to foreign firms and one was awarded to IBM at no discount and at the highest price on the Federal Supply Schedule. Of four bids for domestic use manual typewriters, three of these were awarded to foreign firms.

The utilization of foreign products for major government requirements at this time does not appear in the best interest of either the U.S. Government or American labor.

A. There is no duty on importation of typewriters.

B. There is no import quota.

If GSA is allowed to continue its emphasis on advertised procurement of typewriters, and if present trends in awards to foreign firms continue or increase, then American manufacturers, in order to compete in the government market, must press for establishment of an effective differential as prescribed through the Buy America Act, or resort to their own foreign plants as a source of supply. The significance of the latter alternative as it affects the many thousand domestic employees should not be lost on the Committee.

The conclusion that we have drawn is that the unilateral action by GSA in reducing the M.O.L. on typewriters is not based on objective judgment.

1. Agencies which have conscientiously applied the present criteria and now have effective cost reduction programs will find them either eliminated or more costly.

2. No incentive to industry to consider lower prices. There has never been a request or inquiry to this company from GSA/FSS as to our reactions to a higher M.O.L., i.e., lower prices for higher volume orders.

3. The intent of present criteria appears to have been ignored by many activities including GSA:

(*a*) Department of Agriculture procurement which cost the taxpayer more than $600,000 over other available equipment with tacit approval of Federal Supply Service.

(*b*) Federal Supply Service procurement of the most expensive models for its own use.

(*c*) Procurement by GSA for the Department of Defense on a non-bid non-schedule basis of almost 200 of the most expensive machines.

Mr. Chairman, this Committee has been led to believe that substantial savings can only result by bidding. We submit that this is not correct. We are willing to negotiate greater discounts on the Federal Supply Schedule for a higher M.O.L.

If GSA would sincerely explore this course of action and enforce the presently established criteria, we are confident that prices of typewriters to the government can be reduced even further than under the current M.O.L. We are confident that Cost Reduction Programs in Office Machine Procurement in such agencies as HEW, IRS, Department of Agriculture, Department of Interior, and others, can be expanded and can be a guide to other agencies. We are confident that the share of market enjoyed by the most expensive typewriter will continue to decrease under the pressure of more favorable prices from other companies, and at a faster rate than heretofore. We have proof of this trend even under the current Maximum Order Limitation.

I submit that Royal Typewriter Company's technology and programs has done the job—that American industry is competitive and that there can be no significant life cost savings on the procurement of (electric) typewriters by the bidding process in spite of the testimony given May 16 by Commissioner Abersfeller. Clearly the government's annual purchase of almost 30 million in typewriter products and services deserve objective evaluation.

I believe careful study and analysis by your Committee will substantiate our position.

Very truly yours,

G. L. SNIDER, *Director of Federal Marketing.*