



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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MAY 13 1971

Dear Mr. Mailliard:

This is in response to your letter dated April 22, 1971, enclosing a communication from a constituent concerning Mr. Jack Anderson's newspaper column entitled "Further Details on the Profits of War."

Mr. Anderson's column involved the premature publication of information relating to a study by the General Accounting Office of profits earned by defense contractors. This study was ordered by the Congress in 1969. In accordance with our long established practice, the draft report was made available for review and comment by Government agencies and others affected by its contents. Because of a tight deadline for issuing the final report, we issued a draft based on preliminary information. Thus the draft report was incomplete and the cover as well as schedules contained therein, was clearly marked "for illustrative purposes only."

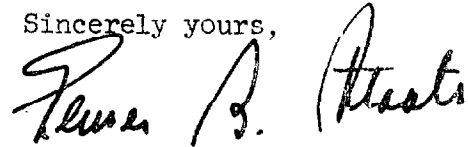
The comments received from the Government agencies and contractor associations were considered in drafting our final report, but none of the amounts or ratios contained in the draft report were changed, nor was the report softened as a result of the comments. I am enclosing copies of a statement I made before the Subcommittee on Legislation and Military Operations House Committee on Government Operations on March 26, 1971, and my letter to Senator Ernest F. Hollings, Chairman, Subcommittee on the Legislative Branch, Senate Committee on Appropriations, which cover in more detail issues raised in Mr. Anderson's column. An identical letter to that sent to Senator Hollings was sent to Congressman George W. Andrews, Chairman, Subcommittee on Legislation, House Committee on Appropriations, and both were placed in the Congressional Record. The final report was issued to the Congress on March 17, 1971, and a copy is enclosed for your information.

Reports on post retirement employment of former military officers by defense contractors are required under Public Law 91-121, section 410 and implementing Department of Defense directives. An attached copy of a letter by the DOD to defense contractors explains the requirements.

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We hope that the above provides sufficient information for you to respond to Mr. Otto E. Bach's letter. If we can be of further service please let us know.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Thomas B. Stewart". The signature is written in dark ink and is positioned to the right of the typed name.

Comptroller General
of the United States

Enclosures

The Honorable William S. Mailliard
House of Representatives