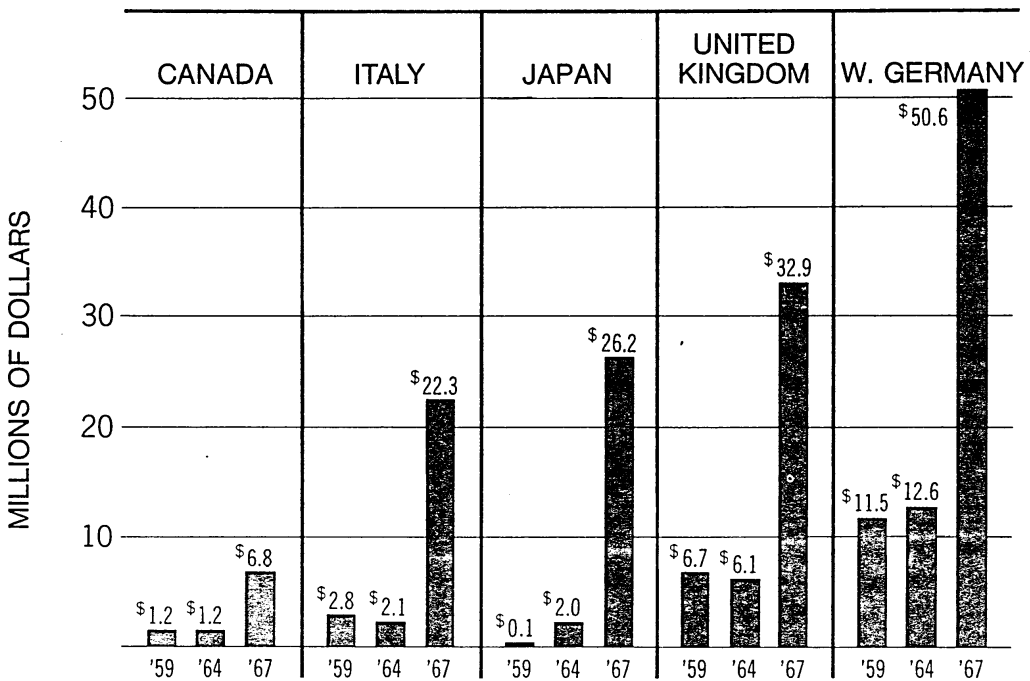


Figure 5

IMPORTS OF MACHINE TOOLS BY COUNTRY OF ORIGIN



Source: Bureau of the Census, Department of Commerce
Imports FT 135

NMTBA JUNE 1968

1960 with the opening of a permanent Japanese machine tool display center in Chicago. Since then Japanese companies have exhibited in trade shows and expositions, advertised widely in technical and business journals, and demonstrated machines in operation at display centers throughout the country. With their lower costs the Japanese have been able to extend very liberal credit terms, install machines in U.S. plants on a trial basis with no down payments and give American sales agents and distributors unusually high commission rates.

The most severe Japanese competition to U.S. builders and workers has been in low priced standard machines, such as engine lathes. Increasingly, however, the Japanese have become a threat in the more sophisticated types, such as high precision turret lathes and numerically controlled machine tools and machining centers. Japanese manufacturers of numerically controlled machines assure American customers they are now able to guarantee the high quality parts and servicing of the U.S. builder.

The British also have moved to gain a permanent hold in the U.S. market. Machine tool imports from Britain climbed from \$6 million in 1964 to almost \$33 million in 1967, spelling both lost profits to U.S. builders and reduced job opportunities for U.S. workers. While price and delivery have been important in bringing about this big gain, the British are also concentrating on building effective service organizations. Staveley Machine Tools Ltd., largest of the British machine tool combines, has set up a network of U.S. distributors, backed by Staveley-trained engineers. It is interested in selling specially engineered equipment as well as standard machine tools.

Charles Churchill & Co. Ltd., a subsidiary of Britain's huge Tube Investment Ltd., a conglomerate, recently established an American company, Churchill-Froriep Corp., at Stamford, Connecticut. Churchill-Froriep has reportedly appointed twenty U.S. distributors and expects to appoint still more. It is also reportedly maintaining a government-financed \$400,000 inventory of machines and parts and has placed some machines with U.S. distributors on consignment.