

ment practices—in which awards are generally made to the low bidder—also encouraged defense contractors to use imports. Furthermore, in a competitive situation, one contractor choosing to use such bearings would virtually force all of his competition to do likewise.

In this period just ended, foreign competition has gained a firm foothold in this country's defense establishment. The domestic industry is no longer operating at peak capacity and now finds itself in a position where it is unable to compete, by reason of low overseas labor costs, with foreign producers. Accordingly its capacity, which was strained to the utmost during the Vietnam build-up, is of necessity deteriorating to the point where it will be increasingly unable to respond to any future military build-up. It is a vicious circle!

The AFBMA would remind TIC at this point that while there are only 60,000 jobs at stake, that there are 200 million people in this country whose security in a very demonstrable sense is dependent upon our industry's well-being.

VII. EXISTING GOVERNMENT REGULATIONS

As we now understand existing government regulations, there are a few avenues which should, but do not, protect the anti-friction bearing industry.

- A. The Office of Emergency Planning. Our petition to the OEP, and its withdrawal, has been discussed. We note that only one petition to OEP has been successful (residual fuel oil). Prospects for affirmative action now do not appear particularly bright, especially since the same situation confronts the OEP in 1968 as it did in 1964, namely the lack of meaningful import data.
- B. The "Buy American Act." The wording of this act is such that the amount of American produced products required in any government contract is expressed in a percentage of the total cost of the finished item. Since anti-friction bearings generally constitute a minor percentage of the total cost, this vital product is, in effect, excluded from the Buy American Act. There is no legal restriction at the moment requiring a defense contractor to procure anti-friction bearings from U. S. producers.
- C. The Committee for the Statistical Annotation of Tariff Schedules. While the domestic bearing industry can see the increase in imports in the market place, it has been in a serious disadvantage because of the lack of statistics. Recognizing this, the AFBMA has petitioned the Committee to make meaningful breakouts of the data collected by the Bureau of Customs. The domestic industry is required to report to the U. S. Government its production by quantity, size and precision—why should not the importers have the same responsibility. It is only in this way that the true impact of imports can be measured.

In this regard, it is interesting to note that the U. S. Government attaches sufficient defense significance to the anti-friction bearing industry that the Business Defense Services Administration requires domestic producers to report in detail on their output. AFBMA submits that its detailed domestic output information is meaningless without information relating to either (1) the exact nature of bearing imports, or to (2) the bearing consumption of the U. S. defense establishment. It would only be through the use of this additional data that this country's reliance on imports could be accurately determined. (3) Senate Bill 2552 (sponsored by Senators Cotton and Ribicoff) is now in committee. This bill would provide for orderly trade in the various categories of anti-friction ball and roller bearings. It is doubtful that this bill would be workable in its present form because of the lack of import data (as requested from the Committee on Statistical Annotation of Tariff Schedules) upon which to base action.

In summary, the AFBMA believes this industry has exhausted all available administrative remedies in an effort to protect the United States as a nation against the serious impairment of the national security which is resulting from the depletion of the anti-friction bearing production capacity.

VIII. A POSITION ON FOREIGN TRADE

It is not the intent of this brief to discuss free trade versus protectionism, or to call for prohibitive tariffs or other import restrictions to protect a relatively small number of jobs.

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