

At present the hand tool buying policy of the Department of Defense permits a 50% differential in favor of American manufacturers.

The General Services Administration, on the other hand, is allowed to use only a 6% differential on the same items.

As a result, foreign bidders are obtaining awards for GSA with its 6% differential which would not be possible if the procurement was made by the Department of Defense.

You can appreciate that this lack of policy poses a real problem to American hand tool manufacturers, and we recommend that the GSA differential in favor of American manufacturers be resolved to 50%, the same as with the Department of Defense.

This matter was considered by the Joint Economic Committee, and on page 188 of this committee's report of hearing held on March 24, 1966 in Washington, D.C., a recommendation was made to the Bureau of the Budget in this matter.

We would appreciate your contacting members of the Joint Economic Committee, recommending immediate steps to correct this inconsistent policy.

We would also appreciate contact being made with Mr. Charles L. Schultze, Director of the Bureau of the Budget, regarding the recommendation of the Joint Economic Committee which has not been followed.

Your assistance in this matter will be greatly appreciated by our company and by our employees whose jobs are at stake.

Yours sincerely,

P. & C. TOOL CO.,
B. H. McCLAIN, *President*.

APRIL 24, 1967.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR WAYNE: In reference to the letter from Mr. B. H. McClain concerning government purchasing under the Buy American Act, this problem will be considered by our Subcommittee on Economy in Government of which I am Chairman at hearings scheduled for May 8-15.

I will see that your constituent's letter is placed in the hearing record.

With best wishes,

WILLIAM PROXMIRE, *Chairman*.

APRIL 24, 1967.

Mr. H. S. TULLOCH,
Vice President and Division Manager,
Proto Tool Co.,
Jamestown, N.Y.

DEAR Mr. TULLOCH: Congressman Patman has asked me to respond to your letter of April 18th concerning government purchasing under the Buy American Act.

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

I will be pleased to see that your letter is included in the hearing record.

Sincerely yours,

JOHN P. STARK, *Executive Director*.

PROTO TOOL CO.,
Jamestown, N.Y., April 18, 1967.

HON. WRIGHT PATMAN,
The House of Representatives,
Washington, D.C.

DEAR Mr. PATMAN: In behalf of the employees of this company, the company, and the community, we respectfully request your co-operation in taking prompt action 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.

Specifically, we are referring to the Hand Tool buying policy presently in existence. The Hand Tool buying policy of the Department of Defense permits a 50% difference in favor of American manufacturers, while the General Services Administration is allowed to use only a 6% differential on the same items.