

Chairman PROXMIRE. That is right. They select the particular firms, and it can be just two firms. Of course, as most of us would recognize, this has very serious limitations.

At any rate, there also is an increasing concentration of procurement with the hundred largest firms. And, it is this kind of specific example which is most helpful. They properly resent it when we just make broad charges they are not doing their job. But, when you can come up with examples of this kind, I think it is most helpful. We will certainly follow this up as completely as we can, both with the Comptroller General and with the Defense Department. The Comptroller General is going to reappear before this committee in a few days; they were the leadoff witness. We will bring this up with them at that time, and notify them at once we want to look into it.

Senator DOMINICK. Thank you very much. I appreciate it.

Chairman PROXMIRE. Is Congressman Minshall here?

We are honored and pleased to have as our next witness the Congressman from the 23d District of Ohio, Representative William Minshall.

**STATEMENT OF HON. WILLIAM E. MINSHALL, A REPRESENTATIVE
IN CONGRESS FROM THE 23D CONGRESSIONAL DISTRICT OF THE
STATE OF OHIO**

Mr. MINSHALL. Mr. Chairman, let me preface my remarks with a word of appreciation for the splendid service you are performing in behalf of the American taxpayer. It is no exaggeration to suggest that the ultimate result of these hearings could be the saving of billions of defense dollars.

My purpose in appearing here today is to very briefly outline the action which has taken place regarding my bill, H.R. 10573, which I introduced last June 7 to strengthen the Truth in Negotiations Act.

After 2 days of testimony, and your own years of experience on this committee, I know you have little need for my reviewing the many compelling reasons why this act must be strengthened. Your distinguished chairman, Senator Proxmire, certainly ranks as an expert. He and I share a mutual concern in the matter, inasmuch as his bill, S. 1913, is identical to mine.

Our legislation would guarantee a full-fledge postaudit program by the Department of Defense of all financial records of defense contractors and subcontractors, the object being to determine whether Defense has been overcharged for materials. Minimal spot checking by the General Accounting Office has uncovered overpricing on defense contracts at the rate of about \$13 million a year, and this figure undoubtedly would be multiplied many times if GAO had the vast army of auditors which the Pentagon possesses to institute a thorough post-audit.

I am pleased to report that the outlook for H.R. 10573 is encouraging. The bill has been referred to the House Armed Services Subcommittee on Special Investigations, of which Congressman Porter Hardy is chairman, and I have been advised that hearings will be held after Congress reconvenes in January.