

been burned badly in his first encounter with congressional criticism of military procurement. He was forced to beat a quick retreat after his first savage and sarcastic reaction to revelations by Rep. Otis G. Pike [D. N.Y.] of inexcusable defense buying.

"Pike made public a series of military purchases which defied reasonable explanation. He told of small items of hardware, such as washers and nuts and bolts, for which the military paid \$1.55 each when they were available in any hardware store for 6 cents apiece.

"The amounts were small but, as Pike remarked, the principle was not. McNamara, accustomed to dealing in billions of dollars, ridiculed Pike as a nitpicker. The New York congressman struck back by displaying a generator knob, available to any citizen for \$1.62, for which the army had paid \$312.50. Next day, a red-faced military canceled the contract.

"DOMINICK'S CASES DEAL WITH BIG AMOUNTS

"Pike referred to the purchases as 'stupid' and 'wasteful,' not ascribing more sinister motives. The cases revealed by Dominick, however, not only dealt in big amounts but could not be excused as due to ignorance or inefficiency.

"A small firm in Aurora, Colo., Dominick said, 'developed a lightweight flame thrower, submitted the low bid in it, and then found itself losing the contract to a bigger company which had bid more than double the amount. In the second case, a small business concern in Philadelphia lost out on a 10 million dollar contract for a portable radio altho its bid was \$884,856 lower than the successful bidder, the giant Radio Corporation of America.'

"Both cases were marked by such glaring inequities,' Dominick said, that he felt impelled to ask, 'whether any specific benefits have been derived by anyone in the army or elsewhere as a consequence of this peculiar procedure.'

"In other words, did someone get a rakeoff? There are more than 100 similar cases of exorbitant costs and indefensible buying methods awaiting the congressional probe. On Capitol hill, the odds are considered more than even that the investigation could develop into an expose of deals dwarfing the '5 percent' operations of influence peddlers in the Truman era."

Mr. DOMINICK. I ask unanimous consent that the letter from the Army dated September 21, 1967, to me and my letter to the Comptroller General dated September 28, 1967, be included at this point in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

"DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., September 21, 1967.

"HON. PETER H. DOMINICK,
U.S. Senate,

"DEAR SENATOR DOMINICK: I have read your remarks of 19 September relating to two Army procurement transactions and feel it might be helpful to clarify a few of the points you raised. As you may know the Comptroller General has performed complete and impartial reviews of these procurements.

"The Research and Development contract for a multi-shot portable flame weapon was protested by Custom Packaging Company to the General Accounting Office. The Assistant Comptroller General, in a report of 29 June 1967, copy attached, states, 'A study of the record on this procurement as supplemented by presentations on behalf of Custom leads to the conclusion that the award as made represented a proper discharge of procurement responsibility and discretion as to which we find no legal basis to question.' Therefore, the protest was denied.

"I can find nothing to support the inference that any technical innovations by Custom Packaging were revealed to any other contractor. None of the requirements contained in the Request for Proposals disclose any design features submitted by Custom Packaging. The requirements listed were in sufficient detail to permit potential contractors to offer proposed designs, and were developed independently of Custom Packaging.

"This procurement followed the normal Research and Development procedure to obtain formal proposals from interested and qualified Companies setting forth their technical approach to provide the required weapon. In such a case we are not seeking the lowest price proposal, but rather the technical approach which would be most likely to provide the best weapon to meet the requirements of our