

of a thousand. The local purchase price was \$25.98, but through the FSS, instead of a lower price, the DOD paid \$43.82. It would astonish me that through your central purchasing or FSS you would pay approaching twice as much as at the local level.

General HAYES. I do not understand that, either.

Senator NELSON. I can understand how a mistake might be made and that might just be one, but in looking at the prices, if that happens very often, there is something wrong.

But the part that bothers me the most is at the local level where you would expect, that the price should be the highest, since that is something all the way down to the retailer. How could they make the mistake of paying \$43 when they looked in the price listings in the Red Book you will find out the pharmacists are getting it cheaper than the Department of Defense? According to the Red Book 1973, this same drug is available to the druggist in the same strength and quantity for as low as \$4.75.

General HAYES. Well, I do not understand that one, as I said, but if you go down the list Mr. Gordon referred to, that is a very rare instance.

Mr. GORDON. If there is a VA installation in the area of a DOD installation, and the DOD installation runs out of a particular drug, have they been going to the VA installation to buy drugs at a lower price?

General HAYES. I would think in the past that has not been the general thrust. This is one of the things—or to an adjacent military installation—this has not been done. This is one part of a bigger thing where we are trying to get our DOD medical units to work together across service lines. So this is a subject for the future, and I would think this is going to happen.

Mr. GORDON. But you are taking steps to buy, say, from VA installations if they are around DOD installations?

General HAYES. We have not taken that step yet, but we are considering it.

Mr. GORDON. General Hayes, there are a couple of things that trouble me. First of all, when did Mr. Feinberg join the Defense Department, do you know?

General HAYES. I cannot give the exact time. That has been a long time.

Mr. GORDON. Would it be maybe 30 years ago?

General HAYES. It was in the forties sometime, as I understand it.

Mr. GORDON. Now, in what era did the problems that Mr. Feinberg deals with occur, when did they take place?

General HAYES. I would say from the forties to about the early seventies. When I say early seventies, I mean real early seventies.

Senator NELSON. Thank you very much, General. We appreciate your taking time to come.

General HAYES. Thank you, sir.

[General Hayes' statement follows:]