CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C. April 10, 1967.

Hon. WILLIAM PROXMIRE,
Chairman, Joint Economic Committee,
New Senate Office Building, Washington, D.C.

DEAR SENATOR PROXMIRE: I am enclosing a copy of the self-explanatory letter sent to me by Vice President James F. Convery of the Reed & Prince Manufacturing Company in my home city of Worcester, alleging improper application of the Buy American Act.

I shall very deeply appreciate your comments on the contents of Mr. Convery's correspondence and any other advice or recommendations you may feel warranted in the matter from your Committee experience.

Many thanks for your courtesy and best personal wishes.

Sincerely,

HAROLD D. DONOHUE.

REED & PRINCE MANUFACTURING CO.,
Worcester, Mass., April 6, 1967.

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

Hon. HAROLD D. DONOHUE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DONOHUE: In behalf of this company and its employees, we respectfully request and urge that you take immediate steps to correct a grossly improper application of the 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 Hand Tool buying policy of the Department of Defense which permits a 50% differential in favor of American manufacturers while the General Services Administration is allowed to use only a 6% differential on the same items. Because of this policy, foreign bidders are obtaining awards from GSA with its 6% differential, which would not be possible if the procurement were made by DOD. In other words, the American producer gets the award if Agency A (DOD) does the buying, but loses it if Agency B (GSA) is the purchaser for the same type program. Obviously, if this lack of policy continues, the already substantial loss of business by American Hand Tool manufacturers which results will continue to increase. It is, of course, obvious that the GSA differential in favor of American manufacturers should be 50%, the same as that of the Department of Defense.

Will you please, therefore, contact at once all members of the Joint Economic Committee and urge them to take immediate steps to correct this inconsistent policy. Also, please contact Charles L. Schultze, Director of the Bureau of the Budget, expressing concern over this matter and inquiring why the Budget Bureau has ignored the recommendation of the Sub-Committee on Federal Procurement (now the Sub-Committee on Economy in Government) as contained on Page 188 of its report of Hearing held in Washington, D.C. on March 24, 1966.

The welfare of this company and the jobs of our employees are at stake. Your immediate assistance will be greatly appreciated.

Yours sincerely,

JAMES F. CONVERY,
Vice President, Sales.