

intend to take any early action to adopt uniform hand tool differentials resolving this inequity.

We are most concerned that the Bureau of the Budget has apparently ignored your subcommittee's recommendation.

In the past year, we have not been awarded some items on General Services Administration contracts because of what has been determined by the JEC to be a grossly improper application of the Buy American Act. Since the welfare of this company and the jobs of our employees are at stake, your immediate assistance that will result in prompt action by the Bureau of the Budget will be greatly appreciated.

Respectfully,

MORRIS B. PENDLETON,
President.

MAY 12, 1967.

HON. ODIN LANGEN,
House of Representatives,
Washington, D.C.

DEAR ODIN: I am in receipt of your letter of April 21, 1967, with a copy of a letter from Mr. W. G. Eggers, Manager, Owatonna Tool Company, Owatonna, Minnesota. Mr. Eggers' letter concerns the apparent inconsistencies in the application of differentials under the Buy American Act.

We expect to review this subject with witnesses of the General Services Administration and the Bureau of the Budget at hearings of the Subcommittee on Economy in Government on May 16, 1967, Room AE-1 (S-407), The Capitol, at 10:00 a.m.

A copy of Mr. Eggers' letter will be placed in the printed hearings of our proceedings.

Sincerely,

WILLIAM PROXMIRE, *Chairman.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 21, 1967.

HON. WILLIAM E. PROXMIRE,
Chairman, Joint Economic Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This office is in receipt of a letter from the Owatonna Tool Company of Owatonna, Minnesota, registering concern regarding application of the Buy American Act.

Copy of their letter is enclosed for the information and consideration of your Committee.

With kindest personal regards,

Sincerely,

ODIN LANGEN,
Member of Congress.

OWATONNA TOOL Co.,
Owatonna, Minn., April 18, 1967.

Subject: Improper application of Buy American Act in Government purchasing.

HON. ODIN LANGEN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN LANGEN: 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.

Specifically we refer 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 a procurement were made by DOD. For example, the American producer gets the