

Chairman PROXMIRE. Before we go into Senator Miller's charts, I do have some questions. I can see why you are a great trial lawyer. This has happened to me at least twice. It happened to me the first time I questioned this morning and now a second time; just when I am about to launch into a useful and constructive discussion, you come up with something that makes it impossible for me to do it. We spend the whole time hassling over that, and that is the end of my 10 minutes.

I must say, without asking you for response, your statement that withdrawing four of our six divisions from Europe wouldn't have any positive budgetary or at least reduction of spending in the first year is on a false assumption that either you have to demobilize them completely, or the cost may increase.

Of course, what I have in mind is that we would withdraw those divisions from Europe and use them in Vietnam, and we can slow down to some extent the pulling into our Armed Forces through the draft other people who otherwise wouldn't be in the Armed Forces. And we can reduce to some extent the size of our total Armed Forces, which is now bigger than China or Russia, for the first time I think in many, many years, if not ever. So that what I have in mind is something that I think could be realistic, and would have a favorable budgetary impact, as well as a favorable balance-of-payments impact.

Secretary FOWLER. And present much more serious security problems.

Chairman PROXMIRE. Not necessarily; 42 Senators seem to disagree with you at the present time. They have cosponsored the measure, including every member of the Democratic policy committee, which includes Senator Russell and others.

Secretary FOWLER. Is demobilization, a reduction in the total force, a part of that proposal?

Chairman PROXMIRE. Well, no, but I think that certainly they would have in mind that we now have an Armed Force which is adequate to do the job we have in mind. If we withdraw four of those six divisions from Europe, we don't have to increase our reserve in this country by four divisions.

While I have the chance, let me get on to something else. In view of the great uncertainty in forecasting, which you have really reinforced this morning very well—and incidentally, it would have been an interesting chart if you had shown the average statistical error rather than the net effect—

Secretary FOWLER. I am sure that will be developed.

Chairman PROXMIRE. In view of the uncertainty that we face with the Vietnam war still going on; in view of the uncertainty we face with Federal Reserve policy on interest rates; in view of the fact that we are not sure what Congress is going to do on appropriations; doesn't it make more sense to follow a policy of trying to exert fiscal restraint by having the President control spending, which he can do without acts of Congress, rather than have it done by higher taxes now, with the notion that we can reduce those taxes later on? With the experience that we have had to either increase taxes or reduce taxes, it is likely to take 6 months or a year, and meanwhile we don't know what is going to happen to the economy.

Secretary FOWLER. Well, I think that fiscal restraint is very much a part of the President's thinking and his current budget. He has stated