

If additional information is required, you may contact Mr. Ray Ward, Staff Director of the Subcommittee, phone 173/8169.

We would like 100 copies of your prepared statement at least one day before your scheduled appearance on May 8, 1967. Please address your copies to Room G-133, New Senate Office Building, Washington, D.C. 20510.

Sincerely,

WILLIAM PROXMIRE, *Chairman*.

Mr. Staats, you may proceed, and will you please identify your assistants for the record?

STATEMENT OF HON. ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES; ACCOMPANIED BY FRANK H. WEITZEL, ASSISTANT COMPTROLLER GENERAL; ROBERT F. KELLER, GENERAL COUNSEL; WILLIAM A. NEWMAN, JR., DIRECTOR, AND JAMES H. HAMMOND AND DANIEL BORTH, ASSOCIATE DIRECTORS, DEFENSE ACCOUNTING AND AUDITING DIVISION; GREGORY J. AHART, DEPUTY DIRECTOR, CIVIL ACCOUNTING AND AUDITING DIVISION; OYE V. STOVALL, DIRECTOR, INTERNATIONAL OPERATIONS DIVISION; FRED THOMPSON, LEGISLATIVE LIAISON STAFF

Mr. STAATS. Thank you very much, Mr. Chairman. We are pleased to be here this morning.

To my immediate right is Mr. Frank Weitzel, Assistant Comptroller General. To my left, Mr. William Newman, who is head of our Defense Division. Mr. Gregory Ahart, to Mr. Weitzel's right, is Deputy Director of our Civil Division. Immediately behind me, Mr. Oye Stovall, head of our International Division; Mr. Bob Keller, General Counsel, and Mr. Fred Thompson, of our legislative liaison staff.

We have other members here whom we may wish to call on for specific points.

Mr. Chairman, I have a prepared statement and with your permission I would like to read that statement at this point.

Chairman PROXMIRE. Very good.

Mr. STAATS. I am pleased to be here today to discuss some of the significant aspects of the work of the General Accounting Office during the past year. I know of no more effective means available to us each year to outline for the Congress and focus its attention on the broad scope of our efforts in the far-reaching areas of Government activities, particularly the management of its resources.

This type of hearing, in which the Comptroller General appears as the agent of Congress in the same forum with principal policymakers and resource managers of the executive branch of Government, has become an annual event for this subcommittee. We believe such a review makes a substantial contribution to good government.

The total impact of the Government's vast operations on the Nation's economy is significant. In calendar year 1966, the Federal Government procured \$77 billion worth of goods and services. This amounts to 10.4 percent of the gross national product, which was \$739.5 billion in calendar 1966. Federal procurement for defense purposes represented 8.1 percent, while nondefense purchases of goods and services equaled 2.3 percent of the GNP.