

IMPORTS SERVE A USEFUL FUNCTION

Given a number and variety of consumer electronic products which the American consumer desires and the many combination products which he demands, it is unlikely that any U.S. manufacturer will make all of these products. Thus, if a full line of consumer electronic products is to be offered to the American consumer by a U.S. producer, he must obtain from other sources products which he does not produce. He will concentrate his efforts in producing those products which he can make efficiently in volume, thus enabling him to offer to the consumer products whose quality and price reflect these economic advantages. In some instances the only outside source for him for products which he does not make may be a foreign source. The products he acquires from such source generally will be manufactured to his standards for sale under his brand name.

Besides expecting a wide variety of consumer electronic products, the American consumer is very price conscious. Thus, imported pocket-size transistor radios sell like proverbial "hot cakes" because they are priced below \$10; they would not sell in any such quantities at prices of \$15 or \$20. The same is true of small-size black-and-white television receivers and low-priced tape recorders. If all of these products were made in the United States, their prices would be significantly higher than present levels and such higher prices would result in lower sales.

We have prepared two tables which tell the story about prices and their relevance to the size of the U.S. market for consumer electronic products.

TABLE 1.—U.S. FACTORY SALES, ALL CONSUMER ELECTRONIC PRODUCTS AND MOST POPULAR PRODUCTS
(INCLUDING AVERAGE UNIT FACTORY PRICE)

[Quantity (1,000 units); value (\$1,000)]

Class of product	1963	1964	1965	1966
All products.....	\$2,661,469	\$2,842,608	\$3,620,129	¹ \$3,714,195
Radios:				
Value.....	\$520,034	\$554,956	\$673,807	\$728,127
Quantity.....	18,155	18,888	23,400	24,537
Average unit value.....	\$28	\$29	\$29	\$30
TV receivers:				
Value.....	\$1,067,061	\$1,271,206	\$1,685,479	\$2,278,884
Quantity.....	7,734	8,713	9,889	11,174
Average unit value.....	\$138	\$146	\$170	\$204
Other:				
Phonographs and record players:				
Value.....	\$174,089	\$146,371	\$201,286	\$217,508
Quantity.....	3,818	2,832	4,177	4,827
Average unit value.....	\$45	\$52	\$48	\$45
Tape recorders:				
Value.....	\$103,924	\$88,382	\$106,580	\$123,344
Quantity.....	2,291	1,329	1,787	1,953
Average unit value.....	\$45	\$66	\$59	\$63
Other: Value.....	\$8,819	\$8,351	\$8,889	\$12,740

¹ 1966 "All products" total does not include miscellaneous products of approximately \$150,000,000. Data not available.

Source: Current Industrial Reports, 1964, 1965, and 1966, Bureau of the Census, U.S. Department of Commerce.