

5. That the Buy American Act be extended to specifically cover miniature precision ball bearings.

F. SUMMARY

Our statement has demonstrated that if the present conditions are allowed to continue, the defense posture of our country will become dependent on foreign sources for miniature bearings within the next three to four years. Suggestions have been made to effect preservation of a demonstrable national asset, without which our aircraft, missiles and communications equipment cannot function.

EXHIBIT I

A comparison of total U.S. production of Category I product versus U.S. imports from Nippon Miniature Bearings.

(1)	(2)	(3)	(4)
Year	Exports to United States from Nippon Miniature Bearings	Total U.S. category I production	Percent of col. (2) to col. (3)
1964.....	1,000,000	3,212,000	31
1965.....	1,400,000	6,120,000	23
1966.....	3,800,000	6,620,000	57
1967.....	6,075,000	6,420,000	95

Sources: (1) Oriental Economist, April 1957; (2) USDC reports; (3) AFBMA data (to arrive at 1957 U.S. estimates); (4) Metalworking News, Sept. 18, 1967.

ADDENDUM I—STATISTICAL DATA

At the present time import data on bearings are collected only in terms of dollars and pounds of product.

A typical miniature bearing weighs 0.5 grams and has a current list price of \$1.65. One pound of such a bearing would contain 907 bearings and would be worth \$1,500. Conversely, a one-pound bearing for commercial use would be worth \$1-\$5. Import data reported in terms of pounds and dollars does not permit identification of miniature bearings.

Not only does MPB Corporation face this statistical gap but in larger proportions so does the bearing industry overall.

In October of 1964 the industry, believing there was a present threat to impair the national security by the increase in imports, filed a petition with the OEP for an investigation under the National Security Amendment (Section 232 of the Trade Expansion Act of 1966).

Both the domestic industry and the U.S. Government were handicapped in their documentation for the OEP investigation by the insufficiency of import statistics. While overall imports are reported by the Bureau of Census the data is classed in such broad groups as to preclude any meaningful analysis.

This lack of import information by size and precision so severely obscured the facts that no substantive consideration could be given to the threat of impairment to the national security.

Accordingly, in November, 1966, the Anti-Friction Bearing Manufacturers' Association applied to the Committee for Statistical Annotation of the Tariff Schedule for a reasonable breakout of bearing imports. In January, 1968, some changes were made for roller bearings; but ball bearings, including miniature bearings, still are reported in such broad groupings as to continue to obscure the impact of imports on the national security.