

UNITED STATES TARIFF COMMISSION

FISHING RODS:  
U. S. FIBERGLASS DIVISION, GLADDING CORPORATION,  
MIAMI, FLA.

Report to the President  
on Worker Investigation No. TEA-W-122  
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 450  
Washington, D. C.  
January 1972

UNITED STATES TARIFF COMMISSION

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Note.--The whole of the Commission's report to the President, including a part of the appendix, may not be made public since it contains certain information that would result in the disclosure of the operations of an individual concern. This 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 11, 1972

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 result of an investigation made under section 301(c)(2) of that act in response to a petition filed on behalf of a group of workers.

On November 12, 1971, three former employees filed a petition for determination of eligibility to apply for adjustment assistance on behalf of a group of workers formerly employed by U.S. Fiberglass Division, Gladding Corporation, Miami, Fla.

The Commission instituted an investigation (TEA-W-122) on November 22, 1971, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the fiberglass fishing rods produced by the aforementioned 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 this firm.

Public notice of the receipt of this petition and of the institution of the investigation was given by publication in the Federal Register of November 25, 1971 (36 F.R. 22653). No public hearing was requested and none was held.

The information in this report was obtained principally from officials of the firm, officials of the Florida State Employment Service, and from the Commission's files.

## Finding of the Commission

On the basis of its investigation, the Commission 1/ finds unanimously that articles like or directly competitive with the Fiberglass fishing rods produced by the U.S. Fiberglass Division, Gladding Corporation, Miami, Fla., 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, unemployment or underemployment of a significant number or proportion of the workers of the plant concerned.

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1/ Commissioners Moore and Young did not participate in the decision of the Commission.

### Considerations Supporting the Commission's Finding

Our determination in this investigation is in the negative because all of the criteria established by section 301(c)(2) of the Trade Expansion Act of 1962 (TEA) have not been met. Before an affirmative determination could be made, it would have to be established that each of the following conditions had been satisfied:

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

If any one of the above criteria is not satisfied, we must make a negative determination. In the instant case, condition (4) has not been satisfied, namely, that any increased imports of articles like or directly competitive with the fiberglass fishing rods produced at U.S. Fiberglass Division of the Gladding Corporation, where the petitioning workers were employed, have not been the major factor causing any unemployment or underemployment of the workers of that plant. Under the circumstances, we are not required to reach a conclusion respecting the first three conditions, and we have not done so.

The U.S. Fiberglass plant, which is still in operation, is the only U.S. establishment of the Gladding Corp. in which fiberglass fishing rods

are manufactured. The production of such fishing rods represents the great bulk of the manufacturing operations at the plant, although fiberglass vaulting poles and other articles are also produced there. In October 1970, the Gladding Corp. began the assembly of fiberglass fishing rods in an establishment in Jamaica. All of the components for the fishing rods are shipped from U.S. Fiberglass in Miami to the Jamaican establishment where they are assembled and finished; the assembled rods are returned to Miami for packaging and distribution. When the rods are returned to the United States, they are imported under the provisions of item 807.00 of the Tariff Schedules, which permits a saving in duty by, in effect, exempting the U.S. components from the payment of duty. 1/

The U.S. Fiberglass plant in Miami laid off about two-fifths of its work force in late spring and summer of 1971, but then rehired most of the number in the last quarter of the year and apparently would have rehired more had former experienced employees been available and willing to return. The petitioning workers claim that the major factor causing this layoff was increased U.S. imports of fishing rods which had resulted in major part from trade-agreement concessions. The Commission has some doubt whether the recent employment record at the plant meets the third statutory criterion set forth above, i.e., that a significant number or proportion of the workers must be unemployed or underemployed or

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1/ Under tariff item 807.00, imported articles assembled in foreign countries with fabricated components that have been manufactured in the United States are subject to duty upon the full value of the imported product less the value of the U.S. fabricated components contained therein.

threatened with unemployment or underemployment. Whether or not that criterion is met, however, the evidence available to the Commission clearly indicates that such unemployment as has existed did not result chiefly from increased imports of fishing rods.

The market for fishing rods in the United States has been booming; U.S. consumption of fishing rods probably doubled in the last 5 years. Although imports of fishing rods increased substantially in response to the growing demand (from about half a million to nearly a million and a half rods annually), so did domestic production (from less than 10 million to about 17 million annually). Hence, the share of the U.S. market taken by imports rose little in recent years--ranging in terms of quantity between 5 percent and 8 percent of U.S. consumption. There is little evidence here that the competitive pressure of imports in the marketplace could have been the major cause of any unemployment at the U.S. Fiberglass plant.

As indicated by the petitioner, Gladding Corporation has established a plant to assemble fishing rods in Jamaica. Indeed, the U.S. Fiberglass plant supplies the U.S. components on which the assembly operation is based. By May 1971, when the bulk of the worker layoff occurred, however, the volume of fishing rods returned to the United States from the Jamaican establishment had not been substantial. Hence, the imports entered under item 807.00 from the Jamaican plant, even if the Commission were to consider them to result in major part from a trade-agreement concession, 1/ would scarcely have been an important cause of the worker layoff.

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1/ Item 807.00 is not a concession under a trade agreement itself but the use of it can at times be considered to be in response to other imports which are a result in major part of trade-agreement concessions.

According to officials of the Gladding Corp., the company had expanded production of fishing rods at the U.S. Fiberglass plant in 1970 in expectation of substantially increased sales of such rods in that year and later. Indeed, output at the plant was \* \* \* greater in 1970 than in 1969. However, the projected growth in sales was not realized, and inventories rose; the company found it necessary to reduce its work force at Miami. Later on in 1971, when sales improved, most of the laid-off workers were reemployed, despite continuing imports of fishing rods from the Jamaican establishment.

In view of the above considerations, we have concluded that any increased imports of articles like or directly competitive with those made by the workers at the U.S. Fiberglass plant are not the major factor causing or threatening to cause any unemployment or underemployment of the workers of that establishment.

## ARTICLE UNDER INVESTIGATION

## Description and Uses

The fishing rods produced in the Miami establishment of U.S. Fiberglass Division are made of fiberglass and are of various types of construction. In recent years nearly all fishing rods sold in the United States have been made of fiberglass; nearly all have cork handles and metal ferrules and tips. Bamboo fishing rods, which generally are very high priced, are used to a limited extent. Fishing rods vary widely in size, weight, and strength, as well as in quality and price.

Fiberglass blanks for fishing rods (the rods without fittings) may be of either solid or tubular construction. The solid blanks, which are either molded or extruded as a solid piece, are generally used to produce inexpensive types of rods. The more expensive types are made from tubular blanks which are formed by wrapping fiberglass around a metal form. The various fittings--tips, ferrules, line guides, reel seats, cork handles, and so forth--are added to the blank to make a finished rod. The price and quality of rods differ considerably, based on the weight, length, taper, and finish of the blanks and the quality of fittings. The Miami establishment manufactures tubular rod blanks and purchases its solid blanks and fittings; the parts are assembled into finished rods at the plant.

## U.S. Tariff Treatment .

Fishing rods were dutiable at the rate of 55 percent ad valorem during the period 1930-38. Effective January 1939, fishing rods and parts of rods valued at \$10 or more each were dutiable at the rate of 30 percent ad valorem as a result of an agreement with the United

Kingdom. Rods valued at less than \$10 remained dutiable at the statutory rate of 55 percent ad valorem.

As the result of General Agreement on Tariffs and Trade (GATT) concessions at Geneva in 1948, imported fishing rods became dutiable at one of three rates, depending on unit value. Imported rods valued at less than \$7.85-5/7 each were dutiable at the maximum rate (55 percent ad valorem in 1949), those valued at \$7.85-5/7 but not over \$18.33-1/3 each were dutiable at the specific rate (\$4.50 each in 1949), and those valued at \$18.33-1/3 and more were dutiable at the minimum rate (15 percent ad valorem in 1949). These rates remained in effect until, as shown in table 1, the maximum and specific rates were reduced to 35 percent ad valorem and \$2.75 each respectively, effective September 10, 1955, as the result of a trade agreement with Japan.

The Tariff Schedules of the United States (TSUS), which became effective August 31, 1963, established the single rate of 33 percent ad valorem for all fishing rods, under item 731.15. That rate, which became the GATT concession rate, represented the weighted average of the pre-TSUS rates. The United States granted a trade-agreement concession on fishing rods at the Kennedy Round trade negotiations (table 2); the concession became effective in five annual stages. The 1971 rate (19.5 percent ad valorem) was the fourth stage; the rate was reduced to 16.5 percent ad valorem when the final stage was put into effect on January 1, 1972.

## U.S. Consumption

Consumption of fishing rods in the United States increased substantially from 5.8 million units in 1958 to 10.3 million in 1967 (table 3). Official data are not available for later years, but it is estimated from information supplied to the Commission that consumption continued to increase annually after 1967, reaching 13.7 million units in 1968 and 18.4 million in 1970. Domestic producers supplied more than 90 percent of U.S. consumption of fishing rods annually during 1958-70.

## U.S. Producers, Production, and Exports

More than 400 concerns currently manufacture fishing tackle in the United States, with approximately eight major firms (including Gladding Corp.) accounting for more than half the total value of U.S. production. Rod manufacturers are located principally in the East and Midwest. Manufacturing operations of the smaller concerns consist largely of attaching the required tips, ferrules, line guides, and handles to purchased fiberglass rod blanks. These concerns purchase rod blanks and other parts from other firms (including larger producers of fishing tackle).

As is shown in table 3, shipments of fishing rods by U.S. producers increased from 5.4 million units in 1958 to almost 8.0 million in 1963; shipments increased each year in the period 1967-70 from 9.7 million to an estimated 17.0 million units.

Data on U.S. exports of fishing rods are not separately reported in official statistics but are believed to be small.

## U.S. Imports

U.S. imports of fishing rods increased annually from 253,000 units, valued at \$345,000 in 1966 to 1.4 million units, valued at \$1.7 million, in 1970 (table 4). Imports continued to increase in January-October 1971, when they were 20 percent greater in quantity and 53 percent greater in value than imports in the corresponding period of 1970. Imports supplied an average of about 5 percent of domestic consumption annually until 1970, when the ratio of imports to consumption increased to about 8 percent.

U.S. Fiberglass Division of Gladding Corp. established a facility in Jamaica in October 1970 and is importing rods under the provisions of TSUS item 807.00. Shipments of such products from Jamaica \* \* \* accounted for about \* \* \* of total imports of rods during January-October 1971.

Japan has been the principal supplier of imported fishing rods. Imports from that country accounted for nearly 80 percent of the quantity and 90 percent of the value of imports in 1970. Other consistent suppliers during the 1966-70 period were the Republic of China and the Republic of Korea (table 4). Industry sources have indicated that a large share of imports from the Far East consists of low-end rods imported by U.S. rod manufacturers to supplement their production.

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## DATA RELATING TO U.S. FIBERGLASS DIVISION, GLADDING CORP.

## Corporate Structure, Plant, and Equipment

The Gladding Corp. of Syracuse, N.Y., of which U.S. Fiberglass is a division, was incorporated in 1916. With total assets of \$50 million and 1.6 million square feet of manufacturing and distributing facilities, Gladding had net sales of \$38 million in 1970. Gladding manufactures a complete line of fishing tackle; marine equipment such as life vests and cushions, radio-telephones, and depth sounders; recreational vehicles including truck campers and motor homes; men's and boy's sportswear and work clothes; and winter sporting goods and other recreational equipment. In 1970 Gladding's recreational products accounted for 90 percent of sales; power transformers, electronic equipment, industrial hoses, and fiberglass products accounted for the remainder.

\* \* \* \* \*

## Product

Fiberglass fishing rods are the principal product manufactured at U.S. Fiberglass Division, accounting for nearly \* \* \* of the value of annual shipments. Fittings and accessories for fishing rods are purchased from U.S. manufacturers: cork handles are imported from Portugal. Other products manufactured at the plant include fiberglass vaulting poles, antennas, and commercial equipment such as hot sticks (insulated extension-tool handles used by linemen for work on high-tension power lines).

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Appendix A



Table 1. --Fishing rods 1/: U.S. rates of duty and imports for consumption by value brackets, 1949-1962 and January-August 1963.

Period	Valued at less than \$7.85-5/7 each			Valued at \$7.85-5/7 but not over \$18.33-1/3 each			Valued at \$18.33-1/3 or more each			Total
	Rate of duty	Quantity	Value	Rate of duty	Quantity	Value	Rate of duty	Quantity	Value	
1949	55	\$194,450	\$52,176	\$4.50	156	\$3,437	15	208	\$8,047	\$63,660
1950	55	309,324	66,379	4.50	274	3,764	15	30	960	71,103
1951	55	648,690	133,568	4.50	254	4,361	15	6	214	138,143
1952	55	1,165,928	193,135	4.50	477	4,930	15	4	150	198,215
1953	55	988,737	155,926	4.50	117	1,599	15	3	90	157,615
1954	55	812,275	154,010	4.50	110	1,679	15	-	-	155,689
1955 (Jan. 1-Sept. 9)	55	709,119	93,853	4.50	-	-	15	2,118	54,976	148,829
1955 (Sept. 10-Dec. 31)	35	391,810	59,677	2.75	50	428	15	12	540	60,645
1956	35	495,313	275,287	2.75	-	-	15	139	2,110	277,397
1957	35	290,097	297,462	2.75	48	562	15	25	667	298,691
1958	35	344,163	331,974	2.75	33	675	15	55	1,437	334,086
1959	35	609,443	435,897	2.75	169	1,391	15	197	3,590	440,878
1960	35	594,658	484,992	2.75	141	1,438	15	17	509	486,939
1961	35	578,121	392,940	2.75	804	8,242	15	151	3,729	404,911
1962	35	560,503	417,077	2.75	622	6,294	15	716	13,824	437,195
1963 (Jan.-Aug.) 2/	35	279,050	230,066	2.75	389	4,074	15	102	3,400	237,540

1/ Prior to 1949, imports of fishing rods were not separately reported in official statistics.

2/ Imports in 1963 after the effective date of the TSUS (August 31, 1963) amounted to 75,546 units valued at \$79,027 and were dutiable at 33 percent ad valorem.

Source: Imports, compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Fishing rods: U.S. rates of duty and U.S. imports for consumption, 1964-70 and January-October 1971

Year	Rate of duty	Imports	
		Quantity	Value
	Percent ad valorem	Number	
1964-----	33	370,144	\$232,621
1965-----	33	282,061	321,938
1966-----	33	253,113	345,120
1967-----	33	541,105	541,066
1968-----	29.5	683,820	862,276
1969-----	26	756,962	947,329
1970-----	23	<u>1/</u> 1,413,464	<u>1/</u> 1,748,526
1971 (Jan.-Oct.)-----	19.5	<u>2/</u> 1,481,093	<u>2/</u> 2,242,871

1/ Includes 6,450 fishing rods with a total value of \$10,620 and a dutiable value of \$529, imported under the provisions of TSUS item 807.00.

2/ Includes 351,022 fishing rods, with a total value of \$442,430 and a dutiable value of \$31,349, imported under the provisions of TSUS item 807.00.

Source: Import data compiled from official statistics of the U.S. Department of Commerce.

Note.--The rate of duty became 16.5 percent ad valorem on Jan. 1, 1972.

Table 3.--Fishing rods: U.S. producers' shipments, imports for consumption, and apparent consumption, 1958, 1963, and 1967-70

Year	U.S. producers' shipments	Imports	Apparent consumption 1/	Ratio of imports to consumption
	Thousands	Thousands	Thousands	Percent
1958-----	5,408	344	5,752	6.0
1963-----	7,953	355	8,308	4.3
1967-----	9,741	541	10,282	5.3
1968-----	2/ 13,000	684	2/ 13,684	2/ 6.2
1969-----	2/ 15,000	756	2/ 15,756	2/ 4.8
1970-----	2/ 17,000	1,413	2/ 18,413	2/ 7.7

1/ No allowance was made for exports, which are believed to be small.

2/ Estimated from data submitted to the Tariff Commission by domestic producers.

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

Table 4.--Fishing rods: U.S. imports for consumption, by principal sources, 1966-70, January-October 1970, and January-October 1971

Country	Quantity (number)				Value	
	1966	1967	1968	1969		1970
Japan	244,003	483,470	642,499	665,685	1,099,781	960,153
Republic of China	"	24,340	8,424	64,514	251,456	209,920
Republic of Korea	288	21,004	11,128	18,244	41,016	39,708
United Kingdom	1,377	1,071	1,921	1,635	1,261	817
France	7,265	260	615	255	"	2,255
All other	179	10,960	19,233	6,629	19,950	4,872
Total	253,113	541,105	683,820	756,962	1,413,464	1,230,133
Japan	\$318,445	\$462,611	\$801,387	\$829,062	\$1,530,451	\$1,294,294
Republic of China	"	2,950	650	55,502	98,613	68,254
Republic of Korea	634	30,711	16,459	30,069	71,551	69,342
United Kingdom	21,247	21,768	28,219	26,975	23,099	15,487
France	3,255	7,298	9,093	1,074	"	4,264
All other	1,569	15,728	6,468	4,647	24,812	23,263
Total	345,120	541,066	862,276	947,329	1,748,526	1,470,640
Japan	\$1.30	\$0.96	\$1.25	\$1.25	\$1.39	\$1.35
Republic of China	"	.12	.08	.86	.39	.57
Republic of Korea	2.20	1.46	1.48	1.65	1.74	1.78
United Kingdom	15.43	20.32	14.69	16.50	18.32	18.17
France	.15	28.07	14.79	4.21	"	.88
All other	8.77	1.44	.34	.70	1.24	1.19
Average	1.36	1.00	1.26	1.25	1.24	1.20

1/ Includes 351,022 fishing rods valued at \$442,430, with a unit value of \$1.26 each, imported from Jamaica under the provisions of TSUS item 807.00.

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



