

for this year. Exports have risen from \$1.15 billion in 1965 to \$1.44 billion in 1966 and to \$1.77 billion last year. Finally, this industry's favorable trade balance grew from \$648 million in 1965 to \$702 million in 1966 to \$945 million last year.

(a) The electronic component industry does not need quota protection

The pending quota proposals are supported by companies which are members of the Parts Division of the EIA. It is in order, therefore, to look at the relevant data to see if the overall prosperity of the electronic industries has been enjoyed by those companies which produce, sell and export electronic components.

Factory sales of electronic components last year totaled \$5.48 billion, down somewhat from the record 1966 level of \$5.70 billion but up almost 18 percent from 1965 sales of \$4.69 billion. Industry estimates point to a rise in component sales in 1968. Exports of components climbed steadily from \$328 million in 1965 to \$440 million in 1966 to a high of \$486 million last year. The U.S. parts producers enjoyed a favorable balance of trade of \$217 million in 1965, \$266 million in 1966, and a record \$312 million in 1967.

The component segment of the U.S. electronic industries includes such dynamic companies as Texas Instruments, Fairchild Camera, General Instrument, Sprague Electric and others. Texas Instruments' sales in 1966 of \$580 million were almost double 1963 sales. Fairchild in 1966 sold \$225 million in products, twice as much business as it did in 1962. General Instrument also doubled its 1962 output in 1966. Sprague Electric's 1966 sales of \$141,500,000 established a new record for that company. While each of these companies may have experienced some letdown in sales and earnings in 1967, reflecting some softness in the economy experienced by all of us, their course continued upward.

We respectfully submit, Mr. Chairman, that the components segment of the electronic industries is not depressed. It is aggressive and prosperous, in need of no protection from imports.

Employment data also attest to the sound economic status of the electronic industries and the component segment. In 1967, some 1.2 million persons were employed in electronics manufacturing and related activities. This was almost double the number so employed in 1958 and about 200,000 higher than the employment level of 1964.

The components industry employed some 434,000 workers in 1967, more than double the 205,000 workers on the job in 1958 and up 130,000 over the 1964 level.

The Bureau of Labor Statistics reports that in 1965 exports of electronic components accounted for some 23,000 jobs, up from the 16,000 export-supported jobs in 1960. Given that exports of components have increased over 48 percent from 1965 to 1967—\$328 million to \$486 million—one must conclude that the number of jobs attributable to exports of electronic components presently exceeds 30,000.

(b) The consumer electronic products industry does not need quota protection

Thus far I have discussed the facts relevant to domestic sales, employment, exports and imports of all electronic articles, with particular emphasis on electronic components. But as I previously indicated,