

Mr. HUGHES. I guess I am repeating myself. I can refer to the words in A-76. We have a policy statement in the circular that the guidelines in this circular are in furtherance of the Government's general policy.

AMENDMENTS TO A-76

Chairman PROXMIRE. I think Mr. Gainsbrugh made a good point; that it is a weaker statement.

Mr. HUGHES. It was not our intent to reflect in the A-76 issuance a revision of Federal policy with respect to private versus public procurement.

Chairman PROXMIRE. Would you have any objections to amending the regulation to reflect that same view?

Mr. HUGHES. We certainly will have this point in mind in our forthcoming amendment. We will have a reissuance or an amendment to the circular in the fairly near future dealing with some of these points that the agencies are making to us. This would fit in with the general clarifying nature of these points.

BOB'S USE OF GAO REPORTS

Chairman PROXMIRE. I understand that the Bureau of the Budget has the responsibility for seeing that the various agencies following the constructive proposals to the extent that you feel they are of the GAO, the General Accounting Office. Comptroller General Staats, when he was the Deputy Director of the Bureau of the Budget testified before a congressional committee and quoted President Johnson as having told his Cabinet members about reports by GAO, that honest mistakes can be forgiven, but it is hard to forgive failure to examine and tighten agency procedures and error that are uncovered by GAO or a congressional committee. He told them to look into them properly. If the criticisms are justified, he said he would expect you to take corrective actions so the error is not repeated.

Mr. Hughes, are the President's instructions not being carried out by the Defense Department? As you know, GAO has been repeating this ever since the act, Public Law 87-653 was adopted in 1962. We have been able to put pretty definite and irrefutable documentation that it has been a "dead letter" act as far as the Defense Department has been concerned.

I wonder what position the Bureau of the Budget takes with regard to this.

Mr. HUGHES. I think absent some evidence to the contrary, which you are citing to me, our assumption would be that the Department of Defense is carrying out Presidential instructions. I am not familiar at all with the area that you mentioned. We will look into it further.

Chairman PROXMIRE. I wish you would.

BOB TO LOOK INTO COMPLIANCE OF PUBLIC LAW 87-653

Mr. HUGHES. We will see what can be done about it. I am aware of the earlier testimony of Mr. Staats and the followup testimony by Secretary Ignatius and we do intend to pursue those matters.

Chairman PROXMIRE. This troubles us very deeply because a large portion of the Defense Department procurement is noncompetitive by