

on actual experience, which types of defense workers had difficulty securing reemployment and what factors seemed to help them and what to hinder them.

We have also underway two studies dealing with the transferability of skills from defense to civilian-oriented production, pages 20 and 21. The purpose of this effort is to identify opportunities in the non-defense sector of the economy for defense engineers and highly specialized technicians and blue collar workers. The resultant information can be used to help ex-defense workers find new employment and at the same time to promote the efficient utilization of the Nation's skilled manpower.

IMPACT ON REGIONS AND COMMUNITIES

As you know, there is uneven geographical distribution of defense spending in the United States. Some States, some smaller regions, and some communities are almost unaffected by defense spending, whereas others are greatly dependent on it. We have therefore designed research, and we have received some useful results, in the field of community or area readjustment to reduce defense spending. One contractor examined Baltimore, Seattle and southeastern Connecticut. page 23 of the exhibit. This study examined the potential impact of assumed reductions in defense spending and estimated the economic effects in the metropolitan areas. It also provided a voluminous checklist of policies and programs which should be considered, in order to facilitate adjustments. The checklist covered things which might be done by the Federal Government, State and local governments, private industry, labor, et cetera.

One result of the portion of the study that dealt with southeastern Connecticut was the formation of a regional economic development commission by the 16 or so communities involved and a proposal by this commission to the Federal Government for financial assistance in preparation of an economic diversification plan and in evaluating the effectiveness of the plan and its implementation after the latter had been carried out by the local authorities. I am glad to say that the Department of Commerce, with some financial participation by our Agency, has made a contract for this purpose, after appropriate coordination with the New England Governors, and so forth. If a successful plan is developed for this heavily defense dependent region, it should be of value as a prototype or guide for other parts of the country.

Another study is one which deals with the consequences of the closing of some of the bases covered by Secretary McNamara's announcement in late 1965, page 27 of the exhibit. This study will examine the results for the people employed on the bases at the time of closing, for the physical installation, and for the community or area, including local commercial or industrial establishments involved in supplying the bases. We selected military bases in Pennsylvania, the South, Kansas and the Far West, some near large communities and some relatively isolated.

In conclusion, I should like to mention that our Agency in every instance coordinated proposed research in advance with other ap-