The duty imposed on these imports is very small. There should at least be some limitation factor as to the volume and increase of these imports before it is too late to save our own hand tool industry. The least that could be done is to increase the 12% differential which now exists in the Buy American Act to the 50% as used by the Defense Department.

Your interest in this problem and some remedial action on the part of your Committee will be most appreciated by all who are attempting to maintain the American way of life and still meet competition in our own country.

Very truly yours,

HOWARD M. JAMES, *President and Chairman.*

SERVICE TOOLS INSTITUTE,
New York, N.Y., November 29, 1967.

Subject: Improper Application of Buy American Act in Government Purchasing.

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

DEAR SENATOR PROXMIRE: Representing the domestic manufacturers of hand tools, including those in the State of Wisconsin, we would again like to bring to your attention the inconsistent hand tool buying policies of the General Services Administration and the Department of Defense under the Buy American Act.

As you know, in the case of GSA, only a 6 percent tool buying differential in favor of domestic manufacturers is permitted, while in the case of the Department of Defense a 50 percent differential in favor of domestic manufacturers is allowed. Because of this disparate policy, foreign bidders are continuing to obtain many awards from GSA with its 6 percent differential, which would not be possible if the procurement were made by DOD. Obviously, if this policy continues the already substantial loss of business by hand tool manufacturers will continue to rise and the USA balance of payments will worsen further.

Since we wrote you on April 12, 1967, the GATT International Trade Negotiations have been concluded at Geneva, with the result that USA import duties on hand tools have been reduced by 50 percent. Under the circumstances, it can be clearly seen that imports of low-wage cost foreign tools, particularly those from Japan, are bound to increase at a faster rate than ever before.

Accordingly, it is most important to the life of this industry and jobs of employees in our domestic hand tool plants that the tool buying differential of the GSA be no lower than the 50 percent currently allowed by the Department of Defense. We respectfully request and urge, therefore, that you and your Committee make every possible effort to have the Bureau of the Budget permit the GSA to adopt this 50 percent tool buying differential currently allowed by the Department of Defense.

This appeal is respectfully submitted on behalf of the domestic hand tool manufacturing companies whose names appear on the attached list.

Also, we respectfully request that this letter be entered in the record of the Hearings now being conducted by the Sub-Committee on Economy in Government of the Joint Economic Committee.

Yours sincerely,

GEORGE P. BYRNE, Jr., *Secretary.*

LIST OF SERVICE TOOLS MANUFACTURERS

A. & E. Manufacturing Co., Racine, Wis.
Advertising Metal Display Co., Rem Line Division, Chicago, Ill.
Apco Mossberg Co., Attleboro, Mass.
Apex Machine & Tool Co., Dayton, Ohio.
Armstrong Bros. Tool Co., Chicago, Ill.
Baltimore Tool Works, Baltimore, Md.
Bergman Tool Manufacturing Co., Inc., Buffalo, N.Y.
Boker Manufacturing Co., Subsidiary of New Britain Machine Co., Maplewood, N.J.
The Bridgeport Hardware Manufacturing Division, Crescent Niagara Corp., Bridgeport, Conn.