

is concerned, is the threat to the U. S. defense effort. If this country's production capability for anti-friction bearings is lost (as is now happening), and if our defense effort becomes dependent on imported bearings (as is now happening), the entire defense capability of this country will become dependent upon producers located in Japan and Germany. In a very true sense, present policies are such that the United States is allowing itself, through inattention and oversight, to be placed in the same position that it tried, through military means, to place the Axis powers in 1940-45.

V. MEASUREMENT OF IMPORTS

At the present time, statistical measurement of imports of anti-friction bearings is by such broad categories as to be almost useless. With one or two major exceptions (to be subsequently discussed), the penetration of imports into this country's defense effort has been best gaged by known "lost business" to foreign competitors, reports from field salesmen, and occasional news releases relating to the opening of U. S. distribution points by foreign producers.

Present government regulations now call for bearing import data to be reported only in terms of their dollar value and the number of pounds of bearings. Such data is virtually worthless, since the value of any particular pound of bearings may range from \$3 to \$1,500. Government data does not permit the collection of material relating to the number of bearings now consumed in this country from overseas sources.

As an addendum to the brief filed by the AFBMA were two briefs recently presented by MPB Corporation, Keene, New Hampshire, to the Sub-Committee on Procurement Practices of the House Small Business Administration (March 13, and April 24, 1968). In these documents, by a fortunate set of circumstances, the miniature bearing segment of our industry has been able to demonstrate (by means of information taken from a Japanese manufacturer's new release) that imports from one producer account for virtually 50% of an important segment of the miniature market. We have no reason to believe that this pattern is not being duplicated by other Japanese manufacturers competing in other bearing product categories. Inspection of the MPB briefs will demonstrate that the miniature bearing segment of the industry alone is worthy of attention, and that its depletion will represent a threat to our national security.

In summary, we are in a position where the entire industry is faced with a serious threat which only in certain areas can be demonstrated to the government. A threat, nevertheless, exists; it is real, and will have far-reaching consequences.

VI. INDUSTRY CONCERN OVER IMPORTS

Our industry has become increasingly concerned since the late 1950's over the threat posed to itself, and to the country, by the rapid rise of imports. On many an occasion, the industry has found itself in the same position as the U. S. Government--lack of available data masks the magnitude of this threat. Indeed, the valid data contained in the MPB briefs represents the first break-through in obtaining an accurate measurement of foreign encroachment, albeit in only one segment of the industry.

As imports began to reach alarming proportions in late 1964, the AFBMA requested the Office of Emergency Planning to determine whether anti-friction bearings and parts were being imported to the United States under circumstances as to impair the national security (pursuant to Section 232 of the Trade Expansion Act of 1962).

This request to OEP was subsequently withdrawn in 1965 for the following reasons:

- (1) Neither the domestic industry nor the Office of Emergency Planning could obtain accurate and reliable import data. This particular government agency found itself in the same position as the industry.
- (2) The rapid Vietnam build-up placed the U. S. bearing industry in a position of peak capacity. At the time, it was felt that it would be inappropriate to request continued action on this request to OEP when domestic industry was demonstrably overstrained.

As subsequent events have demonstrated, the Vietnam build-up was a "God-send" to our foreign competitors. With this build-up, delivery of bearings became extremely important, and many domestic users were able to take advantage of the availability of Japanese, Swiss and German bearings. Government procure-

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