

THE SECRETARY OF DEFENSE
WASHINGTON

Mar 7 1964

MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE (I&L)

SUBJECT: Procurement Procedures Under the Buy American Act

In view of the recent decision of the Cabinet Committee on Balance of Payments and pursuant to the provisions of Executive Order 10582, my memorandum of August 11, 1962, ASPR and the appropriate contract provisions should be revised to inform prospective contractors that, as a part of the current DOD Balance of Payments Program, a 50% differential (exclusive of duty) will be applied in evaluating bids on contracts for supplies under the Buy American Act. This differential will be applied in all cases to which the normal 6% - 12% differentials (inclusive of duty) are applied under current ASPR. In view of the duty factor, it will be necessary to provide for application of both differentials.

(Signed)

Cyrus Vance
Deputy