

audits is overwhelming? It's what—is it, 10 to 1, 100 to 1, a 1,000 to 1? Anyway it's a tremendous proportionate saving. The best kind of investments the taxpayer can make.

AUDITOR'S ACCESS TO RECORDS

Mr. NEWMAN. Well, if they are utilized properly. We have an internal audit report coming out which will cover the subject, and we feel more and more that they should have the authority that we have in this area.

They are having their access to records problems. It was only yesterday I got a call from our west coast office about it and it is surprising to find out that some contractors refused to let them even look at the records, so they have their problems as well as we have ours in getting these records to make a proper audit.

Mr. WEITZEL. There has been some discussion as to whether a law is needed to give Defense auditors access to the records or whether it can be accomplished administratively, which we feel it could by changing the form of the contract.

Mr. NEWMAN. We recommended that in February 1966, but nothing has been done to date.

Chairman PROXMIRE. Yes. Congressman Curtis will take the chair while I go to the floor to vote.

RECOUPING THROUGH RENEGOTIATION BOARD

Representative CURTIS (presiding). Have you ever used the machinery of the Renegotiation Board? Of course, the essence of this is through the tax laws or recouping some of the price on the ground that in these originally negotiated contracts, where no one really knows what the costs are, there being new weapons or something new, so that they then come back and take a look to see whether to renegotiate the price. Then the Government recoups it through the Internal Revenue Service, in the renegotiation process. I would think that a lot of these kinds of things that you have mentioned would be the basis for starting a case over in the Renegotiation Board.

Mr. STAATS. I really can't answer your question. I suppose it really would have to come from the Renegotiation Board itself. I do know——

Representative CURTIS. I would think a case can start on their initiative or it could start on anyone's initiative. I ought to know this but I don't.

Mr. WEITZEL. Mr. Curtis, one of the problems, I believe, and only one, of course, is that the Renegotiation Board is more concerned with a contractor's total position on his total business with the Government, whereas we, and the Defense Department under the Armed Services Procurement Regulations, are concerned with individual contracts.

Representative CURTIS. Well, there is his total in a sense, but they have to be concerned with the individual contract. In fact, that is the way they develop the data in order to determine whether there is a——

Mr. WEITZEL. They are concerned with the performance and whether it is efficient or whether they have saved all the money that they could have, but it is possible for a contractor to make a million dollars on one contract and lose a million on another, and while I am no expert