

Senator PROXMIRE. Well, thank you very much, Mr. Anthony, for a noble effort. We certainly appreciate it.

Mr. Anthony, the reason that this committee is concerned about this, and certainly the reason I am concerned about it, is because the policies of your Department have such a decisive and substantial effect on our economy.

Last year, as you know, we had a very sharp increase in prices during the first 8 or 9 months, an unacceptable increase. Also, we had the highest increase rates we have had in 40 years, which were cruel and punishing.

Many of us feel that if we had had accurate, timely information we could have done one of two things: We could have either increased taxes to take the pressure off the economy or we could have cut spending or maybe both. We did not have that, and in your presentation, which, I think, is technically very competent, and, I am sure, completely sincere, it is hard for me to tell whether there was any real consideration given to the effect of, not of policy, but of the disclosure to the Congress and to the public of what the estimates of the Defense Department are just as soon as those estimates can be at all firm or reliable or even an improvement on the basis of the estimates that you have had before.

You see, what I am asking for is not the kind of thing which I think you had properly delineated, the changes in inventory policy, which are very interesting and, perhaps, very helpful to the economy, but whether or not there has been adequate consideration given to a change in disclosure policy, information policy, to the Congress.

Mr. ANTHONY. May I make two comments on this? First, and I think most important for your purposes of obtaining the best information you can possibly get for the future, is the fact that the problem was especially difficult during this period of an extremely rapid buildup, and we should have a much easier job of making forecasts in defense expenditures from here on than we have had previously. Therefore, this problem should not exist in the future as long as hostilities continue at approximately the planned present rate.

Chairman PROXMIRE. Let me interrupt you right at that point. Exactly because the situation was uncertain and was hard to determine, isn't this precisely the reason why the Congress should have been given more frequent estimates instead of waiting until we had gone home?

Mr. ANTHONY. I want to address that in just one moment. I do not want to leave what I have just said unfinished without saying: let us face it; there is going to be another problem in the phase down. On the buildup there was a problem. On the phase down there is going to be another one; the problems of estimating under those circumstances are also going to be difficult.

Now let me come back to the other part of your question. I tried to explain why the estimates of obligations from which expenditures—

Chairman PROXMIRE. You did a good job of explaining.

Mr. ANTHONY (continuing). Are derived are extremely difficult to forecast during a buildup phase.

I think the example of the \$549 million of military personnel costs which somebody thought was the right amount at one time, and which turned out to be only about a third of the right amount, is an indica-