

you are making to move out of this program and into some other programs.

Chairman PROXMIRE. Now, how about the defense sector? You are going to cut, say, half out of defense and half out of nondefense?

Mr. ZWICK. That is right.

Chairman PROXMIRE. And just superficially that might seem quite fair. But on the other hand, we know that we have had an enormous buildup in defense. The *Congressional Quarterly*, which is very responsible, had a thorough and comprehensive analysis of defense, said that we could cut \$10.8 billion out of it, \$10.8 billion of appropriations, which would be a substantial amount of expenditures, and have a better defense position than we have now, at least in terms of combat readiness. It would mean we would have to reduce logistic operations considerably. How realistic do you feel this is?

Mr. ZWICK. Well, again, the question of whether you can cut more in civilian programs or defense programs involves priority issues, and how individuals weigh them. But if you just look at the expenditures in the two groups of programs, as I have outlined them in my testimony, you had roughly in the 1969 budget the same amount of money estimated to be spent in the two areas, \$51.3 billion in DOD, military, and military assistance other than Vietnam, and \$50.6 billion in civilian programs. If you look at controllable obligations, it was a little heavier in defense than it was in the civilian area.

If you look at the problems in cutting, which we tried to do, this \$3 billion—\$3 billion outcome made sense. We didn't do it quite as simplistically as it might appear at first blush.

Looking at defense directly, we are anticipating, as my testimony indicates, congressional cuts of \$2.1 billion. This is basically based on the assumption that the House mark would carry in the Senate. We are assuming that.

Chairman PROXMIRE. You may be a little optimistic on that. It is very, very difficult for the Congress to cut defense.

Mr. ZWICK. I understand.

Chairman PROXMIRE. Especially in view of the Russian invasion of Czechoslovakia and so forth.

Mr. ZWICK. I understand.

Chairman PROXMIRE. Unless the executive takes the initiative—the Commander in Chief tells us that he can do with a little less—it is hard for a Member of Congress not to give the boys in Vietnam and elsewhere in the world what the Commander in Chief says they have to have. It is up to you fellows in this area of discussion.

Mr. ZWICK. The President, it seems to me, on this, Senator Proxmire, has been quite clear. A, he first would prefer his January budget rather than this budget, but, B, if he has to live with this budget, he will take \$3 billion out of defense and \$3 billion out of civilian programs.

Now, I don't see how Congress could ask for a more clear statement from the President as to how he sets priorities.

Chairman PROXMIRE. Let me ask you, do you project a budget surplus for the second half of the fiscal year?

Mr. ZWICK. Yes, sir.

Chairman PROXMIRE. How big?

Mr. ZWICK. Well—

Chairman PROXMIRE. Can you break that down by quarters?