

And I emphasize the word "transfer," because this is, as I see it, a key—there is a real cost involved in the transfer. We mentioned the GI bill as one of the costs in transfer, and one that I frankly think is a good one, but it does increase our governmental expenditures. The disabled veterans' benefits is another factor in this transfer that is important.

But also in this transfer there is an increase in the training and retraining that is going to have to go on in the private for profit sector. According to their estimates, they have come up to an expenditure level now of around \$14 billion a year in training and retraining. Now, if training and retraining is increased to some degree, and requires a shifting of plant, modifying it in whatever way is necessary to get a peacetime product, to get the plowshare instead of the spear, it also has a cost. This all relates to the corporate profits and other business profits, which in turn relate to the revenues that the Federal Government can count on.

I am explaining why I was critical of quoting Secretary Fowler's assumption that the revenue of the Federal Government would continue at the same level as we are experiencing during the Vietnam war operation. Have you made any estimates of the costs involved in transfer, including increases in expenditure of the Federal Government—and I mentioned a couple of areas—as well as the effects on Government revenues.

Mr. SCHULTZE. I have not made an estimate specifically along those lines, Mr. Curtis. My own view would be that the actual cost of transferring resources, while it exists, is not by any means massive. For example, the GI bill—

Representative CURTIS. May I argue with you a little by giving another illustration. After World War II, the demand for our agricultural products, of course, fell way off. We had asked our farmers to plow up additional acreage in order to be able to meet the wartime demands for agricultural products until the Western European countries and other countries came back into industry. This created a problem in transfer after the war, and I think rightly so. And we said to those under our subsidy programs, we are not going to leave you high and dry. We never did effect a transfer because we just continued the support after that.

I am trying to illustrate some of the costs involved in transferring resources. This is what I hope the Ackley committee is going to direct attention to, both the cost of transferring resources; namely, plant to peacetime production, but probably even more costs, and certainly more important, the cost of changing manpower skills.

Mr. SCHULTZE. I agree with you, Mr. Curtis. Undoubtedly that is an area that requires a good bit of investigation and study, but all I wanted to point out was: Don't overemphasize the cost of the transfer.

Representative CURTIS. I can't, because I don't know what the costs are. And I would argue the other way. I think the administration not only underemphasizes the costs, but is not even coming up with some estimates. I don't know what they might be. But I do know that these problems have been very real in previous wars.

Mr. SCHULTZE. When we went into Vietnam the transfer cost was not a really serious one, because of the relatively modest proportion