

there is no justification for the disruption of normal marketing, the restriction on competition, and the proliferation of Government interference which would inevitably result from enactment of the quota legislation. Thank you."

Mr. Chairman, I would like to point out that in the case of transistor radios and small screen or micro TV sets these were essentially innovations which were developed abroad and which moved into the market in the interstices which existed at the time.

A previous witness testified that in 1947 there were 20 million U.S. manufactured radios sold in that year. I daresay that there was not a single transistorized set sold for the consumer market in 1947. They were all tube-type sets.

Also, in 1947 Bell Lab came out with the invention known as transistors which revolutionized the industry, and it was the application of this transistor technology to consumer goods that resulted in the transistor radio which, in fact, revitalized the radio market which was steadily going downward from the impact of the introduction of a black and white TV set so that after the transistor radios were introduced the radio market climbed very sharply.

Likewise with respect to the TV sets here again the imports came into a market interstice created as a result of the fault on the part of the U.S. manufacturer to go into the design and development of a personalized set. Heretofore both radio and television were considered as a part of household furniture. This concept was revolutionized as a result of the application of transistor technology to diminish the size of these units, and these are some of the things which might have been withheld from the American consumer were quotas to have been in existence at the time.

Thank you, Mr. Chairman.

(The statement of Paul M. Davidson follows:)

STATEMENT OF PAUL M. DAVIDSON, PRESIDENT, INTERNATIONAL IMPORTERS, INC.

Mr. Chairman, members of the Committee, my name is Paul M. Davidson. I am President of International Importers Inc., an 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.

You have heard opinions from industry leaders on both sides of the question of quotas for electronics. You have heard statistics on exports, imports, employment, and the balance of trade. The witnesses have discussed foreign relations implications, the possibility of retaliation, and its impact on the world economy. I will not deal with the broad issues of international competition in electronics. Although I have my own opinions on these issues, I doubt there is much I could add to what you have already heard.

But by speaking from my own experience I think that I can give you some idea of the impact which the quota legislation can have on the many small businessmen like myself who are engaged in the sale and distribution of electronic products.

Our company was established 15 years ago in Chicago. We are a relatively small company specializing in the importation and sale of finished electronic products and components. Sales to American manufacturers constitute a substantial part of our business.

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 sub-assembly set manufacturers. I know that these companies have a vital interest in a continued supply of products such as receiving tubes, semiconductors, and TV picture tubes from abroad. These imports have been vitally important in times of short supply, and their avail-