

Mr. SCHULTZE. It is not the charge of that committee.

Representative CURTIS. It is not?

Mr. SCHULTZE. It is not.

Representative CURTIS. That is what I wanted to be sure of.

Mr. SCHULTZE. The committee stems from the President's Economic Report, where he charged the Chairman of the Council of Economic Advisers with taking the lead in planning for post-Vietnam.

Representative CURTIS. I am of course pleased to see that emphasis. But in the light of what happened in fiscal 1967, and in calendar year 1966, and the failure to anticipate the levels of Vietnam spending, I would be impressed if we were to have a task force on that.

Is the Secretary of Labor or the Manpower Authorization Board geared into this task force?

Mr. SCHULTZE. Yes, sir.

Representative CURTIS. I was very disappointed earlier this year when I asked the Secretary of Labor about the Interagency Advisory Committee on Essential Activities and Critical Occupations. I found that they have not changed any assumptions since 1962 in the use of manpower. Now, I think one of the great problems we have here is matching military need for skills with the civilian skills.

Some of the work of the statistical section of the Department of Labor shows a correlation between military needs for skills and those existing in a civilian society of around 80 percent and over. You say in your statement, 2 million men were added in the Armed Forces in the first year and a half of the Korean war buildup, and you say that in the comparable Vietnam period the size of the Armed Forces increased only one-third as much.

Mr. SCHULTZE. About 750,000.

Representative CURTIS. But what is equally important from an economic standpoint, how great is the buildup of the munitions industry in the two periods?

Mr. SCHULTZE. The munitions industry—I am not sure I could tell you, but I could give you an indication of some defense procurement.

Representative CURTIS. By munitions industry I mean in effect that which has been increased as the result of the Vietnam war. And I have used the term "munitions industry" broadly to describe any such industry. For instance, the textile industry was affected quite a bit by last year's buildup in military procurement. I think this is an important figure, because the administration in my judgment has lost sight of the fact that to some degree our unemployment statistics—and they are very favorable, of course—reflect this kind of manpower authorization, the 750,000 additional in uniform, plus around a million and a half, probably, in the civilian munitions type area. But that is a rough guess.

Mr. SCHULTZE. Of course, Mr. Curtis, everybody is quite agreed that undoubtedly there is a significant increase due to Vietnam—as I indicated, 3 percentage points of our gross national product is going into Vietnam, and on the labor side this means large numbers of workers, both directly and indirectly. I figure, of course, that if we hadn't had Vietnam, then fiscal policies would have been proposed and adopted by the Congress, which we believe could have maintained the same level of prosperity without Vietnam.