

Mr. SUITS. That is right.

Chairman PROXMIRE. It doesn't follow all the way through.

Mr. SUITS. That is right.

Chairman PROXMIRE. And it could be substantially higher.

Mr. SUITS. That is right. If one takes this plant and equipment into account, it could very easily be as high as three.

Chairman PROXMIRE. Why do you figure that the employment multiplier of a Government shipyard is lower than a private shipyard.

Mr. SUITS. I haven't any idea. I refer that to my colleagues.

Mr. EISENMINGER. I was the one who made that statement.

Chairman PROXMIRE. You were the one who said that, I beg your pardon.

Mr. EISENMINGER. At a Government facility such as a shipyard, most supplies are not obtained in the immediate metropolitan area.

Chairman PROXMIRE. You weren't talking about the national multiplier.

Mr. EISENMINGER. No, no; the local multiplier.

Chairman PROXMIRE. The specific local. That would answer it.

Mr. EISENMINGER. At the Portsmouth shipyard many supplies are obtained from outside.

You also have the special situations that many of the shipyard workers live outside of the Portsmouth area. They travel 30 to 50 miles to Portsmouth, because the shipyard pays high wages. Thus, there are some special conditions involved in that estimate of the Portsmouth Shipyard multiplier.

Chairman PROXMIRE. I have another question for Mr. Bolton. I have worked, as I think Congresswoman Griffiths has too, on the depressed areas legislation. Senator Paul Douglas, who was chairman of this committee, was a great sponsor of that legislation and I co-sponsored it. We sponsored it on the basis of feeling that there is real value in trying to preserve a community, and of course you can go too far in this direction, but you do have the facilities there, you have the schools there, you have in some cases, in many cases you have a good strong civic sentiment of people who want to stay together and work together, and so forth.

Doesn't your analysis suggest a somewhat callous view toward the community that has lost contracts, that has become very heavily and deeply involved in defense work? Then when the Vietnam war is over, we have a deescalation, you walk away from it. Isn't there something there that maybe is a little more than just straight economic analysis that we ought to fight to try and give the people there an opportunity at least to preserve?

Mr. BOLTON. I don't think it is callous, Senator.

Chairman PROXMIRE. Maybe "calloused" isn't the right word. I would just say ignoring other values possibly.

Mr. BOLTON. Let me say a few things. There probably aren't going to be that many areas, and I put in those remarks just to make sure that we didn't try to preserve every single community in the country.

Now I don't think it is callous, because I was very careful to say that the people in the areas should be helped, but I am trying to say that it may be better simply to help them by giving them transfer payments or perhaps an early retirement plan, or something of this