first half of fiscal 1968. In this sales summary is a section which analyzes selected categories of property, exchange/sale-type property. These disposals took place under the prior Defense Department policy, under which the further Federal utilization and donation screening occurred before selections out for exchange/sale disposal; is that correct?

Mr. RILEY. Yes; that is correct.

Mr. ROMNEY. My question then is, Will the Defense surplus sales summaries be essentially different now after the exchange/sale transactions go into effect?

Mr. RILEY. Well, I think in terms of the way we will display this, the reporting formats will remain about the same, except we will have this additional information. There will be additional information even though technically speaking the exchange/sale transaction will not involve surplus property. The only difference here will be the nature of the property that we are dealing with that will be reflected in our change in procedures. We will be giving you the actual sales value of the exchange/sale property or the trade-in value.

Mr. ROMNEY. Do you anticipate that will be incorporated into the subsequent issues of this summary booklet?

Mr. RILEY. Yes, sir; it will be.

Mr. MONAGAN. Mr. Riley, there is one important matter that I want to talk with you about before you leave, and that is the matter of coordination between this committee and the Department of Defense. It is also somewhat of a problem with other departments. And also I wish to discuss the coordination between departments.

One of the important functions of the Government Operations Committee is to oversee and stimulate exactly this sort of thing. And I believe that the situation we have run into here points up the importance of the committee function and also certain important deficiencies in the relationship between the committee and the Department of Defense.

Now, there have been both progressive elements and elements that we think are subject to criticism resulting from this continuing investigation. For instance, Secretary Morris, on October 27, wrote a letter to Chairman Dawson informing him about what was going on, and also wrote to me on January 31 of 1968 telling about proposed actions and decisions on the exchange/sale policy. This was helpful. But since the March 27 letter, a number of significant developments have taken place within the Department. In April, ASPR revision No. 27 was issued with part 2 on exchange/sale of personal property. In May, the Army and the Air Force issued special implementing instructions. In mid-June, the Navy issued special implementing instructions, and in early June GSA began circulating its revision of the Defense Disposal Manual. Last April your Office and GSA concluded an exchange of letters relating to commercial-type aircraft parts being exempted from the 30-category list, which was a significant permanent alteration of the prior restraints. No notification was sent to us.

So the point is that we should have had a liaison. We should have known about these developments for our own information and also for the coordination that we are seeking. Now, I just point out, during the prior hearings when you testified you were talking about the impact of the exchange/sale program on the total program, and Mr.