

analyzing the details of the budgetary reports. In general, the military budget is looking much more like it did during the Korean war and less than during the more recent period of cold war confrontation with the Russians.

TABLE 2.—*U.S. military budget: General versus limited war*

[Total obligational authority; dollar amounts in billions]

Category of combat forces	Cold war (fiscal year 1962)		Vietnam (fiscal year 1966)	
	Amount	Percent	Amount	Percent
General war capability:				
Strategic offensive forces.....	\$8.9	29.8	\$5.1	13.1
Continental air and missile defense forces.....	2.3	7.7	1.7	4.4
Subtotal.....	11.2	37.5	6.8	17.5
Limited war capability:				
General purpose forces.....	17.5	58.5	30.0	76.9
Airlift and sealift.....	1.2	4.0	2.2	5.6
Subtotal.....	18.7	62.5	32.2	82.5
Total ¹	29.9	100.0	39.0	100.0

¹ The remainder of the military budget is devoted to support of the combat forces, research and development, military assistance, and retired pay.

TABLE 3.—*The changing product mix of military purchasing*

[Dollar amounts in billions]

Procurement category	Korean war (fiscal year 1952)		Cold war (fiscal year 1962)		Vietnam (fiscal year 1966)	
	Amount	Percent	Amount	Percent	Amount	Percent
Sophisticated equipment:						
Aircraft.....	\$13.1	43.5	\$6.4	27.1	\$8.6	29.9
Missiles.....	.4	1.3	4.7	19.9	2.1	7.3
Electronics.....	1.3	4.2	1.5	6.4	1.5	5.2
Research and development.....	1.5	5.0	5.7	24.2	7.2	25.0
Subtotal.....	16.3	54.0	18.3	77.6	19.4	67.4
Conventional equipment:						
Ships.....	1.8	5.8	2.2	9.5	1.1	3.8
Ordnance.....	9.2	30.4	2.3	9.6	6.4	22.2
Other.....	2.9	9.8	.8	3.3	1.9	6.6
Subtotal.....	13.9	46.0	5.3	22.4	9.4	32.6
Total.....	30.2	100.0	23.6	100.0	28.8	100.0

Hence, we are witnessing a reversal of the shift that occurred in defense purchasing in the mid-1950's. Once again, the automotive, mechanical, textile, clothing, and rubber companies are becoming important suppliers of war material. The most dramatic increases have occurred in ammunition (up 270 percent during the past fiscal year), clothing and textiles (up 240 percent), tanks and vehicles (up 80 percent), and food (up 60 percent). The large aerospace and electronics firms, although still significant defense contractors, are finding their shares of the military market to be declining. Unlike the period of large weapon systems—such as ICBM's which could only be supplied by a few of the industrial giants—the demands of Vietnam result in numerous smaller contracts involving a great many and variety of medium-size firms as defense suppliers.