

Mr. GRIFFIN. Very good, sir.

Mr. MONAGAN. And such portions as are pertinent may be put in the record, but primarily for the file.

Thank you.

Mr. St Germain, have you any questions?

Mr. St GERMAIN. Well, I will not make this an absolute question. If my good friend Mr. Griffin would like to comment on the furniture aspect, we would be happy to hear him.

Mr. GRIFFIN. I would be happy to comment on it. I think it is simply a mistake. There's no application of the furniture replacement standards in the exchange/sale regulation. It was included as a mistake, because there is no cross-reference. And while Colonel David may have reason to question whether or not the furniture program may have an impact or bearing, it has not. There is no connection. And it is simply a mistake. It should simply not have been in the exchange/sale regulation.

Mr. St GERMAIN. Thank you.

Mr. MONAGAN. Mr. Romney.

Mr. ROMNEY. Mr. Griffin, I would normally be addressing these questions to Mr. Tuttle but, of course, if you wish to answer any questions or have me refer them to Mr. Tuttle, I think I would do as you would prefer at this time.

Mr. GRIFFIN. Go right ahead. Between us we will answer them.

Mr. ROMNEY. Mr. Tuttle, the GSA and the Office of Surplus Property Utilization in the Department of HEW have maintained close working relationships for a good many years, have they not?

Mr. TUTTLE. That's certainly true.

Mr. ROMNEY. Yet the Department of Health, Education, and Welfare was not advised of the proposal by Navy and then later by the Defense Department itself to waive certain portions of groups 15 and 16 on the 30-category list, was it?

Mr. TUTTLE. That's true, Mr. Romney. I would say that DHEW and GSA hold a good many meetings with respect to joint projects that are undertaken; and, also, proposed regulation changes, as Mr. Griffin mentioned, are submitted to HEW for comment before finalizing a GSA reg change.

In the particular case of this limited exception that was asked for by the Department of Defense and granted to Defense, DHEW was not notified or consulted in advance. There was a rationale for it.

You are familiar with the Navy situation that Navy brought over to us. We considered that there were no Government-owned inventories involved, in the Navy proposal and that, therefore, this was not a matter which would be of particular interest to the DHEW.

I will agree, however, in view of the ultimate implementations that were put out by the military departments, which we feel exceeded somewhat the limited exception that was granted, it would have been much better if HEW had been aware of the application from the Navy for this exception and the granting of the exception.

Mr. ROMNEY. When was the first information received by you or anyone associated with you in your office, as to how the Defense Department was interpreting the exemption granted by the Administrator in his April 8 letter?

Mr. TUTTLE. With respect to the aircraft parts?