

law and the desirability for maintaining a sound economy, the principle of the geographical dispersal of such facilities in the interest of national defense.

Loan guarantees and direct loans may be made through title III of this act.

Department of Defense Directive 3005.3 of December 7, 1954, implements a policy of maintaining the mobilization base and orders that all contract awards be reviewed with such factors as geographic dispersal, preservation of a skilled labor force, and maximum subcontracting in mind. The directive asks that exceptions 1 and 16 of the Armed Services Procurement Act be used to negotiate in order to carry out the national policy.

The National Industrial Reserves Act of 1948, as amended and codified in 50 U.S.C. 451 et seq., sets forth policy under which the Secretary of Defense finds equipment to be surplus and disposes of it. Particularly, 50 U.S.C. 456 authorizes the lending of equipment to nonprofit educational institutions.

Section 502(f) of Public Law 84-805 (amended), as codified in 46 U.S.C. 1152(f), amends the Merchant Marine Act of 1936 such that at least once a year the Secretary of Commerce shall conduct a survey of privately owned shipyards and that "upon a basis of a finding that the award of the proposed construction, reconditioning, or remodeling work will remedy an existing or impending inadequacy in such mobilization base as to capabilities and capacities of a shipyard or shipyards at a strategic point, and after taking into consideration the benefits accruing from standardized construction, the conditions of unemployment, and the needs and reasonable requirements of all shipyards, may allocate such construction, reconditioning, or remodeling to such yards in such manner as it may be determined to be fair, just and reasonable to all sections of the country, subject to the provisions of this subsection." The section continues to state that any resulting price differential will be paid as part of the cost of national defense.

Armed Services Procurement Regulations I-800 set forth the policies to be followed for armed services procurements in labor surplus areas.

Armed Services Procurement Regulations I-900 sets forth the policies to be followed in determining which parts of contracts should be subcontracted.

The Area Redevelopment Act of 1961, of May 1, 1961, as codified in 42 U.S.C. 2501 et seq., states the national policy regarding substantial and persistent unemployment and underemployment.

The Manpower and Training Act of 1962, as codified in 42 U.S.C. 2571 et seq., complements and supplements the Area Redevelopment Act of 1961 in providing training to accomplish the objectives of technological progress, while avoiding or minimizing individual hardship and widespread unemployment.

The Contract Adjustment Act of 1958, Public Law 85-804, 72 Stat. 972, as implemented by Executive Order 10789 of November 14, 1958 (23 F.R. 8897) empowers the President to authorize departments and agencies exercising functions in connection with the national defense, to enter into contracts or into amendments or modifications of contracts and to make advance payments, without regard to other provisions of law relating to the making, performance, amendment, or modification of contracts, whenever he deems that such action