

Chairman PROXMIRE. Would they buy 75, 80, 90 percent?

Mr. ABERSFELLER. Yes; in that range, Mr. Chairman, out of the \$49 billion in the budget for supplies and equipment—

Chairman PROXMIRE. So in terms of increased costs, the difference would not be very great. It would mean that you would eliminate these discriminations that we now have against the handtool industry, and I imagine there may be some other industries that are adversely affected, too.

Mr. KNOTT. There are some others. I think this is one of the more conspicuous ones.

Chairman PROXMIRE. You see, this committee feels guilty on this to some extent, because in the past it has asked that handtool purchasing be transferred to the GSA, which could do a better job, and the industry agreed that this would be the best way to handle it. But since then, the differential developed.

Mr. KNOTT. This is true.

Chairman PROXMIRE. And a great disadvantage to the handtool industry.

Mr. KNOTT. Senator Percy's distinguished predecessor was one of those who consistently urged this transfer.

Senator PERCY. Are they for the most part standard stock items, that are purchased from the commercial market and used by Defense?

Mr. KNOTT. Yes.

Senator PERCY. It seems to me I recall the Senator traveling around Illinois some years ago, with a big bag of parts, taking out a screwdriver, and saying the Defense Department paid \$3.50 for it, and he could buy it at the local hardware store for 19 cents. I wonder if Senator Douglas wasn't one of the powers instrumental in transferring this to GSA so that it would not have to be put through the whole labor of the specialized procurement of Defense, but rather have GSA just negotiate open bids on commercial items and have them available. I think that is probably the rationale that was used. The logic originally was perfectly sound for the transfer.

Chairman PROXMIRE. And the industry strongly supported the transfer.

Senator BROOKE. Yes; and I do not think the industry objects, except for this differential, which is being applied now. Obviously, they are being very seriously injured by it.

Chairman PROXMIRE. Well, Mr. Knott, you say you concur in the Brooke recommendations.

Mr. KNOTT. Yes, sir.

Chairman PROXMIRE. You would recommend that to the Budget Bureau. Would the Budget Bureau be the proper agency for this committee to direct our—

Mr. KNOTT. Yes; that is right. And I believe your committee did that last year, after the Deputy Director of the Bureau of the Budget appeared here.

Chairman PROXMIRE. He is going to appear tomorrow. We will take it up with him tomorrow.

Senator BROOKE. And, of course, I further ask, Mr. Chairman, that this committee reiterate its stand of its last meeting.

Chairman PROXMIRE. You have made a very strong case, Senator Brooke. We will certainly take it up with the Budget Bureau tomorrow,