

policy against rather than in consonance with the national policy. The subcommittee is not unmindful of the provisions in the Defense Appropriations Act, section 523 of Public Law 87-577, precluding a price differential to relieve economic dislocation, but believes that this provision has been utilized far too often to forbid actions entirely appropriate under exceptions to the Armed Services Procurement Act of 1947, as amended, and other authorities.

The subcommittee recommends removal of this provision or, in the alternative, such clarification through appropriate hearings and reports that "economic dislocation," as utilized in this or similar actions, does not relate to actions within the policy, purposes, and scope of defense manpower policy No. 4. The recommendation for removal, if carried out by the Congress, will make the Defense Appropriations Act consistent with that of other agencies of the Government, such as NASA, AEC, Commerce, GSA, and like agencies whose appropriations do not contain such provisions.

On the affirmative side, the subcommittee recommends enactment of a provision authorizing total set-asides of a procurement for labor surplus areas where it is determined by the agency head or his designee that such total set-asides would be in the interest of maintaining and mobilizing the Nation's full manpower and other resources and productive capacity or in the interests of national defense programs in assuring a national (all States and territories) industrial and mobilization base.

EXECUTIVE ACTION—POLICY FORMULATION

3. Revise defense manpower policy No. 4 so that it will reflect new laws and recently created agencies

The subcommittee further recommends that defense manpower policy No. 4 be rejuvenated and updated to better reflect the national policy in all regards. The Surplus Manpower Committee provided for therein is outmoded. The national policy set forth in defense manpower policy No. 4 should clearly set forth the requirement that departmental policy shall not be initiated or interpreted to overrule national policy objectives. Defense manpower policy No. 4 should, and the subcommittee recommends that it be, updated to give recognition to the purposes and objectives of the Area Redevelopment Act of 1961, the Manpower and Training Act of 1962, the Merchant Marine Act of 1936, as amended by the addition of section 502(f) of Public Law 84-805, the Defense Production Act of 1950, and like legislation. The emergence of NASA and other agencies such as GSA, whose activities have an impact on the national policy, should also be considered in such updating.

4. Revise part 8 of section I of the armed services procurement regulations to reflect more clearly the national policy

Part 8 of section I of the armed services procurement regulations sets forth the procurement procedures in relation to labor surplus areas. Part 8 should be revised to spell out more clearly the national policy and the duties of procurement officers in carrying it out.