would be more efficient than what the producer had at the moment, and until the return on such an investment was anticipated to be higher than any alternative use of funds.

In summary, with reference to technological advances, it is imperative to recognize that the introduction of new methods is not dictated solely by the availability of a new process. The very technological nature of the industry itself affects the wide use of newer methods, since early applications may be restricted to smaller producing units. It also is important to recognize that a basic factor affecting decisions about investments is consideration of alternative uses of money. There are many ways that a firm can spend funds for investment in plant and equipment. The key decision is to spend the monies where they will earn the best returns. With different rates of growth in demand in the United States, Europe, and Japan, the facility decisions necessarily must be different. With rapidly expanding demand, it is financially possible for a firm to install new capacity; without such growing demand, alteration of existing facilities frequently is a more economical move.

REUBEN E. SLESINGER.*

REFERENCE

1. Walter Adams and Joel B. Dirlam, "Steel Imports and Vertical Oligopoly Power" *Am. Econ. Rev.*, Sept. 1964, *54*, 626–55.

AMERICAN KOYO CORP.,
Cleveland, Ohio, July 9, 1968.

Hon. WILBUR D. MILLS,
Chairman, House Ways and Means Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In the light of recent efforts by domestic manufacturers to impress upon the Congress the so-called dangers inherent in U.S. purchases abroad, we as importers of ball and roller bearings, wish to point out a couple of the pluses that accrue to the United States from our small operation alone.

1. We employ 57 people full time and provide part-time employment for half a dozen more.

2. In addition to paying Federal income tax, we pay the Bureau of Customs over $1 million annually in duties.

The credits we send to Japan for bearings are returned to the United States in the form of export business enjoyed by some of the same manufacturers who are concerned about imports. It seems quite reasonable to expect that if the current protectionist outcry is allowed to dominate the deliberations of the Committee, the United States will suffer economically and politically at home and abroad.

We urge you to try to sort out the emotional and the purely protective aspects of the proponents of trade restriction and to give full credit to the positive benefits acquired in dealing more freely with friendly countries around the world.

Very truly yours,

J. B. GRAY,
Corporate Services Manager.

BLACK & DECKER MANUFACTURING CO.,
Towson, Md., June 20, 1968.

Hon. WILBUR D. MILLS,
Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN MILLS: We are writing in reference to H.R. 17551, "Trade Expansion Act of 1968" and to the hearings on tariff and trade proposals now before the House Ways and Means Committee.

The Black & Decker Manufacturing Company is a multi-national company competing throughout the free world. Black & Decker's origins are firmly grounded in the free, competitive, risk enterprise society. We believe that given a proper economic climate in which to work and grow, there is no need for the

*The author is professor of economics at the University of Pittsburgh.