

Tariff Board, which states that "in making government purchases it is customary to grant a preference to domestically produced goods." Though "the nature and the extent of such preferences varies from time to time and from one department to another," a 10 per cent margin is the norm for defense equipment. Preferences are given "especially to Canadian suppliers who offer higher proportions of Canadian content."⁴²

A "Buy Japan" policy is contained in a Japanese Cabinet Order of September 25, 1963 that permits the chief of any ministry or agency "for the purpose of encouraging the use of domestic products" to resort to "limited competition" in the procurement of certain designated goods. The "designated" goods comprise fourteen categories of equipment that include automobiles, computers, office machines, air conditioners, measuring instruments, construction machinery, communication apparatus, aircraft, electric generators, pumps, printing machines, and machine tools.⁴³

The above discussion relates to procurement by central government authorities, but preferences are also granted to national and/or local producers by provinces, municipalities, and other government bodies. For example, according to a 1963 survey, fourteen states in the United States restricted some or all foreign purchases.⁴⁴ Canadian provinces have similar practices.⁴⁵

⁴² *Report by the Tariff Board, Radio, Television, and Related Products*, Reference No. 123 (Ottawa: 1965), pp. 28-29.

⁴³ See U.S. *Congressional Record*, House, August 12, 1965, pp. 19566-19567. This issue of the *Congressional Record* contains 68 pages of material (inserted by Congressman Saylor) on the laws, regulations, and practices of foreign countries relating to government procurement.

⁴⁴ The states reporting restrictions on foreign purchases were Alabama, California, Colorado, Connecticut, Indiana, Maine, Massachusetts, Montana, New Jersey, New Mexico, Oklahoma, Pennsylvania, Virginia, and West Virginia. Puerto Rico restricts all foreign (non-U.S.) purchases. This survey was conducted by The National Association of State Purchasing Officials of The Council of State Governments. See also, United States-Japan Trade Council, *State "Buy American" Restrictions*, Council Report No. 75, December 6, 1965.

⁴⁵ The Canadian province of Quebec provides a good example. Under its "Buy Quebec" policy, the Hydro-Electric Commission, a semi-autonomous government organization that controls virtually all production and distribution of electricity in the province, will pay up to 10 per cent more for a product made in Quebec than for the equivalent item manufactured elsewhere in Canada, and up to 15 per cent more than