

Secondly, I think it is fair to say we have not been as successful in dealing with the industry, despite the fact that I believe the industry is doing the very best job it can. I am speaking now of the rail industry and the rail equipment supply industry. I would have hoped that the industry would have been able to attract more resources and to commit more resources to this field. I am particularly disappointed that we have not had a greater interest in this program from the industries which have been associated with space, defense and aeronautics.

Mr. PICKLE. Now, have you asked them for assistance?

Mr. NELSON. Yes, sir.

Mr. PICKLE. In what way have they not cooperated?

Mr. NELSON. Well, in my judgment, we have not had as much interest in our program in the sense of following up with proposals for research and developments. I perfectly well understand why they haven't. Vietnam has had a great impact on these firms, and the tremendous expansion in demand for air transportation has affected a good many of them, but you asked me where I felt we had not—

Mr. PICKLE. Are you saying that, if these defense industries or defense-oriented industries could pursue this type of a project with the same resources that we would make a great deal of progress?

Mr. NELSON. Yes, sir.

Mr. PICKLE. But on what basis should we have expected this? We haven't had money really to pursue this with them.

Mr. NELSON. I think this certainly is a major problem. We had authorization for \$90 million, but we were cut back to \$52 million in appropriations.

Mr. PICKLE. Well, the appropriation we have before us now, the \$16.2 million that you are asking can't do much more than carry on the present work and possibly set up a demonstration site somewhere at the same time.

Mr. NELSON. Yes, sir.

Mr. PICKLE. And your sum, your request of \$16.2 million is for a 1 year appropriation?

Mr. NELSON. Yes, sir. That is fiscal year 1969.

Mr. PICKLE. Now then, a year later you will submit then a recommendation for fiscal year 1970 or 1971?

Mr. NELSON. Yes, sir.

Mr. PICKLE. And would it be anticipated that it would be larger than \$16 million?

Mr. NELSON. Yes, sir.

Mr. PICKLE. Assuming our financial picture is improved.

Mr. NELSON. The figure the Secretary mentioned in his testimony was \$36½ million.

Mr. PICKLE. I see.

Mr. NELSON. But that is not in the President's budget. The 16½ million is in the President's budget.

Mr. PICKLE. Yes, that is budgeted.

Mr. NELSON. Yes, sir.

Mr. PICKLE. And we have a letter from the Bureau of the Budget indicating that was in the budget for that particular year?