

ECONOMY IN GOVERNMENT

TUESDAY, MAY 16, 1967

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON ECONOMY IN GOVERNMENT,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:03 a.m., in room S407, the Capitol, Hon. William Proxmire (chairman of the subcommittee) presiding.

Present: Senators Proxmire and Percy; and Representatives Griffiths and Moorhead.

Also present: John R. Stark, executive director, and Ray Ward, economic consultant.

Chairman PROXMIRE. The subcommittee will be in order.

We are pleased to have with us this morning the junior Senator from Montana, the Honorable Lee Metcalf, who has a short statement he wishes to make on economy in Government. I have read your statement, Senator, and note your concern over noncompetitive procurement of drugs and the possible overuse of the Buy American Act, and your concern that the GSA may not be doing all it should under its authority in appearing before Federal and State regulatory bodies, representing the Government as a user of utilities to obtain fair and reasonable rates. Your work on "Overcharge" makes you an expert in this area.

You perhaps are aware of the fact that the junior Senator from Wisconsin started hearings yesterday on the high cost of drugs, in the Senate Small Business Committee, and we will not, of course, duplicate that effort in any way. We have been concerned in our hearings of May 8, 9, and 10 about the general competitive bid procedure and today we will discuss with GSA and BOB witnesses the use of the Buy American Act which, of course, relates to competitive procurement.

Senator METCALF. I am going to have to depart shortly for hearings at the Agriculture Committee but I will come right back. I have my dairy import bill up today and I know you understand the importance of it.

Senator METCALF. That is of very great importance to both of us and if it is an executive markup I hope you will go over and protect our mutual interests.

STATEMENT OF HON. LEE METCALF, A U.S. SENATOR FROM THE STATE OF MONTANA

Senator METCALF. Each year the U.S. Government spends hundreds of millions of dollars on drugs and medicines. Procurement of drugs accounts for substantial expenditures by the Armed Forces. Veterans' Administration, the Public Health Service, and under medicare and State welfare programs.