

Senator SYMINGTON. Those are the figures I saw.

Mr. ANTHONY. I think so. If there is an exception, I will correct it for the record.

Senator SYMINGTON. Thank you.

Thank you, Mr. Chairman.

Chairman PROXMIRE. I would just like to say—I am just about through—I would like to say that I appreciated very much what Senator Symington has emphasized. I think there probably is an additional observation that ought to be made and that is that this Vietnam war situation is contributing most adversely to our balance-of-payments problems. The President indicated that, as I recall, in his economic message. Not only most adversely but so badly that it is conceivable that our payments would be in balance even on the liquidity basis if it were not for Vietnam, \$800 million, as I understood it, the loss directly.

There is an indirect balance-of-payments loss, I think, of a billion dollars because of increased imports and so forth because of the Vietnam situation, and I think this is certainly another most important consideration along with the budgetary and inflation costs.

Mr. ANTHONY. Yes, sir.

Senator SYMINGTON. Will the Chairman yield?

I associate myself with his remarks. Inasmuch as the agreement we have with the Germans incident to the purchase of material has either fallen apart or at least is not progressing as originally planned, the statement of the Chair in that connection is even more pertinent. This will naturally affect the balance of payments to the degree it is not carried out.

Chairman PROXMIRE. Senator Jordan?

Senator JORDAN. I just have one question, Mr. Chairman.

Have any studies been made, Mr. Anthony, relative to where these dollars are spent; to give you an example, for each dollar spent in the hot war in South Vietnam, how much is required stateside to back up that expenditure in the civilian economy? In way of making munitions, airplanes, helicopters, and whatnot.

Mr. ANTHONY. If I understand you correctly, almost all of it is spent stateside. We take very drastic steps to spend as little as we can in foreign countries for the reasons Senator Symington was giving.

Senator JORDAN. Yes. The losses and the costs are actually overseas, but the spending is stateside.

Mr. ANTHONY. That is correct.

Senator JORDAN. But for the military aspect of the spending, how much is the civilian counterpart to back it up?

Mr. ANTHONY. Of the \$22 billion of costs that we are talking about, I should think somewhat more than \$20 billion actually ends up being spent in the United States. Military people send their pay back to the United States, where their families spend the bigger part of it and so on.

Senator JORDAN. This is a total cost then that you are giving us.

Mr. ANTHONY. The incremental costs, yes.

Senator JORDAN. The incremental costs?

Mr. ANTHONY. Yes, sir.