arce, S.J., superior general of the Jesuit order, becomes effective March 12.

The Santa Clara University Board of Trustees was scheduled to meet Feb. 16 to select a new president. Father Donohoe has been with the university since 1959 and is president since 1964.

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