Due to this policy, foreign manufacturers are receiving awards from General Services Administration due to the 6% differential, which would not be possible if the procurement were made by the Department of Defense. Stated otherwise, an American producer would receive the award if the Department of Defense is doing the buying, but would lose it if General Services Administration is the purchaser for the same type item. Without question, if this lack of policy continues, the substantial loss of business already as suffered by American Hand Tool Manufacturers will continue to increase substantially. Our recommendation is that the General Services Administration differential in favor of American manufacturers should be 50% which is the same policy as that used by the Department of Defense.

We request and urge you to please contact immediately all Joint Economic Committee members and urge them to take immediate action to correct this inconsistent policy. Would you also please contact Charles L. Schultze, Director of the Bureau of the Budget explaining concern over this matter and inquiring why the Budget Bureau has ignored the recommendations of the Sub-Committee of Federal Procurement as contained on Page 188 of its report of Hearing held in Washington, D.C. on March 24, 1966.

Your immediate assistance will be greatly appreciated as the welfare of this company, the employees, and the community are at stake.

Very truly yours,

H. S. TULLOCH,
Vice President and Division Manager.

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
April 27, 1967.

Mr. MORRIS B. PENDLETON,
President, Pendleton Tool Industries, Inc.,
Los Angeles, Calif.

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

The Subcommittee on Economy in Government of the Joint Economic Committee has scheduled hearings for May 8, 9, 10, and 16, at which time this problem will be considered.

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

Sincerely yours,

JOHN R. STARK, *Executive Director.*

PENDLETON TOOL INDUSTRIES, INC.,
Los Angeles, Calif., April 18, 1967.

Subject: Inconsistent policies of Buy American Act in Government purchasing.

Hon WRIGHT PATMAN,
Joint Economic Committee,
House Office Building,
Washington, D.C.

GREETINGS: It is our understanding that the 1967 Joint Economic Committee (JEC) Hearing of the Sub Committee on Economy in Government, is expected to be held sometime in May 1967.

In 1966, Hearings before the Subcommittee on Federal Procurement and Regulation of the JEC were held on January 24; March 23 and 24, 1966. A Report of the findings and recommendations was issued on May 27, 1966.

As a manufacturer and supplier of hand tools to the Government, we are specifically concerned with 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.

We respectfully refer you to pages 9 and 10 of the May 1966 Report wherein it states: "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 the Bureau of the Budget does not