Prior to the heightened demand created by Viet Nam, the producers of miniature and instrument bearings were being seriously imperiled by low cost imports. In fact, in the years 1963-64 domestic producers were actually retiring and disposing of much of their specialized machinery. Fortunately the domestic industry had the remaining capacity to supply the needed bearings but this continued ability is questionable if imports are allowed unrestrained future entry into the United States.

Imports now come from Japan, Switzerland, West Germany and Canada. Competition from overseas sources is concentrated in the completely developed, high volume products. From a competitive standpoint, this is a logical market for an overseas producer to initially penetrate. The technical content that he must provide with his product, and the direct contact that he must have with his U. S. customers is reduced to an absolute minimum. Additionally, the overseas producer, with his lower costs, can offer a product in this country at a price that a U. S. producer cannot afford to meet.

Government procurement practices -- in which awards are generally made to the low bidder -- encourage and in some cases almost demand the use of imported miniature bearings. In a competitive situation, one contractor choosing to use miniature imports will force all of his competition to dolike-wise. The miniature precision bearing industry in this country is accordingly faced with a declining share of its "bread and butter" markets.