feasible to augment our own efforts and to reduce duplication of effort.

In recent testimony before this subcommittee it was recommended that the Food and Drug Administration assume the responsibilities now discharged by the procuring agencies for plant inspection and quality control surveillance. The Veterans' Administration would favor such action, provided that such inspections were conducted in a timely and comprehensive manner relating to our procurement requirements, and provided that sufficient data to support our determinations on responsibility of bidders is made available to us. At present, detailed inspection reports of the Food and Drug Administration on specific manufacturers' facilities where products are manufactured for us under contract are not made available to us. Federal Procurement Regulations, subpart 1–14, place the responsibility for inspection and acceptance of supplies, including drugs, upon the contracting agency. We have extensively used the facilities of Federal inspection services such as those provided by the Department of Agriculture, Department of Defense, National Bureau of Standards, Department of Interior, when those agencies performing these services for us provide us with sufficient information to assure that we are discharging our responsibilities. There are no statutory exemptions from the requirement that Government procurement agencies must assure themselves by such means as inspection that the product being procured meets essential Government requirements, even though the industry may be operated under controls of a Federal regulatory agency.

It was also brought out in recent testimony that there was a need for greater cooperation and exchange of information among the Federal agencies engaged in drug procurement, quality control and product safety. The Veterans' Administration had exchanged information with Defense Supply Agency on vendors, plant inspections, pricing and quality control data on a widespread basis. Recently this exchange had been limited to pricing and market data and to adverse findings as the result of plant inspections. We also report to the Food and Drug Administration adverse drug reaction information. All the Federal agencies having an interest in drug procurement, regulation and control are members of the Intra-Governmental Professional Advisory Council for Drugs and Devices. We have asked that council to immediately request its member agencies to expand their exchange of information and to study and develop means for broadening and improving this exchange. I have been informed that both actions have been initiated.

We previously reported that a substantial number of the drugs used in our medical care program are available only from one source because of patents. These drugs account for about 80 percent of our dollars. It was suggested that the Federal Government can use a patent without the permission of the patent holder and without subjecting itself to damages for such use. While it is true that the Government cannot be held liable for a patent infringement as such, it is not held free from any financial liability to the patent holder. Title 28 USC 1498 provides that such a patent holder may bring suit in the U.S. Court of Claims for remuneration for the use of his