

anti-friction bearings industry. This interrelation again received reaffirmation with the military buildup in Viet Nam. Increased requirements precipitated by our Viet Nam commitment that considerably exceeded original expectation pushed industry production to new, all-time highs.

An important consideration and serious problem was the demand for spare parts including bearings necessary to support military equipment, particularly aircraft and helicopters in service. These requirements increased with the number of hours flown; hence, the need for spare bearings increased to many times the number required for new production. This is typical, and to be expected, during a period of actual military combat.

Foreign Competition

Historically, imports of bearings was not a matter of any real significance to the industry prior to World War II. Home demand in the various producing nations was so high that only a negligible quantity of output was available for export. The total decimation of the Axis capacity during World War II foreclosed any export potential by Germany or Japan, and during the post-war years, foreign production was entirely consumed by the re-building process taking place in Europe and Asia.

In recent years, however, the productive capacity of foreign producers, especially that of Japan, has burgeoned far beyond domestic