

**DRYDEN NOMINATION AND
MISCELLANEOUS BILLS**

HEARING
BEFORE THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
EIGHTY-EIGHTH CONGRESS
SECOND SESSION
ON
NOMINATION OF FRANKLIN B. DRYDEN TO BE DEPUTY
DIRECTOR, OFFICE OF EMERGENCY PLANNING

H.R. 2989

MISSING PERSONS ACT AMENDMENTS

H.R. 4739

ADVANCE RETURN OF DEPENDENTS AND BAGGAGE

H.R. 8676

AUTOMOBILE SHIPMENT TO ALASKA

H.R. 10319

INCREASE IN PRICE OF OCEANOGRAPHIC OFFICE
PUBLICATIONS

H.R. 11035

LOAN OF NAVAL VESSELS

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JULY 30, 1964
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Printed for the use of the Committee on Armed Services



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1964

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III

**NOMINATION OF FRANKLIN B. DRYDEN TO BE DEPUTY
DIRECTOR, OFFICE OF EMERGENCY PLANNING, AND
MISCELLANEOUS BILLS**

THURSDAY, JULY 30, 1964

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

The committee met, pursuant to notice, at 10:30 a.m., in room 212, Old Senate Office Building.

Present: Senators Russell (presiding), Symington, Ervin, Thurmond, Cannon, Young of Ohio, Inouye, Saltonstall, Smith, and Case.

Also present: William H. Darden, T. Edward Braswell, Gordon A. Nease, professional staff members; Charles B. Kirbow, chief clerk; and H. S. Atkinson, assistant chief clerk.

Chairman RUSSELL. The committee will come to order. The first order on the agenda this morning is the consideration of the nomination of Franklin B. Dryden of Kentucky, who has been nominated by the President to be the Deputy Director of the Office of Emergency Planning, to succeed Justice M. Chambers, resigned. The nomination of Mr. Dryden has been before the committee for more than the required 7 days.

I understand Mr. Dryden is accompanied by Congressman Watts of Kentucky who is well and favorably known to this committee.

Do you desire to present Mr. Dryden, Congressman Watts?

**STATEMENT OF HON. JOHN C. WATTS, A REPRESENTATIVE IN
CONGRESS FROM THE SIXTH CONGRESSIONAL DISTRICT OF THE
STATE OF KENTUCKY**

Mr. WATTS. Mr. Chairman, it is a pleasure on my part to present to this committee somebody whom they already know real well and are well acquainted with his services, a constituent of mine and a lifetime friend. I think the appointment was select, and I deem it a privilege to be here this morning to do anything I can to further it along although I know it needs no assistance from me. It is a pleasure to be here.

Chairman RUSSELL. We are glad you could be here. Will you have a seat, Mr. Dryden. Mr. Dryden has served as a member of the staff of the Appropriations Committee and of the Committee on Rules and Administration, and prior to that time as I recall was administrative assistant to former Senator Clements of Kentucky, and is of course known to some of the members of the committee, if not all of them.

Mr. Dryden, I congratulate you on this nomination for myself and on behalf of the committee. We will be glad to have you give us a brief biographical statement before we consider your nomination.

STATEMENT OF FRANKLIN B. DRYDEN, NOMINEE TO BE DEPUTY DIRECTOR, OFFICE OF EMERGENCY PLANNING

Mr. DRYDEN. Thank you, Mr. Chairman. My name is Franklin B. Dryden. I am presently employed by the Senate Appropriations Committee, handling the independent offices appropriations bill. I am a graduate of the University of Kentucky in 1937, after which I came to Washington and was employed with the Department of Agriculture as tobacco specialist, staying there until World War II.

I joined the Army, was a lieutenant in the Infantry, captain in the Infantry, and served overseas in the Pacific theater with the 111th Infantry Combat Team. After the Army I returned to the Department of Agriculture, staying there until 1953, when I came to the U.S. Senate as administrative assistant to former Senator Earle C. Clement. In 1957 I became professional staff assistant on the Senate Appropriations Committee, and a year later, at Senator Hayden's request, became deputy chief clerk of the Rules Committee, where I remained until 1962, I believe, when I returned to the Senate Appropriations Committee. In 1960 and 1961 I served as director of the Senate-House Joint Inaugural Committee, which of course was a matter of 6 or 8 months in duration. I am married. I have two children. I presently reside in Arlington, Va.

Chairman RUSSELL. Mr. Dryden, this office has certain authority with respect to fixing the import of oil and petroleum products into this country.

Do you own any stock in any oil producing company?

Mr. DRYDEN. No sir, I do not.

Chairman RUSSELL. Do you have any questions, Senator Young?

Senator YOUNG. No indeed, I haven't. I thoroughly approve.

Chairman RUSSELL. We are very happy to have had you here.

Thank you, Mr. Dryden.

Mr. DRYDEN. Thank you, sir.

Chairman RUSSELL. Senator Hayden has just come in. We are honored by the presence of the dean of the Senate, our honorable colleague from Arizona. I don't know for what purpose he appears here but we are delighted to have him for any purpose, even if he intends to castigate the committee.

STATEMENT OF HON. CARL HAYDEN, A U.S. SENATOR FROM THE STATE OF ARIZONA

Senator HAYDEN. You are so prompt that you took action before I arrived. I understood you were to meet at 11 o'clock to consider the nomination of Frank Dryden.

Chairman RUSSELL. We haven't taken any action.

Senator HAYDEN. I would like to put in a good word for him. He served on my Committee on Appropriations and has rendered very valuable service. I am sure he is well qualified for the position to which the President has nominated him and I am glad to know that he is getting the consideration of your committee.

Chairman RUSSELL. We are delighted to have you here, sir.
Senator HAYDEN. Thank you.

(The nomination of Mr. Dryden to be Deputy Director, Office of Emergency Planning, was subsequently approved by the committee in executive session and confirmed by the Senate on July 31 1964.)
(The nomination and biographical sketch of Mr. Dryden follows:)

NOMINATION REFERENCE AND REPORT

IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
July 6, 1964.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Franklin B. Dryden, of Kentucky, to be Deputy Director of the Office of Emergency Planning, vice Justice M. Chambers, resigned.

FRANKLIN B. DRYDEN

Born: Frankfort, Ky., June 11, 1915.

Education: Paris (Ky.) city schools, University of Kentucky, A.B., 1937.

Experience: Member of the professional staff, U.S. Senate. Committee on Appropriations, 1957-58 and 1962 to present. Deputy chief clerk, U.S. Senate Committee on Rules and Administration, 1958-62. Administrative assistant to former Senator Earle C. Clements, Kentucky, 1953-56. Marketing specialist, U.S. Department of Agriculture, 1939-53. Director, Joint Congressional Inaugural Committee for the 1961 presidential inauguration.

Other activities: Alternate member, President's Conference on Administrative Procedures. Active reservist, U.S. Army, major, Infantry. Kiwanis International. Christian Church. Capitol Hill Burro Club (past president 1961). Capitol Hill Administrative Assistants Club. Cub Scouts of America. Phi Delta Theta.

Military experience: Infantry officer, World War II, Pacific theater. Awards: Combat Infantryman's Badge, Beach Arrowhead, Bronze Star.

Family: Married to the former Dorothy Joyce, Montgomery, Ala. Two children, Steven, age 10, and Susannah, age 7, Arlington, Va.

Legal residence: Virginia.

H.R. 11035, TO AUTHORIZE THE EXTENSION OF CERTAIN NAVAL VESSEL LOANS NOW IN EXISTENCE

Chairman RUSSELL. The first bill on the agenda today is H.R. 11035, which is a bill extending the existing loans of 40 ships to 12 different countries. No new loans are involved. The ship types effected are submarines, destroyers, and destroyer escorts. The countries to which the loans would be extended are Argentina, Brazil, Nationalist China, Germany, Greece, Italy, Japan, Netherlands, Peru, Spain, Thailand, and Turkey.

The witness here to present this matter is Rear Adm. D. C. Lyndon, who is Director of the Foreign Military Assistance Division, Office of Chief of Naval Operations.

There may be serious doubt about the wisdom of the committee embracing all of these loans in the first instance as eagerly as we did, but we have made them now and I know of no way we can recall them, so if you will offer your statement for the record, Admiral, we will proceed to the next bill.

(The bill, H.R. 11035, follows:)

[H.R. 11035, 83th Cong., 2d sess.]

AN ACT To authorize the extension of certain naval vessel loans now in existence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend on such terms and under such conditions as he deems appropriate the loan of ships, previously authorized as indicated, as follows: (1) Argentina, two submarines (Act of July 18, 1958 (72 Stat. 376)); (2) Brazil, two destroyers (Act of July 18, 1958 (72 Stat. 376)); (3) China, four destroyers (Act of August 5, 1953 (67 Stat. 363), as amended); (4) Germany, five destroyers (Act of July 18, 1958 (72 Stat. 376)); (5) Greece, four destroyers (Act of July 18, 1958 (72 Stat. 376)); (6) Italy, three submarines (Act of August 5, 1953 (67 Stat. 363), as amended, and Act of July 18, 1958 (72 Stat. 376)); (7) Japan, one submarine (Act of August 5, 1953 (67 Stat. 363)); four destroyers (Act of August 5, 1953 (67 Stat. 363) and Act of July 18, 1958 (72 Stat. 376)), and two destroyer escorts (Act of August 5, 1953 (67 Stat. 363)); (8) Netherlands, two submarines (Act of July 11, 1952 (66 Stat. 587), as amended); (9) Peru, one destroyer (Act of July 18, 1958 (72 Stat. 376)); (10) Spain, one submarine and three destroyers (Act of July 18, 1958 (72 Stat. 376)); (11) Thailand, one destroyer escort (Act of July 18, 1958 (72 Stat. 376)); and (12) Turkey, five submarines (Act of August 7, 1953 (67 Stat. 471), as amended, and Act of July 18, 1958 (72 Stat. 376)).

Sec. 2. All loan extensions executed under this Act shall be for periods not exceeding five years, but the President may in his discretion extend such loans for an additional period of not more than five years. They shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

Sec. 3. No loan may be extended under this Act unless the Secretary of Defense, after consultation with the joint Chiefs of Staff, determines that such extension is in the best interest of the United States. The Secretary of Defense shall keep the Congress currently advised of all extensions made under authority of this Act.

Sec. 4. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

Passed the House of Representatives June 1, 1964.

Attest:

RALPH R. ROBERTS, *Clerk.*

**STATEMENT OF REAR ADM. D. C. LYNDON, U.S. NAVY, DIRECTOR
OF FOREIGN MILITARY ASSISTANCE, OFFICE OF THE CHIEF OF
NAVAL OPERATIONS**

Admiral LYNDON. Mr. Chairman and members of the committee, this legislation provides the authority to extend current loans of ships which are now in use by 12 friendly foreign nations. Forty ships are involved in this bill, 23 destroyers, 3 destroyer escorts, and 14 submarines. This legislation merely authorizes continuation of loans. It involves no cost to the United States and it is important to note that all loan agreements provide that the ships may be recalled when required by U.S. defense needs.

Normally, these loans have been for 5-year periods and extensions have also been for 5 years. By the end of calendar year 1965 40 of the 70 existing ship loans will reach their termination date, and it is for these 40 that we are asking for authority to negotiate extensions under the same conditions that are in effect. The reason we are covering all of those in calendar year 1965 as well as 1964 is to provide for better

planning by the countries involved. Unless they have an advance indication that we are willing to continue the loan, the planning and budgeting for future support of the ships becomes difficult for the countries concerned.

I should point out that the proposed bill contains a clause which would authorize the President to extend these loans for an additional period of not more than 5 years. There is a precedent for this provision in Public Law 84-484. At the end of the first 5-year loan period and prior to the renegotiations with each country involved, the Secretary of Defense, after consultation with the Joint Chiefs of Staff, would determine whether or not the extensions were in the best interest of the United States.

As to the ships themselves, they are all World War II vintage and excess to our needs, but useful in the role in which they are used. The destroyers are Fletcher class, and we still have 38 of this class in active service. However, we also have 65 of them in our reserve fleet. The number of those in the reserve fleet that we can expect to put back in commission in an emergency in a reasonable period of time will of course vary with the priority accorded the type and the length of time permitted by the events causing the emergency.

It is apparent that if a friendly free world nation will maintain and operate a ship it will be of greater value to the United States and to the free world than it would be if kept in mothballs where it would take 3, 6, or 9 months to get it in commission in an emergency. These friendly and capable forces in being can make a significant contribution to the defense of the free world, and we depend on these forces to complement our efforts in time of war. Additionally, the recall provisions in the loan agreements make the ships available to us when needed. This does not mean that at the first sign of an emergency we would recall all or any of the loans. That is an option that would remain available to us at any time, but we would also consider whether our interests would, under the circumstances at that time, best be served by continuing the loan or recalling it. These loans, therefore, have significantly favorable aspects from a purely U.S. national consideration.

If the ships were to be recalled, we would be faced with the choice of mothballing them at about \$200,000 to \$300,000 each or of disposing of them as scrap. The former course would entail considerable expense to add to our already adequate mobilization reserve of these types of ships, and we would not recommend it. The latter alternative of recalling and scrapping ships which a friendly nation desired to use would, of course, have significant implications.

The oceans are so vast and so vital to the survival of the free world that we in the U.S. Navy know that in time of trouble our abilities will be strained to the utmost. Any assistance then will be worth many times the money and effort expended now in preparation for such eventuality.

In essence, we in the Navy consider that the proposed legislation is very definitely in the best interests of the United States.

(Subsequently, in executive session, the committee voted to report H.R. 11035, without amendment, as covered by S. Rept. 1273.)

H.R. 4739, TO AMEND SECTION 406 OF TITLE 37, UNITED STATES CODE, WITH REGARD TO THE ADVANCE MOVEMENT OF DEPENDENTS AND BAGGAGE AND HOUSEHOLD EFFECTS OF MEMBERS OF THE UNIFORMED SERVICES

Chairman RUSSELL. The next bill is H.R. 4739, advance movement of dependents and baggage and household effects from oversea areas. (H.R. 4739 follows:)

[H.R. 4739, 88th Cong., 1st sess.]

AN ACT To amend section 406 of title 37, United States Code, with regard to the advance movement of dependents and baggage and household effects of members of the uniformed services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 406 of title 37, United States Code, is amended by adding the following new subsection at the end thereof:

“(h) In the case of a member who is serving at a station outside the United States or in Hawaii or Alaska, if the Secretary concerned determines it to be in the best interests of the member or his dependents and the United States, he may, when orders directing a change of permanent station for the member concerned have not been issued, or when they have been issued but cannot be used as authority for the transportation of his dependents, baggage, and household effects—

“(1) authorize the movement of the member's dependents, baggage, and household effects at that station to an appropriate location in the United States or its possessions and prescribe transportation in kind, reimbursement therefor, or a monetary allowance in place thereof, as the case may be, as authorized under subsection (a) or (b) of this section; and

“(2) authorize the transportation of one motor vehicle owned by the member and for his or his dependents' personal use to that location on a vessel owned, leased, or chartered by the United States or by privately owned American shipping services.

If the member's baggage and household effects are in nontemporary storage under subsection (d) of this section, the Secretary concerned may authorize their movement to the location concerned and prescribe transportation in kind or reimbursement therefor, as authorized under subsection (b) of this section. For the purposes of this section, a member's unmarried child for whom the member received transportation in kind to his station outside the United States or in Hawaii or Alaska, reimbursement therefor, or a monetary allowance in place thereof and who became 21 years of age while the member was serving at that station shall be considered as a dependent of the member.”

(b) The text of section 2634 of title 10, United States Code, is amended to read as follows:

“When a member of an armed force is ordered to make a permanent change of station, one motor vehicle owned by him and for his personal use may be transported to his new station at the expense of the United States—

“(1) on a vessel owned, leased, or chartered by the United States; or
“(2) by privately owned American shipping services;

unless a motor vehicle owned by him was transported in advance of that permanent change of station under section 406(h) of title 37.”

(c) (1) Section 3(a) of the Act of August 10, 1956, ch. 1041, as amended (33 U.S.C. 857a(a)), is amended by adding the following new clause at the end thereof:

“(11) Section 2634, Motor vehicles: for members on permanent change of station.”

(2) Section 20 of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853s) is repealed.

(d) Section 221(a) of the Public Health Service Act, as amended (42 U.S.C. 213a(a)), is amended by adding the following new clause at the end thereof:

“(10) Section 2634, Motor vehicles: for members on permanent change of station.”

Passed the House of Representatives July 8, 1963.

Attest:

RAULPH R. ROBERTS, Clerk.

Senator RUSSELL. This bill would authorize the advance movement of dependents, baggage and household effects from oversea areas if the Secretary concerned determines such movement to be in the best interest of the member or his dependents and the United States.

The witness who is sent to us this morning is Maj. E. D. Clark, Office of the Chief of Finance, Department of the Army.

You may file your statement, Major Clark, and give us a very brief outline of what this bill accomplishes.

STATEMENT OF MAJ. E. D. CLARK, OFFICE OF THE CHIEF OF FINANCE, DEPARTMENT OF THE ARMY; ACCOMPANIED BY MISS MABEL PARSONS, OFFICE, CHIEF OF FINANCE

Major CLARK. Pardon me, sir, am I to read the statement?

Chairman RUSSELL. How long is the written statement?

Major CLARK. It is about four pages, sir.

Chairman RUSSELL. All right, you can read it. Go ahead.

Major CLARK. Mr. Chairman and members of the committee, I am Maj. E. D. Clark, Office, Chief of Finance, U.S. Army. I have with me Miss Mabel Parsons, Office, Chief of Finance, who will assist in answering any technical questions.

The purpose of this legislation is to permit the Secretaries concerned to authorize by appropriate regulations the advance return of dependents, household goods, and privately owned vehicles of military members from oversea areas to locations in the United States when such return is determined to be in the best interests of the member or dependent and the Government, and to authorize return transportation to the United States of unmarried children of a member who become 21 years of age while the member is assigned on duty overseas.

Under the present provisions of section 406(a) of title 37, United States Code, authority for advance return of dependents and household goods of members is limited to "unusual or emergency circumstances." These limitations have been found undesirable, and too restrictive to meet the needs of the services. The advance return of dependents under circumstances which under present law and rulings of the Comptroller General may not be regarded as "unusual or emergency" in nature is considered essential from the standpoint of the morale and welfare of members and their dependents.

Unforeseen family problems, changes in a member's status, and changing economic and political conditions in the various oversea areas at times require the advance return of dependents, household goods and privately owned vehicles from an oversea area to the United States, as being in the best interest of the individual and the Government. Such instances, however, often do not satisfy the "unusual or emergency circumstances" requirements of the present law. Dependents who are confronted with compelling personal problems for which advance return is not now authorized place an additional administrative burden on oversea commanders.

Those dependents may also have an adverse effect on the sponsor's performance of duty and the operational readiness of our combat forces. In certain instances in the past they have caused incidents prejudicial to the best interests of the United States. Examples of situations warranting advance return of dependents would include

such compelling personal reasons as marital difficulties, extreme financial difficulties brought about by circumstances such as confinement or reduction in grade of the member, which preclude the furnish of adequate support for dependents, death or serious illness of close relatives, and other situations in which the appropriate commander determines that the best interests of the Government and the member or dependent will be served. It is normally best to permit, or if necessary require, these dependents to be returned to locations in the United States in advance of the return of the sponsors.

Under present law, section 7 of the Administrative Expense Act of 1946, as amended by the act of August 31, 1954 (5 U.S.C. 73b-3), and regulations issued pursuant thereto, members of the immediate family and household goods of a civilian employee serving outside the United States may be returned to the United States, prior to return of the employee, at Government expense when determined in the public interest, or if the return is for any other reason the employee may be reimbursed for such expenses upon completion of his agreed period of service. It is considered that military personnel should be afforded return transportation benefits at least equivalent to those provided for civilian employees serving overseas, and since military members are required to complete assigned overseas tours of duty, the legislation proposed would in this respect extend to the military members substantially the same rights now provided for civilian employees serving overseas.

Upon the permanent change of station of a member from overseas to the United States, present law authorizes the return of a privately owned vehicle, however, there is no authority for its advance return. When dependents are returned in advance, an automobile for use by dependents in the United States would in most instances be a necessity. Authority for the advance return of a privately owned vehicle at the time dependents are returned is, therefore, considered necessary. Movement of an automobile under such authority would of course preclude the return transportation to the United States at Government expense any additional vehicle that may be owned or acquired by the sponsor subsequent to the advance movement of his dependents. Under the proposed bill transportation of privately owned vehicles would be on vessels, owned, leased, or chartered by the United States, or by privately owned American shipping services.

With respect to the return of the children of a member who attain the age of 21 years while overseas, it is considered that the Government has a responsibility to provide return transportation to the United States of the children of a member who were transported overseas at Government expense, incident to a sponsor's change of permanent duty station, and who attain the age of 21 years while the member is serving overseas.

Under the proposed bill the Government's responsibility for the return of such children upon advance return of dependents or upon the assignment of the member to duty in the United States would be recognized.

Inasmuch as the Government would ultimately be required to pay the costs of return transportation of dependents, and movement of baggage, household goods, and privately owned vehicles, on permanent change of station of the sponsor, in almost every instance, the enact-

ment of this legislation would result in only nominal increases in budgetary requirements, which can be absorbed within existing appropriations.

Sir, that concludes my statement. I would be happy to answer any questions you might have.

Chairman RUSSELL. Do I understand that this gives the dependents and to military personnel only the rights that are now given civilian personnel, Major?

Major CLARK. Essentially the same rights, yes, sir. Our current regulations do not give us the same latitude in returning dependents as the civilians now have.

Chairman RUSSELL. I might say that the willingness with which you are always going to absorb these increased costs doesn't very well subscribe with your presentation before the Appropriations Committee. There you can't take a time reduction anywhere at any time. Are there any questions of the major?

Senator SALTONSTALL. Mr. Chairman, just this one question.

This bill really puts its right up to the commander to make the decision to return these dependents, regardless of whether it is an extreme emergency or not. The buck is passed to the commanding officer. That is about what it amounts to, isn't it?

Major CLARK. Yes, sir. He would have the authority to make the decision.

Senator SALTONSTALL. He is going to make the decision if the people are unhappy together, or sickness or anything else, whereas under the present law there has got to be an emergency.

Chairman RUSSELL. Will there be any regulations issued by the Department that apply to all stations, Major?

Major CLARK. Yes, sir; the joint travel regulations would implement this particular provision, sir.

Senator SALTONSTALL. Mr. Chairman, it just seems to me unless there are regulations, unless there is something in this act to put the regulation in that gives the commander some guide, I think it would put an awful burden on him to decide whether I should be allowed to have my dependents return home, and the chairman couldn't have his dependents return home.

He has to make a personality decision. That would be my only feeling on this matter. It would be rough on him, unless there is something in this bill to say that there should be a certain sort of guideline. Do you agree to that?

Major CLARK. Yes, sir. It would be difficult for the commander, but he is in the best position to decide, based on the circumstances, whether it should happen or not, whether they should be returned to the United States. He is the person who best knows what the effect will be upon his command if they remain.

Chairman RUSSELL. Any further questions?

Senator CASE. Mr. Chairman.

Chairman RUSSELL. All right, Senator Case.

Senator CASE. What is it that costs the additional money? It is the people or the baggage or the cars or whatnots, is that right?

Major CLARK. You see, sir, under the current rule the individual would be entitled to this return trip at some date.

Senator CASE. I understand, but why is there any additional cost?

Major CLARK. Heretofore, sir, the person who becomes over 21 years of age would not be entitled to reimbursement upon return. We want to take care of a situation where the individual might have a dependent who is 19 years old, who went over there and attains the age of 21 while there and would be entitled to receive reimbursement for that dependent when he returns.

Senator CASE. Is that the sole reason for this \$632,000?

Major CLARK. There may be one other difference. If I may, sir, I would call on Miss Parsons to give a statement on that.

Chairman RUSSELL. Give your name please.

Miss PARSONS. Miss Mabel Parsons, Office of Finance. As I understand it, the \$632,000 was partly the result of budgetary requirements of moving this cost up to the year before it would normally be incurred.

Senator CASE. You mean the cost is not increased. It is just paid sooner, is that right?

Miss PARSONS. Yes; it is paid sooner, but part of it is an increase such as children over 21.

Senator CASE. And such increase as there actually is is indicated by the fact that children can now be sent out while they are still entitled to get reimbursement as opposed to waiting until they can't get it; is that the point?

Miss PARSONS. Well, they go over. They are entitled to come back if they are not 21 years old.

Senator CASE. Is the whole additional cost fact that under this legislation children might be permitted to anticipate the fact they are going to be getting overage and therefore come home while they can still get it?

Miss PARSONS. No; they will come home after 21. No; that wouldn't be it. As we understand from the budgetary people this was an advance budgeting for it.

Senator CASE. Does somebody understand my question? I haven't made myself clear.

Major CLARK. I understand the question. We haven't a complete analysis of this cost to tell you the details.

Senator CASE. I am not asking about the figures now. I am asking why should there be any additional cost?

Miss PARSONS. Because we are bringing back children who arrive at the age of 21 when they are over there. We took them over there before they were 21, but now we will bring them back. We have not heretofore been bringing them back after 21 if we took them over prior to being 21.

Chairman RUSSELL. It liberalizes the present law, does it not, Miss Parsons, to where now if a dependent of any kind becomes 21 after the foreign tour of duty commences, this bill would place the obligation on the Government to defray the expenses on it, whereas under the present law if he becomes 21 he is his own man and the Government has no obligation.

Miss PARSONS. They have no obligation to him.

Senator CASE. I see. In other words if somebody has dependents over 21 you don't ship them anywhere?

Miss PARSONS. Today we do not ship him anywhere, but if we had taken him over, under this new law we will bring him back, even if he is over 21.

Senator CASE. Why is the word "advance" in the title? What does that mean?

Miss PARSONS. "Advance" means that it is in advance of the issuance of the man's permanent change of duty station orders. He has entitlement when his orders are issued.

Major CLARK. Sir, to the best of my knowledge that is the sole reason.

Senator CASE. So the advance movement of either people or baggage or household effects has nothing to do with any additional cost. It is only that you are now broadening it to include dependents.

Chairman RUSSELL. Under the present law it doesn't change that?

Major CLARK. It accelerates the cost.

Senator CASE. So you could have an advance movement without broadening the dependents reimbursement.

Miss PARSONS. Oh, yes sir, we could.

Senator CASE. And you want both in one?

Miss PARSONS. Yes.

Senator YOUNG. What change is made if any in transporting—it says here—

one motor vehicle owned by him and for his personal use may be transferred to the new station at the expense of the United States on a vessel owned, leased, or chartered and also by a privately owned American shipping service.

Miss PARSONS. It is only in advance. It is done before he gets his permanent change of station order. He goes back with the wife so she can visit at home.

Senator YOUNG. Suppose those orders are changed as they often are. Then our good Uncle has to pay again. Why isn't the present law adequate for moving vehicles?

Miss PARSONS. It is adequate to move them when the man has his order to come back but if the vehicle comes home ahead of the man, there is no authority to bring it back with the wife and children.

Senator YOUNG. So the child who attains the age of 21, if he is using the family automobile, will that be sent ahead of time?

Miss PARSONS. If the wife is going with him, yes. It wouldn't just be one child.

Senator YOUNG. Then if the order for the man in the service is changed, we are stuck with the transportation charges on the automobile. Is that part of the additional \$632,000?

Miss PARSONS. It could be, but we do have authority for cancellation of orders, but not on the advance movement.

Senator YOUNG. That must necessarily be part of that cost.

Miss PARSONS. There are little nominal figures in there, yes.

Senator YOUNG. \$632,000 isn't a little nominal figure to me. That is all I have.

Miss PARSONS. It isn't to me either, but across the board with the three services having this, it is small in comparison with their whole budget.

Senator CASE. Just one further question, Mr. Chairman.

Chairman RUSSELL. Yes indeed, go ahead.

Senator CASE. A member of the Armed Forces has a child who is now 22 in Germany. He is sent back. Is the child brought back now at Government expense?

Miss PARSONS. No.

Senator CASE. Whether in advance of or at the same time makes no difference.

Miss PARSONS. Neither.

Senator CASE. So there is slipped in here somehow or other, and I am not saying it shouldn't be done, but you are now taking care of all dependents whether under or over 21 regardless of whether it is advance or concurrently with the member of the Armed Forces' return?

Miss PARSONS. Only if we took them over and they became 21 while overseas.

Senator CASE. This has nothing to do with the advance or not.

Miss PARSONS. No, sir, it is for both.

Senator CASE. Just so we understand. I do think this isn't as clear as it ought to be. It may be a very simple point and we ought to go along with it I think.

Chairman RUSSELL. Any further questions?

Senator SALTONSTALL. Yes, Mr. Chairman. May I ask this question of the major?

As I read this bill, on the first page, line 7, "if the Secretary concerned determines it to be in the best interests" and so on. Now if I read the House report, the present rules on page 2 of the report, the paragraph next to the bottom, this is all guided by joint travel regulations paragraph 7103 and 8303, which govern the advance return of dependents and household goods under the present law. Now this bill says nothing about the commander. It puts it up to the Secretary.

Now, is it your understanding that the rules and regulations will be changed to cover this new situation?

Major CLARK. Yes, sir, the commander will make the decision.

Senator SALTONSTALL. So that there will be a change in the regulations putting up more responsibility to the commander in question, or this isn't going to be left to the Secretary?

Major CLARK. Sir, these paragraphs right now provide that the commander will make the decision.

Senator SALTONSTALL. I don't see that in the bill. Could you point it out to me in the bill?

Major CLARK. No, sir, it is not in the bill, but the joint travel regulation now provides that the commander will make this decision.

Senator SALTONSTALL. So what you would propose to do would be to change these two travel regulations, these two sections, paragraphs 7103 and 8303 of the joint travel regulations, to cover the term of this bill if this bill becomes law?

Major CLARK. Yes, sir.

Senator SALTONSTALL. Thank you.

Chairman RUSSELL. Of course, one of the coming fixings of the whole law, indeed of our whole system of government, is the fact that Congress delegates authority to someone and that person delegates it to someone else. There are hundreds of statutes that say the President of the United States shall do so and so. There is not 1 case out of 10,000 the President ever knows any action is taken under it. He delegates it to someone else. This law doesn't say anything about the commanding officers of the post. The Secretary of the department involved is responsible to this committee.

If the commanding officer of the post makes a mistake or anything goes wrong, the commanding officer may be responsible to the Joint

Chiefs or to the Army. But he has no responsibility to this committee. This committee would be looking to the Secretary of the Army to correctly administer this act.

While, of course, as a practical matter all of these determinations are made by the commanding officer of the post, they have to be done in the name of the Secretary of Defense, and there is no way that the Secretary of Defense can escape responsibility therefor.

He can't come in here and say "I didn't know anything about that colonel out there at that base issuing this order."

The law says he shall do it. As I say, that is probably the most common fiction in the American system. We delegate to the President authority to do this thing, that thing and the other thing, and it would be the rarest thing on earth for the President to even know anything about 1 case out of 10,000. It is all done by someone else whom he delegates authority to.

Senator CANNON. Mr. Chairman, the Secretary already has this authority under, as I understand it, unusual or emergency circumstances now and the joint regulations prescribe regulations to the local commander. All this change does is simply provide so that the Secretary has the authority to do it other than under unusual or emergency circumstances, isn't that the sole change except for the dependency, the 21-year-old provision, and the automobile provision? If the dependent went over under age you have the authority to bring him back. On the automobile provision you have the authority to bring the automobile back concurrently now, or under unusual or emergency circumstances, and this provision would simply make it so that you would now have the authority to transport the automobile if the dependent were sent back under other than unusual circumstances, is that correct?

Miss PARSONS. Yes.

Senator CANNON. Thank you, Mr. Chairman.

Chairman RUSSELL. There is one other minor difference.

Under existing law I believe this has to be done on ships owned by the U.S. Government and this law permits it to be done on ships that are leased by the U.S. Government. That is another very profound change in the law of which the committee may take due cognizance.

Senator INOUE?

Senator INOUE. Major, if the dependent is confronted with a compelling personal problem, as you stated in your testimony, and an advance return is authorized, let's assume that during the tour of duty the compelling personal reason disappears, the domestic problem. Can the commanding officer now authorize the return of the dependents?

Major CLARK. Under this expanded authority, no, sir. It is not intended that that be done.

Senator INOUE. So once the dependents leave they will stay back on the mainland?

Major CLARK. Yes, sir.

Senator INOUE. Even if there is a compelling personal reason for them to return?

Major CLARK. In the report before the House it was made part of the conditions that this be a one-trip affair.

Senator INOUYE. Major, I don't suppose you have made a study of this, but if this law had been in effect in 1963, about how many families would have been involved?

Major CLARK. I am sorry, sir, I do not have statistics. I will be happy to get them if you desire them.

Senator INOUYE. Thank you very much, Mr. Chairman. Thank you, Major.

Chairman RUSSELL. Any further questions?

If not, we thank you very much for your presentation.

(Subsequently, in executive session, the committee voted to report H.R. 4739, without amendment, as covered by S. Rept. 1284.)

H.R. 8676, TO AMEND SECTION 2634 OF TITLE 10, UNITED STATES CODE, SO AS TO AUTHORIZE THE MILITARY DEPARTMENTS, IN CERTAIN CASES, TO SHIP AUTOMOBILES TO AND FROM THE STATE OF ALASKA BY COMMERCIAL MOTOR CARRIER VIA HIGHWAYS AND THE ALASKA FERRY SYSTEM

(The bill, H.R. 8676, follows:)

[H.R. 8676, 88th Cong., 2d sess.]

AN ACT To amend section 2634 of title 10, United States Code, so as to authorize the military departments, in certain cases, to ship automobiles to and from the State of Alaska by commercial motor carrier via highways and the Alaska ferry system

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2634 of title 10, United States Code, is amended by—

- (1) striking out the word "or" at the end of clause (1) ;
- (2) striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and the word "or"; and
- (3) adding at the end thereof a new clause as follows:
"(3) in the case of movement to and from Alaska, by commercial motor carrier via highways and the Alaska ferry system or by railroad and train-ship between customary ports of embarkation and debarkation, if such means of transport is more economical for the United States than other authorized means."

Passed the House of Representatives June 29, 1964.

Attest:

RALPH R. ROBERTS, *Clerk.*

Chairman RUSSELL. The next bill we will consider is H.R. 8676, shipment of automobiles to Alaska by motor carrier or railroad. The witness on this bill is Mr. Roy L. Allen, Office, Chief of Transportation of the Army.

STATEMENT OF ROY L. ALLEN, OFFICE, CHIEF OF TRANSPORTATION, DEPARTMENT OF THE ARMY

Mr. ALLEN. Mr. Chairman, I have a three-page statement here. I can either file it or read it.

Chairman RUSSELL. Use your judgment as to the way you can get the idea of this bill best across to the committee. If you think you can do it better by reading the statement go ahead and read it.

Mr. ALLEN. I will file the statement, sir, with your approval.

Chairman RUSSELL. All right.

(The prepared statement of Mr. Allen follows:)

Mr. Chairman and members of the committee, I am Mr. Roy L. Allen, Office, Chief of Transportation, Department of the Army. The Department of the

Army has been designated as the representative of the Department of Defense for this legislation. I represent the Department of the Army for that purpose.

Under present law (10 U.S.C. 2634), the transportation of a privately owned vehicle of a member of the Armed Forces on a change of permanent station at Government expense is limited to shipment by a vessel owned by the United States, or by privately owned American shipping services. The purpose of H.R. 8676, as passed by the House, is to amend this statute to permit, in the case of movements to and from Alaska, the use of commercial motor carriers by highways and the Alaska ferry system, or railroads and trainship. This permissive authority does not affect the military member's present entitlement, since the shipment of his privately owned vehicle by these modes is limited under the provisions of the bill to movement between customary ports of embarkation and debarkation. Moreover, it is provided that these added methods of transport would be utilized only if found to be more economical than presently authorized means.

In movements of military cargo, the military departments are required, as a matter of general policy, to evaluate all modes of transport and available services and to select that mode which is the most economical and satisfies the requirements of the movement. While it is true that water transportation is usually the most economical mode of transportation, in the case of shipment of privately owned motor vehicles, other modes of transportation cannot be considered because present authority for shipment is limited to ocean transportation. This situation warrants correction in the case of Alaska, an oversea station also accessible by land. Due to the recent development of highways, and the Alaska ferry system operating between Prince Rupert and points in Alaska, motor carriers have recently become competitive with water carriers and conceivably could provide more economical transportation services.

In our testimony before the House Armed Services Committee, it was pointed out that while the permissive authority contained in H.R. 8676 as originally introduced is considered desirable, in order that the military departments may consider all modes and benefit by the economies which may be available through the utilization of motor carriers, it was our belief that the bill should be expanded to include railroad and trainship service as another mode of transport. Such broader authority would give the military departments greater flexibility in their logistical planning and possibly result in further reduction of costs because of the additional competition. In this respect, it should be noted that several American railroads already provide rail and trainship service, to a limited degree, to Whittier, Alaska. We, therefore, recommended that H.R. 8676 be amended to also provide authority for the use of railroad and trainship in the transportation of privately owned vehicles to and from Alaska. The suggested revision of H.R. 8676 incorporating this amendment was approved by the House Armed Services Committee and subsequently passed by the House. The Department of the Army, on behalf of the Department of Defense, therefore supports enactment of H.R. 8676 in the form passed by the House.

Our comments here today are necessarily general in nature because carrier interests in these movements, as well as the rates which may later become available due to increased competition, are unknown. Therefore, the precise fiscal effects of this bill cannot be estimated. However, since the bill specifically provides that the additional authority in the shipment of privately owned vehicles to and from Alaska will be used only if the utilization of the additional modes is more economical, enactment of H.R. 8676 would result in no increased costs to the Government.

I have appreciated this opportunity of appearing before your committee and shall be happy to answer any questions you may have on this bill.

Mr. ALLEN. We have a bill here that has a possibility of saving money. It concerns right now the return and also the shipment of privately owned vehicles to and from Alaska. It gives us authority to consider modes other than ocean transportation, such as up and down the Alaskan Highway or a combination of land and the Alaska ferry system, and land again to Seattle. We don't have this authority now, so these modes are excluded from consideration, and there is a possibility of a savings on this.

This in no way affects the law of the utilization of American-flag vessels, because the rail carriers—one of the rail carriers to and from Alaska does have a ship that doesn't fall in the category of the American flag. That is excluded. Our policy is that we don't use foreign-flag vessels to ship military supplies.

Chairman RUSSELL. Any questions of Mr. Allen?

Senator CANNON. What is the estimated annual saving?

Mr. ALLEN. Well, actually we are talking about trying to estimate how much a motor carrier presently costs to take motor cars up the Alaskan Highway with specialized pieces of equipment, what the rates are. We haven't arrived at the savings because we don't know what the rates are he will submit. Right now the truck is constructed in such a manner that it can only carry vehicles and he will be very much interested in this. However, the bill clearly states that we wouldn't use it unless this authority was more economical.

Senator CANNON. But it may not necessarily be more economical and his rates may be just as high.

Mr. ALLEN. Only if it is economical, if it puts more competition in the thing, which we believe will bring about economy.

Senator CANNON. Thank you, Mr. Chairman.

Chairman RUSSELL. Mr. Allen, doesn't this represent special treatment to the State of Alaska, to soldiers, personnel that might be transferred there? If a man was transferred today, let us say from Fort Lewis, Wash., to Fort Benning, Ga., which I don't think would be much further than to Alaska, he would either be allowed his mileage or his own transportation expense, but he would have to get his car there himself. Now why do we have to get a man's car up to Alaska when we don't have that responsibility to any other State in the Union?

Mr. ALLEN. In Alaska the theater is considered to be overseas under the present law. In other words, he is authorized additional pay as he would be overseas to a certain extent, and it is considered an oversea area.

I don't think if it was my car I would want to drive it up the Alaskan Highway myself and take my family, nor would I want to be bound to pay an ocean voyage to get my car to Alaska, where I wouldn't be bound between the other States.

Chairman RUSSELL. You might not care to drive your car from Fort Lewis to some arsenal in Massachusetts.

Mr. ALLEN. Yes.

Chairman RUSSELL. While under existing law you would either have to do it, or else resign from the service, one or the other, because they wouldn't pay both the transportation of your car and your mileage.

Mr. ALLEN. Right, sir.

Chairman RUSSELL. As you do in Alaska.

Mr. ALLEN. You can get mileage going over the Alaskan Highway, but it is up to the individual himself whether he wants to drive it or whether he wants to take it to the closest west coast port, Seattle, and have it transported by the military, to say the port of Anchorage, and then he comes down to Anchorage and gets it.

Chairman RUSSELL. Yes, I understand that, but of course we have now admitted these two territories to statehood so they may enjoy every privilege and every benefit that any of the 48 States enjoyed before they were admitted, and I have, therefore, except in a few rare

instances where it seems there wasn't any alternative, always assumed that these States now should take their part of the responsibility in carrying on the functions of government there, and they ought to carry them on under the same conditions that they do in the other 48 States.

It is about as far from Fort Lewis to Fort Benning as it is from Fort Lewis to Alaska, isn't it?

Is it farther?

Mr. ALLEN. Yes, sir.

Chairman RUSSELL. It is closer to Alaska. Any further questions?

Senator CANNON. Are you inferring Alaska shouldn't be given the same authority as Hawaii?

Chairman RUSSELL. I didn't want to stir up the Senator from Hawaii.

Senator INOUE. I am not saying a word.

Senator CASE. I gather they can already under existing law, ship by water. They want to extend this for rail and highway.

Chairman RUSSELL. That is correct.

Senator CASE. So that the preference to people in the Alaskan service already exists.

Chairman RUSSELL. That is true. They have an advantage now. That is the point I was making. They already have an advantage over any other State. If he is transferred from Fort Lewis down to a base in southern California, he can't ship it by water and get any advantage of it at all.

He has to pay the freight.

Any further questions?

Thank you, Mr. Allen.

H.R. 10319, TO AMEND TITLE 10, UNITED STATES CODE, TO AUTHORIZE INCREASED FEES FOR THE SALE OF U.S. NAVAL OCEANOGRAPHIC OFFICE PUBLICATIONS

(The bill, H.R. 10319, follows:)

[H.R. 10319, 88th Cong., 2d sess.]

AN ACT To amend title 10, United States Code, to authorize increased fees for the sale of United States Naval Oceanographic Office publications

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7394 of title 10, United States Code, is amended to read as follows:

"§ 7394. Price of maps, charts, and navigational publications

"All maps, charts, and other publications offered for sale by the United States Naval Oceanographic Office shall be sold at such prices and under such regulations as may be determined by the Secretary of the Navy. Money received from the sales shall be covered into the Treasury."

(b) The analysis of chapter 639 of title 10, United States Code, is amended by striking out the following item:

"7394. Price of maps, charts, and nautical books."

and inserting the following item in place thereof:

"7394. Price of maps, charts, and navigational publications."

SEC. 2. The proviso under the subtitle "Bureau of Navigation" in the Act of February 14, 1879, ch. 68 (20 Stat. 284, 286; 44 U.S.C. 279a), is repealed.

Passed the House of Representatives May 18, 1964.

Attest:

RALPH R. ROBERTS, Clerk.

Chairman RUSSELL. The next bill is H.R. 10319 which increases fees for the sale of publications of the U.S. Naval Oceanographic Office.

The witness is Capt. Victor A. Moitoret, deputy commander, U.S. Naval Oceanographic Office.

Have a seat, Captain and tell us why it is necessary to increase these fees. Do you have a greater demand for them?

STATEMENT OF CAPT. VICTOR A. MOITORET, U.S. NAVY, DEPUTY OCEANOGRAPHER OF THE NAVY

Captain MOITORET. Mr. Chairman, I am Capt. Victor A. Moitoret, deputy oceanographer of the Navy. I have a prepared statement which is in your hands and I would suggest I file it for the record.

(The statement of Captain Moitoret follows:)

Mr. Chairman, gentlemen, the legislation proposed for enactment will enable our Government to recover all reasonable costs incurred in the production and handling of navigational charts, maps, and related publications which are made available for sale to the public by the U.S. Naval Oceanographic Office. The proposal has been approved by the Bureau of the Budget as a part of the Department of Defense legislative program for the 88th Congress. The specific statutory authority recommended for revision is United States Code, title 10, section 7394 which reads as follows:

"All maps, charts, and other publications issued by the United States Naval Oceanographic Office, furnished to navigators, shall be paid for at the cost to the United States of the paper and printing. Money received from the sales shall be covered into the Treasury."

As best as can be determined at this late date, "the cost * * * of the paper and printing" was applied literally from 1879 through 1948.

During fiscal year 1949 budget hearings, a recommendation originated in the House Appropriation Committee to the effect that our Office liberalize its interpretation of the requirement that charts be sold "at the cost of printing and paper." Accordingly, a study was conducted to determine the adequacy of chart prices then in effect and as a result of the study, prices were increased by approximately one-third, which more nearly reflected the actual costs of production.

In addition to the cost of printing and paper, the cost of research, compilation, drafting, revision, maintenance of corrections, distribution, warning services, administrative charges, indirect labor, and indirect material were computed and included in the selling price of each chart. This change in pricing policy is still in effect at the present time. There have been no other general price increases since 1949.

There is attached herewith as enclosure (1), a table setting forth in some detail, the basis for present costing and an explanation of each of the factors involved.

It will be noted that the costs of actual oceanic survey operations are not included in this table because these are carried out largely for military purposes. In many respects, the issuance and updating of nonmilitary charts is a byproduct of the military data collection effort involving 15 survey and oceanographic research ships with operating costs of more than \$12 million each year. Even if it were practicable to relate the proper percentage of their effort to specific charts, the final selling price of each product would be prohibitive.

A few additional comments appear appropriate to assist in a review of this table. The column headed "1947" represents the study made in connection with the aforementioned hearings and was a study of a full year of production. Another review and updating was carried out in 1957, largely as a result of inquiries by bulk sellers as to pricing policies but no changes were initiated. In 1951, growing Bureau of the Budget interest in this area was noted and another review was conducted. The figures under the 1964 column are largely projections based on average wage and material cost increases and do not represent as comprehensive a study as was conducted in 1947 or 1957.

Item 3, "Revision," being blank in all years as pertains to aviation and special charts, indicates that this function is not required for these particular products.

Item 4, "Maintenance of Corrections," is a function that was transferred from the Oceanographic Office to the Bureau of Supplies and Accounts with the establishment of the Naval Oceanographic Distribution Offices. This is a valid cost factor and, with approval of the proposed legislation, the current cost will be determined by the Oceanographic Office in collaboration with the Bureau of Supplies and Accounts and included in the total cost of a nautical chart.

Enclosure (1) indicates that the average cost to produce a nautical chart in 1947 was \$0.50. As a result of the proposed legislation the total cost of each nautical chart will increase approximately 120 percent over the 1947 cost. The cost increase is based on current wage levels and material costs and the inclusion of proposed cost factors such as, (1) costs of transporting charts from production points to distribution outlets, (2) costs of maintenance and storage at distribution outlets and (3) costs of handling, wrapping for mailing and postage fees. Thus a chart that cost \$0.50 to produce in 1947 and sold for \$0.75 will cost at least \$1.10 to produce and maintain in 1964 and sell for \$1.65. There is a rounded-off markup of approximately 50 percent on the production cost of each chart to allow for a 33 1/3-percent discount on the selling price.

In order to carry out the statutory mission of making charts available to the merchant marine and other interested parties, a system of commercial sales agents has been authorized by the Secretary of the Navy. These sales agents, small businessmen for the most part, are allowed a discount of 33 1/3 percent on charts and 25 percent on publications to cover their costs of selling our products and of making a reasonable profit. These discounts are consistent with those allowed by the Coast and Geodetic Survey and the Superintendent of Documents.

Costs for the purpose of revising the sale price of each product are predicated on a general increase effective January 1, 1965, and a review of actual costs when charts and publications are subsequently scheduled for production. This approach should result in the application of latest personnel and material costs. Announcing a general increase will be accomplished by disseminating revised price lists to distribution points and private sales agents.

Conversion costs—i.e., changing the prices on individual copies in stock—can be spread over an extended period of years for the following reasons. Only a limited volume of products, as compared with total inventory, are actually sold each year. Small inventories of charts are also destroyed when a new edition is printed because it is more economical to print a chart with numerous incorporated corrections than it is to hand correct the older chart. For these reasons, it will be possible to minimize costly hand corrections at field distribution outlets. Field costs should drop substantially each year as replenishments with revised prices imprinted thereon are produced.

Estimated field costs and plant costs—i.e., costs for analysis and surveillance, plate correction, catalog revision, announcing or recording price changes in other publications, and minor administrative changes to accounting and stock records—are shown in enclosure (2). Conversion costs are more than completely offset by anticipated revenue.

Cash sales for this Office approximated \$400,000 during fiscal year 1963. On the assumption that the proposed legislation becomes effective during fiscal year 1965 and price revision is made effective on January 1, 1965, the following projections are submitted as anticipated revenues:

The remaining 6 months of fiscal year 1965 (represents average 6-month sales of \$200,000 plus \$167,250 additional revenue as a result of proposed price increases), \$367,250.

Beginning with full fiscal year 1966 and succeeding years (represents average yearly sales of \$400,000 plus \$337,500 additional revenue as a result of proposed price increases), \$737,500.

The above estimates assume an increase of 120 percent on the selling price of charts. A detailed cost study of publications similar to that made for charts is not necessary, as prices for individual publications are established at the time of printing based upon recommendation of Superintendent of Documents.

These estimates of income are higher than those previously submitted by this Office since continued analysis of cost factors indicates that chart prices will be higher than originally anticipated. At a minimum, our Government should initially recover into the Treasury an additional \$300,000 each year.

In conclusion, the proposed legislation is designed to accomplish several purposes:

- (1) Enact into law, the wishes of the Congress.
- (2) Conform to Bureau of the Budget recommendations and the current Department of Defense legislative program.
- (3) Clarify for the general public and bulk sellers the basis and authority for pricing.

There is no question in my mind as to the fairness of raising prices and reviewing them periodically to assure a continued fair return. Our overall objective remains that of providing the best possible navigational product at the lowest possible price to the public.

ENCLOSURE 1.—Average nautical, aeronautical, and special chart costs for fiscal year 1947 and 1957, and projected for fiscal year 1964¹

[Cents]

	Nautical charts			Aviation charts			Special charts		
	1947	1957	1964	1947	1957	1964	1947	1957	1964
1. Research.....	0.026	0.035	0.054	0.003	0.004	0.006	0.028	0.037	0.056
2. Compilation and drafting.....	.200	.235	.338	.174	.287	.432	.120	.161	.244
3. Revision.....	.003	.004	.006						
4. Maintenance of corrections.....	.003								
5. Distribution.....	.070	.106	.135	.070	.106	.135	.070	.106	.135
6. Maritime services.....	.020	.026	.039	.004	.005	.008	.010	.013	.019
7. Administrative charges.....	.020	.034	.043	.020	.034	.043	.020	.034	.043
8. Indirect labor.....	.012	.014	.019	.009	.011	.015	.010	.012	.017
9. Indirect material.....	.306	.013	.013	.006	.013	.013	.006	.013	.013
10. Paper.....	.070	.085	.085	.040	.050	.050	.050	.060	.060
11. Printing.....	.072	.100	.125	.070	.097	.121	.023	.032	.040
Average cost per chart.....	.502	.652	.857	.396	.607	.823	.385	.468	.627

¹ Additional costs for correction, transportation, and storage noted in body of statement.

EXPLANATION OF CHART COST ITEMS

- 1. Includes hydrographic and navigational science research.
- 2. Includes plotting of original surveys and photogrammetric compilations.
- 3. Maintenance of chart correction standards.
- 4. Hand corrections in field distribution offices prior to issue.
- 5. Includes cost of storage, handling, and wrapping for mailing.
- 6. Includes preparation of Notices to Mariners and maintenance of geographic names.
- 7. General administration, billing, bookkeeping procurement and storage of supplies, etc.
- 8. Includes supervisory and other labor expenses not directly chargeable to an individual chart, also handling of supplies required in the various processes during production.
- 9. Includes materials not directly chargeable to an individual chart such as printing inks, chemicals, photo supplies, drafting supplies and instruments, etc.
- 10. Average price for 1 sheet of paper.
- 11. Includes photography, negative engraving, platemaking and offset printing, also all direct materials used in printing processes.

ENCLOSURE 2.—Estimated conversion costs

Fiscal year	Field costs	Plant costs	Total	Fiscal year	Field costs	Plant costs	Total
1965 (6 months).....	\$7,500	\$5,000	\$12,500	1970.....	\$1,000	\$5,000	\$6,000
1966.....	12,000	8,000	20,000	1971.....	1,000	5,000	6,000
1967.....	9,000	8,000	17,000	1972.....	500	5,000	5,500
1968.....	6,000	7,000	13,000	1973.....	500	5,000	5,500
1969.....	3,000	6,000	9,000	1974.....	250	5,000	5,250

¹ Break-in costs indicate completion of turnover of most popular, salable items.

Captain MORTON. This bill, H.R. 10319, is intended to give the Secretary of the Navy the authority to adjust the price at which we sell our navigational charts.

The present statute price that they shall be sold at now is the cost of the printing paper. This was held to rigidly up until 1948 when we received directions from the committee that the Congress wanted

us to take a little closer look and make a little broader interpretation of what we called printing, to include a little more in the category. The House committee and the Bureau of the Budget have again suggested the necessity or the desirability of getting a truer return to the Government for the sale of these products.

Chairman RUSSELL. The present operations are at a loss?

Captain MOTTRET. They are not at a loss.

Chairman RUSSELL. How about the handling?

Captain MOTTRET. They are at a loss if you consider that we don't get the full return that we might be able to get if the law were changed, but under the present law the return we get does cover technically the cost of printing and paper.

Chairman RUSSELL. The demand for various maps, I understand, has increased tremendously in the last few years, is that correct.

Captain MOTTRET. That is not quite accurate, Mr. Chairman. The demand fluctuates by years. I have figures here for the last 10 years, and we have had peaks where the return to the Treasury—I must explain that the Navy doesn't get this money. It is returned into the U.S. Treasury for the sale of these products. We have had as high as \$450,000 sales in a year and also within the past 10 years since the \$450,000 we have had \$300,000 and some.

Chairman RUSSELL. I recall now. I am in error. The information I had in mind related to the tremendous increase in boats operated on the reservoirs created by the Army Engineers.

I believe that has increased some tenfold in the last several years.

Captain MOTTRET. I think you are correct, Mr. Chairman. The inland waters of the United States for which the Coast and Geodetic Survey prepare the charts.

Chairman RUSSELL. I did have some information on it but I put it in the wrong place. You are right. The purpose of this bill then is to increase the deposits into the Treasury as a result of these transactions by some \$300,000?

Captain MOTTRET. That is our estimate of the gain that the Treasury would derive from the increased prices we would set on our charts.

Chairman RUSSELL. This is one place where the Government almost has to be in business. Even the most zealous person to exclude the Government from business would be hard put to find much complaint about this operation, and if you are going to run it, I hope you run it at a profit, Captain.

Any questions?

Senator SALTONSTALL. May I ask a very difficult question?

Chairman RUSSELL. Yes, sir. The captain looks qualified to answer it.

Senator SALTONSTALL. Does this change the number of free charts that a Senator or Congressman get?

Captain MOTTRET. Senator Saltonstall, this has no effect whatsoever on that.

Senator SALTONSTALL. So that Senator Smith and I of Massachusetts and Maine can get the same number of free charts?

Captain MOTTRET. A telephone call will bring them to you the same day I hope, sir.

Chairman RUSSELL. Any further questions.

If not we thank you very much, Captain.

(Subsequently, in executive session the committee voted to report H.R. 10319, without amendment, as covered by S. Rept. 1272.)

H.R. 2989, TO FURTHER AMEND THE MISSING PERSONS ACT TO COVER CERTAIN PERSONS DETAINED IN FOREIGN COUNTRIES AGAINST THEIR WILL, AND FOR OTHER PURPOSES

Chairman RUSSELL. The next matter for consideration before the committee is an amendment to the Missing Persons Act which comes to us in the form of H.R. 2989. The bill proposes to permit the continued crediting of pay to a person who is detained in a foreign country against his will. The bill will be presented by Col. Walter V. Cook, Acting Chief, Policy Division, Directorate of Personnel Planning, Office, Deputy Chief of Staff, Personnel, Department of the Air Force.

Have a seat, Colonel. I hope you can recall that title correctly when you go to giving your MOS.

(The bill, H.R. 2989, follows:)

[H.R. 2989, 88th Cong., 1st sess.]

AN ACT To further amend the Missing Persons Act to cover certain persons detained in foreign countries against their will, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Missing Persons Act, as amended (50 U.S.C., App. 1001 et seq.), is amended as follows:

- (1) Section 1(a) is amended—
 - (A) by striking out clauses (1) and (2) and by inserting the following in place thereof:
“(1) a member of the uniformed services as defined in section 101 (3) and (23) of title 37, United States Code;” and
 - (B) by redesignating clause (3) as clause “(2)”.
- (2) Section 1(b) is amended—
 - (A) by inserting the words “Air Force,” after the word “Navy.”; and
 - (B) by striking out the words “paragraph (a) (3) above” and inserting the words “paragraph (a) (2) above” in place thereof.
- (3) Section 2(a) is amended—
 - (A) by striking out the words “or besieged by a hostile force” in the first sentence and inserting the words “besieged by a hostile force, or detained in a foreign country against his will” in place thereof;
 - (B) by inserting the words “or employment” after the word “service” in the second sentence; and
 - (C) by striking out the words “or besieged by a hostile force” in the last sentence and inserting the words “besieged by a hostile force, or detained in a foreign country against their will” in place thereof.
- (4) The first sentence of section 5 is amended—
 - (A) by striking out the words “missing or missing in action” and inserting the words “entitled under section 2 of this Act to receive or be credited with pay and allowances” in place thereof; and
 - (B) by striking out the words “being a prisoner or of being interned” and inserting the words “the circumstances of the continued absence” in place thereof.
- (5) Section 6 is amended—
 - (A) by striking out the words “and in the hands of a hostile force or is interned in a foreign country” in the first sentence; and
 - (B) by striking out the words “or missing in action” in the second sentence and inserting the words “under the conditions specified in section 2 of this Act” in place thereof.

(6) Section 7 is amended by striking out the words "in November 1941 and any month subsequent thereto".

(7) Section 10 is amended by inserting the words "Air Force," after the word "Navy".

(8) The first sentence of section 12 is amended by striking out the words "missing for a period of thirty days or more, interned in a foreign country, or captured by a hostile force" and inserting the words "absent for a period of thirty days or more in any status listed in section 2 of this Act" in place thereof.

(9) Section 13 is amended to read as follows:

"Sec. 13. Notwithstanding any other provision of law, in the case of any taxable year beginning after December 31, 1940, no Federal income tax return of, or payment of any Federal income tax by—

"(1) a member of the uniformed services as defined in section 101 (3) and (23) of title 37, United States Code; or

"(2) any civilian officer or employee of any department; who, at the time any such return or payment would otherwise become due, is absent from his duty station under the conditions specified in section 2 of this Act, shall become due until the earlier of the following dates—

"(A) the fifteenth day of the third month in which he ceased (except by reason of death or incompetency) to be absent from his duty station under the conditions specified in section 2 of this Act, unless before the expiration of that fifteenth day he again is absent from his duty station under the conditions specified in section 2 of this Act; or

"(B) the fifteenth day of the third month following the month in which an executor, administrator, or conservator of the estate of the taxpayer is appointed.

Such due date is prescribed subject to the power of the Secretary of the Treasury or his delegate to extend the time for filing such return or paying such tax, as in other cases, and to assess and collect the tax as provided in sections 6851, 6861, and 6871 of the Internal Revenue Code of 1954 in cases in which such assessment or collection is jeopardized and in cases of bankruptcy or receivership."

Passed the House of Representatives July 8, 1963.

Attest:

RALPH R. ROBERTS, *Clerk.*

STATEMENT OF COL. WALTER V. COOK, ACTING CHIEF, POLICY DIVISION, DIRECTORATE OF PERSONNEL PLANNING, OFFICE, DEPUTY CHIEF OF STAFF, PERSONNEL, DEPARTMENT OF THE AIR FORCE

Colonel Cook. Thank you, Mr. Chairman. Mr. Chairman, I am Col. Walter V. Cook, Acting Chief, Policy Division, Directorate of Personnel Planning, Headquarters, U.S. Air Force.

I have a short statement, Mr. Chairman, which I can file and then I can briefly summarize the amendments that this bill proposes.

Chairman RUSSELL. You can do as you choose, sir.

(The prepared statement of Colonel Cook follows:)

Mr. Chairman and members of the committee, I am Col. Walter V. Cook, Acting Chief of the Policy Division, Directorate of Personnel Planning, Headquarters, U.S. Air Force. It is a privilege for me to appear before you today to express the unqualified support of the Department of Defense for the provisions of H.R. 2989.

The purpose of this proposed legislation is to clarify existing legislation to perfect the administration of the Missing Persons Act. At present, the benefits of the Missing Persons Act are provided for persons within the scope of the act who are "officially determined to be absent in a status of missing, missing in action, interned in a foreign country, captured by a hostile force, or besieged by a hostile force." All of these terms with the exception of the word "missing" standing alone and possibly "interned in a foreign country" were originally predicated upon a declared war and if treated literally would imply a condition of declared war. The amendment to the Missing Persons Act is to provide for specific

coverage in cold war situations for military and civilian personnel employed by the Federal Government. To assist further in an orderly and equitable administration of the act, amendment to reestablish former policy of deferment of Federal income tax reporting and payment during the period such personnel are in a missing status is also recommended.

The need for clarifying legislation to perfect the administration of the Missing Persons Act (MPA) is illustrated by the cases of the two RB-47 pilots shot down by the Soviets over the Barents Sea on July 1, 1960. Capt. John R. McKone and Capt. Freeman B. Olmstead were released on January 26, 1961, without having been tried. The carrying of Captain McKone and Captain Olmstead, the RB-47 pilots, in a "missing" status during their absence, the only term of the Missing Persons Act that had literal application to their situation, when for all practical purposes their whereabouts were known, provided an administrative anomaly for the Air Force. In addition, had Captain McKone and Captain Olmstead been tried and forced to serve 10-year sentences, administration under the present terminology of the act would be strained.

Section 13 of the Missing Persons Act is amended to provide for the filing and payment of income tax on the 15th day of the 3d month after termination of the "missing" status or after an executor, administrator or conservator of the estate of a missing person has been appointed. This provision was an integral part of the Missing Persons Act when it was approved in 1942 and continued in effect until December 31, 1947. It was not reestablished when the remainder of the act was reactivated by the Selective Service Act of 1948. As in the illustration above, in a cold war situation there is increased potential that individuals determined to be covered under the Missing Persons Act may continue in the "missing" status for an extended period of time. During such disability the individual is unable to file and pay taxes on his own behalf, and under the Revenue Code, there is no one who is responsible for filing on his behalf. Should the normal 3-year period for filing for refund by the individual run out during the period of disability, or if interest is running on additional tax due from him, no relief is authorized by the Revenue Code. The requested provision is considered to be necessary for orderly and equitable administration of the affairs of missing persons.

The balance of the changes are for the purpose of defining the military personnel who are covered under the act in consonance with the definition provided in 37 U.S.C. 231. The clarification will allow for common application of the present definitions and obviate the need for future amendment to meet changes in military personnel designations.

Colonel Cook. The purpose of this bill is to amend the Missing Persons Act by adding the words "detained in a foreign country against his will" so as to provide specific coverage in the cold war situation for military and civilian personnel employed by the Federal Government who are in this situation. In addition, the proposed legislation would assist further in an equitable administration of existing law by reestablishing the former policy of deferring Federal income tax reporting and payment during the period such personnel are in a missing status.

I might point out, Mr. Chairman, that this bill has no additional cost to the Government for this amendment.

Chairman RUSSELL. Give us the facts in the actual case that prompted the submission of this legislation, will you, Colonel?

Colonel Cook. One of the classic examples is the well-publicized case of the two Air Force captains who were shot down on July 1, 1960, Mr. Chairman, Capt. John R. McCone and Capt. Freeman B. Olmstead. They were shot down by the Soviets over the Baren Sea on the date that I mentioned. These two captains were released the 26th of January 1961, without having been tried. The carrying of Captain McCone and Captain Olmstead, the RB-47 pilots, in a missing status during their absence, the only term of the Missing Persons Act that had literal application to their situation, when for all practical

purposes their whereabouts were known, provided an administrative anomaly for the Air Force.

In addition, Captain McCone and Captain Olmstead, had they been tried and forced to serve 10 years sentence, administration under the present terminology of the Missing Persons Act would be strained to provide the payment to their dependents, sir.

Chairman RUSSELL. It could conceivably apply to personnel engaged in training in Vietnam in the present hostilities against the Vietcong in Asia?

Colonel COOK. Yes, sir, Mr. Chairman. A more recent case, Mr. Chairman, was the two Army captains that were legally inspecting the zone of demarcation in Korea who were shot down about a year ago, and have now been returned to U.S. custody.

Chairman RUSSELL. Any questions?

Senator CASE. And the benefits that follow the application of the Missing Persons Act, again just quickly what are they?

Colonel COOK. Sir, they cover six specific points which this amendment will straighten out for the cold war situation. The benefits of the Missing Persons Act are provided for persons within the scope of the act who are officially determined to be absent in a status of missing, missing in action—

Senator CASE. I understand, but what are the benefits?

Colonel COOK. Sir, this carries on their pay and allowances to their dependents while they are in this missing status.

Senator CASE. And the income tax, does the income tax matter come in this at all?

Colonel COOK. Yes, sir. This will amend that and restore what used to be in the act, that they don't have to file for income tax purposes until the 15th day of the third month following their return or release from the status of missing.

Senator CASE. Just a delay?

Colonel COOK. Yes, sir.

Senator CASE. Thank you, Mr. Chairman.

Chairman RUSSELL. Any further questions?

Thank you, Colonel.

The committee will now go into executive session.

(Whereupon, at 11:20 a.m., the committee went into executive session.)

(Subsequently, in executive session, the committee voted to report H.R. 2989, without amendment, as covered by S. Rept. 1286.)

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