

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 programing, budgeting, and funding for all requirements under the "military functions" appropriations and providing a consolidated financial and supply system for the support of United States, 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 fiscal year 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 MSTs, 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-130E's 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.