

Chairman PROXMIRE. Thank you very much, gentlemen, for three very, very interesting and helpful papers. I must say that I am most impressed.

I would like to start with Mr. Eisenmenger. Mr. Eisenmenger, as I understood you to present your paper, it was your emphasis that the reason that New England was able to make this remarkable adjustment which you describe is because of the fact that we did have a buoyant economy, we did have diminishing unemployment throughout the country during part of this period, much of this period, and for this reason there was a demand that available workers and industry were able to fill, and that if we had not had this, the transition would have been more difficult, if not impossible, is that correct?

Mr. EISENMENGER. Yes; and my other point was that the adjustment process in New England really took a lot longer than you would expect in the case of a similar loss of economic base in other areas. In New England adjustments were required of depressed, highly specialized textile communities which had the problems posed by older workers, an immigrant labor force and the absence of growing industries.

You just didn't have any of the mobility then that you have in our rapidly growing metropolitan areas today. The adjustment problems were centered in small metropolitan areas, not in diversified metropolitan areas such as Hartford, Boston, or New Haven, which I might add, really didn't have any serious problems after World War II. Thus, it is not valid to compare the rather specialized problems of New England's textile communities, which had almost everything going against them to those of the rapidly growing, sophisticated and diversified metropolitan areas which receive most of our procurement contracts today. These areas would have almost everything going for them if there should be an adjustment.

Chairman PROXMIRE. What would you say we have learned from that particular adjustment that we can use in the Vietnam war situation, other than the point that has been made very well by Mr. Suits, Mr. Bolton, and you, that we obviously should follow a policy, tax policies, spending policies, and monetary policies that will stimulate the economy and keep the level of demand at an appropriate rate? What mistakes were made that we can avoid in the future, and so forth, in this particular New England situation?

Mr. EISENMENGER. I don't know if anyone could really have anticipated the problems in New England.

Chairman PROXMIRE. I am not saying that you could have anticipated them, but having gone through them.

Mr. EISENMENGER. What we could have done?

Chairman PROXMIRE. Yes; perhaps increased mobility is one possibility.

Mr. EISENMENGER. Yes. I hate to have a fatalistic view about these things, but you had so many people who were just about ready for retirement, older people who had held only unskilled jobs all their lives, in New Bedford and Fall River. You couldn't really expect such people to move to other areas. It is pretty hard to visualize any mobility program that could have helped them.

Chairman PROXMIRE. One of the points that your observation suggests is that we have been working in the Senate in the last few days