

12086 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

the optimum system or systems for their effective and economical Government-wide support.

The interagency effort was concluded early in 1974. I understand, Mr. Chairman, that copies of the study group report entitled "Study of an Optimum Procurement and Distribution System(s) for Medical and Nonperishable Subsistence Items" have been provided for the information of the subcommittee. The report made four basic recommendations which I shall summarize as follows:

1. That a single system should be established for Government-wide management of drugs, medical devices and nonperishable subsistence.
2. That the Department of Defense and the Veterans Administration should be assigned, on a non-duplicative basis, purchasing responsibility for these items and that related purchasing functions performed in the General Services Administration and the Department of Health, Education and Welfare should be transferred to the Department of Defense and the Veterans Administration.
3. That the General Services Administration should assume lead responsibility for developing the system through an interagency implementing committee chaired by the General Services Administration with membership from the Department of Health, Education and Welfare, the Department of Defense and the Veterans Administration.