

Mr. Dubuque's letter follows:

DICTAPHONE CORP.,
Rye, N.Y., May 3, 1967.

Subject: Improper application of Buy American Act in Government purchasing—GSA.

Hon. WRIGHT PATMAN,
Vice Chairman, Joint Economic Committee, Subcommittee on Economy in Government, New Senate Office Building, Washington, D.C.

DEAR MR. PATMAN: On behalf of this Company and its employees, we respectfully request and urge that you take immediate steps to correct a grossly improper application of Buy American Act by the Bureau of the Budget in the case of two Government Departments, namely, General Services Administration and the Department of Defense.

We refer specifically to the dictating machine buying policy of the Department of Defense, which permits 50% differential in favor of American manufacturers, while the G.S.A. is allowed to use only 6% differential on the same items. Because of this policy, foreign bidders are obtaining awards from G.S.A. with its 6% differential which would not be possible if the procurement were made by D.O.D. In other words, the American producer gets the award if Agency A (D.O.D.) does the buying but loses it if Agency B (G.S.A.) is the purchaser for the same type program.

If the Bureau of the Budget continues this inconsistent policy, the already substantial loss of business by the domestic dictating machine industry as evidenced by the enclosed figures, will continue to increase. It is imperative to the industry and beneficial to our country's balance of payments that the G.S.A. differential in favor of American manufacturers should be 50%, the same as that of the Department of Defense. As a matter of interest, recently the G.S.A. did extend this 50% differential to overseas buying, but still applies the 6% level here in the United States, which is unreasonable and inequitable.

We would be most appreciative if you would, when you have the opportunity, point out to members of the Joint Economic Committee, The Bureau of the Budget, and the Government Operations Committee, this inconsistent policy.

Your assistance would be greatly appreciated.

With best regards,

LOUIS J. DUBUQUE III, Vice President, Sales.

Dictating machine industry, U.S.A., units shipped 1953, 1963-66

	U.S.A.-Made machine	Foreign- made machine	Total	Foreign as percent of total
1966.....	¹ 130,000	¹ 100,000	230,000	43.5
1965.....	¹ 125,000	81,727	206,727	39.5
1964.....	121,723	68,851	190,574	36.1
1963.....	130,147	43,768	173,915	25.2
1953.....	99,099	-----	99,099	0

¹ Estimated.

Source: U.S.A.-made machines series M35R, Department of Commerce Reports on Office Computing and Accounting Machines; foreign-made machines, Department of Commerce FT125 and Journal of Import Bulletin Data.