

Mr. SCHULTZE. That means there is an increase of \$44 billion between fiscal 1965 and fiscal 1968.

The CHAIRMAN. Yes, sir.

Mr. SCHULTZE. Of that \$44 billion, assuming the additional \$4 billion military spending, there would be an increased \$29.7 billion for the Department of Defense—of the total rise of \$44 billion, \$29.7 billion is for the Department of Defense, including military assistance.

The CHAIRMAN. That is the difference between what we had in 1965 and what we may have in 1968.

Mr. SCHULTZE. The difference between 1965 and 1968, plus the \$4 billion.

The CHAIRMAN. Which we may have in 1968?

Mr. SCHULTZE. Correct. In turn, of that \$29.7 billion, \$3.8 billion would be exclusive of Vietnam. The remainder is for Vietnam—allocating the extra \$4 billion to Vietnam—leaving us \$14.3 billion for all other expenditures outside of the Defense Department and military assistance which, as I said, is included with the Defense Department.

The CHAIRMAN. Incidentally, does that include the Atomic Energy Commission?

Mr. SCHULTZE. It does not. I am doing AEC separately because you may wish it separately.

The CHAIRMAN. All right.

Mr. SCHULTZE. Turning now to the \$14.3 billion, let me first go through some of the major items and then come down to individual programs.

The CHAIRMAN. All right.

Mr. SCHULTZE. Of the \$14.3 billion, economic assistance to Vietnam accounts for \$0.5 billion, and interest on the public debt for another \$2.7 billion.

The CHAIRMAN. \$2.7 billion.

Mr. SCHULTZE. Correct. Pay increases during the intervening years, except for those already included for the Department of Defense, account for \$1.9 billion. Public assistance, including both cash and medicaid, increases by \$1.4 billion—cash assistance is about \$300 million of that and medical assistance is the remaining \$1.1 billion.

Then there is veterans' compensation and pensions, \$500 million; payments to trust funds for medicare—this is for the supplementary medical insurance and for the uncovered who are paid for by general revenue—\$1.1 billion.

Now, combining interest, pay in civilian agencies, public assistance, veterans, payments to the medicare trust fund, and economic assistance in Vietnam, the total increase for these items comes to \$8.1 billion if I have done my addition correctly.

Mr. CONABLE. How much is the economic assistance to Vietnam?

Mr. SCHULTZE. There is an addition of \$500 million on account of economic aid to Vietnam. Apart from the \$8.1 billion, then, there is \$6.2 billion for all other programs and I will now break that down—

The CHAIRMAN. All right.

Mr. SCHULTZE (continuing). In terms of its major components. First, the Department of Health, Education, and Welfare, exclusive of public assistance which I have already talked about, is up by \$4.3