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OCTOBER 1, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed S. 3270, the "Defense Production Act Amendments of 1974."

The Defense Production Act was first passed in 1950 at the beginning of the Korean War, as a means of expanding the Nation's industrial capacity and enabling the Federal Government to produce and allocate critical materials in times of national emergency and for national security and other purposes. Since 1950, the act has provided ongoing authorization for the Government to assure that we have the productive capacity that would be needed for wartime mobilization.

The legislation I have signed extends the Defense Production Act until June 30, 1975. It also makes two significant changes in that act.

First, S. 3270 completely revises the financing mechanisms for loan and purchase activities under the act. All such activities will no longer be funded through Treasury borrowing but through regular, more straightforward appropriations process.

Secondly, S. 3270 creates a National Commission on Supplies and Shortages. This Commission will study our supply picture and make recommendations on those institutional adjustments which may be needed to ensure that we can respond quickly and effectively to potential resources and commodity shortages.

For the last six months, a special Administration task force has been at work identifying and assessing potential threats to our imports of critical, non-fuel raw materials. The findings of this task force are completed and they will be discussed with the new Commission on Supplies and Shortages and should be of significant help to the Commission in carrying out its mandate.

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