

The balance of trade deficit in these import-sensitive categories of consumer electronic products and electronic components of nearly \$400 million is a serious matter. The fact that this deficit more than trebled in three years' time is a serious matter.

Thus, the severe impact of these swiftly rising imports of consumer electronic products and components is harmful not only to the private sector (that is, to employment in electronic plants around the country), but also to the public sector by making worse our Nation's difficult balance of payments situation.

VI. THE MANUFACTURE OF ELECTRONIC COMPONENTS IS HIGHLY LABOR INTENSIVE - MORE SO THAN MOST MANUFACTURING INDUSTRIES AND, HENCE, CORRESPONDINGLY MORE VULNERABLE TO LOW-WAGE IMPORT INJURY.

It is now recognized by the U. S. Government and by other governments who are signatories to the Long-Term Cotton Textile Arrangement that the manufacture of cotton textiles is so labor intensive that the concentration of production for export in low-wage Asian countries results in market disruption in developed countries. This calls for import regulation by agreement backed up by quotas, as provided in the Long-Term Cotton Textile Arrangement, in order to provide for an orderly expansion of trade that is in the interests of both supplying and recipient countries.

The same principles apply, but with even greater emphasis, to foreign trade in electronic components. This is shown by the data in the following table.