Furthermore, we had little experience on which to base estimates of attrition, wearout of equipment, and consumption of munitions and supplies of all kinds. The Vietnamese situation was in many respects quite unlike the Korean conflict, and the activity and consumption rates developed during that conflict were therefore very inadequate as indicators of the rates to be expected in Vietnam. The central point I want to make is that the outlook at the time the fiscal year 1967 request was prepared was clouded by a high degree of uncertainty.

In view of this uncertainty, we decided to construct the fiscal year 1967 budget on the arbitrary assumption that combat operations would be financed through June 30, 1967. Translated into Defense financial policy, this meant that funds were not included in our request for the purchase of items that would be needed in fiscal year 1968 and beyond, should the conflict continue. Therefore it was apparent that if the conflict was thought to continue beyond June 30, 1967, or if activity rates increased beyond those forecast, then additional funds would be needed before the year was over. In accordance with this assumption, we developed a budget with requests for new obligational authority of $59.9 billion. Based on this budgetary request, we estimated that fiscal year 1967 Department of Defense expenditures would total $58.3 billion.

Between January 1966, when the fiscal year 1967 budget was presented to Congress, and October 1966, when it was enacted, major developments occurred in the Southeast Asia situation. A possible end of the period of rapid buildup of forces became foreseeable, and the dimensions of the probable extent of our eventual commitment began to emerge. It became clear to everyone in the executive branch and the Congress that we could not with prudence assume that hostilities would cease by the end of fiscal year 1967. Furthermore, the current rate of buildup was exceeding the rate assumed in the preparation of the fiscal year 1967 budget.

Some suggested that the fiscal year 1967 budget should be amended in the summer of 1966, but there still was not a good basis for estimating the total needs for fiscal year 1967. For example, at one stage the Congress added $549 million to the appropriation bill for additional military personnel costs, whereas the actual additional requirements for military personnel are now estimated to be closer to $1.4 billion, almost three times as much.

Therefore, instead of requesting an amendment on the basis of inadequate estimates, it was decided to operate with available funds. This required reprograming actions, and these were submitted to the congressional committees in accordance with normal practice.

Mr. McNamara fully explained the policies that were being followed in testimony before congressional committees in the summer, and Chairman Russell of the Senate Appropriations Committee and Chairman Mahon of the House Appropriations Committee explained the situation on the floor. On August 18, Senator Russell stated "If the buildup in Vietnam continues at the present rate, I do not think there is any question that there will be a very substantial supplemental request the first of the year, which may be $10 billion; it may be more." On August 25, Congressman Mahon said, "It is generally estimated that a supplemental will be required next year * * * in the sum of $5 billion to $15 billion."