The increase in cost of real property owned by the United States in the United States from fiscal 1956 to 1966 was:[59]

Land	$265,000,000
Buildings	1,160,000,000
Structures	1,111,000,000

Despite the fact that the DOD and GSA have done some notable work in disposing of real properties, accruing proceeds thereby, augmenting the tax base or placing the property to approved public use, the subcommittee is and has been of the belief that a more vigorous program of identifying and screening excess and surplus real property should be undertaken.

The subcommittee report of May 1966 recommended:[60]

Recommendation

There is a continuing need to screen the Government's real property holdings to determine if they are being put to the best and highest use from the national point of view. Since the holding agencies may not be entirely objective in the matter and have the sole authority to make the declarations of excess, it is recommended that a high level economic policy committee be assigned the task of reviewing agency real property holdings and making recommendations to the President as to their continued retention and highest use.

The strength of the recommendation lay in the idea of a high-level economic policy committee which would review agency holdings and make recommendations to the President concerning the retention of the property. This would put the spotlight on the agency heads who have the sole authority to make excess property declarations but often fail to do so.

In lieu of adopting the subcommittee's recommendation, the Budget Bureau on April 5, 1967, issued Circular No. A-2, revised,[61] to the heads of executive departments and establishments on the subject of utilization, retention, and acquisition of Federal real property.

Deputy Budget Director Hughes explained the purposes of the new circular:[62]

GENERAL PROVISIONS

Circular A-2, as now revised, requires Federal agencies to develop criteria to achieve effective and economical use of real property holdings consistent with program requirements. It also provides that agencies are to identify real property, or any separable unit thereof, as unneeded when—

It is not being used by the agency for program purposes, or

There are no approved current plans for future use of the property, or

Substantial net savings to the Government would result if properties used for essential purposes could be sold at their current market values and other suitable properties of substantially lower current values substituted for them, or

The costs of operation and maintenance are substantially higher than for other suitable properties of equal or less value which could be made available by transfer, permit, purchase, or lease.

RELATIONSHIP TO RELIANCE ON PRIVATE ENTERPRISE

In addition to the guidelines enumerated in Circular A-2, Circular A-76, on which I commented previously concerning the Government's general policy of relying on the private enterprise system, bears on the problem. Circular A-76 establishes guidance for agencies for reviewing industrial and commercial type activities which may result in real property becoming excess incident to discontinuance of such Government activities.

REPORTS OF EXCESS PROPERTY

Circular A-2 provides that all unneeded real property as defined in the Federal Property and Administrative Services Act is to be reported as excess

[59] Ibid., p. 15.
[60] Report, 1966, p. 12.
[61] Hearings, 1967, p. 234.
[62] Ibid., pp. 215, 237.