Early in 1966 we had only a feel for a broad range in which the supplemental might fall. As the year proceeded and the level at which our buildup would likely flatten became more apparent, we were able to narrow the range of our estimates. In contrast with the unsubstantiated broad estimate that would have been necessary if the request had been submitted earlier, the supplemental request submitted in January 1967 was based on a careful analysis of requirements, and was prepared and submitted in the same detail as our regular budget requests. Hence, the authorizing committees and the Appropriations Committees were able to examine it just as they examine any budget submission.

Our revised estimate of expenditures during fiscal year 1967 made at this time called for an additional $9.7 billion.

At the time we were making our estimates of the size of the needed supplemental appropriations and the resulting expenditure impact, other executive agencies and various Members of the Congress were making their own expenditure estimates based on projection of trends and comparison with the previous year. Subsequent events have shown that several of these estimates were quite accurate. The point is, though, that we in the Department of Defense could not, solely on the basis of our early estimate, develop in good faith a supplemental budget request any earlier than we eventually did and still adhere to the principle of requesting funds only on the basis of specific requirements.

In preparing the fiscal year 1968 budget, we were able to follow a quite different planning assumption from that used in the preceding year. Our basic assumption for fiscal year 1968 was that the war would continue indefinitely at level of activity indicated in our current projections. Accordingly, we included in the fiscal year 1968 budget funds for the procurement of items for periods ranging from 6 months to 18 months beyond the end of fiscal year 1968, the length of time being governed by the procurement leadtime for each of these items. Thus, barring an unexpected significant change in the level of activity in Vietnam, or a new contingency elsewhere in the world, the fiscal year 1968 budget as submitted does represent a statement of our total foreseeable defense needs for that year. The main reason why we chose to base the fiscal year 1968 budget on this different set of assumptions was that we felt that we had a much better basis for judging the extent of our eventual needs than we had had the year before. By the end of calendar year 1966, the major portion of our projected force buildup was already completed. There was a much higher degree of confidence in our projected plans and forecasts when we appeared to be near the end of the curve representing our force building. Also, we were beginning to obtain attrition and consumption data for Vietnam and therefore were no longer required to use the obsolete rates based on the Korean experience.

Posthostilities Planning

While we have chosen to budget for fiscal year 1968 on the basis that hostilities will continue indefinitely, we at the same time are making preparations for the contingency that they might end at any time. In dealing with a situation characterized by as much uncertainty as the Vietnam conflict is, it is of course essential that we develop plans in order to insure that we will be ready to alter our programs as soon as a major change becomes discernible.