

Chairman PROXMIRE. Thank you very much, Congressman Mathias. You certainly make a strong case.

Anything else?

Congressman CURTIS, you have questions for Congressman Mathias?

Representative CURTIS. I am very pleased to have Congressman Mathias bring this matter to our attention because one of the basic matters this committee has been looking into over a period of years is this question of Government in business. Involved here is the utilization of real estate by the Federal Government. When the Federal Government takes it, it withdraws that real estate from the local tax base which finances schools and community facilities.

But I would like to broaden this just a bit. A similar situation, only on a grand scale, has been going on in the Canal Zone since we acquired it in 1904.

Now, maybe many of those business-type operations at their inception were necessary, as was apparently the case here. But if you leave the Military Establishment alone they would be running all the farms, because they want to be sure of quality control.

This becomes significant in the Canal Zone as it relates to our relationship to the less-developed countries.

The only reason I emphasize this point here is that it is through these specific examples, such as Congressman Mathias gives us, that this committee can gain understanding of what overall Government policies are.

BUDGET BUREAU CIRCULAR NO. A-76

I would like to have the attention of the committee counsel so I will be right on this. We have presently pending in the Bureau of the Budget a review of the Circular A-76 which sets out these standards that the Federal Government is supposed to follow in respect to commercial enterprises.

We have asked the GAO from time to time to comment on this. What is the status right now, as far as you know in your comments on the Circular A-76, which would pertain to the subject that Mr. Mathias has raised?

(Budget Bureau Circular No. A-76 follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 3, 1966.

CIRCULAR No. A-76

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

Subject: Policies for acquiring commercial or industrial products and services for Government use.

1. *Purpose.*—This Circular replaces the statement of policy which was set forth in Bureau of the Budget Bulletin No. 60-2 dated September 21, 1959. It restates the guidelines and procedures to be applied by executive agencies in determining whether commercial and industrial products and services used by the Government are to be provided by private suppliers or by the Government itself. It is issued pursuant to the President's memorandum of March 3, 1966, to the heads of departments and agencies.

2. *Policy.*—The guidelines in this Circular are in furtherance of the Government's general policy of relying on the private enterprise system to supply its needs.