

Representative RUMSFELD. Let me stop you there. My time is up, but I would like to pursue this. Say for 1 year's service the actual pay in 1963 was \$1,830 on this chart, and Dr. Oi is proposing \$3,130 for the first year. The studies you recited in your testimony I assume were based on asking questions and trying to determine what an increase from that \$1,830 would do with respect to retention or attraction of people to the military; is that correct?

Mr. Wool. It was based upon the observed behavior of how many men actually enlisted, given a fixed uniform military pay scale, and differences in civilian earning opportunities for them. From that relationship, based upon their behavior, we developed certain estimates. In other words, it wasn't based simply upon asking them in an opinion poll.

We found this is often of limited value in this context. We did have observed behavior to go on, but very limited observations.

Representative RUMSFELD. But at any time, did your studies approximate the \$3,130 figure for the first year that Dr. Oi is suggesting, so you could evaluate what impact that would have?

Mr. Wool. No. We had to—

Representative RUMSFELD. They were all substantially below that.

Mr. Wool. We were looking at the actual behavior under existing military pay scales and under existing civilian earnings as they differed throughout the country.

Representative RUMSFELD. Right. This is where I want to arrive. It sounds to me like what we were saying then. We were saying in your policy or in your survey, your study, you were saying to people "Okay, the competitive rate roughly is \$3,130. Now we would like to have you work for \$1,830 and we want to see how many will do it for that figure that we are presently paying, but let's see what maybe \$2,000 would do," all of which is way below the figure of \$3,130.

I don't see how you could get very accurate figures or studies, if you are asking a person whether he wants one worm, or two worms, or three worms in his apple. Or asking him if he wants 50, 55, or 60 percent of what he could earn elsewhere.

Mr. Wool. I think the true value, the economic value of the military service for the young men, in this country, is not truly measured by these cash comparisons.

Representative RUMSFELD. I am trying to understand your studies. You are citing them in your pay program.

Mr. Wool. Yes. In our studies we simply said this. In fact, given current military pay levels and current civilian earnings levels, what happened. What proportion of our men did volunteer, and of these, how many volunteered purely on a voluntary basis without draft motivation?

We found that a certain percentage did it at the prevailing military pay level, and we had to extrapolate from the changing relationship as we found it among parts of the country, with their different civilian earnings levels, what might happen if in fact we moved up on this curve to a higher level of military pay. It was a forecast.

Representative RUMSFELD. Nowhere near \$3,130.

Mr. Wool. Yes. It went up to the possibility as you can see for the average of 4 years of service, for example, of \$8,700 as an average in the first 4 years of service, under the high probability range.