

**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, January 20, 1966)

Mr. Chairman and members of the committee, when I appeared before this committee last August with the amendment to the fiscal year 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 fiscal year 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 buildup in southeast Asia, we proposed to finance the additional military personnel and O. & M. costs under section 612 of the fiscal year 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 fiscal year 1966. These estimates are now available, and total \$12,345,719,000 in new obligatory authority.

**INCLUSION OF CERTAIN MILITARY ASSISTANCE SUPPORT IN THE  
DEFENSE BUDGET**

Included in our supplemental request for fiscal year 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