

you gentlemen are going to do to that budget down here in the Congress.

Mr. ZWICK. Let me just add two comments, Senator Percy. One; it is a tight budget, no doubt about that. I think we can demonstrate that fact in a number of different ways.

Two; there is always the issue of how you set your priorities. I just would not want to let the record be left without indicating that we did increase significantly health expenditures by 12 percent, and that is clearly more than the budget on the average went up. Whether 12 percent is enough or too little or too much is a matter of legitimate concern and debate, but certainly health expenditures did go up in this budget.

Senator PERCY. Thank you.

Senator PROXMIRE. Mrs. Griffiths?

Representative GRIFFITHS. Thank you very much, Mr. Chairman.

I would like to say to you, Mr. Secretary, that I think one of the problems of being a high appointive official is that you have first to convince your friends that you are competent to hold the job—and I can remember when President Kennedy first put you in the Cabinet, I thought he had run out of potential appointees rather quickly. [Laughter.]

At any rate, I would like to say to you today, that you convinced me. Secretary BARR. Thank you.

Representative GRIFFITHS. I think you have done a marvelous job and I would like to say to you that I treasure as one of the really best statements ever made by a high appointive official your statement last year—before, I believe, a Senate committee—that if you gave \$5 billion to Wilbur Cohen, it would take him quite a little while to spend it, but if you gave it to the Defense Department, in 2 weeks they wouldn't know where it has gone. I agree. [Laughter.]

Secretary BARR. That caused me a little trouble, Mrs. Griffiths. [Laughter.]

Representative GRIFFITHS. I liked it and I agree with it and I think it took great courage to say it, and I think you were right, absolutely right. And I notice that in this Economic Report there is a statement that total package procurement, a major procurement innovation of the 1960's, has extended competition and permitted more fixed-price contracts.

Well, it is an innovation and it does have a sort of fixed price. But I would like to show you—Senator Proxmire and I examined one of these yesterday afternoon—how this thing operates.

The contract extended for 6 years. That is 2 years beyond the term of a President. That is twice the tour of duty of a military officer in the Pentagon. That is approximately the tour of duty of a Senator. It is three times the tour of duty of a Congressman. There will be nobody with any responsibility for the prices in this contract. Not at all.

This is not the way to go. The way to go is to break these into component parts, into simpler items over which someone has some control and for which somebody has some responsibility.

This type of contract is for all practical purposes a retainer contract to the industry to which it is offered. We will never arrive at the