

For instance, a week after receiving the President's memorandum, I established an ad hoc committee of representatives of 13 agencies responsible for 96 percent of Federal civilian employment. This committee, represented at the Assistant Secretary level, approved specific policies and actions to cut Government costs. As a result of this combined effort, we have:

- Saved or avoided costs of \$176 million.

- Eliminated several hundred items from supply systems.

- Revised equipment use and replacement standards.

- Conducted a "walk through" of Government buildings to identify and reassign unneeded supplies and thus avoid new procurement.

- Initiated publication of a periodic flyer for the exchange among agencies of cost-cutting ideas.

RESTRICTIONS ON PURCHASES OF FILE CABINETS

Furthermore, GSA has continued to enforce Government-wide restrictions on the purchase of filing cabinets, office machines, and furniture. During fiscal year 1966 and the first 8 months of the current fiscal year, a total of 12,927 excess file cabinets were transferred for further Federal use, many of them after rehabilitation. Since January of 1965, when the restriction on the purchase of new file cabinets was imposed, the Government's purchase of filing cabinets has been reduced by 62 percent. Federal purchases during calendar years 1965 and 1966 totaled 34,467 and 46,383, respectively, in contrast to 106,678 purchased in calendar year 1964.

During 1966 and the first 8 months of fiscal year 1967, office furniture and office machines rehabilitated for further Federal use amounted to 826,720 units with a total acquisition cost of \$93.5 million. The rehabilitation cost approximated \$13.4 million, or about 14 percent of the cost of new procurement. Small businesses skilled in repairs, maintenance, and reconditioning benefited from the work while, at the same time, the Government avoided larger expenditures for new procurements. GSA is now providing repair and rehabilitation services for 37 different classes of property.

This completes my statement, Mr. Chairman. I have with me several members of my staff to assist in answering any questions you may have.

We think we have covered the points you asked us specifically about. We are prepared to discuss these.

UTILITY RATE CASES

Representative GRIFFITHS. Suppose you begin by answering Senator Metcalf's question. Where the Government has allowed you the power why does not the GSA participate in ratemaking cases?

Mr. KNOTT. If I may, I would like to point out that we furnished him with the \$4 billion figure in early correspondence to which he did not specifically refer. He asked us for an estimate of the Government's total annual utility bill and we told him that we would have to get that estimate from other agencies because, you understand, that we are not the procurers. The Department of Defense,