

dollar value purchases to be able to concentrate our effort on the large dollar value purchases.

7,600,000 PROCUREMENTS UNDER \$2,500 IN FISCAL YEAR 1966

To give you some notion of the magnitude of this, Mr. Chairman, in fiscal year 1966 we made 7,600,000 transactions in the category of \$2,500 and under. If we were to establish a reporting system that showed in each of the 7,600,000 cases whether in fact the three bids were received or not, it seems to me that we would be greatly overburdening our reporting system, and without any—

Chairman PROXMIRE. May I just interrupt to say I raised this precise point yesterday with Comptroller Staats, and they responded, the Comptroller General responded that they had no difficulty at all in analyzing this \$80 million in procurement actions as to which were competitive and which were not. They said all they had to do was read and they could tell at once.

7,600,000 PROCUREMENTS EQUALLED 4.6 PERCENT OF DOLLAR VOLUME

Mr. IGNATIUS. The point is—if I can get one more point out that I don't think was mentioned—these 7,600,000 procurement transactions in 1966 amounted to only 4.6 percent of our procurement dollars. In other words, less than 5 percent of our dollars were associated with almost 8 million procurement actions.

Again, the only point I am trying to make, Mr. Chairman, is that I think you have to apply a cost/benefit analysis to reporting. In fact in this area, as in the other area, we have consistently followed this rule since 1959. Therefore, the increases I reported, from 1961 when we went up from 32 percent competitive to 44 percent in fiscal 1966 have the same reporting base. That is to say, we consistently followed this rule.

This is de minimis, in other words; and if we were to establish an elaborate reporting system for almost 8 million transactions that involve less than 5 percent of our dollars, it seems to me that we would be subject to criticism.

Chairman PROXMIRE. I raised that point with the Comptroller General as I say, and his response was that they were able to find it out without any difficulty. Of course they have a very small auditing staff compared to what you have. It would seem to me this again is a regulation that ought to be reexamined. It is true that the procurements of less than \$2,500 are not the biggest or the most substantial part of your procurement. As you say, they are less than 5 percent.

Mr. IGNATIUS. Less than 5 percent; yes, sir.

Chairman PROXMIRE. Nevertheless, this is a distortion. It would seem to me that it would be worthwhile for the Congress and for the public to know what is competitive and what is not. Let me move into another area.

Mr. IGNATIUS. Sir, I don't believe it is a distortion if we followed it consistently in our reporting. I will look at it.

Chairman PROXMIRE. I will say this. It is a consistent distortion. In other words, it was a distortion before and it is still a distortion. It is either competitive or it is not. They say it is not competitive and you