

APPENDIX B

A COMPILATION OF POLICY DIRECTIVES, STATUTES, AND REGULATIONS RELATING TO PROCUREMENT IN DISTRESSED AREAS

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I. POLICY DIRECTIVES

Defense Manpower Policy No. 4

DMP 4—PLACEMENT OF PROCUREMENT AND FACILITIES IN AREAS OF PERSISTENT OR SUBSTANTIAL LABOR SURPLUS

REVISION

1. *Introduction.* Success of the defense program depends upon efficient use of all our resources, including manpower and facilities, which are preserved through practice of the skills of both management and workers.

A primary aim of Federal manpower policy is to encourage full utilization of existing production facilities and workers in preference to creating new plants or moving workers, thus assisting in the maintenance of economic balance and employment stability. When large numbers of workers move to already tight areas, heavy burdens are placed on community facilities—schools, hospitals, housing, transportation, utilities, etc. On the other hand, when unemployment develops in certain areas, unemployment compensation costs increase and plants, tools, and workers' skills remain idle and unable to contribute to our defense program.

2. *Purpose.* It is the purpose of this Defense Manpower Policy No. 4 to direct attention to the potentialities of areas of persistent or substantial labor surplus, hereafter referred to as labor surplus areas, for the placement of procurement contracts or the location of new plants or facilities, and to assign responsibilities to specified departments and agencies of the Government to carry out the policy stated below.

3. *Policy.* It is the policy of the Federal Government to encourage the placing of contracts and facilities in areas of persistent or substantial labor