

## Public Law 89-213

## AN ACT

September 29, 1965

Making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes.

[H. R. 9221]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1966, for military functions administered by the Department of Defense, and for other purposes, namely:

Department of  
Defense Appro-  
priation Act, 1966.

## TITLE I

## MILITARY PERSONNEL

## MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere); \$4,092,291,000, and, in addition \$240,000,000 of which \$210,000,000 shall be derived by transfer from the Army stock fund and the Defense stock fund and \$30,000,000 shall be derived by transfer from the Army industrial fund: *Provided*, That not to exceed \$12,300,000 of the unobligated balance of the appropriation made under this head for the fiscal year 1963, and subsequently withdrawn under the Act of July 25, 1956 (31 U.S.C. 701), may be restored and transferred to the appropriation accounts under this head for the fiscal years 1956, 1957, and 1961.

70 Stat. 647.

## MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; \$3,055,000,000, and, in addition \$120,000,000 which shall be derived by transfer from the Navy stock fund and the Defense stock fund.

## MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); \$749,900,000, and, in addition \$25,000,000 which shall be derived by transfer from the Marine Corps stock fund and the Defense stock fund.

## MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members

of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; \$4,393,800,000, and, in addition \$85,000,000 which shall be derived by transfer from the Air Force stock fund and the Defense stock fund: *Provided*, That not to exceed \$45,800,000 in the aggregate of the unobligated balances of appropriations made under this head for the fiscal years 1961 and 1962, and subsequently withdrawn under the Act of July 25, 1956 (31 U.S.C. 701), may be restored and transferred to the appropriation accounts under this head for the fiscal years 1958 and 1959.

70 Stat. 647.

#### RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265 and 3033 of title 10, United States Code, or while undergoing reserve training or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, as authorized by law; \$238,600,000: *Provided*, That the Army Reserve will be programmed to attain an end strength of two hundred seventy thousand for fiscal year 1966.

70A Stat. 11,  
161.

#### RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Naval Reserve on active duty under section 265 of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, regular and contract enrollees in the Naval Reserve Officers' Training Corps, and retainer pay, as authorized by law; \$105,100,000.

#### RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve and the Marine Corps platoon leaders class on active duty under section 265 of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, as authorized by law; \$33,000,000.

#### RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under section 265 or 8033 of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Air Reserve Officers' Training Corps, as authorized by law; \$60,500,000.

70A Stat. 491.

#### NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 265, 3033, or 3496 of title 10 or section 708 of title 32, United States Code, or while undergoing training or while performing drills or equivalent duty, as authorized by law; \$271,800,000: *Provided*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code: *Provided further*, That the Army National Guard will be programmed to attain an end strength of not less than three hundred eighty thousand for fiscal year 1966.

70A Stat. 198,  
614.

70A Stat. 599.

### NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 265, 8033, or 8496 of title 10 or section 708 of title 32, United States Code, or while undergoing training or while performing drills or equivalent duty, as authorized by law; \$71,300,000: *Provided*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code.

70A Stat. 11,  
491, 524, 614.

70A Stat. 599.

### RETIRED PAY, DEFENSE

For retired pay and retirement pay, as authorized by law, of military personnel on the retired lists of the Army, Navy, Marine Corps, and the Air Force, including the reserve components thereof, retainer pay for personnel of the inactive Fleet Reserve, and payments under chapter 73 of title 10, United States Code; \$1,529,000,000.

70A Stat. 108;  
75 Stat. 810.  
10 USC 1431-  
1446.

## TITLE II

### OPERATION AND MAINTENANCE

#### OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and recreation; recruiting expenses; transportation services; communications services; maps and similar data for military purposes; military surveys and engineering planning; repair of facilities; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; and not to exceed \$4,308,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; \$3,483,600,000, of which not less than \$225,000,000 shall be available only for the maintenance of real property facilities.

#### OPERATION AND MAINTENANCE, ARMY, 1962 (LIQUIDATION OF CONTRACT AUTHORIZATION)

For an additional amount for "Operation and maintenance, Army, 1962" for liquidation of obligations incurred pursuant to authority contained in subsection (c) of section 612 of the Department of Defense Appropriation Act, 1962, \$54,044,000.

75 Stat. 377.

#### OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, including aircraft and vessels; modification of aircraft, missiles, missile systems, and other ordnance; design and alteration of vessels; training and

education of members of the Navy; administration; procurement of military personnel; hire of passenger motor vehicles; welfare and recreation; medals, awards, emblems, and other insignia; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; medical and dental care; care of the dead; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; dissemination of scientific information; administration of patents, trademarks, and copyrights; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; repair of facilities; departmental salaries; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement of services, special clothing, supplies, and equipment; installation of equipment in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum and oil shale reserves, as authorized by law; and not to exceed \$9,825,000 for emergency and extraordinary expenses, as authorized by section 7202 of title 10, United States Code, to be expended on the approval and authority of the Secretary and his determination shall be final and conclusive upon the accounting officers of the Government; \$3,332,100,000, of which not less than \$141,000,000 shall be available only for the maintenance of real property facilities, and not to exceed \$1,169,000 may be transferred to the appropriation for "Salaries and expenses", Weather Bureau, Department of Commerce, fiscal year 1966 for the operation of ocean weather stations: *Provided*, That not to exceed \$8,600,000 of the unobligated balance of the appropriation made under this head for the fiscal year 1960, and subsequently withdrawn under the Act of July 25, 1956 (31 U.S.C. 701), may be restored and transferred to the appropriation account for "Medical care, Navy," for the fiscal year 1958.

70A Stat. 442.

70A Stat. 647.

#### OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, necessary for the operation and maintenance of the Marine Corps including equipment and facilities; procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement and manufacture of military supplies, equipment, and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems, and other insignia; operation of station hospitals, dispensaries and dental clinics; and departmental salaries; \$192,500,000, of which not less than \$20,462,000 shall be available only for the maintenance of real property facilities.

#### OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve and the Air Reserve Officers' Training Corps; operation, maintenance, and modification of aircraft and missiles; transportation of things; repair and maintenance of facilities; field printing plants; hire of passenger motor vehicles; recruiting advertising expenses; training and instruction of military personnel of the Air Force, including tuition and related expenses; pay, allowances, and travel expenses of contract surgeons; repair of private property and other necessary expenses of combat maneuvers; care of the dead;

chaplain and other welfare and morale supplies and equipment; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for enlisted men and patients not otherwise provided for; awards and decorations; industrial mobilization, including maintenance of reserve plants and equipment and procurement planning; special services by contract or otherwise; and not to exceed \$3,900,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; \$4,464,100,000, of which not less than \$258,000,000 shall be available only for the maintenance of real property facilities, and not to exceed \$200,000 may be transferred to the appropriation for "Salaries and expenses", Weather Bureau, Department of Commerce, fiscal year 1966, for the operation of the Marcus Island upper-air station.

#### OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments and the Office of Civil Defense), including administration; hire of passenger motor vehicles; welfare and recreation; awards and decorations; travel expenses, including expenses of temporary duty travel of military personnel; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; care of the dead; dissemination of scientific information; administration of patents, trademarks, and copyrights; tuition and fees incident to the training of military personnel at civilian institutions; repair of facilities; departmental salaries; procurement of services, special clothing, supplies, and equipment; field printing plants; information and educational services for the Armed Forces; communications services; and not to exceed \$1,623,000 for emergency and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense for such purposes as he deems appropriate, and his determination thereon shall be final and conclusive upon the accounting officers of the Government; \$533,490,000, of which not less than \$11,400,000 shall be available only for the maintenance of real property facilities.

#### DEFENSE INDUSTRIAL FUND

For the Defense Industrial Fund, \$30,000,000, to be derived by transfer from the Defense Stock Fund.

#### OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personal services in the National Guard Bureau and services of personnel of the National Guard employed as civilians without regard to their military rank, and the number of caretakers authorized to be employed under provisions of law (32 U.S.C. 709), and those necessary to provide reimbursable services for the military departments, may be such as is deemed necessary by the Secretary of the Army; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National

Guard Bureau; supplying and equipping the Army National Guard of the several States, Commonwealth of Puerto Rico, and the District of Columbia, as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); \$208,800,000, of which not less than \$1,900,000 shall be available only for the maintenance of real property facilities: *Provided*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code.

70A Stat. 599.

#### OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard of the several States, Commonwealth of Puerto Rico, and the District of Columbia; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, of Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; \$238,000,000, of which not less than \$2,500,000 shall be available only for the maintenance of real property facilities: *Provided*, That the number of caretakers authorized to be employed under the provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Air Force and such caretakers may be employed without regard to their military rank as members of the Air National Guard: *Provided further*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code.

70A Stat. 614.

#### NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

For the necessary expenses of construction, equipment, and maintenance of rifle ranges, the instruction of citizens in marksmanship, and promotion of rifle practice, in accordance with law, including travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions, and not to exceed \$21,000 for incidental expenses of the National Board; \$459,000: *Provided*, That travel expenses of civilian members of the National Board shall be paid in accordance with the Standardized Government Travel Regulations, as amended.

#### CLAIMS, DEFENSE

For payment, not otherwise provided for, of claims authorized by law to be paid by the Department of Defense (except for civil functions), including claims for damages arising under training contracts with carriers, and repayment of amounts determined by the Secretary concerned, or officers designated by him, to have been erroneously collected from military and civilian personnel of the Department of Defense, or from States, territories, or the District of Columbia, or members of National Guard units thereof; \$24,000,000.

## CONTINGENCIES, DEFENSE

For emergencies and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense and such expenses may be accounted for solely on his certificate that the expenditures were necessary for confidential military purposes; \$15,000,000: *Provided*, That a report of disbursements under this item of appropriation shall be made quarterly to the Appropriations Committees of the Congress.

Report to congressional committees.

## COURT OF MILITARY APPEALS, DEFENSE

For salaries and expenses necessary for the Court of Military Appeals; \$579,000.

## TITLE III—PROCUREMENT

## PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, equipment, vehicles, vessels, and aircraft for the Army and the Reserve Officers' Training Corps; purchase of not to exceed two thousand seven hundred and forty-one passenger motor vehicles for replacement only; expenses which in the discretion of the Secretary of the Army are necessary in providing facilities for production of equipment and supplies for national defense purposes, including construction, and the furnishing of Government-owned facilities and equipment at privately owned plants; and ammunition for military salutes at institutions to which issue of weapons for salutes is authorized; \$1,204,800,000, to remain available until expended.

## PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

For construction, procurement, production, modification, and modernization of aircraft, missiles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands, and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public or private plants; \$2,272,500,000, to remain available until expended.

40 USC 255.

## SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools, and installation thereof in public or private plants; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; \$1,590,500,000, to remain available until expended: *Provided*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in

Restriction.

shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel.

#### OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment, and materials not otherwise provided for, Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion), purchase of not to exceed one thousand five hundred and sixty passenger motor vehicles (including eight medium sedans at not to exceed \$3,000 each) for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands, and interests therein may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public or private plants; \$1,135,000,000, to remain available until expended.

40 USC 255.

#### PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, and vehicles for the Marine Corps, including purchase of not to exceed two hundred and sixty-nine passenger motor vehicles for replacement only; \$43,800,000, to remain available until expended.

#### AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft, and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; \$3,517,000,000, to remain available until expended.

70A Stat. 590.

#### MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; \$796,100,000, to remain available until expended.

## OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed two thousand four hundred and twenty-eight passenger motor vehicles (including five medium sedans at not to exceed \$3,000 each), for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; \$829,100,000, to remain available until expended.

70A Stat. 590.

40 USC 255.

## PROCUREMENT, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments and the Office of Civil Defense) necessary for procurement, production, and modification of equipment, supplies, materials and spare parts therefor not otherwise provided for; purchase of fifty passenger motor vehicles for replacement only; expansion of public and private plants, equipment and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such land and interest therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; \$15,200,000, to remain available until expended.

## TITLE IV

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; \$1,406,400,000, to remain available until expended.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; \$1,439,200,000, to remain available until expended.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; \$3,103,900,000, to remain available until expended: *Provided*, That of the funds appropriated in this paragraph, \$22,000,000 shall be available only for development of advanced manned strategic aircraft and \$150,000,000 shall be available only for the Manned Orbiting Laboratory program.

Manned Orbiting  
Laboratory pro-  
gram.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments and the Office of Civil Defense), necessary for basic and applied scientific research, development, test, and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, to remain available until expended; \$495,000,000: *Provided*, That such amounts as may be determined by the Secretary of Defense to have been made available in other appropriations available to the Department of Defense during the current fiscal year for programs related to advanced research may be transferred to and merged with this appropriation to be available for the same purposes and time period: *Provided further*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs, to be merged with and to be available for the same time period as the appropriation to which transferred, and not to exceed \$1,000,000 may be transferred to the appropriation for "Salaries and expenses," Coast and Geodetic Survey, Department of Commerce, fiscal year 1966, for the expenses of the Worldwide Seismological Network Program.

Transfer of  
funds.

## EMERGENCY FUND, DEFENSE

For transfer by the Secretary of Defense, with the approval of the Bureau of the Budget, to any appropriation for military functions under the Department of Defense available for research, development, test, and evaluation, or procurement or production related thereto, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred; \$125,000,000, and, in addition, not to exceed \$150,000,000, to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary of Defense may designate: *Provided*, That any appropriations transferred shall not exceed 7 per centum of the appropriation from which transferred.

Restriction.

## TITLE V—EMERGENCY FUND, SOUTHEAST ASIA

## DEPARTMENT OF DEFENSE

## EMERGENCY FUND, SOUTHEAST ASIA

For transfer by the Secretary of Defense, upon determination by the President that such action is necessary in connection with military activities in southeast Asia, to any appropriation available to the Department of Defense for military functions, to be merged with and to be available for the same purposes, and for the same time period as the appropriation to which transferred, \$1,700,000,000, to remain available until expended: *Provided*, That transfers under this authority may be made and funds utilized, without regard to the provisions of subsection (b) of section 412 of Public Law 86-149, as amended, 10 U.S.C. 4774(d), 10 U.S.C. 9774(d), section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and 41 U.S.C. 12.

## TITLE VI

## GENERAL PROVISIONS

SEC. 601. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, respectively, if they should deem it advantageous to the national defense, and if in their opinions the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty station and return as may be authorized by law: *Provided*, That such contracts may be renewed annually.

Experts or consultants.

60 Stat. 810.

SEC. 602. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

Employment of noncitizens.

SEC. 603. Appropriations contained in this Act shall be available for insurance of official motor vehicles in foreign countries, when required by laws of such countries; payments in advance of expenses determined by the investigating officer to be necessary and in accord with local custom for conducting investigations in foreign countries incident to matters relating to the activities of the department concerned; reimbursement of General Services Administration for security guard services for protection of confidential files; reimbursement of the Federal Bureau of Investigation for expenses in connection with investigation of defense contractor personnel; and all necessary expenses, at the seat of government of the United States of America or elsewhere, in connection with communication and other services and supplies as may be necessary to carry out the purposes of this Act: *Provided*, That no appropriation contained in this Act, and no funds available from prior appropriations to component departments and agencies of the Department of Defense, shall be used to pay tuition or to make other payments to educational institutions in connection with the instruction or training of file clerks, stenographers, and typists receiving, or prospective file clerks, stenographers, and typists who will receive compensation at a rate below the minimum rate of pay for positions allocated to grade GS-5 under the Classification Act of 1949, as amended.

Availability of appropriations.

Restriction.

SEC. 604. Any appropriation available to the Army, Navy, or the Air Force may, under such regulations as the Secretary concerned may prescribe, be used for expenses incident to the maintenance, pay, and allowances of prisoners of war, other persons in Army, Navy, or Air Force custody whose status is determined by the Secretary concerned to be similar to prisoners of war, and persons detained in such custody pursuant to Presidential proclamation.

Post, p. 1111.

Prisoners of war, etc.

SEC. 605. Appropriations available to the Department of Defense for the current fiscal year for maintenance or construction shall be available for acquisition of land as authorized by section 2672 of title 10, United States Code.

Land acquisition.

SEC. 606. Appropriations for the Department of Defense for the current fiscal year shall be available, (a) except as authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for primary and secondary schooling for minor dependents of military and civilian personnel of the Department of Defense residing on military or naval installations or stationed in foreign countries, as authorized for the Navy by section 7204 of title 10, United States Code, in amounts not

72 Stat. 1459;

76 Stat. 511.

Dependents' schooling.

64 Stat. 1100;

Ante, p. 27.

70A Stat. 442.

exceeding an average of \$455 per student, when the Secretary of the Department concerned finds that schools, if any, available in the locality, are unable to provide adequately for the education of such dependents: *Provided*, That the foregoing amount may be exceeded to the extent necessary to provide for any increase in tuition payments required by law to be made to the Canal Zone Government during the current fiscal year; (b) for expenses in connection with administration of occupied areas; (c) for payment of rewards as authorized for the Navy by section 7209(a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (d) for payment of deficiency judgments and interests thereon arising out of condemnation proceedings; (e) for leasing of buildings and facilities including payment of rentals for special purpose space at the seat of government and, in the conduct of field exercises and maneuvers or, in administering the provisions of 43 U.S.C. 315q, rentals may be paid in advance; (f) payments under contracts for maintenance of tools and facilities for twelve months beginning at any time during the fiscal year; (g) maintenance of Defense access roads certified as important to national defense in accordance with section 210 of title 23, United States Code; (h) for the purchase of milk for enlisted personnel of the Department of Defense heretofore made available pursuant to section 1446a, title 7, United States Code.

SEC. 607. Appropriations for the Department of Defense for the current fiscal year shall be available for: (a) donations of not to exceed \$25 to each prisoner upon each release from confinement in military or contract prison and to each person discharged for fraudulent enlistment; (b) authorized issues of articles to prisoners, applicants for enlistment and persons in military custody; (c) subsistence of selective service registrants called for induction, applicants for enlistment, prisoners, civilian employees as authorized by law, and supernumeraries when necessitated by emergent military circumstances; (d) reimbursement for subsistence of enlisted personnel while sick in hospitals; (e) expenses of prisoners confined in nonmilitary facilities; (f) military courts, boards, and commissions; (g) utility services for buildings erected at private cost, as authorized by law, and buildings on military reservations authorized by regulations to be used for welfare and recreational purposes; (h) exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; (i) expenses of Latin-American cooperation as authorized for the Navy by law (10 U.S.C. 7208); and (j) expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed \$25 in any one case.

SEC. 608. Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by making available or causing to be made available to purchasing and contracting agencies of the Department of Defense information as to commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds appropriated by this Act.

SEC. 609. No appropriation contained in this Act shall be available for expenses of operation of messes (other than organized messes the

Occupied areas.

Rewards.

70A Stat. 444.

Deficiency judgments.  
Special purpose space.

56 Stat. 654.

Tools, maintenance.  
Access roads.

72 Stat. 908.

Milk program.

68 Stat. 900.

Articles for prisoners, etc.

70A Stat. 443.

Assistance to small business.

Mess operations.

operating expenses of which are financed principally from nonappropriated funds) at which meals are sold to officers or civilians except under regulations approved by the Secretary of Defense, which shall (except under unusual or extraordinary circumstances) establish rates for such meals sufficient to provide reimbursement of operating expenses and food costs to the appropriations concerned: *Provided*, That officers and civilians in a travel status receiving a per diem allowance in lieu of subsistence shall be charged at the rate of not less than \$2.50 per day: *Provided further*, That for the purposes of this section payments for meals at the rates established hereunder may be made in cash or by deductions from the pay of civilian employees: *Provided further*, That members of organized nonprofit youth groups sponsored at either the national or local level, when extended the privilege of visiting a military installation and permitted to eat in the general mess by the commanding officer of the installation, shall pay the commuted ration cost of such meal or meals.

SEC. 610. No part of any appropriation contained in this Act shall be available until expended unless expressly so provided elsewhere in this or some other appropriation Act.

SEC. 611. Appropriations of the Department of Defense available for operation and maintenance, may be reimbursed during the current fiscal year for all expenses involved in the preparation for disposal and for the disposal of military supplies, equipment, and materiel, and for all expenses of production of lumber or timber products pursuant to section 2665 of title 10, United States Code, from amounts received as proceeds from the sale of any such property: *Provided*, That a report of receipts and disbursements under this limitation shall be made quarterly to the Committees on Appropriations of the Congress: *Provided further*, That no funds available to agencies of the Department of Defense shall be used for the operation, acquisition, or construction of new facilities or equipment for new facilities in the continental limits of the United States for metal scrap baling or shearing or for melting or sweating aluminum scrap unless the Secretary of Defense or an Assistant Secretary of Defense designated by him determines, with respect to each facility involved, that the operation of such facility is in the national interest.

SEC. 612. (a) During the current fiscal year, the President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interests of national defense.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of Revised Statutes 3732 (41 U.S.C. 11).

(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of Revised Statutes 3732 (41 U.S.C. 11).

(d) The Secretary of Defense shall immediately advise the Committees on Appropriations of the Congress of the exercise of any authority granted in this section, and shall report monthly on the estimated obligations incurred pursuant to subsections (b) and (c).

SEC. 613. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including

Reimbursable appropriations.

70 A Stat. 149.

Report to congressional committees.

Apportionment of funds, exemption.

31 USC 665.

Airborne alert expenses.

Increased military personnel, expenses.

Report to congressional committees.

Commissary stores.

commercial transportation in the United States to the place of sale but excluding all transportation outside the United States) and maintenance of operating equipment and supplies, and for the actual or estimated cost of utilities as may be furnished by the Government and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned, with the approval of the Secretary of Defense, which regulations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish sufficient gross revenue from sales of commissary stores to make such reimbursement: *Provided*, That under such regulations as may be issued pursuant to this section all utilities may be furnished without cost to the commissary stores outside the continental United States and in Alaska: *Provided further*, That no appropriation contained in this Act shall be available in connection with the operation of commissary stores within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

Proficiency flying.

SEC. 614. Notwithstanding any other provision of law, Executive order, or regulation, no part of the appropriations in this Act shall be available for any expenses of operating aircraft under the jurisdiction of the Armed Forces for the purpose of proficiency flying except in accordance with the regulations issued by the Secretaries of the Departments concerned and approved by the Secretary of Defense which shall establish proficiency standards and maximum and minimum flying hours for this purpose: *Provided*, That without regard to any provision of law or Executive order prescribing minimum flight requirements, such regulations may provide for the payment of flight pay at the rates prescribed in section 301 of title 37, United States Code, to certain members of the Armed Forces otherwise entitled to receive flight pay during the current fiscal year (1) who have held aeronautical ratings or designations for not less than fifteen years, or (2) whose particular assignment outside the United States or in Alaska makes it impractical to participate in regular aerial flights.

76 Stat. 461;  
77 Stat. 215, 216.

Household goods.

SEC. 615. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of eleven thousand pounds net in any one shipment.

Vessel transfer.

SEC. 616. Vessels under the jurisdiction of the Department of Commerce, the Department of the Army, Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

Legal training, restriction.

SEC. 617. None of the funds provided in this Act shall be available for training in any legal profession nor for the payment of tuition for training in such profession: *Provided*, That this limitation shall not apply to the off-duty training of military personnel as prescribed by section 621 of this Act.

Obligated funds, 1966.

SEC. 618. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of civilian components or summer camp training of the Reserve Officers' Training Corps.

SEC. 619. During the current fiscal year the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

Use of foreign  
real property.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas, without specific appropriations therefor: *Provided*, That within thirty days after the end of each quarter the Secretary of Defense shall render to the Committees on Appropriations of the Senate and the House of Representatives and to the Bureau of the Budget a full report of such property, supplies, and commodities received during such quarter.

Report to con-  
gressional com-  
mittees and  
Budget Bureau.

SEC. 620. During the current fiscal year, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the service concerned.

Research and  
development.

70A Stat. 134.

SEC. 621. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of educational institutions for tuition or expenses for off-duty training of military personnel, nor for the payment of any part of tuition or expenses for such training for commissioned personnel who do not agree to remain on active duty for two years after completion of such training.

Tuition pay-  
ments, etc., re-  
striction.

SEC. 622. No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, Reserve Officers' Training Corps, who has not executed a certificate of loyalty or loyalty oath in such form as shall be prescribed by the Secretary of Defense.

ROTC, loyalty  
requirement.

SEC. 623. No part of any appropriation contained in this Act shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles) not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, or wool grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided*, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: *Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

Procurement  
restrictions.

Bakery, laundry facilities.

SEC. 624. None of the funds appropriated in this Act shall be used for the construction, replacement, or reactivation of any bakery, laundry, or dry-cleaning facility in the United States, its Territories or possessions, as to which the Secretary of Defense does not certify in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.

Airmail; reimbursement.

SEC. 625. During the current fiscal year, appropriations of the Department of Defense shall be available for reimbursement to the Post Office Department for payment of costs of commercial air transportation of military mail between the United States and foreign countries.

Furnishings, resale.

SEC. 626. Appropriations contained in this Act shall be available for the purchase of household furnishings and automobiles from military and civilian personnel on duty outside the continental United States, for the purpose of resale at cost to incoming personnel, and for providing furnishings, without charge, in other than public quarters occupied by military or civilian personnel of the Department of Defense on duty outside the continental United States or in Alaska, upon a determination, under regulations approved by the Secretary of Defense, that such action is advantageous to the Government.

Uniforms.

SEC. 627. During the current fiscal year appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

68 Stat. 1114.  
Ammunition, transfer.

SEC. 628. During the current fiscal year, the Secretary of Defense shall, upon requisition of the National Board for the Promotion of Rifle Practice, and without reimbursement, transfer from agencies of the Department of Defense to the Board ammunition from stock or which has been procured for the purpose in such amounts as he may determine.

Such appropriations of the Department of Defense available for obligation during the current fiscal year as may be designated by the Secretary of Defense shall be available for the travel expenses of military and naval personnel, including the reserve components, and members of the Reserve Officers' Training Corps attending regional, national, or international rifle matches.

Congressional liaison activities.

SEC. 629. Funds provided in this Act for congressional liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed \$950,000: *Provided*, That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense.

Civil reserve air fleet.

SEC. 630. Of the funds made available by this Act for the services of the Military Air Transport Service, \$100,000,000 shall be available only for procurement of commercial transportation service from carriers participating in the civil reserve air fleet program; and the Secretary of Defense shall utilize the services of such carriers which qualify as small businesses to the fullest extent found practicable: *Provided*, That the Secretary of Defense shall specify in such procurement, performance characteristics for aircraft to be used based upon modern aircraft operated by the civil air fleet.

Motor vehicle hire.

SEC. 631. Not to exceed \$11,746,000 of the funds made available in this Act for the purpose shall be available for the hire of motor vehicles: *Provided*, That the Secretary of Defense, under circumstances where the immediate movement of persons is imperative, may, if he deems it to be in the national interest, hire motor vehicles for such purposes without regard to this limitation.

SEC. 632. Not less than \$7,500,000 of the funds made available in this Act for travel expenses in connection with temporary duty and permanent change of station of civilian and military personnel of the Department of Defense shall be available only for the procurement of commercial passenger sea transportation service on American-flag vessels.

Sea transportation.

SEC. 633. During the current fiscal year, appropriations available to the Department of Defense for operation may be used for civilian clothing, not to exceed \$40 in cost for enlisted personnel: (1) discharged for misconduct, unfitness, unsuitability, or otherwise than honorably; (2) sentenced by a civil court to confinement in a civil prison or interned or discharged as an alien enemy; (3) discharged prior to completion of recruit training under honorable conditions for dependency, hardship, minority, disability, or for the convenience of the Government.

Civilian clothing.

SEC. 634. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, or (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract.

Defense contractors. Advertising costs, prohibition.

SEC. 635. Funds appropriated in this Act for maintenance and repair of facilities and installations shall not be available for acquisition of new facilities, or alteration, expansion, extension, or addition of existing facilities, as defined in Department of Defense Directive 7040.2, dated January 18, 1961, in excess of \$25,000: *Provided*, That the Secretary of Defense may amend or change the said directive during the current fiscal year, consistent with the purpose of this section.

Facilities, maintenance and repair.

SEC. 636. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest to further improve the readiness of the Armed Forces, including the reserve components, transfer under the authority and terms of the Emergency Fund an additional \$200,000,000: *Provided*, That the transfer authority made available under the terms of the Emergency Fund appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority.

Transfer of funds, authority.

SEC. 637. None of the funds appropriated in this Act may be used to make payments under contracts for any program, project, or activity in a foreign country unless the Secretary of Defense or his designee, after consultation with the Secretary of the Treasury or his designee, certifies to the Congress that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law is not feasible for the purpose, stating the reason therefor.

Report to congressional committees.

Contract payments in foreign countries.

SEC. 638. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount equal to as much as the entire cost of such project.

Research project costs.

SEC. 639. Only upon the approval by the Congress, through the enactment of law hereafter, of a realignment or reorganization of the Army Reserve Components, the Secretary may transfer the balances

Army Reserve Components.

of appropriations made in this Act for the support of the Army Reserve Components to the extent necessary to implement such a realignment or reorganization; and the provisions in this Act establishing strengths for the Army Reserve and the Army National Guard shall cease to be effective.

Prohibition.

SEC. 640. None of the funds provided in this Act shall be available for the expenses of the Special Training Enlistment Program (STEP).

Short title.

SEC. 641. This Act may be cited as the "Department of Defense Appropriation Act, 1966".

Approved September 29, 1965.

## Public Law 89-214

### AN ACT

September 29, 1965

[S. 2127]

To amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones, and for other purposes.

Armed Forces,  
Indemnity Insur-  
ance.  
72 Stat. 1148.  
38 USC 701 et  
seq.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) chapter 19 of title 38, United States Code, is amended by redesignating "Subchapter III—General" thereof as "Subchapter IV—General" and by inserting immediately after subchapter II thereof the following new subchapter III:

### "Subchapter III—Servicemen's Group Life Insurance

#### "§ 765. Definitions

"For the purpose of this subchapter—

"(1) The term 'active duty' means full-time duty as a commissioned or warrant officer, or as an enlisted member of a uniformed service under a call or order to duty that does not specify a period of thirty days or less.

"(2) The term 'member' means a person on active duty in the uniformed services in a commissioned, warrant, or enlisted rank or grade.

"(3) The term 'uniformed services' means the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, and Environmental Science Services Administration.

#### "§ 766. Eligible insurance companies

"(a) The Administrator is authorized, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), to purchase from one or more life insurance companies a policy or policies of group life insurance to provide the benefits specified in this subchapter. Each such life insurance company must (1) be licensed to issue life insurance in each of the fifty States of the United States and in the District of Columbia, and (2) as of the most recent December 31 for which information is available to the Administrator, have in effect at least 1 per centum of the total amount of group life insurance which all life insurance companies have in effect in the United States.

"(b) The life insurance company or companies issuing such policy or policies shall establish an administrative office at a place and under a name designated by the Administrator.

"(c) The Administrator shall arrange with the life insurance company or companies issuing any policy or policies under this subchapter to reinsure, under conditions approved by him, portions of the total