

year this Defense Department holding increases. I wonder if we are being aggressive enough in our disposal activities.

Could you tell me—would much of this be accounted for by the rise in real property value in those 11 years, or would it be the fact that the Federal Government, in fact, is holding much more real property?

Mr. HUGHES. I believe those figures are acquisition cost figures, but I am not sure. If I am correct, then escalation in property values is not a factor, and the figures reflect increases in acreages held.

I think, as you suggested, they reflect Defense acquisitions to meet Defense needs.

Your question as to whether we are sufficiently aggressive in disposing of property—whether we are as aggressive in disposing of property as we are in acquiring it—

Chairman PROXMIRE. You have put it much better.

Mr. HUGHES (continuing). Is the basic question. And, I think, all I can answer is, that we are very aggressively attempting to both better utilize and to dispose of the property we have.

Chairman PROXMIRE. There are good budgetary reasons for disposition.

Mr. HUGHES. There certainly are. These are capital investments. We have every incentive, we in the Bureau of the Budget, and to an extent the agencies do also.

GOVERNMENT-WIDE INCREASE IN REAL PROPERTY HOLDINGS

Chairman PROXMIRE. In 1955, the overall figure was \$38 billion. In 1966, it was just short of \$70 billion. So that is almost—close to a doubling in a period of 11 years. Increase of 82 percent, to be precise.

So I hope we can redouble our aggressiveness in disposition.

PROGRAMS TO UTILIZE REAL PROPERTY

Mr. HUGHES. We have mentioned here some of the things that we are trying to do in addition, above and beyond the circular.

The President's Council on Recreation and National Beauty is exploring methods of meeting the country's needs for parks and recreational areas to the maximum extent possible by utilization of available, suitable surplus real property.

The Secretaries of Defense and Housing and Urban Development, the Attorney General, and the Administrator of General Services have been assigned the task of surveying unneeded Federal real property throughout the Nation to meet critical urban needs for housing.

Another group, chaired by the Secretary of Commerce, is striving to utilize unneeded Federal properties in their efforts to locate industry in or near hard-core disadvantaged communities to provide employment and training opportunities for the disadvantaged.

We are continually reviewing Federal policies and practices relating to the utilization of excess, and the disposal of, surplus real property, and believe significant results are being attained. We are not wholly satisfied with the results to date but believe a critical review of the reports prescribed by Circular A-2 coupled with action as dictated by this review will result in additional improvement in the management of Federal real property.