

to appear. However, he asked that I read his short statement for the record and with your permission I would like to summarize his statement and then have the full statement incorporated in the record.

The CHAIRMAN. Without objection the entire statement will be made a part of the record and you are recognized to proceed.

Mr. TANAKA. Thank you, Mr. Chairman.

"Mr. Chairman, members of the committee, my name is Paul M. Davidson. I am president of International Importers Inc., and importer and distributor of electronic products and components located in Chicago. I appreciate the opportunity to present the views of my company on the important legislation before your committee."

Inasmuch as the trade issue relating to imports of electronic products has been discussed at length here I will not deal with the trade policy issue but I would like to direct your attention to what I as an importer would experience in the event that any quota restrictions should be imposed on electronic imports.

"Our company was established about 15 years ago in Chicago. We are a relatively small company specializing in the importation and sale of finished electronic products and components."

Some of our products include television receiving tubes, and other electronic subassemblies. Our total sales amount to about \$6 million a year. Our exports amount to about 5 or 6 percent of that figure.

"I feel that companies like ours serve an important function for both the industry and the American consumer. We are an important supplementary source of electronic components for American subassembly set manufacturers. Imports have been vitally important in times of short supply and their availability at reasonable prices has helped many smaller manufacturers to compete with the larger integrated producers who have in-house capability to manufacture components. The importance of imported components to American producers of consumer electronic products is illustrated by their efforts to obtain reasonable rates of duty for products such as color TV picture tubes and receiving tubes."

The American manufacturers and importers and the American consumers have all benefited from the trade in electronics, but the quotas now being considered by the Congress threaten the continuation of these benefits.

"As you know, import quotas are the most stringent and onerous form of trade restriction. Unlike tariffs which are simply another element in the cost of doing business, quotas completely disrupt the normal factors of supply and demand, and make it nearly impossible to conduct business in an orderly manner. The electronic quota bill and the so-called omnibus quota proposals would place absolute limits on the volume of imports.

"The advocates of this legislation state that they are only asking for a reasonable regulation of trade. They say that they are not seeking a rollback in imports and point to provisions which would permit imports to share in the market growth. While these proposals might seem to be reasonable and even liberal when viewed in the abstract, I ask you gentlemen to step in my shoes and think about their impact on the businesses which are engaged in the importation and sale of electronic products. In my view, the practical application of import quotas to businesses such as ours would totally disrupt normal operations and would jeopardize the existence of many small businessmen.