

Mr. ZWICK. It will be one or the other.

Senator PROXMIRE. And it will be made available to the Joint Economic Committee?

Mr. ZWICK. Yes.

Chairman PROXMIRE. What are the current assumptions in the administration regarding the future level of defense expenditures in the event of no immediate change in the Vietnam war, and also an end of the war?

Mr. ZWICK. Well, on the Vietnam war—

Chairman PROXMIRE. What is the current defense expenditure level, \$82 billion, something like that?

Mr. ZWICK. It ended up in fiscal 1968 at a level of \$77.8 billion, including military assistance. You will note on the very last page of the summer review that after the \$3 billion cuts, we are assuming that total defense spending is coming down from the 1968 level of \$77.8 billion to a 1969 level of \$76.6 billion, excluding the pay raise. We will have to put the pay raise in.

But excluding the pay raise, we are projecting a \$1.2 billion decline in the defense budget in fiscal 1969, in face of an increase of roughly \$1.3 billion for Vietnam. So all other defense programs are down \$2½ billion dollars, and that is a tough course for Secretary Clifford to follow.

Chairman PROXMIRE. I can see a tougher course now. You indicated to us this morning you expect, you hope, and anticipate a \$20 billion reduction from Vietnam.

Mr. ZWICK. That is right.

Chairman PROXMIRE. Assistant Secretary Anthony told me in the Appropriations Committee when I asked him that he anticipated that the defense budget would be at a level of about \$75 billion after Vietnam is over which indicates very little saving.

Mr. ZWICK. This goes back to the comment I made to Senator Percy.

Chairman PROXMIRE. This goes back to the Russian-Czechoslovakian—

Mr. ZWICK. That is a public policy decision ahead of us. That is a public policy decision still to be faced.

Chairman PROXMIRE. I wish you would give me a specific reply. I asked you earlier, and it was a confusing question, I am sure. I asked many things in connection with it. But I would like your reaction to the *Congressional Quarterly* estimate.\*

Mr. ZWICK. Yes.

Chairman PROXMIRE. That \$10.8 billion could be cut out of the defense budget, and improve, or at least without hurting, our capability.

Mr. ZWICK. In gross terms I can answer the question. I have seen Secretary Clifford's reply to you on this, and I concur in general, without getting into specifics of every system. I think it is just obviously incorrect to say that you could cut the Defense budget by \$10.8 billion and improve it. This is some sort of theoretical construct that every organization in the world has, some level of efficiency that you could get to if some magic was performed. But I just do not believe—

Chairman PROXMIRE. They are very specific and definite.

Mr. ZWICK. Yes.

Chairman PROXMIRE. Mr. Phillips went into great detail in writing it. It is a fine article.

\*Congressional Quarterly Weekly Report, No. 26, June 28, 1968, pp. 1605-1610.