

eliminating costly and inefficient conversion processes, and pave the way for action in other areas where standards are needed.

#### STANDARDS FOR DATA ELEMENTS AND CODES

Complementing the work to develop computer and software standards is the program just recently established by BOB Circular No. A-86, to develop standards for data elements and codes that are commonly used by Federal agencies. The differences that currently exist in these data prevent their reliable exchange and summarization without engaging in difficult and expensive translation procedures. Through a Government-wide cooperative effort, we hope to minimize these difficulties by bringing about a greater degree of consistency in the way common data is described and coded.

#### BUY AMERICAN PRACTICES

We have again reviewed the effects of procurement under the Buy American Act by the DOD and civilian agencies. Our review indicates that the balance-of-payments savings gained from using the 50-percent differential in civilian agencies instead of 6-12 percent, would almost surely be more than offset by retaliation from foreign governments.

While the procurement practices of some foreign governments leave much to be desired, foreign government procurement in the United States far exceeds U.S. Government procurement of foreign goods. Millions of dollars of goods now purchased from the United States could be purchased domestically or elsewhere by foreign governments if there were an escalation of restrictive Government procurement practice.

Furthermore, a movement now, toward a more restrictive buy American policy would tend to disrupt our efforts in the Organization for Economic Cooperation and Development to harmonize Government procurement procedure and limit unfair discrimination to the fullest extent possible, and generally to abandon any prospect of improving the conditions of Government procurement. Clearly, it is in the U.S. interest to continue this effort to open up, through more open competition, a potentially large foreign market for American manufacturers. On the other hand, we do not believe the position of the U.S. balance of payments which caused the DOD to introduce a temporary 50-percent differential in favor of U.S. products in its procurement yet permits a change in that policy.

Chairman PROXMIRE. Yesterday we had testimony by Senator Edward Brooke, very able testimony, in which he complained about the discrimination against handtools. He pointed out 90 percent of the handtools are used by the Defense Department, but because they are procured by GSA, the differential in favor of buying domestically, instead of from a foreign source, is only 6 percent, or, with small business, 12 percent; whereas, if you could recognize the procurement by the Defense Department, the differential would be 50 percent. And, it seemed to us a very, very logical argument. The questioning yesterday seemed to suggest that this was something that the Budget, Bu-