

Balls for bearings have been imported in rapidly increasing quantities. The value of such imports was \$4.2 million which was double that for 1965 which in turn was double the value of 1963 imports. The imports are believed to be predominately alloy steel balls and if true would amount to 40% of domestic trade in this article.

Lower prices abroad is the major factor but other significant recent developments compound the problem. Historically, exports of U. S. produced bearings have been basically limited to inch size bearings produced only in this country, replacements for U. S. machinery and equipment used abroad, for AID and similar tied-fund sales and for U. S. military equipment stationed abroad. Even this demand is being displaced as more and more U. S. machinery and equipment manufacturers establish plants abroad and engineer their products to use foreign produced bearings. Farm equipment, for instance, which once used U. S. designed inch size tapered roller bearings now is designed for metric size foreign bearings. In fact, many producers of equipment are seeking a commonality of components so that it makes little difference in which country they are produced. More insidious are other products such as machine tools where the U. S. bearing industry is not only losing a market abroad but imports of complete machine tools are displacing production of U. S. machine tools which would have used domestic anti-friction bearings. Tariff concessions by foreign countries have very little significance when related to this declining demand abroad.