

UNITED STATES TARIFF COMMISSION

ELECTRONIC TRANSFORMERS: FORMER WORKERS OF C P ELECTRONICS, INC.,
COLUMBUS, INDIANA

Report to the President on Investigation No. TEA-W-31 Under
Section 301(c)(2) of the Trade Expansion Act of 1962



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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 could result in the disclosure of the operations of an individual concern. 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
January 4, 1971

To the President:

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

On November 4, 1970, the International Brotherhood of Electrical Workers, AFL-CIO-CLC, filed a petition for a determination of eligibility to apply for adjustment assistance on behalf of the former workers of the Columbus, Indiana, plant of C P Electronics, Inc. The Commission instituted the investigation (TEA-W-31) on November 13, 1970, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the electronic transformers produced by C P Electronics, Inc., at Columbus, Indiana, 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 the Columbus plant.

Public notice of this investigation was given in the Federal Register (35 F.R. 17809) on November 19, 1970. No public hearing was requested by any party showing a proper interest in the subject matter of the investigation, and none was held.

The information herein was obtained from the International Brotherhood of Electrical Workers, and the former President of its

Local Union No. 808 (defunct since July 23, 1970); from C P Electronics, Inc.; from domestic producers of television receivers; and from the Commission's files.

Finding of the Commission

On the basis of its investigation, the Commission ^{1/} finds (Commissioner Leonard dissenting) that, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the electronic transformers produced by C P Electronics, Inc. at Columbus, Indiana, 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 the Columbus plant.

^{1/} Commissioner Sutton did not participate in the decision.

Considerations Supporting the Commission's Finding

On November 4, 1970, the International Brotherhood of Electrical Workers filed a petition for adjustment assistance under section 301 of the Trade Expansion Act of 1962 on behalf of the former employees of the Columbus, Indiana, plant of C P Electronics, Inc. We find that these workers are eligible to apply for adjustment assistance.

The relevant facts are set out below.

C P Electronics began producing electronic products at its Columbus plant in the late 1940's. A small part of its production (about 20 percent in 1966) was sold for industrial and military use, while the bulk of its production (about 80 percent in 1966) was sold to domestic producers of consumer electronic products. While the plant produced many items, the vast majority of its production (about 75 percent of total output in 1966) was made up of electronic transformers, chokes and coils designed for use in domestically-produced television receivers. The electronic transformers alone accounted for about 65 percent of total output in 1966.

There have never been substantial imports of the principal type of electronic transformer produced by C P Electronics (vertical output transformers), a small component in a finished television set which costs the domestic television producers about \$1.20 each. Imports of finished television sets increased rapidly in recent years, however, going from 7,000 units in 1960 to 4 million units (3 million from Japan) in 1969. The share of the domestic market supplied by imported television sets

thus increased from less than one percent in 1960 to 38 percent in 1970.

As competitive pressure from imported television receivers mounted during the 1966-70 period, C P Electronics' customers were increasingly forced to reduce their domestic production of television receivers. To some extent, U. S. companies themselves began to manufacture TV sets abroad for export to the United States, and when this occurred, small components such as transformers were usually purchased abroad. Thus, as the fortunes of the domestic TV producers declined, so did those of C P Electronics which depended upon a healthy domestic TV industry for its livelihood.

C P Electronics established its Columbus, Indiana, plant in 1945 when the company itself was founded, and in 1963, it established a second plant in Kentucky. Operations of the firm, and especially the Columbus plant, were profitable during the period 1964-1968. In 1969, C P Electronics was not profitable owing to the fact that C P's principal customer drastically reduced its purchases of transformers, reflecting its own decreased domestic production of television receivers. In November 1969, C P Electronics closed its Kentucky plant because of insufficient orders, and in April 1970, closed its Columbus plant as well.

Petitioner contends that on these facts the workers at the Columbus plant are entitled to adjustment assistance under section 301 of the Trade Expansion Act of 1962. We agree.

As we have frequently noted in the past, the Tariff Commission is required to determine that workers are eligible to apply for adjustment assistance if the following four requirements are met: 1/

- (1) imports of an article like or directly competitive with an article produced by the workers' firm must be increasing;
- (2) the increased imports must be a result in major part of concessions granted under trade agreements;
- (3) the workers must be unemployed, underemployed, or threatened with unemployment or underemployment; and,

1/ The four requirements listed in the text are distilled from the language of sections 301 (c)(2) and (3) which read as follows:

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) For purposes of paragraphs (1) and (2), increased imports shall be considered to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.

- (4) the increased imports resulting from trade agreement concessions must be the major factor in causing or threatening to cause the unemployment or underemployment.

We believe that each of these requirements has been met with respect to the workers at the C P Electronics, Inc., Columbus plant. The facts and law relating to each of these requirements are discussed below.

Increasing Imports

The statute provides that the Tariff Commission is to determine whether "an article like or directly competitive with an article produced by. . . (the petitioning) workers' firm. . . is being imported. . . in such increased quantities as to cause or threaten to cause, unemployment or underemployment of a significant number. . . of the workers of such firm. . ." Thus, a threshold question in every case is, what imported products are "like or directly competitive with" the article produced by the petitioners' firm, and it is raised in bold relief here.

The most important article produced by C P Electronics was vertical output transformers (about 65 percent of total production in 1966) for use in television receivers. There are no known imports of these transformers by themselves, but there have been substantial imports of them as components of finished television receivers. } A principal question facing the Commission in this case then, is whether transformers contained in

imported television receivers are to be counted for purposes of determining whether imports of a "like or directly competitive" article are increasing. In essence, the question is whether the importation of a television set is equivalent to the importation of each of its component parts for purposes of section 301 of the Act. We hold that it is.

In prior cases, individual Commissioners have frequently suggested, without extended discussion, that the importation of a finished article is equivalent to the importation of its constituent parts for purposes of the Trade Expansion Act. Thus, in Inv. No. TEA-W-21, the imports of finished television sets were considered for purposes of determining whether imports of tuners and deflection components had increased. 2/

Similarly, in TEA-I-17 (although relief was denied on other grounds), it was noted that domestic producers of umbrella frames

2/ In that case we said,

Moreover, imports of television sets have also increased rapidly in recent years -- from 1 million sets in 1965 to 4 million sets in 1969. Since each finished set contains the tuners and deflection components which are the subject of this investigation, it is clear that a substantial quantity of these components are imported in the finished sets. Electrical Components and Apparatus and Allied Products, Inv. No. TEA-W-21 (July 1970), page 7.

were being injured by increased imports of finished umbrellas. 3/ In TEA-W-22, the workers producing piano actions were considered to have been injured by the importation of finished pianos as well as by imports of piano actions. 4/ In all of these cases, however, relief has either been denied on other grounds, or the issue was not crucial to the decision because the imports of the components themselves had been increasing, and the imports of the finished article merely added to the problems of the domestic producers of components. Accordingly, this appears to be the first case in which the Commission has been required to make a clear ruling on this question.

3/ In that case, it was stated that,

Commissioners Clubb and Moore have concluded that because of the wide disparity in prices between the imported umbrellas and those domestically produced, even the imposition of the 1930 rates of duty would not have substantially affected U. S. imports of umbrellas (which have provided the bulk of the import competition to the domestic frame producers). Umbrellas and Metal Parts Thereof, Inv. No. TEA-I-17 (August 1970) page 5.

4/ In a separate statement in that case, Commissioner Leonard stated,

. . . [T]he trade-agreement concessions on pianos and piano actions and the consequent increase in imports of such lower-priced articles were responsible for the change from a domestic source to a foreign source of supply and for the demise of the Rockford plant. Piano Actions, Inv. No. TEA-W-22 (July 1970) page 7.

We believe that, if the trade adjustment provisions of the Act are to be administered in an equitable manner, we must consider the importation of a finished article to be equivalent to the importation of its component parts. Were we to rule otherwise, small firms and their workers would be denied relief which would be available to larger firms and their workers. Thus, in the present case, adjustment assistance would be denied to the workers from C P Electronics because the imports of transformers alone had not increased. However, relief might well be granted to the workers producing the same transformers for a large integrated producer of television receivers because the imports of television receivers have increased.

We do not believe that Congress intended that the right to relief under the Trade Expansion Act of 1962 should turn on such technical considerations. Accordingly, we hold that transformers, imported as part of a finished television receiver, are "like or directly competitive with" the transformers produced by C P Electronics.

It is apparent that imports of television receivers (each containing a vertical output transformer) have increased steadily and rapidly in recent years -- from 1 million units in 1965 to 4 million units in 1969. The volume during January-September 1970 indicates a continuing increase in annual imports. Accordingly, it is clear that transformers like or directly competitive with those produced by C P Electronics

are being imported in increased quantities within the meaning of the Trade Expansion Act.

In major part

The second requirement of the statute is that the increased imports must have resulted in major part from trade agreement concessions. On many previous occasions we have ruled that this requirement of the statute is satisfied if, but for the concessions, imports would not be at substantially their present level. 5/

It seems clear that if it had not been for the concessions, imports of television receivers could not have reached anywhere near their present level. Since 1930 the applicable rate of duty has been reduced progressively from 35% ad valorem to 7%. By 1972 it is scheduled to be further reduced to 5%. If the 1930 rate had not been reduced the duty applicable to an imported television receiver having a foreign value of \$200 would be \$70 or \$56 more than the actual 1970 duty of only \$14. Therefore, it is apparent that had it not been for the concessions, imports of television receivers could not have reached substantially their present level and consequently, for purposes of this statute, the increased imports have resulted in major part from the concessions.

5/ Buttweid Pipe, Inv. No. TEA-W-8 (November 1969); Transmission Towers and Parts, Inv. No. TEA-W-9 and 10 (November 1969); Barbers' Chairs, Inv. No. TEA-I-11 (January 1968) and Eyeglass Frames, Inv. No. TEA-I-10 (October 1967).

Unemployment or underemployment

This statutory requirement has also been met. The petition was filed on behalf of the former employees of the Columbus, Indiana, plant of C P Electronics, Inc. This firm employed 476 production and related workers at the Columbus plant in March 1967 and as recently as January 1970 it employed 210 such workers. The firm discontinued its operations on April 3, 1970, at which time all employment was terminated. Accordingly, it is clear that a significant number of workers have become unemployed or underemployed within the meaning of the statute.

Major factor

The final requirement of the statute is that the concession-generated, increased imports must be the major factor in causing the unemployment or underemployment of the workers involved. Here, too, the "but for" test is applicable. Thus, if the unemployment or underemployment would not have occurred had it not been for the increased imports, then for purposes of this statute, the increased imports have been the major factor in causing the unemployment or underemployment.

C P Electronics, when confronted with a constantly shrinking domestic market for vertical output transformers due to rapidly increasing imports of television receivers, decided to terminate its operations. Annual U. S. consumption of television receivers

fluctuated within a relatively narrow range during 1966-69 and accordingly, the U. S. market for vertical output transformers would have been relatively stable during this period had it not been for the rapid growth in imports of receivers. Faced with a declining market for transformers because of the rising imports of receivers, however, the company shut down its plant, and the workers became unemployed.

Conclusion

Since all the statutory requirements have been met, we find that the workers on whose behalf this petition was filed are eligible to apply for adjustment assistance provided by the Trade Expansion Act of 1962.

Views of Commissioner Leonard

My determination is in the negative for the reason that all of the conditions imposed by section 301(c)(2) of the Trade Expansion Act of 1962 have not been satisfied.

The Commission's investigation indicates that electronic transformers of the type produced at the Columbus, Indiana plant of C P Electronics, Inc. have not been imported separately in recent years. The majority opinion concludes that increasing imports of electronic transformers in television receivers are "like or directly competitive" with electronic transformers produced at the plant in question. The position of the majority is that the importation of a television set is equivalent to the importation of each of its component parts for the purposes of section 301 of the Act. At this time it is not necessary for me to take such a position, the ramifications of which may be quite broad, for, in my view, even assuming that imports of electronic transformers in television receivers are "like or directly competitive" with the electronic transformers produced at the Columbus plant, such imports are not being imported in increased quantities as a result "in major part" of concessions granted under trade agreements.

The U.S. rate of duty applicable to television receivers has been reduced substantially--from the 1930 statutory rate of 35 percent ad valorem to the current rate of 7 percent ad valorem. However, the major concessions, accounting for more than two-thirds of the total duty reduction, occurred

more than two decades ago--in 1939 and 1948--before television receivers had become a significant item of trade. The recent Kennedy Round concessions have had only a minor effect on the duty, reducing it from 10 percent to 7 percent ad valorem. The recent large increase in U.S. imports of television receivers, therefore, could not have been caused in major part by trade-agreement concessions.

In view of the foregoing, I have had to make a negative determination in this case.

INFORMATION OBTAINED IN THE INVESTIGATION

Description and uses of articles under investigation

C P Electronics, Inc. produced electronic transformers, chokes and coils at its Columbus, Indiana plant. These articles were produced for three distinct markets--consumer products (almost wholly television receivers), industrial products, and military products. Sales of components for use in consumer electronic products accounted for the bulk of total sales by the Columbus plant, although the share of the total represented by these articles declined from 81 percent in 1966 to 60 percent in 1969 (table 5). Both company and union officials advised the Commission's staff that import competition did not significantly affect the firm's sales to industrial and military markets.

Officials of C P Electronics estimated that 80 percent or more of the value of the Columbus plant's output of components for use in television receivers, during each of the years 1966-69, consisted of vertical deflection circuit transformers. These transformers, which are also known as vertical output transformers (VOT's) deflect vertically an electron beam in a television receiver in order to reproduce the transmitted image on the display tube. The company produced VOT's for use in both black and white and color television receivers; however, during 1966-69 the great bulk of its output was for use in color receivers.

The other consumer products manufactured at the Columbus plant consisted of transformers other than VOT's and related articles, such as chokes and coils. None of these articles, which were used almost

exclusively in the manufacture of television receivers, accounted for a significant share of the plant's total output.

All of the VOT's produced by C P Electronics were iron core units; those for black and white receivers had two windings and 3 leads whereas those for color receivers had as many as 5 windings and 13 leads. An average size unit measured about 3" x 1-1/2" x 1-1/2" and weighed approximately three-quarters of a pound.

U.S. tariff treatment

All transformers produced by C P Electronics were rated at less than 1 KVA pursuant to the definition of KVA set forth in headnote 2, part 5, Schedule 6 of the Tariff Schedules of the United States (TSUS). Consequently imports of competitive transformers are dutiable under TSUS item 682.05 as transformers rated at less than 1 KVA. A history of the rate of duty applicable to such transformers from 1930 to the present is as follows:

<u>Rate</u> (percent ad valorem)	<u>Effective date</u>	<u>Basis for rate</u>
35	1930	Tariff Act of 1930 (Par. 353)
25	1939	Trade agreement with the United Kingdom
15	1948	Concession under the GATT <u>1/</u>
12.5	1951	Concession under the GATT <u>1/</u>

Television receivers, each of which contains one VOT, were not an item of trade at the time of the implementation of the Tariff Act of 1930 and consequently were not specially provided for in that legis-

1/ General Agreement on Tariffs and Trade.

lation. However, as import trade developed for these articles, they were classified for duty purposes under the provisions of Paragraph 353 of the 1930 Act. Since August 31, 1963, the effective date of the Tariff Schedules of the United States, television receivers and those parts of such receivers not specially provided for (e.g., certain chokes and coils) have been dutiable under TSUS item 685.20. The 1930-72 rate history for television receivers and those parts not specially provided for is as follows:

<u>Rate</u> (percent ad valorem)	<u>Effective date</u>	<u>Basis for rate</u>
35	1930	Tariff Act of 1930 (Par. 353)
25	1939	Trade agreement with the United Kingdom
15	1948	Concession under the GATT
12.5	1951	" " " "
11.5	1956	" " " "
11	1957	" " " "
10.5	1958	" " " "
10	1961	" " " "
9	1968	" " " "
8	1969	" " " "
7	1970	" " " "
6	1971	" " " "
5	1972	" " " "

In addition to the above items, television receiver manufacturers and electronic component manufacturers are making extensive use of TSUS item 807.00 to enter articles assembled abroad in whole or in part of U.S. fabricated components. ^{1/} Under the provisions of this item, which has never been the subject of a trade agreement concession, no duty is assessed on the value of the U.S. components incorporated in the imported articles.

^{1/} Detailed information regarding the use of tariff item 807.00 is reported in "Economic Factors Affecting the Use of Items 807.00 and 806.30 of the Tariff Schedules of the United States," TC Publication 339, September 1970.

U.S. production and consumption

Data on U.S. consumption and production of VOT's are not separately reported in official statistics. However, since each television receiver contains one VOT, and since domestic producers of television receivers have apparently not used imported VOT's (see the section on imports), data on U.S. factory shipments of television receivers are indicative of U.S. production of VOT's.

Annual factory shipments of television receivers manufactured in the United States during 1965-69 and January-September 1969 and 1970, and the number of VOT's consumed by the nine largest U.S. manufacturers of television receivers during the same periods were as follows:

<u>Year</u>	<u>U.S. factory shipments of television receivers 1/</u> (1,000 units)	<u>U.S. consumption of VOT's by the nine largest U.S. manufacturers of television receivers 2/</u> (1,000 units)	<u>(1,000 dollars)</u>
1965-----	9,889	8,542	8,074
1966-----	11,673	10,308	11,067
1967-----	9,701	8,381	9,812
1968-----	10,328	9,451	10,283
1969-----	8,914	7,799	8,863
1969 (Jan.-Sept.)--	7,044	5,570	6,301
1970 (Jan.-Sept.)--	5,304	4,827	5,679

As indicated, factory shipments of television receivers declined irregularly from 11.7 million units in 1966 to 8.9 million units in 1969 and to an annual rate of 7.1 million units during the

1/ Data have been extracted from Appendix table 1.

2/ Data obtained by questionnaire from the nine largest U.S. manufacturers of television receivers. These manufacturers accounted for about 88 percent of total U.S. production of television receivers in the 1965-69 period.

first nine months of 1970. The quantity and value of consumption of VOT's as reported by the largest U.S. manufacturers of television receivers followed a similar trend.

Despite the sharp decline in U.S. factory shipments of television receivers, apparent U.S. consumption of these articles fluctuated within a relatively narrow range during 1965-70 as indicated below:

<u>Year</u>	<u>Apparent U.S. consumption of television receivers (1,000 units)</u>
1965	10,756
1966	13,024
1967	11,176
1968	12,892
1969	12,791
1970	<u>1/</u> 11,250

1/ Projected annual rate based on data reported for the first nine months of the year.

The widening difference between apparent U.S. consumption of television receivers and U.S. factory shipments was supplied by imports.

U.S. exports

Data on U.S. exports of vertical output transformers are not available. The combined value of U.S. exports of electronic coils, transformers (including VOT's), reactors, chokes and parts increased from \$12 million in 1966 to an annual rate of \$21 million in the first nine months of 1970 (table 2). During the period 1966 through September 1970 the two countries showing the largest increases in receipts of U.S. exports were Mexico and Taiwan. These increases are believed to be due in large measure to the use of domestically produced components by the foreign subsidiaries of U.S. firms, which assemble complete television

receivers, or sub-assemblies principally for return to the United States under tariff item 807.00.

U.S. exports of television receivers during 1965-69 ranged between a high of 181,000 units valued at \$21.2 million in 1965 and a low of 139,000 units valued at \$23.6 million in 1967. In each of the years 1965-69 exports accounted for less than two percent of U.S. factory shipments.

U.S. imports

Transformers.--Data on U.S. imports of VOT's are not separately reported in official statistics but are included in a class covering all transformers rated at less than 1 KVA. The data showing total U.S. imports of such transformers and imports entered under item 807.00, by principal sources, in 1965-69 and January-September 1970 are given in table 3.

Data reported by the nine largest U.S. manufacturers of television receivers, including the principal customers of C P Electronics, indicate that none of these firms used imported VOT's in their domestic manufacturing operations during 1965-69 and January-September 1970. These reports are consistent with a statement made by the President of C P Electronics, who advised that he did not know of any U.S. manufacturer of television receivers who had used imported VOT's in their domestic manufacturing operations. Thus it is apparent that imports of VOT's have been limited to units incorporated in imported television receivers.

Television receivers.--U.S. imports of television receivers increased rapidly throughout the 1960-69 period and continued to increase during the first nine months of 1970, as indicated below:

<u>Year</u>	<u>1,000 units</u>	<u>Year</u>	<u>1,000 units</u>
1960-----	7	1966-----	1,519
1961-----	23	1967-----	1,614
1962-----	159	1968-----	2,708
1963-----	391	1969-----	4,034
1964-----	715	1969 (Jan.-Sept.)-----	2,810
1965-----	1,048	1970 (Jan.-Sept.)-----	3,216

Imports, which represented only a fraction of one percent of apparent U.S. consumption in 1960 accounted for 38 percent of consumption during the first 9 months of 1970.

Total U.S. imports of television receivers and imports entered under item 807.00, by principal sources, for the years 1965-69 and January-September 1970 are shown in table 4. Imports entered under item 807.00 accounted for 6 percent of total imports on a quantity basis in 1965 and 26 percent during January-September 1970. Throughout the period from January 1965 to September 1970 Japan has supplied the great bulk of total imports. Taiwan and Mexico have recently become significant sources as U.S. firms have established foreign subsidiaries for the assembly of television receivers in those countries; virtually all of the imports from those two countries are entered under item 807.00. By volume, however, the bulk of the aggregate increase in total imports was accounted for by foreign concerns not using item 807.00.

Both the petitioner and C P Electronics contend that the increased imports of complete television receivers, irrespective of whether they are produced abroad by subsidiaries of U.S. firms or by wholly foreign companies, whether they are domestic or foreign label units, or whether they are fully dutiable when they enter the United States or are partially duty free under item 807.00, were primarily responsible for the reduced demand for the components made by C P Electronics and the consequent unemployment.

C P Electronics, Inc.

C P Electronics, Inc. was a closely held company with about 8 stockholders; the company was controlled by the Silva family from 1964 until its liquidation in 1970. Albert D. Silva, Jr., was President and his brother, Don Silva, was in charge of the manufacturing operations. A third brother, who was a stockholder in the company, was not active in the management of the firm.

The company, which was initially called the Columbus Processing Co. was founded in 1945 (incorporated in 1946) by Mr. Albert D. Silva, Sr. (deceased) and associates. Throughout its history, components for radio and television receivers (coils, chokes and transformers) were the firm's primary products. The Columbus plant was destroyed by fire in 1956. It was replaced in 1957 with a new, well equipped, single story structure, that contained 50,000 square feet of floor space. The firm leased the new plant from 1957 until July 1968, when it was purchased.

* * * * *

C P Electronics was profitable in each of the years 1964-68; it lost money in 1969. Company management decided on February 23, 1970, after reviewing the operations, prospects, and financial position of the company to discontinue operations. The local union that represented the Columbus employees was notified of the decision on the same day. On March 3, 1970 the decision to liquidate the business was approved by the shareholders. A skeleton staff was retained at the plant until all outstanding orders were filled on April 3, 1970. The plant was subsequently sold to the Cummins Engine Co., the largest manufacturer and employer in the Columbus area. The plant equipment was sold at a public auction on May 6, 1970.

Sales.--C P Electronics' gross sales declined annually from \$6.4 million in 1966, a record year for both the company and the electronic components industry, to \$3.7 million in 1969, the last full year of production and also the year in which operations at the Leitchfield plant were terminated. Sales of consumer electronic components manufactured at the Columbus plant declined from * * * in 1966 to * * * in 1969 (table 5).

* * * * *

Employment.--The number of production and related workers employed at the Columbus plant from January 1965 until April 1970 is shown, by months, in table 6. Average annual employment reached its highest level (390) in 1966. Peak monthly employment (476) occurred in March

1967. Employment levels closely followed the trend in sales throughout the 1965-69 period.

About nine-five percent of the hourly employees at the plant were women who worked primarily as assemblers. A small number of men were involved in maintenance and the heavier production operations. The local union president estimated that 75 percent of the work force was involved in the production of VOT's.

Layoffs and recalls reported during the January 1965-April 1970 period were as follows:

(Layoffs -, recalls +)

March 1967-----	-110	May 1969-----	-103
April 1967-----	-25	June 1969-----	-40
November 1967---	-89	August 1969-----	+30
February 1968---	-38	September 1969---	+55
May 1968-----	-21	October 1969-----	+25
July 1968-----	+50	February 1970----	-120
March 1969-----	-25	March 1970-----	-60

The drop in employment in May 1969 is attributable to the shift of certain VOT production operations from the Columbus plant to the Leitchfield plant. * * *; the work was subsequently transferred back to the Columbus plant, resulting in the recall of about 110 employees.

The Indiana Employment Security Division reported that the average annual unemployment rate for Bartholomew County, Indiana (the county in which Columbus is the principal city) was 2.7 percent in 1969. Preliminary data for September 1970 lists a 4.1 percent rate.

Appendix

Statistical Tables

Table 1.--Television receivers: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1965-69, and January-September 1969 and 1970

Year	U.S. producers' shipments <u>1/</u>	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity (1,000 receivers)					
1965-----	9,889	1,048	181	10,756	9.7
1966-----	11,673	1,519	168	13,024	11.7
1967-----	9,701	1,614	139	11,176	14.4
1968-----	10,328	2,708	144	12,892	21.0
1969-----	8,914	4,034	157	12,791	31.5
1969:					
Jan.-Sept---	<u>2/</u> 7,044	2,810	103	9,751	28.8
1970:					
Jan.-Sept---	<u>2/</u> 5,304	3,216	82	8,438	38.1
Value (1,000 dollars)					
1965-----	1,685,479	59,586	21,261	1,723,804	3.5
1966-----	2,349,564	115,733	26,291	2,439,006	4.7
1967-----	2,191,509	125,582	23,577	2,293,514	5.5
1968-----	2,222,492	203,771	27,771	2,426,263	8.4
1969-----	1,859,484	295,781	33,287	2,121,978	13.9
1969:					
Jan.-Sept---	<u>3/</u>	206,888	22,289	<u>3/</u>	<u>3/</u>
1970:					
Jan.-Sept---	<u>3/</u>	225,028	16,282	<u>3/</u>	<u>3/</u>

1/ Data include only those television receivers which were manufactured in the United States.

2/ Data represent factory sales as reported by the Marketing Services Department, Electronic Industries Association.

3/ Not available.

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

Table 2.--Electronic coils, transformers, reactors, chokes, and parts:
U.S. exports of domestic merchandise, by principal markets, 1966-69,
and January-September 1969 and 1970.

Value in thousands of dollars						
Market	1966	1967	1968	1969	Jan-Sept. 1969	Jan-Sept. 1970
Mexico-----	445	444	2,026	3,561	2,776	3,235
Canada-----	4,126	3,780	2,909	2,756	2,161	2,327
France-----	1,841	1,236	1,031	1,926	1,105	1,357
United Kingdom---	1,298	1,123	827	1,424	895	991
Taiwan-----	143	574	974	1,113	839	818
West Germany-----	586	364	624	846	604	782
Japan-----	565	584	353	594	334	570
All other-----	3,244	3,572	4,467	3,948	3,106	5,390
Total-----	12,248	11,677	13,211	16,168	11,820	15,470

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

Table 3.--Transformers of less than 1 KVA: Total U.S. imports and imports entered under item 807.00, by principal sources, 1965-69 and January-September 1970

Class and source	1965	1966	1967	1968	1969	Jan.-Sept. 1970
Quantity (1,000 units)						
Total imports:	:	:	:	:	:	:
All sources-----	33,116	56,013	47,107	45,364	54,389	30,078
Japan-----	30,286	47,992	32,240	20,497	21,027	10,628
Taiwan-----	2,158	5,459	10,002	19,640	23,387	14,515
Mexico-----	9	313	677	3,807	8,077	3,803
Item 807.00 im-ports:	:	:	:	:	:	:
All sources-----	1,590	5,136	9,306	23,994	28,889	14,385
Japan-----	27	409	230	26	952	-
Taiwan-----	1,520	3,947	7,407	19,426	19,366	10,108
Mexico-----	7	113	299	3,661	7,864	3,688
Value (1,000 dollars)						
Total imports:	:	:	:	:	:	:
All sources-----	4,976	8,159	7,838	8,744	10,577	7,928
Japan-----	3,831	5,874	4,275	3,225	3,722	2,700
Taiwan-----	429	773	1,222	2,266	2,519	1,722
Mexico-----	2	125	394	1,159	2,641	2,280
Item 807.00 im-ports:	:	:	:	:	:	:
All sources-----	395	946	2,234	3,986	5,472	3,682
Japan-----	13	24	23	3	80	-
Taiwan-----	347	587	1,263	2,277	2,244	1,231
Mexico-----	1	85	368	1,139	2,681	2,214

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

Table 4.--Television receivers: Total U.S. imports and imports entered under item 807.00, by principal sources, 1965-69 and January-September 1970

Class and source	1965	1966	1967	1968	1969	Jan.-Sept. 1970
Quantity (1,000 units)						
Total imports:	:	:	:	:	:	:
All sources---	1,048:	1,519:	1,608:	2,708:	4,034:	3,216
Japan-----	1,047:	1,434:	1,531:	2,299:	3,088:	2,360
Taiwan-----	-:	-:	37:	363:	671:	641
Mexico-----	-:	-:	<u>1/</u> :	40:	208:	174
Item 807.00 imports:	:	:	:	:	:	:
All sources---	60:	95:	70:	445:	939:	833
Japan-----	60:	26:	9:	38:	24:	16
Taiwan-----	-:	-:	31:	361:	654:	607
Mexico-----	-:	-:	<u>1/</u> :	38:	208:	173
Value (1,000 dollars)						
Total imports:	:	:	:	:	:	:
All sources---	59,586:	115,733:	125,582:	203,771:	295,781:	225,028
Japan-----	59,363:	105,706:	117,851:	185,699:	250,617:	182,916
Taiwan-----	-:	-:	1,801:	13,813:	25,430:	26,476
Mexico-----	-:	-:	1:	2,418:	12,955:	10,421
Item 807.00 imports:	:	:	:	:	:	:
All sources---	3,809:	9,515:	6,088:	21,633:	46,916:	39,566
Japan-----	3,710:	1,671:	620:	4,481:	3,016:	913
Taiwan-----	-:	-:	1,554:	13,418:	24,798:	24,834
Mexico-----	-:	-:	1:	2,392:	12,955:	10,390

1/ Less than \$500.

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

Table 5.--C P Electronics, Inc.: Sales by plants and principal product classes, 1966-69

(Value in thousands of dollars)

Plant and product class	1966	1967	1968	1969
Columbus plant:				
Components for consumer electronic products-----	***	***	***	1/***
Components for industrial products-----	***	***	***	1/***
Components for military products-----	***	***	***	1/***
Total Columbus plant-----	***	***	***	***
Leitchfield plant:				
Components for consumer electronic products-----	***	***	***	***
Grand total-----	6,351	5,894	4,270	3,658

1/ Estimates based on the assumption that the actual percentage distribution reported for the first ten months of the year was maintained for the full year.

Source: Compiled from data furnished by C P Electronics, Inc.

Table 6.--Employment of production and related workers at the Columbus, Indiana plant of C P Electronics, Inc., monthly, January 1965-April 1970 1/

(Number of workers)						
Month	1965	1966	1967	1968	1969	1970
January-----	251	319	472	255	245	210
February-----	251	344	474	255	248	197
March-----	261	367	476	212	245	70
April-----	251	369	358	210	227	9
May-----	250	369	338	206	129	0
June-----	258	388	<u>2/</u> 162	185	139	
July-----	271	392	339	179	100	
August-----	273	394	335	227	131	
September-----	275	400	337	236	186	
October-----	281	416	333	245	211	
November-----	297	453	337	248	206	
December-----	300	466	253	243	203	

1/ Data represent the number of production and related workers on the payroll occurring closest to the fifteenth of the month.

2/ * * *

Source: Derived from data supplied to the Tariff Commission by C P Electronics, Inc.

