

Let me give you an example—

Representative RUMSFELD. So, in this case, you are not really violating the principle you are stating in respect to Senator Proxmire's question?

Mr. SCHULTZE. No, sir; not at all.

Representative RUMSFELD. But on the other hand, you are leaving yourself the option—I should not say you, the administration and the Department of Defense—of programing ahead and making specific requests for specific things that they do not know at that point whether or not, according to your statement, they are going to require?

Mr. SCHULTZE. No, sir; that is not the difference. The key difference is that last year, because we were right in the beginning phases of a rapid buildup, we could not know what it was going to be like 18 months ahead. We still do not know exactly what is ahead—obviously, we do not—but we are in a much better position to know. We are on a curve now which is tapering off. We can see the future, barring major changes, much better than we could at that time.

Aircraft is a good case in point. The 1968 budget provides necessary funds, since aircraft have leadtime, to finance the attrition of aircraft to January 1, 1970. In the case of ammunition, which is a shorter leadtime item, about 6 months, the budget provides the amounts necessary to finance it, should the war continue to December 30, 1968. We did not do that, admittedly, at the time of the 1967 budget a year ago, because we were much less able to know what those attrition rates were going to be.

Representative RUMSFELD. Have you detected to any extent a desire to not make accurate prognostications over the near term because of an unwillingness to reveal military activities or a planned buildup?

Mr. SCHULTZE. No, sir.

Representative RUMSFELD. Construction activities?

Mr. SCHULTZE. No, sir.

Representative RUMSFELD. So, in other words, you are stating categorically that you do not know of any situation where tactical considerations, strategic considerations, or diplomatic considerations have dictated the stating of figures or estimates that are not as complete, full, and accurate as they could be?

Mr. SCHULTZE. No. Let's take a look at accuracy, since it has been brought up.

We missed substantially this year on expenditures and a budget deficit. We also missed in 1966, and in 1964 and 1965, but the other way. And if you add those 4 years together, it turns out that our predictions of deficits practically cancel each other out. We overestimated in some years and underestimated in others, but if you look at the record there is no—

Representative RUMSFELD. I am not thinking of how you net out over a period of 6 months. I am talking of the economic impact of poor estimates on a given year's policies.

Mr. SCHULTZE. I am saying again, Mr. Rumsfeld, that (a) we obviously missed, (b) we are in a war, and you miss in a war, and (c) the specific assumptions on which the 1967 budget was based in respect to the June 30 termination of the war were stated by Secretary McNamara time and time again. It was not concealed from anybody. We did not, admittedly, come up until this January with