

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.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
April 24, 1967.

HON. WILLIAM PROXMIRE,
*Chairman, Joint Economic Committee,
New Senate Office Building, Washington, D.C.*

DEAR BILL: Thanks very much for your letter of April 14th, a copy of which is attached, concerning the application of the Buy American Act.

I have contacted my constituents in Ohio concerning your proposal to place their letters in the record of the forthcoming hearings and have received their consent to do so. I am enclosing copies of their letters for this purpose. In addition, I am enclosing copies of letters which I have received from other interested parties on this same subject and request that these also be included in the record.

Your prompt reply to my inquiry of April 10th and your cooperation are deeply appreciated.

With best regards,

Sincerely yours,

FRANK J. LAUSCHE.

APRIL 26, 1967.

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

DEAR FRANK: This is to acknowledge and thank you for your letter of April 24 enclosing letters from your constituents for the record. These will be included in the record of our hearings on defense procurement which begin on May 8. We are very pleased to have these submissions.

Best regards,

Sincerely,

WILLIAM PROXMIRE, *Chairman.*

S-K WAYNE TOOL Co.,
Chicago, Ill., April 11, 1967.

Subject: Misapplication of Buy American Act in Government procurement

HON. FRANK J. LAUSCHE,
*Senate Office Building,
Washington, D.C.*

DEAR SENATOR LAUSCHE: On behalf of our Company and its employees, we respectfully urge you to take prompt action to correct an improper application of the Buy American Act by the Bureau of the Budget involving two Federal agencies: the Department of Defense and General Services Administration.

Specifically, in the procurement of hand tools G.S.A. is authorized to use only a 6% differential in favor of American manufacturers whereas the D.O.D. permits a 50% differential on the same items. As a result, foreign bidders are obtaining awards from G.S.A. which they would not obtain if the D.O.D. was the procuring agency. In other words, the American producer gets the business if Agency A (D.O.D.) does the buying, but loses it if Agency B (G.S.A.) purchases.

If this inconsistent practice continues the already substantial loss of business by American manufacturers will be compounded, and a domestic industry vital to our Defense Establishment will be even more seriously weakened.

Will you please contact immediately all members of the Joint Economic Committee and urge immediate steps to correct this inconsistency. Also, please inquire of Charles L. Schultz why his Budget Bureau has chosen to ignore the recommendation of the Sub-Committee on Federal Procurement on Page 188 of its Report of Hearing held in Washington March 24, 1966.

Your prompt assistance will be much appreciated.

Sincerely,

R. W. SHERWOOD, *Vice President.*