

When we are looking at the amount of money spent on Federal programs, do we know what drugs it is being spent on?

Mr. AHART. That information could be developed for the direct Federal procurements. I think it would be very difficult, because of some of the considerations Mr. Crowther spelled out, to develop it for the indirect procurements that the Federal Government participates in.

Mr. STAATS. This would, I think, be a useful exercise on the direct procurement. I think that would give you some indication then, by extrapolation, of what you could save on the indirect procurements.

Senator NELSON. When you refer to direct procurement, you are talking about procurement by negotiation, procurement by bids, and also procurement of drugs at the local level by a veterans hospital or a military hospital in one part of the country from a local supplier to supply some need they have. If you have that breakdown, it might be of some significance.

Mr. STAATS. Let us explore that, if we may, and let you know what we think would be a feasible analysis.

Senator NELSON. It would be interesting to see. I do not know if you could extrapolate from that. But we know what the 50 most widely prescribed drugs are. There might be some correlation between what the Government buys directly of the 50 most widely prescribed drugs and what is purchased locally under medicare and medicaid programs, by prescription of a local physician filled by a local pharmacist. I do not know, but it might not be too difficult to figure that out.

Well, thank you very much, Mr. Staats.

Mr. STAATS. Thank you very much.

Senator NELSON. Our next witness is Dr. Alexander Schmidt, Commissioner, Food and Drug Administration.

Dr. Schmidt, the committee is pleased to have you appear here today. You may present your statement and your material however you desire.¹

STATEMENT OF HON. ALEXANDER M. SCHMIDT, M.D., COMMISSIONER, FOOD AND DRUG ADMINISTRATION, ACCOMPANIED BY J. RICHARD CROUT, M.D., DIRECTOR, BUREAU OF DRUGS; BERNARD T. LOFTUS, DEPUTY DIRECTOR, OFFICE OF COMPLIANCE, BUREAU OF DRUGS; AND ROBERT C. WETHERELL, ACTING DIRECTOR, OFFICE OF LEGISLATIVE SERVICES

Dr. SCHMIDT. Thank you very much, Mr. Chairman.

We are delighted to be here this morning to appear before you on a topic which, of course, is extremely important to the Food and Drug Administration.

I would like to introduce my colleagues here with me. On my immediate right is Dr. Richard Crout, Director of the Bureau of Drugs. To his right, is Mr. Bud Loftus, Deputy Director of the Office

¹ See information beginning at page 10638.