

ECONOMY IN GOVERNMENT PROCUREMENT AND PROPERTY MANAGEMENT

FRIDAY, DECEMBER 8, 1967

**U.S. SENATE,
SUBCOMMITTEE ON ECONOMY IN GOVERNMENT
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.**

The subcommittee met at 10 a.m., pursuant to call, in room S-407, the Capitol, Senator William Proxmire (chairman of the subcommittee) presiding.

Present: Senators Proxmire and Symington; and Representative Rumsfeld.

Also present: Ray Ward, economic consultant.

Chairman PROXMIRE. The Subcommittee on Economy in Government of the Joint Economic Committee will come to order.

Before we hear from Mr. Staats, who has very kindly agreed to return, I want to insert in the record, with unanimous consent, a statement by Congressman Gonzalez, of Texas, who has a very deep and a very competent interest in these matters. Unfortunately, he had to be in Texas today, so he couldn't be here. His statement will be printed in full in the record. It is an excellent and thoughtful statement.

STATEMENT OF HON. HENRY B. GONZALEZ, A U.S. REPRESENTATIVE FROM THE 20TH CONGRESSIONAL DISTRICT OF TEXAS

Representative GONZALEZ. Mr. Chairman and members of the subcommittee, I consider it a high honor and a rare privilege to appear before you today. Your investigations into defense procurement practices are of the highest importance, and I wish to lend my small voice in commendation. I should add that I am very grateful to be addressing such a distinguished body of legislators in the first committee forum accorded me relative to my interest in the activities of the Renegotiation Board and my concern about the unreasonably restricted role it now plays in returning excessive profits to the American taxpayer.

It was entirely through happenstance that I first became aware of the existence of the Renegotiation Board. This was a year and a half ago when Mr. Farris Bryant, Director of the Office of Emergency Planning appeared before the committee I serve on, Banking and Currency. Although the topic was stockpiling, I was interested in figures that prime defense contract awards were approaching a magnitude higher than the Korean war peak. I asked about possible disloca-