men in South Vietnam—e.g., *Fortune* has assumed a 5-percent increase in the rates of ground and helicopter ammunition use per 100,000 men.

But in some respects costs would not nearly double as we built up to 400,000. The existing construction plans, for example, provide for port facilities, roads, and installations beyond current requirements. Costs of supporting South Vietnamese forces would not double either—South Vietnam's military and paramilitary forces already number about 600,000 men, and an increase of even 50 precent could not be squeezed out of a total population of 16 million. (An increase to 670,000 has been announced, however, and some upgrading of the military equipment and supplies furnished by the U.S. will undoubtedly occur.) Bombing and tactical air support operations would probably not double either: lack of runways would prevent that large an expansion.

In *Fortune's* calculation it was assumed that the 100 percent increase in U.S. servicemen in South Vietnam, from 200,000 to 400,000, would be accompanied by these less than proportionate increases:

50 percent in bombing and tactical air-support operations;

10 percent a year in construction costs;

15 percent in military aid to South Vietnam,.

On these exceedingly conservative assumptions, the costs at 400,000 come to the resounding total of $21 billion a year.

To calculate Vietnam war costs during fiscal 1967 it is necessary to make some assumptions about the pace of the buildup. *Fortune* assumed that U.S. forces in South Vietnam would increase to 250,000 men by this June 30, expand steadily to reach 400,000 as of December 31, and then remain at that level. On this basis the prospective Vietnam war costs during fiscal 1967 work out to $19.3 billion.

USED-UP OPTIONS

The $58.3 billion defense budget for fiscal 1967 includes, by official reckoning, $10.3 billion in expenditures resulting from the Vietnam war. With a buildup to 400,000 in fiscal 1967, war expenditures during the year would greatly exceed this figure, but would not necessarily boost total defense spending as much as $9 billion. For one thing, Secretary McNamara can cut somewhat further than he already has into programs not directly connected with the war.

But not very far; McNamara's options for deferring expenditures in fiscal 1967 have been pretty well used up. The 1967 defense budget shows a total of $1.5 billion in cutbacks in military construction, strategic-missile procurement, and other non-Vietnam programs. In view of McNamara's economizing in recent years, there cannot be much leeway left for deferrals. The Secretary himself said not long ago that in shaping the 1967 budget he had deferred "whatever can be safely deferred," which suggests that there is *no* leeway any more.

He has also largely used up the options for restraining expenditures by drawing down inventories and reducing trained forces outside the war theatre. McNamara has vigorously insisted that "we have a great reservoir of resources," and he is undoubtedly right about that, especially if "a great reservoir" is interpreted to include the potential capacity of the U.S. economy to produce military goods. But he has overstated his case by arguing, in effect, that the Vietnam war has not reduced readiness at all ("* * * far from overextending ourselves,