

**The original documents are located in Box D15, folder “Lear Contract and Defense, December 7, 1961” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.**

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STATEMENT OF REP. GERALD R. FORD, JR.

December 7, 1961

The Navy under the Kennedy Administration has or is about to award a multi-million dollar contract for a loft bomb release computer set to a Texas firm that has never made this essential and extremely complicated military hardware. Lear, Inc. developed this intricate equipment and has produced a great number of these units for the Navy on schedule. Lear has been a low-cost producer and in addition has provided excellent <sup>field</sup> ~~unit~~ maintenance and service on these units for the combat aircraft involved.

I strongly believe that the Democratic Administration is making a serious mistake to award the contract for this vital component of combat aircraft to a company that has no experience in this field. I am certain the alleged low bidder cannot meet the production and qualification delivery dates and will not be able to provide the field maintenance which is important to the readiness of Navy combat aircraft. Furthermore the Texas company I am confident will not in the final analysis be able to produce the units at the lowest overall cost to the Navy. The submitted bid price by the Texas company is an attempt to get the contract by what appears to be a lower price and then sandbag the Navy during production by the change order process to increase the real unit cost. Such action by either the Navy or the company would be a fraud on the taxpayers and a perversion of the competitive bidding process.

Furthermore it is tragic to note that while defense spending has increased under the New Frontier since January 20, 1961, Lear Inc., a reliable and efficient producer of vital military hardware has not benefitted, in fact employment in the Grand Rapids plant is down and the backlog of defense business is less. The loss of this contract undoubtedly means that in 1962 Lear employment will



be lower than at the present time.

Although I am a firm believer in the Defense Department getting the lowest overall price for the military hardware, it purchases, I am equally concerned that the Armed Forces obtain a thoroughly reliable product on the specified delivery dates.

Democratic politicians from Michigan have talked a great deal about obtaining additional defense orders for Michigan. There is certainly no evidence of effective action in the case of Lear, which is one of the largest single Defense Department suppliers in Western Michigan. On January 1, 1961, Lear had approximately 3827 employees in its major division in Grand Rapids. On October 31, 1961 the corresponding number of employees had dropped to 2983, a reduction of 844. <sup>Lear's accumulated</sup> The backlog of defense business has declined under the Democratic Administration from \$55.6 million on January 1, 1961 to \$37.5 million on November 1, 1961. Tragically the undeserved loss of this Navy contract under the new Administration will mean a significant reduction in annual payroll in Grand Rapids in 1962.

On the merits Lear should have been awarded the contract. Lear has produced these units on a quality basis, on schedule, and on a low overall cost basis. As a member of the Defense Subcommittee on Appropriations I have done everything I could to convince the Navy it was making a grave mistake to award this contract to an inexperienced manufacturer of such equipment. It is my intention to pursue this contract to the end to be certain that the Navy does not extend the delivery dates to this inexperienced manufacturer in this field or increase the final cost to the taxpayer by the unwarranted change order process.



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