

in the case of two Government departments, namely, General Services Administration and the Department of Defense.

We refer specifically to the Hand Tool buying policy of the Department of Defense which permits a 50% differential in favor of American manufacturers while the General Services Administration is allowed to use only a 6% differential on the same items. Because of this policy, foreign bidders are obtaining awards from GSA with its 6% differential, which would not be possible if the procurement were made by DOD. In other words, the American producer gets the award if Agency A (DOD) does the buying, but loses it if Agency B (GSA) is the purchaser for the same type program. Obviously, if this lack of policy continues, the already substantial loss of business by American Hand Tool manufacturers which results will continue to increase. It is, of course, obvious that the GSA differential in favor of American manufacturers should be 50%, the same as that of the Department of Defense.

Will you please, therefore, contact at once all members of the Joint Economic Committee and urge them to take immediate steps to correct this inconsistent policy. Also, please contact Charles L. Schultze, Director of the Bureau of the Budget, expressing concern over this matter and inquiring why the Budget Bureau has ignored the recommendation of the subcommittee on Federal Procurement (now the subcommittee on Economy in Government) as contained on page 188 of its report of hearing held in Washington, D.C. on March 24, 1966.

Vlchek Tool Company was the second lowest bidder on a very substantial volume of GSA requirements. The business was awarded to imported tool suppliers—with the resultant reduction in jobs in our plants in 1966. Current studies of competitive bidding would indicate a further reduction in 1967. Therefore, the welfare of this company and the jobs of our employees are at stake. Your immediate assistance will be greatly appreciated.

Yours very truly,

E. F. HOWARD, *President.*

APRIL 14, 1967.

HON. FRANK J. LAUSCHE,  
*U.S. Senate, Washington, D.C.*

DEAR FRANK: Reference is made to your letter of April 10, 1967 concerning the lack of uniformity in the application of differentials by the Department of Defense and the General Services Administration under the Buy American Act.

This problem will be considered by the Subcommittee on Economy in Government of this Joint Economic Committee at hearings scheduled for May 8-15, 1967.

If your constituent has no objection we will place his letter in the record. Please let me know.

With best wishes,

WILLIAM PROXMIRE, *Chairman.*

MAY 12, 1967.

Mr. LOUIS J. DUBUQUE III,  
*Vice president, Sales, Dictaphone Corp.,  
Rye, N.Y.*

DEAR MR. DUBUQUE: I am in receipt of your letter of May 3, 1967, concerning the variation in the use of differentials under the Buy American Act by GSA and DOD as it applies to the procurement of various items required by the Government.

Chairman Proxmire of the Subcommittee on Economy in Government, of which I am a member, assures me that this subject will be under discussion when the GSA and BOB appear before the Subcommittee on May 16, 1967, 10:00 a.m., Room AE-1 (S-407), The Capitol.

It is my hope and expectation that procedures leading to uniformity in the use of the differentials will evolve from these hearings.

I am asking the Chairman to insert your letter in the printed hearings.

Sincerely,

WRIGHT PATMAN.