

been directed only to consider decreases and yet, if I may argue a moment here, I think if you were involved in increasing military requirements, you would gain great insight into how we can decrease. Do you see what I am getting at?

Mr. ALEXANDER. Yes, sir.

Representative CURTIS. Would you comment?

Mr. ALEXANDER. Yes. I agree that we need to be involved in the increases, in the sense of knowing what is happening. I think we have no jurisdiction or right to be deciding or helping decide how much the increases are.

Representative CURTIS. No, no. Nor do you have anything to do with how much the decreases are; but as I understand it, we have asked you to see what the impact will be. The decisions on defense spending must be as a result of other policies and very basic policies. But it still would be important to relate the problems involved in increasing the use of skills, the use of plant facilities, and all the rest. They are related to the problems when we deescalate, which leads me to an observation you make. You say:

MEASUREMENT OF IMPACT

The first group of studies attacks the problem of measurement of impact, in terms of geography, industry and people, which would result from termination of particular kinds of defense expenditures.

Let me urge you to put in there, probably at a higher level—skills—the impact in terms of skills. I think a great deal of the focus should be on the skills and the correlation between the skills. I would hope that a great deal of our studies would be in the area of following this point through on the basis of skills.

I think those are the points I want to make.

I am most pleased to have this Agency testify before us. I hope that this committee will keep in touch with your organization. We should be on your mailing list for your studies, as they come out, and the Joint Economic Committee should be on your mailing list. Thank you, Mr. Chairman.

Chairman PROXMIRE. Thank you, Mr. Curtis. I would like to suggest one final question.

I noticed, Mr. Alexander, in studying your exhibit, that this was the impact on industry and employees, by and large, in the 1963–64 period, and in 1965. At any rate, it is a period in which there were two factors involved.

No. 1, there was obviously no overall reduction in defense spending.

No. 2, it was a period in which the economy seemed to be moving ahead, unemployment dropping, opportunities for both industries and employees improving. It is quite different, therefore, than the possible effect of a substantial decrease spending in the area of \$15 to \$20 billion.

Under those circumstances, I would assume that it might be quite a bit more difficult for both industry and employees to adapt to a situation in which the whole economy has been affected.

Mr. ALEXANDER. I think that is entirely right.

Chairman PROXMIRE. Fine. Thank you once again.

Representative CURTIS. Could I ask one other question?