discounts available to the Government were not being taken. We also reported that the Defense Supply Agency's internal auditors planned to complete reviews of cash discounts in all regional offices by the fall of 1967.

We agree that if contractors are specifying minor discounts for short discount periods, efforts by the paying offices to take such discounts may result in unnecessary expenditures being incurred by the Government. It is our position that efforts should be made by the paying offices to take discounts offered by the contractors. However, where discounts are offered for payment of contractors' invoices, the costs incurred by the Government, such as overtime, should be carefully considered so they do not outweigh the benefits of such discounts to the Government.

The Armed Services Procurement Regulation Committee is currently considering various revisions to regulations on the payment of contractors' invoices. One of the revisions concerns the establishment of more realistic discount periods for consideration in bid evaluations. Such revision may reduce the number of minor short period discounts offered by contractors for prompt payment of invoices.

The second question relates to whose responsibility it is to standardize contract forms and conditions so that excessive work and expense by both the Government and contractors may be eliminated.

The Assistant Secretary of Defense (Installations and Logistics), Department of Defense, is responsible for the standardization of Department of Defense contract forms and conditions. Currently, the Armed Services Procurement Committee in his organization is considering requiring that clauses be included in contracts by direct reference to the standard clauses in the Armed Services Procurement Regulation and by using prescribed numbers for each clause. It appears that, if such requirement is provided, it could eliminate the lack of contract uniformity. Standard contract forms and conditions required for Government-wide use are the responsibility of the General Services Administration.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

(The letters which follow were sent by Chairman Proxmire to Secretary Ignatius:)

MAY 17, 1967.

Hon. PAUL R. IGNATIUS,
Assistant Secretary of Defense,
Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: The members of the Subcommittee on Economy in Government has been given permission to submit additional questions to the witnesses who appeared before our Subcommittee on May 8, 9, 10, and 16, 1967. These will be available for distribution within a few days.

It occurs to me that you might wish to make an additional statement for inclusion in the hearings as to your reactions to any reports of the Comptroller General that you feel you or your staff had not reviewed sufficiently before your appearance on May 9.

Should you have such a statement, please submit it within the next week or ten days so we may refer it to the Comptroller General for comments before placing it in the printed hearings.

Sincerely,

WILLIAM PROXMIRE, *Chairman.*

MAY 23, 1967.

Hon. PAUL R. IGNATIUS,
Assistant Secretary of Defense,
Installations and Logistics, Washington, D.C.

DEAR MR. IGNATIUS: At the conclusion of the hearings of the Subcommittee on Economy in Government of the Joint Economic Committee on May 16, 1967, permission was granted to the members to submit additional questions to the witnesses so the answers might be placed in the official printed hearings.

The following questions have been directed to your agency. May we have the answers for the record by May 31, 1967.

Sincerely,

WILLIAM PROXMIRE, *Chairman.*