

ment) on March 24, 1966, the following report and recommendation was forwarded by that Subcommittee to the Bureau of the Budget.

"The testimony given to the Subcommittee was to the effect that DOD was using a 50 percent differential to help the balance-of-payments problem by awarding business to American producers at an added cost through fiscal 1965 of \$67.5 million. To the extent that GSA takes a different course and makes awards to foreign producers, the DOD Balance of Payments program is undermined as is any existing trade agreement.

"*Recommendation.*—The Subcommittee strongly recommends that, the Bureau of the Budget take steps to apply uniform differentials under the Buy American Act for the same items regardless of which Federal Agency does the buying for the Government."

It is our understanding that to date no action of any kind has been taken by the Bureau of the Budget on this recommendation.

We shall appreciate your including this letter in the record of the next Hearing of your Subcommittee on Economy in Government which we understand will be held in the early part of May, 1967.

Respectfully submitted on behalf of our Member Companies.

Yours sincerely,

GEORGE P. BYRNE, Jr., *Secretary.*

GSA MOVES TO ENSURE THAT AGENCIES ABROAD FAVOR U.S. PRODUCTS

[From the Wall Street Journal]

WASHINGTON.—The U.S. Government is moving to strengthen its policy of giving American businesses an advantage over foreign competitors in supplying goods and services to Government civilian installations abroad.

The General Services Administration, the Government's housekeeping agency, announced it will assume responsibility for ensuring that U.S. agencies don't contract with a foreign concern unless the foreign price is at least 50% lower than the price quoted by a domestic concern.

In announcing the move, which changes procedure rather than policy, GSA said it hopes to ease the U.S. balance-of-payments drain and also to aid small businesses in this country.

The Agency for International Development and the Defense Department, both of which follow "Buy American" policies, won't be affected by the GSA changes, it was stated.

APRIL 20, 1967.

Mr. GEORGE P. BYRNE,
Secretary and Legal Counsel, Service Tools Institute,
New York, N.Y.

DEAR MR. BYRNE: I am in receipt of your letter of April 12, 1967 concerning the Buy American Act with the clipping from the Wall Street Journal attached. Both will be placed in the hearings of the Subcommittee on Economy in Government which are scheduled for May 8, 9, 10 and 16, 1967.

At that time we will endeavor to determine the status of the application of differentials under the Buy American Act, the scope and trend in making awards to foreign bidders and related matters.

It is suggested that representatives of the Service Tools Institute be present at the hearings particularly on the 16th for your information and in case additional data may be required by the Subcommittee.

Sincerely yours,

WILLIAM PROXMIRE, *Chairman.*

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
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.