

as to the nature and extent of our commitment. Now, do you feel that this was a factor in the failure of the administration so dismally, starkly, to estimate the Vietnam cost last year?

You will remember in January, as you say, they estimated \$10 billion. It turned out to be, as you say, about twice that. In a sense, they were off 100 percent.

Do you feel this was a major factor here?

I don't recall that there was any escalation much beyond the assumptions that most of us made, and of course, as I say, Senator Stennis and one or two others were quite accurate.

Mr. WEIDENBAUM. I think blaming the entire \$10 billion underestimate on uncertainty is too charitable an explanation. I think, though, we need to realize that making the assumption that the war would be over, not a prediction, but an assumption that the war would be over by the end of the budget year, was the standard budgeting procedure for the Korean war, so there was plenty of precedence for making that assumption.

Chairman PROXMIRE. But then in the Korean war, as I recall, we appreciated a great deal more than was used, didn't we?

Mr. WEIDENBAUM. That is right, and this is one of the concerns that Secretary McNamara has expressed many times over, the desire to avoid making such unnecessarily premature funding of defense activities that when the war is over, we as a nation have an excess amount of materials in inventory and of funds available to the Pentagon.

However, granted that you don't want to be overly generous in the funds you make available to the Department of Defense for purposes of awarding contracts and committing the funds, and making that assumption, and that is an operational assumption that I personally respect the Secretary making—the point, however, is that assume, for fiscal policy purposes, as it was apparent, that the \$10 billion figure was an underestimate, that the war would not likely be over in June 1967, that perhaps it was still too early for preparing a supplemental appropriation—and this is the point that the hearings I read have been dwelling on—but the time wasn't too early to take the necessary fiscal policy action.

The statement has been made many times that during—

Chairman PROXMIRE. And if we had had this monthly series of reports, this monthly series that you have suggested, we would have been prepared to make a judgment as to whether or not taxes should have been increased, other spending reduced, and so forth.

Mr. WEIDENBAUM. I think so; and specifically the statement was made repeatedly that we did not know, the administration did not know, whether the supplemental, additional funds to be spent in fiscal 1967 for the military would be \$5 or \$10 billion, or somewhere within that range in excess of the initial estimate.

Grant that, that there wasn't exact certainty, however, knowledge was there that \$10 billion was too low, that the figure was going to be maybe \$15, maybe \$17, maybe \$20 billion.

Well, for fiscal policy purposes I don't think it was essential to wait until we could come up with the fine 19-point-something. As soon as the administration publicly admitted that there was an underesti-