

Chairman PROXMIRE. Congressman Rumsfeld?

Representative RUMSFELD. Mr. Secretary, I found your remarks this morning very interesting.

Reviewing your statement, and recalling your remarks in answer to questions, you have said that the United States has seen 7 years of unprecedented economic expansion. You have referred to it as extraordinary.

And I suppose it could be described that way.

But, what disturbs me is that I question whether it can be described that way if it is put in the context of a war economy.

Is it correct that at no place in your statement do you relate what is going on in this country economically to the war, and in no place in your statement do you adjust any of your figures to reflect the impact of the war?

Secretary WIRTZ. There is no—so far as I can think of—no reference to that.

Mr. RUMSFELD. For example, where you mention the national unemployment rate, and say by this measure we have done very well indeed—referring to the fact that the rate—in percent—stood at 6.7 in 1961, went to 5.7 in 1963, 4.5 in 1965, 3.5—3.8 in 1967, and 3.5 in 1968.

The lowest since the Korean conflict.

The Korean conflict represented a war economy, just as the economy today does.

Taking the last five words of your statement, it would seem to me, rather than saying we have done very well indeed, that just the reverse would be true—that if one compared the economy today with the last comparable war economy, we find that this is the benchmark, and that in fact we have a higher rate of unemployment today in a similar economy than we did during the last war economy. And, certainly, the dates that are indicated here reflecting the downturn in the rate of unemployment also reflect precisely the increase in the effort with respect to the war in Vietnam.

Now, not mentioning that seems to me to throw a very interesting statement—had it been put in perspective, a very useful statement—it seems to me it throws it right out as far as usefulness goes.

Secretary WIRTZ. I perhaps mistakenly assumed the reading by all the members of the committee of the report on which these hearings were based, and that matter is covered in detail on pages 89 to 91. I have gotten allergic to statistical comparisons, I feel almost self-conscious when I use them.

But we could perhaps advisedly take the period to which you refer. We ought to consider it on all its points.

For instance, we ought to consider that during that period prices rose—I will correct the specific times and figures for the record—but what I am about to say is very close—prices rose in a 9-month period by, I think, 8 percent. That was the situation then.

Now, we have avoided that this time. I realize this is a different point from the one you are making. And I want to come to the one you are making.

If we were to go back over a historical period—incidentally, we had to go to direct wage and price controls then—we would take