at the present time, there is a virtual hodgepodge in which the patent policy of some Federal agencies is controlled by various statutes while other agencies operate under no statutory policy at all, but under a statement of Government patent policy issued by the President.

I testified at length on the subject of the Government's "giveaway" patent policy before the Senate Committee on the Judiciary in June 1961.

Mr. BARRETT. May we have that testimony for the record?

Admiral RICKOVER. I will provide it for the record.

(The information provided is included as appendix 4.)

The basic concept involved in my patent testimony is that the Government is entitled to get its money's worth for every procurement it makes, including research and development procurements. This is not happening under our present policies. Perhaps I oversimplify the issue. Yet, when I consider the valuable patent rights being given away to industry, I cannot help wondering if the executive branch's cost-reduction program ever became meaningful what considerable savings could be made.

A matter of broad national policy is involved in the patent issue. There is a compelling need for definitive legislation that will protect the public's interest. Perhaps this committee could lend its weight to bringing about corrective measures. I urge the Congress to enact definitive legislation which will establish uniform patent rules for all Federal agencies—guidelines requiring retention for the American people the rights and title to inventions financed by public funds.

GOVERNMENT SHOULD NOT PAY FOR ADVERTISEMENTS OF DEFENSE CONTRACTORS

Mr. BARRETT. Admiral, will you please discuss your experience with advertising insofar as this increases the cost of Government contracts.

Admiral RICKOVER. For several years I have been concerned over Government reimbursement of Defense contractors for advertising costs.

In 1961, I testified on this subject before the House Appropriations Committee whose chairman at the time was Clarence Cannon, a dear friend of mine. Senator Howard Cannon at about the same time testified before the Senate Appropriation Committee on the same subject.

As a result of this testimony, Congress included a provision in the fiscal year 1962 Department of Defense Appropriations Act prohibiting reimbursement of advertising costs except for (1) the recruitment of personnel required for performance of the contract; (2) the procurement of scarce items; or (3) the disposal of scrap or surplus materials. In other words, contractors were to pay for advertising out of corporate profits, except for the three items I just enumerated.

These provisions were incorporated into the Armed Services Procurement Regulation, and they remain in effect today. However, the Armed Services Procurement Regulation provisions apply mainly to cost-type contracts. They are only guides in pricing fixed-price contracts.

I am convinced that many fixed-price contracts include indirect payments for advertising costs, which in all likelihood would be disallowed under the Armed Service Procurement Regulation rules for cost-plus-fixed-fee (CPFF) contracts. I, therefore, testified again in May 1967 on