

tions in the economy and whether special controls were being contemplated. I was not answered directly, but in the exchange the name of the Renegotiation Board was mentioned.

At the time I knew nothing about the Board. I have been pained to discover that the same is true with most of my colleagues. But the more I learned, the more hearty became my support of the Board, and the more strongly I have urged that it be strengthened. I introduced a bill, H.R. 6792, which would return the Renegotiation Board to its Korean war effectiveness. I have requested hearings on my bill. I have made 12 exhortations in the Congressional Record, covering 19 pages. I have written to the President several times. And often, I confess, I have gotten the impression that mine was a lone voice crying in the wilderness. So I am very pleased to have such a distinguished audience this morning.

I have also authored an article for the August 1967 issue of the Progressive magazine entitled "The War Profiteers." In the November 28 hearings of this subcommittee, a distinguished member, Congressman Donald Rumsfeld, questioned the Assistant Secretary of Defense for Installations and Logistics, Mr. Thomas D. Morris, about my article. Since my views in this article were injected into your hearings and my conclusions challenged, I requested the opportunity to reply. I am grateful to Chairman Proxmire for graciously scheduling my appearance. (See p. 156.)

Mr. Rumsfeld asked Mr. Morris whether my charges that war profiteering is increasing were correct. Mr. Morris replied: "I know of absolutely no evidence to support those statements."

I cannot come before this subcommittee with figures and statistics proving that the volume of war profiteering is increasing by this or that amount, any more than Mr. Morris can prove that it is not increasing. The reason for this is not complex: there is simply no comprehensive scrutiny of war profiteering. The Department of Defense certainly does not keep track—it took them 5 years to order audits of cost estimates in order to better comply with the Truth in Negotiations Act. The General Accounting Office is not interested in the profits a contractor may realize except as resulting from unreasonable cost and pricing data at the time the original contract was negotiated. And the Renegotiation Board does not have purview over enough of the defense spending. With its present list of exemptions, and with its present minimum floor, I estimate that the Renegotiation Board annually misses at least \$6 billion in Government contracts and misses about 7,600 contractors. And also, while the preponderant majority of the contractors and subcontractors the Board reviews are defense related, the Board also reviews contracts with NASA, AEC, FAA, GSA, and the Maritime Administration. Therefore, its experience cannot be considered solely defense contracts.

The fact that there are such gaps in congressional or quasi-judicial scrutiny of war profiteering is precisely the matter which causes me concern.

Despite the absence of statistics, I am confident there is a clear inference that war profiteering is increasing. I do not retract one iota from my statement that "the facts make it clear that profiteering is taking place on a considerable scale" and that "there is evidence it is