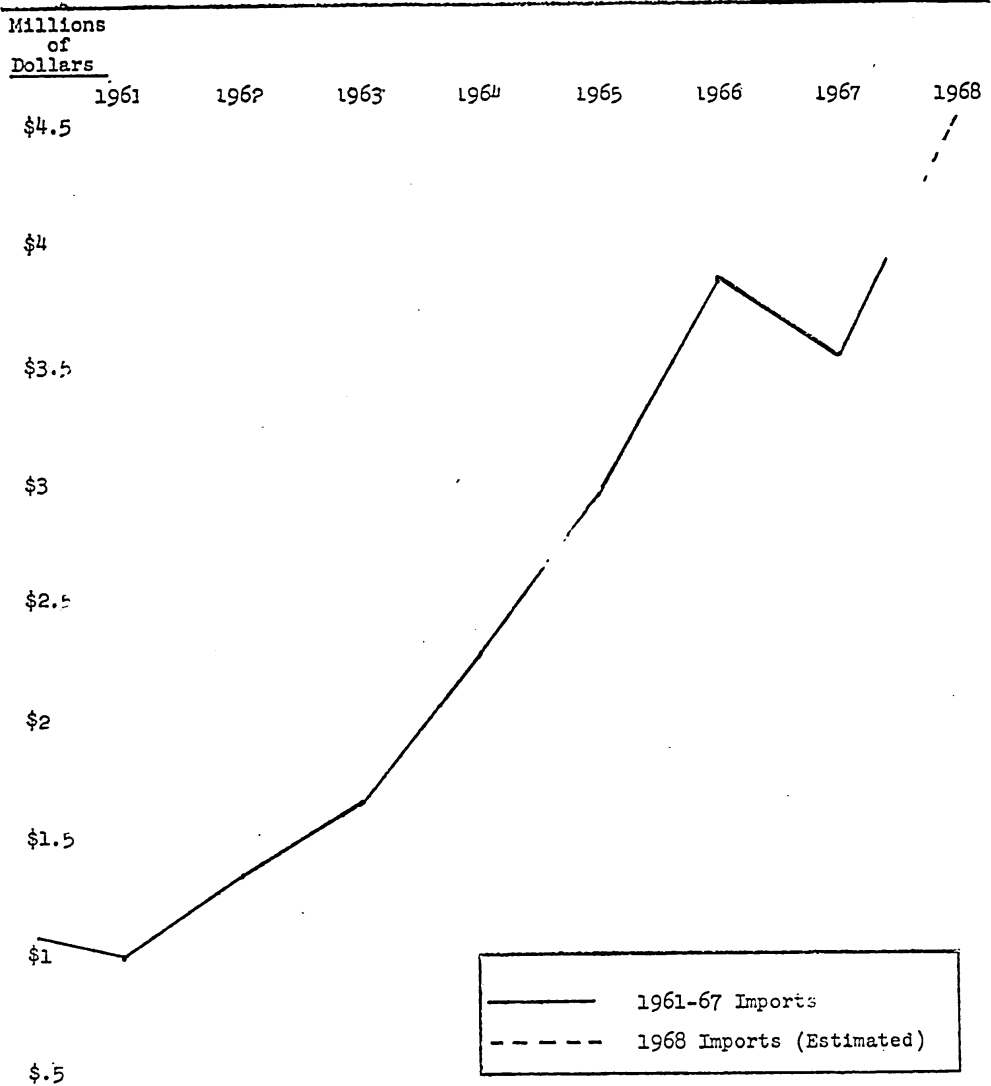


Figure 2

1961-67 IMPORTS OF CHAIN FOR THE TRANSMISSION OF POWER - JAPAN
(TSUS Items 652.12; 652.15 and 652.18)



In analyzing these figures and evaluating their significance for the future, it is important to bear in mind that the full impact of the 50% tariff reduction negotiated last year at Geneva has not yet been felt. The Kennedy Round concessions are not scheduled to be fully in effect for four years.

While imports of chain—again, principally roller chain—have multiplied since 1961, domestic shipments of this product during the same period have increased far less dramatically. For example, domestic shipments of roller chain in 1968 will probably be only about 60% above 1961 levels. In 1967 the figure was only about 40%.¹

2. *Balance of trade.*—Another highly revealing comparison is that of imports vs. exports, which shows our balance of trade with foreign nations. If imports and exports from all countries are considered, the United States was still a net exporter of sprocket chain in 1967. For example, the total value of exports was approximately \$9.4 million, giving a favorable trade balance of about \$2.3 million. But when imports and exports from Canada are excluded, the comparison gives a very different picture. Exports in 1967 to countries other than Canada

¹ Annual shipments of roller chain by domestic manufacturers in the 1960's have been as follows: 1961, \$53,528,000; 1962, \$58,198,000; 1963, \$60,565,000; 1964, \$74,382,000; 1965, \$78,250,000; 1966, \$89,592,000; 1967, \$75,302,000; 1968 (based on data through April), \$86,755,000.