

Task Force on Defense Spending,
The Economy & The Nation's Security
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CO-CHAIRMEN:
SEN. JOHN HEINZ
SEN. TIM WIRTH

FOR IMMEDIATE RELEASE

Tuesday, May 22, 1990

MEMBERS:
MR. NORM ABRAHAMSON
REP. TOM CAMPBELL
REP. NICHOLAS MAZROZZI
MR. BRISTON TOWNLEY
MR. ALEXANDER TROWER DDE

**NEW TASK FORCE FOCUSING ON
EFFECTS OF DEFENSE CUTS**

A bipartisan task force of government officials, industry and labor representatives, and private experts, which held its first meeting today on Capitol Hill, is looking at policy alternatives to ease potential economic problems stemming from the decline in U.S. defense spending.

The Task Force on Defense Spending, the Economy, and the Nation's Security will analyze the impact of declining defense spending on national and local economies, and evaluate policies to assure continued economic growth and to preserve the industrial and manpower resources critical to national security.

U.S. Senators John Heinz (R.-Pa.) and Tim Wirth (D.-Colo.) are chairing the group, scheduled to make final recommendations in a 1992 report. Interim reports also will be prepared.

The group's first meeting focused on the impact of defense cuts on research and development and its implications for industrial competitiveness. Former undersecretary of defense William Perry led off the two-hour discussion.

According to Heinz and Wirth, task force members will work individually and as a group to implement policies. "Unlike most study groups, this task force will do more than talk," they said. "We plan to develop an action plan to bring about whatever policies we conclude are desirable."

Defense Cuts Present Opportunities and Problems

While substantial reductions in defense spending over the next few years will free resources to reduce the deficit and solve domestic problems, organizers of the task force want to look at policy options for dealing with potential problems caused by the cutbacks.

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"In the short-term," Heinz and Wirth said, "cuts in defense programs can have adverse economic effects on local communities and certain parts of the country, on certain types of engineering and scientific disciplines, and on various labor categories, as well as on key industrial sectors."

In addition, they said, defense cuts also raise national security questions, such as how to retain an adequate industrial mobilization capability with smaller defense purchases.

"If the opportunity presented by declining defense needs is to be used well and any adverse effects avoided, it is essential that these and related questions receive careful analysis," the senators said. "Alternative policies that could be implemented by federal, state, and local authorities need to be evaluated -- and strategies for implementing the most promising programs developed."

The task force expects to meet three or four times a year over a two-year period. Meetings will include briefings by leading experts and off-the-record exchanges among the task force members. The group's second meeting is planned for July 18.

Members of the task force reflect a broad spectrum of interests from government, private business, and labor. Among those on the executive committee are Representatives Tom Campbell (R.-Calif.) and Nicholas Mavroules (D.-Mass.), Martin Marietta President Norman Augustine, and Sandy Trowbridge, former president of the National Association of Manufacturers. A complete list of members is attached.

Staff support is being provided by the Defense Budget Project and the Henry L. Stimson Center.

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TASK FORCE ON DEFENSE SPENDING, THE ECONOMY AND
THE NATION'S SECURITY

MEMBERSHIP

Senator John Heinz (PN) and Senator Tim Wirth (CO), Cochairs

Members

- *Mr. Norman Augustine, President, Martin Marietta Corp
- Mr. Mort Bahr, President, Communication Workers of America
- *Representative Tom Campbell, California
- Governor John Carlin, former Governor, State of Kansas
- Governor Richard Celeste, State of Ohio
- Mr. Pat Choate, Vice President, Policy Analysis, TRW
- Senator William Cohen, Maine
- Dr. Robert Costello, Hudson Institute
- Mr. Gerald Ebker, President, Federal Sector Division, IBM Corp
- Mayor Wilson Goode, Philadelphia, Pennsylvania
- Richard Hatcher, former Mayor, Gary, Indiana
- *Representative Nick Mavroules, Massachusetts
- Mr. Sandy McDonnell, Chairman Emeritus, McDonnell Douglas Corp
- Dr. Charles Schultze, Brookings Institution
- Mr. Harold Palmer Smith
- *Mr. Preston (Pete) Townley, President, The Conference Board
- *Mr. Alexander Trowbridge, President, Trowbridge Partners
- Dr. Murray Weidenbaum, Washington University
- Mr. J. Fred Weintz, Jr., Limited Partner, Goldman Sachs and Co.
- Mr. Earle Williams, President, BDM International Corp
- Mr. Charles Zraket, The MITRE Corporation

- *Dr. Gordon Adams, Director, Defense Budget Project, and
- *Dr. Barry Blechman, Chairman, Henry L. Stimson Center, Codirectors

- * Executive Committee