

petition with the Committee on Ways and Means (hereinafter "Committee") which requests the Committee to—

"favorably consider and report a bill rescinding the unexpired portion of the moratorium extended to August 31, 1969, on payment of the full import duties applicable to imports of color television picture tubes previously granted in Section 54(b) of the Tariff Schedules Technical Amendments Act of 1965." (Petition, p. 1).

Simply stated, the petition asks Congress to repeal prematurely the present temporary rate of duty on imports of color television picture tubes of 12 percent ad valorem and to increase that rate to 30 percent ad valorem immediately.

In support of this requested immediate 150 percent increase in the current duty on color t.v. picture tubes, petitioners allege that:

1. The reasons for the establishment by Congress of the present temporary lower rate of duty on color t.c. picture tubes, if they ever existed, no longer exist;

2. The U.S. producers of color television picture tubes and the producers of glass bulbs for such tubes are experiencing economic distress which is manifested by the "idling of capacity" and by the necessary "laying off of large numbers of workers";

3. Sales of color television receiving sets have failed to increase as expected and, accordingly, existing domestic productive capacity is not being used and there is "widespread reduction in production, reductions in hours worked by employees in tube plants, and job layoffs";

4. Imports of color television sets and of color television picture tubes "have increased strongly". There has been an "upsurge" of imports of color television sets early this year. Imports of color television picture tubes are on a "steep rise" and are contributing to the market disruption which is "plaguing the industry".

On July 28, 1967, The Magnavox Company advised² the Committee on Ways and Means that it opposes the action sought by his petition because of the serious consequences such action would have on Magnavox' operations in the United States. At that time Magnavox indicated that it had not had an opportunity to analyze all of the assertions made in support of this petition but that it believed that a review of all of the pertinent facts and their analysis would show that—

"the requested action is unwarranted and if taken will have a serious adverse impact on this company and many others who are similarly situated."

Now that Magnavox has reviewed this matter in depth it can unqualifiedly state that its preliminary conclusion concerning the merits of this petition is sound and correct. It is abundantly clear, as will be demonstrated herein, that—

1. The reasons which led the Congress to provide a temporary rate of duty on color t.v. picture tubes of 12 percent ad valorem are as valid today as they were in 1965;

2. U.S. producers of color t.v. picture tubes and of glass bulbs for such tubes are not experiencing any economic distress whatever;

3. While sales of color t.v. receiving sets thus far in 1967 have not increased at the overly-optimistic rate expected by domestic television set makers such sales are at very satisfactory levels now and all indications are that they will be at new record levels in the months to come; and

4. Imports of color t. v. picture tubes (the only imported product involved in this petition) have been, and will continue to be, at such small levels, absolutely and relative to domestic production and sales (including sales for export) as to constitute no significant factor in the U.S. market for color t. v. picture tubes so far as U.S. producers of such tubes are concerned.

II. THE IMPORTS IN QUESTION AND THE RELEVANT U.S. INDUSTRY

At the outset, the dialogue concerning this petition and the action it requests must be brought into focus. The petitioners seek a rescission of the present temporary 12 percent ad valorem rate of duty on color t. v. picture tubes so that imports of such tubes will immediately be assessed with a duty of 30 percent ad valorem—i.e., they seek an increase in the present tariff of 150 percent.

While the Committee appreciates that the only facts relevant to this requested action are those concerning imports and U.S. production and sales (including sales for export) of color t. v. picture tubes, petitioners either do not understand this primer consideration or they choose to ignore it in their zeal to

² Letter to Hon. Wilbur D. Mills, Chairman, Committee on Ways and Means, from George H. Fezell, vice president-sales manager of The Magnavox Co., 270 Park Ave., New York, N.Y.