

would otherwise be a rapidly declining defense budget, to make up the deficiency between present soldiers' pay and something like a national minimum wage.

Secondly, if unemployment does rise, Mr. Wool's figures suggest that enlistments are somewhat sensitive to unemployment.

Third, while I can't be sure, I rather imagine that the war in Vietnam reduces the incentive to enlist rather than increases the incentive to enlist, so that there may well be an opportunity to come close to getting away from reliance on a draft.

Chairman PROXMIRE. Let me get back to the emphasis of my question, which is, What economic impact, if any, do you anticipate by this demobilization?

One of the fascinating figures that I saw—and I haven't seen it confirmed—was reported in the Wall Street Journal as coming from the Veterans' Administration, that whereas 29 percent of those of us who were in World War II took advantage of the GI bill of rights to go to college, after the Korean war, 50 percent did, and in this war, the Vietnam veterans are going back at the rate of 84 percent.

I don't know if this is true, but it would suggest that at least a much higher proportion of those who leave the Armed Forces in Vietnam are going to college and, therefore, we don't have the economic problem of unemployment in the sense that we might have, but we do have a serious economic problem of educational adjustment to higher enrollment in our educational institutions.

Mr. SCHELLING. Yes, but this is the same problem we knew we would have. It has only been partly deferred for a couple of years. Some of the World War II baby boom hasn't yet got to us. This is a problem over the next decade, and not seriously augmented by the number of young men who will come out of the Armed Forces.

Chairman PROXMIRE. Did either one of you other two gentlemen want to comment on this?

Mr. WOOL. I would like to, if I may.

Chairman PROXMIRE. Yes, Mr. Wool.

Mr. WOOL. I was with the Department of Labor shortly after the end of World War II when, as you will recall, there was a tremendous concern about the problems of the postwar readjustment, and we followed the trends very closely. As you well know, in spite of the massive demobilization under those conditions, it did not occur.

Now, you have already mentioned, Senator, one of the reasons that is, that a considerable percentage of the returning veterans do not in fact immediately reenter the labor force; in fact, more veterans were collecting readjustment allowances than showed up in our census surveys as actively looking for work in this transitional period; but the point here is that with the overall economic situation, with the huge pentup demand for civilian production, then—

Chairman PROXMIRE. We don't have pentup demands now, do we?

Mr. WOOL. We do not, but at the same time, the demobilization was far greater than anything we are talking about now. It would seem to me that, given the much lower level of volume of separations in a de-escalation than anything we had in the past, that the overall economic situation would be far more important; in other words, other demands generated in the economy in terms of the absorption of, let's say, several hundred thousand more men separating from service—