

Mr. DANIEL. At the close of my remarks, if I may.

Chairman PATMAN. At the close of your remarks.

Mr. DANIEL. The authorities under title III of the act also serve both current defense needs and preparedness measures.

Section 301 provides for local guarantees to defense contractors who need working capital or equipment for new defense production.

Section 302 and section 303 provide lending and procurement authorities which in the past were highly instrumental in bringing about large-scale expansion of productive capacity required for defense and they continue to be essential to the security of the country to meet unanticipated defense demands that might arise. The authorities provide the President with a flexible tool whereby he can take immediate action if the circumstances so require.

As I have mentioned earlier, we have entered into contracts to expand domestic copper production and to determine the economic feasibility of mining domestic rutile-bearing ores for the production of titanium metal. These two contracts will exhaust approximately \$83.5 million of the existing contract authority of \$100 million, which is the current limitation included in section 304(b) of the act.

The provisions of title VII of the act contain supplemental authorities which are most important to mobilization preparedness.

Under section 708, the President is authorized to consult with representatives of industry and others to encourage them to voluntarily offer advice and recommendations to Government officials concerned and in some cases to work together for national defense purposes. Any act performed consistent with the voluntary agreement and found by the President to be in the public interest as contributing to the national defense will not be construed to be prohibited by the antitrust laws or the Federal Trade Commission Act.

It was this provision that enabled us to deal with the problems of petroleum supply posed by the critical Middle East situation in June 1967. It was through these provisions that we were able to utilize the voluntary participation of the industry to make certain that all petroleum needs of the free world were met.

In 1955, the Congress prohibited any new agreements except DOD integration committees, but provided that agreements existing at that time could continue. Fifteen unclassified agreements still exist: the tanker plan; the foreign petroleum supply agreement; and 13 Army integration committees. Of these, nine integration committees and the tanker plan are in standby status pending an emergency.

Another authority that would be continued by extension of the act is that of the Joint Committee on Defense Production, which is so ably chaired by the chairman of this committee. This committee has served the valuable function of keeping the Congress and the public informed of all activities carried out under the Defense Production Act and other related programs.

Section 710(e) authorizes the creation of the national defense executive reserve, a reserve of persons from private life or government service capable of filling key positions in the Federal Government, in time of mobilization. Pursuant to the procedure established by Executive Order 11179, dated September 22, 1964, eight departments and agencies sponsor 19 units of the NDER with a current enrollment of