

When goods and supplies are purchased by the local using agency at the time of need, all of these costs are eliminated. For literally tens of thousands of items, there is no need for the Government to warehouse, for these commodities are readily available from local commercial sources.

Unfortunately, too much of the advice that the Congress receives comes from the officials who believe in centralized procurement as a basic concept. The procurement officials in the hundreds of Federal installations across the nation have a different view. They know that local suppliers can deliver goods and commodities on much shorter notice than they can be delivered from the centralized warehouses operated by the Federal Government. They also know that local vendors can supply a vast volume of product knowledge that is unavailable from the central Government warehouse.

The time has come for Congress to express clearly that economic procurement is required; that efficient procurement does not require an empire and that modern business practices must be brought to the Government's procurement activities.

Mr. MARSHALL. We can shorten it up considerably, Mr. Chairman, if this is agreeable, and still cover the salient points.

Representative CURTIS. Very good.

Mr. MARSHALL. It is getting late. As you have said, my name is R. Douglas Marshall. I am president of the R. D. Marshall Co., a wholesale distributing firm of air conditioning and refrigeration supplies in Albany, N.Y. Today, I am appearing before this subcommittee as the chairman of the board of trustees of the National Association of Wholesalers. The National Association of Wholesalers is composed of 50 national commodity line wholesale associations, which are comprised of 19,000 merchant wholesale firms throughout the country. We are interested in the question of Government procurement, and are certainly happy to be here this morning to talk briefly with you.

This discussion of mine I don't think is quite going from the sublime to the ridiculous, but I would agree that possibly it is from the grand to the precise. I think this is more like it. And I could sum up the rest of my testimony probably in one sentence, by saying that the proverbial old shopper was probably right when he said he could "save you money by getting it for you wholesale."

I think this is the gist of what we are saying here this morning. But wholesalers are mostly small businessmen like myself clear across the country. We sell, we can and we do sell to the government at all levels, National, State, and local, and we save them money.

The question of price versus cost is discussed in my testimony, and this is a most important distinction to make, because the price of an article in Seattle bears little resemblance to its actual cost when it is required in Washington, and the fact that it is here when it is needed is the important thing, not how much it is at some distance away.

Centralized purchasing has been furthered by the government and by government witnesses, and we wish to point out that centralized purchasing is not always the best. To illustrate in my own particular case if I might, Mr. Chairman, our single largest customer in upstate New York is the General Electric Co. We sell more to GE than we do to anybody else.

They buy so much from their plants in Burlington, Vt., Pittsfield, Mass., their main office in Schenectady, their plants in Utica, Johnson City, New York, Glens Falls, and Fort Edward. All of these plants buy from us as separate organizations, no centralized purchasing.