

I may not be understanding your question properly, but I think you are asking——

Senator JORDAN. I am trying to find out if there are costs over and above the \$21.9 billion that you have given us here that are in the civilian industrial complex of the United States——

Mr. ANTHONY. No, sir.

Senator JORDAN (continuing). That are not calculated in this figure.

Mr. ANTHONY. No, sir. This is not the spending in Vietnam.

Senator JORDAN. No.

Mr. ANTHONY. This is the spending on account of Vietnam.

Senator JORDAN. As a result of Vietnam.

Mr. ANTHONY. As a result of Vietnam, and almost all of it, as I say, winds up in the United States.

Senator JORDAN. And it is a complete cost without any indirect cost being absorbed in some other fashion.

Mr. ANTHONY. No depreciation, no indirect overhead, as Senator Symington said. It is the direct incremental costs. It is my rough guess of the costs, because, as I explained to him, we do not keep books on the war.

Senator JORDAN. Thank you.

Chairman PROXMIRE. Well, thank you very much—I cannot say Doctor, and though I—Mr. Anthony—yes, of course I can say Dr. Anthony—Dr. Anthony was a radio character some years ago—but you did a superlative job this morning, not only in your statement but in your responsive answers to our questions, and I must say I was very much impressed and very much enlightened.

Our witness this afternoon will be the Budget Director, Mr. Schultze, at 2 o'clock this afternoon.

(Whereupon, at 12 o'clock noon, the committee recessed, to reconvene at 2 p.m. the same day.)

AFTERNOON SESSION

Chairman PROXMIRE. The committee will come to order.

Our witness this afternoon is Charles L. Schultze, the Director of the Bureau of the Budget, a man who is an old friend of the committee, and a man of great ability.

We are very happy to have you here for obvious reasons, but especially on this particular subject, which is the impact of the Vietnam war costs on the economy, and equally important, as you emphasize in your statement, the effect of deescalation or negotiations, which it seems to me is peculiarly and specially a problem for the Budget Bureau and for the Director of the Budget Bureau. And I know you can give us some extremely helpful testimony. Your statement is very good.

You may proceed in any way you wish, Mr. Schultze.

STATEMENT OF HON. CHARLES L. SCHULTZE, DIRECTOR OF THE BUREAU OF THE BUDGET

Mr. SCHULTZE. Thank you, Mr. Chairman.

If you don't mind, I will read my statement. And if it is too long, let me know, and I will cut it short.