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February 25, 1985

Honorable James A. Baker, III
Secretary
Department of Treasury
15th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Secretary:

We urge you to withdraw the Bureau of the Mint's solicitation (USM 85-03) requesting bids for the supply of coin blanks. This solicitation is likely to lead to the award of a contract to foreign sources to provide the United States with blanks from which to manufacture coins. The award of the contract to a foreign bidder would have adverse effects on the United States.

First, it would exacerbate our trade deficit. Last year our trade deficit was a record \$123.3 billion, and it is likely to go higher this year. Should the Mint convert all its blanking activities to foreign purchases, approximately 60 million pounds of strip manufacture, and the associated jobs, would be exported. This would come hard on the heels of 1984, when 31 percent of domestically consumed copper and copper alloy strip was imported.

Last year the United States imported 89 percent of its nickel consumption and 30 percent of its copper consumption. The use of foreign suppliers for coin blanks would lead to an increase in the use of foreign copper and nickel in the production of coins. It is extremely unlikely that a foreign supplier would import United States metals and then ship them back to the United States, when they could purchase the metals from near-by producing countries. Since the Soviet Union is the world's largest producer of nickel and the third largest producer of copper, it is possible that a Far Eastern supplier would use Russian metal to make United States coins.

Relying on foreign sources to supply coin blanks subjects the United States to unnecessary risks of disruption in supplying coins to meet the nation's needs. Domestic suppliers have alternate means of shipping available should their primary means of transportation be disrupted. Foreign suppliers, on the other hand, must necessarily ship their products by sea with the risks inherent in long sea voyages. They have no alternatives to oceanic shipping. Should the Mint reject a shipment because of quality control problems, it could take weeks or months to return the defective blanks and to have new ones shipped. Should a shipment from a domestic producer prove defective, new shipments could be made in a matter of days.

Finally, and perhaps most importantly, we feel that the most well-established coin system in the world should not be debased by shifting any of its production to a foreign country. Coins of the realm should not be produced outside of the realm. Americans are proud of the symbols of our country, and our coinage is one of our proudest symbols. Please do not allow United States coins to be changed from symbols of our great country into imported trinkets.

For these reasons, we urge you to withdraw this solicitation.

Sincerely,

Frank Amunzio
Gene Savage
Charles A. Hayes
Ken Gray

Alfred Dyer
Paul Finer
Dick Dumb
Dan Rostenkowski
Robert Michel