

Even these figures, however, do not tell the whole story, though unfortunately the remainder of it cannot be precisely quantified. The Bureau of the Census does not generally or consistently report imports by subcategories of the classifications set forth in Table 5, and fully reliable import figures with respect to such subcategories are not available. However, we know that imports of particular subcategories of machine tools occupy a far more significant share of domestic consumption than the figures in Table 5 would indicate.

We also know that imports occupy a much greater share of domestic consumption when figured on a unit rather than a dollar basis. For example, figures developed by the Metalworking Equipment Division of the Business and Defense Services Administration and verified to the extent possible by the NMTBA's statistical staff suggest that, on a unit basis imports of lathes account for about 30% of domestic consumption and imports of boring machines about 36%. See Appendices A-D to this Statement.

Increases in imports of course mean increases in the degree to which U.S. industrial consumers subsidize foreign employment—particularly so in the case of high labor content products such as machine tools. We estimate, for example, that 1967 imports of machine tools represented, from within the machine tool and supplier industries, a labor component of over 25 million manhours—the equivalent of more than 12,000 jobs.

When absolute increases in imports are accompanied by increases in imports as a percent of domestic consumption, it is of course apparent that U.S. subsidization of foreign employment is at the expense of U.S. workers.

III. THE PRINCIPAL SOURCES OF IMPORTS

Over 80% of imports of machine tools into the United States come from four European countries (West Germany, the United Kingdom, Italy, Switzerland) and Japan. A breakdown of imports by country of origin for the period 1964-1967 is shown in Table 6 below. See also Figure 5 on the following page, which graphically demonstrates the tremendous increases in imports from four of the above countries and Canada that have taken place since 1964, with 1959 imports shown to illustrate by comparison the significance of 1964-1967 increases.

TABLE 6.—ALL MACHINE TOOLS (EXCLUDING PARTS AND ATTACHMENTS)

(Imports into the United States, by country of origin, 1964-67)

[Dollar amounts in millions]

Country of origin	1964	1965	1966	1967	1967 increase over 1964 (percent)
West Germany.....	\$12.6	\$19.4	\$35.3	\$50.6	301.6
United Kingdom.....	6.1	7.8	17.2	32.9	439.3
Japan.....	2.0	4.8	17.3	26.2	1,210.0
Italy.....	2.1	5.2	11.8	22.3	961.9
Switzerland.....	7.2	8.9	15.0	15.5	115.3
All others.....	6.4	10.2	21.1	30.7	379.6
Total.....	36.4	56.3	117.7	178.2	389.6

Source: Bureau of the Census, U.S. Department of Commerce Import FT 135.

As Table 6 and Figure 5 show, the Germans have managed through the 1960's to export the greatest share of foreign machine tools purchased in the United States. In recent years they have made impressive gains. In 1967, for example, German deliveries to U.S. customers were almost 40% more than all U.S. imports in 1964. From 1960 through 1967 German builders installed over \$170 million of machine tools in U.S. metalworking plants. Each of these installations of course represented an indirect job loss to U.S. workers.

The increase in Japanese imports into the United States in recent years has been astonishing, rising from virtually nothing (\$100,000) in 1959 to over \$26 million by 1967. This success is, of course, due to the extremely lower Japanese labor costs, but it has been given added momentum by the intensive promotional and selling efforts of the Japan Machine Tool Trade Association, beginning in