main Committee has been working in the area of drugs. DoD and VA have been in close accord with the activities to date, which have been designed to arrive at a division of the purchasing responsibilities for various items and categories of items. When action is completed, only one of the two agencies should be buying a single item and no other agency of Government should be centrally purchasing any of the items. The amount of duplication in central drug procurement between DoD and VA is not as great as is generally thought to be the case.

The Veterans Administration continues to screen Military stocks each time it prepares to go into the market for a drug purchase. If the Military has the item at a price that is equal to or better than VA could acquire, arrangements are made to replenish VA stocks with military stocks. In Fiscal Year 1974, VA withdrew $830,402 in drugs from DPSC. If the 4th quarter of this Fiscal Year maintains the present rate, $1,250,000 will be bought from DoD stocks in Fiscal Year 1975. The following illustrates the trend:

VA Purchases from DPSC

FY 1971	$ 266,626
FY 1972	$ 387,708
FY 1973	$ 708,896
FY 1974	$ 830,402
FY 1975	$1,250,000 (estimate)

Although this works only one way under the current DoD-VA agreement, it is a form of requirements consolidation. VA honors requests from Defense installations for drug and other items when placed upon VA's depots. For example, in March of this year we entered into an Interagency Agreement with the Department of the Navy, to supply any of the medical installations of the Navy Bureau of Medicine