

12088 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Responsibility for developing an implementation plan for the fourth recommendation, to consolidate under the Food and Drug Administration a quality assurance program for all Federal procurement of drugs and medical items, was assigned to the Secretary of Health, Education and Welfare. Substantial progress has been made toward achieving the objectives of that recommendation, Mr. Chairman, and a full report will be given the subcommittee by the Food and Drug Administration's Commissioner Schmidt.

At this time, Mr. Chairman, I would like to ask that Mr. Zechman be permitted to describe for the subcommittee the progress being made in the executive branch to carry out the first three recommendations of the Office of Management and Budget study. At the conclusion of Mr. Zechman's statement we will be happy to respond to any questions that members of the subcommittee may have.