

well as very greatly increase the income of these families, by following some practice of this kind you are proposing. Is that right?

Mr. WATTS. It would be right, except for the question of how many of the kinds of activities of the Bureau of Indian Affairs are adding real income to the Indians. My guess is that only a small part of these activities lessen the Indians need for income. But, to the extent that they do, something should be added to the \$2,000.

Nevertheless, my guess is that they would be better off with payments that approach the poverty levels for each family and gives them more freedom to resolve their own problems, and add to that by whatever they could earn. It seems to me that they could be much better off with more cash and less high-priced paternalism.

Representative GRIFFITHS. It is an ideal isolated situation, where you could just close the Bureau of Indian Affairs and give the money to the Indians, and see what happens.

Senator PROXMIRE, I would like to ask Dr. Pechman; I think either you or Mr. Rolph were talking about Vietnam. I should say we secured a speech that the former Budget Director, Charles Shultze—a colleague of yours now at Brookings—gave, in which he said that this is just about as illusory a benefit as you can get. Even if tomorrow, in Paris, they should agree on a cease-fire, the saving from reducing the activities of the Vietnam war is far away; it is going to take a long time to get that \$30 billion a year—several years.

In other words, this is something that we cannot expect next year, or the year after, or for sometime, to have as a dividend we can use elsewhere.

Mr. PECHMAN. I regret that Charles Shultze's speech on that point has been misinterpreted.

Senator PROXMIRE. As I say, I got a copy of the speech and I went over it pretty carefully.

Mr. PECHMAN. I think he tried to warn us that, unless we watch out, we will be spending the money we allocate now to the Vietnam war on other military programs.

Senator PROXMIRE. I got from the speech that we are going to have to spend quite a bit on continuing military commitments.

Mr. PECHMAN. I did not interpret it that way, and I asked him if he honestly thinks that, and he said "No." You must distinguish between Mr. Shultze's forecast of the probable level of military expenditures and a statement of his policy preferences.

I should think that the Congress would be very alert, and I hope the next administration will be very alert, to this problem. We ought to impose serious controls and restraints on the industrial-military complex in this country.

The hard problem, the hard question, is whether the extra \$10 or \$20 billion going to increase the national security of the Nation? While the military can probably tell you that they need this particular kind of system for a particular purpose, whether it indeed adds to our national security depends on other considerations.

Senator PROXMIRE. Well, I disagree with the antiballistic missile system. To me, it is just another long step in our arms race escalation process. But a lot of people disagree with me. My political experience in Washington has convinced me that Defense tends to get what it