

the Committee nor would they have found it expedient to omit relevant facts so clearly known to them.

In these circumstances, the Committee should reject this petition forthwith.

V. THE ROLE OF IMPORTS OF COLOR TELEVISION PICTURE TUBES

The Magnavox Company accounted for a large percentage of U.S. color t.v. picture tube imports in 1966 and in the first half of 1967. Another large importer of such tubes is a U.S. company which is a member of the Tube Division of EIA, one of the petitioners herein.

While Magnavox' color picture tube imports are large in relation to total imports of such tubes, they are relatively small in relation to Magnavox' total purchases of picture tubes. Indeed, Magnavox buys in excess of 90 percent of its color t.v. picture tube requirements from U.S. companies who are among the petitioners herein.

As the Committee knows, Magnavox is not an integrated color television set manufacturer. Several of the components needed for building a color t.v. set Magnavox must purchase from outside sources, either domestic or foreign. In many cases—such as the case with color t.v. picture tubes—the outside domestic sources available to Magnavox are also producers of color t.v. receiver sets which are sold in competition with sets made by Magnavox. In other words, Magnavox purchases color t.v. picture tubes from its competitors in the color t.v. receiving set industry.

In its report on H.R. 7969, 89th Congress, the bill which became the Tariff Schedules Technical Amendments Act of 1965 and which established the present temporary 12-percent duty on color t.v. picture tubes, the Senate Committee on Finance described Magnavox' posture as a color t.v. set producer which does not produce color t.v. picture tubes as follows:

"While many television set manufacturers in this country also produce picture tubes, there are other set manufacturers who are not equipped to manufacture tubes but must rely on their integrated competitors or other sources for picture tubes they need for their sets. Without access to a reasonably priced source of picture tubes for their color sets these manufacturers would be unable to compete in the expanding market for color television picture sets in this country."²⁵

In all respects, this statement remains true today. "Without access to a reasonably priced source of picture tubes" for its color television sets, Magnavox "would be unable to compete in the expanding market for color television picture sets in this country."

Following this fundamental economic mandate, Magnavox has sought out "reasonably priced" sources for its color t.v. picture tube needs. It has made a decision to purchase the lion's share of its color tube requirements from domestic color t.v. tube sources; at the same time, it has been forced by the economics of the situation to purchase a small part of its needs abroad.

The ironic feature of this present move to raise the duty on Magnavox' color t.v. tube imports by 150 percent is that it originates with those U.S. companies which enjoy in excess of 90 percent of Magnavox' color t.v. tube business. These companies are well acquainted, therefore, with the whole spectrum of Magnavox' color t.v. tube needs. They know also that the domestic prices of color picture tubes similar to those purchased from abroad by Magnavox are not compatible with this economic imperative.

In these circumstances, Magnavox can only conclude that the petitioners are seeking to preclude Magnavox from purchasing its limited foreign color t.v. picture tube requirements at a reasonable price and are seeking to force Magnavox to purchase 100 percent of its color t.v. picture tube requirements from U.S. producers of such tubes—the petitioners herein. Since a tariff increase on color t.v. picture tubes is not needed to remedy or prevent any injury because there is no such injury or threat involved, Magnavox has no choice but to reach this conclusion.

Removing Magnavox' area of choice as to where it can buy certain of its color t.v. picture tubes at reasonable prices can only hurt Magnavox and its workers.

²⁵ Senate Report No. 530, 89th Congress, p. 9.