

Large quantities of air-to-ground munitions will continue to be needed in fiscal year 1967-68. The largest single item in this category is the MK-82 500-pound bomb. Other important items in the fiscal year 1968 program are the 2.75-inch rockets, the 5-inch Zuni rockets, the 250-pound bomb, Walleye TV-guided glide bombs, and air-to-surface antiradiation missiles.

For the surface-to-air missile ships which provide the fleet's air defense, the Navy will procure only the new Standard missile beginning in fiscal year 1968, although deliveries of Terrier and Tartar missiles will continue for some time. We are requesting \$5 million in fiscal year 1968 for both the medium range and the extended-range Standard missiles.

Funds for the procurement of the final quantity of Talos missiles are included in the fiscal year 1968 budget.

With respect to air-to-air missiles we are buying both the Sidewinder and the Sparrow III in fiscal year 1968. We also propose to initiate pilot line production of the Phoenix missile in fiscal year 1968.

In the ASW category, we plan to continue the procurement of Asroc and Subroc in fiscal year 1968.

Last year I informed the committee that the DASH ASW drone helicopter was encountering higher than expected peacetime attrition at lower than expected performance, and that we would review the entire program. As a result of this review, we have now decided to reduce the planned deployment of this system to about one-third. This reduction in deployment will permit cancellation of the previously planned fiscal year 1967 procurement.

Improved ASW torpedoes continue to be a major prerequisite to a more effective ASW force, and this category of weapons has continued to receive our close attention. In an attempt to expand the production base for the MK-46 and obtain the cost benefits of competitive procurement, we have opened a second production source. Although we have achieved the cost benefits (the torpedoes bought in fiscal year 1966, for example, cost \$124.3 million compared with the budget estimate of \$179 million), it now seems clear that we will not achieve the production levels in fiscal year 1967 originally expected. Accordingly, the fiscal year 1968 procurement is adjusted to take this slippage into account.

Funds are also included in the fiscal year 1968 budget for the AN/SSQ-41 (Julie, Jezebel), an improved sonobuoy capable of employment in either an active (Julie) or passive (Jezebel) mode.

Finally, a total of about \$125 million is included in the fiscal year 1968 Budget for 8-inch, 6-inch, and 5-inch naval gun ammunition to meet the consumption requirements of southeast Asia and continue the buildup of our stocks.

Marine Corps procurement

The fiscal year 1967 Marine Corps procurement now totals \$541 million, of which \$253 million is included in the fiscal year 1967 supplemental. For fiscal year 1968, a total of \$715 million is requested. Included in the fiscal year 1967 total is \$231 million for munitions and ordnance (\$114 million in the supplemental); \$463 million is included for this purpose in fiscal year 1968.

The fiscal year 1967 supplemental provides about \$70 million for the procurement of support vehicles such as $\frac{1}{4}$ -, $\frac{1}{2}$ -, $2\frac{1}{2}$ -, and 5-ton