

tion not of anybody's error, but just of the difficulty involved in making forecasts at this phase.

I do not think that these difficulties in forecasting or in the publication of official revised figures actually prevented the people interested in the economy from making pretty good forecasts of what was going to happen. For example, I know——

Chairman PROXMIRE. That is right.

Let me interrupt you at that point to say this is the whole point. You see, these people were able to make pretty good estimates, but we never had confirmation from the official source. We had different Members of Congress and the economists making estimates. But the Defense Department, which is the source of the best information, refusing to make their own estimate, leaves us in the dark, and it means it is very hard for us to shape wise policy. It is hard enough to persuade Congress to either increase taxes or cut spending, and if we do not have the kind of hard information from the most reliable source it is almost impossible.

Mr. ANTHONY. Well, sir, I do not think it was a case of refusing to make up-to-date estimates. In our own internal estimates of what was going to happen in view of the speedup, and the implications of obligations already appropriated by the Congress, we went at it, I think, not essentially different from the way a lot of other people went at it. A favorite formula which turned out to be quite close as it happened, was to observe that in 1966 expenditures by quarters were roughly \$12, 13, 14, and 15 billion, and then to go on to say that in 1967 they will be \$16, 17, 18, and 19 billion. That adds up to \$70 billion, which is pretty close to the actual expenditures for 1967.

Well, that was one way of estimating, assuming a straight line continuation of the buildup, and it turned out to be not too bad.

Chairman PROXMIRE. Let me read you a quotation from a man I think is eminently qualified in this area, Senator John Stennis, chairman of the Preparedness Subcommittee of the Senate Armed Services Committee, who is going to be our leadoff witness tomorrow morning. He said on October 13, and I quote:

I do not make the assertion that we planned this war on a piecemeal basis lately. The facts establish in many cases this is all too true. It is certainly true in the area of funding. The requests of the Congress for the money needed to finance the war may be deferred until the last possible moment. For example, even with the requirements of escalation staring us in the face, Congress was told as late as July of last year that the fiscal year 1966 budget request covered all the months which were then foreseen to be needed by the military forces.

Let me repeat that:

For example, even with the requirements of escalation staring us in the face the Congress was told as late as July of last year that the fiscal year 1966 budget request covered all the funds which were then foreseen to be needed by the military forces.

It was not until Secretary McNamara returned from his trip to Vietnam that we were informed that a supplemental appropriation would be inevitable. Even so, despite an open invitation by Congress, Defense authorities then refused to present a realistic estimate of the actual requirements which had been generated as a result of hostilities. The matter was delayed until January of this year. We were then presented with a supplemental request for \$12.7 billion.