warrant use of local contractors in other geographic areas, and this is planned for next year.

Mr. Chairman, it has been a pleasure to give you this summary. If you have any further questions, we would be happy to spend with you whatever time you like.

Chairman PROXMIRE. I think we have asked questions right along. I am just about through with my questioning.

I would like to point out what seems to be a very substantial improvement in your identical bid procurement. I notice that you had 8 million—nearly $9 million in 1962, identical procurement, $3 million in 1963, just under $3 million in 1964, $3.8 million in 1965, and you were down to $1.3 million in 1966—a steady improvement.

Now, I am still somewhat shocked and concerned with the percentage of identical bid procurement if this statistic is right; it indicates it had been 22.5 percent in 1962. It declined to 5.4 percent. As I recall, when we were questioning the Defense Department about it, the identical bid procurement was below—way below 1 percent. An identical bid was very exceptional and unusual that they had identical bids.

I raised the point on their so-called negotiated competition, that would have a different kind of a collusion that they had to be very wary of, and be much more likely, and much more tempting. There are all kinds of ways two or three selected suppliers can get together.

But this percentage—Mr. Ward tells me—I had asked him before, and we were not able to figure this out. But now he says he thinks this is perhaps the total amount of all agencies' identical bidding, only 5 percent is from GSA. This would include all agencies, Federal, State, and local. Federal agencies are 64 percent, Department of Defense is a large percentage of that. And GSA is a relatively small percentage.

But you have improved in that respect as well as in so many others. We are very grateful to you.

Congressman Widnall, a member of this committee, has a series of questions, some eight questions he would like to have you answer. I won't ask you these at the moment, orally, but I would appreciate it if you could give us your answers for the record.

Mr. KNOTT. I shall be happy to.

(The information to be supplied for the record follows:)

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., December 18, 1967.

HON. WILLIAM PROXMIRE,
Chairman, Joint Economic Committee,
Congress of the United States,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of December 12, 1967, which requested our response to a series of eight questions for inclusion in the recent hearings of the Subcommittee on Economy in Government.

The requested answers are appended hereto.

Sincerely yours,

LAWSON B. KNOTT, Jr.,
Administrator.

1. *Question:* Numerous bids offering foreign made hand tools must be further considered for award after application of the present Buy-America criteria used by GSA. Are any delays encountered in the final disposition of such bids and awards involving foreign source products?

Answer: In determining whether a low responsive bidder is responsible and capable of performing on a proposed award of a substantial contract, a financial