Now this was a judgment. It was a judgment made by Dr. Oi and his colleagues as to the pattern of the supply curve. It was one of the biggest we had to make. And Dr. Oi found it convenient not to show these standard errors. But we felt it essential that we show both the range below our best estimate and the range above it, because there is a great deal of uncertainty as to these responsiveness factors.

Representative RUMSFELD. I will stop there. I do think we owe Dr. Oi and Dr. Schelling a chance to comment on that, because I think this is an important question.

Representative CURTIS. Proceed.

Representative RUMSFELD. Yes, could you two comment on it? Dr. Schelling, would you comment, or Dr. Oi.

Mr. OI. First of all, you state your high estimate as $8,700?

Mr. WOOL. For the first 4 years.

Mr. OI. Because your paper lists the average first term pay as $3,415 and we would need a 200-percent increase on that for the high estimate. To reach your high figure I would have to add $7,830 to the $3,415. I am having some trouble trying to reconcile the two figures. The reasons I did not use the high estimate are: first, it led to very implausible results; second—and this is a technical point implicit in the very method by which we are estimating—within the regression equation our independent variable contains some observational errors giving it a bias toward zero. Consequently, if anything, we should take either the point estimate or the point estimate plus one standard deviation—certainly not less.

Therefore, I believe that the high estimate is just implausible.

Representative RUMSFELD. Thank you, Dr. Oi.

Now, just to conclude this, Dr. Schelling, the question that Dr. Oi has responded to and the question I am interested in is would you comment on the assumptions that Mr. Wool's study and the citations are premised on. As I understand it, they are based on a 4-year pay, is that correct?

Mr. OI. Three and a half.

Mr. WOOL. The base figures used were the average pay on the first tour of duty. From these, we developed other relationships for career people, too.

Representative RUMSFELD. It seems to me that the critical years are the first two or the first one.

Mr. WOOL. The first term of enlistment is up to 4 years. The standard tour of enlistment in the Navy, Air Force, and Marine Corps is approximately 4 years, so we looked at that total.

Representative RUMSFELD. Dr. Schelling?

Mr. SCHELLING. If we had time, I should like to hear Mr. Wool repeat some of his very cautious remarks about the scarcity of pertinent data and the need to make very crude estimates based on what data we have. Those expressions of cautious uncertainty were more worthwhile than arguments over figures that, it has now been established, are barely worth arguing over.

On this question of the range of error, while I think it is always worthwhile to provide us a range of error, Mr. Wool's range is based on the standard error of a regression coefficient calculated from a very small number of observations of barely pertinent data, and I am not