

utilization of personal property inventories, progress in implementing the President's "Government Procurement Guidelines" of March 3, 1966, procurement under the Buy American Act, management of the Government real property holdings, and progress made in the management of automatic data processing equipment.

Please forward 100 copies of prepared testimony to Room G-133, NSOB at least one day before your appearance and refer any questions you may have for information to Mr. Ray Ward, Staff Director of the Subcommittee, phone 173/8169.

Sincerely,

WILLIAM PROXMIRE,
Chairman.

Chairman PROXMIRE. Go right ahead, Mr. Hughes.

**STATEMENT OF HON. PHILLIP S. HUGHES, DEPUTY DIRECTOR OF
THE BUREAU OF THE BUDGET; ACCOMPANIED BY JOHN B.
HOLDEN, ACTING CHIEF, PROPERTY AND SUPPLY MANAGEMENT
BRANCH, BUREAU OF THE BUDGET**

Mr. HUGHES. I have with me Mr. John Holden, Chief of our Property and Supply Management Branch.

Mr. Chairman and members of the subcommittee, we are pleased to be here to discuss five areas in which the Bureau of the Budget has an interest and in which this subcommittee has expressed a particular interest and concern. They are:

1. Bureau of the Budget Circular A-76, issued on March 3, 1966, covering "Policies for acquiring commercial or industrial products and services for Government use."
2. Policies and procedures concerning the utilization, retention, and acquisition of real property as enunciated by Bureau Circular A-2, revised, dated April 5, 1967.
3. Management and acquisition of automatic data processing equipment.
4. Application of the Buy American Act and policy thereunder incident to Government procurement.
5. Progress in developing a national supply system.

COMPETITION WITH BUSINESS—A-76

As the committee knows; there has for many years been a continuing and active interest in both the legislative and executive branches of our Government in the subject of Government competition with private enterprise. Numerous studies of various aspects of the problem have been made by congressional committees and, since 1955, the Bureau of the Budget has issued four bulletins and circulars on the subject. The most recent circular became effective on March 31, 1966.

That circular reaffirms the Government's longstanding basic policy of relying on the private enterprise system to supply its needs. It also recognizes, as did the earlier issuances, that it is necessary, or in the national interest in some instances, for the Government to provide products and services which it uses. The principal difference between the new circular and the earlier bulletin is that it provides more explicit guidelines to the Departments and Agencies, which should result in more effective and uniform implementation of the Government's procurement policies in respect to competition with private enterprise.