hearings instead of conducting these executive commission kind of things behind closed doors where you do not even make your working papers available to the Congress or anyone else?

If you are so sure of your system, then let us see a few of your working papers, and I hope the Kennedy study group will start getting some of these working papers and getting into this area. Even our Armed Services Committees had commissions of their own conducting these same kinds of studies behind closed doors. This today is one of the few dialogs conducted in public.

Yes, I challenge your fine opinion of your own organization, although I compliment you for having that esprit de corps.

Chairman PROXMIRE. Professor Oi, I would like to ask you, How did you arrive at this $325 a month figure?

Mr. OI. I used the same supply curve that the Department of Defense did. On the assumption that the relevant measure of first-term pay is the measure of base pay, the value of quarters and subsistence——

Chairman PROXMIRE. When you say $325 a month, are you talking about pay alone?

Mr. OI. No; $70 of that is subsistence, quarters, allowance, and an implicit tax advantage, so that the cash money that the man gets is $255.

Now, the reason why I disagree with the DOD high estimates is that these impute values to medical care, dental care, et cetera. Their reckoning of first-term-pay percentage increases implies that the first-term pay of a recruit over his first 3 years of service must be from $7,100 per year to as high as $13,000 per year to attract 20 percent of the youth, and I have difficulty swallowing that. It just does not go down.

I estimated the necessary pay increase from the estimated supply curve, and then applied this pay increase across the estimated age distribution of the force to arrive at my cost figure.

Chairman PROXMIRE. As I compute the figures here, even if you simply paid the recruit the minimum wage of $1.60 an hour, and you assumed that the hours—which is quite an assumption judging from the experience I had in the Army, especially as a recruit—that you only work 40 hours a week and 4½ weeks a month, this comes out to $288 a month.

Mr. OI. Right.

Chairman PROXMIRE. If you assume that the average factory wage in this country would be competitive, you come out with a figure of $505. The average weekly wage was $144.25, which was in March of this year.

That would seem to me to be fairer than the minimum wage.

After all, in the city of Milwaukee, for example, we have very low unemployment. This is true in many parts of our country. There is no problem at all for a man to go out and get substantially more than the average factory wage, but the average factory wage would give him far more than you suggest here.

I am just wondering if $325 a month would be competitive in the sense that they could do better financially by taking these jobs.