

capabilities of the chemical companies engaged in the manufacture of this material. In cooperation with the Department of Defense, the Department of Agriculture and BDSA, OEP authorized the Department of Defense to place priority contracts for this material up to 100 percent of the capacity of the industry. This action, assuring full availability of domestic production for defense needs, could not have been taken without the authority provided by the Defense Production Act.

3. Heavy equipment for new copper mines

In a statement presented to this Committee by an official of OEP on June 23, 1966, reference was made to the program authorized by the President for encouraging additional domestic copper production to meet increasing requirements. Pursuant to this program and under the authority of the Defense Production Act, BDSA has assisted in the development of new copper mines by the issuance of directive under the Defense Production Act to assure accelerated delivery of heavy equipment needed for this purpose. The directives covered equipment for new copper mines in Arizona and Michigan.

4. BDSA expediting for defense contractors

In the operation of the Defense Materials System, situations frequently develop in which special expediting assistance is needed by defense contractors to meet their defense commitments. These situations result from conflicting demands, limited facilities, production bottlenecks, and other delays which adversely affect defense contract production and delivery schedules. In such cases, BDSA provides on a continuing basis expediting assistance to the defense contractors or defense agency involved, through the use of special directives designed to improve deliveries or through the scheduling of production and deliveries of individual industrial facilities. The number of such actions was 3,756 in fiscal year 1966, 8,185 in fiscal year 1967, and 2,255 during the first seven months of fiscal year 1968. While we have no assurance that the special assistance requests will not increase to a level approximating that of fiscal year 1966, we believe that the DMS conference training program conducted by BDSA from March 30, 1966, through the autumn of 1967 has achieved the purpose of making defense contractors more aware of their responsibilities under the System. This is evidenced by the substantial reduction in the number of special assistance requests indicated above.

These conferences which were held in almost 60 industrial centers throughout the country were attended by approximately 30,000 businessmen. We have asked the Department of Commerce to continue its educational activities as the situation warrants, so that we can be assured of the dissemination of complete information on the priorities system to defense contractors. It is our view that only through a full and complete program of education within the industrial community, coupled with a judicious administration of the current priorities system, authorized by the Defense Production Act, will we be able to avoid an expansion of controls and achieve the movement of defense needs, in the quantity needed and at the time and place required to support our war effort.

5. Priorities movement during railroad strike, 1967

In early July 1967, a nationwide rail strike threatened. On July 13, OEP sponsored and chaired a meeting of Federal agency representatives for the purpose of composing a priority listing of essential items that would have to move by any remaining means of transportation if such a nationwide railroad strike occurred. At the same time, the OEP prepared and coordinated a proposed Executive order, under authority of section 101 of the Defense Production Act of 1950, declaring the existence of a transportation emergency and providing authority under which transportation priorities and allocations list could be put into effect.

The rail strike occurred and the President signed the Executive order and approved the priorities and allocations list on July 16, 1967. This permitted motor, air, and water carriers to be used to the maximum extent to transport priority items.

Mr. DANIEL. Mr. Chairman, since I began my remarks, Assistant Director, former Governor of Massachusetts, Governor Peabody, is here at the table.