Before directing your attention to a statistic, I want to comment that I was very disturbed that yesterday the prepared paper of the Director of the Bureau of the Budget on our subject, which is "Economic Effect of Vietnam Spending," was directed solely to the problems of deescalation. There was no discussion of the administration assumption that the Vietnam war is going to continue at the present level indefinitely, let alone the assumption, which is the more realistic one I would think, that there is going to be a further escalation.

Now this is in further context with the administration's Economic Report this year, which directed the Congress' and the public's attention to the national accounts budget and away from the administrative budget. This has to do with the cash flows that face us right now, and those that are going to face us in the ensuing months, and create the economic problems in the area of tight money, inflation, and so forth.

I am often critical of the news media, so it is a pleasure for me to give an accolade to the enterprising reporter of the United Press International. I have one of their clippings. This appeared in the Evening Star of April 21, 1967, calling attention to the fact:

U.S. military spending soared to $6.7 billion in March, its highest level since the start of the war in Vietnam, the Treasury reports. The March total compares with outlays of $5.6 billion in February and $6 billion in January.

(The item referred to follows:

[From the Evening Star, Washington, Friday, April 21, 1967]

DEFENSE OUTLAY RISES IN MARCH

(By United Press International)

U.S. military spending soared to $6.7 billion in March—its highest level since the start of the war in Vietnam—the Treasury reports.

The March total compares with outlays of $5.6 billion in February and $6 billion in January.

If military spending continues at a rate of $6.7 billion for the three remaining months of fiscal 1967, the defense budget will exceed President Johnson's January estimate by more than $2.5 billion.

During the first nine months of fiscal 1967, which ends June 30, military spending totaled $50.5 billion, including $500 million of military aid.

Three more months at a rate of $6.7 billion would put the total for the year at $70.6 billion instead of the $68 billion Johnson estimated in his January budget.

In the January budget, the war in Vietnam accounted for $20.9 billion of the spending total.

The administration has not publicly revised its January budget totals, but one high governmental official said last week that he expected Vietnam spending to exceed previous estimates.

In fiscal 1966, which ended last June 30, military spending totaled $55.4 billion. During fiscal 1968, which begins July 1, $73.1 billion is budgeted for defense.

It then goes on. Now these are the indicators, of course, that they are referring to. They are in the April 1967 Economic Indicators prepared for the Joint Economic Committee by the Council of Economic Advisers. On page 35 is the chart of Federal financing, and in column four we see Department of Defense military spending, and then military assistance. The figure for March 1967 is $6.6 billion plus $0.1 billion for military assistance. If this level were to continue, Senator—and incidentally, this is still fiscal 1967.

Senator STENNIS. Yes.

(The page referred to is reprinted herein, see pp. 82, 83.)