

The electronics industry is certainly one of this country's most dynamic and growing industries. Between 1956 and 1967, electronic sales increased by more than \$15 billion. Imports do not have any significant share of the U.S. electronics market. In 1963, imports comprised 2 percent of our market by value—in 1967, they amounted to 3.5 percent of the market. During these same years, electronic exports have been growing. In a period of 4 years, they increased by almost \$900 million. The result has been an increasingly favorable balance of trade, which amounted to \$541 million in 1963 and climbed to \$945 million in 1967.

The primary reason for this growth in electronics exports has been that American manufacturers enjoy a substantial measure of technological superiority over foreign competitors. Virtually all of the recent creative breakthroughs in electronics have been made by domestic firms.

If any of you happened to read any of the trade journals in the electronics industry you will recall the fact that every week there probably are at least 150 new products introduced on the market, not only the domestic market but the world market, today because of the innovation and technological superiority of the American electronics industry.

We hear something about the problems of the transistor radio and the impact it has had on our own domestic economy. I think this is a passing situation and the technological development in integrated circuits today is going to permit the American industry to produce a solid state integrated circuit pocket-size radio without this labor-intensive component which has been talked about and that will dilute materially the problems that are facing some of the industry and some of the companies today in this business.

The growth of Fairchild is typical of the expansion of this country's electronics industry. Through extensive research and the application of new technological developments, Fairchild has more than doubled its size during the last 5 years. In 1962, this company had some \$101 million worth of sales and employed 7,369 persons in the United States. By 1965, sales were over \$181 million; and by 1967, they had grown to over \$228 million. Domestic employment had increased to 11,552 in 1965 and to 14,678 by the end of 1967.

Moreover, this same rapid domestic growth has marked Fairchild's activities in the production of semiconductors and integrated circuits. This fact should be of great interest to this committee for it is in the semiconductor field that Fairchild has also opened several assembly plants abroad. But these foreign plants have not meant fewer sales for or domestic operations or fewer jobs in the United States. Instead, the result of increased foreign assembly operations has been new foreign sales and the opening of untapped markets in the United States for Fairchild's goods. Inevitably, this has meant an upsurge in sales and the creation of new employment opportunities in this country. Thus in 1962, employment semiconductor plants in the United States had less than \$50 million in sales and employed some 2,900 workers. By the end of 1967, semiconductor sales had increased by over 200 percent and employment was up to 8,883 workers.

At the same time, Fairchild's operations abroad were opening up new foreign markets and putting our sales force into contact with a