

Chairman PROXMIRE. We are very interested in this. Congressman Curtis is especially interested in the great discrepancy of the 50 percent for the Defense Department and 6 percent in much of the rest of the Government.

What does this show in terms of the balance-of-payments saving and other budgetary cost?

Mr. ABERSFELLER. We formed no conclusions, Mr. Chairman, and we simply reflected to the Bureau of the Budget, as an example, that the amount of foreign procurement has increased from fiscal year 1966 to 1967 by 65 percent.

Chairman PROXMIRE. The amount of what?

Mr. ABERSFELLER. Of procurement from foreign sources.

Chairman PROXMIRE. Has increased?

Mr. ABERSFELLER. Yes; has increased.

Chairman PROXMIRE. Despite the Buy American Act.

Mr. ABERSFELLER. With the application of the 6 percent—or 12 percent in the case of a small business or labor-distressed area—it has increased.

Chairman PROXMIRE. You show, then, that as far as the developments at present, there seems to be a decreased budgetary cost inasmuch as we are procuring more from abroad, but an adverse effect on the balance of payments inasmuch as we are procuring more from abroad; is that right?

Mr. ABERSFELLER. Yes, sir.

Chairman PROXMIRE. Does buying from foreign sources complicate procurement? It does decrease costs, I presume.

Mr. ABERSFELLER. Yes, sir.

Chairman PROXMIRE. Does it complicate it in any way?

Mr. ABERSFELLER. Not particularly complicate; no, Mr. Chairman.

Chairman PROXMIRE. What was the volume of foreign procurements by GSA last year?

Mr. ABERSFELLER. \$8 million.

Chairman PROXMIRE. \$8 million out of how much procurement?

Mr. ABERSFELLER. Out of approximately \$900 million.

Chairman PROXMIRE. So it is about 2 percent.

Mr. ABERSFELLER. Actually, in relation to the total contracts we award, it is something less than 1 percent. The \$900 million, Mr. Chairman, deals with the GSA moneys expended. In addition to that, we contract for about \$1,100 million more which other agencies order direct.

Chairman PROXMIRE. Supposing we do not have a Buy American Act. Can you give us any notion as to how much this would increase foreign procurement, and decrease budget costs?

Mr. ABERSFELLER. No, sir.

Chairman PROXMIRE. You do not have any statistics on that? Don't you think that would be helpful for Congress formulating policy in this area?

Mr. ABERSFELLER. Yes, sir; I think it would be. It can be prepared.

Chairman PROXMIRE. Would it be possible for you to compute this.

Mr. ABERSFELLER. Yes, sir; it would not be difficult.

Chairman PROXMIRE. That would be most helpful to us, if you could do that in the future.