

AFTERNOON SESSION

Chairman PROXMIRE. The committee will come to order.

Our witness this afternoon is a distinguished professor, Murray Weidenbaum, chairman of the Department of Economics, Washington University, St. Louis, Mo.; a man who has done more works I think, in this area than anybody in the country, and who has compiled a most helpful, detailed study which I hold here, "The Impact of Vietnam War on American Economy."

Professor Weidenbaum, I can tell you that we have based these hearings very largely on your excellent work, which has been referred to by witnesses, including witnesses this morning, and we are very privileged to have you. I apologize for the absence of some of the other members, but there will be other members here later today, and I am sure you appreciate these are mighty busy times; other committees are in session.

You go right ahead.

STATEMENT OF MURRAY L. WEIDENBAUM, CHAIRMAN, DEPARTMENT OF ECONOMICS, WASHINGTON UNIVERSITY

TIMING OF IMPACTS

Mr. WEIDENBAUM. Thank you, Mr. Chairman, for those very kind remarks. I should like to point out that the views I express, both in that formal report and orally today, of course, are strictly my own opinions.

I would like to just offer orally the highlights of that 100-plus page report.

Chairman PROXMIRE. That will be fine. Without objection your full report will be included in the record at the end of your remarks.

Mr. WEIDENBAUM. The key points are:

1. The persistent uncertainty as to the nature and extent of the U.S. commitment in Vietnam.

2. A lack of general understanding —

Chairman PROXMIRE. Will you repeat that first point again.

Mr. WEIDENBAUM. Persistent uncertainty as to the nature and extent of the U.S. commitment in Vietnam.

Chairman PROXMIRE. Right.

Mr. WEIDENBAUM. 2. A lack of general understanding of the speed with which the military buildup affects the economy.

3. Confusion in interpretation and delay in the release of budget information in 1966.

4. Resultant basic problems in national economic policy which we are now facing.

An evaluation of the impact of U.S. expenditures for Vietnam on the American economy must begin with a review of the events in Vietnam itself and of the increasing U.S. involvement there.

From 1954 through 1963, the United States was providing minor amounts of assistance. Fewer than 1,000 American troops were involved. Beginning in November 1963, with the overthrow of the Diem government, the U.S. commitment increased, but slowly at first.