

Mr. ABERSFELLER. I am referring now to the current legislation that exists in the Truth in Negotiations Act where there is a requirement to provide cost and pricing data under certain circumstances and there have been recent occasions where companies have refused to provide the information.

Representative GRIFFITHS. I am sure they have. And they have also called up from the west coast, particularly the aircraft manufacturers, and objected seriously to supplying any such information, and the Defense Department has gone right along with them.

The best testimony we have ever had is that four people in a private industry can keep track of the price of 90,000 parts. The testimony of the Army yesterday, of the Defense Department yesterday, was that it would take 10,000 people to keep track of these things.

Now, anybody who knows anything knows that is silly.

Chairman PROXMIRE. Furthermore, isn't it true that to put the big computer manufacturers into the mood to reveal this information, you have to have more competition. As I understand it now, they have the whip hand, and they can refuse it, because they do not have to bid, and the Government may be in a position where they are pretty desperate. There are a few of them, and some of them are very big, and the competition is not as good as it ought to be.

On the other hand, if you can break the components out and provide more opportunity for the so-called peripherals, so that you can put these things together, you might be in a stronger position to insist that they give this information, or lose a very valuable sale to the Government.

Mr. ABERSFELLER. It certainly is a possibility. But unfortunately in some cases, as you point out, Mr. Chairman, these are first-of-a-kind types, but they are also in the commercial line of a particular company, and apparently the company has other commercial customers standing in line—yet the Government needs this particular computer desperately, and it is the only one that is known that can do the particular job. The companies do in fact have the whip hand and the Government then has no alternative but to procure the equipment.

Chairman PROXMIRE. Thank you very very much. I appreciate this. Mr. Caveney, you have been a most valuable witness.

Representative GRIFFITHS. I want to say one more thing.

I would like to point out that during these hearings—and I want to thank the chairman for holding them, because I think we have saved the country money—during these hearings the Defense Department has acted as if Congressman Pike, who reveals some astonishingly high prices on some shelf items, had found the only four or five such items that were overpriced that are purchased by the Defense Department. Now, today we hear that the GSA, after having heard the testimony yesterday, has decided it is possible they could buy some of this stuff differently and save some money. This committee ought to sit here all the time, going over these purchases. We would probably save more money for the Government than any other thing that could be done.

But the horrible thing is that—and any taxpayer must know—that it is like opening a catalog and just pushing your finger down like that, and you find out that the item you have is being overpriced—the Government is paying too much money. We are not going through this item by item.