

In the first seven months of 1967, total U.S. exports of t.v. picture tubes (both color and black-and-white) amounted to 259,200 units valued at \$8,530,492.⁸ No industry figures on either color or black-and-white export sales are available, so the components of this total figure cannot be identified with certainty. However, if the 1966 ratio of color and black-and-white exports prevailed during January-July, 1967, then some 178,840 color t.v. picture tubes have been exported thus far this year.

It is to be regretted that an industry which enjoys such a healthy export market, in absolute terms, as does the petitioners' industry here should request that Congress shut-off imports of color t.v. picture tubes which cannot be more than a mere annoyance to the petitioners. The petitioners' 1966 exports, as the figures above show, were almost 7 times the volume of imports and 1967 figures to date indicate that an equally high multiplier will prevail this year. In these circumstances one can only imagine what the retort of this industry would be if the host countries receiving American color t.v. picture tubes were to impose tariffs which in effect prohibited such exports. As the Committee knows, a fundamental factor in trade analysis is the impact on U.S. exports which tariff action on the part of the U.S. might have. What would it profit the domestic industry producing color t.v. picture tubes if it were to gain the elimination from the U.S. market of the small number of imports of foreign-produced color t.v. picture tubes and at the same time lose the lucrative markets it presently enjoys for its tubes abroad? The answer is obvious. The present petition is short-sighted. Indeed, if it is granted, it might provoke a "cure" much more painful to all concerned than the alleged "illness".

In sum, the basic data show that the U.S. industry producing color t.v. picture tubes is not being, and indeed can not conceivably be, adversely affected by the minimal quantities of color t.v. picture tubes being imported into the United States. Imports are but a tiny fraction of U.S. sales. Equally important, they are a small fraction of U.S. exports of color t.v. picture tubes.

Thus, if the domestic industry producing color t.v. picture tubes is in poor straits, its condition cannot be laid, in whole or in part, at the door imports. But the fact of the matter is that this industry is not in any economic distress; it is a healthy industry, healthier than many other U.S. industries are today.

III. THE DOMESTIC INDUSTRY CONCERNED—THE PRODUCERS OF COLOR T.V. PICTURE TUBES—IS NOT IN A DISTRESSED CONDITION

As previously indicated, petitioners have liberally sprinkled their submission to the Committee with some of Webster's choicest adjectives and adverbs aimed at convincing the Committee that the domestic producers of color t.v. tubes are in dire circumstances due in substantial measure to imports of such tubes. The industry is said to be experiencing economic "distress". It is alleged that production and employment in the industry is "suffering" and that the domestic market is in a state of "disruption".

While the all-important basic data concerning domestic sales, sales for export, and imports, cited in the previous section of this memorandum, belie this claim of import-oriented distress, the facts are that this industry is not in any distressed circumstances whatsoever. Its component companies are doing very well indeed, much better in fact than many other U.S. companies.

The U.S. producers of color tubes include such outstanding companies as General Electric, the Radio Corporation of America (RCA), General Telephone and Electronic's Sylvania Division and others who are equally prominent in their own right.

The three named producers account for the majority of U.S. production of color t.v. picture tubes. Each of these producers is also a producer of color t.v. sets, i.e., each of them is an integrated color set manufacturer which consumes a large part of its own tube production in the production of color sets.

While admittedly the recent earnings of the U.S. companies producing color t.v. picture tubes have fallen below 1966 record levels (a rather widespread condition among U.S. companies as the tax-writing Committee on Ways and Means well realizes) none of these companies can be classed as being in a state of economic "distress". That this is true is attested to not only by objective data such as those previously discussed but also by statements of these producers concerning the state of their economic health.

⁸ Supplied by Department of Commerce from preliminary figures in part not as yet published.