

Senator PERCY. I am a cosponsor.

Senator PROXMIRE. Yes.

Senator PERCY. I am the only Christian Scientist who is a cosponsor of the medical bill. Is there any reason why the Bureau of the Budget should see why this would not be done to have a tag system so that the supplies do not run obsolescent and become unusable and disposed of through poverty programs or other agencies prior to the necessity of destroying them?

Mr. HUGHES. I don't see any reason why we shouldn't minimize losses from this.

Senator PERCY. We should have your support, certainly.

Mr. HUGHES. At some point, you have the problem of mechanics and where the administrative cost of doing some of these things may be greater than the cost of not doing it. But as a generalization it seems to me we ought to try—for a lot of reasons—social as well as economic, to minimize destruction and try to make full use of the equipment and drugs.

SAME PROBLEM AS DATED FILM

Senator PERCY. It is the same sort of program I have seen all over the world in the film industry. You have dated film, tens of thousands at retail are going to have to go and you have to figure out if they are going to destroy it before the expiration date at a 55-percent reduction in price. I should think if retailers could do it with the small amount of accounting they have that Government agencies could be alerted to it and I commend the chairman that this is the kind of bill that would save money.

Chairman PROXMIRE. What is going to happen to the \$176 million worth of medical supplies in inventory? We have them all over because of civil defense procedures. I am just delighted that Senator Percy brought that up because as I say, in my absence—that was the reason I failed to do so.

Senator PERCY. I have no further questions.

Chairman PROXMIRE. It is my understanding that the GAO supported my bill last year. I put this in last year and the GAO supported it and suggested it be broader to include all other perishable items. It seems to me we did not get a recommendation from the Bureau of the Budget for some reason. I could be wrong about that.

Mr. HUGHES. Let me talk with Mr. Holden and see if I can find out, Mr. Chairman. I don't know.

Again, we will look into it and see what problems we had and I will send you a letter or add something for the record on this point.

Chairman PROXMIRE. Very good.

(The information referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 27, 1967.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: In my recent appearance before the Subcommittee on Economy in Government of the Joint Economic Committee, you inquired as to whether the Bureau of the Budget had reported on your bill S. 3328, 89th Congress, relating to the disposal of medical supplies. I have reviewed the legislative