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UNITED STATES TARIFF COMMISSION

LOUDSPEAKERS
WORKERS OF THE
CHICAGO, ILL., PLANT OF
JENSEN MANUFACTURING DIVISION
PEMCOR, INC.

Report to the President
on Investigation No. TEA-W-158
Under Section 301(c)(2) of the Trade Expansion Act of 1962



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UNITED STATES TARIFF COMMISSION

Catherine Bedell, *Chairman*

Joseph O. Parker, *Vice Chairman*

Will E. Leonard, Jr.

George M. Moore

J. Banks Young

Italo H. Ablondi

Kenneth R. Mason, *Secretary*

Address all communications to

United States Tariff Commission

Washington, D. C. 20436

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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 operation of an individual firm. 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

U.S. Tariff Commission,
November 24, 1972.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (TEA) (76 Stat. 885), the U.S. Tariff Commission herein reports the findings of an investigation made under section 301(c)(2) of the act in response to a petition filed on behalf of a group of workers.

On September 25, 1972, the Tariff Commission received a petition from the International Brotherhood of Electrical Workers for a determination of eligibility to apply for adjustment assistance on behalf of the former workers of the Jensen Manufacturing Division, the Muter Company, Chicago, Ill., plant, and its successor, Pencor, Inc. The Commission instituted the investigation (TEA-W-158) on October 13, 1972, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with loudspeakers (of the type provided for in item 684.7020 of the Tariff Schedules of the United States Annotated) produced at said firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm or appropriate subdivision thereof.

Public notice of the investigation was given by posting copies of the notice at the office of the Commission in Washington, D.C., at the New York City office, and by publication in the Federal Register of October 19, 1972 (37 F.R. 22427). No public hearing was requested, and none was held.

The information herein was obtained from Pemcor, Inc., other domestic producers of loudspeakers, importers of loudspeakers, the Illinois State Employment Office, trade associations, the International Brotherhood of Electrical Workers Local Union 1031, and from the Commission's files.

FINDING OF THE COMMISSION

On the basis of its investigation, the Commission finds unanimously that articles like or directly competitive with loudspeakers (of the type provided for in item 684.7020 of the Tariff Schedules of the United States Annotated) produced by the Muter Company, and its successor, Pemcor, Inc., Chicago, Ill., are 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, the unemployment or underemployment of a significant number of proportion of the workers of such firm, or an appropriate subdivision thereof.

CONSIDERATIONS SUPPORTING THE COMMISSION'S FINDING 1/

Views of Chairman Bedell, Vice Chairman Parker,
and Commissioner Moore

On September 25, 1972, the International Brotherhood of Electrical Workers filed a petition for adjustment assistance under section 301(a)(2) of the Trade Expansion Act of 1962 on behalf of former workers who had produced loudspeakers at the Chicago, Ill., plant of Pemcor, Inc. Loudspeakers were produced at the Chicago plant until October 1, 1971, when the operation was terminated by the closing of the plant. Pemcor, Inc. no longer maintains loudspeaker manufacturing facilities in the mid-west, having consolidated all such production in three plants in western Pennsylvania in an attempt to reduce manufacturing costs.

Under the Trade Expansion Act of 1962, four criteria must be met in order for an affirmative determination to be made. Those criteria are as follows:

- (1) Articles like or directly competitive with those produced by the workers concerned must be imported in increased quantities;
- (2) The increased imports must be a result in major part of concessions granted under trade agreements;
- (3) The workers concerned must be unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting from trade-agreement concessions must be the major factor causing or threatening to cause the unemployment or underemployment.

1/ Commissioner Ablondi concurs in the result.

If any one of the above criteria is not met in a given case, we must make a negative determination. In the case at hand, we have determined that the second criterion has not been met, i.e., that any increased imports of articles like or directly competitive with those produced by the workers are not in major part the result of trade-agreement concessions.

Imports of loudspeakers have increased in each year since 1960 to date, with the exception of 1967 when imports declined by 4 million units. During the 5-year period 1967-71, imports of loudspeakers for consumption rose from 15.6 million units valued at \$10.6 million to 37.7 million units valued at \$40.3 million. Inasmuch as imports have increased, the first criterion has been met; however, while the rate of duty on loudspeakers has declined as a result of trade-agreement concessions, evidence gathered during the investigation indicates that the increased imports were not in major part the result of these concessions. The trade-agreement concessions granted on the rate applicable to loudspeakers resulted in a reduction of that rate from 35 percent ad valorem in 1930 to 7.5 percent ad valorem in 1972. The largest year-to-year increase in the number of loudspeakers imported occurred in 1964 despite a slight increase in the rate of duty as a result of the adoption of the TSUS (from 13.75 percent ad valorem to 15 percent ad valorem); imports continued to rise at a high rate through 1966, while the higher rate of duty was applicable. Thus, the increasing trend of

imports was clearly evident prior to the Kennedy Round reductions in the rate of duty.

The concessions granted by the United States in the Kennedy Round resulted in reductions in U.S. rates of duty by 7-1/2 percentage points made over a 5-year period, 1968-72. While imports of loudspeakers continued to rise during this period, the Kennedy Round concessions, even taken together with the earlier concessions that had been granted on loudspeakers, could not be regarded as the major factor causing that increase. All comparative pricing data obtained by the Commission on imported versus domestically produced loudspeakers show that the prices of the foreign articles currently are * * * less than those of similar speakers of domestic manufacture. In virtually every case, the foreign article would continue to significantly undersell the domestic loudspeaker even if the 1930 rates of duty were imposed. In light of these price relationships, we can see no major causal relationship between duty rate reductions and increased imports.

Conclusion

On the basis of the foregoing, we find that the second criterion of the statute has not been met with respect to loudspeakers--the article that accounted for all the output at the Chicago plant of Pemcor, Inc. Accordingly, a negative determination has been made.

Views of Commissioners Leonard and Young

The Commission's finding in this investigation relates to a petition filed on behalf of workers formerly employed in the manufacture of loudspeakers at the Chicago, Ill., plant of Pemcor, Inc., for a determination of their eligibility to apply for adjustment assistance under the Trade Expansion Act of 1962. We concur with our colleagues that all of the conditions imposed by section 301(c)(2) of that act have not been met in the instant case. Specifically, we have concluded that, while articles like or directly competitive with the loudspeakers produced by Pemcor, Inc., are being imported in increased quantities, such increased imports are not as a result in major part of concessions granted under trade agreements. Our reasons for reaching that conclusion are discussed in the following paragraphs.

"Like or directly competitive"

To determine whether increased imports the result in major part of trade-agreement concessions are the major factor causing or threatening to cause unemployment or underemployment of workers petitioning for adjustment assistance, it first must be decided what the imported article is. As stated above, the relevant provision of law describes the import to be considered as "an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof." 1/

1/ Trade Expansion Act of 1962, sec. 301(c)(2).

"Directly competitive".--Leaving the discussion of "like" articles aside for the moment, in this investigation the question arises whether certain imported consumer electronic products or the loudspeakers contained therein are, within the terms of the statute, "directly competitive" with the loudspeakers produced by Pemcor. As we have held in an earlier investigation under the Trade Expansion Act, 1/ we cannot, even taking into consideration section 405(4) of that statute (which further defines "directly competitive with"), find that imported consumer electronic products (e.g., television or radio receivers) or loudspeakers in imported consumer electronic products are articles directly competitive with the product made by Pemcor.

Section 405(4) of the Trade Expansion Act of 1962 reads:

An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

The House Report accompanying the Trade Expansion Act explains part of the provision as follows:

Your committee has incorporated in the bill a provision which has the effect of permitting an extension of the scope of the term "directly competitive." Under this provision, an imported article may be considered "directly competitive with" a domestic article, or vice versa, if the one is at an earlier or later stage of processing than the other, or if one is a processed and the

1/ All Star Products, Inc. (Investigation No. TEA-F-32, TC Publication 423, October 1971, pp. 5-8).

other an unprocessed form of the same article, and if the economic effect of importation of the imported article is comparable to the effect of importation of articles in the same stage of processing as the domestic article.

The term "earlier or later stage of processing" con- templates that the article remains substantially the same during such stages of processing, and is not wholly trans- formed into a different article. Thus, for example, zinc oxide would be zinc ore in a later stage of processing, since it can be processed directly from zinc ore. For the same reason, a raw cherry would be a glace cherry in an earlier stage of processing, and the same is true of a live lamb and dressed lamb meat (sec. 405(4)). ^{1/}

Similar to the reasoning we presented in All Star Products, Inc.,² a radio (television or other consumer electronic product) cannot, in the context of the statute and the House Report, be deemed to be a loud- speaker at a later stage of processing. A loudspeaker is a finished article requiring no further processing as does zinc ore, for example. A radio is an assembly of processed component parts, such as a loud- speaker, a tuner, various resistors, capacitors, etc. A radio is sub- stantially different from a loudspeaker, having been transformed into a radio from a collection of components. A loudspeaker alone cannot receive, convert, and amplify a radio signal, as does a radio. Nor is a loudspeaker that is an integral part of a radio any longer a loud- speaker in commercial terms. It is a part of a radio. We are not, therefore, permitted under the statute to regard an imported consumer electronic product, such as a radio, television receiver, etc. (or loud- speaker within such an imported consumer electronic product) as directly competitive with the loudspeakers made by Penco.

^{1/} House Report No. 1818, 87th Cong., 2d Sess., p. 24.

^{2/} All Star Products, Inc., op. cit.

"Like".--The petitioning workers at the Chicago plant of Pemcor, Inc., produced loudspeakers over a full range of sizes and qualities--both low-cost, high-volume loudspeakers and high-quality, low-volume specialized loudspeakers for use in consumer electronic products. Thus, imported articles "like" the articles produced by the workers at the Chicago plant of Pemcor are loudspeakers of various sizes and ratings.

"Not in major part"

Loudspeakers were not imported into the United States in significant quantities until the early 1960's. By then the U.S. rates of duty applicable to loudspeakers had been reduced from the preconcession 1930 rate of 35 percent ad valorem to 13-3/4 percent as a consequence of three trade-agreement concessions, the effective date of the latest reduction having been 1951. Thus, a 60 percent reduction in the rate of duty resulted in no substantial importation of loudspeakers.

Even in 1960, the year for which data on imports of loudspeakers were first available, such imports were only 600,000 units (less than 2 percent of the volume imported in 1971). This was 10 years after the 13-3/4 percent rate became effective. During the early and middle 1960's, when the U.S. duty on loudspeakers was not reduced (but in fact was increased slightly--13.75 percent to 15 percent in 1963--when the United States adopted a new tariff, the Tariff Schedules of the United States) imports of loudspeakers rose markedly to a level of almost 20 million in 1966. This was more than a 35-fold increase. During subsequent years, 1968-72, when the Kennedy Round concessions were placed

in effect, imports continued to rise, although at a slower annual rate than before the Kennedy Round concessions began to be imposed. Moreover, the aggregate reduction resulting from the Kennedy Round--7.5 percentage points--was not sufficient to have been a major factor influencing U.S. imports of loudspeakers. The data available to the Commission indicate that currently imported loudspeakers greatly undersell those domestically produced-- * * *. Even assuming that the much higher 1930 duty were fully reflected in the current prices of the imported products, the domestic price would still be higher. In view of these circumstances, we must conclude that increased imports of loudspeakers could not have been caused in major part by trade-agreement concessions. Accordingly, a negative determination is required in this investigation.

INFORMATION OBTAINED IN THE INVESTIGATION

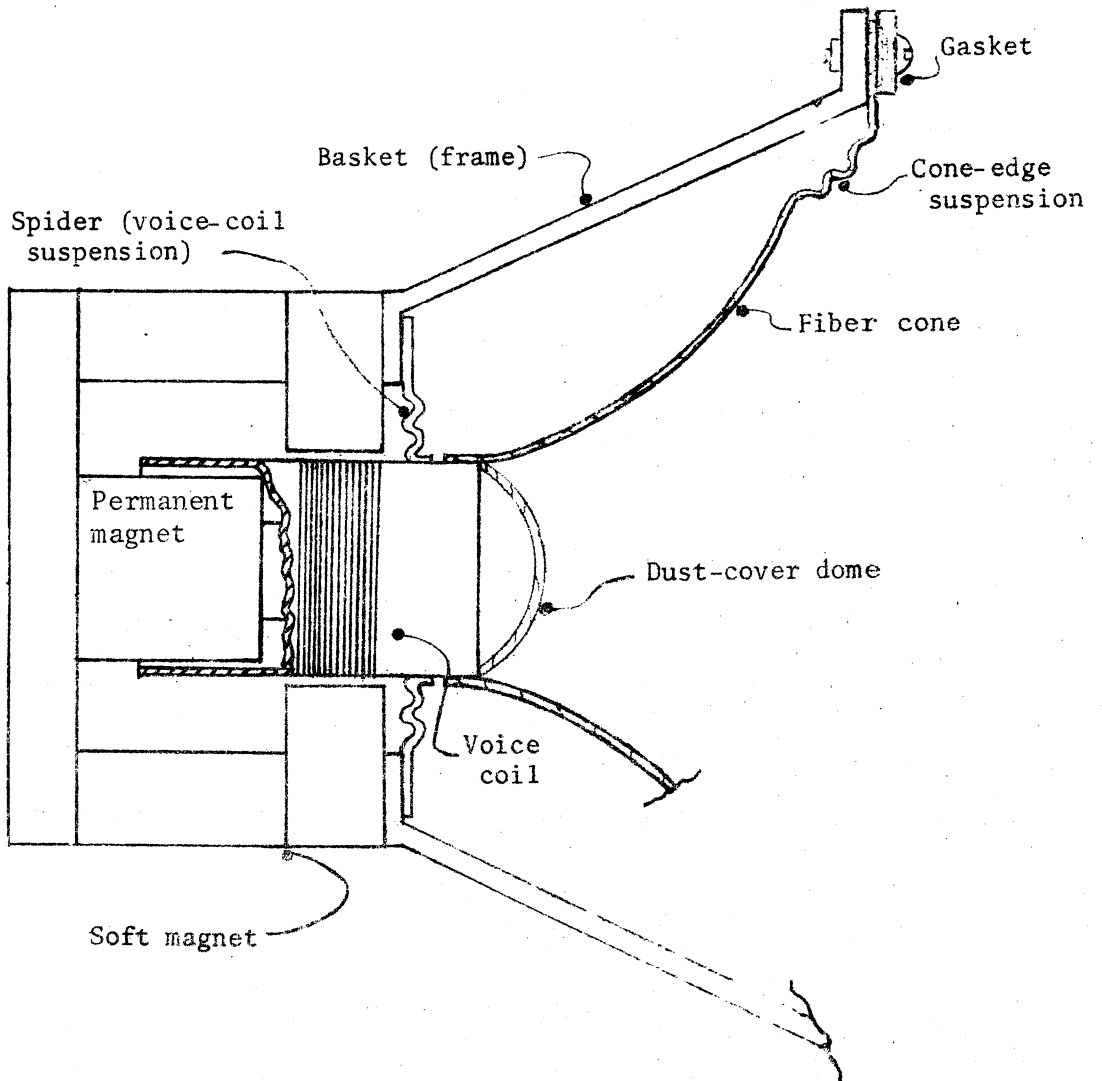
Description and Uses

Loudspeakers are electroacoustic transducers which convert electrical energy into sound energy. Two basic types of loudspeakers are in common use at the present time: the direct-radiating type and the horn type.

Direct-radiating-type loudspeakers consist basically of a magnet assembly with a voice coil which drives a specially treated paper cone (see diagram on following page). The cone is suspended elastically in a metal frame in a manner which centers the voice coil and cone assembly in the air gap of the magnet assembly. The majority of loudspeakers in use today are of the direct radiating type, which ranges in size from less than 2 inches to as large as 24 inches in diameter. These speakers are used primarily in radio and television receivers, high-fidelity stereophonic systems, phonograph players, tape players, dictation machines, and intercom systems.

Horn-type speakers consist of two basic components--a driver unit and a horn. The driver unit corresponds to the magnet assembly and voice coil of the direct-radiating-type speaker, but a diaphragm (usually metal) is driven instead of a paper cone. Various combinations of horns and drivers are available, the choice depending upon the power requirements, the type of sound to be amplified (speech or music), and the directivity needed. Power ratings of drivers vary from a few watts to 100 watts or more.

Basic loudspeaker structure and components



Small horn-type speakers are used in high-quality stereo systems and are either combined with direct-radiating types to form coaxial speakers or are separately installed in the same cabinet with direct-radiating speakers. In this type of application, the horn-type speaker is used to extend the high-frequency response of the speaker system. Large horn-type speakers are used in public-address applications when large amounts of sound power are required.

U.S. Tariff Treatment

Loudspeakers were originally classified for tariff purposes under paragraph 353 of the Tariff Act of 1930 at 35 percent ad valorem. Paragraph 353 was a basket category for electrical equipment, including parts "suitable for producing, rectifying, modifying, controlling, or distributing electrical energy." With the adoption of the Tariff Schedules of the United States (TSUS) on August 31, 1963, loudspeakers were provided for (along with microphones, earphones, and audio-frequency electric amplifiers) under TSUS item number 684.70. The rate of duty applicable to that item was established at 15 percent ad valorem. The various articles dutiable under item 684.70 had been subject to various rates of duty, but principally 15 percent ad valorem. From 1968 to 1972, the rate of duty on articles in that TSUS item (including loudspeakers) was reduced in five annual steps, from 15 percent to 7.5 percent ad valorem, as a result of a concession granted during the Kennedy Round of negotiations under the General Agreement on Tariffs and Trade.

The following table represents the chronology of rates applicable to loudspeakers between June 18, 1930, and January 1, 1972.

Loudspeakers: Changes in U.S. rates of duty, 1930-72

Effective date	Rate of duty	Authority
	<u>Percent</u> <u>ad valorem</u>	
June 18, 1930-----	35	: Tariff Act of 1930.
Jan. 1, 1939-----	25	: Trade Agreement with the : United Kingdom.
Jan. 1, 1948-----	15	: GATT concession.
June 6, 1951-----	13.75	: Do.
Aug. 31, 1963-----	15	: Tariff Classification Act of : 1962 (TSUS item 684.70).
Jan. 1, 1968-----	13	: GATT concession.
Jan. 1, 1969-----	12	: Do.
Jan. 1, 1970-----	10	: Do.
Jan. 1, 1971-----	<u>1</u> / 9	: Do.
Jan. 1, 1972-----	7.5	: Do.

1/ An additional 10-percent import duty was imposed during the period Aug. 16, 1971, to Dec. 19, 1971 (Presidential Proclamations 4074 and 4098).

The petitioner also cited imports of other electronic products, such as TV sets and radios, as contributing to unemployment at the Pemcor plant. A history of rates applicable to such products is shown in **table 1**. Reductions in rates of duty of similar magnitude have also taken place as a result of trade-agreement concessions with respect to articles containing loudspeakers.

U.S. Producers

According to available* information, the six largest U.S. producers of noncaptive loudspeakers * * * account for the great bulk of U.S. production of loudspeakers for sale to others, with the remainder being shared by at least 20 other manufacturers. Firms producing loudspeakers for their own use are believed to number only three or four; however, these firms probably produce 20 to 30 percent of the total annual domestic output of loudspeakers.

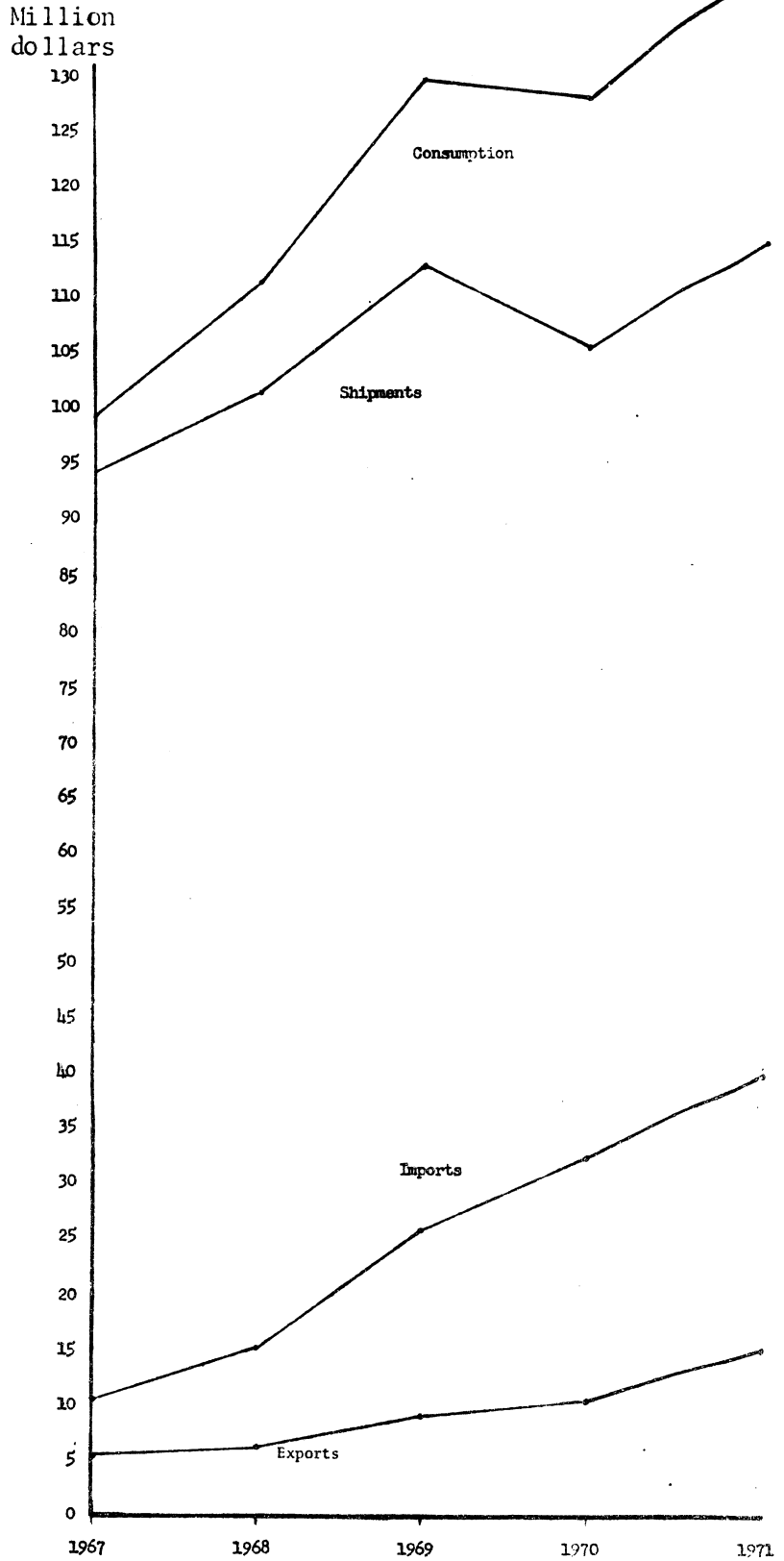
U.S. Consumption, Shipments, and Exports

Official data do not report domestic shipments of loudspeakers in terms of quantity; however, the Department of Commerce publishes the value of annual shipments of loudspeakers.

Annual U.S. consumption of loudspeakers increased from \$100 million in 1967 to \$130 million in 1969, declined slightly (by \$2 million, or 1.5 percent, from 1969) in 1970, and rose to \$140 million in 1971 (table 2 and chart 1). Domestic consumption is expected either to be static or to increase from its present level. Recent consumer-oriented innovations such as quadraphonic stereo equipment, digital clock radios, and a growing replacement market for television sets (particularly since the advent of solid-state television components and with increasing demand for color) will likely expand the use of such articles in the United States.

In recent years, imports have supplied a growing share of total domestic consumption of loudspeakers in terms of value. Between 1967 and 1971, imports as a percent of consumption increased roughly 5 percent per year; they accounted for 11 percent of consumption in 1967 and 29 percent in 1971 (table 2). During the same 5-year period, imported loudspeakers from Japan increased from 9.0 percent of consumption in 1967 to 23.9 percent in 1971.

Chart 1.--Loudspeakers: Consumption, imports for consumption, domestic shipments, and exports, 1967-71



Appendix tables 3 through 7 show U.S. factory shipments, imports, exports, and apparent consumption for electronic consumer items which utilize loudspeakers.

In terms of value, shipments of domestically produced loudspeakers followed the 1967-71 trend in consumption, with shipments increasing through 1969 (from \$94 million in 1967 to \$113 million in 1969), then declining to \$106 million in 1970, and increasing again to \$115 million in 1971 (table 2). These figures may be overstated because some parts for loudspeakers may be included in the statistics. Shipments as a percent of consumption have declined in each of the last 5 years, from 89.4 percent in 1967 to 71.2 percent in 1971, as shown in the following table.

Loudspeakers: Ratio of domestic shipments to 1967 shipments and consumption, and of exports to 1967 exports, 1967-71

(In percent)				
Year	Shipments to the U.S. market as a percent of--		Exports as a percent of 1967 exports	
	1967 shipments	Domestic consumption	1967	Domestic consumption
1967-----	100.0	89.4	100.0	100.0
1968-----	107.0	85.4	120.0	120.0
1969-----	116.5	79.9	173.0	173.0
1970-----	106.7	74.3	198.8	198.8
1971-----	111.9	71.2	288.0	288.0

Exports of loudspeakers, including parts, by domestic producers have increased steadily since 1967 (tables 2 and 8). During the period 1967-71, exports increased from \$5.3 million to \$15.2 million (an increase of 288 percent).

Exports, by country, are presented in table 8. These statistics are somewhat overstated owing to the inclusion of some loudspeaker parts; the major proportion of the exports, however, are believed to consist of complete speakers. Available export data indicate that domestically produced loudspeakers are sold in over 40 foreign markets; the only two of note, however, are Canada and West Germany, where sales of roughly \$1 million to \$4 million and \$0.5 million to \$3 million, respectively, were made annually during 1967-71. These two markets combined accounted for between 30 and 45 percent of annual U.S. exports of loudspeakers during that period.

U.S. Imports

Annual U.S. imports of loudspeakers have increased markedly since 1960, from 601,000 units, valued at \$1.7 million, in 1960 to 35 million units, valued at \$40.3 million, in 1971 (tables 9 and 10 and chart 2). The only interruption in this trend occurred during 1967, when total imports of loudspeakers declined 4 million units from 1966; however, even in that year the value of imports increased slightly. In the following year, imports increased by 7.5 million units (48 percent over 1967), and increased in each subsequent year to the 1971 high of 35 million units.

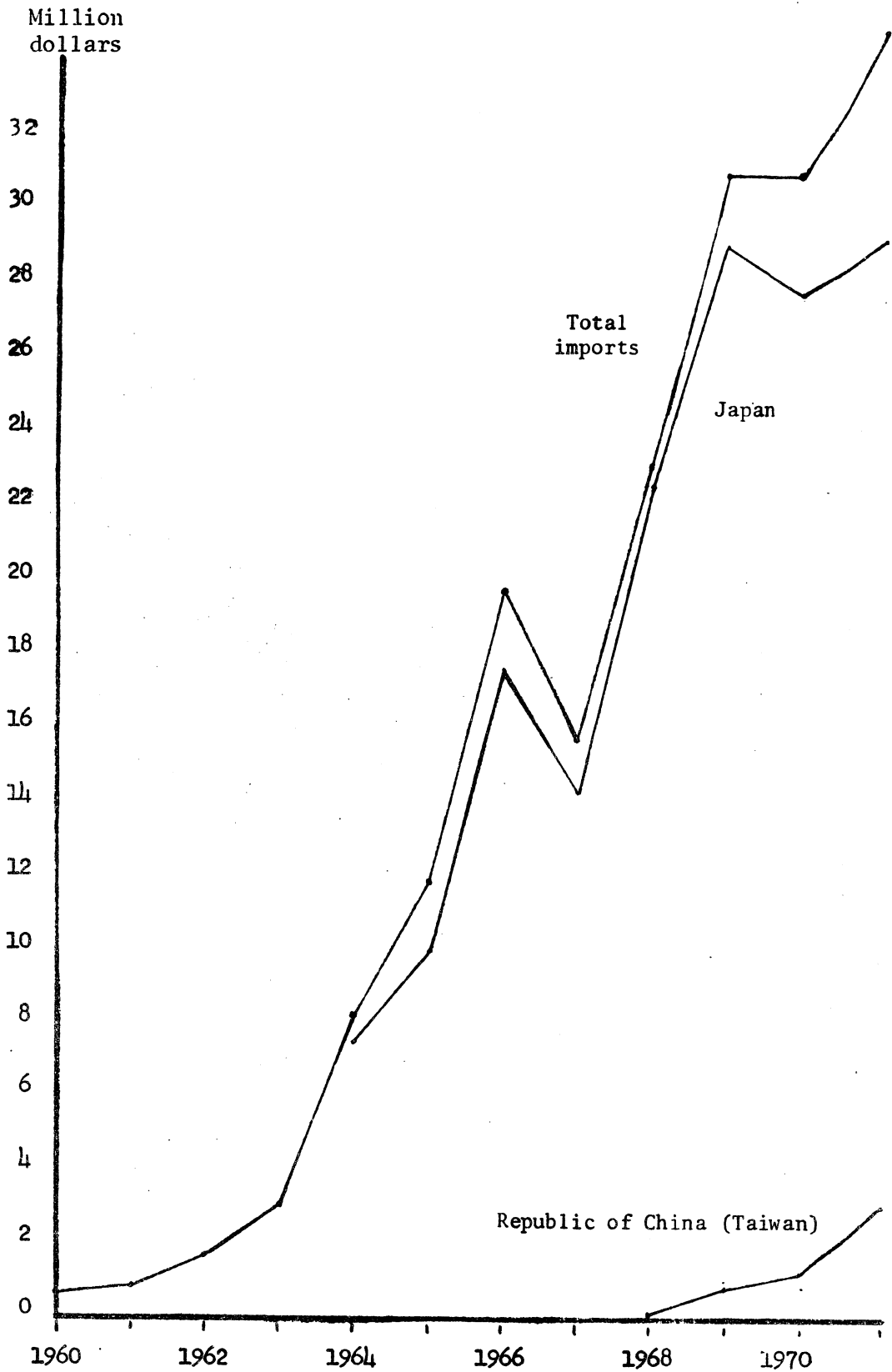
Japan is by far the major source of imports of loudspeakers, having supplied on the average about 90 percent of all U.S. imports of loudspeakers since 1967. Since 1968, the year in which 97 percent of all imports were supplied by Japan, the Japanese have increased their sales of loudspeakers to the United States by 30 percent, but their market share of imported loudspeakers declined in each year to 83.8 percent in 1971.

Japan supplies all sizes of loudspeakers; however, its exports to the United States are concentrated in the smaller sizes (2-to-8 inch). In these sizes large quantities of loudspeakers can be shipped at the lower "per hundredweight" freight rate (rather than by volume). The Republic of China (Taiwan) is the only other supplier of any magnitude; imports from Taiwan accounted for only 2.9 percent of the total value of U.S. imports of loudspeakers in 1969, but 8.7 percent in 1971. This trend is expected to continue since Japanese firms are shifting more production into the developing countries to obtain lower costs.

Imported loudspeakers enter the United States through all the major ports of entry, with the east and west coast ports handling the larger proportion.

It is estimated that consumer electronic items utilizing loudspeakers, i.e., radio receivers, phonographs, and television receivers, (tables 3-7) average 1-1/2 speakers in each item. This

Chart 2.--Loudspeakers: Total imports for consumption and imports from Japan and the Republic of China (Taiwan), 1960-71



means that an additional 95 million loudspeakers were imported in 1971 as components of these articles.

Pemcor, Inc.

The corporation

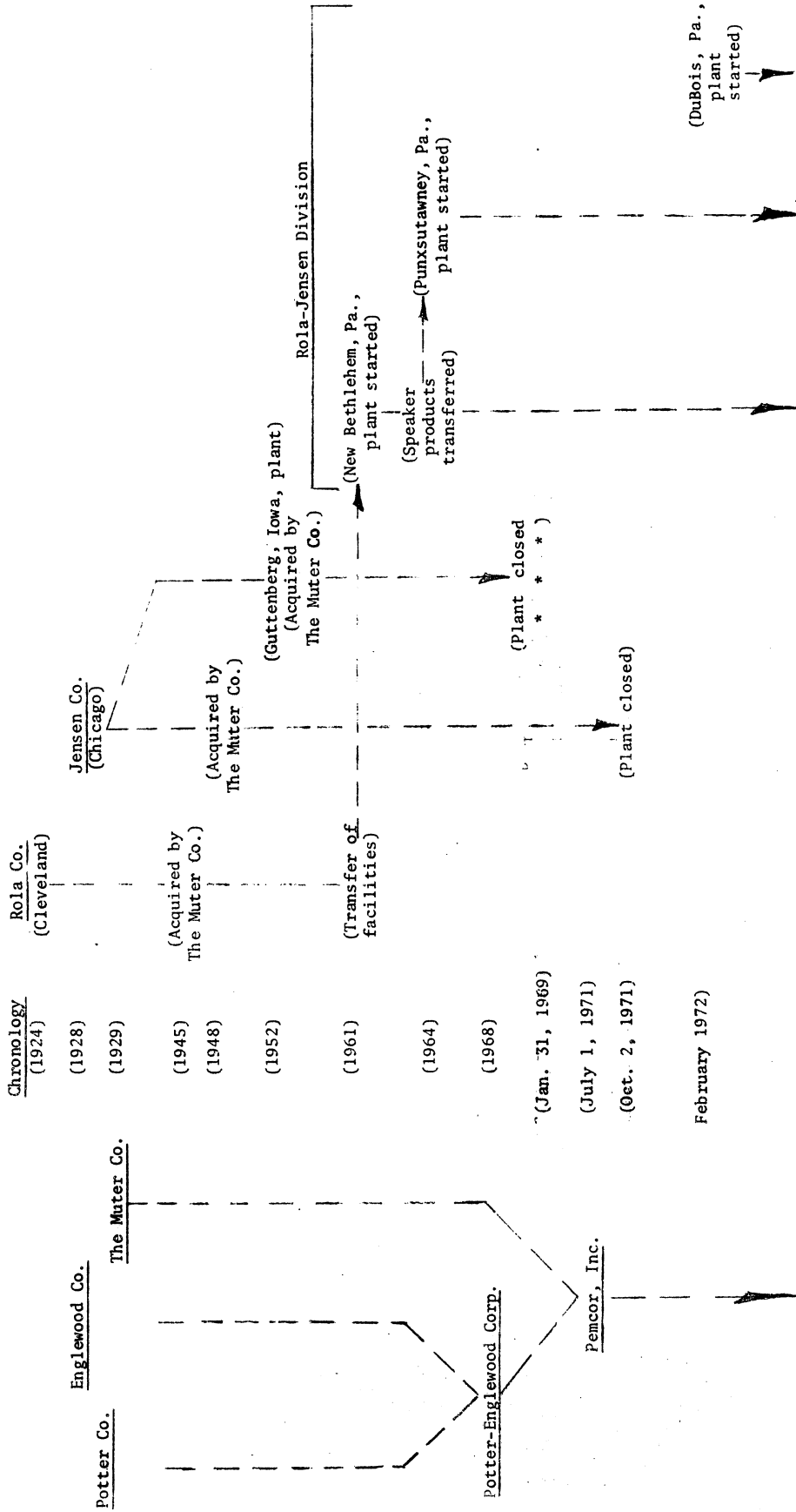
Pemcor, Inc., was incorporated in the State of Illinois on July 1, 1971, and maintains corporate headquarters at 2121 South Mannheim Road, Westchester, Ill. It owns companies manufacturing electronic components and loudspeakers and a distributor of electrical lighting and equipment.

The corporation was preceded by two electronics firms, The Muter Co. and the Potter Co., and one electrical firm, the Englewood Electrical Supply Co. (as shown on chart 3 on the following page). The Potter and Englewood companies merged in 1968 to form the Potter-Englewood Corp.

During the 8-year period 1945-52, The Muter Co. acquired three loudspeaker manufacturers: Rola Co., Cleveland, 1945; Jensen Co., Chicago, 1948; and the former Jensen plant at Guttenberg, Iowa, 1952. The Cleveland plant was relocated in New Bethlehem, Pa., in 1961 * * *. According to Pemcor officials, continually increasing competition from imports of * * * loudspeakers forced The Muter Co. to close the former Jensen Co. plant in Guttenberg, Iowa. (See appendix B, letter to Guttenberg news media.) * * *

Chart 3...Pemcor, Inc.: Corporate and plant development
The development of Pemcor's loudspeaker establishments

The development of Pemcor, Inc.



Source: History obtained from the chairman of the board of Pemcor, Inc.

In July 1971 The Muter Co. merged with the Potter-Englewood Corp., formerly Pemcor, Inc., presently a corporation with annual sales totaling \$69 million. The merger gave the new corporation additional electronic products and also an electrical distributing business (formerly Englewood Electrical Supply Co.).

* * * * *

Jensen Manufacturing Division (Chicago plant)

The Jensen Manufacturing Division and the Chicago plant were one and the same--the facility named in the petition. The Jensen Manufacturing Division was acquired by The Muter Co. in 1948 (chart 3). The loudspeaker-manufacturing plant was situated at 5655 West 73d Street, Chicago, Ill. * * *.

A-15 through A-16

* * * * *

* * *

Jensen's Guttenberg, Iowa, plant

In 1952 Muter acquired Jensen's Guttenberg, Iowa, plant (chart 3), which continued loudspeaker production until it was closed by Muter in 1969. * * *. The Guttenberg plant is now a part of Utah-American Corp. and is producing * * * speakers * * *.

* * *

New Bethlehem, Pa., Punxsutawney, Pa., and DuBois, Pa., plants (Rola-Jensen Division)

The New Bethlehem, Punxsutawney, and DuBois plants constitute the Pemcor Rola-Jensen Division (chart 3). Loudspeakers produced in these facilities are marketed under both the Rola and the Jensen labels. * * *.

The Punxsutawney plant, formerly owned by the Neptune Meter Co., was built shortly after the Second World War. The company later went out of business. The Rola-Jensen Division of Muter, after the New Bethlehem fire in 1964, leased the Punxsutawney plant and adapted it for the production of the types * * * speakers formerly made in New Bethlehem. * * *.

The DuBois plant was built by Jeffers Electronics shortly after the Second World War for the purpose of producing resistors and capacitors. It was purchased by Airco-Speer Electronics, Inc., a few years later and continued to manufacture resistors and capacitors

APPENDIX A
STATISTICAL TABLES

Table 1.--Television receivers, radio receivers, phonographs, and tape recorders: U.S. tariff-rate history, 1930-72

Tariff Act or Trade agreement	Effec- tive date	Tariff rate for--					
		Tele- vision re- ceivers	Radio receivers		Radio phono- graphs	Phono- graphs	Tape re- corders
		Percent ad val.	Solid- state	Other	Percent ad val.	Percent ad val.	Percent ad val.
Tariff Act of 1930-----	1930	35	35		35	35	35
Trade agree- ment with United Kingdom-----	1939	25	25		25	25	27.5
GATT-----	1948	15	15		15	15	15
Do-----	1951	12.5	12.5		13.75	13.75	13.75
Do-----	1956	11.5	12.5		13.75	13.75	13.75
Do-----	1957	11	12.5		13.75	13.75	13.75
Do-----	1958	10.5	12.5		13.75	13.75	13.75
Do-----	1962	10	12.5		13.75	12.5	12.5
TSUS-----	1963	10	12.5		13.75	11.5	11.5
Do-----	1966	10	12.5		13.75	11.5	11.5
Do-----	1967	10	12.5		13.75	11.5	11.5
GATT-----	1968	9	12	11	12	10	10
Do-----	1969	8	11.5	10	11	9	9
Do-----	1970	7	11	8.5	9.5	8	8
Do-----	1971	6	10.4	7	8	6.5	6.5
Do-----	1972	5	10.4	6	6.5	5.5	5.5

Table 2.--Loudspeakers: U.S. factory shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71

Item	1967	1968	1969	1970	1971
Shipments ^{1/}					
1,000 dollars--	94,472	101,749	113,028	105,684	^{2/} 115,000
Imports:					
Quantity---1,000 units--	15,585	23,061	30,787	30,802	34,697
Value----1,000 dollars--	10,557	16,298	26,086	32,908	40,348
Exports ^{1/}					
1,000 dollars--	5,281	6,337	9,138	10,496	15,211
Consumption ^{1/}					
1,000 dollars--	99,748	111,710	129,976	128,096	140,137
Ratio of imports to consumption-----percent--	10.6	14.6	20.1	25.7	28.8

^{1/} Data in shipments and exports are available only in terms of value and may be overstated somewhat owing to the inclusion of certain parts.

^{2/} Estimated.

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

Table 3.--Television receivers and combinations: U.S. factory shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71

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

Year	Shipments	Imports	Ex-ports ^{1/}	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1967-----	9,701	1,614	139	11,170	14.4
1968-----	10,328	2,711	144	12,892	21.0
1969-----	8,721	4,034	157	12,598	32.0
1970-----	8,298	4,510	126	12,682	35.6
1971-----	8,664	5,447	162	13,949	39.0
Value					
1967-----	2,191,509	125,582	23,577	2,291,781	5.5
1968-----	2,222,492	203,771	27,771	2,392,772	8.5
1969-----	1,852,261	295,855	33,287	2,114,829	14.0
1970-----	1,713,914	315,524	26,166	2,003,272	15.8
1971-----	1,960,216	413,318	37,146	2,336,388	17.7

^{1/} Data may not be fully comparable with data on shipments and imports.

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

Table 4.--Radio receivers: U.S. factory shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71

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

Year	Shipments	Imports	Exports ^{1/}	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1967-----	17,527	24,200	437	41,290	58.6
1968-----	17,510	30,161	644	47,027	64.1
1969-----	15,683	36,468	770	51,381	71.0
1970-----	11,998	34,763	678	46,083	75.4
1971-----	12,307	35,490	719	47,078	75.4
Value					
1967-----	362,297	172,135	9,410	525,022	32.8
1968-----	394,920	254,798	11,595	638,123	39.9
1969-----	372,927	336,136	15,258	693,805	48.4
1970-----	284,623	348,955	13,407	620,174	56.3
1971-----	365,909	363,049	16,171	712,787	50.1

^{1/} Data may not be fully comparable with data on shipments and imports.

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

Table 5.--Radio-phonographs: U.S. factory shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71

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

Year	Shipments	Imports	Exports ^{1/}	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1967-----	1,730	1,315	18	3,027	43.4
1968-----	1,982	1,611	19	3,574	45.1
1969-----	1,842	1,658	28	3,472	47.8
1970-----	1,660	1,579	20	3,219	49.1
1971-----	1,761	1,531	27	3,265	46.9
Value					
1967-----	324,185	25,731	2,606	347,310	7.4
1968-----	378,682	29,712	3,008	405,386	7.3
1969-----	326,405	36,313	3,819	358,899	10.1
1970-----	273,558	44,686	2,513	315,731	14.2
1971-----	257,893	53,616	3,657	307,852	17.4

^{1/} Data may not be fully comparable with data on shipments and imports.

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

Table 6.--Phonographs and record players: U.S. factory shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71

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

Year	Shipments	Imports	Ex-ports ^{1/}	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1967-----	4,285	<u>2/</u>	61	-	-
1968-----	4,748	3,820	71	8,497	45.0
1969-----	4,990	4,260	70	9,180	46.4
1970-----	3,951	4,451	66	8,336	53.4
1971-----	4,068	5,376	80	9,364	57.4
Value					
1967-----	201,178	37,795	17,128	221,845	17.0
1968-----	222,696	42,604	20,817	244,483	17.4
1969-----	214,193	47,318	18,088	243,423	19.4
1970-----	173,291	50,035	23,162	200,164	25.0
1971-----	167,605	62,212	22,735	207,082	30.0

^{1/} Data may not be fully comparable with data on shipments and imports.

^{2/} Comparable data not available.

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

Table 7.--Tape players and tape recorders: U.S. factory shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71

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

Year	Shipments	Imports	Ex-ports ^{1/}	Apparent consumption	Ratio (percent) of imports to consumption
Quantity					
1967-----	846	^{2/}	202	-	-
1968-----	679	7,737	319	8,097	95.6
1969-----	650	11,479	267	11,862	96.8
1970-----	454	12,076	98	12,432	97.1
1971-----	386	15,091	86	15,391	98.1
Value					
1967-----	49,550	^{2/}	16,297	-	-
1968-----	47,171	123,790	31,585	139,376	88.8
1969-----	43,879	210,165	41,904	212,140	99.1
1970-----	38,279	326,497	22,679	342,097	95.4
1971-----	30,642	350,501	16,919	367,866	95.3

^{1/} Data may not be fully comparable with data on shipments and imports.

^{2/} Comparable data not available.

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

Table 8.--Loudspeakers: U.S. exports, by principal markets, 1967-71

Market	1967	1968	1969	1970	1971
Canada-----	\$1,130,314	\$1,387,968	\$1,788,582	\$2,483,896	\$3,995,967
West Germany--	574,745	787,381	529,519	1,162,993	2,720,552
Netherlands---	132,306	127,327	163,925	884,324	943,621
Japan-----	368,820	335,611	392,973	733,467	921,485
United Kingdom-----	148,703	199,061	432,214	568,377	763,541
Mexico-----	159,807	207,851	172,952	384,447	639,193
Italy-----	304,350	183,462	297,267	567,785	554,441
Switzerland---	131,187	215,419	348,239	316,370	505,329
Venezuela-----	461,255	594,006	109,796	278,717	398,969
All other-----	1,869,571	2,298,531	3,145,600	3,115,996	3,768,162
Total-----	5,281,058	6,336,617	7,381,067	10,496,372	15,211,260

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

Table 9.--Loudspeakers: U.S. imports for consumption,
1960-71 and January-June 1972

Period	Quantity	Value
	<u>1,000 units</u>	<u>1,000 dollars</u>
1960-----	601	1,747
1961-----	809	2,320
1962-----	1,738	2,994
1963 <u>1/</u> -----	3,046	3,495
1964-----	8,164	4,744
1965-----	11,759	6,757
1966-----	19,593	10,358
1967-----	15,585	10,557
1968 <u>2/</u> -----	23,061	16,298
1969 <u>2/</u> -----	30,787	26,086
1970 <u>2/</u> -----	30,802	32,908
1971 <u>2/</u> -----	34,697	40,348
1972 (Jan.-June) <u>2/</u> ---	24,478	29,600

1/ Duty applicable to loudspeakers increased as a result of adoption of the TSUS, Aug. 31, 1963.

2/ Rate of duty was reduced.

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

Note.--U.S. imports of loudspeakers were first separately reported in U.S. import statistics for the year 1960.

Table 10.--Loudspeakers: U.S. imports for consumption, by principal sources, 1967-71

Source	1967	1968	1969	1970	1971
Quantity (1,000 units)					
Japan-----	14,175	22,419	28,870	27,536	29,071
United Kingdom-----	133	193	244	159	77
Canada-----	19	15	28	21	41
West Germany-----	35	94	83	92	97
Ireland-----	994	194	102	21	-
Denmark-----	17	23	110	175	315
Taiwan-----	16	31	792	1,296	3,019
Netherlands-----	124	37	228	716	482
Mexico-----	2	-	153	491	1,131
All other-----	70	54	178	295	464
Total-----	15,585	23,061	30,787	30,802	34,697
Foreign value (1,000 dollars)					
Japan-----	8,463	14,087	22,576	28,141	33,440
United Kingdom-----	949	1,089	1,120	790	718
Canada-----	125	316	551	595	798
West Germany-----	299	508	525	508	669
Ireland-----	272	53	374	82	-
Denmark-----	27	36	283	918	1,906
Taiwan-----	38	45	275	548	1,103
Netherlands-----	291	79	172	420	384
Mexico-----	2	1	118	293	640
All other-----	91	84	93	613	690
Total-----	10,557	16,298	26,086	32,908	40,348
Unit value					
Japan-----	\$0.60	\$0.63	\$0.78	\$1.02	\$1.15
United Kingdom-----	7.14	5.64	4.59	4.97	9.32
Canada-----	6.75	20.44	19.65	28.33	19.46
West Germany-----	8.43	5.42	6.35	5.52	6.90
Ireland-----	.27	.27	3.65	3.90	-
Denmark-----	1.58	1.53	2.57	5.25	6.05
Taiwan-----	2.32	1.45	.35	.42	.37
Netherlands-----	2.35	2.16	.75	.59	.80
Mexico-----	.80	2.56	.77	.60	.57

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

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APPENDIX B
THE MUTER CO.'S LETTER TO GUTTENBERG, IOWA,
AND SURROUNDING AREA NEWS MEDIA



THE MUTER COMPANY

5655 West 73rd Street, Chicago, Illinois 60638 • Telephone 767-7600

INTER-COMPANY CORRESPONDENCE

January 8, 1969

TO: Guttenberg, Iowa and
Surrounding Area News Media

In a meeting today with the employees of our Guttenberg, Iowa plant, I advised them that the management of Jensen and The Muter Company had made the decision to close the plant on or about January 31. A copy of the announcement which outlines the reasons for this decision is attached.

We want to express to the community of Guttenberg, as we have done to our employees, our appreciation and thanks for its loyal support and cooperation over the years. We also want to assure the citizens of Guttenberg that our decision is no reflection on our employees or the community. We have always held our employees and the community in high esteem and will continue to do so. The decision to close the plant was based exclusively upon economic considerations. Imports of loudspeakers and equipment using loudspeakers has increased tremendously in the past two years. This has effected our business as well as the business of all American speaker manufacturers. With our Chicago and Guttenberg plants we have manufacturing capacity in excess of what is required.

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We will offer to local groups any assistance we can give in locating a company which can use the plant and the well trained work force which exists. We hope that through such efforts a company can be found and that it can provide jobs for the people who have served us so well over the years.

Herbert F. Kuhlow
Executive Vice President

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