

of the plant. Under such circumstances, it would appear to be desirable public policy to encourage the company operating the Government-owned facility to develop alternative work for the unutilized portions. This could be done, for example, through the use of rental charges for commercial activity. *The Committee recommends that Federal procurement agencies review their policies governing the use for commercial work of Government-owned contractor-leased facilities.* Such policies should not, of course, permit the use of Government-owned facilities to the detriment of Government work being processed, nor should they confer an unfair competitive advantage upon the user. Within these limitations, however, the Committee believes that more effective procedures can be developed.

It has been suggested frequently that the Government has a moral obligation to award large *nondefense* research and development (R. & D.) contracts to specialized defense contractors whose business has been seriously curtailed, merely to keep their facilities and staffs together and at work. Many who advocate this course are confident that the benefits of such research would inevitably be substantial and well worth the cost.

Although the Committee recognizes that national security requires the maintenance of an adequate private research and development capability to meet emergency needs, it rejects the idea that the Government should support particular defense contractors, merely in order to maintain their scale of operations and to hold their staffs together. However, if there are large-scale nondefense research and development projects that can be justified on their own merits—and undoubtedly there are expanding opportunities of this kind—many defense contractors should be and will be able to compete effectively for such contracts.

SUPPORT OF RESEARCH AND DEVELOPMENT

Pending completion of its evaluation of more far-reaching proposals to facilitate the application of defense technology to civilian needs, the Committee supports certain other programs to strengthen R. & D. in nondefense fields. An effect of these programs will be to strengthen civilian demand for R. & D. personnel, thereby helping to assure an adequate demand for the services of scientific and technical personnel at a time when the demand for them by defense industry may have leveled off.

One of these programs is proposed in the State Technical Service Act now before the Congress. This program would provide matching Federal-State grants for regional technological information centers designed to help firms apply advanced technology to the extension of markets and to stimulate the creation of new technically based businesses. State plans would be formulated and put into effect with local initiative and responsibility.

In addition, the Institute for Applied Technology in the National Bureau of Standards is seeking to extend its programs aimed at creating an environment more conducive to technical innovation in industry. These programs include:

Operation of the Clearinghouse for Federal Scientific and Technical Information, whose function is to convey unclassified