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STATEMENT OF SECRETARY OF DEFENSE ROBERT S. McNAMARA
BEFORE A JOINT SESSION OF
THE SENATE ARMED SERVICES COMMITTEE AND
THE SENATE SUBCOMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS
FISCAL YEAR 1966 SUPPLEMENTAL FOR SOUTHEAST ASIA

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JANUARY 20, 1966

Mr. Chairman and Members of the Committee:

When I appeared before this Committee last August with the Amendment to the FY 1966 Defense Budget, I described to you the actions we were taking to carry out the President's decision to deploy a force of 125,000 U.S. military personnel to South Vietnam and to be prepared to deploy still more forces if that should become necessary. I noted at the time that if we were to maintain our capabilities to deal with crises elsewhere in the world, these deployments would require some increases in forces, personnel, operating rates, production rates and construction of facilities above the levels provided in our original FY 1966 Budget.

Because we had not had time to work out detailed personnel plans and to calculate on a phased basis the increases in activity rates, the movements of troops and materiel, and the other operation and maintenance costs associated with the build-up in Southeast Asia, we proposed to finance the additional Military Personnel and O&M costs under Section 612 of the FY 1966 Defense Appropriation Act. Similarly, because we had not had time to develop detailed estimates of production and construction plans for the additional materiel and facilities required, we proposed, and the Congress appropriated, an additional \$1.7 billion in a separate account, "Emergency Fund, Southeast Asia". This appropriation was intended to provide for the additional financing needed through early 1966 to gear up the production machine -- accelerate the delivery of essential items already in production, initiate production of new items required for the support of our forces in Southeast Asia -- and construct the most urgently needed facilities.

I said at the time that when we appeared here this January, we would have a much more precise estimate of the additional requirements and our financial needs for the balance of FY 1966. These estimates are now available, and total \$12,345,719,000 in new obligational authority.

Inclusion of Certain Military Assistance Support in the Defense Budget

Included in our Supplemental request for FY 1966 is about \$200 million for the support of South Vietnam's Armed Forces and other Free World Military Assistance forces engaged in that country. These requirements have heretofore been financed in the Military Assistance Program. However, now that large U.S. and other Free World Military Assistance forces (e.g., Korean) have joined in the defense of South Vietnam, the maintenance

of separate financial and logistic systems for U.S. and Military Assistance forces is proving to be entirely too cumbersome, time-consuming and inefficient. The same problem was encountered at the outset of the Korean War. It was solved, then, by programming, budgeting and funding for all requirements under the "military functions" appropriations and providing a consolidated financial and supply system for the support of U.S., Korean and other friendly forces engaged in that effort. This arrangement gave the field commanders maximum flexibility in the allocation of available resources and improved the support of the forces employed. We are proposing essentially the same solution for the problems now being encountered in South Vietnam.

Under the proposed arrangement, all unexpended balances of FY 1966 and prior year Military Assistance funds for South Vietnam would be transferred to and merged with the accounts of the military departments; and all additional funds required for the support of the forces of South Vietnam and other Free World Military Assistance forces in that country would be authorized for and appropriated to the accounts of the military departments. The remainder of the Military Assistance Program would be legislated separately.

Implementation of the August 1965 Force Augmentations

Since my appearance here last August, our requirements in support of the military effort in Vietnam have continued to grow. We have already deployed a total of about 190,000 U.S. military personnel to South Vietnam, excluding the elements of the 7th Fleet now operating off the coast of Vietnam. And we must be prepared to deploy even more forces if the Communists choose to expand their operations in South Vietnam.

The force augmentations approved in August included:

- . For the Army -- an increase of one division force, three brigade forces and a large number of aviation companies.
- . For the Marine Corps -- an increase of two helicopter training squadrons, and additional communications, engineer and military police battalions.
- . For the Navy -- an increase of 25 active ships in the Fleet plus four for MSTTS, for a total of 29.
- . For the Air Force -- an increase in airlift aircraft utilization rates, from 5 to 8 hours per day for Military Airlift Command (formerly MATS) aircraft, and from 1.5 to 5 hours per day for C-130Es in other commands.
- . For all the active forces -- additional personnel to round out the manning of units to be deployed in Vietnam and for increased training and logistic support.

- . For the reserve components -- additional drill pay spaces to raise the manning and readiness levels of three divisions and six brigades and necessary supporting forces in the Army reserve components, 24 squadrons in the Air Force reserve components, and the Marine Corps Reserve division/ aircraft wing.

An additional 340,000 military and 36,000 direct hire civilian personnel were approved to support these force increases.

Further Force Augmentations and Related Personnel Increases

If we are to be prepared to deploy additional forces to Southeast Asia, some further augmentations of our forces and personnel strengths are required. The increases in forces and personnel now proposed are summarized in Table 1. The first column shows the personnel increases approved in August 1965 and the second column the increases as revised in January 1966. A number of these changes require some explanation.

In the Army, the major change since last August is in the number of additional military personnel required for the support forces. Inasmuch as it appears desirable to be in position to deploy additional forces without calling up reserves, these support units must be provided in the active force structure. In addition to that change, we have also added another large increment of Army aviation companies to the number approved in August.

The major increase in the Marine Corps over last August is an additional division force, together with a number of tactical helicopter squadrons, observation squadrons and an air support control unit.

In the Navy, we have added to the forces approved in August: 11 LSTs and one refrigerator stores ship for logistic support; more SWIFT boats and a mother ship to augment our coastal patrol activities; a number of river control boats and yard craft; and one destroyer. We have also augmented the Navy construction battalions in the Pacific area and are adding four new construction battalions to the Navy structure.

The increases in the Air Force are related to the retention of B-57 and F-102 aircraft previously scheduled to be phased out, a major expansion in the rotation and training base and the logistic support required for the forces in Vietnam.

As shown on the bottom of Table 1 (page 10), a total of about 510,000 military personnel will be required to man the additional forces and support the increased training, rotation and logistic base. Other adjustments in forces and activities will add another 17,000, but our decision to substitute some 58,000 civilian for 74,000 military personnel spaces will reduce the net increase over the original end FY 1966

military personnel strength to about 453,000, some 113,000 more than the increase approved last August.

When I appeared before this Committee last August, we had not as yet determined the number of additional drill pay spaces needed in the Army reserve components to raise the manning of three division and six brigade forces to 100 percent, or how these spaces should be made available. The number of additional spaces required for this purpose is now estimated at 30,000 -- 18,500 in the Army National Guard and 11,500 in the Army Reserve. The additional spaces needed in the Army Reserve have been provided by a redistribution from units for which there is no requirement in our plans. The 18,500 spaces needed for that purpose in the Army National Guard, plus 20,000 spaces needed to man other Guard units at their authorized strengths, have been added to the 380,000 spaces provided for in the FY 1966 Defense Appropriation Act.

With regard to civilian personnel, the major part of the increase over the number approved last August is related to the substitution of civilian for military personnel, as shown in the table on page 11.

Table 2 provides a recapitulation of the proposed personnel increases, including those related to Southeast Asia. The second column shows the additional personnel required for the support of the Southeast Asia effort over and above the numbers provided in the original FY 1966 Budget as shown in Column 1. The third column shows the adjustments resulting from the substitution of civilians for military personnel. The fourth column shows other adjustments (pluses and minuses) related to productivity savings, non-Southeast Asia related force changes, etc. The fifth column shows the net additions to the original end FY 1966 strengths. The next column shows the number scheduled to be on hand at end FY 1966 and the last column the balance to be added thereafter.

Additional FY 1966 Requirements for Procurement, RDT&E and Construction

Table 3 shows the additional funds required for the balance of the current fiscal year for Procurement, for Research, Development, Test and Evaluation and for Military Construction in support of our combat operations in Southeast Asia. Of the \$1.7 billion added to the FY 1966 Budget last August, about \$1,534 million was applied to procurement, particularly for long lead time components, new production equipment, tooling and all the actions necessary to accelerate production rates -- but not actually to finance these higher production rates beyond about February 1966. That is the purpose of the additional \$7 billion which we are now requesting for procurement in this FY 1966 Supplemental for Southeast Asia.

The balance of the \$1.7 billion added to the FY 1966 Defense Budget last August, about \$166 million, was used to finance (through February 1966) the most urgent construction projects needed for the support of

our military operations in Southeast Asia. The additional \$1,238 million included in the Supplemental will complete the financing of the FY 1966 increment of that construction program.

In preparing the estimates of our financial requirements for the balance of FY 1966, we have assumed, for budgeting purposes, that combat operations will continue through the end of June 1967; thus the entire requirement for the longer lead time items through that date is included in this Supplemental.

Ammunition

As shown on Table 3, about \$2.1 billion is included in the FY 1966 Supplemental for ammunition which, together with the approximately \$1.1 billion included in the original FY 1966 Budget and \$800 million from the August Amendment, gives us a total of about \$4.1 billion for FY 1966. This is, admittedly, a very high figure; but our operational plans call for a massive application of firepower to enhance the effectiveness of our forces and reduce casualties.

We estimate that our ground forces (including associated helicopter units) are now consuming ammunition at the rate of about \$100 million per month, and we are budgeting for a consumption rate considerably higher. It is important to note that whereas in 1964 we had no artillery in Vietnam, we now have a substantial number of artillery battalions there. In 1964, the U.S. Army and Marine Corps flew an average of 19,000 helicopter sorties per month; by the middle of last year they were flying about 60,000 sorties per month and at the end of the year, about 125,000. This intensive use of helicopters greatly increases our mobility, making it possible to operate with a much smaller central reserve and to conduct offensive operations without prolonged depletion of our forces in areas already under our control. Many of these helicopters are armed and provide a highly mobile source of firepower.

With regard to air munitions, we are now consuming at a rate of about \$110 million per month; and we are preparing to support a much higher rate. For example, in March 1965 we flew 800 attack (ordnance-consuming) sorties in order to stem the flow of war materiel and personnel into South Vietnam. By June of last year, the number of these sorties had increased to 2,800 and by December to over 5,000. The number of attack sorties flown by fixed-wing tactical aircraft against targets in South Vietnam has increased from a monthly average of 1,200 in 1964 to 7,200 in June 1965 and almost 13,000 in December 1965. In addition, we have been flying approximately 300 B-52 sorties, consuming about 6,000 tons of bombs per month since July 1965. Overall, we consumed about 25,000 tons of aircraft-delivered munitions in July 1965 and more than 40,000 tons in December of that year, or at an annual rate of 480,000 tons; and this Supplemental will support a considerably higher rate.

Aircraft

Although the aircraft loss rate continues low, the rapidly increasing number of sorties is resulting in larger total losses. In 1964, we lost 38 fixed-wing aircraft and 24 helicopters to hostile action. In 1965, with both the very large increase in activity and the attacks against North Vietnam, we lost 275 fixed-wing aircraft and 76 helicopters. We anticipate that 1966 losses will be somewhat higher. A total of about \$1.8 billion for the replacement of aircraft losses is included in the FY 1966 Supplemental. Another \$168 million is included for the Army to equip new aviation units.

The considerably higher rates of utilization of many types of aircraft in all the Services will also increase the consumption of spares. For example, Air Force tactical aircraft in Vietnam are now flying 60 percent more hours per month than they normally do in peacetime. And you may recall that I mentioned last August, we were increasing the utilization rate of Military Airlift Command aircraft also by about 60 percent. Accordingly, we have included in the FY 1966 Supplemental about \$1.2 billion for aircraft spares and other aircraft equipment for all the Services.

Other Materiel

The additional funds requested for vehicles, electronics and communications, and other procurements are mostly to equip new units, notably the additional Army and Marine Corps divisions, and for logistic and training support as well as to equip the new facilities being built in Southeast Asia.

Increases in Production Rates

To support these higher rates of consumption and combat attrition, rebuild inventories and provide for the additional forces, we have greatly increased production rates and started new production lines. Planned production rates of the principal types of helicopters used in Vietnam have been just about tripled and certain fixed-wing types just about doubled. Production rates of the principal munition items have been increased many fold and major increases have been made in the production of tropical uniforms and jungle boots.

Research, Development, Test and Evaluation

The \$152 million included in the FY 1966 Supplemental for RDT&E is to accelerate certain development projects of particular interest to our operations in Southeast Asia. You may recall that one of the items included in our first set of amendments to the FY 1962 Budget was the sum of \$122 million for research and development of non-nuclear weapons and equipment specifically designed for limited wars and counterinsurgency operations. Since that time, we have vigorously pursued our efforts in that

area and many of the new weapons, equipment and techniques now being employed in Vietnam came out of this work, e.g., the armed helicopter, jungle communications equipment, battlefield radars, defoliation agents, emergency airfield equipment, lightweight body armor, minigun armed aircraft, ammunition for M-79 grenade launchers, jungle boots, etc.

Many other items of this type are now well along in development. In order to make them available for use in Vietnam at the earliest possible time, we have undertaken a new effort called Project PROVOST (Priority Research and Development Objectives for Vietnam Operations Support), designed to identify those current R&D projects which could make a significant contribution to our military operations in Vietnam, and which, with additional funds, could be brought to fruition relatively quickly. So far the Military Departments have identified over 150 items of this type, and we have already utilized about \$58 million from the FY 1966 R&D Emergency Fund for their support. We are now requesting an additional \$152 million for FY 1966 to continue and expand this effort and to meet other urgent requirements. Among the items to be supported with these additional funds are the development of a therapeutic drug for fulciparum malaria and a wide variety of surveillance devices, weapons, munitions and personal equipment.

Military Construction

As shown on Table 3, the bulk of the \$1.2 billion requested for military construction is for facilities in Southeast Asia. The balance is for a variety of supporting facilities along the lines of communication back to the United States, and, to a small extent, for training and troop facilities within the United States. The \$1,238 million requested in this Supplemental, together with the \$166 million provided by the August Amendment, will make a total of \$1,404 million available for construction in support of Southeast Asia in FY 1966, \$355 million more than the entire appropriation for military construction in FY 1965.

The explanation for this large request lies in the nature of the military operation we have undertaken in Southeast Asia. South Vietnam itself is primarily an agricultural country; the only major port is Saigon. The deployment of large U.S. military forces, and other friendly forces such as the Korean Division, in a country of this sort requires the construction of new ports, warehouse facilities, access roads, improvements to highways leading to the interior of the country and along the coasts, troop facilities, hospitals, completely new airfields and major improvements to existing airfields, communications facilities, etc. We will be prepared to house and support additional units if their deployment should be required in the future. Since construction is a long lead time activity, the great bulk of this requirement has to be financed in the FY 1966 Supplemental. In order to provide some flexibility in the utilization of these funds, we are requesting that \$200 million of the \$1,238 million total program be appropriated to "Military

Construction, Defense Agencies" for later transfer to the military departments as required.

Although I cannot assure you that the funds requested in this Supplemental will complete our construction program in Southeast Asia, since we do not know how the conflict there may evolve, I can tell you that the amount included in the FY 1967 Budget for military construction is very much smaller.

Financial Requirements

Table 4 summarizes our financial requirements for the current fiscal year. The first column shows the amounts thus far enacted, less the \$1.7 billion Amendment which is shown in the second column. The third column shows the net additional amounts required in FY 1966 to defray the costs of the pay raises enacted last year. The fourth column is the Supplemental for Southeast Asia which I have discussed, and the fifth column shows the total, \$63,308,175,000 in new obligational authority, which would be available for the current fiscal year if the military and civilian pay supplemental and the Southeast Asia Supplemental are enacted as requested.

I should point out that we have included in the Southeast Asia Supplemental for the Military Personnel accounts of the active forces a total of \$440 million which, last January, we had planned on obtaining by transfer from the working capital funds of the Department of Defense in lieu of new appropriations. You may recall that the total amount planned for transfer last January was \$470 million -- \$30 million from the cash balances of the Army Industrial Fund and \$440 million from the cash balances of the Army, Navy, Marine Corps, Air Force and Defense Stock Funds. Because of the expansion of the forces and the higher rates of activity, the Stock Funds have had to increase their inventory levels, thus decreasing their balances to a point where no excess cash is available for transfer to the Military Personnel accounts. Indeed, we are proposing a new General Provision which would relieve the Stock Funds of the present requirement that their cash balances must be at least equal to the amount of accounts payable at all times. They would, of course, continue to retain sufficient cash to meet their day to day disbursement needs. In addition, this General Provision would also permit transfer between such funds in such amounts as may be determined by the Secretary of Defense with the approval of the Bureau of the Budget.

The \$30 million from the Army Industrial Fund is still available and will be transferred, as planned, to the "Military Personnel, Army" account in FY 1966. Accordingly, we are requesting the appropriation of only \$440 million to replace the balances which were to have been transferred from the Stock Fund.

As shown on Table 4, \$1,620 million has been included in this Supplemental for Military Personnel, of which \$64 million is for the

reserve components to raise the manning of the Selected Forces. About \$2,316 million will be required for Operations and Maintenance, including the additional funds needed by the reserve components for the support of the additional personnel and the higher readiness levels. I have already discussed the amounts required for Procurement, RDT&E, and Military Construction.

Additional Authorizations

The additional amounts requested to be authorized for aircraft, missiles, naval vessels and tracked combat vehicles, and RDT&E, are shown in Tables 5 through 7. The additional military construction authorizations are identical to the amounts requested for appropriation, as shown on Table 3.

* * * * *

The President, in his State of the Union Address to the Congress on January 13, discussed the reasons for our greater military involvement in Southeast Asia and the resulting increases in Defense expenditures. I have attempted in this statement to outline the purposes for which the additional funds requested in this Supplemental are required. I can assure you that my associates in the Defense Department and I have reviewed this Supplemental with great care, and we now stand ready to help you in every way we can to facilitate the passage of the necessary legislation.

TABLE 1
SUMMARY OF FORCE AND PERSONNEL INCREASES
RELATED TO SOUTHEAST ASIA

	Approved <u>Aug. 65</u>	Revised <u>Jan. 66</u>
<u>1. Increase in Army Forces</u>		
a. Division and Initial Support Forces		
b. 3 Brigades and Initial Support Forces		
c. Aviation Companies		
d. Sustaining Support for 1 Division, 3 Brigades and other forces		
e. STRAF support forces		
f. Expand training base and pipeline		
Total Army	235,000	306,657
<u>2. Increase in Marine Forces</u>		
a. 1 Division		
b. Activate forces to be deployed to Vietnam		
c. Bring units to be deployed to full strength		
d. Expand training and support base		
e. Provide increased pipeline		
Total Marine Corps	30,000	85,169
<u>3. Increase in Naval Forces</u>		
a. Retain ships		
b. Activate or procure ships		
c. Increase manning for deployed ships and bases in Southeast Asia		
d. Augment coastal and river patrol		
e. Augment construction forces		
f. Support of Marine Forces		
g. Flight training		
Total Navy	35,000	55,450
<u>4. Increase in Air Forces</u>		
a. B-52 aircraft deployed to Guam		
b. Tac. Ftr. and Troop Carrier Squadrons deployed to SEA and their CONUS rotation base		
c. Raise airlift aircraft utilization rates		
d. Expand training		
e. Other support (including logistical base)		
Total Air Force	40,000	63,245
Total Active Force Military	340,000	510,521
Adj. for substitution of civilians	-	-74,300
Other adjustments	-	+16,622
Net Increase	340,000	452,843

	Approved Aug. 65	Revised Jan. 66
5. <u>Increased Readiness for Reserve Components</u>		
<u>Army:</u>		
a. To raise 3 Division and 6 Brigade Forces to 100% manning	a/	18,500 ^{b/}
b. To man other ANG units at their authorized strengths		<u>20,000</u>
Total Army		38,500 ^{c/}
<u>Marine Corps:</u>		
c. Reserve Division/Wing Team	2,500	2,500
<u>Air Force:</u>		
d. 9 F-100 Squadrons	1,667	1,667
e. 4 RF-84 Squadrons	697	697
f. 1 Tac. Control Group		436
g. 11 C-124 Squadrons	<u>2,205</u>	<u>2,205</u>
Total Air Force	4,569	5,005
6. <u>Increase in Direct Hire Civilian Personnel</u>		
a. Army	11,600	31,133
b. Navy (Including Marine Corps)	15,500	21,400
c. Air Force	7,300	18,355
d. Defense Agencies	<u>1,362</u>	<u>4,893</u>
Total Personnel	35,762	75,781
Adjustment for substitution of civilians	-	+58,000
Other adjustments	-	-4,554
Net Increase	<u>35,762</u>	<u>129,227</u>

a/ Was to be determined.

b/ The remaining 11,500 personnel required to raise the manning of the Selected Reserve Force to 100 percent is being provided by redistribution from units for which there is no requirement in the contingency plans.

c/ Represents increase over the end FY 1966 Army National Guard drill pay strength of 380,000 provided for in the FY 1966 Appropriation Act.

TABLE 2
 RECAPITULATION OF MILITARY AND
 CIVILIAN PERSONNEL AUTHORIZATIONS

	Budgeted Strength as of 6/30/66 Per Original Budget	Increases Proposed as of Aug. 65 and Jan. 66	Adj. for Substitution of Civilians	Other Adjustment	Net Increase Proposed	Strength Increase to be Realized	
	(1)	(2)	(3)	(4)	(5)	By 6/30/66	After 6/30/66
<u>Active Duty</u>							
<u>Military Personnel</u>							
Army	953,094	306,657	-36,500	+10,432	280,599	205,949	74,650
Navy	684,848	55,450	-15,000	+ 2,575	43,025	38,875	4,150
Marine Corps	193,190	85,169	- 2,800	+ 2,625	84,994	56,889	28,105
Air Force	809,134	63,245	-20,000	+ 980	44,225	45,364	-1,139*
Total	2,640,266	510,521	-74,300	+16,622	452,843	347,077	105,766
<u>Direct Hire</u>							
<u>Civilian Personnel</u>							
Army	317,152	31,133	+26,585	-16,947	40,771	42,480	-1,709*
Navy (Incl. USMC)	320,125	21,400	+14,415	+ 6,953	42,768	37,476	5,292
Air Force	286,099	18,355	+17,000	-12,737	22,618	15,279	7,339
Defense Agencies	40,778	4,893	-	+18,177	23,070	27,727	-4,657*
Total	964,154	75,781	+58,000 ^{a/}	- 4,554	129,227	122,962	6,265

* Denotes a small decrease in strength after end FY 1966.

^{a/}Excludes 2,500 additional Indirect Hire Civilians, bringing the total to 60,500.

TABLE 3
 FY 1966 SUPPLEMENTAL FOR PROCUREMENT, RDT&E AND
 MILITARY CONSTRUCTION RELATED TO SOUTHEAST ASIA
 (New Obligational Authority
 In Millions of Dollars)

<u>Procurement</u>	<u>Army</u>	<u>Navy</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense Agencies</u>	<u>Total</u>
Ammunition Consumption	671	366	338	758		2133
Aircraft						
Attrition	400	562	*	837		1799
Equip. of New Units	168		*			168
Spares	221	149	*	555		925
Other A/C Equipment	37	27	*	194		258
Total Aircraft	826	738	*	1586		3150
Vehicles	329	39	71	66		505
Elect. & Comm.	241	45	42	76		404
Other	398	184	66	179		827
Total Procurement	<u>2465</u>	<u>1372</u>	<u>517</u>	<u>2665</u>		<u>7019</u>
<u>RDT&E</u>	<u>28</u>	<u>53</u>	<u>*</u>	<u>71</u>		<u>152</u>
<u>Military Construction</u>						
South Vietnam	408	207	*	110		725
Other Locations	172	83	*	198		453
Planning	30	15	*	16		61
Total Program	610	305	*	324		1238
To be Approp to Mil Dept	510	255	*	274		1038
To be Approp to Def Agcs					200	200
Total Appropriation	<u>510</u>	<u>255</u>	<u>*</u>	<u>274</u>	<u>200</u>	<u>1238</u>

* Included in the Navy.

Note: Detail may not add to totals due to rounding.

TABLE 4
 FINANCIAL SUMMARY OF FY 1966 BUDGET
 INCLUDING THE PROPOSED SUPPLEMENTAL FOR SOUTHEAST ASIA
 (In Thousands of Dollars)

	NOA Enacted Excluding Amendment	\$1,700 Million Amendment	Military and Civilian Pay Supplemental	S.E.A. Supplemental	Total NOA
<u>MILITARY PERSONNEL</u>					
Military Personnel, Army	4,092,291	-	222,100	833,600	5,147,991
Military Personnel, Navy	3,055,000	-	182,600	318,500	3,556,100
Military Personnel, M.C.	749,900	-	42,400	184,600	976,900
Military Personnel, A.F.	4,393,800	-	227,600	219,300	4,840,700
Nat'l Guard Personnel, Army	271,800	-	4,500	45,900	322,200
Reserve Personnel, Army	238,600	-	-	7,500	246,100
Nat'l Guard Personnel, A.F.	71,300	-	3,500	5,700	80,500
Reserve Personnel, Navy	105,100	-	4,600	-	109,700
Reserve Personnel, M.C.	33,000	-	1,600	2,200	36,800
Reserve Personnel, A.F.	60,500	-	1,200	2,700	64,400
Retired Pay, Defense	1,529,000	-	71,000	-	1,600,000
Total Military Personnel	14,600,291	-	761,100	1,620,000	16,981,391
<u>OPERATION & MAINTENANCE</u>					
Oper. & Maint., Army	3,434,067	-	33,400	1,077,200	4,544,667
Oper. & Maint., Navy	3,292,137	-	23,000	506,000	3,821,137
Oper. & Maint., M.C.	192,101	-	1,054	102,600	295,755
Oper. & Maint., A.F.	4,403,737	-	27,600	544,900	4,976,237
Oper. & Maint., Def. Agcs.	683,680	-	14,356	41,769	739,805
O&M, Army Nat'l Guard	208,796	-	2,000	35,700	246,496
O&M, Air Nat'l Guard	238,000	-	1,000	8,100	247,100
Nat'l Bd for Prom.R.P., Army	459	-	-	-	459
Claims, Defense	24,000	-	-	-	24,000
Contingencies, Defense	15,000	-	-	-	15,000
Ct of Mil Appeals, Defense	579	-	11	-	590
Total Oper. & Maint.	12,492,556	-	102,421	2,316,269	14,911,246
<u>PROCUREMENT</u>					
Proc. of Equip & Msls, Army	1,204,800	504,500	-	2,465,000	4,174,300
Proc. of A/C & Msls, Navy	2,220,387	190,200	-	764,500	3,175,087
Shipbldg. & Conv., Navy	1,590,500	-	-	-	1,590,500
Other Procurement, Navy	1,135,000	167,090	-	607,500	1,909,590
Procurement, M.C.	43,800	149,100	-	516,600	709,500
A/C Proc., Air Force	3,516,700	158,800	-	1,585,700	5,261,200
Missile Proc., Air Force	771,900	4,000	-	63,700	839,600
Other Proc., Air Force	829,100	360,600	-	1,016,400	2,206,100
Proc., Defense Agencies	15,200	-	-	-	15,200
Total Procurement	11,327,387	1,534,290	-	7,019,400	19,881,077

FINANCIAL SUMMARY OF FY 1966 BUDGET
INCLUDING THE PROPOSED SUPPLEMENTAL FOR SOUTHEAST ASIA
(In Thousands of Dollars) -- Cont'd.

	NOA Enacted Excluding Amendment	\$1,700 Million Amendment	Military and Civilian Pay Supplemental	S.E.A. Supplemental	Total NOA
<u>RES., DEV., TEST, & EVAL.</u>					
RDT&E, Army	1,433,988	-	-	27,995	1,461,983
RDT&E, Navy	1,513,130	-	-	52,570	1,565,700
RDT&E, Air Force	3,181,956	-	-	71,085	3,253,041
RDT&E, Defense Agencies	491,300	-	-	-	491,300
Emergency Fund, Defense	19,426	-	-	-	19,426
Total-RDT&E	6,639,800	-	-	151,650	6,791,450
<u>MILITARY CONSTRUCTION</u>					
Military Constr., Army	346,843	64,600	-	509,700	921,143
Military Constr., Navy	329,405	43,210	-	254,600	627,215
Military Constr., A.F.	361,773	57,900	-	274,100	693,773
Mil. Con., Def. Agencies	19,768	-	-	200,000	219,768
Mil. Con., Army Res.	-	-	-	-	-
Mil. Con., Naval Res.	9,500	-	-	-	9,500
Mil. Con., A.F. Res.	4,000	-	-	-	4,000
Mil. Con., Army N.G.	10,000	-	-	-	10,000
Mil. Con., Air N.G.	10,000	-	-	-	10,000
Loran Stations, Defense	5,000	-	-	-	5,000
Total-Mil. Constr.	1,096,289	165,710	-	1,238,400	2,500,399
<u>FAMILY HOUSING</u>					
Family Housing, Defense	665,846	-	-	-	665,846
<u>CIVIL DEFENSE</u>					
O&M, Civil Defense	64,066	-	-	-	64,066
Research, Shelter Survey and Marking, Civ. Def.	42,700	-	-	-	42,700
Total-Civil Defense	106,766	-	-	-	106,766
Total-Mil. Functions	46,928,935	1,700,000	863,521	12,345,719	61,838,175
<u>MILITARY ASSISTANCE</u>					
Military Ass't., Executive	1,470,000	-	-	-	1,470,000
TOTAL-DEPT. OF DEFENSE	48,398,935	1,700,000	863,521	12,345,719	63,308,175
<u>RECAPITULATION</u>					
Army	11,241,644	569,100	262,000	5,002,595	17,075,339
Navy	14,268,960	549,600	255,254	3,309,670	18,383,484
Air Force	17,842,766	581,300	260,900	3,791,685	22,476,651
Defense Agencies	3,468,799	-	85,367	241,769	3,795,935
Civil Defense	106,766	-	-	-	106,766
Military Assistance	1,470,000	-	-	-	1,470,000
TOTAL	48,398,935	1,700,000	863,521	12,345,719	63,308,175

TABLE 5 - AMOUNTS REQUESTED FOR AIRCRAFT, MISSILES, SHIPS
AND TRACKED COMBAT VEHICLE PROCUREMENT AUTHORIZATION IN FY 1966
SUPPLEMENTAL REQUEST
(In thousands)

	<u>Authorized a/ FY 1966</u>	<u>Appropriated a/ FY 1966</u>	<u>Supplemental (NOA) FY 1966</u>
<u>Aircraft</u>			
Army	485,400	485,400	825,600
Navy & Marine Corps	2,100,400	2,104,500	738,300
Air Force	3,709,000	3,675,800	1,585,700
<u>Missiles</u>			
Army	253,700	277,000	64,000
Navy	369,600	358,200	26,200
Marine Corps	15,200	15,200	27,500
Air Force	800,100	800,100	63,700
<u>Naval Vessels</u>			
Navy	1,721,000	1,590,500	
<u>Tracked Combat Vehicles</u>			
Army	-	-	75,800
Marine Corps	-	-	<u>10,900</u>
Totals	9,454,400	9,306,700	3,417,700

a/ Included amounts totaling \$496.1 million provided thru Emergency Fund
SEA, PL 89-213.

TABLE 6 - SOURCE OF FUNDS FOR AIRCRAFT, MISSILES, SHIPS
AND TRACKED COMBAT VEHICLES FY 1966 SUPPLEMENTAL PROCUREMENT PROGRAM
(In thousands)

	Total FY 1966 Program	Funding Available a/ for Financing Program in Part	NOA Requested for Authorization
<u>Aircraft</u>			
Procurement of Equipment and Missiles, Army	1,333,200	507,600	825,600
Procurement of Aircraft and Missiles, Navy (and Marine Corps)	3,224,000	2,485,700	738,300
Aircraft Procurement, Air Force	<u>5,596,200</u>	<u>4,010,500</u>	<u>1,585,700</u>
Sub-Total - Aircraft	10,153,400	7,003,800	3,149,600
<u>Missiles</u>			
Procurement of Equipment and Missiles, Army	368,600	304,600	64,000
Procurement of Aircraft and Missiles, Navy	381,600	355,400	26,200
Procurement, Marine Corps	42,700	15,200	27,500
Missile Procurement, Air Force	<u>1,242,800</u>	<u>1,179,100</u>	<u>63,700</u>
Sub-total - Missiles	2,035,700	1,854,300	181,400
<u>Naval Vessels</u>			
Shipbuilding and Conversion, Navy	1,930,500	1,930,500	-
<u>Tracked Combat Vehicles</u>			
Procurement of Equipment and Missiles, Army	375,700	299,900	75,800
Procurement, Marine Corps	<u>13,400</u>	<u>2,500</u>	<u>10,900</u>
Sub-total - Tracked Combat Vehicles	<u>389,100</u>	<u>302,400</u>	<u>86,700</u>
GRAND TOTAL	14,508,700	11,091,000	3,417,700

a/ Includes total amount of \$496.1 million provided thru Emergency Fund SEA, PL 89-213.

TABLE 7 - AMOUNTS REQUESTED FOR RDT&E AUTHORIZATION
IN FY 1966 SUPPLEMENTAL REQUEST

(In thousands)

	<u>Authorized FY 1966</u>	<u>Appropriated FY 1966</u>	<u>Supplemental (NOA) FY 1966</u>
<u>RESEARCH, DEVELOPMENT, TEST, AND EVALUATION</u>			
Army	\$1,406,400	\$1,406,400	\$ 27,995
Navy (including the Marine Corps)	1,439,200	1,439,200	52,570
Air Force	3,103,900	3,103,900	71,085
Defense Agencies	495,000	495,000	0
Emergency Fund	<u>n/a</u>	<u>125,000</u>	<u>0</u>
Total	<u>\$6,444,500</u>	<u>\$6,569,500</u>	<u>\$151,650</u>