file on this bill and found that we did not submit a Bureau report, basically for two reasons.

First, the Bureau normally waits until it receives the comments of other agencies whose views have been requested before formulating its own position. This permits the Bureau to draw on the expertise within the Executive Branch and to determine whether there are possible differences among the agencies concerned. In the case of S. 3328, only one of the five agencies asked by the Committee to comment submitted a draft reply prior to adjournment.

Second, during the period that S. 3328 was before the Congress, the Bureau was participating with other agencies in a thoroughgoing review of the emergency health program. One of the major objects of that review was the system of stockpiling of medical supplies—not least because of the problems of disposal to which your bill was addressed. That review has been completed, and the procedures pertaining to the emergency health program, as well as the materials provided through it, have been significantly changed. Continued attention is being given to the composition and quantities of materials in the six months' medical stockpile. These efforts are all designed to minimize the problem of obsolescence, although some problems still remain. Not knowing in advance, however, what changes might result from the review, we believed it best to await its outcome before defining the Bureau's position on your bill.

I assure you we and the other agencies concerned will carefully consider the bill you introduced in this session of the Congress (S. 1717).

Sincerely,

PHILLIP S. HUGHES, *Deputy Director.*

Chairman PROXMIRE. This concludes 4 days of hearings on economy in Government. We have concentrated our efforts generally on the subcommittee's long-term program aimed at securing greater economy and efficiency in the broad field of property management.

As Comptroller General Staats pointed out, "in fiscal year 1966, the Federal Government procured $77 billion worth of goods and services. This amounts to 10.4 percent of the NPG of $739.5 billion."

I also want to point out that the annual expenditures augment the enormously large investments in real and personal property.

The worldwide cost of Federal real property holdings in 1966 was $69.3 billion.

The DOD real property holdings alone were $38.390 billion and personalty property $145.180 billion.

The DOD supply systems stock was valued at $37.661 billion.

The subcommittee is not only interested in the scope of these activities but in the *quality* of the management of them.

The evidence presented to the subcommittee appears to me to be conclusive that while some progress has been made the past few years it has not been sufficient. I am fearful that there has been a serious gap in top management.

It is possible that the subcommittee may reconvene sometime late in autumn to see what progress has been made as a result of these hearings and the upcoming report.

Without objection all relevant matters pertinent to these hearings may be incorporated therein. Members will be given 2 days in which to submit additional questions which will be referred to the appropriate witnesses for replies. The record will be held open for 7 days.

Thank you very, very much.

(Whereupon, at 12:45 p.m., the subcommittee adjourned.)

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