
RELATING TO THE TIME FOR FILING A REPORT ON
RENEGOTIATION BY THE JOINT COMMITTEE ON IN-
TERNAL REVENUE TAXATION

JUNE 12, 1961.—Ordered to be printed

Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

REPORT

[To accompany H.J. Res. 437]

The Committee on Finance, to whom was referred the resolution (H.J. Res. 437) relating to the time for filing a report on renegotiation by the Joint Committee on Internal Revenue Taxation, having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

GENERAL STATEMENT

Public Law 86-89 authorized the Joint Committee on Internal Revenue Taxation to make a full and complete study of the Renegotiation Act of 1951, as amended, and of the policies and practices of the Renegotiation Board, and submit to the Senate and the House of Representatives not later than March 31, 1961, a report of the results of the study, together with such recommendations as it deemed necessary or desirable. Public Law 87-4 extended the time of the joint committee for filing its report to June 30, 1961.

House Joint Resolution 437 further extends the filing date for the joint committee report to January 31, 1962. Your committee has approved this extension at the request of the Chairman of the Renegotiation Board, Lawrence E. Hartwig, for the reason stated in his letter of May 31, 1961, quoted below:

THE RENEGOTIATION BOARD,
Washington, D.C., May 31, 1961.

HON. WILBUR D. MILLS,
Chairman, Joint Committee on Internal Revenue Taxation,
New House Office Building, Washington, D.C.

DEAR MR. MILLS: In connection with the "full and complete study of the Renegotiation Act of 1951, as amended, and of the

policies and practices of the Renegotiation Board," directed by Public Law 86-89, approved July 13, 1959, you have requested the views and recommendations of the Renegotiation Board with respect to possible improvements of the act.

As you know, the composition of the five-man Renegotiation Board was recently changed to the extent of two new members, who entered upon their duties as such on March 17 and March 28, 1961, respectively. On April 13, 1961, by designation of the President, I became Chairman of the Board. Since that time, under my direction, the Board and its staff have been engaged in a comprehensive review of the policies and procedures employed by the Board in the conduct of renegotiation. Until this reexamination is completed, the present Board will not be in a position to comply adequately with your request for an expression of its views and recommendations, including the formulation of any legislative proposals it may wish to submit for the consideration of the committee.

By joint resolution (H.J. Res. 289; Public Law 87-4, March 22, 1961), the time of your committee for filing its report on renegotiation pursuant to Public Law 86-89 was extended from March 31 to June 30, 1961. In view of the circumstances described above, I must advise you that the Board will be unable to comply with your request within the time remaining before the date now prescribed for your report. If the reporting date were further extended at least to the end of the current calendar year, the present Board would have a fuller opportunity, and would be pleased, to formulate its views and proposals and to present them to and discuss them with the joint committee and its staff. Such an extension, I believe, would still leave adequate time for consideration of renegotiation legislation at the next session of Congress, since the termination date now provided in the act will not occur until June 30, 1962.

The Bureau of the Budget has advised that from the standpoint of the administration's program there is no objection to the presentation of this report.

Sincerely yours,

LAWRENCE E. HARTWIG, *Chairman.*

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SEC. 4. STUDIES OF PROCUREMENT POLICIES AND PRACTICES AND THE RENEGOTIATION ACT OF 1951.

(a)(1) The Committee on Armed Services of the Senate, or any duly authorized subcommittee thereof, and the Committee on Armed Services of the House of Representatives, or any duly authorized subcommittee thereof, are directed to make full and complete studies of the procurement policies and practices of the Department of Defense, the Department of the Air Force, the Department of the Army, and the Department of the Navy. Such studies shall include an examination of the experience of such Departments in the use of

various methods of procurement and types of contractual instruments, with particular regard to the effectiveness thereof in achieving reasonable costs, prices, and profits.

(2) Each committee shall, not later than September 30, 1960, report to its House the results of the study conducted by it pursuant to paragraph (1) of this subsection, together with such recommendations as it deems necessary or desirable. Each committee shall make all material and data collected in the course of the study conducted by it available to the Joint Committee on Internal Revenue Taxation to assist it in making the study required by subsection (b).

(b)(1) The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is directed to make a full and complete study of the Renegotiation Act of 1951, as amended, and of the policies and practices of the Renegotiation Board.

(2) The Joint Committee shall, not later than **[June 30, 1961,]** *January 31, 1962*, report to the Senate and the House of Representatives the results of the study conducted pursuant to paragraph (1) of this subsection, together with such recommendations as it deems necessary or desirable.

(3) For the purpose of making the study and report required by paragraph (1) of this subsection, the Joint Committee, and the Chief of Staff of the Joint Committee, may exercise any of the powers conferred upon the Joint Committee and the Chief of Staff of the Joint Committee by sections 8021 and 8023 of the Internal Revenue Code of 1954. The provisions of section 8023(b) of such Code shall apply to requests made under the authority of this paragraph to the same extent as in the case of other requests made under the authority of section 8023(a) of such Code.

Approved July 13, 1959.

