

Representative CURTIS. I should have given the reason so you can comment on that, in our study and the study that you are directing our attention to as the Government directs goods and services, it really doesn't matter whether it is education or something else, because it shows the impact. That is, at least as far as the more narrow band that we are considering when Government gets directly into business itself, the field of education is not one that traditionally we have identified in the before-profit or the totally economic sector of our economy.

Mr. GAINSBROUGH. Yes; public education is regarded, I believe, as a warranted form of expenditure by those right of center, although I know in some instances those extremely right of center would wish to see more of this in the private sector.

Representative CURTIS. That is true.

Mr. GAINSBROUGH. I did want to offer a comment on the thesis of the productive character of some of these expenditures and employment. At times I will lecture at State universities, and rather than have my compensation come from New York University and appear in the private sector, that compensation for a lecture at the University of Wisconsin or Iowa will appear in the public sector. Yet I am performing exactly the same service in the public sector as in the private sector. This is the underlying rationale.

The steel corporation, for example, has men in uniform and calls them security officers. These expenditures appear under the private sector. If these men were in the garb of municipal police or in the military uniform, the same service might well be performed and appear in the public sector rather than in the private sector.

I can remember at one meeting of the American Economic Association, where I was taken to task for aggregating figures of this sort, and being concerned about the growth of Government. The then president of the American Economic Association turned to me and said one huge sector of expenditure was the military, and was I in any way advocating that the military be moved over to the private sector and compensated there rather than in the public sector?

It was recognized, of course, even by Adam Smith, that some of the expenditures by Government belonged basically in the public sector—the police force, the military.

Representative CURTIS. Let me comment there because it brings home a point I have been trying to get across in the Congress and elsewhere for some time. In the field of education, particularly vocational education, I think the military bill must run around \$2 or \$3 billion a year. Yet, because it has had a uniform put on it, it isn't identified as vocational education. There has been practically no coordination of the military training programs with the Federal vocational education programs, apprenticeship training programs, which is Federal, too, and not with the State and local training programs and educational programs that go on. So following your basic thesis of breaking out these endeavors and looking at them, here is a good one to break out from the military.

In fact, this committee over a period of years has been involved in that very thing and we have used the phrase: "Let's take the uniform off of this activity to see whether it is well performed and better per-