

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 14, 1967.

HON. WILLIAM PROXMIRE,
Chairman, Joint Economic Committee,
New Senate Office Building.

SIR: The attached communication is sent for your consideration. Please investigate the statements contained therein and forward me the necessary information for reply, returning the enclosed correspondence with your answer.

Yours truly,

FRANCES P. BOLTON,
Member of Congress.

Enclosure.—Letter from Mr. J. A. Bares, president, Milbar Corp., 2800 East 116th Street, Cleveland, Ohio, relative to application of Buy American Act in certain purchases by GSA and Defense.

APRIL 18, 1967.

HON. FRANCES P. BOLTON,
House of Representatives,
Congress of the United States, Washington, D.C.

DEAR MRS. BOLTON: The attached (1966) hearing and report of the Subcommittee on Federal Procurement and Regulation contain considerable information on the question of differentials under the Buy American Act which is the concern of your constituent's letter of April 14.

The Subcommittee on Economy in Government of which I am Chairman will pursue this matter with the Budget Bureau and General Services Administration at hearings scheduled for May 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*.

(The following letter was sent to both Senator Lausche and Representative Bolton:)

MILBAR CORP.,
Cleveland, Ohio, April 11, 1967.

Re improper application of Buy American Act in Government purchasing.

HON. FRANK J. LAUSCHE,
Senator Office Building,
Washington, D.C.

DEAR MR. LAUSCHE: In behalf of this company and its employees, we respectfully request and urge that you take immediate steps to correct a grossly improper application of the Buy American Act by the Bureau of the Budget 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