strictive and, in effect, result in a proprietay specification. These officials contend that the specifications and purchase descriptions are constructed in such a manner that any firm knowledgeable in the drug industry could manufacture the drug.

Well, I think you made a perceptive observation. I have here excerpts from a speech made to the 21st annual meeting of the Defense Supply Association and reprinted in The Review for November–December 1968. The speech is by Col. W. V. Breyfogle, Chief, Division of Medical Materiel, Defense Personnel Support Center, Defense Supply Agency, in which he addresses himself to the question you raise in your remarks here. I would like to read them for the record and it seems to me it supports the question you raise.

The first problem that has been bothering us for some time is our inability to procure competitively. The policy of the Department of Defense, as it has been for many years, is that we will obtain competition on our procurements to the maximum extent possible. The major problem in our failure to procure competitively is the nature of the specifications that we are using.

It has been said in the past that our specifications are too restrictive in nature and thereby restrict competition. There is some validity in this statement. Before you can understand why we have a problem in procuring competitively, however, you must understand how items are selected for standardization and stockage in our DSA depot system.

The items that are standardized by the Defense Medical Materiel Board and stocked in the DSA depot system were, for the most part, developed by industry or indpendent research organizations for use by the civilian medical profession and for sale in the marketplace. These items were presented to the Board for study and the determination was made that they would be stocked for use in our system. Therefore, the specifications that are developed of necessity describe a certain manufacturer's item.

Most of the information used in writing these specifications was furnished by the developer. Therefore, even if we have a, pardon the expression, generic specification, in many cases it merely describes the generic equivalent of a brand name—

which I think is a rather telling comment on the very point you raised.

I ask that this be printed in full in the record at this point.

(The document referred to follows:)

[Reprinted in The Review, Nov.–Dec. 1968, pp. 161–162]

SPEECH DELIVERED AT THE 21ST ANNUAL MEETING OF THE DEFENSE SUPPLY ASSOCIATION

(By Col. W. V. Breyfogle, U.S.A., Chief, Division of Medical Materiel, Defense Personnel Support Center, Defense Supply Agency)

In the time allotted me this afternoon, I thought I would review our procurement program, give you some kind of an estimate of what we expect the program to be this year, and then discuss some of the problems that are paramount in our minds at present and expect to be bothering us for the next few months.

This chart (No. 1) will show the procurement program for the past two fiscal years and the mix by commodity within the total program. You will notice a rather dramatic shift into the Drug commodity during the past fiscal year. We went from 47% of the total in FY 67 to 55% in FY 68. The other commodities stayed relatively the same, with the exception of Surgical Dressings.

The next chart (No. 2) shows our performance for the first quarter of FY 69 against the last fiscal year.

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