

Mr. FOSTER. Mrs. Bolton, I have a statement here on our responsibility which I would like to submit for the record, if I may, at this point, Mr. Chairman. I will read it if you like.

Mr. FARBSTEIN. Would you mind reading it?

Mr. FOSTER. Not at all. This is a "Statement on ACDA Responsibility for Research on the Economic Impact of Arms Control and Disarmament."

The Arms Control and Disarmament Agency has no connection with or responsibility for the decisions leading up to Secretary McNamara's announcements concerning the closing of military bases. However, under section 31(h) of the Arms Control and Disarmament Act, the Agency does have responsibility for research on "the economic and political consequences of arms control and disarmament, including the problems of readjustment arising in industry and the reallocation of national resources."

From the beginning of the Agency's research concerning the economic consequences of arms control and disarmament, major attention has been devoted to the industries which have the highest proportion of defense business. Among these is the shipbuilding industry.

Proposals for a study of this industry were requested by the Agency on August 7, 1964. The study is to cover the conversion potential of the defense sector of this industry, including both private and public yards. The estimated completion date of the study is December 1965.

The Agency has prepared plans for a study of the actual consequences of the closing of a relevant portion or a representative sample of the 95 defense installations announced by Secretary McNamara on November 19, 1964.

Mrs. KELLY. Will you reread that last sentence?

Mr. FOSTER. The Agency has prepared plans for a study of the actual consequences of the closing of a relevant portion or a representative sample of the 95 defense installations announced by Secretary McNamara on November 19, 1964. This study would examine particularly the experience of employees with respect to subsequent employment, the use to which the physical facilities were put, and the effect on the community or area in which the installation was located. Plans for this study are now being checked out with the Department of Defense and other interested agencies.

These closings are not based on any arms control agreement. However, the closing of any defense installations for reason of efficiency permits case studies of the economic impact which might flow from an arms control agreement. Moreover, such studies can be used in the future by both Government and private industry whether or not the changes in defense spending which are then of concern result from arms control measures.

Chairman MORGAN. The gentlewoman's time has expired.

Mrs. Kelly.

Mrs. KELLY. Thank you, Mr. Chairman.

I want to make two statements at this time. I don't understand what good the Agency can do in having a study now after the determination is made to close the yards. Why not have a survey into a closing prior to the order to close?

Then I want to comment on Mrs. Bolton's remark that the Department of Defense is coldblooded. There is nothing in my vocabulary