

UNITED STATES INTERNATIONAL TRADE COMMISSION

TELEVISION RECEIVERS, COLOR AND MONOCHROME, ASSEMBLED  
OR NOT ASSEMBLED, FINISHED OR NOT FINISHED,  
AND SUBASSEMBLIES THEREOF

Report to the President  
on Investigation No. TA-201-19  
Under Section 201(b) of the Trade Act of 1974



USITC Publication 808  
Washington, D. C.  
March 1977

# UNITED STATES INTERNATIONAL TRADE COMMISSION

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# C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Determination, finding, and recommendation of the Commission-----	3
Views of Chairman Daniel Minchew and Commissioners Will E. Leonard and George M. Moore-----	6
Views of Vice Chairman Joseph O. Parker and Commissioner Catherine Bedell-----	37
Views of Commissioner Italo H. Ablondi-----	47
Information obtained in the investigation:	
Introduction-----	A-1
Description of articles-----	A-5
U.S. tariff treatment-----	A-7
U.S. producers-----	A-8
The question of increased imports:	
U.S. imports-----	A-14
Monochrome and color television receivers combined--	A-14
Monochrome television receivers-----	A-19
Color television receivers-----	A-21
Incomplete television receivers-----	A-24
Television receiver subassemblies-----	A-24
Imports under TSUS item 807.00-----	A-26
Sources of U.S. television imports-----	A-28
The ratio of U.S. imports to U.S. production-----	A-29
The question of serious injury to the domestic industry:	
Capacity-----	A-31
U.S. production-----	A-34
U.S. producers' shipments of domestically produced television receivers-----	A-36
Monochrome receivers-----	A-36
Color receivers-----	A-40
U.S. inventories-----	A-42
U.S. exports-----	A-43
Employment-----	A-44
Prices-----	A-49
Profit-and-loss experience of domestic producers-----	A-53
Capital expenditures and research and development costs--	A-60
The question of imports as a substantial cause of serious injury:	
Factors influencing demand-----	A-63
U.S. consumption-----	A-65
Possible substantial causes of serious injury or the threat of serious injury, other than imports:	
Dominance of two large producers-----	A-66
Recession-----	A-67
Distribution of television receivers to retailers---	A-70

## CONTENTS

	<u>Page</u>
Information obtained in the investigation--Continued	
The foreign industry:	
Japan-----	A-71
Taiwan-----	A-77
Republic of Korea-----	A-79
Other countries-----	A-80
Efforts of U.S. producers of television receivers to compete with imports-----	A-81
Appendix A. Statistical tables-----	A-86
Appendix B. General interpretative rule 10(h) of the <u>Tariff</u> <u>Schedules of the United States Annotated (1976)</u> -----	A-127
Appendix C. Customs information exchange letter dated May 24, 1976 (statistical circular no. 90)-----	A-129

## Figures

1. Television receivers (monochrome and color): U.S. imports, 1971-76-----	A-15
2. Complete and incomplete television receivers: U.S. imports, by types, 1971-76-----	A-17
3. Complete television receivers: U.S. imports, by types, 1971-76-----	A-18
4. Monochrome television receivers: U.S. imports, 1971-76----	A-20
5. Color television receivers: U.S. imports, 1971-76-----	A-22
6. Incomplete television receivers: U.S. imports, by types, 1971-76-----	A-23
7. Television receiver subassemblies: U.S. imports, 1971-76---	A-25
8. Percent of capacity utilization of all television receiver assembly plants, color receiver assembly plants, and all manufacturing plants, 1971-75, and January-September 1976-----	A-33
9. Average number of persons employed in U.S. establishments in which television receivers were assembled, total and production and related workers, 1971-75, and January- September 1976-----	A-45

## Tables

1. Television receivers: U.S. imports as reported in official statistics and Commission questionnaires, by types, 1971-75, January-September 1975, and January-September 1976-----	A-87
2. Television receivers (monochrome and color): U.S. ship- ments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-76-----	A-88

## CONTENTS

	<u>Page</u>
3. Television receivers (monochrome): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-76-----	A-89
4. Television receivers (color): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-76-----	A-90
5. Complete television receivers: U.S. imports, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976-----	A-91
6. Color television receivers: U.S. imports, by months, 1975 and 1976-----	A-92
7. Estimated value of subassemblies used in the production of U.S.-made television receivers, by types, 1971-75, and January-September 1975, and January-September 1976--	A-93
8. Complete television receivers: U.S. imports, total and those entered under TSUS item 807.00, by types and by principal sources, 1971-75, January-September 1975, and January-September 1976-----	A-94
9. Complete television receivers: U.S. imports entered under TSUS item 807.00, by types, 1970-75, January-September 1975, and January-September 1976-----	A-95
10. Television receivers (monochrome and color): U.S. imports for consumption, by principal sources, 1971-76-----	A-96
11. Television receivers (monochrome): U.S. imports for consumption by principal sources, 1971-76-----	A-97
12. Television receivers (color): U.S. imports for consumption, by principal sources, 1971-76-----	A-98
13. Complete television receivers: U.S. production and imports for consumption, by types, 1971-75, January-September 1975, and January-September 1976-----	A-100
14. Television receivers: U.S. production of complete television receivers assembled from component parts and subassemblies only and imports of complete and incomplete television receivers by types, 1971-75, January-September 1975, and January-September 1976-----	A-101
15. U.S. produced complete television receivers: Annual capacity utilization of U.S. monochrome and color television receiver assembly plants, 1971-1975, January September 1975, and January-September 1976-----	A-102
16. Complete television receivers: U.S. production, by types, 1971-75, January-September 1975, and January-September 1976-----	A-103
17. Complete television receivers: U.S. production of receivers assembled entirely from component parts and subassemblies and from imported incomplete receivers, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976-----	A-104

## CONTENTS

	<u>Page</u>
18. Complete television receivers: U.S. production, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976-----	A-105
19. Complete television receivers (monochrome and color): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-75, January-September 1975, and January-September 1976-----	A-106
20. Complete television receivers (monochrome): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1971-75, January-September 1975, and January-September 1976-----	A-107
21. Incomplete television receivers: Imports, by types, 1971-75, January-September 1975, and January-September 1976-----	A-108
22. U.S.-produced complete television receivers: Total shipments (including exports), by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976-----	A-109
23. U.S.-produced complete television receivers: U.S. shipments, by types and by classifications, 1971-75, January-September 1975, and January-September 1976-----	A-110
24. Imported complete television receivers: U.S. shipments, by types and by classifications, 1971-75, January-September 1975, and January-September 1976-----	A-111
25. Complete television receivers (color): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1971-75, January-September 1975, and January-September 1976-----	A-112
26. Complete television receivers: U.S. producers' inventories of U.S.-produced and imported receivers, by types, Dec. 31 of 1971-75 and Sept. 30 of 1975 and 1976-----	A-113
27. Complete television receivers: Total U.S. inventories of U.S.-produced and imported receivers, by types, Dec. 31 of 1971-75 and Sept. 30 of 1975 and 1976-----	A-114
28. Complete television receivers: U.S. exports, by types, 1971-75, January-September 1975, and January-September 1976-----	A-115
29. Complete television receivers: U.S. exports, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976-----	A-116
30. Average number of persons employed in U.S. establishments in which television receivers were assembled, all employees and production and related workers, 1971-75, January-September 1975, and January-September 1976-----	A-117

## CONTENTS

	<u>Page</u>
31. Man-hours worked by production and related workers on all products and on television receivers in U.S. establishments in which television receivers were assembled; 1971-75, January-September 1975, and January-September 1976-----	A-118
32. Complete television receivers: Weighted-average net selling prices of 12-inch solid-state monochrome sets sold by U.S. producers and importers to retail dealers, by quarters, 1972-75 and January-September 1976-----	A-119
33. Complete television receivers: Weighted-average net selling prices of 19-inch solid-state color sets sold by U.S. producers and importers to retail dealers, by quarters, 1972-75 and January-September 1976-----	A-120
34. Profit-and-loss experience of 10 domestic producers of television receivers on their television receivers operations, 1971-75 and accounting periods ended on or about Sept. 30, 1976-----	A-121
35. Television receivers: Capital expenditures and research and development costs for facilities that are used primarily in the production or assembly of television and/or parts thereof, by types of expenditures, 1971-75 and accounting period ended or about Sept. 30, 1976-----	A-124

Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that would result in the disclosure of the operations of individual concerns. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.





REPORT TO THE PRESIDENT

United States International Trade Commission

March 22, 1977

To the President:

In accordance with section 201(d)(1) of the Trade Act of 1974 (Trade Act), the United States International Trade Commission herein reports the results of an investigation relating to television receivers.

The investigation (Inv. No. TA-201-19) was undertaken to determine whether television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof, provided for in item 685.20 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The Commission instituted the investigation, under the authority of section 201(b)(1) of the Trade Act on October 21, 1976, following receipt, on September 22, 1976, of a petition for import relief under section 201 of the Trade Act of 1974 (19 U.S.C. 2251) filed by the Industrial Union Department, AFL-CIO; American Flint Glass Workers Union of North America; Allied Industrial Workers of America; Communications Workers of America; Glass Bottle Blowers' Association of the United States and Canada; Independent Radionic Workers of America; International Association of Machinists; International Brotherhood of Electrical Workers; International Union of Electrical, Radio and Machine Workers; United Furniture Workers

of America; United Steelworkers of America; Corning Glass Works; GTE Sylvania Inc.; Owens-Illinois, Inc.; Sprague Electric Co.; and Wells-Gardner Electronics Corp.

The Commission held public hearings on this matter in Chicago, Ill., on January 11 and 12, 1977, and in Washington, D.C., on January 18, 19, 21, and 22, 1977.

Notice of the institution of the investigation and hearings was published in the Federal Register of November 12, 1976 (41 F.R. 50076), and notice of the time and place of the Chicago hearing was published in the Federal Register of January 10, 1977 (42 F.R. 2138).

The information for this report was obtained from field work and interviews by members of the Commission's staff, from other Federal agencies, from responses to the Commission's questionnaires, from information presented at the public hearings, from briefs submitted by interested parties, and from the Commission's files.

A transcript of the hearings and copies of briefs submitted by interested parties in connection with the investigation are attached. 1/

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1/ Attached to the original report sent to the President, and available for inspection at the U.S. International Trade Commission, except for material submitted in confidence.

DETERMINATIONS, FINDINGS, AND RECOMMENDATIONS  
OF THE COMMISSION

Determinations

On the basis of the investigation--

Chairman Minchew and Commissioners Leonard and Moore determine that television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof, 1/ provided for in item 685.20 of the TSUS, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

Vice Chairman Parker and Commissioner Bedell determine that color television receivers, complete and incomplete, 2/ classifiable under item 685.20 of the TSUS, are being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

Commissioner Ablondi determines that color television receivers, assembled or not assembled, finished or not finished, provided for in item 685.20 of the TSUS, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

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1/ This affirmative determination of Chairman Minchew and Commissioners Leonard and Moore covers, among other articles, "complete" and "incomplete" television receivers as defined in the "Findings and Recommendations" section immediately below.

2/ The terms "complete" and "incomplete" are defined in the "Findings and Recommendations" section immediately below.

### Findings and Recommendations

Commissioners Minchew, Leonard, and Moore find that--

(1) the imposition of rates of duty as follows, in addition to the existing rate of duty, is necessary to remedy such injury:

Television receivers, complete or incomplete as defined in (2), below, classifiable under item 685.20 of the TSUS:

<u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>	<u>3rd</u> <u>Year</u>	<u>4th</u> <u>Year</u>	<u>5th</u> <u>Year</u>
20%	20%	15%	15%	10%

(2) as used in (1)--

(a) the term "complete" refers to a television receiver, fully assembled, whether or not tested or packaged for distribution to the ultimate purchaser; and

(b) the term "incomplete" refers to a television receiver which, while not complete, is substantially complete, that is--

(i) at least assembled to the point where the picture tube is in place as a part thereof, or

(ii) if the picture tube is not in place, at least assembled to the point where no more remains to be done, prior to installation in its cabinet, than the incorporation of the picture tube, tuner, and incidental components.

Commissioners Parker and Bedell find that--

(1) the imposition of rates of duty as follows, in addition to the existing rate of duty, is necessary to prevent the threatened serious injury:

Color television receivers, complete or incomplete as defined in (2), below, classifiable under item 685.20 of the TSUS:

<u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>	<u>3rd</u> <u>Year</u>	<u>4th</u> <u>Year</u>	<u>5th</u> <u>Year</u>
20%	20%	15%	15%	10%

(2) as used in (1)--

- (a) the term "complete" refers to a television receiver, fully assembled, whether or not tested or packaged for distribution to the ultimate purchaser; and
- (b) the term "incomplete" refers to a television receiver which, while not complete, is substantially complete, that is--

- (i) at least assembled to the point where the picture tube is in place as a part thereof, or

- (ii) if the picture tube is not in place, at least assembled to the point where no more remains to be done, prior to installation in its cabinet, than the incorporation of the picture tube, tuner, and incidental components.

Commissioner Ablondi finds that to remedy the serious injury found to exist it is necessary to impose quantitative restrictions on imports of color television receivers, assembled or not assembled, finished or not finished, provided for in item 685.20 of the TSUS, in the sum of 1,272,000 units per annum on a global basis, with quarterly limitations; and further finds that the quota should be increased at a rate of 5 per cent per annum for each additional year in which the quota is in effect.

Views of Chairman Daniel Minchew and Commissioners  
Will E. Leonard and George M. Moore

On September 22, 1976, the United States International Trade Commission received a petition requesting an investigation under section 201(b)(1) of the Trade Act of 1974 (Trade Act) with respect to imports of color television receivers. On October 21, 1976, the Commission instituted an investigation to determine whether a U.S. industry is eligible for import relief, 1/ i.e., whether television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof, provided for in item 685.20 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. If so, the Commission must then find and recommend to the President the import relief which will remedy the serious injury, or threat thereof, found to exist.

Views With Respect to Eligibility for Import Relief

Section 201(b)(1) of the Trade Act requires that each of the following conditions be met if the Commission is to make an affirmative determination in this investigation and thus find a domestic industry eligible for import relief:

- (1) Imports of the articles concerned are entering the United States in increased quantities;

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1/ As used in these views, the term "import relief" includes import restraints as well as adjustment assistance unless the context indicates otherwise.

(2) The domestic industry producing articles like or directly competitive with the imported articles concerned is being seriously injured or threatened with serious injury; and

(3) Increased imports are a substantial cause of the serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles concerned.

On the basis of the information developed by the Commission in this investigation, we have determined that television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof, provided for in item 685.20 of the TSUS, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

#### The imported articles

In its Notice of Investigation the Commission listed the imported articles which are the subject of this investigation as television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof, provided for in item 685.20 of the TSUS. Although the terms "finished" and "not finished" in general headnote 10(h) of the TSUS are terms of legal significance, they have received no clearly defined, authoritative interpretation in the context of the language "television apparatus and parts thereof" in item 685.20. In order to facilitate the gathering of data and make the analysis of the data more meaningful, terms analogous to those used in the notice have been adopted and defined, and were used in substance to collect data on imports, production, consumption, and so forth.

The terms, "complete", "incomplete," and "subassembly", which are defined in the context of and included within the scope of the aforementioned article description for item 685.20, are used in these views and defined as follows:

Complete television receiver: A television receiver, fully assembled, whether or not tested or packaged for distribution to the ultimate purchaser.

Incomplete television receiver: A television receiver, which while not complete, is substantially complete, that is--

- (a) at least assembled to the point where the picture tube is in place as a part thereof, or
- (b) if the picture tube is not in place, at least assembled to the point where no more remains to be done, prior to installation in its cabinet, than the incorporation of the picture tube, tuner, and incidental components.

Subassembly: Any assemblage of components for television receivers, other than complete and incomplete television receivers as defined above, of a kind provided for in TSUS item 685.20. Such assemblies include, but are not limited to, tuners, antennas, deflection yokes, convergence assemblies, flybacks, focus coils, and degaussing coils.

There are other subassemblies and numerous parts and components of television receivers which are not included within the scope of this investigation. These articles, which are not provided for under TSUS item 685.20, include, but are not limited to, picture tubes, loudspeakers, transformers, transistors, integrated circuits, resistors, and capacitors.



### Domestic industry

In considering whether increased imports are a substantial cause of serious injury, or the threat thereof, to the domestic industry, it is first appropriate to determine what is "the domestic industry" which may be suffering the requisite injury. The Trade Act does not expressly define the term "domestic industry," but rather provides guidelines and permits the Commission to use its best judgment in light of those guidelines and the relevant economic factors in a given case. 1/

In this case we have concluded that for the purpose of this investigation, we shall treat the relevant domestic industry as being those U.S. facilities that are devoted to the production of television receivers, color and monochrome, and subassemblies thereof which are of a type that are provided for in TSUS item 685.20. Twelve firms produced television receivers in the United States in 1976; seven of these firms produced both monochrome and color receivers, and the remaining five produced only color units. Since those firms which produce both monochrome and color receivers produce them in the same establishments, using similar production methods and techniques, and market them through the same distribution channels in competition with one another, we are of the opinion that there is a single domestic industry producing monochrome and color television receivers.

U.S. manufacturers of television receivers also produce many of the subassemblies provided for in item 685.20. In addition, a number of independent U.S. firms also produce these articles. Whether producers

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1/ The issue of what is the proper domestic industry to examine under sec. 201 has been explored in previous cases. Stainless Steel and Alloy Tool Steel: Report to the President on Investigation No. TA-201-5 . . ., USITC Publication 756, 1976, pp. 15-18.

of the subassemblies in question are considered to be a part of the U.S. industry producing television receivers or a separate or distinct industry, their economic viability is unmistakably linked to the ability of the U.S. television receiver producers to compete in the U.S. market. The potential market for U.S.-produced subassemblies is tied directly to the number of television receivers produced in U.S. establishments. Therefore, it is unnecessary to treat such producers separately, as our determination would be the same irrespective of whether these producers are considered a separate industry or not. We have not collected data with respect to U.S. production of subassemblies. We have concluded for the purpose of this investigation that producers of the subassemblies provided for in item 685.20 will be considered as a part of the industry producing monochrome and color television receivers, and the analysis which follows focuses on the impact of imports on producers of television receivers.

#### Increased imports

The first criterion which must be satisfied for a domestic industry to be eligible for import relief is that the imports concerned in the investigation must be entering the United States in increased quantities, either on an absolute or a relative basis. It is necessary to examine levels of imports of the relevant articles over a period of time to determine the trend in such levels. The legislative history of this particular criterion indicates that, generally, import levels prior to

1968 should not be examined; the Commission is free, in its judgment, to examine whatever period of time since 1968 it believes to be most appropriate. 1/

According to official statistics of the U.S. Department of Commerce, U.S. imports of television receivers (monochrome and color combined) increased from 2.7 million units in 1968 to 7.8 million units in 1976, or by 188 percent. Data collected by the Commission for the periods 1971-75, January-September 1975, and January-September 1976 show that imports of complete television receivers (monochrome and color combined) increased from 4.8 million units in 1971 to an annual rate of 6.2 million units in January-September 1976, and that imports of incomplete sets increased during the same period from 0.2 million to 1.1 million units. Irrespective of whether official Department of Commerce statistics or Commission statistics are used 2/ or whether the period since 1968 or a period of shorter duration is examined, there has been an absolute increase in U.S. imports of television receivers.

U.S. imports of television receivers relative to U.S. production of television receivers increased at a more rapid rate than the absolute quantity of imports. Imports of complete television receivers (monochrome and color combined) increased from the equivalent of 56 percent

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1/ For a further consideration of the legislative history and meaning of this criterion, see Birch Plywood Door Skins: Report to the President on Investigation No. TA-201-1 . . ., USITC Publication 743, 1975, pp. 9-12; and Stainless Steel and Alloy Tool Steel: Report to the President on Investigation No. TA-201-5 . . ., USITC Publication 756, 1976, pp. 19-22, 38-42.

2/ The principal difference between U.S. Department of Commerce statistics and those collected by the Commission is that the former did not separately provide for unfinished or incomplete receivers until July 1, 1976.

of U.S. production of complete receivers (including those produced from imported incomplete receivers) in 1971 to 81 percent in January-September 1976. The ratio of imports of complete and incomplete television receivers combined to U.S. production of receivers assembled from component parts and subassemblies only (excluding U.S. production of receivers produced from imported incomplete receivers) increased from 60 to 103 percent during the same period. 1/

The aggregate foreign value of U.S. imports of television receiver subassemblies that are provided for in item 685.20 increased from \$53 million in 1968 to \$491 million in 1976. These values are somewhat overstated because official statistics for such imports included small quantities of television apparatus other than television receiver subassemblies. It is clear that annual imports of the articles in question increased about eight fold between 1968 and 1976. Quantity data on many of the different types of subassemblies considered here are not separately reported in official statistics. Likewise, there are no official statistics on the quantity or value of U.S. production of these articles. As the Commission did not seek such data, ratios of imports to production are not available.

We conclude that there are increased imports of the articles which are the subject of this investigation and that the first criterion is met.

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1/ These ratios indicate that irrespective of how imports of incomplete sets are counted, i.e., as imports or as part of domestic production, there has been a significant increase in imports in relation to domestic production. The Commission did not collect data on imports of complete and incomplete receivers for the years 1968-70; however, it is believed that imports of incomplete receivers were insignificant in those years.

### Serious injury

The second criterion which must be satisfied if an industry is to be eligible for relief is that such industry be seriously injured, or threatened with serious injury. This criterion is written in the alternative, and as we find that the relevant domestic industry is seriously injured, this discussion is devoted to that finding alone. 1/

Although the Trade Act provides no precise definition of the term "serious injury," section 201(b)(2)(A) of the Trade Act provides that the Commission should take into account all relevant economic factors, including (but not limited to)--

With respect to serious injury, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry. . . .

### Significant idling of productive facilities in the industry.--

The number of firms producing television receivers in the United States declined from 18 in 1968 to 12 in 1976. During the same period the number of U.S. establishments in which television receivers were assembled declined from approximately 30 to 15. Despite the consolidation of U.S. production capacity in fewer establishments, the remaining assembly plants have continued to be underutilized. From data gathered during this investigation for the period 1971 through September 1976, the

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1/ For a further discussion of the criterion of serious injury or threat thereof, see Bolts, Nuts, and Screws of Iron or Steel: Report to the President on Investigation No. TA-201-2 . . . , USITC Publication 747, 1975, pp. 5-8.

highest level of capacity utilization 1/ occurred in 1973, when monochrome facilities were operated at 69 percent of capacity and color facilities were operated at 82 percent of such capacity. In January-September 1976 these facilities were operated at 56 and 70 percent of their capacities, respectively. In each year during 1971-75 and in January-September 1976, U.S. television receiver assembly plants were operated at levels of capacity that were between 5 and 15 percentage points lower than the levels at which all U.S. manufacturing plants as a group were operated.

The inability of a significant number of firms to operate at a reasonable level of profit.-- The ratio of net operating profit before taxes to net sales of 11 U.S. producers of television receivers on their overall television operations declined from 8.7 percent in 1971 to 5.8 percent in 1973; in 1974, an operating loss of 1.2 percent was recorded. The industry virtually broke even in 1975 with an operating profit of 0.6 percent, followed by a profit of 4.3 percent for the accounting period ending September 30, 1976. The improvement in the profit position of the industry during the first 9 months of 1976 was largely attributable to the operating profits of two large domestic producers.

A comparison of the net operating profit of the U.S. television receiver industry with the net operating profit of U.S. electrical

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1/ Capacity is the potential output of U.S. television receiver assembly plants if they were operated one shift a day, 5 days a week, with no changes in product mix from that actually produced during the period for which data were provided.

and electronic equipment manufacturers and all U.S. manufacturing corporations shows that during 1971 and 1972 all three of these groups of firms operated at approximately the same level of profit. However, throughout 1973-75 and January-June 1976 the profitability of the U.S. television receiver industry lagged behind the other two industry groupings, particularly in the years 1974 and 1975, when the television receiver industry was in a loss or break-even position and the other groups showed profit ratios of 6 to 8 percent.

Eight of 12 U.S. producers of television receivers which reported financial data to the Commission experienced net operating losses in 1974, 8 of 11 experienced losses in 1975, and 7 of 11 experienced losses in January-September 1976. <sup>1/</sup> Thus, it is apparent that a significant number of the firms in the U.S. television receiver industry--firms which accounted for nearly half of U.S. television receiver production--were unable to operate at a reasonable level of profit.

Significant unemployment or underemployment within the industry.--  
The average number of persons employed in U.S. television receiver assembly plants declined each year during 1971-75, from a high of 42,920 in 1971 to a low of 28,446 in 1975, before increasing slightly to 28,851 during January-September 1976. Employment of production and related workers followed a similar trend, declining from 36,694 in 1971 to 23,388 in 1975, or by 36 percent, and then increasing to 23,849 in January-September 1976.

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<sup>1/</sup> Twelve firms reported profit-and-loss information to the Commission in 1974, whereas only 11 firms were able to report usable data in 1975 and January-September 1976.

The number of man-hours worked by production and related workers producing television receivers in U.S. television receiver assembly plants increased from 49.9 million in 1971 to 64.0 million in 1973, when the average number of man-hours worked per worker was 1,800. Man-hours worked in these operations declined to 52.6 million in 1974 and 39.2 million in 1975. During these years the average number of hours worked per worker declined to 1,700. Despite a small increase (about 2 percent) in the average number of production and related workers in television receiver assembly plants in January-September 1976 compared with the corresponding period of 1975, the number of man-hours worked by these employees continued to decline. Man-hours worked in January-September 1976 totaled 30.7 million, or about 5 percent less than the 32.5 million that was reported for the corresponding period of 1975. The average number of man-hours worked per worker in January-September 1976 was 1,300, compared with 1,400 in the corresponding period of 1975. Thus, there has been a significant decline in the average number of persons employed in television receiver assembly operations in recent years and significant underemployment of such workers as a result of temporary layoffs and shortened work weeks.

#### Substantial cause

The third criterion which must be met before an industry is eligible for import relief is that the increased imports found to exist must be a "substantial cause" of the serious injury, or threat thereof, being suffered by the industry. The Trade Act contains both a definition of



the term "substantial cause" and certain guidelines to be considered by the Commission in determining whether increased imports are a substantial cause of the requisite serious injury. Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." The guidelines to be considered by the Commission with regard to substantial cause are contained in section 201(b)(2)(C), which states that in making its determination the Commission shall take into account all economic factors which it considers relevant, including (but not limited to)--

an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers.

The report of the Senate Committee on Finance on the bill which was to become the Trade Act states, with respect to the question of substantial cause:

The Committee recognizes that "weighing" causes in a dynamic economy is not always possible. It is not intended that a mathematical test be applied by the Commission. The Commissioners will have to assure themselves that imports represent a substantial cause or threat of injury, and not just one of a multitude of equal causes or threats of injury. 1/

It was alleged at the Commission's hearings in this investigation that the dominant position of the two largest U.S. producers (Zenith Radio Corp. and RCA Corp.) in the color sector of the U.S. market for television receivers was a more important cause of whatever injury the domestic industry has experienced than increased imports. This

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1/ Trade Reform Act of 1974: Report of the Committee on Finance . . . , S. Rept. No. 93-1298 (93d Cong., 2d sess.), 1974, pp. 120-121. For further discussion of this criterion, see Stainless Steel and Alloy Tool Steel: Report to the President on Investigation No. TA-201-5 . . . , USITC Publication 756, 1976, pp. 25-26, 45-46.

allegation is refuted by the fact that during the period in which the domestic industry experienced its most serious injury (1974, 1975, and January-September 1976), the combined market share of these two U.S. producers was smaller than it had been during 1971-73 when the domestic industry was in a considerably less depressed condition. Whereas the combined share of the U.S. market taken by Zenith and RCA was lower in 1974, 1975, and January-September 1976 than it had been during 1971-73, the reverse was true of the importers' market share. U.S. imports accounted for an average of 16 percent of apparent U.S. consumption of color television receivers in 1971-74 and then increased sharply to 20 percent in 1975 and to 30.5 percent in January-September 1976. If imports of incomplete color sets had been included in this analysis, the import/consumption ratio would have been greater in the last several years. Clearly, the competitive pressures caused by importers' increasing their market share in recent years has been a more important cause of the difficulties experienced by the U.S. industry than the presence of two large U.S. producers whose market share diminished during the same period.

It was also contended at the Commission's hearings that the 1974-75 recession in the United States was a more important cause of injury to the U.S. industry producing television receivers than increased imports. Obviously the decline in the U.S. economy and particularly the decline in U.S. consumers' spending during 1974-75 had a dampening effect on overall sales of television receivers. U.S. producers' sales of domestically produced color sets declined in both 1974 and 1975; however,

imports of complete sets, which experienced a slight decline in absolute quantities in 1974 (although they continued to increase in relation to U.S. consumption in that year), increased again both absolutely and as a share of apparent U.S. consumption in 1975. Thus, imports were in a position to capitalize fully on the recovery in the U.S. economy in 1976. During that year imports almost tripled over the 1975 level and captured the great bulk of the total growth in the U.S. market, depriving U.S. producers of an opportunity to recover from the depressed condition that had prevailed during 1974-75. It is evident, therefore, that the effect of the economic slowdown in 1974-75 on the U.S. television industry was greatly compounded by the increasing market share of imports in that period and that the failure of the industry to recover in 1976 is attributable to the phenomenal increase in imports that occurred in that year.

The two causes other than increased imports that have been discussed are the only other causes which may have played a significant role in the present difficulties of the relevant domestic industry. Of course, certain indicators of injury may have causes other than increased imports associated with them. For example, there is no question that rapid technological advances in the domestic industry have contributed to unemployment or underemployment in the industry. However, such causes generally pale next to the influence of increased imports as a cause of injury, and are insignificant in explaining the reason for the serious injury being suffered by the industry when all indicators are taken together.

Conclusion

On the basis of the foregoing considerations, we have concluded that the relevant domestic industry is eligible for relief, i.e., that increased imports of television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof, provided for in item 685.20 of the TSUS, are a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

## Finding and Recommendation With Respect to Import Relief

Section 201(d)(1) of the Trade Act provides, in part, that if the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in section 201(b)(1), it shall--

(A) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or

(B) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance . . . .

In view of our determination of serious injury to the domestic television industry and the eligibility of the industry for relief, we find that--

(1) the imposition of rates of duty as follows, in addition to the existing rate of duty, is necessary to remedy such injury:

Television receivers, complete or incomplete as defined in (2) below, classifiable under item 685.20 of the TSUS:

<u>1st</u> <u>year</u>	<u>2nd</u> <u>year</u>	<u>3rd</u> <u>year</u>	<u>4th</u> <u>year</u>	<u>5th</u> <u>year</u>
20%	20%	15%	15%	10%

(2) as used in (1)--

(a) the term "complete" refers to a television receiver, fully assembled, whether or not tested or packaged for distribution to the ultimate purchaser; and

(b) the term "incomplete" refers to a television receiver which, while not complete, is substantially complete, that is--

(i) at least assembled to the point where the picture tube is in place as a part thereof, or

(ii) if the picture tube is not in place, at least assembled to the point where no more remains to be done, prior to installation in its cabinet, than the incorporation of the picture tube, tuner, and incidental components.

The domestic television industry, as represented by those U.S. facilities that are devoted to the production of television receivers, monochrome and color, is presently operating at 67 percent of its capacity; it employs approximately 23,700 production and related workers. The number of these workers has declined substantially since 1971. A significant number of firms in the industry are unable to operate at a reasonable level of profit--in fact, the vast majority are currently operating at a loss. A continuation of the present level of imports or a continuation of the present trend in import levels would only aggravate an already grievous situation. In the absence of import restraints, domestic production of television receivers, industry profits, and employment would surely suffer even more.

We considered various levels of increased rates of duty in an effort to provide the domestic industry with an effective remedy to relieve the serious injury it is experiencing. We estimated that there currently exists a retail price advantage to the importer on a standard 19-inch color receiver of about \$30. <sup>1/</sup> The average dutiable value of a color receiver is approximately \$195; an additional duty of 20 percent would amount to \$39. Assuming that about 50 percent of the

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<sup>1/</sup> This price differential will vary substantially, up or down, depending upon the specific models selected and upon the particular importers' pricing policies.

increased duty would be passed through to the retailer, the amount of the pass-through would be about \$20, which, when subjected to a combined wholesale and retail markup of 75 percent, yields an increase of \$35 in the retail price. We also considered the price advantage the importer enjoyed with respect to a standard 12-inch monochrome receiver, estimating such favorable price differential to be about \$10. <sup>1/</sup> The average dutiable value of a monochrome receiver is about \$63. If, as in the earlier example, we assume a 50-percent pass-through, an increase of 20 percentage points in the rate of duty would amount to about \$6. This would raise the retail price, assuming similar markups as presented above, by \$11. Our tariff recommendation for the first 2 years would, we believe, therefore, alleviate these price disparities and permit the industry to adjust to the competition. Our remedy provides for the maximum initial period of relief available under the law, a period of 5 years, in the belief that such serious injury required the longest adjustment period possible. We recommended that the increased tariffs be reduced in stages over that period to allow the industry to respond more fully to its natural competitive environment and to limit any accompanying market disruption created by the imposition of a tariff.

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<sup>1/</sup> See footnote 1, p. 22.

We estimate 1/ that the relief we have found necessary to remedy the serious injury would stop the trend of increasing imports and would in fact reduce imports to a level below the level of imports in 1976, but would still permit imported receivers to enter the United States in quantities greater than in any prior year, thus insuring consumer choice

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1/ The following assumptions are the basis for the cited effects of the remedy we have found to be required. It is believed that total U.S. consumption of television receivers, monochrome and color, in 1977 will approximately equal the 1976 level of 5.4 million monochrome units and 8.9 million color units. Exports in 1977 are expected to hold at the 1976 level of 185,000 and 168,000 units for monochrome and color receivers, respectively. Imports, absent any relief, are conservatively estimated to approximate the levels reached in 1976. With a 25-percent tariff on imported television receivers, monochrome and color, imports of monochrome receivers would amount to approximately 3.9 million units in 1977, 600,000 units below the nearly 4.5 million receivers imported in 1976. Imports of color receivers would be about 2.5 million units in 1977, 400,000 units below the 2.9 million receivers imported in 1976. This decline in imports is based upon the assumption that one-half the duty increase is passed on to the consumer. The import-domestic price elasticity of demand is assumed to be -1.40 for all television receivers (this estimate was presented in testimony before the Commission by the American Retail Federation). Although this price elasticity of demand did not meet all tests of statistical reliability, it is the only one available to us for all television receivers and was presented to the Commission by an association familiar with the industry. It is our belief that it is a reasonable estimate for all televisions. Another price elasticity presented to the Commission was -.75; this figure was for all consumer durables rather than specifically for television receivers and therefore was not used. If this price elasticity was used, the demand for the imported receiver, given the same assumptions as before, would yield a lesser decrease in imports and a smaller increase in domestic production, but would yield a correspondingly higher cost to the consumer. Assuming no domestic price increase, a price elasticity of -1.40, and U.S. consumption in 1977 approximately equal to that of 1976, all of the decline in imports of monochrome and color receivers, 600,000 and 400,000 units, respectively, would be the amount of increased production in the domestic industry because consumer demand could only be satisfied by the domestic producer. Thus, domestic television production would be about 1 million units greater than it would be were no remedy provided. The average annual output of all television receivers is estimated at about 220 units per worker. Therefore, approximately 2,709 more monochrome and 1,809 more color workers would be employed than there would be in the absence of a remedy.



with a level of apparent consumption equal to that existing in 1976. As a result of our proposed remedy, the domestic television industry could be expected to produce about 600,000 more monochrome receivers and 400,000 more color receivers in 1977 than it did in 1976. With this increased production, 4,500 more workers would be employed in 1977 than would be if no relief was granted. The overall profitability of the television industry would be enhanced as domestic output increased and production facilities were used more extensively. While the gains to the industry that have been outlined here would apply for the first year in which higher duties would be in effect, these gains would be maintained for several years under the remedy we propose, and if serious adjustment efforts are made by the domestic industry, these gains could be maintained for an extended period.

It is our belief that a duty increase in this particular case would be a less disruptive form of remedy than either a quota or a tariff-rate quota, allowing more normalized trade patterns. The virtue of a tariff on complete and incomplete receivers is that it would allow the market to sort out its own sourcing relationships while accomplishing the primary objective of remedying the serious injury to television producers. It is also our belief that a duty increase is easier to administer than a quota. It obviates the need for individual country quotas, screen-size quotas, and separate quotas for complete and incomplete receivers. Moreover, a duty increase could be applied equally to color and monochrome receivers and to complete and incomplete receivers. Further, a tariff rate increase, as we have recommended, would eliminate the

possibility of importers (or foreign producers) making windfall profits such as those occasionally made from quotas. In testimony before the Commission by the Council on Wage and Price Stability, 1/ it was stated that tariffs were less inflationary than either tariff-quotas or quotas.

We further considered whether adjustment assistance, as currently administered by the Department of Commerce and the Department of Labor, was an adequate and effective remedy for the injured industry. We concluded that it was not. The injured domestic producers of television receivers, under the auspices of adjustment assistance, would require large sums of Federal and State funding to be made strong. Moreover, certification requirements and administrative procedures engendered by the adjustment assistance process might provide relief too slowly to affected workers and firms; the domestic television industry cannot afford anything less than a rapid response.

Further, adjustment assistance would not adequately provide an infusion of capital for extensive expansion of research and development (R. & D.) programs needed if the domestic industry is to remain viable in a highly competitive market. R. & D. programs are adequately financed only by profits resulting from an increased competitive posture rather than from adjustment assistance.

However, the remedy recommendation of a tariff made by the Commission does not eliminate the availability of adjustment assistance to the industry. Adversely affected firms,

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1/ Testimony of the Council on Wage and Price Stability at the Commission's hearing in Washington, D.C., on January 18, 1977, p. 554 of the transcript.

especially the smaller firms, can apply and receive benefits from adjustment assistance, thereby receiving aid additional to that provided by our tariff remedy and thus being in even a better position to improve their competitiveness.

It must be noted that we are recommending a tariff remedy addressed only to television receivers, color and monochrome, complete and incomplete. We believe it would be counterproductive to apply import restrictions to television receiver subassemblies. An increase in the rate of duty on such subassemblies would increase the costs of U.S. television receiver producers since such producers are dependent, to a large extent, upon subassemblies manufactured offshore. Such subassemblies are utilized by U.S. producers for incorporation into domestically assembled receivers. The increased cost incurred would either be absorbed by U.S. television producers, thereby further injuring their profit posture, or be passed on to U.S. consumers as a price increase. Further, it is not necessary, in our opinion, to prohibit or otherwise restrict imported subassemblies to benefit domestic producers of such articles if an effective remedy is provided with respect to all television receivers. We believe our tariff remedy to be an effective one. We reason that as a result of our tariff recommendation's excluding subassemblies, the output of domestic television producers will expand and thereby provide a larger U.S. market for producers of subassemblies. The resultant larger market will be supplied with additional subassemblies produced by both U.S. and foreign firms. It is our desire to provide equitable assistance to the entire domestic television industry and simultaneously mitigate the disruptive potential that an ill-advised remedy would promote.

Additional Statement of Commissioner Will E. Leonard

In making his decision as to what relief should be given to the relevant domestic industry in this investigation, the President is directed by section 202(c) of the Trade Act to take into account various considerations. These considerations reflect interests different from the statutory focus of the Commission's efforts regarding appropriate relief, which focus is the domestic industry and the relief needed to make it healthy and permit it to adjust to import competition. The following information is provided to aid the President in examining some of these considerations and in ultimately determining what relief, if any, should issue.

Adjustment possibilities

One consideration for the President to take into account is whether successful adjustment to import competition will occur as a result of import relief. The Commission has found and recommended the relief it considers necessary to remedy the serious injury being suffered by the domestic industry. If such relief is provided, the domestic industry can take advantage of it in several ways.

During the past several years, U.S. television receiver producers have made intensive efforts to compete with foreign television receiver producers in at least four general areas, i.e., they have taken advantage of low-cost foreign labor and the duty-savings provisions of TSUS item 807.00 by establishing foreign assembly plants; they have incorporated many product-design improvements and technological advances in

their television receivers; they have made use of new cost-saving production techniques; and they have improved their quality-control procedures. A detailed discussion of these efforts by U.S. producers to compete with imports is presented on pages A-87 to A-91 of this report.

These efforts will continue, in all probability, during the period of any proclaimed relief. In addition, the domestic industry indicated in its testimony before the Commission that it could adjust and restructure itself over a period of adequate relief. It contends that--

as production, and thus the rate of capacity utilization, improved, fixed unit costs could be expected to decline, helping to offset any upward price movement that might occur during the initial period of import restraint. As sales expand and as costs and prices are brought into a more reasonable relationship, profit margins would improve. The result would be an enhanced ability on the part of domestic firms to generate the financial resources sufficient to strengthen investment in new plant and equipment and increase expenditures on research and development. Indeed, research and development will be the key to the future competitive survival of the domestic color television industry. 1/

#### Effects on consumers and competition

The President is directed to consider the effect of any import relief he orders upon consumers and competition in the United States. The remedy of increased tariffs recommended by the Commission will have some cost to consumers, offset to some extent by the returns to the Government and, of course, aid to U.S. workers and industry.

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1/ Testimony of Stanley Nehmer at the Commission's hearing in Washington, D.C., on Jan. 19, 1977, pp. 951-52 of the transcript.

The domestic industry is capable of expanding production of monochrome and color receivers by about 1,000,000 units over the 1976 level without finding it necessary to raise prices. <sup>1/</sup> As a result of the increased tariff levied on imported receivers, 25 percent ad valorem instead of 5 percent, domestic receivers would be more price competitive with the imported products and therefore preferable to the consumer who buys on the basis of price. The tariff revenue generated for the U.S. Treasury would be about \$147 million in the first year. Since a 50-percent pass-through of the cost of the higher duty and a 75-percent markup are assumed, <sup>1/</sup> \$131 million would actually be the additional cost borne by the consumer. The domestic industry would very likely be able to decrease unit costs further through larger production runs stimulated by the increased demand for its product, further increasing competition in the marketplace and causing an additional reduction in the demand for imported receivers with a correspondingly lower consumer cost. It is, of course, reasonable in this case that any decline in the demand for the imported receiver would create an identical demand for the domestic product.

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<sup>1/</sup> The case presented makes the following assumptions: (1) 50 percent of the duty increase is passed through to the consumer; (2) there exists a 75-percent markup in the price of the average receiver from dutiable value plus tariff to the retail price; (3) the price elasticity of demand for all receivers is -1.40; and (4) there is no price increase in the domestic product. See also text on pages 22 and 23; and footnote on page 24. The assumption in the text concerning expanding domestic production without the need to increase prices is supported by the substantial unused capacity present in the domestic industry.

The following factors would operate to minimize or even preclude an increase in domestic television prices as a direct result of an increased tariff: (1) There is substantial excess capacity in the domestic industry, so that greater output might not lead to higher unit costs--in fact, greater economies of scale might even reduce unit costs; (2) the large domestic firms, which dominate U.S. production, would only have to make small price increases at most, taking their unused capacity into account, to make satisfactory returns on their television operations; and (3) there are considerable inventories overhanging the market in 1977. Such a confluence of factors, combined with competition in the market, could induce the domestic industry to increase production with no change or only a minimal change in unit price.

Regarding the possible effect of the recommended remedy upon competition in the U.S. marketplace, it should be noted that there are two large domestic firms which dominate U.S. production. The provision of import relief would not be likely to result in a decline in the market position of these two firms. However, substantial import competition would still be present, and it is hoped that competition from other U.S. producers would increase as they recover from the effects of injurious import competition. In any event, the dominance of the two large U.S. producers was achieved, of course, during the period preceding any import restraints. Thus, in the absence of import restraints, their substantial share of U.S. production would be likely to continue, and indeed might well increase, as they are better able to withstand import competition than their smaller and weaker domestic competitors.

### International relations

Another consideration which the President must take into account is the effect of import relief on the international economic interests of the United States. In 1975 and 1976, most television receiver imports into the United States were from two sources--Japan and the Republic of China (Taiwan). The only other source of appreciable imports was the Republic of Korea. All three countries show surpluses in their balance of trade with the United States in 1976: Japan's surplus was \$5.36 billion; the Republic of China's, \$1.35 billion; and the Republic of Korea's, \$390 million. Television receiver exports made up considerably less than 1 percent of the gross domestic product in 1973 for all the countries except the Republic of China (less than 2 percent), but in dollar value they are an important export item to the countries. The Republic of Korea and the Republic of China are considered to be developing countries for the purposes of the U.S. Generalized System of Preferences, and thus have preferred access to the U.S. market for many products.

### Compensation or foreign retaliation for imposing restrictions on U.S. television receiver imports

Because of the magnitude of the value of U.S. television receiver imports--roughly \$820 million in 1976--and the importance of television receiver exports of the major suppliers, imposition of restrictions by the United States on that trade could entail either the payment of compensation by the United States or retaliation by foreign supplying countries. 1/

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1/ Retaliation or compensation is permitted under the General Agreement on Tariffs and Trade, to which the United States and virtually all supplying countries are contracting parties. The Republic of China is not a contracting party; however, it could unilaterally impose restrictions on U.S. exports to that country in the absence of compensation.



Compensation normally takes the form of lower duties on U.S. imports of other products, while retaliation would probably involve the imposition of higher foreign import duties, or quantitative or other restrictions, which would affect U.S. exports.

The specific products which would be affected and the impact of such actions cannot be positively determined in advance. Listed below are the five leading dutiable products, 1/ other than television receivers, imported in 1975 from the three main suppliers of television receivers, and the five principal U.S. exports in 1975 to the same countries. These lists provide only an indication of possible products which could be affected by compensation (the import list) or retaliation (the export list); the actual compensation or retaliation would be determined after negotiations in which many factors bear on the outcome, not just the present trade situation.

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1/ Several of the principal exports of Taiwan and Korea are duty free under the Generalized System of Preferences. Such items are not included in the list of leading imports.

## Five leading U.S. imports (other than television receivers) from Japan:

<u>TSUS</u> <u>item</u>	<u>Article</u>	<u>1975 imports</u> <u>(million dollars)</u>
692.10	Motor vehicles except motorcycles, automobile trucks valued at \$1,000 or more, motor buses, and except special-purpose vehicles	1,757.8
692.50	Motorcycles	614.8
608.84	Plates (other than black plate) and sheets, not pickled and not cold rolled, other than alloy iron and steel, n.e.s.	344.6
692.20	Bodies (including cabs) and chassis for automobile trucks and motor buses	325.4
685.25	Transceivers; radio receivers, other than solid-state; antennas; transmitters; etc.	278.2

## Five leading U.S. exports to Japan:

<u>Schedule B</u> <u>No.</u>	<u>Article</u>	<u>1975 exports</u> <u>(million dollars)</u>
321.4	Coal, anthracite and bituminous	1,412.8
044.0	Corn or maize, unmilled	703.6
221.4	Soybeans	648.0
242.2	Softwood logs and bolts, in the rough	626.7
041.0	Wheat, unmilled	506.1

## Five leading U.S. imports (other than television receivers) from Taiwan:

<u>TSUS</u> <u>item</u>	<u>Article</u>	<u>1975 imports</u> <u>(million dollars)</u>
382.78	Other women's, girls', or infants' knit wearing apparel, of manmade fibers, not ornamented	192.7
700.55	Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastic (except footwear having foxing or a fox-like band)	131.2

Five leading U.S. imports (other than television receivers) from  
Taiwan--Continued

<u>TSUS</u> <u>item</u>	<u>Article</u>	<u>1975 imports</u> <u>(million dollars)</u>
155.20	Sugars, sirups, and molasses, derived from sugar cane or sugar beets	101.6
380.81	Other men's or boys' knit wearing apparel, of manmade fibers, not ornamented	65.9
687.60	Electronic tubes (except X-ray tubes and tele- vision picture tubes), photocells, transistors, etc., and parts, n.e.s.	50.1

Five leading U.S. exports to Taiwan:

<u>Schedule B</u> <u>No.</u>	<u>Article</u>	<u>1975 exports</u> <u>(million dollars)</u>
221.4	Soybeans	211.1
263.1	Raw cotton, other than linters	122.7
734.9	Aircraft, n.e.c., and aircraft parts and accessories	87.8
044.0	Corn or maize, unmilled	82.0
041.0	Wheat, unmilled	72.2

Five leading U.S. imports (other than television receivers) from Korea:

<u>TSUS</u> <u>item</u>	<u>Article</u>	<u>1975 imports</u> <u>(million dollars)</u>
382.78	Other women's, girls', or infants' knit wearing apparel of manmade fibers, not ornamented	114.6
240.17	Plywood, with a face finish of Philippine mahogany, etc.	111.9
687.60	Electronic tubes (except X-ray tubes and tele- vision picture tubes), photocells, transistors, etc., and parts, n.e.s.	104.5
772.30	Wearing apparel (including rainwear), n.s.p.f., of rubber or plastics	75.0

Five leading U.S. imports (other than television receivers) from  
Korea--Continued

<u>TSUS</u> <u>item</u>	<u>Article</u>	<u>1975 imports</u> <u>(million dollars)</u>
380.84	Men's or boys' wearing apparel of manmade fibers, not ornamented, not knit	71.8

Five leading U.S. exports to Korea:

<u>Schedule B</u> <u>No.</u>	<u>Article</u>	<u>1975 exports</u> <u>(million dollars)</u>
041.0	Wheat, unmilled	269.2
263.1	Raw cotton, other than linters	237.3
042.1	Rice	170.7
729.3	Electronic tubes, etc., n.e.c., and parts	90.4
734.1	Aircraft, heavier-than-air	83.6

Conclusion

The decision as to the relief, if any, to be provided to the domestic television receiver industry now rests with the President. His considerations in this respect touch upon broad national economic interests. It is hoped that the information presented in this section on additional considerations will prove to be of some aid in his deliberations.

Views of Vice Chairman Joseph O. Parker  
and Commissioner Catherine Bedell

After considering the evidence obtained by the Commission in this investigation, we have determined that complete and incomplete color television receivers, classifiable under item 685.20 of the TSUS are being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing like or directly competitive articles.

The petition on which this investigation was based requested relief from imports of color television receivers only. However, the scope of the investigation was expanded by the Commission and the notice published with respect thereto described the articles under investigation in terms which, in our judgment, involved some ambiguity. The Commission staff, in an effort to be more precise, conducted the investigation in terms of complete and incomplete television receivers since these terms are more readily understood and provide a better basis for gathering comparative data. Therefore, we have made our determination in terms of complete and incomplete color television receivers, which conforms with the petition and the method in which this investigation was conducted.

Our determination is made with respect to color television receivers. As previously noted, it is color television receivers which petitioners contended were causing injury and from which they needed relief. They did not contend that imports of monochrome receivers were a substantial

cause of serious injury or the threat thereof to the domestic television industry. The production of monochrome receivers is a small and declining part of the domestic industry. Domestic consumption of monochrome receivers has been trending downward since 1973. Imports have also been trending downward since 1973 and have accounted for a fairly constant level of domestic consumption over the last 5 years. For these reasons, our determination is limited to color television receivers.

#### Domestic industry

For purposes of our determination, we have determined that the relevant domestic industry consists of the domestic facilities devoted to the production of color television receivers. Presently, there are 12 firms in the United States producing such receivers.

#### Increased imports

U.S. imports of complete and incomplete color television receivers have risen almost steadily since 1971. Imports of color television receivers totaled approximately 1.2 million units in 1971, approximately 1.5 million units in 1973, approximately 1.7 million units in 1975, and exploded in 1976 to over 3 million units. Although the ratio of imports of complete and incomplete color television receivers to domestic production declined from approximately 22 percent in 1971 to 20 percent in 1973, it increased to approximately 23 percent in 1974, to approximately 33 percent in 1975 and during the period January-September 1976 it reached 50 percent. As can be seen from the

above figures, there has been a steady and significant increase in imports of complete and incomplete color television receivers both actually and relative to domestic production since 1971, with an enormous increase in 1976.

On the basis of these factors, it is clear that the statutory criterion of increased imports has been met.

Threat of serious injury

The domestic producers of color television receivers were greatly affected by the recent recession. During 1974 and 1975 domestic consumption of color television receivers declined by 2.2 million units from the levels achieved in 1973. Capacity utilization declined during this period, as did domestic production, which fell 2.5 million units below the number of units produced in 1973. Domestic shipments of color television receivers also declined sharply in this 3-year period.

The recent recession had comparatively little impact on imported color receivers. Imports of such receivers declined by less than 1 percent between 1973 and 1974 and increased by 16 percent between 1974 and 1975 to what was at that time an all time high. In 1976, as the recession was ending and the domestic industry was beginning to improve its performance, it was faced with a sharp increase in imports, which resulted in the capture of approximately one-third of the domestic color television market. This level of imports was equal to 50 percent of U.S. production.

With the tremendous increase in imports, large inventories of

color television receivers have accumulated. As of September 30, 1976, the latest period for which data is available, U.S. producers' inventories of color televisions had increased to 664,000 units, the second highest inventory accumulation since 1971. When combined with importers' inventories of color televisions, which also rose sharply, the total inventory of color television receivers on September 30, 1976, was 1.1 million units, the highest level during the last 5 years.

With respect to employment, there has been a downward trend in the average number of persons employed and the average number of production and related workers employed in the U.S. television receiver industry since 1971. However, there was a slight increase in each of these groups in 1976 as the economy improved and the domestic production increased. The number of manhours worked by production and related workers has declined steadily since 1972 and continued to decline during 1976. While there has been some reduction in employment by reason of solid state construction, automation, and other improvements in productivity, the most significant threat of an adverse impact on employment is from increased imports.

Financial data on U.S. producers' color television operations were not separately reported by most respondents to the Commission's questionnaires. However, since color operations accounted for the great bulk of each firm's total operations, the data are believed to be representative of their color operations. The ratio of net operating profits to net sales of 11 U.S. producers of television



receivers on their overall television receiver operations declined from 8.7 percent in 1971 to 5.8 percent in 1973; in 1974, an operating loss of 1.2 percent was recorded. The industry virtually broke even in 1975 with an operating profit of 0.6 percent, followed by a profit of 4.3 percent for the accounting period ended September 30, 1976. The improvement in the profit position of the industry during the first 9 months of 1976 was largely attributable to the operating profits of two large domestic producers.

A comparison of the net operating profits of the U.S. television receiver industry with the net operating profits of U.S. electrical and electronic equipment manufacturers and all U.S. manufacturing corporations shows that during 1971 and 1972 all three of these groups of firms operated at approximately the same level of profit. However, throughout the 1973-75 and January-June 1976 periods, the profitability of the U.S. television receiver industry lagged behind the other two industry groupings.

In 1974, 8 of 12 U.S. producers of television receivers which reported financial data to the Commission experienced net operating losses, 8 of 11 experienced losses in 1975, and 7 of 11 experienced losses in January-September 1976. Thus it is apparent that a significant number of the firms in the U.S. television receiver industry were not operating profitably.

On the basis of the facts disclosed in this investigation, it is clear that the domestic color television industry is in a weakened

condition and vulnerable to serious injury if increased imports of lower priced color television receivers continue unabated.

Substantial cause

When determining whether increased imports are a substantial cause of the threat of serious injury, the Commission is directed by section 201(b) of the Trade Act to consider whether imports have increased actually, relative to domestic production, or relative to domestic consumption. As set forth above, it is clear that imports of complete and incomplete color television receivers have increased in actual terms and relative to domestic production. It is also clear that imports of complete color television receivers have captured an increasing share of the domestic market. In 1974, such imports accounted for approximately 16 percent of domestic consumption. In 1975, these imports accounted for 20 percent of domestic consumption and in 1976, it is estimated that they accounted for approximately 30 percent of domestic consumption.

The reason imports of color television receivers have been able to achieve such a significant penetration of the U.S. market lies primarily in the price advantage they enjoy. Generally speaking, the imported sets possess no qualitative advantage over domestically produced sets. Domestic producers also offer color television receivers in a competitive range of sizes through a variety of marketing outlets. Thus, the difference in price remains as the primary distinguishing feature between imported and domestically produced

color television receivers. According to evidence received during the Commission investigation, imported color television receivers, in general, undersell a comparable domestic model by approximately 10 to 15 percent. Unless something is done to correct the competitive imbalance resulting from this price difference, imports will continue to increase unabated.

From the above facts, it is clear that increased imports are a substantial cause of the threat of serious injury.

Views of Vice Chairman Parker and Commissioner Bedell

With Respect to Import Relief

Having determined that the domestic color television industry is threatened with serious injury, we are required by section 201(d) of the Trade Act to find and recommend the import relief which is necessary to prevent the injury, unless we determine that adjustment assistance can effectively remedy such injury. For the reasons set forth below, we have determined that adjustment assistance is not an appropriate remedy, and that an increase in the tariff on complete and incomplete color television receivers is necessary to prevent the domestic industry from suffering the threatened serious injury caused by increased imports.

As hereinbefore described, imports of color television receivers exploded in 1976 to a point where they now hold about a third of the market. Unless the dramatic increase in the importation of color television receivers is halted, the domestic color television industry, with perhaps the exception of one or two very large firms, will not be able to long survive.

In our judgment, the increasing share of the domestic market being captured by imports is primarily the result of price advantage enjoyed by imports. The quality, style, and availability of U.S.-produced color television receivers are as good as or better than those of foreign-produced receivers. But the price advantage, ranging from 10 to 15 percent at the retail level, is a key factor which enables imports to capture an increasingly larger share of the

U.S. market. Thus, we concluded that an increase in the rates of import duty which will improve the competitive position of the domestic industry is the most appropriate form of remedy.

Adjustment assistance, in our judgment, would not effectively prevent the threatened serious injury. Adjustment assistance is a remedy which is available under other provisions of law to workers or firms which meet the statutory criteria. It is available irrespective of any remedy which we might recommend.

The imposition of absolute quotas would probably require allocation among the supplying countries, separate allocation of complete and incomplete receivers, and allocation by screen size and, perhaps, other criteria. The administrative problems associated with quotas on nonfungible articles, such as television receivers, would be tremendous and would impose costly burdens on the United States Customs Service. Furthermore, quota relief would tend to eliminate competition and would be less likely to encourage the adoption of measures designed to improve production and marketing efficiencies. But, perhaps of equal importance, restrictions in the form of quotas on television receivers, in our judgment, would seriously interfere with the competitive discipline of price and unnecessarily interfere with consumers' freedom of choice and selection.

Specifically, we have recommended that the present duty of 5 percent ad valorem on complete and incomplete color television receivers be increased to 25 percent for the first 2 years. In the third and fourth years, the duty would be reduced to 20 percent, and in the fifth and final year of the relief period, it would be phased down to 15 percent.

In our opinion, based on the evidence produced by the Commission's investigation, an increase in the duty levels we have recommended during the first 2 years will equalize the price difference between imported and domestically produced receivers, assuming a pass-through of something over half the amount of increased duty. If a greater portion of the duty is passed on in the marketing process, the competitive position of the domestic industry would be further improved.

As the domestic industry is temporarily relieved of the immense market pressure resulting from increases of low-priced imports, it will have the opportunity to take the step necessary to adjust to import competition. The phase-down in the level of tariffs which we have recommended for the third, fourth, and fifth years should provide adequate relief as the industry will have had the opportunity to achieve cost and marketing efficiencies. By the end of the fifth year, the domestic industry should have been able to adjust fully to import competition as contemplated by the statute.

## Views of Commissioner Italo H. Ablondi

On September 22, 1976, the United States International Trade Commission received a petition 1/ requesting an investigation under section 201(b)(1) of the Trade Act of 1974 (Trade Act) with respect to imports of color television receivers. On October 21, 1976, the Commission instituted an investigation to determine whether television receivers, color and monochrome, assembled or not assembled, finished or not finished, and sub-assemblies thereof, provided for in item 685.20 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

Section 201(b)(1) of the Trade Act requires that each of the following conditions be met if the Commission is to make an affirmative determination in this investigation and thus find a domestic industry eligible for import relief:

(1) Imports of the articles concerned are entering the United States in increased quantities;

(2) The domestic industry producing articles like or directly competitive with the imported articles concerned is being seriously injured or threatened with serious injury; and

(3) Increased imports are a substantial cause (i.e., an important cause and not less than any other cause) of the serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles concerned.

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1/ Filed by the Industrial Union Department, AFL-CIO; Allied Industrial Workers of America, International Union; American Flint Glass Workers Union of North America; Communications Workers of America; Glass Bottle Blowers' Association of the United States & Canada; Independent Radionic Workers of America; International Association of Machinists; International Brotherhood of Electrical Workers; International Union of Electrical, Radio & Machine Workers; United Furniture Workers of America; United Steelworkers of America; Corning Glass Works; GTE Sylvania Inc.; Owens-Illinois Inc.; Sprague Electric Co.; and Wells-Gardner Electronics, Inc.

### Determination

On the basis of the information developed by the Commission in this investigation, I have determined that color television receivers, assembled or not assembled, finished or not finished, provided for in item 685.20 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing like or directly competitive articles.

I have not extended my finding beyond the color television industry. The petitioners expressly limit their request for relief solely to serious injury caused by increased imports of color receivers. Imports of monochrome receivers by domestic producers are obtained either from foreign manufacturers or from the producers' foreign subsidiaries for resale under their brand names. Under these circumstances, the application of the kinds of relief contemplated under section 201 of the Trade Act to monochrome receivers could well perpetrate an unintended injury to a majority of U.S. firms which are domestic producers of monochrome receivers and which rely on imports of monochrome receivers to provide a substantial part of their product lines.

### Domestic industry

In this case I have concluded that the relevant domestic industry consists of those U.S. facilities that are devoted to the production of color television receivers which are of the type provided for in TSUS item 685.20. Twelve firms produced such television receivers in the United States in 1976.

### Increased imports

According to the official statistics of the U.S. Department of Commerce, U.S. imports of color television receivers increased from less than 0.7



million units in 1968 to 3.3 million units in 1976, or by almost 400 percent. From 1975 to 1976, the quantity of imports almost tripled, as shown in the following table.

Color television receivers: U.S. imports, by months

Month	1975 and 1976	
	1975	1976
January-----	39,000	124,000
February-----	48,000	131,000
March-----	71,000	171,000
April-----	73,000	157,000
May-----	69,000	193,000
June-----	103,000	234,000
July-----	103,000	286,000
August-----	136,000	368,000
September-----	125,000	367,000
October-----	183,000	502,000
November-----	160,000	433,000
December-----	105,000	329,000
Total	1,215,000	3,295,000

Source: Compiled from official statistics of the U.S. Department of Commerce.

The ratio of U.S. imports of color television receivers to U.S. production of such articles increased from 21.6 percent in 1971 to 25.8 percent in 1975, and then soared to 41.5 percent in January-September 1976. When imports of color receivers are compared with U.S. production of color receivers that are assembled only from component parts and sub-assemblies, the import/production ratio increased from 21.7 percent in 1971 to 33.4 percent in 1975 and to 50 percent in January-September 1976. Thus, it is clear that whether changes in import levels are measured in absolute terms or in relation to U.S. production, there has been a marked increase in imports. I therefore find the first criterion satisfied.

#### Serious injury

Section 201(b)(1)(A) provides that in making this determination with respect to serious injury the Commission shall take into account all

economic factors which it considers relevant, including but not limited to:

. . . the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry. . . .

Significant idling of productive facilities.--The value of U.S. producers' shipments (sales) of domestically produced color television receivers declined from \$2.3 billion in 1973 to \$2.0 billion in 1974 and to \$1.9 billion in 1975. The value of U.S. producers' shipments which included an increasing number of units produced from imported unfinished receivers increased to an annual rate of \$2.1 billion in January-September 1976. The quantity of U.S.-made sets followed the same trends.

U.S. producers' yearend inventories of color television receivers increased from 371,000 units in 1971 and 1972 to 695,000 units in 1974 before declining to 511,000 in 1975. U.S. producers' inventories rose again in 1976, when they totaled 664,000 units on September 30, compared with 579,000 units on September 30, 1975. U.S. importers' yearend inventories of color receivers increased from 111,000 units in 1971 to 340,000 units in 1974 before declining to 158,000 units in 1975. Importers' inventories then increased more than 130 percent in 1976, when they rose up to 475,000 units on September 30, compared with 205,000 units on September 30, 1975. It is estimated that by yearend, inventories of imported receivers exceeded 500,000 units.

The level of color television receivers held in U.S. producers' and importers' inventories as of September 30, 1976, was more than 1.1 million units (the highest level reported to the Commission) and was estimated to be about 1 million units at the end of 1976. Despite this large inventory, imports further increased in January 1977, when they were almost double the imports in January 1976.

U.S. production of color television receivers declined from 7.8 million units in 1973 to 6.8 million in 1974 and to 5.4 million in 1975, or by more than 30 percent. While U.S. production increased during the first 9 months of 1976 compared with that in the corresponding period of 1975, production was curtailed in the last quarter, according to industry sources.

The declines in production and sales and the large overhang of inventories resulted in the significant idling of production facilities. Capacity utilization in the industry was 82 percent in 1973 and has not exceeded 70 percent since then.

Inability to operate at a reasonable level of profit.--Financial data on U.S. producers' color television operations were not separately reported by most respondents to the Commission's questionnaire; however, since color operations accounted for the great bulk of each firm's total operations, their overall financial experience is representative of their color operations. The ratio of net operating profit to net sales of 11 U.S. producers of television receivers on their overall television receiver operations declined from 8.7 percent in 1971 to 5.8 percent in 1973; in 1974, an operating loss of 1.2 percent was recorded. The industry as a whole broke even in 1975 with an operating profit of 0.6 percent, followed by an operating profit of 4.3 percent for the accounting period ending September 30, 1976, before the onslaught of imports reached its peak.

A comparison of the net operating profit of the U.S. television receiver industry with the net operating profit of U.S. electrical and electronic equipment manufacturers and all U.S. manufacturing corporations shows that during 1971 and 1972 all three of these groups of firms operated at approximately the same level of profit. However, throughout 1973-75 and

January-June 1976, the profitability of the U.S. television receiver industry lagged behind the other two industry groupings, particularly in the years 1974 and 1975, when the television receiver industry was in a loss or break-even position and the other groups showed profit ratios of 6 to 8 percent.

Eight of 12 U.S. producers of television receivers which reported financial data to the Commission experienced net operating losses in 1974, 8 of 11 experienced losses in 1975, and 7 of 11 experienced losses in January-September 1976. As a result, four U.S. producers during the period 1974-76 were purchased by other firms and one sold its trademark and discontinued production. Of the four firms sold, two were purchased by Japanese firms which produce color sets, one was bought by a U.S.-based conglomerate, and one was acquired by a conglomerate based in The Netherlands. Rather than operate at an unreasonable level of profit, a significant number of the firms in the U.S. television receiver industry accepted offers and sold out.

Significant unemployment.--Data on employment in the color television industry are not available, but persons engaged in the production of color sets are known to account for a preponderance of workers in television receiver assembly plants. The average number of persons employed in U.S. television receiver assembly plants declined each year during 1971-75, from a high of 42,920 in 1971 to a low of 28,446 in 1975, before increasing slightly to 28,851 during January-September 1976. Employment of production and related workers followed a similar trend, declining from 36,694 in 1971 to 23,388 in 1975, or by 36 percent, and then increasing to 23,713 in January-September 1976.

The number of man-hours worked by production and related workers producing television receivers in U.S. television receiver assembly plants

increased from 49.9 million in 1971 to 64.0 million in 1973, when the average number of man-hours worked per worker was 1,800. Man-hours worked in these operations declined to 52.6 million in 1974 and 39.2 million in 1975. During these years the average number of hours worked per worker declined to 1,700. Despite a small increase (about 2 percent) in the average number of production and related workers in television receiver assembly plants in January-September 1976 compared with the corresponding period of 1975, the number of man-hours worked by these employees continued to decline. Man-hours worked in January-September 1976 totaled 30.7 million, or about 5 percent less than the 32.5 million that was reported for the corresponding period of 1975. The average number of man-hours worked per worker in January-September 1976 was 1,300 compared with 1,400 in the corresponding period of 1975.

Thus, there has been a significant decline in the average number of persons employed in television receiver assembly operations in recent years.

#### Substantial cause

The Trade Act contains both a definition of the term "substantial cause" and certain guidelines to be considered by the Commission in determining whether increased imports are a substantial cause of the requisite serious injury. Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." The guidelines to be considered by the Commission with regard to substantial cause are contained in section 201(b)(2)(C), which states that in making its determination the Commission shall take into account all economic factors which it considers relevant, including (but not limited to)--

an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers.

The report of the Senate Committee on Finance on the bill which was to become the Trade Act states, with respect to the question of substantial cause:

The Committee recognizes that "weighing" causes in a dynamic economy is not always possible. It is not intended that a mathematical test be applied by the Commission. The Commissioners will have to assure themselves that imports represent a substantial cause of threat of injury, and not just one of a multitude of equal causes or threats of injury. 1/

RCA Corp., with concomitant obligations of importing in large volume, did not support the position of the color receiver industry. Zenith Radio Corp. did not seek relief under section 201 until the huge influx of color receivers became known and the effects thereof became a major concern. These two giants' combined share of the U.S. market was at a lower level in January-September 1976 than it had been during 1971-73; the reverse was true of the importers' market share. U.S. imports accounted for an average of 16 percent of apparent U.S. consumption of color television receivers in 1971-74, and then increased sharply to 18 percent in 1975 and 36.5 percent in 1976. Clearly, the competitive pressures caused by importers' increasing their market share in recent years has been a more important cause of the difficulties experienced by the U.S. industry than the presence of two large U.S. producers whose combined market share diminished during the same period.

It was also contended at the Commission's hearing that the 1974-75 recession in the United States was a more important cause of injury to the U.S. industry producing television receivers than increased imports. Obviously the decline in the U.S. economy and particularly the decline in U.S. consumers'

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1/ Trade Reform Act of 1974: Report of the Committee on Finance . . . ,  
S. Rept. No. 93-1298 (93d Cong., 2d sess.), 1974, p. 119-120.

spending during 1974-75 had a dampening effect on overall sales of television receivers. U.S. producers' sales of domestically produced color sets declined in both 1974 and 1975; however, imports of complete sets, which experienced a slight decline in absolute quantities in 1974 (although they continued to increase in relation to U.S. consumption in that year), increased both absolutely and as a share of apparent U.S. consumption in 1975. Thus, imports were in a position to capitalize fully on the recovery in the U.S. economy in 1976. During that year imports almost tripled the 1975 level and captured the great bulk of the total growth in the U.S. market, depriving U.S. producers of an opportunity to recover from the depressed condition that had prevailed during 1974-75. It is evident, therefore, that the effect of the economic slowdown in 1974-75 on the U.S. television industry was greatly compounded by the increasing market share of imports in that period and that the failure of the industry to recover in 1976 is attributable to the phenomenal increase in imports that occurred in that year.

#### Conclusion

On the basis of the foregoing considerations, I have concluded that increased imports of color television receivers, assembled or not assembled, finished or not finished, provided for in item 685.20, are a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles. I have, therefore, made an affirmative finding in this investigation.

Finding with respect to import relief

Section 201(d)(1) of the Trade Act provides, in part, that if the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in section 201(b)(1), it shall--

- (a) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or
- (b) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance . . . .

I find that to remedy the serious injury found to exist it is necessary to impose quantitative restrictions on imports of color television receivers, assembled or not assembled, finished or not finished, provided for in item 685.20 of the TSUS, in the sum of 1,272,000 units per annum on a global basis, with quarterly limitations; and further find that the quota should be increased at a rate of 5 percent per annum for each additional year in which the quota is in effect.

The reasons for a quota recommendation are readily apparent as are hereinafter set forth. The reasons might be prefaced by alluding to my prior statement in the Commission's investigation on mushrooms, 1/ in which I indicated that lack of import restrictions should not be an occasion for importers to increase imports with impunity.

Import data reveal that not only did imports increase, as required for an affirmative determination under the Trade Act, but the volume

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1/ Mushrooms: Report to the President on Investigation No. TA-201-17 . . . ,  
USITC Publication 798, 1977, P. 24.



of imports in the last 7 months amounted to a "flood." This flood is measured against a substantial import penetration figure of 18 percent in 1975. When the imports reached 502,000 color receivers in October, 1976, common sense should have dictated that normal distribution channels and public consumption could not absorb such volume.

Exporters did not await the democratic process of other pending judicial and administrative actions which might have increased duties or imposed restrictions on Japanese imports. It appears that there was an effort by exporters to ship as many receivers as possible and avoid any judicial or administrative action that might result. In addition, a stagnant Japanese home market demand meant that an increasing share of production was channeled to exports. Such action by exporters resulted in a volume of imports that was disruptive and injurious to the domestic industry. A normal growth of imports not exaggerated by an artificial stimulus might not have injured the domestic industry.

In 1973, U.S. manufacturers, operating at 82 percent of capacity, shipped 7.6 million color receivers accounting for 84 percent of the U.S. market. Since that peak year, U.S. producers have accounted for a decreasing share of the U.S. market and their capacity utilization has not exceeded 70 percent. In 1976, U.S. producers supplied only 5.9 million sets, or 63.5 percent of U.S. consumption (9.0 million sets). The U.S. industry is faced with excess capacity and a vanishing market share. In the last 6 months of 1976, U.S. producers supplied a smaller share of the U.S. market as they curtailed production to adjust inventories.

Compounding the problem of excess capacity among U.S. manufacturers is the excessive inventory accumulation which in 1976 was estimated to be

the largest inventory in the history of the color television receiver industry. Inevitably, the sizable inventories of lower priced imported receivers will exert heavy downward pressure on the price in the U.S. market, exacerbate the serious inventory problem for U.S. producers, and inflict further losses on U.S. firms, whose production facilities are already heavily impacted.

Aside from the excess inventory, in 1976 Japanese manufacturers produced 10.5 million color receivers (almost double U.S. production) through a rapid expansion in production facilities. Their capacity to produce color picture tubes was increased to nearly 14 million units annually. It is recognized that the Japanese population of about 118 million could not possibly absorb such voluminous production. The U.S. and Japanese markets are both saturated to the extent that some 95 percent of the households have a television receiver (75 percent of U.S. households have color receivers). Some 40 percent of the sales of color receivers in the United States in 1976 were replacement receivers, and some 25 percent of sales were additional receivers for households already having at least one receiver. A large expansion of the U.S. market should not be expected.

The "adverse effects of an abrupt invasion of established markets while continuing to provide steadily enlarged opportunities for trade" 1/ have been often discussed without resolution. 2/

While Congress provided for relief from market disruption caused by sudden imports from Communist countries in section 406 of the Trade Act, no mention thereof appeared in section 201. 3/ However, sudden and disruptive increases

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1/ GATT Doc. Sr. 15/17, 1951, at p. 153.

2/ See J. H. Jackson, *World Trade and the Law of GATT*, 1969, pp. 570-573.

3/ See *Trade Reform Act of 1974: Report of the Committee on Finance . . .*, S. Rept. No. 93-1298 (93d Cong., 2d sess.), 1974, pp. 210-213.

in imports aggravate any injury and call for appropriate safeguards to respond and offset the effect of such imports. This appropriate safeguard action should not be considered as protectionism but as normalism, i.e., a normal response to unreasonably disruptive imports. This has been recognized in basic theory:

If governments are to be able to commit themselves to a schedule of tariff reductions which will extend over a number of years, it is generally agreed that they need what are termed "safeguards"--that is, agreed rules according to which (a) tariff cuts might be postponed, (b) previously lowered tariffs might be raised or (c) quantitative restrictions might be imposed on imports whose unrestrained growth exceeds the adjustment capacity of the corresponding domestic industries or at any rate threatens other unacceptable damage. /Emphasis added./ 1/

It is apparent that the almost twofold increase in color receiver imports over the course of the last year would qualify this investigation as a situation in which "the unrestrained growth" of imports has exceeded the adjustment capacity of the domestic industry, thus warranting a quota remedy.

The quota is the most economically viable remedy regardless of whether the surge in imports was an exceptional, one-time occurrence or is, in fact, an accelerating trend, so long as the size of the quota is reasonably related to prior import trends. If the surge proves to be an aberration, then a reasonable quota should have little or no adverse impact on demand for or prices of either foreign or domestic color receivers. However, if the surge in imports is indicative of a sharply accelerating new trend, then a quota will directly and unequivocally halt the surge in imports. 2/

A tariff is not a satisfactory remedy in cases where unrestrained growth exceeds adjustment capacity, whether the change is aberrant or not. Should

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1/ Delbert A. Snider, Introduction to International Economics, 1971 Richard D. Irwin, Inc., Homewood, Ill., p. 157.  
 2/ Jan Tumlir, In Search of a New World Economic Order, Hugh Corbet and Robert Jackson, editors, John Wiley & Sons, New York, 1974, p. 260.

the surge prove to be a one-time occurrence, then consumer prices for both imports and domestic production have been increased needlessly by the tariff. If the surge is the forerunner of an accelerating trend, then increased tariffs may not be sufficient to bring an immediate halt to the trend.

The usual rationale for choosing a tariff over a quota does not apply in the case of severe injurious market disruption. A tariff is generally preferable because it rations demand through the price mechanism, yet does not sever the linkages between domestic and international prices completely. However, in those cases where the acceleration of imports is so extreme that adequate and timely adjustment by the domestic industry is impossible, these linkages appear to have been already severed. Thus, measures other than modification of the price mechanism are justified.

The recommended quota is an approximate average of color television receiver imports for the years 1973, 1974, and 1975, as reflected by official statistics of the Department of Commerce and the data collected by the USITC in the current investigation. The years considered reflect the most recent representative period. While a major growth in the color receiver market is not expected, a 5 percent increase per annum to the quota is recommended.

The domestic production facilities for color television receivers should be adequate to supply anticipated public demand without additional cost increases in price to the consumer. The fact that imports may be restricted should not be an occasion for domestic producers to increase prices without basis. 1/ Furthermore, the fact that certain foreign manufacturers

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1/ The Commission should keep under review any increase in domestic prices as a result of any import relief action which may be taken, and if undue prices increases result, appropriate action under sec. 203(h)(4) should be considered.

have acquired three of the U.S. producers will have a leveling effect on prices. Color receiver sales are receptive to price differentials, and the costs of consumer electronic products have historically trended downward. The consumer impact of the proposed remedy should not be significant, but minimal, in light of the foregoing.

The fact that there are currently only three principal exporting countries avoids any large administrative costs of the global quota. Furthermore, the global quota should be an incentive to the exporting countries to be competitive with each other. The claimed "rush" to enter color receivers is minimized by the quarterly limitation of the annual quota.

Injury to the domestic color television industry is, in my opinion, attributable to the disruption of the U.S. market by the abrupt and sharply escalating increases in imports over the past years, and the current injury may not have existed if imports had developed at a more moderate pace, which would have permitted the normal adjustment of the domestic industry to competitive conditions in the market. The development of conditions leading to the necessity of taking emergency safeguard action to correct this disruption clearly may have been avoided by a more orderly, less abrupt expansion of sales in the U.S. market by foreign suppliers.

In view of the circumstances under which this injury has occurred, corrective safeguard action which merely restores a normal development to the market should be possible without entailing either retaliation from foreign suppliers or compensation on the part of the United States. A trade record established under such artificial circumstances as have prevailed with regard to imports of television receivers in recent months is not an equitable basis on which to support a claim of undue restrictiveness, and hence the right to compensation. Nations should not be granted additional

trade benefits by reason of circumstances resulting from their own trade actions.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

The United States International Trade Commission instituted the present investigation with respect to imports of television receivers on October 21, 1976, following receipt on September 22, 1976, of a petition for import relief under section 201 of the Trade Act of 1974 (19 U.S.C. 2251) filed by the Industrial Union Department, AFL-CIO; American Flint Glass Workers Union of North America; Allied Industrial Workers of America International Union; Communications Workers of America; Glass Bottle Blowers Association of the United States and Canada; Independent Radionic Workers of America; International Association of Machinists; International Brotherhood of Electrical Workers; International Union of Electrical, Radio & Machine Workers; United Furniture Workers of America; United Steelworkers of America; Corning Glass Works; GTE Sylvania Inc.; Owens-Illinois, Inc.; Sprague Electric Co.; and Wells-Gardner Electronics Corp.

The Commission conducted the investigation to determine whether television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof, provided for in item 685.20 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The Commission held public hearings on this matter in Chicago, Ill., on January 11 and 12, 1977, and in Washington, D.C., on January 18, 19, 21, and 22, 1977.

Notice of the institution of the investigation and hearings was published in the Federal Register of November 12, 1976 (41 F.R. 50076), and notice of the time and place of the Chicago hearing was published in the Federal Register of January 10, 1977 (42 F.R. 2138).

The information for this report was obtained from fieldwork and interviews by members of the Commission's staff and from other Federal agencies, responses to the Commission's questionnaires, information presented at the public hearings, from briefs submitted by interested parties, and the Commission's files.

The Commission has conducted numerous other investigations involving television receivers and/or parts of television receivers in recent years. It has recently suspended, pending the completion of the present investigation, one investigation into alleged unfair practices in the importation or sale in the United States of television receivers from Japan--investigation No. 337-TA-23, Certain Color Television Receiving Sets. In addition, the Commission has pending a preliminary investigation, No. 603-TA-1, Television Receivers From Japan, with respect to the importation of television receivers into the United States or in their sale in which certain unfair methods of competition and unfair acts may exist; this investigation has been suspended pending further notification from the Commission.



The Commission recognizes its statutory responsibility of investigating, under section 201(b)(6), any factors which in its judgment may be contributing to increased imports of television receivers. It notes that, concerning these articles, there are an outstanding finding of dumping (T.D. 71-76), 1/ a final negative determination of the Department of the Treasury under section 303 of the Tariff Act of 1930, as amended ( 41 F.R. 1298, Jan. 7, 1976); and multidistrict antitrust litigation in the U.S. District Court for the Eastern District of Pennsylvania, In Re Japanese Electronics Products Antitrust Litigation, M.D.L. 189. In addition, the Commission has pending its investigation No. 337-TA-23, Certain Color Television Receiving Sets, under section 337 of the Tariff Act of 1930, as amended, and its investigation No. 603-TA-1, Television Receivers From Japan. In light of the fact that several of these proceedings are pending, the Commission makes no finding[s] under section 201(b)(6) in this investigation concerning matters which may be the subject of these other proceedings.

The Commission concluded an industry investigation in November 1971 (No. TEA-I-21) under the provisions of section 301 of the Trade Expansion Act of 1962 (TEA). As a result of that investigation, the Commission determined, by a vote of 5 to 1, that television receivers and

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1/ Vice Chairman Parker and Commissioners Bedell and Moore note that, according to information obtained from the U.S. Customs Service and other sources, television receivers which are subject to the Treasury Department's 1971 finding of dumping and which have been imported from Japan since Jan. 1, 1973 (except for one manufacturer in the first quarter of 1973) have not been appraised and no dumping duties have been levied thereon. The Treasury Department's 1971 finding of dumping was based upon this Commission's unanimous determination of injury in its investigation No. AA1921-66 (TC Publication 367, 1971).

parts thereof provided for in item 685.20 of the TSUS were not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry (Television Receivers and Certain Parts Thereof: Report to the President on Investigation No. TEA-I-21 . . . , TC Publication 436, 1971).

The Commission also conducted the following investigations under the firm and worker adjustment assistance provisions of the TEA and under section 201(a) of the Antidumping Act, 1921, as amended, with respect to articles which are the subject of this investigation:

Investigation No. and product	TC Publication No. and date	Commissioners' findings	
		Affirm- ative	Nega- tive
TEA-W-21, Tuners and deflection components-----	329, July 1970	1/ 2	2
AA1921-64, Tuners from Japan-----	341, Nov. 1970	4	0
AA1921-66, Television receivers from Japan-----	367, Mar. 1971	5	0
TEA-W-70, Television receivers-----	376, Apr. 1971	1/ 2	2
TEA-W-77, Television receivers-----	380, Apr. 1971	1/ 2	2
TEA-F-19, Coils and antennas-----	385, Apr. 1971	1/ 2	2
TEA-W-80, Deflection yokes and hori- zontal output transformers-----	386, Apr. 1971	1/ 2	2
TEA-W-89, Electronic receiving tubes and transistors-----	396, May 1971	0	4
TEA-W-144, Television yokes, tuners, and horizontal output transformers--	502, July 1972	1/ 2	2
TEA-W-177, Television receivers-----	562, Mar. 1973	2	4
TEA-W-188, Television receivers-----	583, June 1973	1	3
TEA-W-199, Television yokes-----	591, July 1973	2	3

1/ The President accepted the affirmative finding in each of the investigations in which the vote of the Commission was evenly divided, thereby making the petitioner eligible to apply for adjustment assistance.

## Description of Articles

The imported articles covered in the scope of this investigation consist of color and monochrome television receivers, assembled or not assembled, finished or not finished, and subassemblies thereof, provided for in item 685.20 of the TSUS. <sup>1/</sup> Although the terms "finished" and "not finished" in general headnote 10(h) of the TSUS are terms of legal significance, they have received no clearly-defined, authoritative interpretation in the context of the language "television apparatus and parts thereof" in item 685.20. In order to clarify the matter for the purposes of this investigation, new analogous terms of similar--but not necessarily the same--content have been adopted and defined. The new terms, "complete" and "incomplete," which are defined in the context of the aforementioned article description for item 685.20, are defined as follows:

Complete television receiver: A television receiver, fully assembled, whether or not tested or packaged for distribution to the ultimate purchaser.

Incomplete television receiver: A television receiver, not fully assembled, whether or not in its cabinet, but substantially complete, that is--

- (a) at least assembled to the point where the picture tube is in place as a part thereof or,
- (b) if the picture tube is not in place, at least assembled to the point where no more remains to be done, prior to installation in its cabinet, than the incorporation of the picture tube, tuner, and incidental components.

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<sup>1/</sup> See app. B for a reproduction of General Interpretative Rule 10(h) of the Tariff Schedules of the United States Annotated (1976) with respect to the tariff description of an article. See app. C for a reproduction of a Customs Information Exchange letter dated May 24, 1976 (STATISTICAL CIRCULAR NO. 90), with respect to a definition of unassembled and unfinished television receivers.

Subassembly: Any assemblage of components for television receivers, other than complete and incomplete television receivers as defined above, of a kind provided for in TSUS item 685.20. Such subassemblies include, but are not limited to, tuners, antennas, deflection yokes, convergence assemblies, flybacks, focus coils, and degaussing coils.

This approach to product definition has simplified and made more meaningful the gathering and presenting of information on these articles. Therefore, data on imports, domestic production, consumption, and so forth, were sought and, where appropriate, grouped for complete monochrome television receivers, incomplete monochrome television receivers, complete color television receivers, incomplete color television receivers, and television receiver subassemblies.

There are other subassemblies and numerous parts and components of television receivers which are not included within the scope of this investigation. These articles, which are not provided for under tariff item 685.20, include, but are not limited to, picture tubes, loudspeakers, transformers, transistors, integrated circuits, resistors, and capacitors.

A television receiver converts a transmitted television signal into its original elements--i.e., video, synchronizing, and audio--and by means of these elements reproduces the picture and sound originally transmitted. The video element controls the intensity of the electron beam(s) in the television picture tube. The synchronizing element positions the electron beam(s) in the picture tube. The audio element controls the sound emission.

The circuits in color television receivers are more numerous and complex than those in monochrome receivers. Color receivers also contain more active components (e.g., transistors, diodes, and integrated circuits) and passive components (e.g., resistors, capacitors, and inductors). Consequently, color receivers are more difficult to design, manufacture, and maintain than monochrome receivers.

## U.S. Tariff Treatment

Imported television receivers and subassemblies thereof of the types under investigation are admitted under item 685.20 of the TSUS at a tariff rate of 5 percent ad valorem if from a most-favored-nation (MFN) country and at 35 percent ad valorem if from a non-MFN country. The rates of duty prevailing since 1963 on imports under item 685.20 are set forth in the following table.

Television receivers and subassemblies thereof: U.S. rates of duty, 1963 to present

(Percent ad valorem)				
Effective date	:	Col. 1	:	Col. 2
	:	rate 1/	:	rate 2/
Aug. 31, 1963-----	:	10	:	35
Jan. 1, 1968-----	:	9	:	35
Jan. 1, 1969-----	:	8	:	35
Jan. 1, 1970-----	:	7	:	35
Jan. 1, 1971-----	:	6	:	35
Jan. 1, 1972-----	:	5	:	35
	:		:	

1/ Rate applicable to all MFN countries.

2/ Rate applicable to non-MFN countries. Imports at this rate are negligible or nil.

Prior to the adoption of the TSUS on August 31, 1963, imports of television receivers and subassemblies thereof entered under paragraph 353 of the Tariff Act of 1930 if wholly or in chief value of metal. The rate of 35 percent ad valorem prevailing on such imports in 1930 was reduced from time to time: for MFN imports, to a rate of 10 percent ad valorem on July 1, 1962. Subassemblies wholly or in chief value of other materials (ceramics, and so forth) imported prior to August 31, 1963, entered under other paragraph numbers.

Articles imported under item 685.20 are not eligible for duty-free treatment under the provisions of the Generalized System of Preferences. Television receivers and subassemblies thereof manufactured or assembled abroad in whole or in part of U.S.-fabricated components may be admitted under TSUS item 807.00. Such imports are dutiable at their full value at the item 685.20 rate less the cost of the U.S.-fabricated component(s) therein.

#### U.S. Producers

The number of firms producing (assembling) television receivers in the United States declined from 27 in 1960 to 12 in 1976. The table on the following page lists the firms that assembled television receivers in the United States in 1960 and in each of the years 1968-76.

The two largest U.S. producers of television receivers are Zenith Radio Corp. and RCA Corp. Since 1975 these two firms have accounted for more than \*\*\* percent of the total U.S. output of color receivers. Other firms which produce significant quantities are General Electric, GTE Sylvania, Magnavox, Quasar (formerly Motorola), Sony, Admiral, and Warwick. Three small producers--Curtis Mathes, Andrea, and Wells-Gardner combined--accounted for less than \*\*\* percent of total U.S. production during January-September 1976.

Four U.S. producers are owned by foreign firms. Sony Corp. of America, a division of Sony Corp. of Japan, built a color television production facility in San Diego, Calif., in 1971. North American Philips Corp., a subsidiary of N. V. Philips, a large multinational

## U.S. producers of television receivers, 1960 and 1968-76

Firm	1960	1968	1969	1970	1971	1972	1973	1974	1975	1976
Admiral Group <u>1</u> /-----	X	X	X	X	X	X	X	X	X	X
Andrea Radio Corp-----	X	X	X	X	X	X	X	X	X	X
Curtis Mathes Manu- facturing Co-----	X	X	X	X	X	X	X	X	X	X
General Electric Co---	X	X	X	X	X	X	X	X	X	X
GTE Sylvania Inc-----	X	X	X	X	X	X	X	X	X	X
Magnavox Consumer Electronics Co. <u>2</u> /--	X	X	X	X	X	X	X	X	X	X
Motorola, Inc. <u>3</u> /-----	X	X	X	X	X	X	X	X	X	X
RCA Corp-----	X	X	X	X	X	X	X	X	X	X
Sony Corp. of America-----						X	X	X	X	X
Warwick Electronics Inc. <u>4</u> /-----	X	X	X	X	X	X	X	X	X	X
Wells-Gardner Elec- tronics Corp-----	X	X	X	X	X	X	X	X	X	X
Zenith Radio Corp-----	X	X	X	X	X	X	X	X	X	X
Philco Consumer Elec- tronics Co. <u>5</u> /-----	X	X	X	X	X	X	X	X		
Teledyne Packard Bell Co-----	X	X	X	X	X	X	X			
TMA Co-----	X	X	X	X	X	X				
Setchel-Carlson-----	X	X	X	X	X	X				
Arvin-----	X	X	X	X						
Emerson-----	X	X	X	X						
Cortron <u>6</u> /-----	X	X	X							
Westinghouse Electric Corp-----	X									
Capehart-----	X									
Conrac, Inc-----	X									
Dumont-----	X									
Hoffman-----	X									
Mattison-----	X									
Olympic-----	X									
Symphonic-----	X									
Travler-----	X									

1/ Rockwell International Corp. purchased Admiral Corp. (now Admiral Group) in 1974.

2/ North American Philips Corp. (the Netherlands) purchased the Magnavox Consumer Electronics Co. in 1974.

3/ Matsushita Electric Industrial Co., Ltd. (Japan), purchased the television receiver business of Motorola, Inc., in 1974 and renamed the business Quasar Electronics Co.

4/ Sanyo Electric, Inc. (Japan), purchased the television-manufacturing facilities of Warwick Electronics Inc., effective Dec. 31, 1976.

5/ GTE Sylvania purchased the "Philco" trademark in 1974; Philco discontinued television receiver production in the same year.

6/ Admiral Corp. (now Admiral Group), purchased Cortron in 1969.

Source: Television Digest, various issues, 1968 to the present.

corporation based in the Netherlands, purchased the Magnavox Consumer Electronics Co. in 1974. Matsushita, a Japanese firm, purchased the television business of Motorola, Inc., in 1974 and now operates this business under the name of Quasar Electronics Co. The most recent acquisition of a U.S. television-producing firm by foreign interests was the television production facilities of Warwick Electronics, Inc., which were purchased by Sanyo Electric, Inc., of Japan. The purchase was finalized on December 31, 1976.

All 12 U.S. producers of television receivers produced color receivers in 1976, whereas only 7 firms produced monochrome units. In 1976, \* \* \* assembled all their monochrome production from imported incomplete receivers. \* \* \* assembles its color receivers solely from imported incomplete sets, and \* \* \* assemble a significant share of their color production from imported incomplete sets.

The table on the following page shows the share of U.S. monochrome and color television production accounted for by each U.S. producer during 1971-75, January-September 1975, and January-September 1976. It is evident from the data shown in the table that an increasing share of total U.S. color receiver output is being accounted for by the production of \* \* \* .

Four U.S. producers of television receivers operate assembly plants in the Chicago area; other large assembly plants are situated in Bloomington, Ind., Springfield, Mo., Smithfield, N.C., San Diego, Calif.,



Television receivers: U.S. producers' share of total U.S. production, by firms and by types, 1971-75,  
January-September 1975, and January-September 1976 1/ 2/

(In percent)

Firm	Monochrome							Color						
	1971	1972	1973	1974	1975	Jan.-Sept.--		1971	1972	1973	1974	1975	Jan.-Sept.--	
						1975	1976						1975	1976
General Electric Co-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Admiral Group-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Philco Consumer	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Quasar Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Corp-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Curtis Mathes Manu-	:	:	:	:	:	:	:	:	:	:	:	:	:	:
facturing Co-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Warwick Electronics Inc---	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

A-11

1/ Setchel-Carlson, TMA, and Teledyne Packard Bell \* \* \*.

2/ Andrea Radio Corporation's share of U.S. production is less than \* \* \* percent in the period covered by this investigation.

Note.--Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Jefferson City, Tenn., and Forrest City, Ark. The following tabulation lists all domestic producers and the location of their principal facilities for the production of television receivers.

<u>Firm</u>	<u>Location of television receiver assembly plants</u>
Admiral Group-----	Chicago, Ill.
Andrea Radio Corp-----	Long Island City, N.Y.
Curtis Mathes Manufacturing Co-----	Dallas, Tex.
General Electric Co-----	Portsmouth, Va.
GTE Sylvania Inc-----	Smithfield, N.C.
Magnavox Consumer Electronics Co---	Jefferson City, Tenn.
Quasar Electronics Co-----	Chicago, Ill.
RCA Corp-----	Bloomington, Ind.
Sony Corp. of America-----	San Diego, Calif.
Warwick Electronics Inc-----	Forrest City, Ark.
Wells-Gardner Electronics Corp-----	Chicago, Ill.
Zenith Radio Corp-----	Chicago, Ill., and Springfield, Mo.

In an effort to take advantage of lower labor costs, most of the large U.S. producers have established television assembly plants in foreign countries, principally the Republic of China (Taiwan) and Mexico. U.S. firms have also established foreign plants in which components and subassemblies for television receivers are made.

\* \* \* \* \*

Other firms with offshore assembly or production facilities include GTE Sylvania, Admiral, Magnavox, and General Electric. In addition, Sony, Quasar, and Sanyo obtain a large share of the components and subassemblies used in their U.S. assembly plants from their parent firms in Japan.

U.S. producers and importers of television receivers distribute their television receivers to ultimate consumers through (1) private-label dealers or distributors, (2) merchandising syndicates and/or chainstores, and (3) regional distributors or local dealers of manufacturers' brand-name television receivers.

Private-label marketers such as Sears, Montgomery Ward, and J. C. Penney supply prospective producers with specifications on a particular model of television receiver for purchase under their own brand name for resale through their own retail outlets. In an effort to afford their customers maximum choice of television receiver models, they regularly purchase receivers, but not specific models, from several sources (foreign or domestic).

Merchandising syndicates and chainstores which distribute manufacturers' brand-name television receivers on a nationwide or regional basis may purchase directly from U.S. producers or importers, or they may purchase such receivers from distributors one step removed from the U.S. producer or importer. Merchandising syndicates and chain stores frequently sell both manufacturers' brand-name receivers and private-label receivers. Regional distributors (either independent or

producer-importer-owned) or local dealers of manufacturers' brand-name television receivers may purchase from national distributors or from domestic or foreign producers.

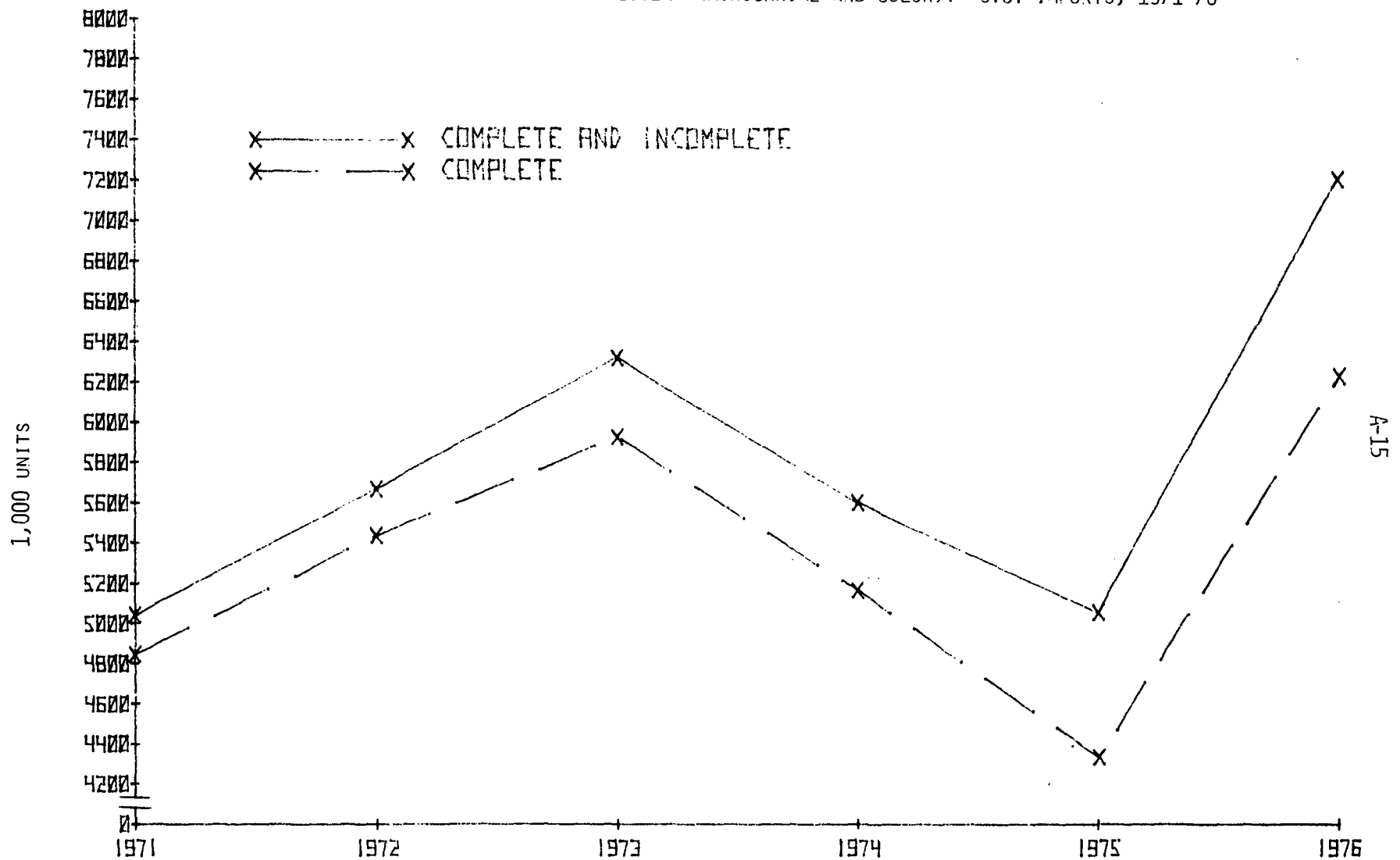
#### The Question of Increased Imports

##### U.S. imports

The Commission gathered data on imports of complete and incomplete television receivers separately in an attempt to more fully understand the impact of all imported receivers upon the U.S. industry. Official import data generally were not used in this report since such data did not segregate unfinished receivers from finished receivers until July 1, 1976. For a review of the differences between the data on imports as reported by questionnaire to the Commission and those reported in official statistics, see table 1. Official import data are also reported in tables 2, 3, and 4.

Monochrome and color television receivers combined.--Figure 1 on the following page reveals that U.S. imports of monochrome and color receivers combined increased between 1971 and 1973, declined in 1974 and 1975, and increased markedly during 1976. The table on page A-16 describes these fluctuations in greater detail.

FIGURE 1.--TELEVISION RECEIVERS (MONOCHROME AND COLOR): U.S. IMPORTS, 1971-76



NOTE.-- 1976 IMPORTS PROJECTED ON THE BASIS OF JAN.-SEPT. DATA

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Television receivers (monochrome and color): U.S. imports, 1971-75,  
January-September 1975, and January-September 1976

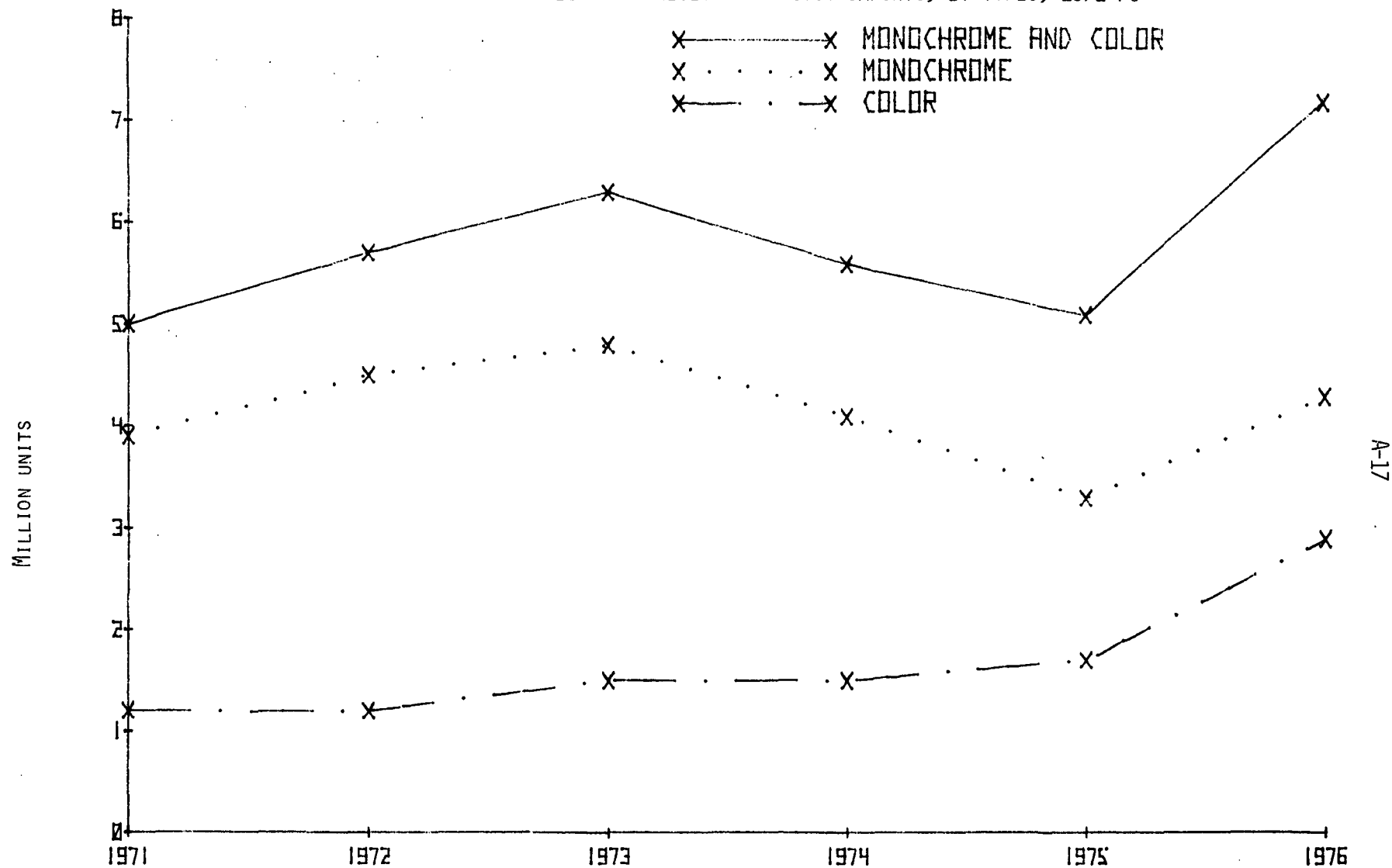
Period	Complete and incomplete		Complete	
	Quantity	Change from previous period	Quantity	Change from previous period
	1,000 units	Percent	1,000 units	Percent
1971-----	5,042	1/	4,845	1/
1972-----	5,670	12.5	5,439	12.3
1973-----	6,322	11.5	5,929	9.0
1974-----	5,605	-11.3	5,168	-12.8
1975-----	5,060	-9.7	4,339	-16.0
January-September--				
1975-----	3,689	1/	3,144	1/
1976-----	5,416	46.8	4,677	48.8

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

As can be seen from figures 2 and 3, the composition of television receiver imports changed significantly during 1971-76, with monochrome receivers continuing to account for the bulk of all imported receivers while declining in overall importance. For instance, in 1973, the peak import year between 1971 and 1975, imports of complete and incomplete monochrome television receivers accounted for 76.5 percent of total television imports in terms of quantity; by 1975, such monochrome imports had declined to only 66 percent of the total. In the first 9 months of 1976, monochrome receivers fell further to 59.2 percent of the total.

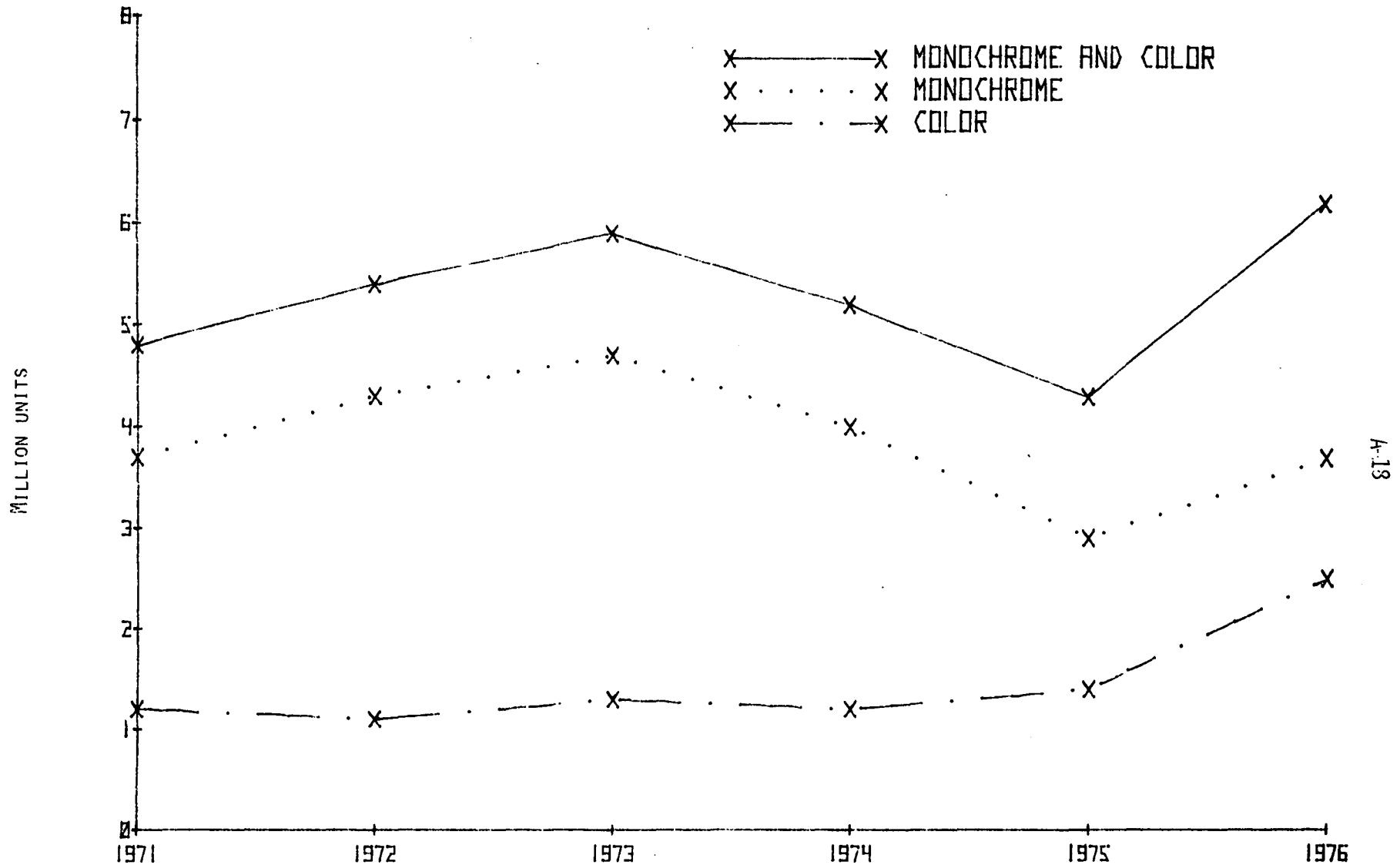
FIGURE 2.--COMPLETE AND INCOMPLETE TELEVISION RECEIVERS: U.S. IMPORTS, BY TYPES, 1971-76



NOTE.--1976 IMPORTS PROJECTED ON THE BASIS OF JAN.-SEPT. DATA

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

FIGURE 3.--COMPLETE TELEVISION RECEIVERS: U.S. IMPORTS, BY TYPES, 1971-76



NOTE.-- 1976 IMPORTS PROJECTED ON THE BASIS OF JAN.-SEPT. DATA

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



Data on U.S. imports of television receivers by screen sizes are shown in table 5. These show clearly that the great bulk of monochrome imports consisted of sets in the 11- to 17-inch screen size category, and that most color imports ranged in screen size from 11 to 19 inches.

Monochrome television receivers.--Like U.S. imports of monochrome and color receivers combined, U.S. imports of monochrome receivers increased gradually between 1971 and 1973 and then declined in 1974 and 1975 (see fig. 4). A substantial increase in monochrome imports was registered during the period January-September 1976 compared with the corresponding period in 1975.

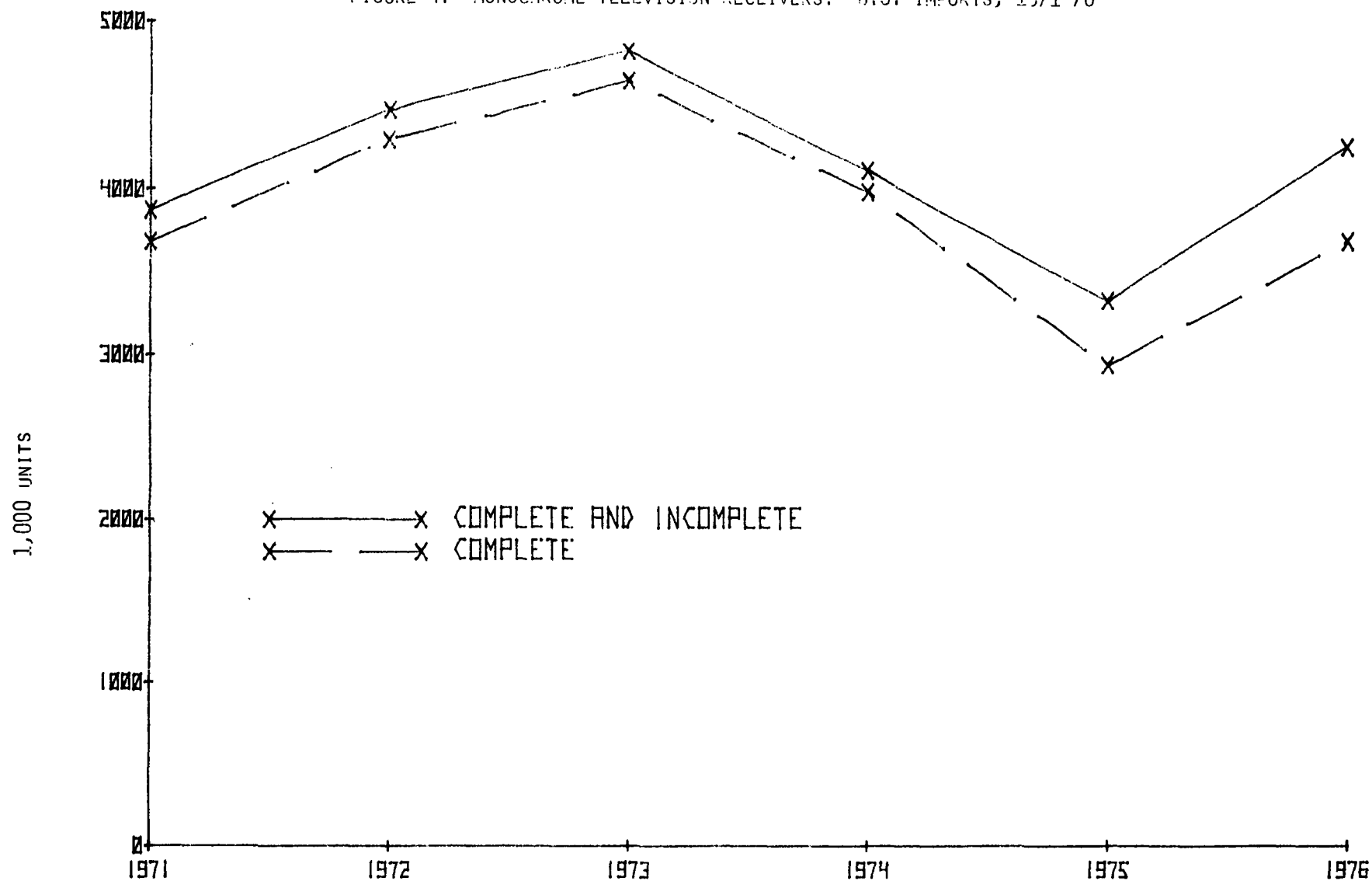
Monochrome television receivers: U.S. imports, 1971-75,  
January-September 1975, and January-September 1976

Period	Complete and incomplete		Complete	
	Quantity	Change from previous period	Quantity	Change from previous period
	1,000 units	Percent	1,000 units	Percent
1971-----	3,874	1/	3,681	1/
1972-----	4,479	15.6	4,302	16.8
1973-----	4,834	7.9	4,653	8.2
1974-----	4,123	-14.7	3,995	-14.1
1975-----	3,342	-18.9	2,948	-26.2
January-September--				
1975-----	2,388	1/	2,119	1/
1976-----	3,208	34.3	2,779	31.1

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

FIGURE 4.--MONOCHROME TELEVISION RECEIVERS: U.S. IMPORTS, 1971-76



NOTE.-- 1976 IMPORTS PROJECTED ON THE BASIS OF JAN.-SEPT. DATA

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Color television receivers.--U.S. imports of color receivers, contrary to the trend displayed by imports of monochrome receivers, have trended upward from 1971 through 1976, witnessing a sharp jump in 1976. This has been the chief reason for the generally upward trend in monochrome and color imports combined (see figure 5 on following page and the table below).

Color television receivers: U.S. imports, 1971-75,  
January-September 1975, and January-September 1976

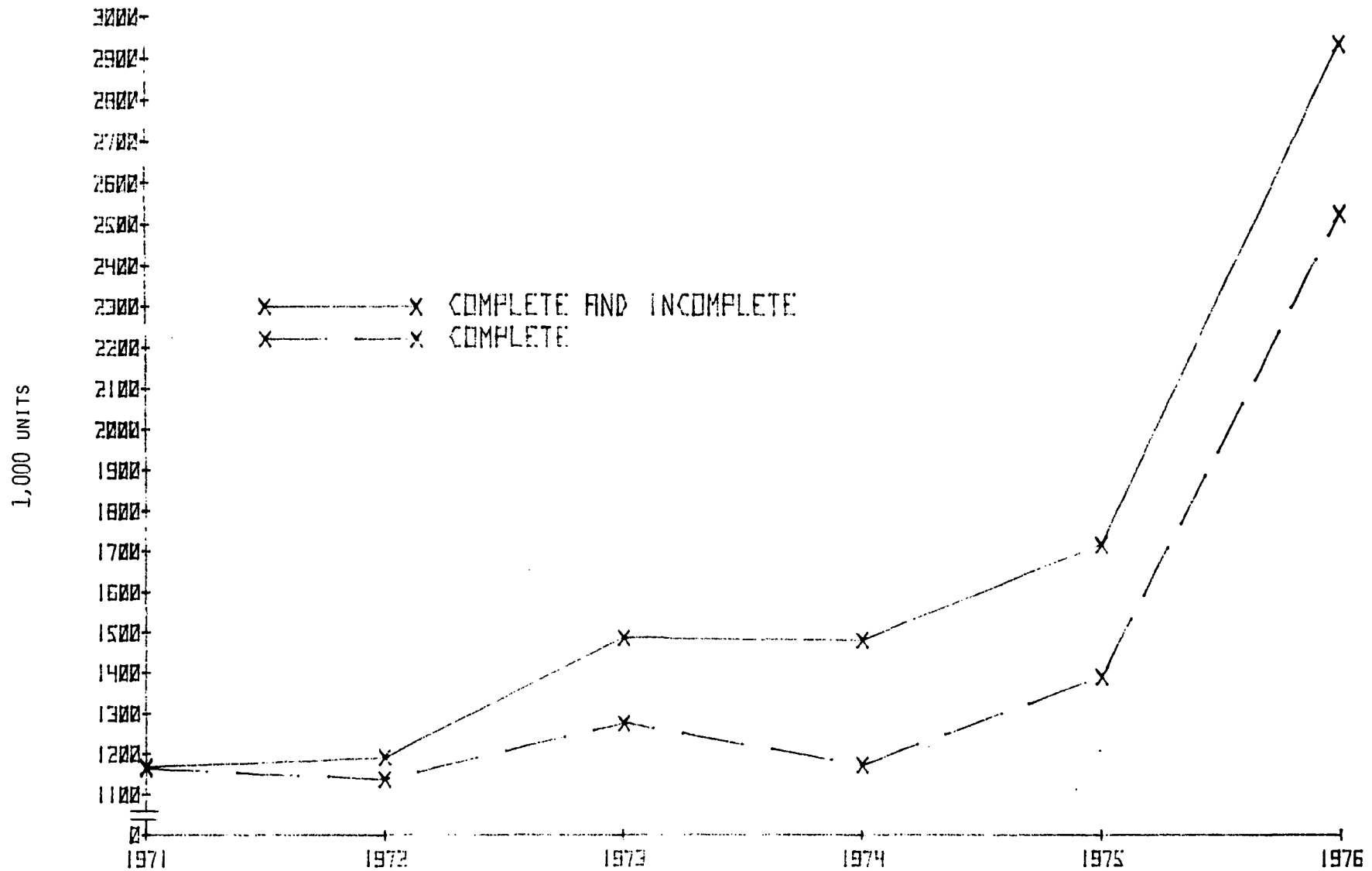
Period	Complete and incomplete		Complete	
	Quantity	Change from previous period	Quantity	Change from previous period
	1,000 units	Percent	1,000 units	Percent
1971-----	1,168	1/	1,164	1/
1972-----	1,191	2.0	1,137	-2.3
1973-----	1,488	24.9	1,276	12.2
1974-----	1,482	-0.4	1,173	-8.1
1975-----	1,718	15.9	1,391	18.6
January-September--				
1975-----	1,301	1/	1,025	1/
1976-----	2,208	69.7	1,898	85.2

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Official statistics showing the quantity and value of U.S. imports of complete color television receivers, by months, for the years 1975 and 1976 are shown in table 6.

FIGURE 5.--COLOR TELEVISION RECEIVERS: U.S. IMPORTS, 1971-76

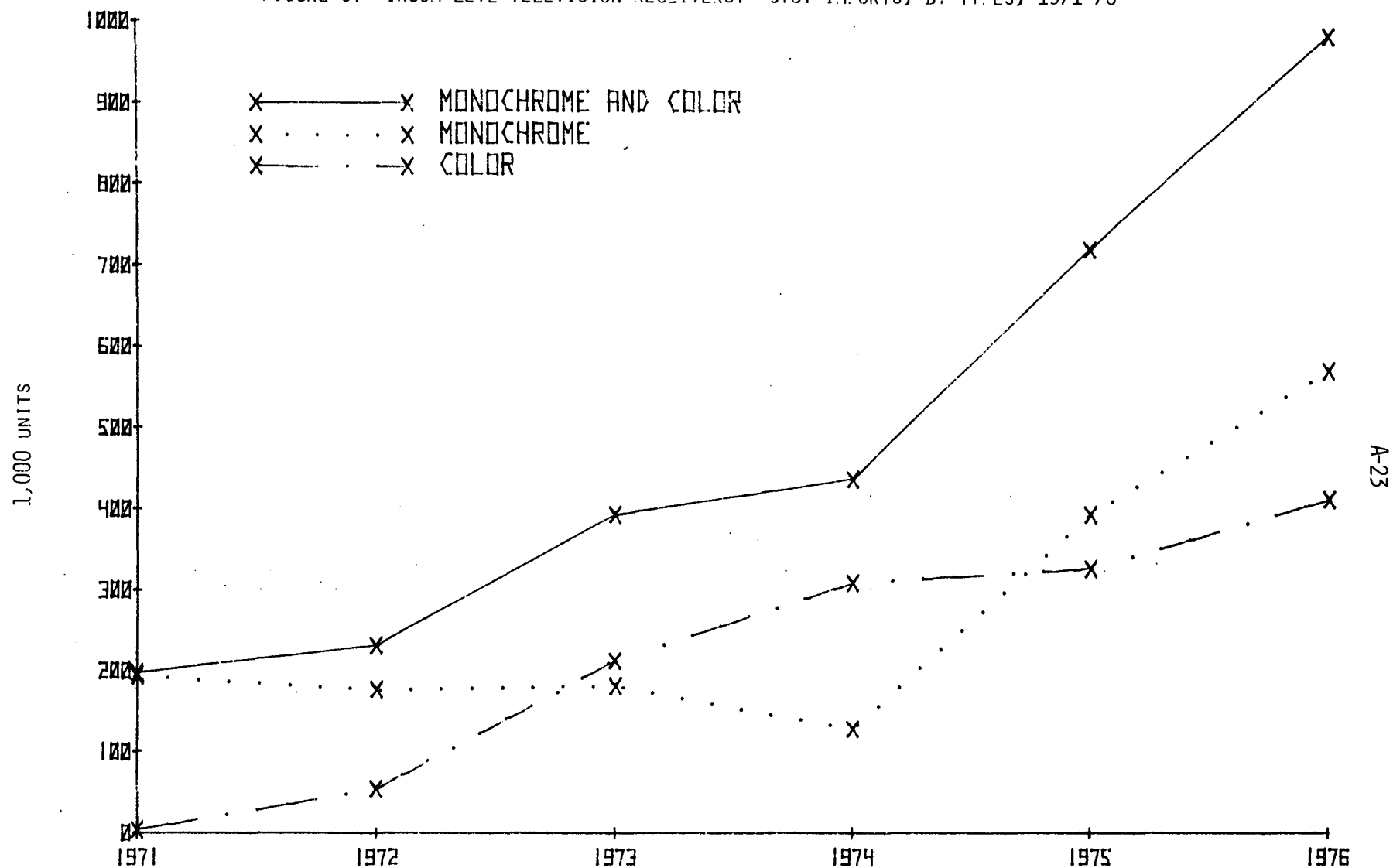


A-22

NOTE.-- 1976 IMPORTS PROJECTED ON THE BASIS OF JAN.-SEPT. DATA

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

FIGURE 6.--INCOMPLETE TELEVISION RECEIVERS: U.S. IMPORTS, BY TYPES, 1971-76



NOTE.-- 1976 IMPORTS PROJECTED ON THE BASIS OF JAN.-SEPT. DATA

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Incomplete television receivers.--Imports of incomplete television receivers increased almost threefold during 1971-75 and then increased again in January-September 1976 (see fig. 6 and the table below). As indicated in the table, imports of both monochrome and color incomplete sets increased irregularly during the period under review, but the trend of total incomplete receiver imports is dominated by the steep and steady rise of such color receivers.

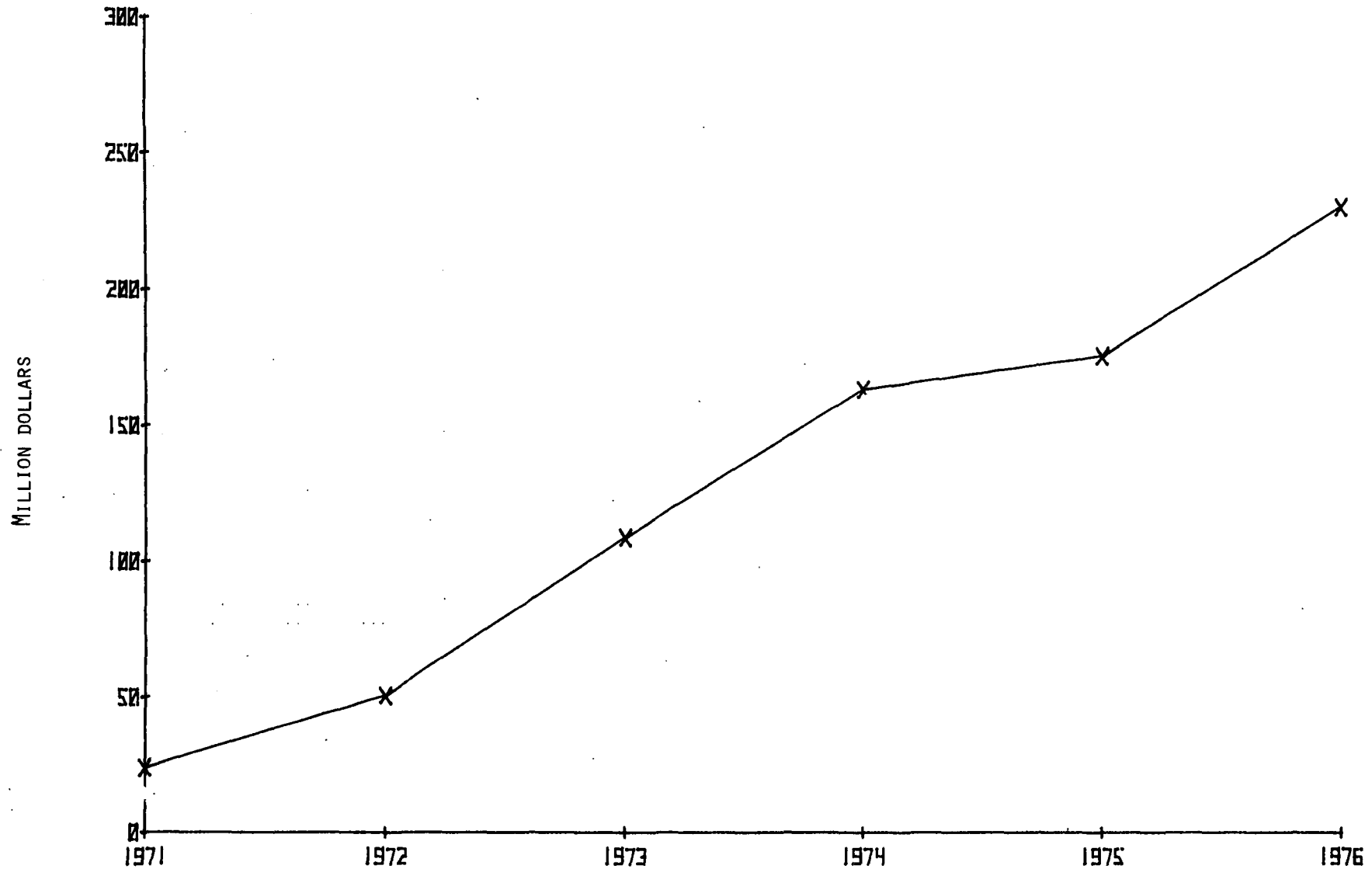
Incomplete television receivers: U.S. imports, by types, 1971-75, January-September 1975, and January-September 1976

Period	Monochrome	Color	Total	Ratio of monochrome and color to total	
				Monochrome	Color
	<u>1,000 units</u>	<u>1,000 units</u>	<u>1,000 units</u>	<u>Percent</u>	<u>Percent</u>
1971-----	193	4	197	97.9	2.1
1972-----	177	54	231	76.6	23.4
1973-----	181	212	393	46.0	54.0
1974-----	128	309	437	29.3	70.7
1975-----	394	327	721	54.6	45.4
Jan.-Sept.--					
1975-----	269	276	545	49.4	50.6
1976-----	429	310	739	58.0	42.0

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Television receiver subassemblies.--In order to assess the impact of imported television receiver subassemblies (as defined earlier in this report), the Commission gathered data from U.S. television producers with respect to the sources of the subassemblies they used in the production of U.S.-made television receivers. Figure 7, the table on p. A-26, and table 7 summarize these data.

FIGURE 7.--TELEVISION RECEIVER SUBASSEMBLIES: U.S. IMPORTS, 1971-76



NOTE.-- 1976 IMPORTS PROJECTED ON THE BASIS OF JAN.-SEPT. DATA

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Television receiver subassemblies: Estimated value of U.S. imports, 1971-75, January-September 1975, and January-September 1976 1/

(In thousands of dollars)

Period	: Estimated value of : imported subassemblies
1971-----	: 23,897
1972-----	: 50,379
1973-----	: 108,861
1974-----	: 163,626
1975-----	: 176,112
Jan.-Sept.--	:
1975-----	: 119,966
1976-----	: 173,362
	:

1/ The values reported are understated since some respondents to questionnaires were unable to report their activities in each of the classifications requested.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

These data are indicative of trends in the sourcing of subassemblies for U.S.-made television receivers. It should be noted that subassemblies, produced by subsidiaries and/or affiliates of U.S. firms in other countries and imported into the United States, were significant in each year 1971-76, and such imports increased in importance over the period.

Imports under TSUS item 807.00.--In an effort to reduce their labor costs, some U.S producers use the provisions of TSUS item 807.00, which allows them to send components outside the United States for incorporation into television receiver subassemblies or into complete or incomplete television receivers, and to return the assembled articles to this country, paying duty only on the value added abroad. Currently,



such components are sent mostly to Taiwan and Mexico since a number of U.S. television producers have established assembly operations in one or both of these countries.

In terms of quantities imported, the ratios of all 807.00 imports of television receivers to total television imports have been as follows (see also table 8.)

Ratio of television receivers entered under the provisions of TSUS item 807.00 to total television imports, by types, 1971-75, January-September 1975, and January-September 1976 1/

(In percent)								
Type	1971	1972	1973	1974	1975	January-September--		
						1975	1976	
Monochrome-----	33.4	52.7	48.6	40.7	51.5	54.3	33.5	
Color-----	2.5	8.1	9.8	16.1	5.8	8.8	3.1	
Total-----	26.1	43.4	40.1	35.4	38.3	42.5	21.7	

1/ Ratios are based on quantities.

Source: Official statistics of the U.S. Department of Commerce.

During the period 1971-75, the total value of 807.00 imports of monochrome and color television receivers, combined, ranged between a low of \$72.1 million in 1971 and a high of \$144.2 million in 1972. The total value for the period January-September 1976 was \$76.9 million, or a decline of 6.1 percent in the corresponding 1975 level. The duty-free value (i.e., the value of U.S. goods returned) during the period 1971-75 ranged between \$9.2 million in 1975 and \$30.4 million in 1972, and for the period January-September 1976 was \$6.9 million (see table 9). The steady drop since 1973 in the value of U.S. components contained in complete television receivers imported under TSUS item 807.00 suggests

that as U.S. producers' television assembly operations abroad mature, and as foreign suppliers of components and subassemblies increase their capability to produce these articles abroad, the value of U.S. components contained in imported television apparatus declines.

If the provisions of TSUS item 807.00 were suspended with respect to imported monochrome and color receivers, the likely effect on the overall level of U.S. imports would be negligible. In January-September 1976 only 0.5 percent of the total value of U.S. imports of monochrome television receivers was entered duty-free under item 807.00 and only 0.7 percent of imports of color receivers was duty free under this provision.

Sources of U.S. television imports.--During the period 1971-76, most imports of television receivers into the United States were from two sources--Japan and the Republic of China (Taiwan). The Japanese television industry is large and indigenously owned; the Taiwanese industry, however, has emerged chiefly from the establishment of television assembly plants in Taiwan by U.S. and Japanese producers. The only other country to supply significant quantities of imported television receivers has been the Republic of Korea (see table 10).

In 1971 Japan supplied the United States with 3.7 million television receivers with an import value of \$320.9 million, representing 68.7 percent of all television receivers imported into the United States during the year and 77.6 percent of the total value. In the same year, Taiwan supplied the United States with 24.5 percent of the total quantity of imports and 12.7 percent of the total import value. In 1976

Japan again supplied the United States with more television receivers than any other single foreign source, although Taiwan had been the principal supplier in the intervening years. In 1976 Japan accounted for 56.3 percent of the quantity of units imported and 72.9 percent of the total value; Taiwan supplied 36.9 percent of the total quantity and only 22.3 percent of the value. Japan's predominance in the overall U.S. television import market is due to its large share of the imported color television market; U.S. imports of monochrome receivers (with their lower unit values) are primarily from Taiwan (see tables 11 and 12).

The ratio of U.S. imports to U.S. production

The ratio of U.S. imports of monochrome and color television receivers combined to U.S. production ranged from a low of 54.0 percent in 1973 to a high of 62.5 percent in 1975. For the first 9-months of 1976, the ratio increased dramatically to nearly 81 percent, as shown in the following table (see also table 13).

Ratios of U.S. imports of complete television receivers to total U.S. production, by types, 1971-75, January-September 1975, and January-September 1976

(In percent, based on quantity)								
Type	1971	1972	1973	1974	1975	January-September--		
						1975	1976	
Monochrome-----	114.3	137.6	146.6	152.8	189.3	182.5	229.7	
Color-----	21.6	16.7	16.4	17.2	25.8	26.4	41.5	
All receiv- ers-----	56.2	54.7	54.0	54.8	62.5	62.4	80.9	

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. imports of complete monochrome receivers exceeded U.S. production of monochrome receivers throughout 1971-75. In 1971, imports of complete monochrome receivers were 14.3 percent greater than U.S. production. They increased annually, and in 1975 were 89.3 percent greater than U.S. monochrome receiver production. In the first 9 months of 1976, U.S. imports of complete monochrome receivers increased dramatically compared with production, exceeding U.S.-produced monochrome receivers by nearly 130 percent.

The ratio of U.S. imports of complete color television receivers to U.S. production trended upward over the 1971-75 period, with a marked increase during the period January-September 1976. In 1971 the ratio was 21.6 percent; it declined to 16.4 percent in 1973 and then increased to 25.8 percent in 1975. In the first 9 months of 1976, the ratio increased sharply to 41.5 percent (see table on preceding page).

When all imported receivers, complete and incomplete, are considered in relation to U.S. production of receivers assembled only from component parts and subassemblies, the import-to-production ratios become even higher than those presented in the preceding section, as shown in the following table (see also table 14).

Ratios of total U.S. imports of complete and incomplete television receivers to U.S. production of receivers assembled only from component parts and subassemblies, by types, 1971-75, January-September 1975, and January-September 1976

(In percent, based on quantity)							
Type	1971	1972	1973	1974	1975	January-September-- 1975	1976
Monochrome-----	129.6	153.6	162.9	167.3	271.3	254.9	374.8
Color-----	21.7	17.5	19.8	23.4	33.4	35.0	50.0
All receivers-----	60.1	58.4	60.3	63.2	79.4	79.3	102.8

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

#### The Question of Serious Injury to the Domestic Industry

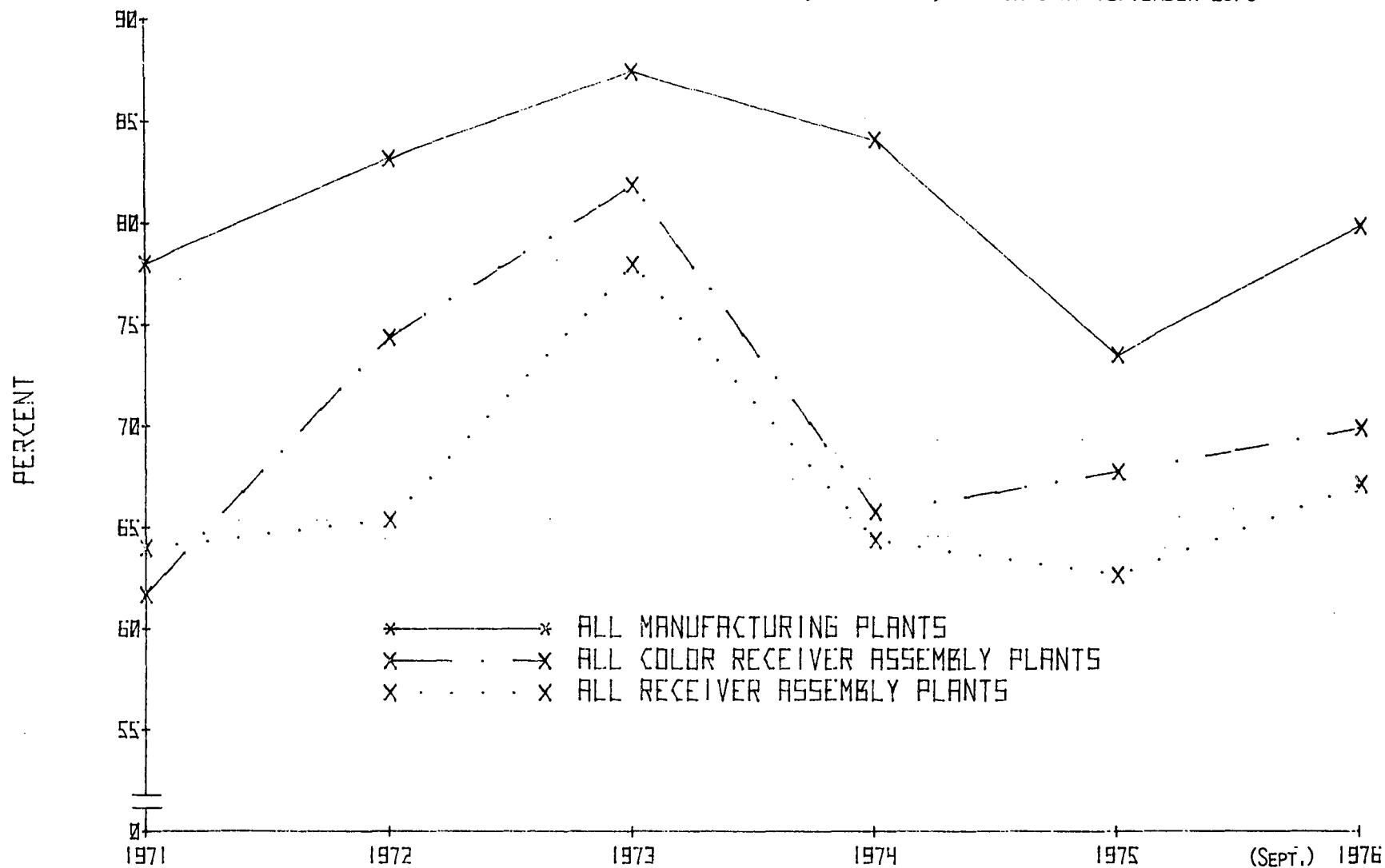
##### Capacity

The term "theoretical capacity," as used in this report, means the output potential of domestic television receiver producers, were they to operate their assembly plants one shift a day 5 days a week, with no changes in product mix from that actually produced during the period for which they provided data. Further, theoretical capacity refers only to the assembly of television receivers entirely from component parts and subassemblies and does not include capacity to assemble complete receivers from imported incomplete receivers. The term "capacity utilization," as analyzed in this section, is the percentage of the total theoretical capacity actually used in television receiver production, whether or not such production was carried out on a one-shift a day, 5-day-a-week basis. In fieldwork during the course of this investigation, the staff found most domestic producers operating one shift a day.

Capacity utilization in the entire U.S. television receiver industry reached its highest level of the 1971-75 period in 1973, as indicated in table 15. Capacity utilization in color receiver operations rose to 82 percent in 1973 from 62 percent in 1971. In January-September 1975, such capacity utilization dropped to 55 percent and capacity utilization of monochrome receiver operations declined to 45 percent from the 1973 high of 69 percent. In the first 9 months of 1976, capacity utilization rose to 70 percent for color production and 56 percent for monochrome production. The general decrease in capacity utilization for monochrome receivers occurred as domestic producers sourced an increasing share of their monochrome receiver production offshore, leaving domestic facilities with unused capacity.

Capacity utilization in television receiver assembly plants ranged between 5 to 15 percentage points lower than that experienced by all manufacturing facilities during 1971-75 and January-September 1976. Figure 8 compares the percent of capacity utilization for all receiver assembly plants, color receiver assembly plants, and all manufacturing plants.

FIGURE 8.--PERCENT OF CAPACITY UTILIZATION OF ALL TELEVISION RECEIVER ASSEMBLY PLANTS, COLOR RECEIVER ASSEMBLY PLANTS, AND ALL MANUFACTURING PLANTS, 1971-1975, AND JANUARY-SEPTEMBER 1976



A-33

SOURCE: COMPILED FROM DATA SUBMITTED IN RESPONSE TO QUESTIONNAIRES OF THE U.S. INTERNATIONAL TRADE COMMISSION AND DATA PUBLISHED BY THE FEDERAL RESERVE BOARD.

U.S. production

According to data submitted by manufacturers of television receivers in the United States during the period 1971-75, total U.S. production of television receivers (monochrome and color), including those finished from imported incomplete receivers, fluctuated between a low of 6.9 million units in 1975 and a high of 11.0 million units in 1973 (see table 16). During January-September 1976, a total of 5.8 million receivers were produced, indicating that U.S. production in 1976 was greater than that in 1975 but less than that in any other year during 1971-75.

U.S. production of monochrome television receivers declined from 3.2 million sets in 1971 to 1.6 million sets in 1975. During January-September 1976, 1.2 million monochrome receivers were produced; on an annualized basis, this figure indicates a reversal of the downward trend of the preceding 5 years. The increase in 1976 is attributable to an increase in the production of receivers made from imported incomplete receivers, which are finished in the United States. Such production increased from \* \* \* units in January-September 1975 to \* \* \* units in January-September 1976 (see table 17).

The screen size of most of the complete monochrome television receivers produced in the United States during 1971-75 and January-September 1976 ranged from 11 to 19 inches (see table 18). These sizes accounted for 78 percent of the total number of monochrome receivers produced in 1971; this percentage increased each year thereafter, to 91 percent of the total in 1975. In January-September 1976, the output



of these sizes produced in the United States accounted for 95 percent of total production.

The production of color television receivers in the United States in recent years has ranged from a low of 5.4 million units in 1971 and 1975 to a high of 7.8 million units in 1973 (see table 16). During January-September 1976, 4.6 million units were produced. On an annualized basis, more than 6 million color television receivers were produced in 1976, more than were produced in 1975 but fewer than were produced in any other year during 1971-75, except for 1971, when 5.4 million receivers were produced. It is estimated that about 5 percent of U.S.-produced color receivers in 1975 and January-September 1976 were produced by finishing--principally installing a picture tube and cabinet on--imported incomplete receivers. Most of these incomplete receivers were finished in U.S. plants which are owned by Japanese firms.

\* \* \*

The majority of U.S. production of color television receivers during 1971-75 and January-September 1976 was concentrated in screen sizes of 18 inches and over (see table 18). U.S. production in these sizes ranged between 80 percent of total production in 1974 and 87 percent in 1972. During January-September 1976, 83 percent of total U.S. color receiver production was in these sizes.

U.S. producers' shipments of domestically  
produced television receivers

Total shipments of U.S.-produced television receivers during the period 1971 through January-September 1976 fluctuated from 8 million units valued at \$1.9 billion, in 1971 to 7.3 million units valued at \$2.0 billion, in 1975. The average unit value of domestically produced television receivers increased from \$242 in 1971 to \$277 in 1975 and to \$293 in January-September 1976 (based on table 19). The increase in unit value was caused by a shift in the composition of U.S. producers' shipments from monochrome receivers to more expensive color sets, as well as a tendency to concentrate production in larger screen sizes.

Monochrome receivers.--Both the quantity and value of U.S. producers' shipments of U.S.-made monochrome receivers decreased in each year during the period 1971-75 (see table 20). The data for January-September 1976 indicate that this downward trend was probably reversed for full-year 1976. The following table shows details for the period covered.

Complete monochrome television receivers: U.S. shipments, 1971-75,  
January-September 1975, and January-September 1976

Period	Quantity	Value
	<u>1,000</u>	<u>Million</u>
	<u>units</u>	<u>dollars</u>
1971-----	2,865	258
1972-----	2,508	215
1973-----	2,413	203
1974-----	1,963	163
1975-----	1,635	146
January-September--		
1975-----	1,150	103
1976-----	1,336	132

Source: Extracted from appendix table 20.

When monochrome receivers produced from imported incomplete receivers (see table 17) are subtracted from total U.S. producers' shipments, both the quantity and value of such shipments are reduced significantly, particularly in 1975 and January-September 1976. The following table shows shipments of U.S.-made monochrome receivers other than those assembled from imported incomplete receivers.

Complete monochrome television receivers (excluding those assembled from incomplete imported receivers): U.S. shipments, 1971-75, January-September 1975, and January-September 1976

Period	Quantity	Value
	<u>1,000</u>	<u>Million</u>
	<u>units</u>	<u>dollars</u>
1971-----		
1972-----		
1973-----		
1974-----		
1975-----	* * * * *	
January-September--		
1975-----		
1976-----		
* * *		

Source: Compiled from appendix tables 20 and 21.

For 1971-75, January-September 1975, and January-September 1976, shipments of U.S.-produced complete monochrome television receivers classified by screen sizes are as shown in table 22, and such shipments classified by brand-name, private-label, and original equipment manufacture (OEM) <sup>1/</sup> categories are shown in table 23. Since shipments of OEM types were negligible during the period covered by this investigation, they will not be separately analyzed in this report.

<sup>1/</sup> OEM-type receivers are those sets produced by one television receiver manufacturer for another such manufacturer.

Brand-name receivers accounted for the large majority of shipments of U.S.-produced monochrome receivers, and the quantity and value of such shipments generally followed the same trend as shipments of all U.S.-produced monochrome receivers. In terms of quantity, brand-name receivers ranged from a minimum of \* \* \* percent of the total in 1972 to a maximum of \* \* \* percent in January-September 1976.

Shipments of U.S.-produced private-label monochrome receivers increased from \* \* \* units, valued at \* \* \* million, in 1971 to a peak of \* \* \* units, valued at \* \* \* million, in 1972, and decreased each year thereafter to \* \* \* units, valued at \* \* \* million, in 1975. Shipments of such receivers amounted to \* \* \* units, valued at \* \* \* million, in January-September 1976, compared with \* \* \* units, valued at \* \* \* million, in the corresponding period of 1975, \* \* \*

\* \* \* . Shipments of U.S.-produced private-label monochrome receivers have declined in overall importance when compared to total U.S. shipments of private-label monochrome receivers; ranging between a high of \* \* \* percent in 1972 and a low of \* \* \* percent during the first 9 months of 1976 (see table on following page).

Domestic shipments of imported complete monochrome television receivers classified by brand-name, private-label, and OEM categories for 1971-75, January-September 1975, and January-September 1976 are shown in table 24. Shipments of imported OEM types were negligible.

Brand-name receivers accounted for the bulk of U.S. shipments of imported monochrome receivers, ranging in quantity from a maximum of 87 percent of the total in \* \* \* 1972 to a minimum of 77 percent of the total in 1975.

During 1971-75, U.S. shipments of imported private-label monochrome receivers ranged between a low of 377,000 units, valued at \$25.8 million, in 1971, and a high of 1.1 million units, valued at \$72.4 million, in 1973. Shipments of such receivers amounted to 521,000 units valued at \$38.8 million, in January-September 1976, compared with 508,000 units, valued at \$35.3 million, in the corresponding period of 1975. Shipments of imported private-label monochrome receivers have, unlike shipments of such U.S.-produced receivers, increased substantially in importance when compared to total U.S. shipments of private-label monochrome receivers. Such imported receivers ranged between a low of \*\*\* percent in 1972, and a high of \*\*\* percent during the first 9 months of 1976 (see table below).

Ratio of shipments of imported and U.S.-produced private-label monochrome television receivers (based on quantity) to total U.S. shipments of private-label monochrome television receivers, 1971-75, January-September 1975, and January-September 1976

(In percent)							
Kind of receiver	1971	1972	1973	1974	1975	January-September--	
						1975	1976
Imported-----	*	*	*	*	*	*	*
U.S.-produced----							

Source: Compiled from tables 23 and 24.

Color receivers.--The quantity and value of color receivers shipped by U.S. producers increased each year between 1971 and 1973, decreased in 1974 and 1975, and, on the basis of January-September 1976 figures, probably increased for the entire year 1976 (see table 25). Details are shown in the table below. Shipments of U.S.-produced color television receivers by screen size followed the same trend as total U.S. production of color receivers and are shown in detail in table 22.

Complete color television receivers: U.S. shipments, 1971-75, January-September 1975, and January-September 1976

Period	Quantity	Value	Unit value
	: 1,000	: Million:	
	: units	: dollars:	Dollars
1971-----	: 5,142	: 1,677	: 326
1972-----	: 6,497	: 2,033	: 313
1973-----	: 7,361	: 2,266	: 308
1974-----	: 6,485	: 1,963	: 303
1975-----	: 5,666	: 1,879	: 332
January-September--	:	:	:
1975-----	: 4,085	: 1,382	: 338
1976-----	: 4,428	: 1,555	: 351
	:	:	:

Source: Compiled from appendix table 25.

Brand-name receivers accounted for the large majority of shipments of U.S.-produced color receivers, and the quantity and value of such shipments generally followed the same trend as shipments of all U.S.-produced color receivers. In terms of quantity, brand-name receivers ranged from 83 percent of the total in 1974 to 94 percent in January-September 1976. Shipments of U.S.-produced complete color receivers classified by brand-name, private-label, and OEM categories for 1971-75, January-September 1975, and January-September 1976 are shown in table 23.

Shipments of U.S.-produced private-label color receivers increased from \* \* \* units valued at \* \* \* million, in 1971 to a peak of \* \* \* units valued at \* \* \* million in 1974, and decreased sharply thereafter to \* \* \* units, valued at \* \* \* million, in January-September 1976; \* \* \* units, valued at \* \* \* million, were shipped in the corresponding period of 1975. The large reduction in 1976 was primarily the result of one large private-label purchaser's switching to a foreign supplier for most of its purchases.

Brand-name receivers accounted for the majority of shipments of imported color receivers; however, the ratio of private-label receivers to total shipments is much higher than that of U.S.-produced private-label color receivers to the total, and the trend is sharply upward, as shown in the table on page A-42. Domestic shipments of imported complete color television receivers classified by brand-name, private-label, and OEM categories for 1971-75, January-September 1975, and January-September 1976 are shown in table 24.

Ratios of shipments of imported and U.S.-produced private-label color television receivers to total U.S. shipments of private-label color television receivers, 1971-75, January-September 1975, and January-September 1976

(In percent, based on quantity)							
Kind of receiver	1971	1972	1973	1974	1975	January-September--	
						1975	1976
Imported-----	*	*	*	*	*	*	*
U.S.-produced----							

Source: Compiled from appendix tables 23 and 24.

#### U.S. inventories

U.S. producers' inventories of all U.S.-produced television receivers fluctuated widely during 1971-75, as the table below indicates. As of September 30 of 1975 and 1976, such inventories remained steady at 822,000 units (see table 26).

Complete television receivers: U.S. inventories, U.S.-produced and imported receivers by types, Dec. 31 of 1971-75 and Sept. 30 of 1975 and 1976

(Quantity in thousands of units)							
Type	As of December 31--					As of September 30--	
	1971	1972	1973	1974	1975	1975	1976
U.S.-produced receivers:							
Monochrome-----	262	276	199	339	227	258	192
Color-----	360	366	417	678	498	564	630
Total-----	622	642	616	1,017	725	822	822
Imported receivers:							
Monochrome-----	414	420	445	889	645	514	698
Color-----	122	106	180	357	171	220	509
Total-----	536	526	625	1,246	816	734	1,207

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



Inventories of all imported television receivers in the United States ranged between a low of 526,000 units in 1972 and a high of nearly 1.3 million units in 1974. As of September 30, 1976, imported receivers held by importers and U.S. producers numbered 1.2 million units, 64 percent above the comparable 1975 period (see table on page A-42 and table 27).

In testimony before the Commission, U.S. importers contended that the run-off of receivers in importers' inventories during 1975 acted as a prime motivation for increasing imports of color receivers into the United States in 1976. Japanese importers are concerned about the possibility of a policy change that would exclude Japanese television receivers from the United States, and they may have increased their imports in 1976 to assure their U.S. customers of a sufficient number of receivers to meet demand should any restrictions be placed upon their imports.

#### U.S. exports

According to information compiled from data submitted to the U.S. International Trade Commission in response to its questionnaire, exports of complete television receivers during 1971-75 ranged from a high of 410,000 units in 1973 to a low of 210,000 in 1971 (see table 28). In 1974, exports accounted for 4.4 percent of total U.S. production of television receivers. During January-September 1976, this percentage increased to a record high of 4.9 percent. Since the total quantities and values of exports during the period under review have been minor in

relation to total U.S. production, further details and breakouts by the various categories will not be discussed in the body of this report. However, these details are provided in tables 19, 28, and 29.

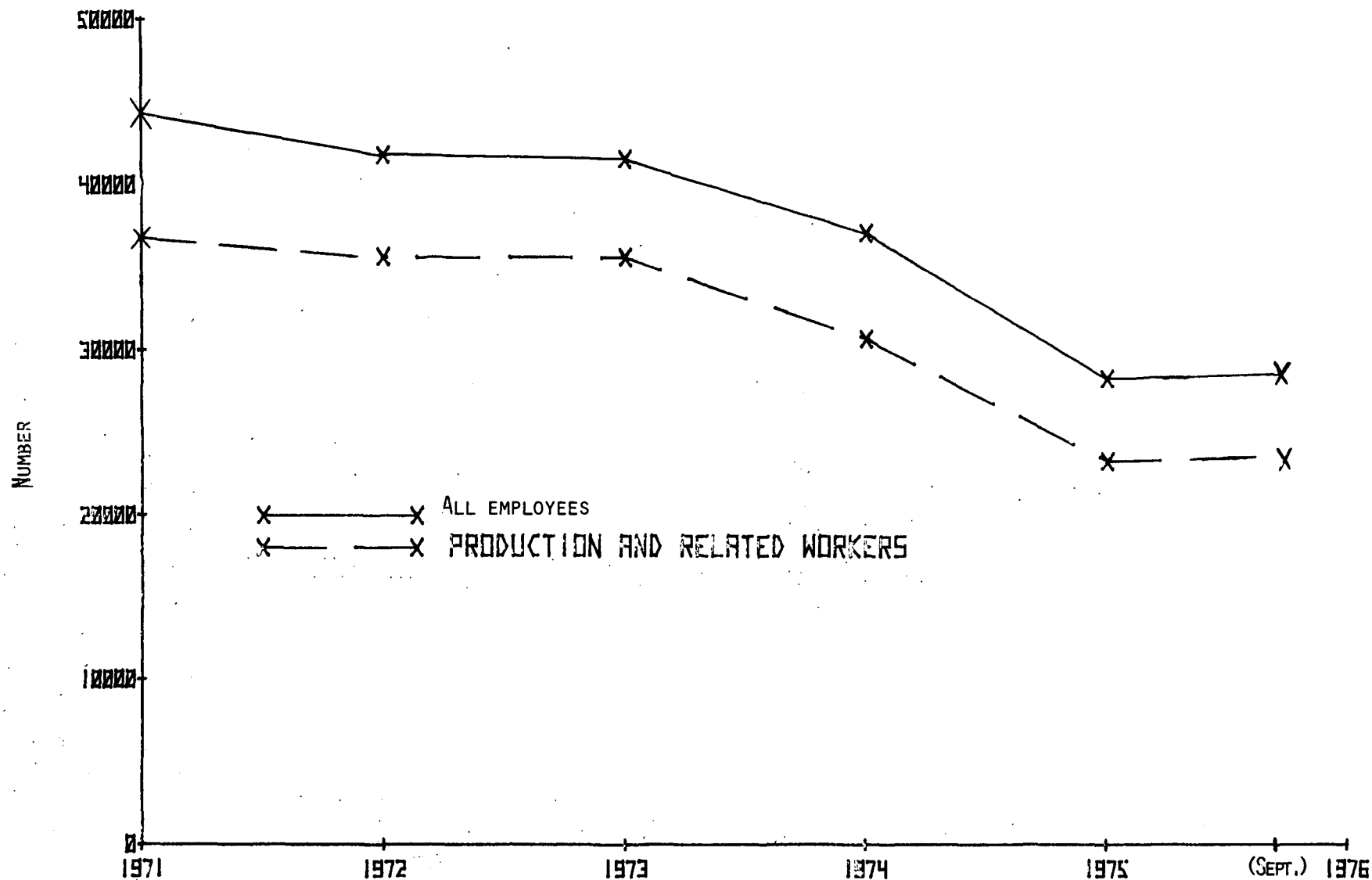
### Employment

The average number of all persons employed in U.S. television assembly plants remained relatively stable during 1971-74. During this period, employment ranged between a high of 42,920 persons in 1971 to a low of 37,243 in 1974 (see table 30). A substantial decrease in the average number of persons employed occurred in 1975, bringing the level of employment to 28,446 persons. The 1975 figure represents a decrease of 14,474 persons from the number in 1971, or 33.7 percent. The average number of persons in the first 9 months of 1976 was 28,851, representing an increase of 740 persons or 2.6 percent over the number employed during the corresponding period of the previous year.

Employment of production and related workers declined from 36,694 in 1971 to 23,388 in 1975, or by 36 percent. In the first 9 months of 1976 the employment situation improved slightly when 375 jobs were added to the industry work force. Trends in employment of all workers and production and related workers in U.S. television receiver plants in recent years are shown in figure 9 on the following page.

An analysis of employment must take into consideration the abnormal economic conditions which prevailed in the United States during 1974 and 1975. The drop in U.S. aggregate real output (gross national product

FIGURE 9.--AVERAGE NUMBER OF PERSONS EMPLOYED IN U.S. ESTABLISHMENTS IN WHICH TELEVISION RECEIVERS WERE ASSEMBLED, TOTAL AND PRODUCTION AND RELATED WORKERS, 1971-75, AND JANUARY-SEPTEMBER 1976



A-45

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

(GNP) in constant dollars) in 1974 was larger than any experienced during the preceding three decades. As a result, production and employment in the television manufacturing industry were adversely affected by the 1974-75 recession. Although production of television receivers rebounded during January-September 1976, employment in the industry made only minor gains in that period.

Another reason for the decline in employment lies in the use of more mechanized, capital-intensive production techniques by producers. This, in turn, suggests lower labor requirements at given levels of output. The table on the following page shows employment in U.S. television receiver plants during 1971-75, January-September 1975, and January-September 1976 and the absolute and percentage changes in employment between 1971 and September 1976.

Man-hours worked by production and related workers rose from the total of 50 million hours in 1971 to a total of 64 million hours in 1973. The number of man-hours worked declined significantly in 1974 and 1975 (see table 31).

Employment in the "electrical machinery, equipment and supplies" industry (standard industrial code (SIC) 36 industry), which encompasses the television receiver assembly industry, generally increased during the period surveyed, with employment losses reported in 1974 and 1975. Conversely, employment in the television receiver assembly industry reflected a declining trend. In the table on p. A-48, yearly percentage changes in employment in these two industries are compared.

Employment in the U.S. television receiver industry, by company 1971-1975, January-September 1975, January-September 1976

Company	1971	1972	1973	1974	1975	Jan.-Sept.--		Increase or	Percentage
						1975	1976	decrease (-)	change,
								September	September
						1975	1976	1976	1976 from
								over 1971	1971
Admiral Group-----	***	***	***	***	***	***	***	***	***
Andrea Radio Corp-----	***	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co--	***	***	***	***	***	***	***	***	***
Motorola, Inc. 1/-----	***	***	***	***	***	***	***	***	***
Philco Consumer Electronics									
Co. 1/-----	***	***	***	***	***	***	***	***	***
Quasar Electronics Co. 3/-----	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***
Teledyne Packard Bell Co. 1/-----	***	***	***	***	***	***	***	***	***
Warwick Electronics Inc-----	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics, Corp----	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***
Total-----	42,920	41,857	41,646	37,243	28,446	28,111	28,851	-14,069	-32.8

1/ Data are estimated.

2/ Philco's employment data for 1975, and January-September 1975, and January-September 1976 has been incorporated into employment data of GTE Sylvania Inc. during the same period.

3/ Quasar Electronics Co. purchased the television business of Motorola in 1974.

Source: Compiled from the data submitted in response to questionnaires of the U.S. International Trade Commission.

Percentage changes in employment in the television receiver assembly industry and the electrical machinery, equipment and supplies industry (SIC 36), 1971-75, and January-September 1976

Industry and source of employment data	1972 from 1971	1973 from 1972	1974 from 1973	1975 from 1974	January- September 1976 from 1975
Television receiver assembly (Commission)-----	-2.5	-0.05	-10.7	-30.9	1.4
Electrical machinery, equipment and supplies (BLS)-----	3.3	13.4	-2.0	-16.4	5.1

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and data published by the Bureau of Labor Statistics.

Increases in productivity of U.S. producers of television receivers have resulted from technological changes in the assembly line operations. Wave soldering, automatic sequencing, automatic insertion, and the use of solid-state circuitry are some examples of the changes that have resulted in increased productivity. It is clear from questionnaire responses that the largest and most successful U.S. producers experienced significant increases in productivity during the years 1971-74; the productivity of these firms remained relatively unchanged in 1975 and January-September 1976.

The Commission did not report data on wage trends in the U.S. television assembly industry since official wage statistics are gathered on a broader industry than that covered by this investigation.

Prices

The price data developed by the staff are for 12-inch monochrome solid-state receivers and 19-inch color solid-state receivers. The data are quarterly and are based on producers' and importers' sales to their largest retail dealers. Some recipients of questionnaires (1) did not report any price data, (2) did not report data in the manner requested, (3) do not sell directly to retailers, or (4) do not make 100-percent-solid-state receivers. Consequently, it is desirable to compare price indexes derived from the Commission's data with price indexes from other sources. A comparison of wholesale price indexes based on price data on U.S.-produced sets reported to the Commission (USITC) and wholesale price indexes based on those published by the U.S. Bureau of Labor Statistics (BLS) are shown on the following page.

Indexes of wholesale prices for complete television receivers, by types  
and by quarters, 1972-75 and January-September 1976

(1974=100.0)

Period	Monochrome		Color	
	Commission: index	BLS index	Commission: index	BLS index
1972:				
January-March-----	1/	101.0	110.1	105.4
April-June-----	1/	100.2	105.0	104.6
July-September-----	1/	99.7	95.9	103.4
October-December-----	1/	99.0	88.4	102.7
1973:				
January-March-----	1/	98.9	102.6	102.0
April-June-----	1/	98.0	99.6	100.9
July-September-----	99.4	98.1	96.8	100.2
October-December-----	99.4	98.4	97.9	100.4
1974:				
January-March-----	103.7	98.5	99.2	98.6
April-June-----	106.1	98.9	99.1	99.8
July-September-----	103.5	101.0	101.1	100.6
October-December-----	102.5	101.6	100.6	101.2
1975:				
January-March-----	107.7	103.9	102.1	101.8
April-June-----	105.5	103.5	100.2	101.8
July-September-----	108.1	107.3	101.6	103.5
October-December-----	106.4	105.5	100.8	105.3
1976:				
January-March-----	107.7	103.5	98.0	103.9
April-June-----	107.7	102.6	96.0	102.4
July-September-----	104.5	-	95.4	

1/ No data reported.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and compiled from Wholesales Prices and Price Indexes, U.S. Bureau of Labor Statistics (data adjusted to a 1974 base).



BLS obtains its price data from four U.S. producers which report on a voluntary basis. It should be noted that BLS data for monochrome receivers were formerly for 19-inch receivers, but BLS switched to 12-inch receivers in 1976. For continuity of data, it used a statistical-linking procedure. The BLS data for color receivers are for 25-inch consoles. (BLS began to compile data on 19-inch portable color sets in June 1976.)

Because of the short time period for which U.S. producers were able to report data to the Commission, 1/ the BLS data series is a preferable indicator of price movements of monochrome sets. These data indicate that prices were declining during 1972 and part of 1973, after which they rose and peaked in the third quarter of 1975. At that time, they were about 6 percent higher than in the beginning of 1972. In the second quarter of 1976 they were only 2.4 percent higher than in the second quarter of 1972. In this connection, it is worth noting that the BLS wholesale price index for durable consumer goods was 27.5 percent higher in 1976, than in 1972. Using BLS data, Economic Indicators, a monthly periodical of the Joint Economic Committee, U.S. Congress, reports that, in 1976 the wholesale price index of durable consumer goods was 144.3 (1967=100) compared with 113.2 in 1972.

With the exception of 1972, when the data collected were inadequate, the Commission data on 19-inch color receivers appear to be reasonably representative of the price movements of U.S.-made color receivers.

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1/ The Commission's questionnaires specified solid-state receivers. No usable price data on U.S.-produced 12-inch monochrome sets were reported for 1972 and the first two quarters of 1973. The BLS did not restrict its price indexes to solid-state receivers.

For almost all the 3-month periods during January 1973-March 1975, the Commission indexes and the BLS indexes correspond closely. However, while prices of U.S.-made color sets as reflected in the Commission series changed little in 1975, the BLS series indicates a significant upward price movement in that year.

Both series indicate a softening of 1976 prices compared with 1975 prices. Further, in the second quarter of 1976 the prices of 19-inch color receivers, compiled by the Commission, were about 4 percent lower than in the corresponding quarter of 1973. In contrast, in the second quarter of 1976 the prices of 25-inch color consoles, as indicated by BLS data, were about 1 percent higher than in the corresponding quarter of 1973. U.S.-produced 19-inch color sets compete with similar imported sets, whereas U.S.-produced 25-inch color sets do not compete with foreign-made sets of that screen size. Moreover, in 1976 the market penetration by imported 19-inch color sets increased substantially.

In reporting their net selling prices to the Commission, some U.S. importers apparently selected models that were at the top of their lines, or close to the top, in each of the classes specified. Indeed, these prices were often higher than those reported by domestic producers for U.S.-produced sets. The Commission has prepared index numbers of the wholesale selling prices of sets imported from Japan for comparison with the indexes of Japanese exporters' selling prices compiled by the Bank of Japan, as follows:

(1974=100.0)					
Period	Monochrome		Color		
	Commission	Bank of Japan	Commission	Bank of Japan	
	index	index 1/	index	index 1/	
1972-----	91.8	109.1	90.6	93.4	
1973-----	94.1	98.4	105.3	90.1	
1974-----	100.0	100.0	100.0	100.0	
1975-----	100.8	97.0	98.3	98.8	
1976-----	<u>2/</u> 102.4	<u>3/</u>	<u>2/</u> 99.9	<u>3/</u>	

1/ Data adjusted to a 1974 base.

2/ January-September 1976.

3/ Not available.

The price data from which the Commission indexes were derived are shown in tables 32 and 33.

#### Profit-and-loss experience of domestic producers

The financial data presented in this section were obtained from questionnaire responses of 11 1/ producers which account for more than 90 percent of the domestic production of television receivers. Practically all of the respondents are publicly held corporations or subsidiaries thereof with several respondents being subsidiaries of Japanese-owned firms. The overall operations of the establishments producing television receivers will not be discussed in this section since the majority of the respondents reported their overall operations of their establishments producing televisions to be the same or nearly the

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1/ One additional producer, GTE Sylvania Inc., is included in the table on p. A-58 and is not included in other tables \* \* \*

same as their television receiver operations. All financial data discussed cover monochrome and color receivers combined since only four of the respondents could accurately break out their profit-and-loss experience on each type of receiver separately.

One firm, Sony Corp. of America, reported data on a fiscal year ending October 31; two of the respondents, Quasar Electronics Co., and Curtis Mathes Manufacturing Co., reported data on a fiscal year ending May 31, and the remaining firms operated on a calendar-year basis.

Net sales of television receivers as shown in the following table and table 34 increased from \$2.1 billion in 1971 to \$2.5 billion in 1972 and \$2.7 billion in 1973 before declining slightly to \$2.6 billion in 1974 and \$2.3 billion in 1975. An examination of the sales data in table 34 reveals that four of the eleven producers began to show a decline in sales in the peak sales year 1973 that continued through 1975.

\* \* \*

Practically all companies showed annual declines in sales for 1974 and 1975; some companies reported nominal increases in 1975.

Aggregate profit-and-loss experience of 10 U.S. producers on their overall television receiver operations, 1971-75 and accounting periods ended on or about Sept. 30, 1976

Period	Net sales	Net operating profit or (loss) before income taxes	Ratio of net operating profit or (loss) to net sales
	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>Percent</u>
1971-----	2,093,283	182,681	8.7
1972-----	2,499,997	213,882	8.6
1973-----	2,748,409	159,439	5.8
1974-----	2,553,030	(30,879)	(1.2)
1975-----	2,274,483	13,493	.6
1976 (Sept. 30)-----	1,812,194	78,766	4.3

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Net operating profit on television receivers increased from \$182.7 million in 1971 to \$213.9 million in 1972; it decreased in 1973, and a net operating loss of \$30.9 million occurred in 1974. The industry returned to a profit position in 1975, with a net operating profit of \$13.5 million, and then showed continued improvement with \$78.8 million in operating profit for the period ended September 30, 1976. The ratio of net operating profit to net sales amounted to 8.7 percent in 1971 and 8.6 percent in 1972, and then fell to 5.8 percent in 1973; there was a net operating loss of 1.2 percent in 1974. The industry approximately broke even in 1975 with an operating profit ratio of 0.6 percent, which was followed by a 4.3 percent profit for the accounting period ended September 30, 1976.

\* \* \*

The data for the individual company operations in table 33 shows that even though there was an upward trend in sales for the period 1971-73, the operating-profit position for the majority of the respondents was weakening during that period. In 1974, the worst year for the domestic producers, only four producers managed to show a profit.

\* \* \* \* \*

In 1975, profit-or-loss ratios continued to decline for four of the producers, while profit-or loss ratios improved slightly for five producers and remained practically unchanged for one producer. Operations in the accounting period ended September 30, 1976, show improved operations for all but one producer, which reported very little change; even though the majority of the producers did experience improved operations, all producers but four sustained losses for the accounting period ended September 30, 1976.

The following table shows the distribution of the ratios of net operating profit or loss to net sales for 12 producers of television receivers. One additional producer, GTE Sylvania Inc., is included in this table but was not included in the data previously discussed from table 34

\*            \*            \*

The total number of companies manufacturing television receivers fluctuated during the period covered in the following table. Because of the entrance of Sony Corp. of America into the market in 1972, the total number of manufacturers increased to 11 and stayed at that level through 1973. In 1974, the total increased to 12 with the exception of Quasar Electronics Co., Division of Matsushita Electric Corp. of America, which purchased Motorola in mid-1974. The total drops down to 11 again in 1975 and for the accounting period ended September 10, 1976, as a result of the exiting of Motorola from the market.

Distribution of the ratios of net operating profit or loss to net sales for 11 domestic producers <sup>1/</sup> of television receivers, 1971-75, and accounting periods ended Sept.30, 1976

Ratio	(Number of firms)					Sept. 30, 1976
	1971	1972	1973	1974 <sup>2/</sup>	1975	
Less than 0 percent-----:	3	3	5	8	8	7
0 to 5 percent-----:	4	5	3	4	2	1
6 to 10 percent-----:	1	1	2	0	1	3
11 to 20 percent-----:	2	2	1	0	0	0

<sup>1/</sup> One additional producer, GTE Sylvania Inc., is included in this table but was not included in the other tables \* \* \*

<sup>2/</sup> Owing to the purchase of Motorola, Inc., by Quasar Electronics Co., in mid-1974, there are 12 companies reporting in that year.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

A comparison of trends in net operating profit ratios for the domestic television industry with the corresponding ratios for the electrical and electronic equipment industry and for all manufacturing corporations shows divergent patterns. Domestic television receiver producers operated on a downward trend in 1971-75, whereas the producers of electrical and electronic equipment and all manufacturing corporations operated on an upward trend through 1973 and a downward trend through 1975. All three categories of producers showed improved operating results in 1976. As shown in the following table, television producers made higher profits than the other two categories of manufacturers in 1971 and 1972, but lower profits in the remaining years of the period.



Ratios of net operating profit or loss to net sales for domestic producers of television receivers, electrical and electronic equipment, and all manufacturing corporations, 1971-75 and January-June 1976

Industry	1971	1972	1973	1974	1975	Jan.-June 1976
Television receiver-----	8.7	8.6	5.8	(1.2)	0.6	<u>1/</u> 4.7
Electrical and electronic equipment-----	7.0	7.7	8.4	7.1	6.2	7.3
All manufacturing corpora- tions-----	7.4	7.8	8.5	7.9	7.2	8.4

1/ Data for accounting periods ended on or about Sept. 30, 1976.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from the Federal Trade Commission quarterly financial report for manufacturing operations.

The trend in net profit before income taxes and after other income and expense items (corporate charges, effects of change in inventory valuation, interest expense, interest income, and so forth) for the period covered parallels the trend in net operating profit. Net profit before taxes rose from \$151.9 million in 1971 to \$167.6 million in 1972 and then fell to \$110.3 million in 1973; net losses of \$112.1 million and \$41.7 million occurred in 1974 and 1975, respectively. Data reported for the accounting period ending September 30, 1976, show the industry in a profit position;

\* \* \*

\* \* \*

Capital expenditures and research  
and development costs 1/

Total capital expenditures for U.S. production facilities increased annually from \$22.4 million in 1971 to \$75.3 million in 1974 and then dropped sharply to \$44.9 million in 1975 (see table 35). The bulk of the total capital expenditures were new machinery and building and leasehold improvements. The following table shows a breakdown of capital expenditures for U.S. facilities by types of expenditures for the years 1971-75 and accounting periods ending September 30, 1976.

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1/ Capital expenditures data are for 9 U.S. producers, and research and development costs are for 10 U.S. producers. Some companies could not provide such data or had no expenditures to report.

Television receivers: Capital expenditures by 9 U.S. producers for U.S. facilities that are used primarily in the production or assembly of television receivers and/or parts thereof, 1971-75 and accounting periods ended on or about Sept. 30, 1976

(In thousands of dollars)						
Item	: 1971	: 1972	: 1973	: 1974	: 1975	: Sept. 30, 1976
Land, land improve-	:	:	:	:	:	:
ments-----	: 172	: 1,025	: 2,347	: 287	: 79	: 4
Building, leasehold	:	:	:	:	:	:
improvements-----	: 2,733	: 3,607	: 23,343	: 22,363	: 19,479	: 5,511
Machinery, equipment,	:	:	:	:	:	:
and fixtures:	:	:	:	:	:	:
New-----	: 19,405	: 23,687	: 44,051	: 52,518	: 25,076	: 17,680
Used-----	: 16	: 22	: 81	: 96	: 164	: 11
Other-----	: 113	: 24	: 31	: 23	: 68	: 34
Total-----	: 22,439	: 28,365	: 69,853	: 75,287	: 44,866	: 23,240
	:	:	:	:	:	:

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Capital expenditures by U.S. companies for production facilities outside the United States fluctuated annually throughout the 5-year period. Foreign expenditures decreased from \$5.5 million in 1971 to \$3.8 million in 1972, increased to \$6.3 million in 1973, decreased to \$3.5 million in 1974, and then increased to \$5.8 million in 1975. As with expenditures for domestic facilities, funds invested in foreign facilities were predominantly for new machinery and building and leasehold improvements. The following table shows a breakdown of capital expenditures in foreign facilities by types of expenditures.

Television receivers: Capital expenditures by 9 U.S. producers for foreign facilities that are used primarily in the production or assembly of television receivers and/or parts thereof, 1971-75 and accounting periods ending on or about September 30, 1976

(In thousands of dollars)						
Item	1971	1972	1973	1974	1975	Sept. 30, 1976
Land, land improve- ments-----	-	-	92	6	24	-
Building, leasehold improvements-----	2,460	238	2,217	549	1,270	297
Machinery, equipment, and fixtures:						
New-----	2,714	3,185	3,593	2,787	2,109	2,505
Used-----	354	369	386	193	98	202
Other-----	-	-	60	-	2,257	33
Total-----	5,528	3,792	6,348	3,535	5,758	3,037

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Research and development, as shown in table 35, includes the development of new products, improvements in existing products, testing of competitors' products, development of new or improved manufacturing methods, development of new and special machines, testing of raw materials, and pure research. Research and development costs decreased slightly from \$59.2 million in 1971 to \$54.9 million in 1972, and then rose to about \$72.0 million in 1974 and 1975.       \*       \*       \*

The Question of Imports as a Substantial Cause of  
Serious Injury

Factors influencing demand

Nearly 98 percent of the households in the United States have at least one television receiver, and more than 75 percent of all households have two or more sets. <sup>1/</sup> For several years the Electronic Industries Association, in its annual Electronic Market Data Book, has said, "There are more TV sets in use in the United States than telephones, refrigerators, or bathtubs."

In spite of the 98-percent figure cited above, the market for television receivers is far from saturated. Innovations in technology and styling have greatly stimulated demand. Since the market for used receivers is insignificant, the purchaser of a new receiver customarily keeps the old one as a second or third set if it is not in need of costly repairs.

The advent of solid-state receivers, with their greater reliability (lower repair bills) and energy conservation, is an important stimulus to demand. The Electronic Industries Association (in the Data Book) estimates that, over a 12-year period, "a solid-state color set will save its owner an average of \$230 in electricity bills as compared with an all-tube model."

The growing popularity of electronic games, video tape recorders, and video tape cassettes, which are attachments to television receivers, should have a positive influence on the demand for receivers as well as for the attachments.

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<sup>1/</sup> Electronic Industries Association, 1976 Electronic Market Data Book, p. 6.

Fluctuations in real GNP are a major factor in fluctuations in the demand for television receivers. 1/ Other important factors are the prices of television receivers compared with the prices of other goods and services that compete for the consumer dollar; 2/ the marketing strategies of U.S. producers, importers, and dealers; household formations; the availability of a broad range of styles and types of receivers; the availability and terms of credit; and the cost of repairing old receivers.

The alleged lack of responsiveness on behalf of U.S. producers to the needs of large U.S. retailers has resulted in some U.S. retailers switching their purchases of private-label receivers from domestic producers to importers. One example, Sears, Roebuck & Co., in August 1975 announced plans to purchase over 50 percent of its private-label receivers from Sanyo and Toshiba. This move displaced Warwick as the number one Sears supplier. The recent takeover of Warwick Electronics Inc. by Sanyo gives Sanyo approximately a \* \* %-percent share of Sears' purchases of color televisions.

In the Commission's hearings on television receivers, representatives of U.S. retailers stated that domestic manufacturers are less willing to meet the private-label demand of large mass merchandisers than are foreign television producers. In addition, the retailers claim that many of their requests for bids on their private-label requirements have been ignored by U.S. manufacturers.

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1/ It is worth noting that the ratio of consumer disposable income to GNP has changed little in recent years.

2/ In July 1976, the BLS wholesale price index for consumer durable goods was 143.5 (1967=100). In the same month, the BLS wholesale price index for television receivers was 90.9.

Domestic producers contended that most imported private-label receivers are of a lower quality than brand-name receivers. It was further stated that some of the smaller domestic producers were forced to compete with these lower quality, lower priced imported private-label receivers or suffer a loss of market share. The profit margins on private-label units were reported to be lower than those for brand-name receivers. Therefore, those U.S. companies attempting to compete with the bottom-of-the-line private-label sets have found themselves in serious economic trouble.

Importers also stated at the Commission's hearing that U.S. producers' failure to produce and market small-screen receivers in earlier years was a serious marketing error and a substantial cause of injury to the domestic industry. U.S. manufacturers concentrated production on "big-ticket" items such as large-screen console models, leaving the market for small-screen models open to foreign competition. Data on U.S. production of television receivers by screen size (see table 14) confirms that the bulk of U.S. production consists of receivers of 18 inches and over, but it also establishes that U.S. producers have made large numbers of the smaller-screen-size sets.

#### U.S. consumption

Apparent U.S. consumption of complete television receivers, monochrome and color, in terms of quantity, has fluctuated over the 1971-75 period and during the periods January-September 1975 and January-September 1976, as indicated in the following table (also see tables 19, 20, and 25).

Complete television receivers: Apparent U.S. consumption, by types,  
1971-75, January-September 1975, and January-September 1976

Period	Monochrome	Color	Total
	Quantity (1,000 units)		
1971-----	6,442	6,220	12,642
1972-----	6,670	7,490	14,160
1973-----	6,879	8,414	15,293
1974-----	5,774	7,469	13,243
1975-----	4,420	6,937	11,357
January-September--			
1975-----	3,504	5,035	8,539
1976-----	3,991	6,221	10,212
	Ratio of imports to consumption (percent)		
1971-----	57.3	18.7	38.3
1972-----	64.5	15.2	38.4
1973-----	67.6	15.2	38.7
1974-----	69.2	15.7	39.0
1975-----	66.7	20.0	38.2
January-September--			
1975-----	60.5	20.4	36.8
1976-----	69.6	30.5	45.8

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Possible substantial causes of serious  
injury, or the threat of serious injury,  
other than imports

Dominance of two large producers.--Zenith and RCA combined supplied over \*\*\* percent of the domestic color television market during January-September 1976, whereas the next largest U.S. producer supplied less than \* \* \* percent.       \*       \*       \*       In the Commission hearings



held in connection with this investigation, opponents to the petition claimed that the success of these two firms can be attributed to dynamic management and aggressive marketing techniques and that their success has been at the expense of other domestic producers

\* \* \*

The table on the following page indicates each supplier's share of the U.S. market throughout the period under review.

Recession.--During 1974 and 1975, the U.S. economy experienced a recession that resulted in a decrease in consumer durable goods consumption. The table on p. A-69 traces the percentage changes in this economic indicator for 1969-75 and January-September 1976. Note that both GNP and durable goods consumption declined in 1974 and again in 1975.

Television receivers: principal suppliers' shares of domestic shipments, by firms and by types, 1971-75,  
January-September 1975, and January-September 1976

Firm	(In percent)													
	Monochrome							Color						
	1971	1972	1973	1974	1975	January-September--		1971	1972	1973	1974	1975	January-September--	
						1975	1976						1975	1976
Admiral Group-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
General Electric Co.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc./Philco Consumer Electronics Co.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hitachi Sales Corp.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
J. C. Penney Co. Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Melco Sales, Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Montgomery Ward & Co., Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Panasonic Co. 2/-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Quasar Electronics Co.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
RCA Corp.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sanyo Electric, Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sears, Roebuck & Co. 3/-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sharp Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America (importer)-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America (producer)-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Toshiba America, Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Warwick Electronics Inc-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp.-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All others-----	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

2/ Panasonic Co. and Quasar Electronics Co. are both owned by Matsushita Electric of Japan; thus, for market-share analysis these 2 companies may be combined.

3/ \* \* \*.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Because of rounding, figures may not add to the totals shown.

U.S. GNP, consumer durable goods consumption, and producers' shipments,  
1969-75 and January-September 1976

(In constant 1972 dollars)

Period	GNP	Percentage: change in GNP from preceding year	Consumer durable goods consumption	Percentage change in durable goods consumption from preceding year	U.S. television (monochrome and color) production	Percentage change in U.S. tele- vision production from preceding year
	<u>Billion</u> <u>dollars</u>		<u>Billion</u> <u>dollars</u>		<u>1,000 dollars</u>	
1969-----	1,078.8	-	91.9	-	9,050	-
1970-----	1,075.3	-.3	88.9	-3.3	7,873	-14.9
1971-----	1,107.5	3.0	98.1	10.4	8,007	1.7
1972-----	1,171.1	5.7	111.2	13.4	9,003	12.4
1973-----	1,235.0	5.5	121.8	9.5	9,774	8.6
1974-----	1,214.0	-1.7	112.3	-7.8	8,448	-15.7
1975-----	1,191.7	-1.9	111.9	-0.4	7,301	-15.7
Jan.-Sept. 1976---	1,272.2	6.8	126.2	12.8	5,764	-

Source: Bureau of Economic Analysis, U.S. Department of Commerce and table 15.

The effect of the 2-year decline in durable goods consumption is evidenced in the lower production levels reported for television receivers in 1974 and 1975. The total quantity of television receivers imports also declined in this period, although imports of color receivers actually increased in 1975 (see tables 18 and 24). In terms of value, the import to consumption ratio increased in each of the years 1974 and 1975 which would indicate imports (as compared to U.S. production) were not as severely affected by the recession. Employment, as noted earlier in this report, followed a trend similar to that of production in 1974 and 1975 (see table 29).

Distribution of television receivers to retailers.--In a brief submitted to the Commission, the American Retail Federation (ARF) explains that another possible cause of serious injury is the present market structure in the United States for the sale of television receivers. The ARF contends that U.S. producers remain committed to their traditional distribution methods, which are more costly and less effective than those of foreign producers. Some domestic producers, the ARF points out, use a multiple-step distribution system that places a distributor between the manufacturer and the retailer, resulting in extra marketing cost that is passed on to the ultimate consumer. The retailers claim that the use of distributors, each charging his own markup, creates uncertainty in predicting profits from a given series of transactions. Further, the multiple-step distribution system creates uncertainty in predicting supplies of television receivers on a nationwide basis.

U.S. retailers which operate on a large scale at the national level find it more difficult to deal with U.S. producers than with many foreign producers because of the nonuniform pricing policy of domestic manufacturers. The ARF contends that its members can get a single nationwide price on a particular television model from the central U.S. trading office of Japanese firms. Domestic producers argue that while additional distribution steps do increase costs, these costs are offset by the savings in the ex-factory price resulting from less paperwork and fewer coordinating personnel needed for a direct-sell system.

The Foreign Industry 1/

Japan

Japan is the world's leading producer of television receivers and the leading supplier of such receivers to the United States. Data on Japanese production and exports for 1971-75, January-November 1975, and January-November 1976 were as follows:

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1/ Most of the subsection dealing with Japan is based on The U.S. Consumer Electronics Industry, U.S. Department of Commerce, September 1975.

Television receivers: Japanese production and exports, 1971-75,  
January-November 1975, and January-November 1976

(In thousands of units)

Period	Color receivers			Monochrome receivers		
	Production <u>1/</u>	Exports <u>2/</u>		Production:	Exports	
		Total	To		Total	To
			United States:			United States
1971-----	6,872	1,577	1,237	5,378	4,668	2,638
1972-----	8,388	1,949	1,109	4,650	3,829	1,524
1973-----	8,758	2,092	1,095	3,681	3,309	879
1974-----	7,328	2,288	1,001	3,750	3,638	775
1975-----	7,473	2,756	1,215	3,152	3,041	647
January-November--						
1975-----	6,638	2,460	1,089	2,858	2,731	584
1976-----	9,540	4,678	2,664	4,172	4,192	1,335

1/ Data exclude kits and chassis.

2/ Data include kits and chassis.

Source: Counsel for the Electronic Industries Association of Japan, on the basis of data compiled by the Japanese Ministry of Trade and Industry (production) and the Ministry of Finance (exports).

As in the United States, there has been a decline in the number of producers in Japan. In 1963, there were 22; in 1970, 18; and in 1972, 15. There are currently 11 producers.

Japan's success in exporting television receivers to the United States is based on a combination of astute business management, initiation or adoption of product innovations, high productivity of labor, Japanese Government policies and laws, and effective marketing strategy and tactics. A large part of the technological foundation of the Japanese industry is based on licensing of know-how from U.S. and Western European companies.

Japanese penetration of the U.S. market for consumer electronic products began in 1955 with transistor radios. The production of consumer electronic products was stimulated in both variety and volume by legislative action, the decisions of business managements, and by the growth and development of the Japanese economy. The effect was rapid. The report of the U.S. Department of Commerce cited above says, in part:

By 1965, the Japanese home market for monochrome television sets was approaching saturation. Production costs and prices had declined sharply and were well below U.S. levels; exports, especially to the United States, began to increase rapidly. The principal export items were tape recorders, packaged high-fidelity systems, and monochrome television sets.

In the mid-1960's, the United States was in the midst of the color television boom. Industry profits were at the highest level since the early 1950's. Between 1965 and 1968, there was a rapid expansion in U.S. military and space electronics procurement.

The Japanese producers of consumer electronic products had already developed a reputation for product innovations. They introduced transistorized portable television sets to the United States in the early 1960's, and preceded U.S. producers in making and marketing all solid-state television sets.

The aforementioned U.S. Department of Commerce report credits the Japanese with entering the U.S. market with products that U.S. electronics manufacturers were neglecting. These products consisted of small, low-priced transistor radios and tape recorders, small-screen television sets, and low-priced compact stereo systems.

In appraising the market situation as it existed when the Japanese were at an early stage of making inroads, the report notes that U.S. producers of consumer electronic products were "concentrating on big-ticket items. Radios were either consoles or large table models. Phonographs were either consoles or . . . cheap portables for the youth market. Television receivers were mainly large-screen models during the earlier years . . . ."

The report also notes that the traditional distribution outlets for consumer electronic products were not well suited for Japanese products, which were small and relatively inexpensive. In order to obtain large-scale distribution of small, compact televisions, radios, recorders, and players, the Japanese secured nontraditional outlets such as drugstores, variety stores, small-appliance dealers, and discount stores.

The attractiveness of the United States to Japanese manufacturing and trading companies is easily understood because the U.S. consumer electronics market is the largest in the world, and the second largest, the European Community, has higher import barriers. The Community has a common external tariff of 14 percent ad valorem, on a c.i.f. basis. Imports are also subject to turnover taxes ranging from 11 percent to 33 percent. Moreover, there are quantitative restrictions on imports of television receivers into certain countries of the EC. For example, Japan exercises voluntary restraint on its exports of television receivers to the United Kingdom. The control of trade between Japan and France is more comprehensive. Each year, the National Federation of Electrical Industries of France and the Electronic Industries Association of Japan



conduct bilateral negotiations at which they allocate imports and exports of electronic products (including television receivers) and parts.

The Japanese Government has enacted a number of laws to stimulate the growth and development of the Japanese consumer electronics industrial complex. In 1956 the Machinery Temporary Measures Law provided financial assistance to producers and stimulated activity in research and development. According to the Commerce Department report, the Provisional Measures Law Concerning the Promotion of the Electronic Industry (in effect from 1957 to 1969), among other things, granted extra allowances for depreciation based on increased exports and granted a tax exemption for expenditures devoted to developing foreign markets. The Government also promoted exports by its activities abroad. The development of the Japanese electronics industry was aided by import quotas and by the refusal of the Japanese Government to grant import and foreign-exchange licenses. Moreover, foreign investment was restricted.

In 1970 the Japanese Government enacted the Customs Temporary Measures Law to provide duty-free treatment for the Japanese content of television sets and certain electronic components imported from abroad. It facilitated imports from areas with lower labor costs, notably in the Far East. This law is comparable to items 806.30 and 807.00 of the TSUS.

In 1971 the Electronic Industry and Specified Machinery Industry Promotion Temporary Measures Law (1971-79) replaced the Machinery Temporary Measures Law. Among the objectives of the new law are improvement of performance and reduction of manufacturing costs. It authorizes

financial aid and Government guidance for certain segments of the electronics industry and also authorizes companies to form cartels. Among other things, this law promotes research and development in connection with a variety of electronic components.

The Government of Japan has liberalized its restrictions on foreign investment in electronics. For several years, direct 100-percent foreign investment in firms making radios, television receivers, tape recorders, or record players has been permissible.

The aforementioned report of the Department of Commerce notes that Japanese industries' heavy reliance on "short-term bank financing at favorable rates . . . provides a strong incentive to keep production lines running when markets soften through incremental pricing, e.g., export prices may be set below domestic prices to maintain volume."

The report also takes cognizance of the "Japanese tradition of lifetime employment with a single firm . . . a factor in reducing . . . labor turnover costs and . . . the pressure for higher wages."

Counsel for the Japanese Electronic Industries Association points out that the current law, intended to spur the growth and improvement of Japan's electronics industry, was designed to promote the development of a home-based computer-manufacturing industry, and that the manufacture of 100-percent solid-state televisions in Japan began several years prior to the enactment of the current law in 1971. Exhibit 17, introduced at the Commission's hearing, indicates that solid-state television receivers were exported to the United States at least as early as 1960, and that in 1960 the models contained one tube in addition to the picture tube.

Japan also has product-safety standards (which are applicable to television receivers) that are intended to protect consumers. These standards are met by Japanese television sets produced for the home market. (Such sets differ substantially from the sets that Japan exports to the United States.) Sets produced in the United States reportedly do not meet those standards.

In the early 1960's Zenith Radio Corp. negotiated with C. Itoh & Co. with the objective of exporting U.S.-produced television receivers to Japan, and the Japanese Government prevented the trade. Zenith made another attempt beginning in July 1972. In connection with that attempt a semiofficial Japanese agency raised objections to the technical characteristics of Zenith receivers from time to time, thus thwarting the desire of Zenith and C. Itoh to enter into a supplier-customer relationship. Finally, in February 1974 Zenith's management decided to give up its efforts to satisfy that agency. A Zenith spokesman further alleges that various Japanese manufacturers control various Japanese retail outlets, thus controlling the brands that these outlets are permitted to purchase and sell.

#### Taiwan

Taiwan is the second leading supplier of U.S. imports of television receivers. In January-October 1976, Taiwan's exports of color receivers to the United States were equivalent to 46 percent of production, and exports of monochrome receivers, 80 percent of production. In 1974, 1975, and January-October 1976, Taiwanese production and exports to the United States were as follows:

Television receivers: Taiwanese production and exports to the United States, 1974, 1975, and January-October 1976

(In thousands of units)

Item	: 1974	: 1975	: January-October 1976
Production:			
Color-----	406	348	407
Monochrome-----	3,769	2,641	2,934
Exports to the United States:			
Color-----	260	276	806
Monochrome-----	2,875	2,175	<u>1/</u> 2,357

1/ Partly estimated by the staff of the U.S. International Trade Commission.

Source: Counsel for the Taiwan Electric Appliance Manufacturers Association, on the basis of data obtained from the Ministry of Economic Affairs, except as noted.

A U.S. Department of Commerce report entitled Industrial Outlook of Electronic Products, Republic of China--1974, dated November 1975, indicates that the electronic industrial complex of Taiwan was developed with \$434 million in foreign investment and the importation of technology. More than 50 percent of the total investment is from the United States; 19 percent is from local sources; the bulk of the remaining 31 percent is from Japan. The first large factories for consumer electronic products were completed in the mid-1960's.

Among the companies that exported television receivers to the United States in 1976 were Admiral Overseas Corp., Phlisco-Ford Taiwan Corp., RCA Taiwan, Ltd., Zenith Taiwan Corp., Hitachi TV Taiwan Co., Ltd., Sanyo Electric Taiwan Co., Ltd., Matsushita Electric Taiwan Co., Ltd., and Tatung Co.

An enclosure to a letter from the U.S. Chamber of Commerce, Taiwan, to the Minister of Economic Affairs of Taiwan dated March 4, 1976, indicates that there are 14 manufacturers of color television receivers in Taiwan producing for the home market. The letter protests the Government's customs treatment of color television receivers imported from the United States. After March 1975 the rate of duty was increased from 33 percent to 60 percent. In another enclosure, the U.S. Chamber of Commerce asserted that if a U.S.-produced receiver had a manufacturer's selling price of \$300, the dutiable value would be \$378 and that after taking the cost of insurance, freight, duty, harbor tax, surtax, and commodity tax into account, the cost to the importer would be \$618.03. (Without the commodity tax, the cost would have been about \$556.) The enclosure further indicates that if a Taiwanese exporter's selling price was \$300, a U.S. importer buying from him would have a cost of \$300 for the television set plus \$30 for insurance, freight, and duty, for a total of \$330.

#### Republic of Korea

According to the brief of the Electronic Industries Association of the Republic of Korea, 11 Korean firms produced 2.1 million monochrome and 53,000 color television receivers in 1976. The bulk of the output of monochrome receivers was for the home market; a preponderance of the output of color receivers was for export. Of the 11 firms, 9 make monochrome sets only. The brief further indicates that the Korean industry employs more than 20,000 workers.

Data reported by the U.S. Bureau of the Census indicate that Korea is the third leading supplier of U.S. imports of television receivers. Korea supplied 231,356 monochrome sets in 1975, 181,981 in January-September 1975, and 295,659 in January-September 1976. During these periods, color sets supplied amounted to 22,000 units, 13,224 units, and 26,589 units, respectively. Small-screen models predominated in Korea's exports.

The brief also notes that Korean manufacturers seek to obtain export outlets in Canada, Europe, and the Middle East. In 1974 almost 68 percent of all monochrome sets exported from Korea went to the United States and in January-September 1976, 54 percent. In 1976 all of Korea's exports of color receivers went to the United States, but the aforementioned association anticipates that the U.S. share will be only 67 percent in 1977.

#### Other countries

In Mexico there are several U.S.-owned facilities that manufacture components or subassemblies for use in the assembly of complete television sets in the United States. Zenith and RCA have two facilities each. Sylvania has a plant, as did Warwick. Sanyo's intentions as to Warwick's Mexican facilities and operations are not known. Admiral had a plant in Mexico prior to that corporation's acquisition by Rockwell International. The current status of that plant is not known.

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Admiral, General Electric, RCA, and GTE-Sylvania have manufacturing affiliates in Canada. Under the Canadian Color Television

Rationalization Program, the Government is encouraging Canadian producers of television receivers to concentrate on the large-screen models in order to achieve longer production runs and lower unit costs, with imports supplying the demand for the small-screen models.

The most-favored-nation (MFN) duty on television receivers in Canada is 15 percent ad valorem; the general rate 25 percent. Formerly, there was duty-free entry for television receivers and parts if imported from either the British Commonwealth or from those non-Commonwealth nations entitled to general preference. Currently, the duty rate applicable to televisions from the Commonwealth is 15 percent. Color television receivers having screen sizes of 16 inches or more originating in countries on the general preference list were also made subject to the 15-percent rate of duty, effective February 5, 1977.

#### Efforts of U.S. Producers of Television Receivers to Compete With Imports

During the past several years, U.S. producers of television receivers have made, and are continuing to make, intensive efforts to compete with foreign producers of television receivers in at least four general areas. They have taken advantage of low-cost foreign labor and the duty-savings provisions of TSUS item 807.00 by establishing foreign assembly plants; they have incorporated many product-design improvements and technological advances in their television receivers; they have made use of new cost-saving production techniques; and they have improved their quality-control procedures.

The U.S. television industry and its suppliers set up facilities in foreign countries for the production of complete and incomplete television receivers, subassemblies, and component parts. In general, these facilities produce articles with a relatively high labor content in order that advantage can be taken of low wage rates and of the lower average duty rates on items returned to the United States under item 807.00. However, the savings provided by item 807.00 have diminished in importance in recent years since many domestic and foreign-affiliated component-parts producers have built plants to produce these components in the same areas as those in which the complete (or incomplete) television receivers are produced.

U.S. television receiver producers have made many product innovations in order to produce television receivers that are competitive in the U.S. market. According to industry sources, the U.S. industry has, except for one small-screen portable model, converted its entire production of television receivers to solid-state sets.

There have been significant developments by the U.S. industry in the production of color picture tubes. In 1963, National Video and Motorola introduced the first large-screen rectangular color picture tube. In 1964, Sylvania introduced rare earth phosphors for the color picture tube, which resulted in a significantly brighter picture and better color rendition. In 1965, General Electric introduced the in-line, striped-screen color picture tube for small-screen portable sets, which reduced the cost and complexity of manufacturing small-screen receivers. In 1973, several manufacturers produced an in-line picture



tube, allowing manufacturing costs for the convergence deflection system to be reduced. In 1975, RCA introduced tinted phosphor in the color picture tube to increase contrast. 1/ Recently, Zenith introduced a unique 19-inch color picture tube, developed jointly by Zenith and Corning Glass Works over a 5-year period, offering improved manufacturing, lower glare content, and reduced picture tube costs. 2/ In addition, there have been many technological advances within the last several years by both television receiver producers and picture tube manufacturers that have greatly improved picture tube brightness, contrast, sharpness, and color definition.

In the last several years, U.S. producers have significantly simplified the tuning and picture adjustments required on television receivers. In 1965, Magnavox introduced automatic frequency control, a feature still in common use that aids in channel selection and reduces the need for fine tuning. In 1968, full-function color television remote-control systems were introduced. In 1970, Sylvania introduced varactor push-button tuning systems, and in 1974, RCA and Magnavox introduced all-electronic random-access tuning systems, which result in improved tuner operation for optimum picture performance, significantly greater reliability, and improved manufacturing. Virtually all U.S. television receiver producers are incorporating electronic tuning in at least some of their current models. In 1976 General Electric introduced

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1/ Statement of W. Daniel Schuster, Vice President, Engineering, GTE Sylvania Consumer Electronic Products Business, at the Commission hearing on Jan. 19, 1977.

2/ Testimony of Karl H. Horn, Senior Vice President, Zenith Radio Corp., at the Commission hearing on Jan. 22, 1977.

a color television receiver capable of using the vertical interval reference signal sent out by the television broadcaster to adjust the color picture automatically. <sup>1/</sup> According to industry sources, this is the first time that the color picture in a television receiver has been successfully controlled by a coded signal sent out by the television transmitter.

One of the most significant improvements in production techniques in recent years is the development of machines capable of inserting components into printed circuit boards automatically under computer-programed control. This technique resulted in a sizable reduction in the amount of labor required to assemble a receiver, as well as increased reliability for the end product. However, in order to effectively utilize automatic component-insertion machines, it was first necessary for the industry to redesign its chassis to maximize the use of printed circuit boards. Printed circuit board designs also allow for the assembled printed circuit boards to have all connections automatically soldered by a dip- or wave-soldering process as the boards move along the production line. In addition to the emphasis on printed circuitry and the attendant automatic insertion equipment, the domestic industry increased its use of overhead conveyor lines to transport chassis, cabinets, and picture tubes from warehouses to assembly plants and between various locations within the assembly plants.

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<sup>1/</sup> Statement of W. Daniel Schuster, Vice President, Engineering, GTE Sylvania Consumer Electronics Business, at the Commission hearing on Jan. 19, 1977.

U.S. television receiver producers have also made much progress in controlling the quality of television receivers. Computer-controlled automatic test equipment that checks all parts on a printed circuit board and then prints out any defects discovered on a paper tape, is widely used in the production of television receivers in the United States. When a defect is found, the board is repaired. When a failure trend is discovered the affected component is carefully analyzed in laboratory facilities maintained by most U.S. producers. When the reason for failure is ascertained, the component producer is notified so that he may correct the problem. U.S. television receiver producers generally inspect incoming parts on a sampling basis; however, some producers inspect 100 percent of certain critical components, particularly when there is reason to suspect a higher-than-average failure rate for such articles. U.S. television receiver producers now are placing much more emphasis on testing finished television receivers; a significant share of U.S. producers' output is subjected to both short-term (18 to 24 hours) burn-in tests and long-term (500 hours or more) life tests.

APPENDIX A

STATISTICAL TABLES

Table 1.--Television receivers: U.S. imports as reported in official statistics and Commission questionnaires, by types, 1971-75, January-September 1975, and January-September 1976

Period	Imports as reported in--						Percentage by which official statistics are greater than (+) or less than (-) Commission results		
	Official statistics 1/			Commission's questionnaires 2/					
	Monochrome	Color	Total	Monochrome	Color	Total	Monochrome	Color	Total
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>			
	<u>units</u>	<u>units</u>	<u>units</u>	<u>units</u>	<u>units</u>	<u>units</u>			
1971-----	4,167	1,282	5,449	3,681	1,164	4,845	+13.2	+10.1	+12.5
1972-----	5,056	1,318	6,375	4,302	1,137	5,439	+17.5	+15.9	+17.2
1973-----	4,989	1,399	6,387	4,653	1,276	5,929	+7.2	+9.6	+7.7
1974-----	4,659	1,282	5,941	3,995	1,173	5,168	+16.6	+9.3	+14.9
1975-----	2,975	1,215	4,189	2,948	1,391	4,339	+9	-12.6	-3.4
Jan.-Sept.--									
1975-----	2,175	766	2,941	2,119	1,025	3,144	+2.6	-25.3	-6.4
1976-----	3,077	1,943	5,020	2,779	1,898	4,677	+10.7	+2.4	+7.3

1/ Complete and some incomplete television receivers are included.

2/ Only complete television receivers are included.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 2.--Television receivers (monochrome and color): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-76

(Quantity in thousands of units; value in millions of dollars)

Year	U.S. shipments	Imports	Exports <sup>1/</sup>	Apparent consump- tion	Ratio :(percent) of imports to consumption
Quantity					
1966-----	11,315	1,519	168	12,666	11.9
1967-----	9,421	1,608	139	10,890	14.7
1968-----	10,563	2,709	144	13,128	20.6
1969-----	9,192	4,034	157	13,069	30.9
1970-----	8,173	4,510	126	12,557	35.9
1971-----	8,630	5,449	162	13,917	39.2
1972-----	10,122	6,375	224	16,273	39.2
1973-----	10,734	6,387	314	16,807	38.0
1974-----	9,156	5,941	320	14,777	40.2
1975-----	7,425	4,189	232	11,382	36.8
1976-----	<sup>2/</sup> 7,685	7,778	316	15,147	51.4
Value					
1966-----	2,162	115	26	2,251	5.1
1967-----	2,023	124	24	2,123	5.8
1968-----	2,197	203	28	2,372	8.6
1969-----	1,914	296	33	2,177	13.6
1970-----	1,644	316	26	1,934	16.3
1971-----	1,913	413	37	2,289	18.0
1972-----	2,185	497	59	2,623	18.9
1973-----	2,364	531	84	2,811	18.9
1974-----	2,168	520	79	2,609	19.9
1975-----	1,996	401	60	2,337	17.2
1976-----	<sup>2/</sup> 2,249	821	81	2,989	27.5

<sup>1/</sup> Export data include, in addition to complete television receivers, radio-television-phonograph combinations. It is estimated that radio-television-phonograph combinations are negligible in terms of quantity and value.

<sup>2/</sup> Estimated by the staff of the U.S. International Trade Commission.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 3.--Television receivers (monochrome): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-76

(Quantity in thousands of units; value in millions of dollars)						
Year	U.S. shipments	Imports	Exports <sup>1/</sup>	Apparent consumption	Ratio (percent) of imports to consumption	
Quantity						
1966-----	6,785	<sup>2/</sup>	<sup>2/</sup>	-	-	-
1967-----	4,697	1,290	<sup>2/</sup>	-	-	-
1968-----	5,197	2,043	<sup>2/</sup>	-	-	-
1969-----	4,243	3,121	99	7,265	42.9	
1970-----	3,732	3,596	75	7,253	49.6	
1971-----	3,045	4,167	74	7,138	58.4	
1972-----	3,188	5,056	75	8,169	61.9	
1973-----	3,090	4,989	99	7,980	62.5	
1974-----	2,226	4,659	118	6,767	68.8	
1975-----	1,757	2,975	91	4,641	64.1	
1976-----	<sup>3/</sup> 1,781	4,483	156	6,108	73.4	
Value						
1966-----	657	<sup>2/</sup>	<sup>2/</sup>	-	-	-
1967-----	433	71	<sup>2/</sup>	-	-	-
1968-----	479	97	<sup>2/</sup>	-	-	-
1969-----	383	152	12	523	29.1	
1970-----	339	174	8	505	34.4	
1971-----	280	208	8	480	43.3	
1972-----	260	262	8	514	50.9	
1973-----	246	269	11	504	53.4	
1974-----	182	278	13	447	62.2	
1975-----	142	181	10	313	57.8	
1976-----	<sup>3/</sup> 176	261	20	417	62.6	

<sup>1/</sup> Export data include, in addition to complete television receivers, radio-television-phonograph combinations. It is estimated that radio-television-phonograph combinations are negligible in terms of quantity and value.

<sup>2/</sup> Data not reported separately for monochrome and color in official statistics.

<sup>3/</sup> Estimated by the staff of the U.S. International Trade Commission.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 4.--Television receivers (color); U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-76

(Quantity in thousands of units; value in millions of dollars)						
Year	U.S. shipments	Imports	Exports <u>1/</u>	Apparent consumption	Ratio (percent) of imports to consumption	
Quantity						
1966-----	4,440	<u>2/</u>	<u>2/</u>	-	-	-
1967-----	4,724	318	<u>2/</u>	-	-	-
1968-----	5,366	666	<u>2/</u>	-	-	-
1969-----	4,949	913	58	5,804	15.7	
1970-----	4,441	914	51	5,304	17.2	
1971-----	5,585	1,282	88	6,779	18.9	
1972-----	6,934	1,318	149	8,103	16.3	
1973-----	7,644	1,399	215	8,828	15.8	
1974-----	6,930	1,282	202	8,010	16.0	
1975-----	5,668	1,215	141	6,742	18.0	
1976-----	<u>3/</u> 5,904	3,295	160	9,039	36.5	
Value						
1966-----	1,504	<u>2/</u>	<u>2/</u>	-	-	-
1967-----	1,590	53	<u>2/</u>	-	-	-
1968-----	1,718	106	<u>2/</u>	-	-	-
1969-----	1,531	143	21	1,653	8.7	
1970-----	1,304	142	18	1,428	9.9	
1971-----	1,633	205	30	1,808	11.3	
1972-----	1,925	235	51	2,109	11.1	
1973-----	2,117	262	73	2,306	11.4	
1974-----	1,986	242	66	2,162	11.2	
1975-----	1,854	221	50	2,025	10.9	
1976-----	<u>3/</u> 2,073	560	61	2,572	21.8	

1/ Export data include, in addition to complete television receivers, radio-television-phonograph combinations. It is estimated that radio-television-phonograph combinations are negligible in terms of quantity and value.

2/ Data not reported separately for monochrome and color in official statistics.

3/ Estimated by the staff of the U.S. International Trade Commission.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.



Table 5.--Complete television receivers: U.S. imports, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976

(In thousands of units)							
Type and screen size	1971	1972	1973	1974	1975	Jan.-Sept.--	
						1975	1976
Monochrome:							
10 inches and under-----	1,059	946	1,108	776	782	547	597
11 inches to 17 inches-----	1,917	2,545	2,726	2,865	1,953	1,426	1,961
18 inches and 19 inches-----	393	497	586	348	213	146	221
20 inches and over-----	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***
Color:							
10 inches and under-----	53	50	101	122	87	66	99
11 inches to 17 inches-----	698	735	790	657	659	470	809
18 inches and 19 inches-----	413	352	379	389	644	488	990
20 inches and over-----	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***
All television receivers:							
10 inches and under-----	1,112	996	1,209	898	869	613	696
11 inches to 17 inches-----	2,615	3,280	3,516	3,522	2,612	1,896	2,770
18 inches and 19 inches-----	806	849	965	737	857	634	1,211
20 inches and over-----	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***

1/ \* \* \*.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Quantities reported are somewhat understated since some respondents were unable to segregate imports by screen sizes requested.

Table 6.--Color television receivers: U.S. imports, by months, 1975 and 1976

(Quantity in thousands of units; value in thousands of dollars)

Period	Quantity	Value
1975:		
January-----	39	7,087
February-----	48	8,594
March-----	71	12,244
April-----	73	13,719
May-----	69	12,591
June-----	103	19,186
July-----	103	19,523
August-----	136	23,903
September-----	125	22,852
October-----	183	33,751
November-----	160	27,798
December-----	105	19,502
Total-----	1,215	220,750
1976:		
January-----	124	22,038
February-----	131	22,707
March-----	171	30,349
April-----	157	29,694
May-----	193	34,888
June-----	234	44,100
July-----	286	51,255
August-----	368	66,039
September-----	367	61,403
October-----	502	72,914
November-----	433	70,019
December-----	329	54,894
Total-----	3,295	560,300

Source: Official statistics of the U.S. Department of Commerce.

Table 7.--Estimated value of subassemblies 1/ used in the production of U.S.-made television receivers, by types, 1971-75, January-September 1975, and January-September 1976

(In thousands of dollars)								
Period	Purchased subassemblies produced in <u>2/</u> --				Subassemblies produced by firms, their subsidiaries or their affiliates located in <u>3/</u> --			
	United States		Other countries		United States		Other countries	
	Monochrome	Color	Monochrome	Color	Monochrome	Color	Monochrome	Color
1971-----	***	***	***	***	***	37,626	***	11,323
1972-----	***	***	***	***	***	31,552	***	31,753
1973-----	***	***	***	***	***	27,785	***	84,167
1974-----	***	***	***	***	***	19,472	***	136,733
1975-----	***	***	***	***	***	13,202	***	124,593
January-September--								
1975-----	***	***	***	***	***	9,195	***	84,873
1976-----	***	***	***	***	***	12,051	***	121,130

1/ Any assemblage of components for television receivers, other than complete and incomplete television receivers, of a type provided for in TSUS item 682.20.

2/ Data on subassemblies produced in the United States are overstated and data on imported subassemblies are understated by like amounts because respondents to the Commission's questionnaires did not know in all instances whether subassemblies purchased from U.S. concerns were produced in the United States or imported.

3/ Total subassemblies produced by firms, their subsidiaries, or their affiliates located in other countries are as follows: \*\*\*.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--All values reported are understated since some respondents to questionnaires were unable to report their activities in each of the classifications requested.

Table 8.--Complete television receivers: U.S. imports, total and those entered under TSUS item 807.00, by types and by principal sources, 1971-75, January-September 1975, and January-September 1976

Type and source	1971			1972			1973			1974		
	Total imports	807.00 imports		Total imports	807.00 imports		Total imports	807.00 imports		Total imports	807.00 imports	
		Quantity	Percent		Quantity	Percent		Quantity	Percent		Quantity	Percent
	Units	Units	of total	Units	Units	of total	Units	Units	of total	Units	Units	of total
Monochrome:												
Japan-----	2,548,642	33,161	1.3	1,776,871	27,571	1.6	983,442	859	.1	884,468	939	.1
Taiwan-----	1,247,757	1,040,489	83.4	2,727,840	2,196,415	80.5	3,305,871	2,071,308	62.7	3,309,893	1,842,343	55.7
Mexico-----	309,875	309,315	99.8	438,780	435,471	99.2	350,387	348,991	99.6	29,624	29,374	99.2
Hong Kong-----	2,835	10	.3	2,490	619	24.8	286	-	0	-	-	-
Canada-----	10,756	8,171	76.0	5,003	2,128	42.5	5,657	521	9.2	5,921	6	.1
Republic of Korea---	44,130	-	0	104,643	4,309	4.1	336,235	-	0	402,821	-	0
All other-----	1,836	-	0	755	-	0	6,811	2,162	31.7	26,064	22,473	86.2
Total-----	4,165,831	1,391,146	33.4	5,056,382	2,666,513	52.7	4,988,689	2,423,841	48.6	4,658,791	1,895,135	40.7
Color:												
Japan-----	1,190,968	4,985	.4	1,094,367	14,704	1.3	1,058,529	-	0	916,287	-	0
Taiwan-----	85,363	23,425	27.4	213,424	82,910	38.8	325,180	124,315	38.2	337,166	201,594	59.8
Mexico-----	6	-	0	88	25	28.4	12,213	12,191	99.8	4,376	4,353	99.5
Hong Kong-----	401	-	0	297	-	0	5	-	0	9	-	0
Canada-----	4,121	3,483	84.5	376	-	0	932	222	23.8	1,493	-	0
Republic of Korea---	432	-	0	9,606	1,276	13.3	1,676	-	0	22,433	-	0
All other-----	44	-	0	134	-	0	125	-	0	421	-	0
Total-----	1,281,335	31,893	2.5	1,318,292	98,915	8.1	1,398,660	136,728	9.8	1,282,185	205,947	16.1
Japan-----	3,739,610	38,146	1.0	2,871,238	42,275	1.5	2,041,971	859	0	1,800,755	939	0
Taiwan-----	1,333,120	1,063,914	79.8	2,941,264	2,279,325	77.5	3,631,051	2,195,623	60.5	3,647,059	2,043,937	56.0
Mexico-----	309,881	309,315	99.8	438,868	435,496	99.2	362,600	361,182	99.6	34,000	33,727	99.2
Hong Kong-----	3,236	10	00.3	2,787	619	22.2	291	-	-	9	-	0
Canada-----	14,877	11,654	78.3	5,379	2,128	39.6	6,589	743	11.3	7,414	6	0
Republic of Korea---	44,562	-	0	114,249	5,585	4.9	337,911	-	0	425,254	-	0
All other-----	1,880	-	0	889	-	0	6,936	2,162	31.2	26,485	22,473	84.9
Grand total-----	5,447,166	1,423,039	26.1	6,374,674	2,765,428	43.4	6,387,349	2,560,569	40.1	5,940,976	2,101,082	35.4

Table 8.--Complete television receivers: U.S. imports, total and those entered under TSUS item 807.00 by types and by principal sources, 1971-75, January-September 1975, and January-September 1976--Continued

Type and source	1975			January-September 1975			January-September 1976		
	Total imports	807.00 imports		Total imports	807.00 imports		Total imports	807.00 imports	
		Quantity	Percent of total		Quantity	Percent of total		Quantity	Percent of total
	Units	Units		Units	Units		Units	Units	
Monochrome:									
Japan-----	638,837	1,669	.3	409,663	1,669	.4	970,835	1,728	.2
Taiwan-----	2,097,861	1,531,693	73.0	1,578,230	1,180,154	74.8	1,803,340	1,029,537	57.1
Mexico-----	-	-	-	-	-	-	75	68	90.7
Hong Kong-----	122	-	0	98	-	0	2,920	-	0
Canada-----	3,306	48	1.5	2,587	48	1.9	2,961	-	0
Republic of Korea-----	231,356	-	0	181,981	-	0	295,659	-	0
All other-----	3,140	-	0	2,556	-	0	1,422	-	0
Total-----	2,974,622	1,533,410	51.5	2,175,115	1,181,871	54.3	3,077,212	1,031,333	33.5
Color:									
Japan-----	1,043,898	536	.1	639,605	536	.1	1,749,323	-	0
Taiwan-----	143,441	67,484	47.0	108,188	64,816	59.9	156,357	49,734	31.8
Mexico-----	6	-	0	3	-	0	-	-	-
Hong Kong-----	17	-	0	15	-	0	18	-	0
Canada-----	2,469	135	5.5	2,253	135	6.0	10,106	9,813	97.1
Republic of Korea-----	22,000	-	0	13,224	-	0	26,589	-	0
All other-----	2,833	2,108	74.4	2,633	2,108	80.1	870	-	0
Total-----	1,214,664	70,263	5.8	765,921	67,595	8.8	1,943,263	59,547	3.1
Total:									
Japan-----	1,682,735	2,205	.1	1,049,268	2,205	.2	2,720,158	1,728	.1
Taiwan-----	2,241,302	1,599,177	71.4	1,686,418	1,244,970	73.8	1,959,697	1,079,271	55.1
Mexico-----	6	-	0	3	-	0	75	68	90.7
Hong Kong-----	139	-	0	113	-	0	2,938	-	0
Canada-----	5,775	183	3.2	4,840	183	3.8	13,067	9,813	75.1
Republic of Korea-----	253,356	-	0	195,205	-	0	322,248	-	0
All other-----	5,973	2,108	35.3	5,189	2,108	40.8	2,292	-	0
Grand total-----	4,189,286	1,603,673	38.3	2,941,036	1,249,466	42.5	5,020,475	1,090,880	21.7

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Complete television receivers: U.S. imports entered under TSUS item 807.00, by types, 1970-75, January-September 1975, and January-September 1976

(In thousands of dollars)

Period	Total value			Duty-free value			Dutiable value		
	Monochrome	Color	Total	Monochrome	Color	Total	Monochrome	Color	Total
1970-----	50,989	5,080	56,069	17,723	1,954	19,677	33,266	3,127	36,393
1971-----	68,135	3,967	72,102	21,519	871	22,390	46,615	3,096	49,711
1972-----	130,864	13,370	144,234	28,343	2,008	30,351	102,521	11,362	113,883
1973-----	124,858	15,646	140,504	22,996	2,600	25,596	101,862	13,046	114,908
1974-----	113,795	29,974	143,769	11,477	4,550	16,027	102,317	25,423	127,740
1975-----	92,743	10,636	103,379	8,078	1,155	9,233	84,665	9,481	94,146
Jan.-Sept--									
1975-----	71,778	10,234	82,012	6,542	1,114	7,656	65,236	9,120	74,356
1976-----	63,416	13,576	76,992	3,193	3,696	6,889	60,223	9,880	70,103

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 10.--Television receivers (monochrome and color): U.S. imports for consumption, by principal sources, 1971-76

SOURCE	1971	1972	1973	1974	1975	1976	Average 1971-76
QUANTITY (1,000 units)							
JAPAN	3,740:	2,871:	2,042:	1,801:	1,683:	4,099:	2,706
REPUBLIC OF CHINA	1,333:	2,941:	3,631:	3,647:	2,241:	2,863:	2,776
REPUBLIC OF KOREA	45:	114:	338:	425:	253:	133:	218
CANADA	15:	5:	7:	7:	6:	21:	10
FEDERAL REPUBLIC OF GERMANY	*	*	1:	1:	2:	2:	1
BRAZIL	*	*	*	22:	2:	*	4
ALL OTHER	315:	442:	369:	37:	2:	660:	304
TOTAL	5,447:	6,375:	6,387:	5,941:	4,189:	7,778:	6,020
VALUE (1,000 DOLLARS)							
JAPAN	320,882:	302,956:	270,723:	243,177:	230,800:	572,750:	324,215
REPUBLIC OF CHINA	68,540:	162,409:	217,492:	243,672:	146,629:	187,679:	171,070
REPUBLIC OF KOREA	1,891:	5,075:	17,034:	26,871:	16,702:	30,267:	16,307
CANADA	2,363:	832:	1,337:	1,910:	1,936:	5,423:	2,300
FEDERAL REPUBLIC OF GERMANY	69:	178:	246:	335:	743:	902:	412
BRAZIL	1:	3:	7:	525:	296:	*	139
ALL OTHER	19,571:	25,378:	24,424:	3,706:	384:	24,472:	16,323
TOTAL	413,318:	496,830:	531,264:	520,196:	401,490:	821,494:	530,765
UNIT VALUE (PER unit)							
JAPAN	\$45.81:	\$105.51:	\$132.58:	\$135.04:	\$139.53:	139.74:	119.82
REPUBLIC OF CHINA	51.41:	55.22:	59.90:	66.81:	65.42:	65.55:	61.62
REPUBLIC OF KOREA	42.43:	44.42:	50.41:	63.19:	65.92:	227.49:	74.80
CANADA	158.84:	154.67:	202.97:	257.58:	333.79:	263.74:	230.00
FEDERAL REPUBLIC OF GERMANY	459.94:	395.65:	442.92:	356.75:	371.82:	391.08:	412.17
BRAZIL	126.78:	196.31:	447.07:	23.34:	140.33:	*	34.75
ALL OTHER	62.16:	57.41:	66.14:	100.20:	201.96:	37.09:	53.69
AVERAGE	75.88:	77.94:	83.17:	87.56:	95.84:	105.62:	88.17
PERCENT OF TOTAL QUANTITY							
JAPAN	68.7:	45.0:	32.0:	30.3:	40.2:	52.7:	45.0
REPUBLIC OF CHINA	24.5:	46.1:	56.8:	61.4:	53.5:	36.8:	46.1
REPUBLIC OF KOREA	0.8:	1.8:	5.3:	7.2:	6.0:	1.7:	3.6
CANADA	0.3:	0.1:	0.1:	0.1:	0.1:	0.3:	0.2
FEDERAL REPUBLIC OF GERMANY	*	*	*	*	*	0.1:	*
BRAZIL	*	*	*	0.4:	0.1:	*	0.1
ALL OTHER	5.8:	6.9:	5.8:	0.6:	*	8.5:	5.0
TOTAL	100.0:	100.0:	100.0:	100.0:	100.0:	100.0:	100.0

\* INDICATES LESS THAN 500 UNITS OF QUANTITY OR VALUE, OR 1/2 CENT OF UNIT VALUE, OR 0.05 PERCENT.

SOURCE: COMPILED FROM OFFICIAL STATISTICS OF THE U.S. DEPARTMENT OF COMMERCE.

FIGURES MAY NOT ADD TO TOTALS SHOWN DUE TO ROUNDING. AVERAGES, UNIT VALUES AND PERCENTS DERIVED FROM THE UNROUNDED FIGURES.

Table 11.--Television receivers (monochrome): U.S. imports for consumption by principal sources, 1971-76

SOURCE	1971	1972	1973	1974	1975	1976	Average 1971-76
QUANTITY (1,000 units)							
REPUBLIC OF CHINA	1,248:	2,728:	3,306:	3,310:	2,098:	2,625:	2,553
JAPAN	2,549:	1,777:	983:	884:	639:	1,417:	1,375
REPUBLIC OF KOREA	44:	105:	336:	403:	231:	432:	259
CANADA	11:	5:	6:	6:	3:	4:	6
FEDERAL REPUBLIC OF GERMANY	*	*	1:	1:	2:	1:	1
ITALY	*	*	*	1:	1:	*	*
ALL OTHER	234:	441:	357:	54:	1:	3:	195
TOTAL	4,168:	5,056:	4,989:	4,659:	2,975:	4,483:	4,388
VALUE (1,000 DOLLARS)							
REPUBLIC OF CHINA	56,266:	129,922:	167,161:	192,296:	123,926:	148,756:	136,391
JAPAN	129,167:	101,427:	60,314:	57,951:	41,994:	87,167:	79,670
REPUBLIC OF KOREA	1,814:	4,549:	16,956:	22,742:	13,079:	23,140:	13,713
CANADA	1,241:	706:	1,047:	1,440:	875:	1,141:	1,075
FEDERAL REPUBLIC OF GERMANY	57:	159:	224:	313:	602:	573:	321
ITALY	13:	24:	46:	148:	104:	8:	57
ALL OTHER	19,468:	25,278:	23,350:	2,875:	159:	382:	11,919
TOTAL	208,046:	262,066:	269,097:	277,765:	180,739:	261,167:	243,147
UNIT VALUE (PER UNIT)							
REPUBLIC OF CHINA	45.11:	47.63:	50.56:	58.10:	59.07:	56.67:	53.42
JAPAN	50.68:	57.08:	61.33:	65.52:	65.73:	61.52:	57.94
REPUBLIC OF KOREA	41.11:	43.47:	50.43:	56.46:	56.53:	53.55:	52.95
CANADA	115.41:	141.10:	185.09:	243.20:	262.84:	282.36:	179.17
FEDERAL REPUBLIC OF GERMANY	440.61:	382.97:	439.98:	352.49:	343.31:	391.68:	321.00
ITALY	112.44:	107.11:	116.61:	131.43:	135.62:	113.38:	171.50
ALL OTHER	61.94:	57.27:	65.48:	53.65:	247.86:	129.17:	61.12
AVERAGE	49.94:	51.83:	53.94:	59.62:	60.76:	58.26:	55.41
PERCENT OF TOTAL QUANTITY							
REPUBLIC OF CHINA	40.0:	53.9:	66.3:	71.0:	70.5:	58.6:	58.2
JAPAN	61.2:	35.1:	19.7:	19.0:	21.5:	31.6:	31.3
REPUBLIC OF KOREA	1.1:	2.1:	6.7:	8.6:	7.8:	9.6:	5.9
CANADA	0.3:	0.1:	0.1:	0.1:	0.1:	0.1:	0.1
FEDERAL REPUBLIC OF GERMANY	*	*	*	*	0.1:	*	*
ITALY	*	*	*	*	*	*	*
ALL OTHER	7.5:	8.7:	7.1:	1.2:	*	0.1:	4.4
TOTAL	100.0:	100.0:	100.0:	100.0:	100.0:	100.0:	100.0

\* INDICATES LESS THAN 500 UNITS OF QUANTITY OR VALUE, OR 1/2 CENT OF UNIT VALUE, OR 0.05 PERCENT.

SOURCE: COMPILED FROM OFFICIAL STATISTICS OF THE U.S. DEPARTMENT OF COMMERCE.

FIGURES MAY NOT ADD TO TOTALS SHOWN DUE TO ROUNDING. AVERAGES, UNIT VALUES AND PERCENTS DERIVED FROM THE UNROUNDED FIGURES.



Table 12.--Television receivers (color): U.S. imports for consumption, by principal sources, 1971-76

SOURCE	1971	1972	1973	1974	1975	1976	Average 1971-76
QUANTITY (1,000 units)							
JAPAN	1,191	1,094	1,059	916	1,044	2,682	1,331
REPUBLIC OF CHINA	85	213	325	337	143	238	224
REPUBLIC OF KOREA	*	10	2	22	22	48	17
CANADA	4	*	1	1	2	17	4
BRAZIL	*	*	*	*	2	*	*
FEDERAL REPUBLIC OF GERMANY	*	*	*	*	*	1	*
ALL OTHER	*	*	12	5	*	310	55
TOTAL	1,281	1,318	1,399	1,282	1,215	3,295	1,632
VALUE (1,000 DOLLARS)							
JAPAN	191,715	201,528	210,409	185,226	192,806	485,584	244,545
REPUBLIC OF CHINA	12,254	32,487	50,332	51,376	22,702	38,923	34,679
REPUBLIC OF KOREA	77	525	78	4,129	3,623	7,128	2,592
CANADA	1,122	126	290	470	1,060	4,283	1,225
BRAZIL	*	3	6	*	296	*	51
FEDERAL REPUBLIC OF GERMANY	13	18	22	22	141	329	91
ALL OTHER	91	76	1,029	1,207	122	24,082	4,435
TOTAL	205,271	234,763	262,166	242,430	220,751	560,327	287,618
UNIT VALUE (PER unit)							
JAPAN	\$160.97	\$184.15	\$198.78	\$202.15	\$184.70	181.06	183.73
REPUBLIC OF CHINA	143.55	152.22	154.78	152.38	158.27	163.42	154.82
REPUBLIC OF KOREA	177.38	54.68	46.60	184.07	164.65	149.91	152.47
CANADA	272.18	335.19	311.56	314.63	429.47	259.18	306.25
BRAZIL	398.00	285.67	704.88	293.00	140.33	*	152.50
FEDERAL REPUBLIC OF GERMANY	573.27	555.45	474.72	431.02	574.97	390.04	545.00
ALL OTHER	209.70	159.41	83.76	253.95	244.88	77.65	81.37
AVERAGE	160.20	178.08	187.44	189.08	181.74	170.05	176.27
PERCENT OF TOTAL QUANTITY							
JAPAN	92.9	83.0	75.7	71.5	85.9	81.4	81.6
REPUBLIC OF CHINA	6.7	16.2	23.2	26.3	11.8	7.2	13.7
REPUBLIC OF KOREA	*	0.7	0.1	1.7	1.8	1.4	1.0
CANADA	0.3	*	0.1	0.1	0.2	0.5	0.2
BRAZIL	*	*	*	*	0.2	*	*
FEDERAL REPUBLIC OF GERMANY	*	*	*	*	*	*	*
ALL OTHER	*	*	0.9	0.4	*	9.4	3.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\* INDICATES LESS THAN 500 UNITS OF QUANTITY OR VALUE, OR 1/2 CENT OF UNIT VALUE, OR 0.05 PERCENT.

SOURCE: COMPILED FROM OFFICIAL STATISTICS OF THE U.S. DEPARTMENT OF COMMERCE.

FIGURES MAY NOT ADD TO TOTALS SHOWN DUE TO ROUNDING. AVERAGES, UNIT VALUES AND PERCENTS DERIVED FROM THE UNROUNDED FIGURES.

Table 13.--Complete television receivers: U.S. production and imports for consumption, by types, 1971-75, January-September 1975, and January-September 1976

Period	Production <sup>1/</sup>			Imports			Ratio of imports to production		
	Mono-chrome	Color	Total	Mono-chrome	Color	Total	Mono-chrome	Color	Total
	<u>1,000 units</u>	<u>1,000 units</u>	<u>1,000 units</u>	<u>1,000 units</u>	<u>1,000 units</u>	<u>1,000 units</u>	Percent	Percent	Percent
1971-----	3,220	5,398	8,618	1,164	4,845	4,845	114.3	21.6	56.2
1972-----	3,125	6,816	9,941	4,302	1,137	5,439	137.6	16.7	54.7
1973-----	3,173	7,801	10,974	4,653	1,276	5,929	146.6	16.4	54.0
1974-----	2,613	6,813	9,426	3,995	1,173	5,168	152.8	17.2	54.8
1975-----	1,557	5,389	6,946	2,948	1,391	4,339	189.3	25.8	62.5
January-September--									
1975-----	1,161	3,877	5,038	2,119	1,025	3,144	182.5	26.4	62.4
1976-----	1,210	4,569	5,779	5,779	1,898	4,677	229.7	41.5	80.9

<sup>1/</sup> Television receivers assembled entirely from component parts and subassemblies and those assembled from imported incomplete receivers are included.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 14.--Television receivers: U.S. production of complete television receivers assembled from component parts and subassemblies only and imports of complete and incomplete television receivers, by types, 1971-75, January-September 1975, and January-September 1976

Period	Production			Imports			Ratio of imports to production		
	Mono-chrome	Color	Total	Mono-chrome	Color	Total	Mono-chrome	Color	Total
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>			Percent
	<u>units</u>	<u>units</u>	<u>units</u>	<u>units</u>	<u>units</u>	<u>units</u>	Percent	Percent	Percent
1971-----	2,989	5,394	8,383	3,874	1,168	5,042	129.6	21.7	60.1
1972-----	2,912	6,794	9,706	4,479	1,191	5,670	153.6	17.5	58.4
1973-----	2,967	7,530	10,497	4,834	1,488	6,322	162.9	19.8	60.3
1974-----	2,465	6,405	8,870	4,123	1,482	5,605	167.3	23.1	63.2
1975-----	1,232	5,141	6,373	3,342	1,718	5,060	271.3	33.4	79.4
January-September--									
1975-----	937	3,714	4,651	2,388	1,301	3,689	254.9	35.0	79.3
1976-----	856	4,414	5,270	3,208	2,208	5,416	374.8	50.0	102.8

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 15.--U.S.-produced complete television receivers: Annual capacity utilization 1/ of U.S. monochrome and color television receiver assembly plants, 1971-1975, January-September 1975, and January-September 1976 2/

Period	Monochrome	Color	All receivers
1971-----	68.6	61.7	64.0
1972-----	54.8	74.4	65.4
1973-----	69.0	81.9	78.0
1974-----	60.9	65.8	64.4
1975-----	47.8	67.8	62.7
January-September--			
1975-----	45.1	54.9	52.6
1976-----	56.0	70.0	67.2

1/ Capacity utilization based on operations of assembly plants one shift a day, 5 days a week and assuming no change in product mix.

2/ Actual production data does not include complete television receivers assembled from imported incomplete receivers.

Table 16.--Complete television receivers: U.S. production, by types,  
1971-75, January-September 1975, and January-September 1976

(In thousands of units)			
Period	Monochrome	Color	Total
1971-----	3,220	5,398	8,618
1972-----	3,125	6,816	9,941
1973-----	3,173	7,801	10,974
1974-----	2,613	6,813	9,426
1975-----	1,557	5,389	6,946
January-September--			
1975-----	1,161	3,877	5,038
1976-----	1,210	4,569	5,779

Source: Compiled from data submitted in response to questionnaires  
of the U.S. International Trade Commission.

Table 17.--Complete television receivers: U.S. production of receivers assembled entirely from component parts and subassemblies and from imported incomplete receivers, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976.

(In thousands of units)								
Type and screen size	1971	1972	1973	1974	1975	January-September--		
						1975	1976	
Assembled from component parts and subassemblies:								
Monochrome:								
10 inches and under---								
11 inches to 17 inches-----								
18 inches and 19 inches-----								
20 inches and over-----								
Total-----								
Color:								
10 inches and under---								
11 inches to 17 inches-----								
18 inches and 19 inches-----								
20 inches and over-----	*	*	*	*	*	*	*	*
Total-----								
Assembled from incomplete imported receivers:								
Monochrome:								
10 inches and under---								
11 inches to 17 inches-----								
18 inches and 19 inches-----								
20 inches and over-----								
Total-----								
Color:								
10 inches and under---								
11 inches to 17 inches-----								
18 inches and 19 inches-----								
20 inches and over-----								
Total-----								

1/ Less than 500 units.

2/ None were reported by respondents to questionnaires of the U.S. International Trade Commission.

3/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Quantities reported are understated since some respondents to questionnaires were unable to segregate production by screen sizes requested.

Table 18.--Complete television receivers: 1/ U.S. production, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976

(In thousands of units)								
Type and screen size	1971	1972	1973	1974	1975	Jan.-Sept.--		
						1975	1976	
Monochrome:								
10 inches and under-----	***	***	***	***	***	***	***	***
11 inches to 17 inches-----	839	849	1,121	1,052	616	456	472	
18 inches and 19 inches-----	1,000	1,149	910	826	561	510	680	
20 inches and over-----	500	323	361	147	73	57	59	
Total-----	***	***	***	***	***	***	***	***
Color:								
10 inches and under-----	***	***	***	***	***	***	***	***
11 inches to 17 inches-----	550	802	1,035	1,065	764	547	610	
18 inches and 19 inches-----	1,619	2,249	2,872	2,323	1,959	1,371	1,735	
20 inches and over-----	2,536	3,119	3,051	2,408	2,087	1,527	1,916	
Total-----	***	***	***	***	***	***	***	***
All television receivers:								
10 inches and under-----	***	***	***	***	***	***	***	***
11 inches to 17 inches-----	1,389	1,651	2,156	2,117	1,380	1,003	1,082	
18 inches and 19 inches-----	2,619	3,398	3,782	3,149	2,520	1,881	2,415	
20 inches and over-----	3,036	3,442	3,412	2,555	2,160	1,584	1,975	
Total-----	***	***	***	***	***	***	***	***

1/ Television receivers assembled entirely from component parts and subassemblies and those assembled from imported incomplete receivers are included.

2/ \*\*\*.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Quantities reported are understated since some respondents to questionnaires were unable to segregate production by screen sizes requested.

Table 19.--Complete television receivers (monochrome and color): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-75, January-September 1975, and January-September 1976

(Quantity in thousands of units; value in millions of dollars)						
Period	Shipments <u>1/</u>	Imports <u>2/</u>	Exports	Apparent consumption	Ratio (percent) of imports to consumption	
	Quantity					
1966 <u>3/</u> -----	12,029	1,518	168	13,379	11.3	
1967 <u>3/</u> -----	9,566	1,608	139	11,035	14.6	
1968 <u>3/</u> -----	10,032	2,708	144	12,596	21.5	
1969 <u>3/</u> -----	9,050	4,034	157	12,927	31.2	
1970 <u>3/</u> -----	7,873	4,509	126	12,256	36.8	
1971-----	8,007	4,845	210	12,642	38.3	
1972-----	9,003	5,439	282	14,160	38.4	
1973-----	9,774	5,929	410	15,293	38.9	
1974-----	8,448	5,168	373	13,243	39.0	
1975-----	7,301	4,339	283	11,357	38.2	
January-September--						
1975-----	5,235	3,144	184	8,539	36.8	
1976-----	5,764	4,677	229	10,212	45.8	
	Value					
1966 <u>3/</u> -----	2,527	115	26	2,616	4.4	
1967 <u>3/</u> -----	2,210	124	24	2,310	5.4	
1968 <u>3/</u> -----	2,300	203	28	2,475	8.2	
1969 <u>3/</u> -----	2,093	296	33	2,356	12.6	
1970 <u>3/</u> -----	1,757	316	26	2,047	15.4	
1971-----	1,935	387	39	2,283	16.9	
1972-----	2,248	468	59	2,657	17.6	
1973-----	2,469	520	88	2,901	17.9	
1974-----	2,126	481	74	2,533	18.9	
1975-----	2,025	466	55	2,436	19.1	
January-September--						
1975-----	1,485	337	36	1,786	18.9	
1976-----	1,687	535	50	2,172	24.6	

1/ Television receivers assembled entirely from component parts and sub-assemblies and those assembled from imported incomplete receivers are included.

2/ Does not include imports of incomplete television receivers in 1971-75, January-September 1975, and January-September 1976 are not included.

3/ U.S. shipments compiled from data submitted in response to questionnaires of the U.S. Tariff Commission in reference to investigation No. TEA-I-21; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, except as noted.



Table 20.--Complete television receivers (monochrome): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1971-75, January-September 1975, and January-September 1976

(Quantity in thousands of units; value in millions of dollars)					
Period	Shipment <u>1/</u>	Imports	Exports	Apparent consumption	Ratio :(percent) of imports to consumption
	Quantity				
1971-----	2,865	3,681	124	6,422	57.3
1972-----	2,508	4,302	140	6,670	64.5
1973-----	2,413	4,653	187	6,879	67.6
1974-----	1,963	3,995	184	5,774	69.2
1975-----	1,635	2,948	163	4,420	66.7
January-September--					
1975-----	1,150	2,119	109	3,504	60.5
1976-----	1,336	2,779	124	3,991	69.6
	Value				
1971-----	258	197	10	445	44.3
1972-----	215	242	11	446	54.3
1973-----	203	271	14	460	58.9
1974-----	163	245	14	394	62.2
1975-----	146	188	11	323	58.2
January-September--					
1975-----	103	135	8	230	58.7
1976-----	132	174	11	295	59.0

1/ Television receivers assembled entirely from component parts and sub-assemblies and those assembled from imported incomplete receivers are included.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 21.--Incomplete television receivers: Imports, by types,  
1971-75, January-September 1975, and January-September 1976

Period	Monochrome	Color	Total
	Quantity (1,000 units)		
1971-----	193	4	197
1972-----	177	54	231
1973-----	181	212	393
1974-----	128	309	437
1975-----	394	327	721
January-September--			
1975-----	269	276	545
1976-----	429	310	739
	Value (1,000 dollars)		
1971-----	701	578	1,279
1972-----	213	7,363	7,576
1973-----	85	9,978	10,063
1974-----	1/	17,752	17,752
1975-----	9,848	27,486	37,334
January-September--			
1975-----	6,169	23,382	29,551
1976-----	13,503	22,726	36,229

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 22.--U.S.-produced complete television receivers: Total shipments (including exports), by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976

Type and screen size	1971	1972	1973	1974	1975	January-September--	
						1975	1976
	Quantity (1,000 units)						
Monochrome:							
10 inches and under-----	***:	***:	***:	***:	***:	***:	***:
11 inches to 17 inches----	794	740	869	838	635	442	535
18 inches and 19 inches----	1,016	914	802	704	638	428	644
20 inches and over-----	509	340	257	159	103	71	63
Total-----	***:	***:	***:	***:	***:	***:	***:
Color:							
10 inches and under-----							
11 inches to 17 inches----	535	725	980	987	800	538	591
18 inches and 19 inches----	1,471	2,025	2,519	2,263	1,931	1,463	1,693
20 inches and over-----	2,476	2,809	2,778	2,263	2,017	1,472	1,717
Total-----	***	***	***	***	***	***	***
All television receivers:							
10 inches and under-----							
11 inches to 17 inches----	1,462	1,465	1,849	1,825	1,730	980	1,126
18 inches and 19 inches----	2,487	2,939	3,321	2,967	2,569	1,891	2,337
20 inches and over-----	2,985	3,149	3,039	2,422	2,120	1,543	1,780
Total-----	***	***	***	***	***	***	***
	Value (1,000 dollars)						
Monochrome:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	51,573	44,927	54,131	55,580	40,055	33,009	43,604
18 inches and 19 inches----	96,363	86,870	77,457	68,560	66,016	44,659	69,857
20 inches and over-----	65,326	42,977	33,305	22,217	13,358	10,104	9,268
Total-----	***	***	***	***	***	***	***
Color:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	119,345	159,340	232,766	225,009	192,844	140,799	152,639
18 inches and 19 inches----	394,748	520,237	659,479	599,937	583,511	439,070	515,771
20 inches and over-----	956,511	1,103,899	1,107,578	911,960	901,495	655,329	766,559
Total-----	***	***	***	***	***	***	***
All television receivers:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	170,918	204,267	286,897	280,589	240,899	173,808	196,243
18 inches and 19 inches----	491,111	607,107	736,936	688,497	258,860	483,729	585,628
20 inches and over-----	1,021,837	1,146,876	1,140,883	934,177	914,853	665,433	775,827
Total-----	***	***	***	***	***	***	***

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Quantities and values are understated since some respondents to questionnaires were unable to segregate shipments by screen sizes requested.

Table 23.--U.S.-produced complete television receivers: U.S. shipments, by types and by classifications, 1971-75, January-September 1975, and January-September 1976 <sup>1/</sup>

Type and classification	1971	1972	1973	1974	1975	January-September--	
						1975	1976
Quantity (1,000 units)							
Monochrome:							
Brand-name-----	2,204	1,839	1,795	1,460	1,280	897	1,121
Private label-----	***	***	***	***	***	***	***
OEM type-----	***	***	***	***	***	***	***
Total-----	2,602	2,381	2,252	1,830	1,522	1,070	1,229
Color:							
Brand-name-----	4,536	5,535	6,218	5,092	4,922	3,557	4,007
Private label-----	***	***	***	***	***	***	***
OEM type-----	***	***	***	***	***	***	***
Total-----	5,032	6,316	7,071	6,107	5,577	4,041	4,274
All television receivers:							
Brand-name-----	6,740	7,374	8,013	6,552	6,202	4,454	5,128
Private label-----	***	***	***	***	***	***	***
OEM type-----	***	***	***	***	***	***	***
Total-----	7,634	8,697	9,323	7,937	7,099	5,111	5,503
Value (1,000 dollars)							
Monochrome:							
Brand-name-----	203,481	162,346	151,433	127,491	119,193	81,968	111,429
Private label-----	***	***	***	***	***	***	***
OEM type-----	***	***	***	***	***	***	***
Total-----	233,137	200,689	185,958	151,578	136,383	94,084	121,141
Color:							
Brand-name-----	1,495,932	1,748,546	1,937,583	1,631,697	1,710,593	1,231,421	1,424,048
Private label-----	***	***	***	***	***	***	***
OEM type-----	***	***	***	***	***	***	***
Total-----	1,636,712	1,946,770	2,156,582	1,884,184	1,877,064	1,353,726	1,519,056
All television receivers:							
Brand-name-----	1,699,413	1,910,892	2,089,016	1,759,188	1,829,786	1,313,389	1,535,477
Private label-----	***	***	***	***	***	***	***
OEM type-----	***	***	***	***	***	***	***
Total-----	1,869,849	2,147,459	2,342,452	2,035,792	2,013,447	1,446,810	1,640,197

<sup>1/</sup> \*\*\*.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Quantities and values reported are understated since some respondents to questionnaires were unable to segregate shipments by classifications requested.

Table 24.--Imported complete television receivers: U.S. shipments, by types and by classifications, 1971-75, January-September 1975, and January-September 1976

Type and classification	1971	1972	1973	1974	1975	January-September--	
						1975	1976
Quantity (1,000 units)							
Monochrome:							
Brand-name-----	2,531	3,024	3,215	2,890	2,547	1,850	2,125
Private label-----	377	434	1,057	661	743	508	521
OEM type-----	***	-	-	-	-	-	-
Total-----	***	3,458	4,272	3,551	3,290	2,358	2,646
Color:							
Brand-name-----	748	840	1,007	862	1,006	687	1,037
Private label-----	14	250	254	***	***	***	484
OEM type-----	***	-	-	-	-	-	-
Total-----	***	1,090	1,261	***	***	***	1,521
All television receivers:							
Brand-name-----	3,279	3,864	4,222	3,752	3,553	2,537	3,162
Private label-----	***	684	1,312	***	***	***	955
OEM type-----	***	-	-	-	-	-	-
Total-----	***	4,548	5,533	***	***	***	4,117
Value (1,000 dollars)							
Monochrome:							
Brand-name-----	180,267	225,059	237,338	218,460	205,393	149,998	175,045
Private label-----	25,809	29,938	72,402	44,020	51,131	35,304	38,835
OEM type-----	***	-	-	-	-	-	-
Total-----	***	254,997	309,740	262,480	256,524	185,302	213,880
Color:							
Brand-name-----	175,715	221,109	272,469	223,570	264,290	183,516	274,738
Private label-----	3,808	50,093	53,837	***	***	***	94,229
OEM type-----	***	-	-	-	-	-	-
Total-----	***	271,202	326,306	***	***	***	368,967
All television receivers:							
Brand-name-----	355,982	446,168	509,807	442,030	469,683	333,514	449,783
Private label-----	***	80,031	126,239	***	***	***	133,064
OEM type-----	***	-	-	-	-	-	-
Total-----	***	526,199	636,046	***	***	***	582,847

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Quantities and values are understated since some respondents to questionnaires were unable to segregate shipments by classifications requested.

Table 25.—Complete television receivers (color): U.S. shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1971-75, January-September 1975, and January-September 1976

(Quantity in thousands of units; value in millions of dollars)						
Period	Shipments <sup>1/</sup>	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption	
	Quantity					
1971-----	5,142	1,164	86	6,220	18.7	
1972-----	6,495	1,137	142	7,490	15.2	
1973-----	7,361	1,276	223	8,414	15.2	
1974-----	6,485	1,173	189	7,469	15.7	
1975-----	5,666	1,391	120	6,937	20.0	
January-September--						
1975-----	4,085	1,025	75	5,035	20.4	
1976-----	4,428	1,898	105	6,221	30.5	
	Value					
1971-----	1,677	190	29	1,838	10.3	
1972-----	2,033	226	48	2,211	10.2	
1973-----	2,266	249	74	2,441	10.2	
1974-----	1,963	236	60	2,139	9.6	
1975-----	1,879	278	44	2,113	13.2	
January-September--						
1975-----	1,382	202	28	1,556	12.9	
1976-----	1,555	361	39	1,877	19.2	

<sup>1/</sup> Television receivers assembled entirely from component parts and subassemblies and those assembled from imported incomplete receivers are included.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 26.--Complete television receivers: U.S. producers' inventories of U.S.-produced and imported receivers, by types, Dec. 31 of 1971-75 and Sept. 30 of 1975 and 1976

(In thousands of units)								
Type	As of Dec. 31--					As of Sept. 30--		
	1971	1972	1973	1974	1975	1975	1976	
Monochrome:								
U.S.-produced receivers-----	262	276	199	339	227	258	192	
Imported receivers-----	183	233	226	414	250	237	254	
Total-----	445	509	425	753	477	495	446	
Color:								
U.S.-produced receivers-----	360	366	417	678	498	564	630	
Imported receivers-----	11	5	10	17	13	15	34	
Total-----	371	371	427	695	511	579	664	
All television receivers:								
U.S.-produced receivers-----	622	642	616	1,017	725	822	822	
Imported receivers-----	194	238	236	431	263	252	288	
Total-----	816	880	852	1,448	988	1,074	1,110	

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 27.--Complete television receivers: Total U.S. inventories of U.S.-produced and imported receivers, by types, Dec. 31 of 1971-75 and Sept. 30 of 1975 and 1976

(In thousands of units)								
Type	As of Dec. 31--					As of		
	1971	1972	1973	1974	1975	1975	1976	
Monochrome:								
U.S.-produced receivers-----	262	276	199	339	227	258	192	
Imported receivers <u>1/</u> -----	414	420	445	889	645	514	698	
Total-----	676	696	644	1,228	872	772	890	
Color:								
U.S.-produced receivers-----	360	366	417	678	498	564	630	
Imported receivers <u>1/</u> -----	122	106	180	357	171	220	509	
Total-----	482	472	597	1,035	669	784	1,139	
All television receivers:								
U.S.-produced receivers-----	622	642	616	1,017	725	822	822	
Imported receivers <u>1/</u> -----	536	526	625	1,246	816	734	1,207	
Total-----	1,158	1,168	1,241	2,263	1,541	1,556	2,029	

1/ Quantities reported are understated since some respondents to questionnaires were unable to provide inventory data as requested.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



Table 28.--Complete television receivers: U.S. exports, by types,  
1971-75, January-September 1975, and January-September 1976

Period	Monochrome	Color	Total
	Quantity (1,000 units)		
1971-----	124	86	210
1972-----	140	142	282
1973-----	187	223	410
1974-----	184	189	373
1975-----	163	120	283
January-September--			
1975-----	109	75	184
1976-----	124	105	229
	Value (1,000 dollars)		
1971-----	10,305	29,360	39,665
1972-----	11,151	48,263	59,414
1973-----	14,395	73,749	88,144
1974-----	14,087	60,368	74,455
1975-----	11,235	44,293	55,528
January-September--			
1975-----	7,789	28,194	35,983
1976-----	10,781	39,009	49,790

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 29.--Complete television receivers: U.S. exports, by types and by screen sizes, 1971-75, January-September 1975, and January-September 1976

Type and screen size	1971	1972	1973	1974	1975	January-September--	
						1975	1976
Quantity (1,000 units)							
Monochrome:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	25	40	72	85	74	54	58
18 inches and 19 inches----	52	43	58	68	66	42	54
20 inches and over-----	33	29	28	14	17	8	***
Total-----	***	***	***	***	***	***	***
Color:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	9	18	31	40	17	10	14
18 inches and 19 inches----	33	52	85	84	47	29	43
20 inches and over-----	***	69	102	60	56	34	47
Total-----	***	***	***	***	***	***	***
All television receivers:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	34	58	103	125	91	64	72
18 inches and 19 inches----	85	95	143	152	113	71	97
20 inches and over-----	***	98	130	74	***	42	55
Total-----	***	***	***	***	***	***	***
Value (1,000 dollars)							
Monochrome:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	1,725	2,565	4,671	6,160	5,057	3,692	4,065
18 inches and 19 inches----	4,354	3,833	5,071	5,259	4,430	2,971	5,768
20 inches and over-----	3,173	2,694	2,298	1,145	1,173	699	***
Total-----	***	***	***	***	***	***	***
Color:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	2,819	4,201	7,546	9,720	4,100	2,787	3,484
18 inches and 19 inches----	9,813	14,821	23,739	24,112	14,956	9,581	13,812
20 inches and over-----	***	28,381	40,825	25,133	25,026	15,616	21,508
Total-----	***	***	***	***	***	***	***
All television receivers:							
10 inches and under-----	***	***	***	***	***	***	***
11 inches to 17 inches----	4,544	6,766	12,217	15,880	9,157	6,479	7,549
18 inches and 19 inches----	14,167	18,654	28,810	29,371	19,386	12,552	19,580
20 inches and over-----	***	31,075	43,123	26,278	***	16,315	22,172
Total-----	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Quantities and values are understated since some respondents to questionnaires were unable to segregate exports by screen sizes requested.

Table 30.--Average number of persons employed in U.S. establishments in which television receivers were assembled, all employees and production and related workers, 1971-75, January-September 1975, and January-September 1976

Period	All employees	Production and related workers engaged in producing television receivers
1971-----	42,920	36,694
1972-----	41,857	35,683
1973-----	41,646	35,711
1974-----	37,243	30,799
1975-----	28,446	23,388
January-September--		
1975-----	28,111	23,252
1976-----	28,851	23,713

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 31.--Man-hours worked by production and related workers on all products and on television receivers in U.S. establishments in which television receivers were assembled, 1971-75, January-September 1975, and January-September 1976

(In thousands of man-hours)			
Period	:	Man-hours worked	
	:	producing--	
	:	All	Television
	:	products	receivers
1971-----	:	59,433	49,909
1972-----	:	61,760	52,773
1973-----	:	72,707	64,026
1974-----	:	59,151	52,601
1975-----	:	44,409	39,229
January-September--	:		
1975-----	:	35,505	32,482
1976-----	:	35,111	30,681
	:		

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 32.--Complete television receivers: Weighted-average net selling prices of 12-inch solid-state monochrome sets sold by U.S. producers and importers to retail dealers, by quarters, 1972-75 and January-September 1976

Period	U.S.- produced receivers <u>1/</u>	Imported receivers			Total
		Manu- facturers' brand-name	Private- label		
1972:					
January-March-----	<u>2/</u>	<u>3/</u> \$65.76	<u>2/</u>	<u>3/</u>	\$65.76
April-June-----	<u>2/</u>	<u>3/</u> 66.14	<u>2/</u>	<u>3/</u>	66.14
July-September-----	<u>2/</u>	<u>3/</u> 65.97	<u>2/</u>	<u>3/</u>	65.97
October-December-----	<u>2/</u>	<u>3/</u> 65.23	<u>2/</u>	<u>3/</u>	65.23
1973:					
January-March-----	<u>2/</u>	65.09	<u>2/</u>		65.09
April-June-----	<u>2/</u>	67.27	<u>2/</u>		67.27
July-September-----	<u>4/</u> \$66.80	68.74	<u>2/</u>		68.74
October-December-----	<u>4/</u> 66.80	68.74	<u>2/</u>		68.74
1974:					
January-March-----	<u>3/</u> 69.75	68.93	<u>2/</u>		68.93
April-June-----	<u>3/</u> 71.30	72.21	<u>2/</u>		72.21
July-September-----	<u>3/</u> 69.57	72.66	<u>2/</u>		72.66
October-December-----	<u>4/</u> 68.90	72.88	<u>2/</u>		72.88
1975:					
January-March-----	<u>3/</u> 70.69	72.02	<u>2/</u>		72.02
April-June-----	<u>3/</u> 70.91	71.04	<u>4/</u> \$76.47		71.04
July-September-----	72.66	73.27	<u>4/</u> 76.47		73.34
October-December-----	71.54	72.65	<u>4/</u> 76.47		72.71
1976:					
January-March-----	72.43	73.02	<u>4/</u> 76.43		73.10
April-June-----	72.44	73.03	<u>3/</u> 73.44		73.05
July-September-----	70.26	74.12	<u>3/</u> 69.33		74.30

1/ All price data reported are for manufacturers' brand-name receivers.

2/ No usable price data reported.

3/ Weighted average of prices reported by 2 companies.

4/ Price reported by 1 company.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 33.--Complete television receivers: Weighted-average net selling prices of 19-inch solid-state color sets sold by U.S. producers and importers to retail dealers, by quarters, 1972-75 and January-September 1976

(In dollars)							
Period	U.S.-produced receivers			Imported receivers			
	Manufacturers' : brand-name	Private- : label	Total	Manufacturers' : brand name	Private- : label	Total	
1972:							
January-March-----	<u>1/</u> \$320.00	<u>2/</u>	<u>1/</u> \$320.00	<u>1/</u> \$257.89	<u>2/</u>	<u>3/</u> \$257.89	
April-June-----	<u>1/</u> 305.00	<u>2/</u>	<u>1/</u> 305.00	<u>1/</u> 262.47	<u>2/</u>	<u>3/</u> 262.47	
July-September-----	278.48	<u>2/</u>	278.48	<u>1/</u> 257.36	<u>2/</u>	257.36	
October-December-----	256.81	<u>2/</u>	256.81	<u>3/</u> 269.63	<u>2/</u>	269.63	
1973:							
January-March-----	297.98	<u>1/</u> \$232.50	294.41	302.88	<u>2/</u>	302.88	
April-June-----	289.16	<u>1/</u> 232.50	283.46	291.61	<u>2/</u>	291.61	
July-September-----	281.14	<u>1/</u> 232.50	278.28	311.78	<u>2/</u>	311.78	
October-December-----	284.28	<u>1/</u> 232.50	281.64	311.28	<u>2/</u>	311.28	
1974:							
January-March-----	288.16	<u>1/</u> 232.50	285.03	290.18	<u>2/</u>	290.18	
April-June-----	287.84	<u>1/</u> 232.50	280.88	282.98	<u>2/</u>	282.98	
July-September-----	293.61	<u>3/</u> 259.69	287.29	281.55	<u>2/</u>	281.56	
October-December-----	292.15	<u>3/</u> 234.60	284.73	301.76	<u>2/</u>	301.76	
1975:							
January-March-----	296.63	<u>1/</u> 294.77	296.52	301.17	<u>2/</u>	301.17	
April-June-----	291.01	<u>1/</u> 294.77	291.03	292.10	<u>2/</u>	292.10	
July-September-----	294.93	<u>3/</u> 288.21	294.55	285.84	<u>2/</u>	285.84	
October-December-----	292.83	<u>3/</u> 289.12	292.50	281.51	<u>1/</u> \$226.75	281.27	
1976:							
January-March-----	284.49	<u>1/</u> 297.86	285.16	284.93	<u>1/</u> 226.65	282.51	
April-June-----	278.90	<u>3/</u> 291.48	280.13	287.61	<u>1/</u> 226.65	280.70	
July-September-----	277.04	<u>3/</u> 280.81	277.73	293.81	<u>1/</u> 227.25	286.91	

1/ Price reported by 1 company.

2/ No usable price data reported.

3/ Weighted average of prices reported by 2 companies.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 34.--Profit-and-loss experience of 10 1/ domestic producers of television receivers on their television receiver operations, 1971-75 and accounting periods ended on or about Sept. 30, 1976 2/

(In thousands of dollars)								
Year and company	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Net operating profit or (loss)	Other income or other (expense), net	Net profit or (loss) before taxes	Ratio of net operating profit or (loss) to net sales
<u>1971</u>								
Andrea Radio Corp-----	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***
Motorola, Inc-----	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***
Warwick Electronics Inc-----	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp--	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***
Total-----	2,093,283	1,618,118	475,165	292,484	182,681	(30,823)	151,858	8.7
<u>1972</u>								
Andrea Radio Corp-----	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***
Motorola, Inc-----	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***
Warwick Electronics Inc-----	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp--	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***
Total-----	2,499,997	1,962,206	537,791	323,909	213,882	(46,311)	167,571	8.6

See footnotes at end of table.

Table 34.--Profit-and-loss experience of 10 1/ domestic producers of television receivers on their television receiver operations, 1971-75 and accounting periods ended on or about Sept. 30, 1976 2/--Continued

(In thousands of dollars)								
Year and company	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Net operating profit or (loss)	Other income or other (expense), net	Net profit or (loss) before taxes	Ratio of net operating profit or (loss) to net sales
<u>1973</u>								
Andrea Radio Corp-----	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***
Motorola, Inc-----	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***
Warwick Electronics Inc-----	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp--	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***
Total-----	2,748,409	2,235,227	513,182	353,743	159,439	(49,157)	110,282	5.8
<u>1974</u>								
Andrea Radio Corp-----	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***
Motorola, Inc-----	***	***	***	***	***	***	***	***
Quasar Electronics Co.								
Division of Matsushita Electric Corp. of America-----	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***
Warwick Electronics-----	***	***	***	***	***	***	***	***
Wells-Garnder Electronics Corp--	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***
Total-----	2,553,030	2,224,559	328,471	359,350	(30,879)	(81,192)	(112,071)	(1.2)

See footnotes at end of table.



Table 34.--Profit-and-loss experience of 10 <sup>1/</sup> domestic producers of television receivers on their television receiver operations 1971-75 and accounting periods ended on or about Sept. 30, 1976 <sup>2/</sup>--Continued

(In thousands of dollars)									
Year and company	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Net operating profit or (loss)	Other income or other (expense), net	Net profit or (loss) before taxes	Ratio of net operating profit or (loss) to net sales	
<u>1975</u>									
Andrea Radio Corp -----	***	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***
Quasar Electronics Co. Division of Matsushita Electric Corp. of America-----	***	***	***	***	***	***	***	***	***
RCA Corporation-----	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***
Warwick Electronics Inc-----	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp--	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***
Total-----	2,274,483	1,920,687	353,796	340,303	13,493	(55,210)	(41,717)	0.6	
<u>September 1976</u>									
Andrea Radio Corp-----	***	***	***	***	***	***	***	***	***
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***
General Electric Company-----	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***
Quasar Electronics Co. Division of Matsushita Electric Corp. of America-----	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***
Warwick Electronics Inc-----	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp--	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***
Total-----	1,812,194	1,500,697	311,497	232,731	78,766	(21,616)	57,150	4.3	

<sup>1/</sup> Since Quasar Electronics Co. began production in May 1974 with the purchase of Motorola, Inc., by its parent company, Matsushita Electric, there are 11 reporting companies in 1974. This is the only year in which there are data for 11 companies. Sony Corporation of America did not produce in 1971.

<sup>2/</sup> 2 producers, Curtis Mathes Manufacturing Co. and Quasar Electronics Co., report data on a fiscal year ending May 31; therefore, the data reported by them for 1976 is for 1 quarter. Sony Corp. of America operates on a fiscal year ending Oct. 31, and its data for September 1976 is for the full fiscal year ending Oct. 31, 1976. The accounting year for the remaining producers ended Dec. 31.

<sup>3/</sup> Less than 0.05 percent.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 35.--Television receivers: Capital expenditures <sup>1/</sup> and research and development costs for facilities that are used primarily in the production or assembly of television receivers and/or parts thereof, by types of expenditures, 1971-75 and accounting period ended on or about Sept. 30, 1976

(In thousands of dollars)												
Year and company	Facilities in the United States						Research and development	Facilities outside the United States				
	Land, land improvements	Building, leasehold improvements	Machinery, equipment, and fixtures		Other	Land, land improvements		Building, leasehold improvements	Machinery, equipment, and fixtures		Other	
			New	Used					New	Used		
<u>1971</u>												
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc. 3/------	***	***	***	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	172	2,733	19,405	16	113	59,227	-	2,460	2,714	354		
<u>1972</u>												
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc. 3/------	***	***	***	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	1,025	3,607	23,687	22	24	54,910		238	3,185	369		

See footnotes at end of table.

Table 35.--Television receivers: Capital expenditures <sup>1/</sup> and research and development costs for facilities that are used primarily in the production or assembly of television receivers and/or parts thereof, by types of expenditures, 1971-75 and accounting period ended on or about Sept. 30, 1976--Continued

Year and company	(In thousands of dollars)										
	Facilities in the United States						Facilities outside the United States				
	Land, land improve- ments	Building, leasehold improve- ments	Machinery, equipment, and fixtures		Other	Research and development	Land, land improve- ments	Building, leasehold improve- ments	Machinery, equipment, and fixtures		Other
			New	Used					New	Used	
<u>1973</u>											
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc. <sup>3/</sup> -----	***	***	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***	***	***
Total-----	2,347	23,343	44,051	81	31	65,840	92	2,217	3,593	386	60
<u>1974</u>											
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc-----	***	***	***	***	***	***	***	***	***	***	***
Quasar Electronics Co., Division of Matsushita Electric Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***	***	***
Total-----	230	22,363	52,518	96	23	71,956	6	549	2,787	193	

See footnotes at end of table.

Table 35.--Television receivers: Capital expenditures <sup>1/</sup> and research and development costs for facilities that are used primarily in the production or assembly of television receivers and/or parts thereof, by types of expenditures, 1971-75 and accounting period ended on or about Sept. 30, 1976--Continued

(In thousands of dollars)												
Year and company	Facilities in the United States					Research and development	Facilities outside the United States					
	Land, land improvements	Building, leasehold improvements	Machinery, equipment, and fixtures		Other		Land, land improvements	Building, leasehold improvements	Machinery, equipment, and fixtures		Other	
			New	Used					New	Used		
<u>1975</u>												
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc. 3/-----	***	***	***	***	***	***	***	***	***	***	***	***
Quasar Electronics Co., Division of Matsushita Electric Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	70	19,479	25,073	164	68	70,552	24	1,270	2,109	98	2,257	
<u>September 1976</u>												
Curtis Mathes Manufacturing Co-----	***	***	***	***	***	***	***	***	***	***	***	***
General Electric Co-----	***	***	***	***	***	***	***	***	***	***	***	***
GTE Sylvania Inc-----	***	***	***	***	***	***	***	***	***	***	***	***
Magnavox Consumer Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***
Motorola, Inc. 3/-----	***	***	***	***	***	***	***	***	***	***	***	***
Quasar Electronics Co-----	***	***	***	***	***	***	***	***	***	***	***	***
of Matsushita Electric Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***	***
RCA Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Sony Corp. of America-----	***	***	***	***	***	***	***	***	***	***	***	***
Wells-Gardner Electronics Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Zenith Radio Corp-----	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	4	5,511	17,680	11	34	55,686	-	297	2,505	202	33	

<sup>1/</sup> Data do not include expenditures for administrative facilities, warehousing, or any other manufacturing or nonassembly facilities.

<sup>2/</sup> Not available.

<sup>3/</sup> Only research and development costs are provided.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

APPENDIX B

GENERAL INTERPRETATIVE RULE 10 (H)  
OF THE TARIFF SCHEDULES OF THE  
UNITED STATES ANNOTATED (1976)

## TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1976)

## General Headnotes and Rules of Interpretation

Page 7

(ii) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and

(iii) that the commingling was not intended to avoid the payment of lawful duties.

Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate applicable to the material present in greater quantity than any other material.

(e) The provisions of this headnote shall apply only in cases where the schedules do not expressly provide a particular tariff treatment for commingled articles.

8. Abbreviations. In the schedules the following symbols and abbreviations are used with the meanings respectively indicated below:

\$	-	dollars
c	-	cents
%	-	percent
+	-	plus
ad val.	-	ad valorem
bu.	-	bushel
cu.	-	cubic
doz.	-	dozen
ft.	-	feet
gal.	-	gallon
in.	-	inches
lb.	-	pounds
oz.	-	ounces
sq.	-	square
wt.	-	weight
yd.	-	yard
pcs.	-	pieces
prs.	-	pairs
lin.	-	linear
I.R.C.	-	Internal Revenue Code

9. Definitions. For the purposes of the schedules, unless the context otherwise requires --

(a) the term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States;

(b) the term "entered for consumption" does not include withdrawals from warehouse for consumption;

(c) the term "withdrawn for consumption" means withdrawn from warehouse for consumption and does not include articles entered for consumption;

(d) the term "rate of duty" includes a free rate of duty; rates of duty proclaimed by the President shall be referred to as "proclaimed" rates of duty; rates of duty enacted by the Congress shall be referred to as "statutory" rates of duty; and the rates of duty in column numbered 2 at the time the schedules become effective shall be referred to as "original statutory" rates of duty;

(e) the term "ton" means 2,240 pounds, and the term "short ton" means 2,000 pounds;

(f) the terms "of", "wholly of", "almost wholly of", "in part of" and "containing", when used between the description of an article and a material (e.g., "furniture of wood", "woven fabrics, wholly of cotton", etc.), have the following meanings:

(i) "of" means that the article is wholly or in chief value of the named material;

(ii) "wholly of" means that the article is, except for negligible or insignificant quantities of some other material or materials, composed completely of the named material;

(iii) "almost wholly of" means that the essential character of the article is imparted by the named material, notwithstanding the fact that significant quantities of some other material or materials may be present; and

(iv) "in part of" or "containing" mean that the article contains a significant quantity of the named material.

With regard to the application of the quantitative concepts specified in subparagraphs (ii) and (iv) above, it is intended that the de minimis rule apply.

10. General Interpretative Rules. For the purposes of these schedules --

(a) the general, schedule, part, and subpart headnotes, and the provisions describing the classes of imported articles and specifying the rates of duty or other import restrictions to be imposed thereon are subject to the rules of interpretation set forth herein and to such other rules of statutory interpretation, not inconsistent therewith, as have been or may be developed under administrative or judicial rulings;

(b) the titles of the various schedules, parts, and subparts and the footnotes therein are intended for convenience in reference only and have no legal or interpretative significance;

(c) an imported article which is described in two or more provisions of the schedules is classifiable in the provision which most specifically describes it; but, in applying this rule of interpretation, the following considerations shall govern:

(i) a superior heading cannot be enlarged by inferior headings intended under it but can be limited thereby;

(ii) comparisons are to be made only between provisions of coordinate or equal status, i.e., between the primary or main superior headings of the schedules or between coordinate inferior headings which are subordinate to the same superior heading;

(d) if two or more tariff descriptions are equally applicable to an article, such article shall be subject to duty under the description for which the original statutory rate is highest, and, should the highest original statutory rate be applicable to two or more of such descriptions, the article shall be subject to duty under that one of such descriptions which first appears in the schedules;

(e) in the absence of special language or context which otherwise requires --

(i) a tariff classification controlled by use (other than actual use) is to be determined in accordance with the use in the United States at, or immediately prior to, the date of importation, of articles of that class or kind to which the imported articles belong, and the controlling use is the chief use, i.e., the use which exceeds all other uses (if any) combined;

(ii) a tariff classification controlled by the actual use to which an imported article is put in the United States is satisfied only if such use is intended at the time of importation, the article is so used, and proof thereof is furnished within 3 years after the date the article is entered;

(f) an article is in chief value of a material if such material exceeds in value each other single component material of the article;

(g) a headnote provision which enumerates articles not included in a schedule, part, or subpart is not necessarily exhaustive, and the absence of a particular article from such headnote provision shall not be given weight in determining the relative specificity of competing provisions which describe such article;

(h) unless the context requires otherwise, a tariff description for an article covers such article, whether assembled or not assembled, and whether finished or not finished;

(i) a provision for "parts" of an article covers a product solely or chiefly used as a part of such article, but does not prevail over a specific provision for such part.

11. Issuance of Rules and Regulations. The Secretary of the Treasury is hereby authorized to issue rules and regulations governing the admission of articles under the provisions of the schedules. The allowance of an importer's claim for classification, under any of the provisions of the schedules which provide for total or partial relief from duty or other import restrictions on the basis of facts which are not determinable from an examination of the article itself in its condition as imported, is dependent upon his complying with any rules or regulations which may be issued pursuant to this headnote.

A-129

APPENDIX C

CUSTOMS INFORMATION EXCHANGE LETTER  
DATED MAY 24, 1976 (STATISTICAL  
CIRCULAR NO. 90)



TREASURY DEPARTMENT  
U.S. CUSTOMS SERVICE  
CUSTOMS INFORMATION EXCHANGE



C.I.E. 12/76  
May 24, 1976

SUBJECT: Changes in the Statistical Reporting of Television Receivers,  
effective July 1, 1976

MAY 20 1976  
MAN-5-06-0:D:S M

STATISTICAL CIRCULAR NO. 90

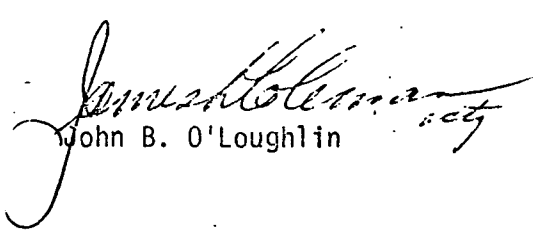
The Committee for Statistical Annotation of Tariff Schedules recently adopted modifications in the statistical reporting of television receivers, effective July 1, 1976. These changes should result in more accurate reporting and improve conformity to current Customs classification practices. Copies of the changes, which will become part of Supplement No. 2 of the TSUSA, have been previously sent to each District under separate cover.

For purposes of statistically reporting television receivers (including monitors) which are essentially finished and ready for delivery to the ultimate consumer, TSUSA items 685.2008 through 685.2042 should be used.

New statistical annotations 685.2002 and 685.2006 should be used to report imports of unassembled or unfinished television receivers. Upon entry, unassembled or unfinished television receivers would consist of:

1. Complete television receivers imported in unassembled condition; or
2. A chassis, with or without attachments, which is not suitable for delivery for resale to an ultimate consumer as a finished or complete television receiver.

Please bring this information to the attention of Customhouse Brokers and other interested parties.

  
John B. O'Loughlin

Distribution: 300, 1



Library Cataloging Data

U.S. International Trade Commission.

Television receivers, color and monochrome, assembled or not assembled, finished or not finished, and subassemblies thereof. Report to the President on investigation no. TA-201-19 under section 201(b) of the Trade act of 1974. Washington, 1977.

62, p. A-130. 27 cm. (USITC Publication 808)

1. Television--Receivers and reception.
2. Television industry.

UNITED STATES  
INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C. 20436

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