Admiral Lyon. $16 million; we have options that come up at various intervals between now and the end of June. As I said earlier, $8 million have already expired, and we will have to renegotiate that. We think since that option expired February 28, that if we can get the money at an early time we can probably get the manufacturer to accept the option, as too much time will not have elapsed between the end of the option and the time that we could get the money to him.

Mr. Leggett. If your option has already expired right?
Admiral Lyon. For $8 million worth, yes sir.
Mr. Leggett. When does the next option expire?
Admiral Lyon. The next options could be exercised in the latter part of April, sir, and they extend out all the way through the end of June.

Mr. Leggett. I presume you've got options on the Trident that will be expiring every month?
Admiral Lyon. No sir. We tried to set our option dates such that they would agree with the decisions of Congress. As you know the Congress, in a letter, made the decision in December, we are up here at the earliest possible time to try and get this extra money to complete the two ships in 1975, sir.

That February expiration date of the option was set with congressional direction in mind, sir.

Mr. Melvin Price. [Now presiding]
Is there any objection to that item? If not the next item is tracked Combat Vehicles.
$113,600,000.
Mr. Price.
Mr. Robert Price. General Kjellstrom, in Secretary Clements' testimony this morning, he said that the Soviets have 15,500 tanks in the Warsaw Pact, to 6,000 tanks for NATO.

And yet we are only ordering in the Navy and Marine Corps 11,000—some TOW missiles. I would suppose that we consider other weapons would take care of the excess if that should be the strategy.

It seems like here we have 11,000 TOW weapons to supposedly fight tanks with, yet they have 15,000 tanks. That isn't even a missile per tank.

Do you think that is enough?

General Kjellstrom. We have complementary weapons systems of course. Within the Army we will have the Dragon missile, we now have the 90-millimeter recoilless rifles, and the tank itself is an antitank weapon. The Air Force has weapon systems that assist us.

However, within the TOW missile specifically for the Army, the 6,000 additional missiles that we were procuring amounts to only 5 percent of our total authorized acquisition objective.

Previously approved programs from the Congress would authorize us up to 50 percent of our authorized acquisition objectives, so these numbers that you have utilized are just a very small portion of our total inventory.

Mr. Robert Price. How many armored personnel carriers do we presently have in our inventory would you say?
Mr. Robert Price. Are these anything compared with what we saw in our trip to Israel, the captured Russian armored personnel carriers?
General Kjellström. Sir, the Russian armored personnel carrier is of a better quality than our M113, which is the armored personnel carrier we are recommending for purchase here. One of the big five Army research and development programs, mechanized infantry combat vehicle which we call the MICV is a comparable personnel armored carrier to the Russian's BMP. Would you like to add anything more Colonel Rostin?

Colonel Rostin. No, sir.

The Chairman [now presiding]. All right.

Mr. Bennett. Why not get the better product?

General Kjellström. We are developing a better product at the present time, and we plan to come to Congress for the procurement of a program in the not too distant future—not in fiscal 1975. We are not ready to produce.

Mr. Bennett. Thank you.

The Chairman. Without objection the item of $113,600,000 is approved.

Now for the Army $8,200,000, Other weapons.

Any comment? Any questions?

Without objection—yes.

Mr. Dickinson. I have one question, in that regard.

Have we covered everything in the budget for paybacks, and all of these are just acquisitions? There have been enough paybacks replacing drawdowns.

General Kjellström. We covered all the paybacks which the Army has requested. However there are other paybacks for which the programs were developed after the submission of the supplemental request which will be submitted to the Congress at a later date.

Mr. Dickinson. Why don't we get it in one bill? Why do we drift about? Maybe this was discussed before.

General Kjellström. It is a matter of timing, sir. We did not have the requirement in hand at the time of the submission of the President's budget.

Mr. Dickinson. Well you have it now don't you?

General Kjellström. Yes, sir.

Mr. Dickinson. Why didn't you include it here? Why don't we get one bill instead of several?

General Kjellström. Sir, I would suggest that the balance of the payback will probably be included in the 1976 request.

Mr. Dickinson. 1976?

General Kjellström. Yes, sir.

Mr. Dickinson. A small pill is easier to swallow.

The Chairman. Without objection the item of $8.2 million for other weapons for the Army is approved.

Mr. Leggett. Mr. Chairman.

The Chairman. Yes.

Mr. Leggett. Before we leave these items, as I understand it $140 million of the items we just approved tentatively relate to Middle East paybacks. As I understand it, the additional amounts that we have here are incremental increases because of the higher cost of replacement over the value of the material that was sent to Vietnam, and that was included in the $2.2 billion program—is that correct?

General Kjellström. That is correct.
Mr. Leggett. As an example the A-4M Sky Hawk; 24 at $83.3 million.

I thought an A-4 sold for about $29 million. How did that present an additional incremental amount?

Admiral Cooke. Mr. Leggett, we sold 46 A-4's to Israel for $40.7 million.

That was just the fair value of the aircraft sold.

For that amount of money—for which we were reimbursed—we were able to buy 17 A4-M's, the newer model. We need to purchase 29 aircraft to bring our force levels back up to where they were. We are buying 24 A4-M's and 5 F-5E's.

To do that, we have asked for $83.6 million.

This is the incremental amount that the Navy has in here. And that is included in the $140.8 million you mentioned.

For the Middle East payback only.

Mr. Leggett. How about on the C-130's? Six of those for $30 million.

Admiral Cooke. You mentioned Vietnam. I assume you were talking about the Middle East. That was the way I was answering it.

General Fish. As to the C-130's, as I explained this morning, Mr. Leggett, 12 airplanes were sold to Israel. Their costs were $83.9 million less than the money it takes to replace the 12.

So we are asking for six aircraft to be authorized at a total cost of $83.9 million. That is the only Middle East payback that is in the Air Force portion of this supplemental request.

For which we are asking for authorization for.

Mr. Dickinson. Will you yield?

Mr. Leggett. Yes.

Mr. Dickinson. Do you have additional in the 1976—fiscal year 1976?

General Fish. No, sir, no plans for any additional in 1976, that I know of.

Mr. Dickinson. This will be the last item, payback for the Air Force that you know of?

General Fish. Yes, sir, this is all connected with the Middle East war—yes.

Mr. Leggett. Couldn't you have sought authorization for these amounts out of the $2.2 billion that the Congress has already authorized?

General Fish. Sir, as we explained this morning, again it is our understanding that we are required to charge a foreign military sales, by law, value. The value as defined by longstanding Department of Defense regulations is, you know, the standard inventory price, minus depreciation, plus any additional modifications. This is the fair value we are supposed to charge for "FMS".

Mr. Bennett. That has nothing to do with the market value at the time, you can't consider the price going up?

What is the law?

Mr. Bennett. How does fair value eliminate the cost of present production?

General Fish. I can't really address that aspect of it.
Would the fair value be what you paid for it in 1975?

General Fish. I clarified that by saying any additional cost for modifications of greater value, we add to it—

Mr. BENNETT. Greater value of dollars, arise as the result of the cost of inflation, whatever the product scarcity or the personnel scarcity as present in the shipbuilding industry and things of that type. You think the fair value should be legally what you say it to be? It wouldn't be in any other branch of legislation that I know of. If you are going to use legislative words, I don't think fair value would exclude inflation and exclude the present cost of producing.

I mean I don't know how you get your definition. It certainly is not the words of art as a lawyer—I used to be a lawyer—the words of art as a lawyer don't embrace what you told me I'm sure. You look up the words and phrases in the West Publishing Co. list; I am sure you wouldn't get fair value if you excluded cost of inflation and cost of present production.

General Fish. I'm not certain that we do exclude all aspects.

Mr. BENNETT. You said you did, and you had three chances to say it.

General KJELLSTROM. If I may, I was in discussion with Mr. Briskin, the Assistant General Counsel for OSD for Fiscal Matters. He provided some correspondence which relates to where the definition of value, which is presently being used by the Department of Defense. MAP legislation prior to 1956, amendments to the Mutual Security Act, provided for about the same thing that you are discussing, Mr. Bennett. But, the pre-1956 definition of value was changed by the Congress as a result of the GAO audit report which concluded that the MAP appropriation was being used as a means of modernizing the U.S. Armed Forces indirectly instead of directly through the DOD budget.

There is a provision of section 644-M of the Foreign Assistance Act of 1961, Public Law 87-195, as amended, which specifies the procedures to be followed by the Department of Defense at the present time.

So, without benefit of legal counsel here, to go into a complete discussion, I'm just quoting from a memorandum which he gave to me. Mr. BENNETT. I would like to have somebody give me a legal analysis of this, because it looks like to me you are on very poor, shaky ground legally, and you are talking about something that runs into hundreds of millions of dollars. You may get the GAO or somebody objecting to it.

Mr. LEGGETT. The time is still mine.

Would a more readily understandable way be to handle this, if you were to come in and say, reprogram some of the $2.2 billion, since the amount that we have given you for that is either for gift or loan in the discretion of the President.

Couldn't we just reprogram some of that money to take care of this since we are accounting for it here as a Middle East payback. Could we not count this as Middle East payback gifts, and even though it results, perhaps in a little increased capability on our side, I think it would be a little more representative of what the actual facts are as far as what the Middle East war has cost the American taxpayers.
General Fish. Sir, we can't reprogram funds that aren't available to the Department of Defense. I think Mr. Slatinshek covered that point this morning as to how that $2.2 billion was provided by the Congress. It is not available to the Department of Defense for reprogramming.

Mr. Dickinson. Will you yield?

Mr. Leggett. Yes.

Mr. Dickinson. Let me ask a follow-on question to that line of questioning.

When we ask about the cost of a weapons system, take the B-1, they quote that in constant 1972 dollars, or "then" year dollars, recognizing that the purchasing power of the dollar declines as the years go on.

Why couldn't that fact be included in arriving at the fair value of an item that we are selling now? We are talking about 1972 dollars, if it is bought in 1972, and sold in 1973, it naturally is going to be worth more even if you take depreciation off, quite often it will be worth more in 1973, because of 1973 dollars, you just have to have more dollars.

General Kjellstrom. I would like to provide the definition and the legal basis for our approach for the record if I may, Mr. Chairman.

The Chairman. You may, General.

You will provide it?

General Kjellstrom. For the records, sir.

The Chairman. OK. Any further questions?

Mr. Davis. Mr. Chairman, I would like to ask one further question. General, in your opinion do you believe that maybe in the future it would be better to seek this type of funding under the military assistance program rather than your straight procurement, DOD?

General Fish. Were you addressing General Kjellstrom or myself?

General Kjellstrom. From the standpoint of simplicity, sir, we prefer to have the full provision for pay back of all of our equipment at the procurement price, new procurement price, readily available to us as soon as we make the sales to the foreign countries.

However, that flexibility is not afforded to us.

Mr. Davis. But you would like it?

General Kjellstrom. Yes, sir, we would like to be out on the street right now for the total [deleted] tanks we provided for Israel and be buying M-60-A-1's right now. But we have to come to you for the authority for 45 of the [deleted] in the initial buy, and then we will have to come back to you on a second payback as I indicated possibly in 1976 for the second element.

Mr. Davis. Thank you, general.

The Chairman. Without objection, the R. & D. request for the Army for $55,043,000 is approved.

The Navy, including the Marine Corps, request for $67,628,000, without objection the items are approved.

Next, the Air Force, R. & D., $83,786,000.

Mr. Robert Price. Mr. Chairman.

The Chairman. Mr. Price.

Mr. Robert Price. I have one question here. General Fish, in your testimony, on page 4, accelerate engineering Wild Weasel surface-to-air missile. What is this weapon and how does it operate?
General Fish, Sir, I would like to call upon General Partin from our research, development staff to address that.

General Partin. The Wild Weasel is going to be an F-4E, with special equipment for locating enemy [deleted].

Mr. Robert Price. The second sir, is develop an air-inflatable retarder to enable the F-111 aircraft to drop bombs safely from low altitude at supersonic speeds. Are you saying here some of the planes we lost in Vietnam in the F-111 class was caused due to their own ordnance blowing them up after they dropped them?

General Partin. No, sir, the retarder is to develop the retarder for the Mark–84, the 2,000-pound bombs.

Mr. Robert Price. What is a retarder?

General Partin. It is a device, in this particular case you use ram air, the weapon comes off the aircraft; the ram air blows up to sort of a doorknob shape on the back end of the bomb. It provides the deceleration force to give you separation from the aircraft so you can deliver it at low altitude without getting the aircraft hit.

Mr. Robert Price. Thank you, Mr. Chairman.

The Chairman. Without objection—Mr. Melvin Price.

Mr. Melvin Price. General, if these programs that you have listed here are so urgent, why is it that you haven’t been up to us before this particular instant?

General Fish. Sir, as we stated earlier many of these items were a matter of our perceptions from the Middle East conflict where we noted that some of our capabilities would not be as good as we thought they should be in the face of a heavily defended environment. So we have asked to accelerate many of the projects that we have had previously going on.

Within this overall R. & D. request, there are some new things, but many of them are acceleration of things we have been up here on before.

Mr. Melvin Price. All of them are pretty well funded, so it is a little hard to understand how for instance in this particular item, $4 million over a $1 billion program is going to make that much difference—in such a short time.

General Fish. Which one did you have reference to, Mr. Price?

Mr. Melvin Price. I’m referring to the first one you have there, aircraft and related equipment on page 359.

General Fish. Yes sir, that is of course the one that General Partin was just addressing, and that is to attempt to move out on the Wild Weasel more quickly, so that we would be able to have this defense suppression capability earlier. We would estimate by allowing it to be funded in the 1974 budget; sir, we could proceed; we would be getting 6 to 8-month lead-on when we would get the capability without this supplemental.

Mr. Melvin Price. It is hard to see in a budget for this, in this area where you have $1.116 billion to play with, that you would have to come in for a supplemental for $4 million. It looks to me that you would be able to find that somewhere in the project to take care of the most urgent needs, and then await any readjustments you might need in the next fiscal year budget.

General Fish. Yes sir, I guess what you are suggesting is that we reprogram and take it off of some other.
Mr. Melvin Price. If necessary, what you come in here with, in your request for $83 million, without the committee, even the subcommittee having had an opportunity to really understand what your problem is and why you need a supplemental budget.

General Fish. I think if we were to come with reprogramming on every one of these items there, would be quite a bundle of reprogramming—the first point.

Second, we believe that the Middle East war and the perception that we got out of that war as to our requirements, directed that we offer, as a package, and ask the Congress to allow us to proceed to obtain a more modern and more ready force quickly, because of the shortfalls that we became aware of by observing that war.

Mr. Melvin Price. Mr. Chairman, in view of the fact that the subcommittee has had absolutely no opportunity to see this item before it was presented here in these hearings, I would be constrained to ask to pass over, and object to it, with exception that if the $83 million includes any money for pay increases or so forth, that that much be allowed.

General Fish. Sir, there is $30 million, to be precise $29.5 million, for pay raises.

Of course you know, what we are talking about here is pay raises from the January 1973 pay raise and the October 1973 pay raise, so we have a full year effect of one pay raise, and 9 months effect of the second pay raise.

This is—

The Chairman. How much general pay raises is involved in the $83,766,000—give it to me.

General Fish. The Air Force part is $29.5 million.

The Chairman. $29.5 million.

General Fish. Yes, sir.

The Chairman. All right, let's reduce it.

Mr. Melvin Price. Mr. Chairman, the way I was going to approach this, the suggestion I was going to make is it has been testified to, that the increase in the R.D.T. & E. area, the amount for pay raises would amount to about $108,908,000 for the October 1973 classified pay raise and wage board increase not previously requested. I was going to ask for the restoration of that funding for the R.D.T. & E. items overall in this supplemental, then let the services or our staff work out the exact amount to be applied.

The Chairman. What is your approach to the $83,766,000?

What figure do you want to remain?

Mr. Melvin Price. There is testimony here I think from Mr. Clements, and from Admiral Moore, that the supplemental request for $217,489,000 would increase the amount authorized, and they credited that much to R.D.T. & E.

The Chairman. I'm still asking what will you reduce this figure by.

Mr. Melvin Price. The amount that they are requesting for R.D.T. & E in supplemental is $217,489,000 of which they testified half of it was due to the civilian pay raises and wage board increases, not previously funded.

So, half of that is $108,908,000, and I would suggest, that the committee allow that part of the R.D.T. & E. request.
Mr. Leggett. Don't we have the exact figure?
Mr. Melvin Price. That is the exact figure.
Mr. Leggett. 35, 38 and——
General Fish. Mr. Chairman——
Mr. Leggett [continuing]. Twenty nine.
Mr. Melvin Price. The amount of the supplemental request for R.D.T. & E. in this bill is $217,489,000. It was testified by the Deputy Secretary of Defense, Mr. Clements and by Admiral Moorer and by others who testified, that one-half of that was due to classified civilian pay raises and wage board increases. One-half of that is $108,581,000.
General Fish. Sir, that is for the Army, Navy, and Air Force.
Mr. Melvin Price. That is right.
I would suggest that the committee treat it in one lump.
Mr. Stratton. Mr. Chairman, do I understand the gentleman from Illinois is addressing himself now to all research and development funds in this——
Mr. Melvin Price. In the supplemental, right.
Mr. Stratton. Rather than just the point you raised about the Wild Weasel?
Mr. Melvin Price. Yes.
Mr. Stratton. Well, it seems to me that we haven't gone over the others completely have we?
It seems to me the point you make with regard to the Wild Weasel, is a good one. They have $116 million in there to play with. Why do they need another four?
I wouldn't assume that the other situation is going to be the same. Our committee came back from the Middle East and hit the Defense Department for not doing more in certain areas, and my interpretation is that they are trying to respond to these areas in their own way, and it seems to me, unless we've got good reason to indicate that they are not responding, that we shouldn't just automatically eliminate the entire amount of money.
Mr. Melvin Price. I don't think we are doing it automatically. I think we are doing it because we don't know exactly what is in this supplemental in the area of research and development, because haven't had the opportunity to review their requests.
Mr. Stratton. Well, we either get it now, or it isn't going to be available until next November or December.
So, isn't this perhaps some middle course that we can take a couple of days on the R. & D.?
Mr. Melvin Price. My point was in the particular project you are talking about right now, or the project, they have over $1 billion to play with. They ought to be able to reprogram or find something in that to take care of any immediate emergency.
Mr. Stratton. I agree with the gentleman there. But I just wondered whether we could cut the entire figure without taking a look at each particular project? I'm afraid there may be some that are new developments.
Mr. Melvin Price. The reason we are cutting the entire figure is, because we haven't had an opportunity to take a look at each individual project.
Mr. Stratton. If the gentleman would yield there, I think it is my——
Mr. Melvin Price. It was my time that you took over.

Mr. Stratton. Whoever has the time.

My point was simply that if we are going to cut out all of these funds now; then they can't be replaced as a practical matter until the 1975 appropriation is approved, which will be next November or December. And isn't there some middle way we can take a look at these.

Mr. Gubser. Will the gentleman yield to me?

Mr. Melvin Price. If the gentleman would yield to me, we can't be held responsible, I think the responsibility will rest on the Defense Department for them not getting it up in time for us to review it.

Mr. Stratton. I'm not worrying about that.

Mr. Gubser. The other side of the argument is, the alternative is to give them what they want without any justification.

Mr. Stratton. I'm suggesting another alternate course; maybe there is another day we can look at this without waiting until November.

Mr. Melvin Price. That is my suggestion. We have to act this afternoon on this bill, so I don't know any other course to follow.

General Fish. We would like an opportunity, we seem to have talked about the Wild Weasel, although we don't really have a billion dollars in that program, the $54 million to be applied to. I have General Partin here who could probably resolve some of the questions with greater satisfaction to Mr. Price, and address the points Mr. Stratton brings up. I would like the opportunity for him to express why we need this very, very badly to get started on some of these programs to have the capability for the defense suppression that we could have to employ between now and the time that even we can get a reprogramming, because reprogramming procedure isn't all that clean.

We can just reprogram. We have to have the approval of the four committees. If you specifically deny it, it is prior approval. I don't know when you would have a chance to look at each one of these programs on a reprogramming basis.

With your permission I would like to have General Partin address the overall requirement in the essential $54 million, that we are talking about here in the defense suppression.

General Partin. Sir, in the escalation of Southeast Asia, we found a number of technical deficiencies. We started several defense suppression programs. This was only 2 years ago, to remove some major deficiencies that we had. Those programs have now reached the point of fruition where we can accelerate. We have done a feasibility demonstration and we are now at the point where we can accelerate them into R & D. When the Middle East situation came up last year, the chief of staff looked at these things we have under development, and they had not progressed to the inventory, where if we had to have them in a fighting war we could use them.

And he laid on what we called a Pave Strike program, that consists of $58.3 million of those R & D. dollars which were mentioned there. And those dollars are for accelerated expedited programs. We are not going without testing before we buy, or buying before we fly.

He put these programs under special management, throughout the air staff and throughout the Air Force. We are trying to get these in the inventory to remove what we consider the major operational deficiencies.
There are also some major technical opportunities to improve our strike effectiveness. For example, [deleted] in the clear area for our night attack, what we call Pave Tack, is one of those tasks to give us a part of aircraft that we can [deleted]. I have one viewgraph if you will permit me to show you what we will do in Pave Strike.

On this chart, I have noted and grouped the Pave Strike programs into groups according to missions they are performing. I have shown here on the bottom the day, the night, and all-weather capability. And this is our primary deficiency, night attack, and our all-weather capability. And this is the central focus of the Pave Strike program.

We have a photogrametric target base, to give us a grid system which we can deploy to the field to give very accurate positions of targets.

We have the Advanced Location Strike System (ALSS). We have two of them. We have been flying the guided munitions now for almost [deleted] years, exploiting that all-weather capability. We don't have them in inventory, none bought for procurement, but we have demonstrated them. [deleted]

We will be able to use the FLIR/LASER pod with current laser precision weapons delivery and exploit the night capability of the munitions we have in our inventory. RPV-RECE module—we have one base RPV with a modularized nose. We will have an "EW," photogrammetric, or strike version. We will have everything to minimize our operational cost and our training and maintenance cost.

Mr. Stratton. Could I interrupt, General, at this point. Are you talking about page 361 of your backup book? Are you talking about defense suppression?

General Pakhtin. I'm talking about Pave Strike, sir, we include some of the efforts.

Mr. Stratton. What page is it in the book, General?

Are we talking about the Wild Weasel or are we talking about something else.

General Pakhtin. Wild Weasel?

Mr. Stratton. Take a look at page 361, you are talking about defense suppression aren't you, and you have a whole batch of items under this.

You are asking for $41 million for this. Now, Mr. Price points out that you have $517 million left from 1974. Is that $517 million all committed?

General Price. Yes, sir. The $517 million is all committed to other programs. We have no pot of money standing by for emergency funds or for contingency. So it is all committed.

Mr. Stratton. So that if you want to speed up your ability toward defense suppression, you've got to get some additional money somewhere isn't that right?

General Price. That is absolutely correct, Mr. Stratton.

Mr. Stratton. That is one of the major problems we discovered in Israel?

Let me go over to page 865.

General Price. Yes, sir. There is an item of 811 million. You've got $466 million left over from 1974.
This has to do with the exploitation of certain technical intelligence
[deleted].
Do you have $1 million out of that $466 million you could use for
this?
General Fish. Sir, we don't have that left over. That is the total
line for programwide management and support.
That particular line, pays for all of our labs, all of our ongoing
efforts.
Mr. Stratton. This is the argument, we are being given here. It
seemed to me if we are going to wait until December to find out what
this secret intelligence is, we are going to be in a bad way.
Mr. Melvin Price. Does the gentleman know when the next fiscal
year begins?
Mr. Stratton. I know when the next appropriation bill is likely to
got out of Congress.
Mr. Melvin Price. They can operate on a contingency basis.
Mr. Stratton. General, is your answer that you need this $1.1
million in order to exploit this particular intelligence as quickly as
possible?
General Partin. Yes. We need that $1.1 million to exploit that
capability as soon as possible. It has some impact on the pave strike
program.
Mr. Stratton. I think this is the kind of argument that would be
more meaningful than the slides, if I may say so.
Mr. Dickinson. Would you yield for a question?
Mr. Stratton. Yes.
Mr. Dickinson. Doesn't the Secretary of Defense have a contin-
gency emergency fund, for things like this? If you have an emergency,
you want—my recollection is he had over $100 million.
General Fish. It was deleted last year.
Mr. Dickinson. It was deleted last year?
General Fish. General Kjellstrom corrects me, 2 years ago Congress
decided—that was something established during the period of the
Vietnam war. They gave us the capability to do these sort of things
and to expedite to meet the requirements and the recommendations
such as came from Mr. Stratton's committee that went out to the
Middle East, but we didn't have that—we do not have that opportu-

ity now. The only way we could do some of these programs is go
in and take ongoing programs where the money is committed and de-
ebiliate, or commit or find some other way of handling them. We
think that would be inefficient. We believe this is a better way to
proceed to ask for it in the supplemental.
Mr. Dickinson. You say there are no emergency or contingency
funds within DOD or the Secretary of Defense has; but he did have it
last year we took the authority away.
General Fish. Three years ago we had it; 1971 I believe is the last
time we had it.
Mr. Dickinson. I don't remember the dates. I know the R. & D,
Subcommittee sat every day last week, and if you wanted to come up
last week and present it to the committee you could have done it in
time to meet your deadline, I'm thinking.
But I don't know why this wasn't done. Thank you.
The Chairman. Mr. Price, press your point on this.
Mr. Melvin Price. Mr. Chairman, what I would like to recommend to this committee is that we replace, we keep $108,908,000, and the only program that came up to us with full justification that we were able to act on in committee was the one from the Defense Agency, and it is a classified item. I suggest we approve that. That is $975,000 for classified item.

The Chairman. We have not acted on Defense Agency. We are still on the Air Force request.

Mr. Melvin Price. I think mine would be a part that would replace all of these.

The Chairman. Replace what, I'm trying to find out where we have it.

Mr. Melvin Price. Replace all the R.D.T. & E. with a single figure.

The Chairman. All right. How much would that take out of the bill?

Mr. Melvin Price. You take out everything other than pay increases, except the one classified item, $975,000, for the defense agencies.

The Chairman. For Defense Agency, the request is for $10.852 million.

Mr. Melvin Price. I would suggest they approve the item for $975,000.

The Chairman. Only one of the $10 million.

Mr. Melvin Price. Yes.

The Chairman. How much is that now?

Mr. Melvin Price. $975,000.

The Chairman. All right.

General Kjellstrom. Mr. Chairman—

Mr. Melvin Price. That would be $5.991 million.

The Chairman. All right, the end figure for both of these, the $10.852 million will be $5.991 million. Without objection that figure is approved.

On the $83,776 million, what will that be reduced to?

Mr. Melvin Price. We will have to work these figures out.

The Chairman. The staff will have to work those figures out.

Mr. Melvin Price. They will have to work out all the R.D.T. & E.

The Chairman. All the R.D.T. & E. All right.

Mr. Melvin Price. I would say it would be without prejudice because I think most of these probably you could get reprogramed. The committee certainly would know more about them if you did it that way.

The Chairman. Do you insist on a record vote, Mr. Stratton?

Mr. Stratton. Yes. I don't know whether I have support.

Mr. Pike. Yes; you have support.

The Chairman. Lost of people like to vote.

All right a record vote is ordered. Mr. Slatinshchek, call the roll.

We are taking out the Defense agencies' amount which would reduce the amount of $10,852,000 to $5,991,000.

Mr. Robert Price. What equipment would be taken out?

The Chairman. This is all R. & D. matters.

Mr. Stratton. We are taking out all of the R. & D. projects in the bill except the pay raise.
The CHAIRMAN. No, wait a minute.
Mr. SLATINSHEK. Mr. Chairman——
The CHAIRMAN. I give up.
Mr. SLATINSHEK. If I may help on this. I believe Mr. Price's intention on title II is to delete from title II all of the amounts requested by the Department for R. & D. in the supplemental except that which is justified on the basis of the pay raises, with one exception. In the case of Defense agencies, he would like to approve $975,000 for that purpose.

The CHAIRMAN. All right. Now, that is one.

The CHAIRMAN. What is that figure going to be?
Mr. SLATINSHEK. That figure will be $54.3 million. That would reflect there for the pay increases——

The CHAIRMAN. Wait a minute now.
Mr. SLATINSHEK. I beg your pardon; $29,466,000.

Mr. MELVIN PRICE. What you have to do is get from each service what their pay increases are in the R.D.T. & E. items.
Mr. SLATINSHEK. They are reflected in the committee print.

The CHAIRMAN. All right.

Mr. STRATTON. Mr. Chairman, I think Mr. Price is taking page 4 of your opening statement which says that the supplemental for R. & D. consists of $108 million for October 1973 classified pay raises and $108 million for readiness.

So what he wants to do is delete the $108 million with the exception of the $975,000——

Mr. MELVIN PRICE. No, no, you are wrong. What I want to do is retain $108,908—plus $975,000.

So the total is $109,883,000.

The CHAIRMAN. All right.

Mr. Stratton has asked for a rollcall vote on Mr. Price's motion to reduce; whatever that figure comes out the staff has got to work it out.

Mr. LEGGETT. One point of order. The reduction is $108 million we are voting on right now.

Mr. MELVIN PRICE. That is right. You are voting exactly on $109,883,000; that is what you are voting on right now.

Mr. LEGGETT. Right. Further parliamentary inquiry.

These items can be approved in a later reprogramming after they come to the R. & D. committee. So this action is without prejudice, is that correct?

Mr. MELVIN PRICE. That is right.

The CHAIRMAN. They can be amended in the Senate; they can be changed on the final rollcall. It is all tentative. All in favor or Mr. Price's motion signify by saying aye when your name is called. Those opposed say no.

[Rollcall.]

Mr. SLATINSHEK. Of 35 members voting, 23 in the affirmative, 7 in the negative, Mr. Chairman.

The CHAIRMAN. For 35 members having voted in the affirmative?
Mr. Slatinshek. No; 28 voting in the affirmative, 7 in the negative.
The Chairman. Then, 28 in the affirmative, 7 in the negative, the
motion is agreed to.
We move on now to the military construction.
This is so the Secretary of the Navy may establish or develop classi-
ified military installations and facilities by acquiring, constructing,
converting, rehabilitating, or installing permanent or temporary public
works, including land acquisition, site preparation, appurtenances,
utilities, and equipment in the total amount of $29 million.
There is authorized to be appropriated for the purpose of this section
not to exceed $29 million.
Mr. Leggett. Mr. Chairman.
Mr. Gubser. May I have an amendment at that point?
The Chairman. Yes.
Mr. Gubser. I would like to read my amendment and speak to it if
I may.
The Chairman. You may.
Mr. Gubser. After line 9, page 10, of the committee print, add a
new subsection "Z," provided that none of the funds authorized in
section 301-B shall be expended for POL facilities Diego Garcia until
such time as naval petroleum reserves are utilized in an amount at
least equal to the petroleum products which will be stored and con-
sumed from such facilities on Diego Garcia.
If I may speak to my motion [laughter], we have a bill which is
really in the deep freeze of this committee. It is gathering dust day by
day. It is a bill which comes to us at a time when this Nation is facing
a severe energy crisis and a severe shortage of petroleum products. It
comes to us at a time when the Navy is buying tremendous volumes of
petroleum products on the market in competition with civilians,
much of it to be exported for offshore use, and it comes at a time when
we have the Elk Hills Petroleum Reserve capable of only producing
10,000 barrels a day, which in its present condition makes it practically
worthless insofar as defense purposes are concerned because if we ever
had a war, 10,000 barrels a day wouldn't amount to anything, and if
you want to make the Elk Hills Reserve worth something to the
military, it's got to be developed so that it can produce in the event of
an emergency.
Furthermore, the development and use of that petroleum to a
limited extent by the Department of Defense would release funds in
substantial amounts for the development of Petroleum Reserve No. 4,
and in my considered opinion, and I might add in the opinion of people
who are knowledgeable in the field of petroleum exploration, and
pumping, it would produce gallons of oil for the Department of Defense
where today we have drops.
Now, I feel that we should very definitely have an open hearing and
vote this Elk Hills bill sponsored by the administration up or down.
I will abide by the consequences. If we have a hearing and a vote.
But in the meantime, the only alternative which is open to me is to
go at this thing piecemeal, and I see no justification whatsoever for
going around the world building petroleum storage facilities when we
are not willing, from presently existing naval reserves, and in a manner
which is in the best interests of the Navy in the long run, release those
petroleum reserves for use by the military.
And so I present this in good faith, because I think it is justified, but I also frankly admit that I'm presenting it in order to bring to the attention of this committee the urgent need for doing something, either up or down, but doing something about the Elk Hills Reserve bill which is gathering dust in the committee.

Mr. Hunt. Will the gentleman yield?

Mr. Gubser. I will be happy to.

Mr. Hunt. When did we discover the Elk Hills Reserve in its present condition could only produce 10,000 barrels of oil a day? When did we discover this?

Mr. Gubser. At the present time the capacity is 10,000 barrels a day. In 30 days it could go up to about 50,000.

Mr. Hunt. I think I saw somewhere somebody estimated out in California at the end of 30 days you could produce 120,000 barrels of oil out of this.

Mr. Gubser. The gentleman is making my point. There is so much misinformation and so much misunderstanding about this matter it just cries for the public eye to be focused upon it so we can hear the facts.

Now the gentleman may be right and I may be wrong, but this points out that this bill is so important in this time that it should not gather dust, it should be right here in this committee room so we can talk for it or against it, get at the facts, find out what the truth is, and vote accordingly.

Mr. Hunt. I think you are right. Mr. Pike, just a moment, please. You can talk later. I still want him to yield to me if he will.

Mr. Gubser. Sure.

Mr. Hunt. You talk about Alaska 4. As I understand it Alaska 4 development is something like 3 to 4 years away, is that correct?

Mr. Gubser. The pipeline; yes.

Mr. Hunt. Don't you have to build a pipeline from Elk Hills—you only have one pipeline from Elk Hills at the present time that goes to a port. You have nothing going into the San Joaquin Valley. Why don't some of the people in California, enamored with the State of California, produce these things, and let a fellow go look at it before he comes in here with an amendment.

Mr. Gubser. The gentleman brings up Standard Oil. I have heard a great deal of talk about this, this might be another Teapot Dome scandal, Standard Oil is going to be unjustly enriched. Let's have a hearing and find out.

Mr. Hunt. Will the gentleman yield?

We have a case currently in court now, on slant-well drilling. That was determined 2 weeks ago.

Mr. Gubser. I yield to the gentleman from Texas.

Mr. Robert Price. I would like to ask the gentlemen from the Navy could they furnish us a figure as to what actually Elk Hills does produce in a day?

Could anyone here clarify that? I thought it was nearer 360,000 barrels.

Mr. Pike. If the gentleman would yield. Elk Hills is currently producing approximately 10,000 barrels a day.

The only reason it is producing any barrels a day is in the form of offset oil wells to keep the private oil companies from sucking it dry.
They have already done it with Naval Petroleum Reserve No. 2, Buena Vista; that's gone.
They have already done it with Naval Petroleum Reserve No. 3, that is Teapot Dome, that's gone. And they want to get their "mitts" on Naval Petroleum Reserve No. 1.

The whole concept that the way to improve our national defense posture by taking what we got in the bank out of the bank and spending it, is what this motion is all about.

Mr. Robert Wilson. Mr. Chairman, I would much prefer to hear some experts testify rather than to have the gentleman from New York's opinion on it.

Mr. Stratton. I wish you would attend some of the hearings of our committee.

Mr. Robert Wilson. I wish you would have hearings on it.

Mr. Pike. We have had dozens of hearings, you are welcome to come.

The Chairman. Let the chairman say this, the hearings have been under the direction of Mr. Pike. Everybody seems to overlook this committee already had hearings on Elk Hills.

Mr. Robert Wilson. It has been in the dark of the night, Mr. Chairman.

The Chairman. It was illuminated by some of the oil we got from Santa Barbara, before they shut that down.

Mr. Robert Wilson. Mr. Chairman, I sat in on the hearings about 20 years ago when the Navy and Standard Oil came in and told about this reserve and they told about petroleum No. 4 up in Alaska. At that time they said if I remember correctly it would take 10 to 12 years to bring a pipeline down from those tremendous reserves up on the North Slope that the Navy now owns. But with the advent of the Alaska pipeline, the reserve up there becomes a reality, a practical reality, that can be put into effect within a matter of 2 or 3 years, if necessary.

The Chairman. Let the chair just say this. Then we will take a vote right away. Let's understand the position of the committee which is very clear, that we have to follow the law as written. Mr. Pike's committee has gone into the whole energy program, and whatever recommendation he makes the Chair will respect that recommendation, and if it is brought out we should vote on the Elk Hills bit, we will vote on that particular bit.

There is no desire on my part at all to shut down a vote on Elk Hills. It would be of interest to the committee when they read the recommendation, of Mr. Bowman's recommendations that that committee has recommended to take that away from this committee. So the other Naval reserve left will be No. 1, which is Elk Hills. However, we will vote on that.

Do you want to vote on this?

Mr. Amend. Mr. Chairman, I discussed this whole matter with Mr. Pike on a couple of occasions. He told me about the hearings that had been held, and I would like to ask Mr. Pike if he would inform me as to the progress of these hearings at this particular time, or whether he has a timetable, a schedule, or anything else.

I say this in all seriousness.

Mr. Pike. I understand, and I recognize that, you are absolutely correct, you did discuss it with me in the past. The charter of our
subcommittee expires on June 1. We must have our hearings completed and our recommendations in by June 1.

We are obviously having difficulty completing our hearings simply because either this committee is meeting all the time or some other subcommittee is meeting all the time.

This is the problem that we have been up against.

But, I will say this: We have had enough hearings on the subject of Elk Hills, and the pressures behind the effort to open Elk Hills, so that I don’t think that there is much question in anybody’s mind who is a member of the subcommittee but that the pressure here had absolutely nothing to do with the national defense.

The pressure came because of civilian desires.

We have a situation where the law says that these naval petroleum reserves are for the purpose of national defense.

Well, we pumped them at the rate of 62,000 barrels a day at Elk Hills at the height of World War II.

They are now asking that we pump them at 160,000 barrels a day, right now, under the guise of national defense.

I don’t want to speak for the other members of the subcommittee, but I think the real question that we are going to be confronted with is whether this Nation ought to have naval petroleum reserves or not.

And if they ought to have petroleum reserves, set aside for the purpose of national defense, then there is no justification for draining them at this particular time.

If we decide not to have petroleum reserves for national defense, and just throw them in the pot with all the other reserves, this is a route we can take, and the Defense Department can levy on all of the oil in America, in a real “jam,” but let’s for heaven’s sake not pretend that it is necessary to pump Elk Hills now for national defense.

I want to say one more thing. That 160,000 barrels a day under the present rules would come under the category of new oil. No price control on it. It costs very little to produce, roughly 50 cents a barrel.

It will sell for $10 a barrel.

Of all the oil that is pumped 20 percent will go to Standard Oil of California.

Mr. Gubser. Twenty percent of the reserve in fee. What is wrong with that?

Mr. Pike. Wait a minute. Twenty percent will go to them. The other 80 percent may go to them, because they just happen to own the only pipeline which goes into the field.

So you are dealing with $584 million. Anybody who thinks that you don’t have a very good chance of a Teapot Dome scandal is just plain not paying attention.

Mr. Arends. Maybe there will be additional hearings by your committee. And there will be a report.

Mr. Pike. Absolutely, Mr. Arends, there will be a report from our committee.

Mr. Robert Wilson. As a member of the committee I request a copy of the transcript of the subcommittee on the Elk Hills matter.

The Chairman. The member is entitled to read, and will have a transcript when they are printed. But we cannot give him a transcript in violation of the rules of the committee.
Mr. ROBERT WILSON. Come on there is no rule of the committee that would preclude my reading the transcript.

The CHAIRMAN. You can read it any time you want. It is available to you any time you want. I thought you wanted to take it out.

Mr. ROBERT WILSON. No.

The CHAIRMAN. Certainly it is available.

Mr. GUBSER. Mr. Chairman.

The CHAIRMAN. Yes.

Mr. GUBSER. Very frankly, it may be, Mr. Pike is totally right on this thing, and after the matter is totally aired I may agree with him, I don't know. But what many of us are concerned about is we don't want special subcommittees to become what people used to accuse the Rules Committee to be in this House, namely an obstruction to the legislative process. Let's get it out here and let us all hear about it.

The CHAIRMAN. Wait a minute. If you are casting a reflection on the Chair, the Chair has not done that. The Chair has given it to Mr. Pike, and has told Mr. Pike to report it out. And when it comes out, I don't care, and I will say this—everybody knows how I feel about Elk Hills—and everybody serving back in the days of Bryce Harlow, who wrote the law when Mr. Vinson was here, knows how we all feel. If this committee votes against me you won't hear me open my mouth on that floor. I will walk over to that floor and take what the full committee does.

But we are going to go through the right procedure.

Mr. CHARLES WILSON. Mr. Chairman.

The CHAIRMAN. Yes.

Mr. CHARLES WILSON. Every week we get a schedule of committee hearings that are held for each subcommittee of this committee.

I have on several occasions seen the subcommittee that Mr. Pike is hearing listed with the time and the date of the hearings that have been held.

This has not been a secret. And I am surprised members of this committee have not been aware of the committee meetings that have been held.

Now, as a member from California, may I say I am confused about this Elk Hills business as anybody could possibly be.

I have been opposed to opening this up until I learned more why Standard Oil of California and the two large utility companies are so anxious to grab hold of this thing to open it up. I think there has been much misinformation given to people of California that there is going to be some panacea develop as a result of Elk Hills if they get hold of Elk Hills. The mayor of Los Angeles thinks it is going to solve all of our problems in Los Angeles if we get Elk Hills. People have to be told that if we get hold of Elk Hills it will all stay in California, none of this petroleum will go anywhere else. They seem to think there is a guarantee of that. I think there has been a lot of misinformation. I think that there is a lot of misunderstanding about it, and I don't think anybody thinks is going to happen anyway.

The CHAIRMAN. All right. All in favor.

Mr. Leggett. Mr. Chairman.

The CHAIRMAN. Mr. Leggett
Mr. PIKE, Mr. Chairman.
The CHAIRMAN, Mr. Guhser has asked unanimous consent to withdraw his motion. Is there objection?
The motion is withdrawn.

Mr. PIKE, Mr. Chairman, I have an amendment which I would like to offer.
The CHAIRMAN. It is not an amendment.

Mr. PIKE. It is not an amendment to his amendment it is an amendment to section 301 of the bill.
The CHAIRMAN. You are recognized.

Mr. PIKE. My amendment quite simply is to strike sections 301-A and B of this bill, and renumber the following sections accordingly.
The reason I make this amendment is this: This morning very frankly I was a little torn on the issue of this base at Diego Garcia. And I'm sorry that Secretary Clements is no longer here, or that Admiral Moorer is no longer here, but I'm glad that Mr. Doolin is still here, because I raised the question this morning about the position of the government of Australia on this particular project. And the position of the government of New Zealand on this particular project. And we were assured as recently as about 3 hours ago, that the only opposition to this was some "nuts" in India and some ultra-leftists in America who were trying to "gut" American national defense.

So I left the committee meeting this morning and I walked over to the floor, and here is what was on the wire service today:

Canberra, Australia (AP)—Prime Minister Gough Whitlam said today that Australia will oppose plans of the United States to enlarge the base on the British Island of Diego Garcia in the Indian Ocean.
The U.S. Defense Department plans to transform a small naval and communications station on the island into a $75 million base to support U.S. Naval Forces operating in the Indian Ocean. The United States is making plans to send more ships into the area because it expects Soviet naval activity there to increase after the Suez Canal is reopened.

Whitlam said he had discussed the future of the island with U.S. Embassy representatives and does not believe any countries bordering on the Indian Ocean want the island to become an object of great-power rivalry. He said he would discuss issues involving the ocean with President Julius Nyerere of Tanzania, who is visiting Australia this week.

Whitlam apparently was not impressed by the arguments in favor of the U.S. base put to him last week by Adm. Noel Gayler, the commander of U.S. forces in the Pacific who is visiting Australia.

Mr. Chairman, when we asked the question, and we are told "Oh, no, no objection from Australia," and then you find the Prime Minister of Australia is flatly opposed to this; it is just a question of where our threshold of credibility is going to be exceeded. We can go on and take this kind of stuff forever if we want to. But I think either the people who testified on behalf of that project were intentionally misleading us, or amazingly ill-informed. Theoretically they have been talking with the Australians. Theoretically they know what the heck is going on here. We haven't had any hearings on this base, other than the hearings in this particular committee. If you are going to have the black people bordering on the Indian Ocean and the brown people bordering on the Indian Ocean and the yellow people bordering on the Indian Ocean and the white people bordering on the Indian Ocean, all opposed to what we are doing there, I really think it deserves a heck of a lot more consideration than we can possibly give it in any
supplemental authorization bill which is rushed through the way this is being rushed through, and I move to strike the project.

Mr. LEGGETT. Mr. Chairman.

The CHAIRMAN. Mr. Stratton.

Mr. STRATTON. Mr. Chairman, I don't know whether I'm the only hawk that is left in this committee or not, though we did have seven at the last count.

But I want to rise in opposition to Mr. Pike's amendment.

I don't think it is any secret that the Indian Government has been opposed to this for some time. They have been opposing a good many things that we have been doing; and they have been cooperating very substantially with the Soviets.

No question about the Soviet presence in the Indian Ocean. There is no question about the Soviet bases in that area. And even the Ambassador, the distinguished Ambassador to India whom we all know and love, Pat Monahan, said that perhaps if they called it the Madagascar Ocean instead of the Indian Ocean the Indians wouldn't be thinking they could tell us what to do with our naval forces.

I think the same thing applies to Australia. I don't know whether Mr. Clements had read the ticker this morning before he came over here or not, but the story says that the Prime Minister of Australia announced today he was opposed to it, following negotiations and discussions with Mr. Gayler. It may well be he made his decision today and announced it today, and that it wasn't known in the Pentagon or anywhere else at 10 o'clock this morning.

[Deleted.]

This is a crucial area. This is where the naval forces of the world are going to be deployed in the next decade and for us to be without any base at all and with only an 8,000-foot runway, I think it would be tantamount to announcing we accept second place in the race for military superiority.

The CHAIRMAN. Mr. Daniel.

Mr. DAN DANIEL. Mr. Chairman, I was running my mouth this morning when I should have been listening. I wonder if Mr. Doolan would restate what he said this morning? I'm not clear about what he said.

Mr. DOOLIN. Yes, sir.

I appreciate the opportunity, Mr. Chairman, because in the times I have testified before this committee, Mr. Pike, I have always tried to be a credible witness and I'm not going to come up and tell you something that is not the truth as I know it. I accompanied Mr. Rush to the meeting in New Zealand, after which we visited Canberra. In both places we were told by Prime Minister Kirk in New Zealand and Minister of Defense Bardon in Australia [deleted], that is where the matter was left, and this is a total change since we were there just a matter of several weeks ago.

Mr. PIKE. Would the gentleman from Virginia yield.

Mr. DAN DANIEL. Of course, Mr. Pike.

Mr. PIKE. Would you not say that the import of the testimony that you gave today this morning was to the effect that there was no objection to this base from the Australians?

Mr. DOOLIN. That is correct. That is just what we were told, Mr. Pike, when we were there some 2 weeks ago.
Mr. PIKE. If the gentleman from Virginia would yield further I
would simply say that in itself would be reason enough to take this
out of this bill at this particular time. We haven't even got—we don't
even know what the nature of the agreement with Great Britain is
going to be. They can't tell us what the nature of the agreement with
Great Britain is going to be and yet they say they are going to rush
this through in a supplemental appropriation.

Mr. DAN DANIELS. Mr. Chairman, I want to read into the record
an AP article from Canberra, to support what I said this morning.

Opposition leader Bill Snedden declared today that his Liberal Party welcomes
the U.S. decision to develop a naval and air base on the British island of Diego
Garcia in the Indian Ocean.

Snedden criticized the contention of Australia's Labor government that the
expansion of the communications station on Diego Garcia will prevent the achieve­
ment of a peace zone in the Indian Ocean. The Soviet Navy has built up a presence
in the area and will increase this when the Suez Canal reopens, he said:

I yield to Mr. Dickinson.

Mr. D'CKINSON. I wanted to observe, evidently the United States
is not the only country where politicians sometimes pop off at the
mouth. And it seemed to be the case of the Prime Minister of Australia.

The CHAIRMAN. Mr. Fisher.

Mr. FISHER. Mr. Chairman, I think it might be appropriate to
point out too that the press reports in recent weeks indicate that the
present government in Australia may be in considerable trouble with
the people of Australia.

And the question of how long the present government will continue
in case there is an election, is very valid.

Mr. BENNETT. Mr. Chairman, may I make an observation?

One observation I would like to make about this, I think it would be
a grave error to take the last ticker-tape observation we have here and
read it and strike out this thing. This would be an announcement to
the world and our country in Congress all it takes is a newspaper
article, newspapers sometimes make mistakes, and people do change
their mind. This is an authorization bill, it seems to me not to vote up
the amendment of Mr. Pike, and it would be the wisdom to leave this
amount of money in the bill knowing full well it will have to be even­
tually appropriated for, administration has to take action on it, it
doesn't have to spend every penny of money that comes to it, And for
us to take the position to strike this out of the bill at the present time
would be just to capitulate to a ticker tape when there is nothing
before our committee that indicates it wouldn't be a wise thing to
allow our country to do something in this field if it finds it wise to do
it when the time comes to act.

Therefore I am very much opposed to the amendment.

Mr. LEGGETT. Mr. Chairman.

The CHAIRMAN. Mr. Leggett.

Mr. LEGGETT. Thank you, Mr. Chairman.

I wasn't here at all the meetings last week but I was talking to
some of the people around the Hill. One of the national syndicated
(columnists I talked to last week about Diego Garcia indicated his
information was there were at least half-a-dozen governments in and
around the Indian Ocean, including New Zealand and Australia, who
were opposed to our summary expansion of Diego Garcia,
It may well be that expansion of Diego Garcia is an excellent idea. But, I kind of question whether or not we should lay the groundwork for perhaps 1,000, 2,000, 3,000, 5,000 men that may be deployed in the middle of this ocean, for the indefinite future. We are buying an O & M responsibility here that could be of considerable dimensions. Whatever we do should not be escalatory as far as the race with the Soviets are concerned. I think we ought to have very precise information as to exactly what the Soviets are doing, and we should respond in kind, and if possible to keep this as a sea of peace as I know the Secretaries of Defense have indicated the direction they would like to go.

I think that is what we ought to do.

But in summary, to summarily move ahead here with the little testimony that we have had, I just think is not the most prudent course. And I don't think that any of us are acting on the ticker-tape information of Mr. Pike at all. I think we all have got some "gut" reactions here. I think that this is worthwhile to go into Diego Garcia, perhaps it is worth while to go in, maybe much more extensively than what we are doing. But, I think we have got to review the evidence very, very carefully and make the decision in a deliberative manner.

The CHAIRMAN. You have heard the amendment. All in favor of Mr. Pike's amendment say aye. Those opposed, no.

The no's appear to have it. The amendment is defeated.

Mr. Pike. I ask for a vote.

Mr. CHAIRMAN. A record vote is asked for by Mr. Pike. Mr. Slatinsheh, you call the roll. All in favor of Mr. Pike's motion signify by saying aye. Those opposed say no.

Call the roll.

[Rollcall.]

Mr. Slatinsheh. Eight members voting in the affirmative, 26 in the negative.

The CHAIRMAN. Eight members having voted in the affirmative, 26 in the negative, the motion is defeated.

Mr. JEngert. To answer the earlier question of Mr. Stratton, I would wish to observe there appears to be nothing wrong with the health and vitality of the hawks of this committee.

[Laughter.]

The CHAIRMAN. All right, members of the committee, let's have order.

SECTION 3902

In addition to the funds authorized to be appropriated under Public Law 93-166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for operating expenses and maintenance of real property in support of military family housing, an amount not to exceed $3,800,000.

Without objection the item is approved.

SECTION NO. 602

Authorizations contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974—Public Law 93-166—in the same manner as in such authorizations as if they had been included in that act.
Without objection that provision is approved.

We go to provision IV, the general provisions in the bill. Subsection (a)(1)—

Mr. Pike. I ask unanimous consent this section be considered read.

The Chairman. Without objection the section is being considered having been read.

Mr. Pike. Mr. Chairman, I have an amendment.

The Chairman. You have an amendment.

Mr. Pike. Yes; Mr. Chairman, strike section 401.

The Chairman. Where is that?

Mr. Pike. Except for the last two lines.

This is the section which raises the ceiling on expenditure in Southeast Asia by $474 million. I’m opposed to spending another $474 million in Southeast Asia; therefore I move to strike the section.

The Chairman. Mr. Pike moves to strike section 401. All in favor of Mr. Pike’s motion signify by saying aye.

Opposed, no.

Mr. Pike. Mr. Chairman, on that I ask for a record vote.

The Chairman. Mr. Pike asks for a record vote, a sufficient number having supported Mr. Pike for record vote, call the roll, Mr. Slatinshek. All in favor of Mr. Pike’s motion to strike section 401 signify by saying aye. Those opposed, no.

Call the roll:

Mr. Slatinshek. Eight members voting in the affirmative, 27 in the negative.

The Chairman. Eight members having voted in the affirmative, 27 in the negative, the motion of Mr. Pike is rejected.

Now, members, we come to the final vote on the bill, one part of Mr. Price brought up, that the staff will have to work out.

Mr. Fisher has an amendment.

Mr. Fisher. Mr. Chairman, I have an amendment which I believe is noncontroversial. Some testimony was developed on it here yesterday or the day before, and quite a bit in our Subcommittee on Manpower. Here is the way the amendment would read, which would be a new section at the end of the bill—appropriately numbered by the staff.

Notwithstanding any other provision of law, that portion of Section 718 of Public Law 93–238, which during fiscal year 1974, prohibits the use of funds for the enlistment of non-prior service personnel when it will cause the percentage of non-high school graduate enlistment of the service concerned to exceed 45 percent, is hereby waived.

I move the adoption of the amendment.

Mr. Bennett. I think the statute generally appeals rather than waivers but I won’t fight about it.

The Chairman. Without objection Mr. Fisher’s amendment is adopted.

Now we come to the final vote on the bill.

Mr. Ichord. Mr. Chairman.

The Chairman. Yes.

Mr. Ichord. I was called out of committee. Did anyone offer a motion to strike the Mideast payback increment that Mr. Slatinshek was talking about?

The Chairman. Mr. Pike offered an amendment.
Mr. Ichord. Would it be in order for me to offer at this time an amendment to strike the $140.3 million?

The Chairman. This bill is open to amendments if you want to offer an amendment.

Mr. Ichord. Mr. Chairman, this is a matter of accounting and procedure to me. To me it is outrageous for us to vote $2.2 billion aid to Israel. All the testimony we have got up to this point is that we furnished about $1 billion. Now we are "hit" with $140.3 million additional authorization here, and we have not even supplied the entire—we have at least $1.2 billion.

$1.2 billion more to furnish.

This is just a matter of accounting, whether you are dealing with replacement cost or dealing with actual cost. And since we are giving it all to Israel anyway, I just can't see any justification for billing this way. We should bill at replacement cost, then if we need anymore armaments we don't even know how much we will have to give Israel or how much they need. So for that reason, we can consider this at any other time when we send all of the armaments to Israel, and for that reason, in this supplemental appropriation bill I offer an amendment to strike the $140.3 million.

The Chairman. Mr. Ichord offers an amendment. All in favor of the amendment signify by saying aye.

Opposed, no.

The no's appear to have it. The amendment is not agreed to.

Mr. Ichord. On that I ask for a record vote.

The Chairman. Mr. Ichord asks for a record vote. A sufficient number having raised their hands, all in favor of Mr. Ichord's motion signify by saying aye when your name is called. No, if negative.

[Rollcall.]

Mr. Slatinsherk. Ten members voting in the affirmative, 25 in the negative, Mr. Chairman.

The Chairman. Ten members having voted in the affirmative, 25 in the negative the motion is rejected.

Members, we come to the final vote, and of course a rollcall is in order.

All in favor of the bill as amended, signify by saying aye when your name is called, no, if opposed. Call the roll.

[Rollcall.]

Mr. Slatinsherk. Twenty-eight members voting in the affirmative, seven in the negative, Mr. Chairman.

The Chairman. Twenty-eight members having voted in the affirmative, seven in the negative, a quorum being present, the bill has been approved.

Proper steps will be taken to take the bill to the floor.

Thank you gentlemen very much for your cooperation.

The committee stands in recess subject to the call of the Chair.

[Whereupon, at 4:37 p.m., the committee stood in recess, subject to the call of the Chair.]