

ECONOMY IN GOVERNMENT PROCUREMENT AND PROPERTY MANAGEMENT

WEDNESDAY, NOVEMBER 29, 1967

**CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON ECONOMY IN GOVERNMENT
OF THE JOINT ECONOMIC COMMITTEE,
*Washington, D.C.***

The subcommittee met, pursuant to recess, at 10 a.m., in room S-407, the Capitol, Hon. William Proxmire (chairman of the subcommittee) presiding.

Present: Senators Proxmire and Percy.

Also present: Ray Ward, economic consultant.

Chairman PROXMIRE. The subcommittee will come to order.

Our first witness this morning is the Honorable Peter Dominick, a U.S. Senator from Colorado. We are very happy to have you here, Senator Dominick. You may proceed in your own way.

STATEMENT OF HON. PETER H. DOMINICK, A U.S. SENATOR FROM THE STATE OF COLORADO

Senator DOMINICK. Thank you, Mr. Chairman and members of the subcommittee. I appreciate the opportunity to appear before you today on this matter of such great importance to the taxpayer and to efficiency in government.

I have been growing concerned, as has your committee, over the increasing percentage of our military procurement which is accomplished without open competition. Certainly, in some instances, national security reasons might justify some such noncompetitive actions, but when the average percentage of noncompetitive procurement reaches 86 percent, and the 100 largest business firms continually get a larger and larger share of our military procurement, there is cause for alarm.

I began delving into this situation last year when one of my constituents—Custom Packaging Co., a small business firm in Aurora, Colo., which developed a shoulder-borne portable, recoilless flame weapon—was given what I felt was very unfair treatment by the Army. After expending its own funds to develop and demonstrate the weapon to the Army—the first weapon of this type that had ever been produced by way of equipment for the Army—Custom also was the low bidder on the invitation for bids for the initial development of the weapon. The Army, however, awarded the development contract to Nortronics, a division of Northrop Aviation, at more than double the price bid by Custom Packaging Co., costing the taxpayer more than \$200,000 above the low bid by my constituent.