

# CERTAIN FISHING TACKLE

Report to the President on  
Investigation No. TA-201-34  
Under Section 201 of the  
Trade Act of 1974



USITC PUBLICATION 917  
SEPTEMBER 1978

# UNITED STATES INTERNATIONAL TRADE COMMISSION

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Bill Alberger, Vice Chairman  
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Italo H. Ablondi  
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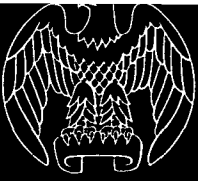
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# NEWS

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FOR RELEASE  
September 21, 1978

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USITC 78-115

## USITC REPORTS TO THE PRESIDENT ON FISHING TACKLE

The United States International Trade Commission today reported to the President its unanimous determination, by a 5-to-0 vote, that the domestic industry is not being seriously injured or threatened with serious injury by imports of snelled hooks and fishing rods, reels, and parts. The Commission also reported to the President its determination by a 4-to-1 vote that, as a result of their being designated as eligible articles for duty-free treatment under the Generalized System of Preferences (GSP), the domestic industry is being seriously injured or threatened with serious injury by imports of artificial baits and flies.

Chairman Joseph O. Parker, Vice Chairman Bill Alberger, and Commissioners George M. Moore, Catherine Bedell, and Daniel Minchew made the unanimous determination of no injury regarding the imports of fishing hooks, rods, reels, and parts, while Commissioner Bedell dissented from the majority determination on the imports of artificial baits and flies. Commissioner Italo H. Ablondi did not participate.

more

## USITC REPORTS TO THE PRESIDENT ON FISHING TACKLE

2

To prevent or remedy the serious injury or threat thereof to the domestic industry, Commissioners Parker, Alberger, Moore, and Minchew voted to recommend suspending for 5 years the eligibility for duty-free treatment of imports of artificial baits and flies under the GSP. Commissioner Bedell abstained and Commissioner Ablondi did not participate.

The Commission investigation was instituted on March 29, 1978, under section 201 of the Trade Act of 1974, upon receipt of a petition from the American Fishing Tackle Manufacturers Association and the Tackle Representatives Association, both of Chicago, Ill. A public hearing in connection with the investigation was held on June 27, 1978, in Chicago, Ill.

Domestic producers of fishing tackle are located throughout the country, but the larger firms are situated in Colorado, Iowa, Michigan, Wisconsin, California, Minnesota, Oklahoma, Florida, South Carolina, Arkansas, and Pennsylvania. During the course of its investigation, the Commission received information and data from 65 domestic fishing tackle manufacturers and 35 importers.

The value of domestic producers' shipments of fishing tackle increased from \$89.3 million in 1973 to \$113.2 million in 1977. This upward trend continued in January-April 1978. Throughout the period exports represented a small portion of domestic shipments.

more

## USITC REPORTS TO THE PRESIDENT ON FISHING TACKLE

3

The value of imported fishing tackle increased from \$49.2 million in 1973 to \$85.9 million in 1977. Fishing rods and reels accounted for the bulk of the imports throughout the period. Imported fishing rods were supplied principally by the Republic of China, Japan, and the Republic of Korea, and sources for imported reels included Japan, Sweden, France, the Republic of Korea, and Hong Kong. The duty-free imports of artificial baits and flies in 1977 were valued at about \$3.5 million, with the Republic of China and Mexico being the principal suppliers under the GSP.

U.S. consumption increased from \$136 million in 1973 to \$195 million in 1977. The ratio of imports to consumption was 74 percent in 1973 and 82 percent in 1977. The average number of domestic employees engaged in the production of fishing tackle fluctuated irregularly from 1973 to 1977 but increased slightly from 3,575 in 1973 to 3,585 in 1977.

The Commission's report, Certain Fishing Tackle (USITC Publication 917), contains the views of the Commissioners and information developed in the investigation (No. TA-201-34). Copies may be obtained by calling (202) 523-5178 or from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436.

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# C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Determination of the Commission-----	3
Views of Vice Chairman Bill Alberger and Commissioners George M. Moore and Daniel Minchew-----	4
Views of Chairman Joseph O. Parker and Commissioner Catherine Bedell----	13
Remedy-----	21
Further views of Commissioner Catherine Bedell-----	22
Summary-----	A-1
Information obtained in the investigation:	
Introduction-----	A-16
Description and uses:	
Snelled fishhooks-----	A-17
Fishing rods and parts-----	A-18
Bait-casting rods-----	A-18
Spin-casting rods-----	A-19
Spinning rods-----	A-19
Fly rods-----	A-19
Surf rods-----	A-19
Boat and bay rods-----	A-19
Other rods-----	A-19
Fishing rods parts-----	A-19
Fishing reels and parts-----	A-21
Bait-casting reels-----	A-21
Spin-casting reels-----	A-21
Spinning reels-----	A-21
Fly reels-----	A-21
Saltwater reels-----	A-21
Specialty reels-----	A-21
Fishing reel parts-----	A-22
Artificial baits and flies-----	A-22
U.S. tariff treatment-----	A-23
Snelled fishhooks-----	A-23
Fishing rods and parts-----	A-23
Fishing reels-----	A-23
Fishing reels parts-----	A-23
Artificial baits and flies-----	A-24
General background of the investigation-----	A-24
U.S. producers-----	A-25
Snelled fishhooks-----	A-29
Fishing rods-----	A-27
Fishing reels-----	A-27
Artificial baits and flies-----	A-27
Channels of distribution-----	A-27
The question of increased imports:	
U.S. imports-----	A-28
Snelled fishhooks-----	A-32
Imports under the provisions of TSUS item 807.00-----	A-32
Imports under the GSP-----	A-32

## CONTENTS

	<u>Page</u>
Fishing rods and parts-----	A-33
Fishing rod parts-----	A-34
Imports under TSUS item 807.00-----	A-34
Fishing rod parts-----	A-35
Fishing reels and parts-----	A-35
Fishing reels valued not over \$2.70 each-----	A-36
Fishing reels valued over \$2.70 but not over \$8.45 each----	A-36
Fishing reels valued over \$8.45 each-----	A-36
Fishing reel parts-----	A-36
Artificial baits and flies-----	A-37
Imports under the provisions of TSUS item 807.00-----	A-37
Imports under the GSP-----	A-37
Ratios of U.S. imports to U.S. production, producers'	
shipments, and consumption-----	A-38
Snelled fishhooks-----	A-38
Fishing rods-----	A-39
Fishing reels-----	A-40
Artificial baits and flies-----	A-41
Composition of imports:	
Snelled fishhooks-----	A-42
Fishing rods-----	A-42
Fishing rod parts-----	A-43
Fishing reels-----	A-43
Fishing reel parts-----	A-44
Artificial baits and flies-----	A-44
Factors contributing to increased imports-----	A-44
The question of serious injury or threat thereof to the	
domestic industry-----	A-45
U.S. production:	
Snelled fishhooks-----	A-45
Fishing rods-----	A-45
Fishing reels-----	A-46
Artificial baits and flies-----	A-46
U.S. producers' shipments:	
Shelled fishhooks-----	A-46
Fishing rods and parts-----	A-47
Fishing reels and parts-----	A-48
Artificial baits and flies-----	A-49
U.S. exports-----	A-49
Snelled fishhooks-----	A-50
Fishing rods and parts-----	A-50
Fishing reels and parts-----	A-50
Artificial baits and flies-----	A-51
Inventories-----	A-52
Fishing rods-----	A-52
Fishing reels-----	A-52



## CONTENTS

	<u>Page</u>
Artificial baits and flies-----	A-53
Employment and hours worked by production and related workers-----	A-54
Fishing rods-----	A-54
Fishing reels-----	A-54
Artificial baits and flies-----	A-55
Profit-and-loss experience-----	A-55
Fishing rods-----	A-56
Fishing reels-----	A-58
Artificial baits and flies-----	A-59
Capital expenditures-----	A-60
Efforts of U.S. producers to compete with imports-----	A-61
The question of imports as a substantial cause of serious injury:	
Apparent consumption-----	A-62
Snelled fishhooks-----	A-62
Fishing rods-----	A-63
Fishing reels-----	A-63
Artificial baits and flies-----	A-63
Price competition-----	A-64
Fishing rods-----	A-64
Fishing reels-----	A-65
Artificial baits and flies-----	A-66
Other possible causes of serious injury-----	A-67
Fishing rods-----	A-68
Fishing reels-----	A-68
Artificial baits and flies-----	A-70
Other investigations-----	A-71
Appendix A. Statistical tables-----	A-73
Appendix B. Figures-----	A-123
Appendix C. Notice of investigation and hearing-----	A-132
Appendix D. Probable economic effects-----	A-134

## Tables

1. Certain fishing tackle: U.S. rates of duty, by TSUS items, August 31, 1963 to present-----	A-74
2. Certain fishing tackle: Total U.S. imports for consumption, imports entered duty-free under the GSP, and imports entered under the GSP as a percentage of total imports, by product, 1976- 77, January-April 1977 and January-April 1978-----	A-75
3. Snelled fishhooks: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977 and January-April 1978-----	A-76
4. Snelled fishhooks entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1973-77, January-April 1977, and January-April 1978-----	A-76

## CONTENTS

	<u>Page</u>
5. Snelled fishhooks entered duty-free under the GSP: U.S. imports for consumption, by sources, 1973-77, January-April 1977 and January-April 1978-----	A-77
6. Fishing rods: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977 and January-April 1978-----	A-78
7. Fishing rod parts: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978----	A-79
8. Fishing rods entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1973-77, January-April 1977, and January-April 1978-----	A-80
9. Parts for fishing rods entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1974-77, January-April 1977 and January-April 1978-----	A-80
10. Fishing reels" U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978----	A-81
11. Fishing reels entered under the provisions of TSUS item 807.00: U.S. imports for consumption, 1973-76-----	A-82
12. Fishing reels entered duty-free under the GSP: U.S. imports for consumption, by sources, 1976-77, January-April 1977, and January-April 1978-----	A-82
13. Fishing reels, valued not over \$2.70 each: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978-----	A-83
14. Fishing reels, valued not over \$2.70 each, entered duty-free under the GSP: U.S. imports for consumption, by sources, 1976-77, January-April 1977, and January-April 1978-----	A-84
15. Fishing reels, valued over \$2.70 but not over \$8.45 each: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978-----	A-85
16. Fishing reels, valued over \$2.70 nut not over \$8.45 each, entered duty-free under the GSP: U.S. imports for consumption, by sources, 1976-77, January-April 1977, and January-April 1978----	A-86
17. Fishing reels, valued over \$8.45 each: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978-----	A-87
18. Fishing reel parts: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978----	A-88
19 Fishing reel parts entered duty free under the GSP: U.S. imports for consumption, by sources, 1976-77, January-April 1977, and January-April 1978-----	A-89
20. Artificial baits and flies: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978-----	A-90
21. Artificial baits and flies entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1973-77 January-April 1977, and January-April 1978-----	A-91

## CONTENTS

	<u>Page</u>
22. Artificial baits and flies entered duty-free under the GSP: U.S. imports for consumption, by sources, 1976-77, January- April 1977, and January-April 1978-----	A-92
23. Fishing rods: U.S. imports, by types, by U.S. firms that did not manufacture fishing tackle, 1973-77, January-April 1977, and January-April 1978-----	A-93
24. Fishing rods: U.S. imports by firms that manufactured fishing tackle, by type of fishing rod, 1973-77, January-April 1977, and January-April 1978-----	A-94
25. Fishing reels: Imports for consumption by U.S. firms that manu- facture fishing tackle, by type of reel, 1973-77, January-April 1977, and January-April 1978-----	A-95
26. Fishing reels: Imports by U.S. firms, by type of reel that did not manufacture fishing tackle, 1973-77, January-April 1977, and January-April 1978-----	A-96
27. Snelled fishhooks: U.S. production, producers; shipments, imports for consumption, and apparent consumption, 1973-77, January- April 1978-----	A-97
28. Fishing rods: U.S. production and shipments (sales) of domesti- cally produced rods, 1973-77, January-April 1977, and January- April 1978-----	A-98
29. Fishing rods: U.S. production by types, 1973-77, January-April 1977 and January-April 1978-----	A-99
30. Fishing reels: U.S. production and shipments (sales) of domesti- cally produced reels, 1973-77, January-April 1977, and January- April 1978-----	A-100
31. Fishing reels: U.S. production, by type, 1973-77, January-April 1977, and January-April 1978-----	A-101
32. Artificial baits and flies: U.S. production, producers' ship- ments, imports, for consumption, and apparent consumption, 1973-77, January-April 1977, and January-April 1978-----	A-102
33. Fishing rods: U.S. producers' shipments of domestically produced articles, by types, 1973-77, January-April 1977, and January- April 1978-----	A-103
34. Fishing reels: Shipments (sales) of domestic reels, by types, 1973-77, January-April 1977, and January-April 1978-----	A-104
35. Fishing rods: Inventories of domestic and imported fishing rods held by U.S. fishing tackle manufacturers, by types 1973-77-----	A-105
36. Fishing rods: Inventories held by firms that did not manufacture fishing tackle, by type of rod, 1973-77-----	A-106
37. Fishing reels: Inventories held by U.S. fishing tackle manufac- turers, by type of reel, 1973-77-----	A-107
38. Fishing reels: Inventories held by firms that did not manufacture fishing tackle, by type of reel, 1973-77-----	A-108
39. Fishing rods: Average number of employees as reported by U.S. firms engaged primarily in the production of fishing rods, 1973- 77, January-April 1977 and January-April 1978-----	A-109

## CONTENTS

	<u>Page</u>
40. Fishing rods: Hours worked by production and related workers engaged primarily in the production of fishing rods, 1973-77, January-April 1977 and January-April 1978-----	A-110
41. Fishing reels: Average number of employees and hours worked by production and related workers as reported by firms engaged primarily in the production of fishing reels, 1973-77, January-April 1977, and January-April 1978-----	A-111
42. Artificial baits and flies: Average number of employees as reported by 23 U.S. firms engaged primarily in the production of artificial baits and flies, by product, 1973-77, January-April 1977, and January-April 1978-----	A-112
43. Artificial baits and flies: Hours worked by production and related workers as reported by 23 firms engaged primarily in the production of artificial baits and flies 1973-77, January-April 1977, and January-April 1978-----	A-113
44. Fishing rods: Profit-and-loss experience of U.S. producers engaged primarily in the production of fishing rods on all operations of their establishments, 1974-77-----	A-114
45. Fishing rods: Profit-and-loss experience of U.S. producers of fishing rods on their fishing tackle operations only, 1974-77---	A-115
46. Fishing reels: Profit-and-loss and other financial data as reported by U.S. firms engaged primarily in the production of fishing reels on their fishing tackle operations only, 1973-77--	A-116
47. Fishing reels: Profit-and-loss experience of U.S. producers of fishing reels on their fishing tackle operations only, 1973-77--	A-117
48. Artificial baits and flies: Profit-and-loss and other financial data for U.S. producers of artificial baits and flies on all operations of their establishments, 1973-77-----	A-118
49. Artificial baits and flies: Profit-and-loss experience and other financial data by U.S. producers engaged primarily in the production of artificial baits and flies on their fishing tackle operations only, 1973-77-----	A-119
50. Artificial baits and flies: Profit-and-loss experience of U.S. producers on their fishing tackle operations only, 1973-77-----	A-120
51. Fishing rods: U.S. production, producers' shipments, imports for consumption and exports of domestic merchandise, 1973-77, January-April 1977, and January-April 1978-----	A-121
52. Fishing reels: U.S. production, producers' shipments, imports for consumption, and exports of domestic merchandise, 1973-77, January-April 1977, and January-April 1978-----	A-122

## Figures

1. Fishing rods: U.S. imports for consumption, 1973-77-----	A-124
2. Fishing reels: U.S. imports for consumption, 1973-77-----	A-125

## CONTENTS

	<u>Page</u>
3. Fishing reels: U.S. imports for consumption, by value bracket, 1973-77-----	A-126
4. Artificial baits and flies: U.S. imports for consumption, 1973-77-----	A-127
5. Artificial baits and flies: U.S. imports for consumption and GSP imports, 1973-77-----	A-128
6. Fishing rods: U.S. production and imports, 1973-77-----	A-129
7. Fishing reels: U.S. production, 1973-77-----	A-130
8. Artificial baits and flies: Employment, 1973-77-----	A-131

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



## REPORT TO THE PRESIDENT

United States International Trade Commission,  
September 21, 1978

To the President:

In accordance with section 201(d)(1) of the Trade Act of 1974 (88 Stat. 1978), the United States International Trade Commission herein reports the results of an investigation relating to certain fishing tackle.

The investigation to which this report relates (No. TA-201-34) was undertaken to determine whether snelled hooks; fishing rods and parts thereof; fishing reels and parts thereof; and artificial baits and flies; provided for in items 731.05; 731.15; 731.20 through 731.26, inclusive; and 731.60 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

The Commission instituted the investigation under the authority of section 201(b)(1) of the Trade Act on March 29, 1978, following receipt on March 21, 1978, of a petition filed by the American Fishing Tackle Manufacturers Association and the Tackle Representatives Association, both of Chicago, Illinois.

Notice of the investigation and hearing were duly given by publishing the original notice in the Federal Register of April 4, 1978 (43 F.R. 14156). Notice of a change of hearing date and notice of hearing time and site was duly given by publication in the Federal Register of June 12, 1978 (43 F.R. 25388).

A public hearing in connection with the investigation was conducted on June 27, 1978, in Chicago, Illinois. All interested persons were afforded an opportunity to be present, to produce evidence, and to be heard. A transcript

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

The information contained in this report was obtained from fieldwork, from questionnaires sent to domestic manufacturers and importers, and from the Commission's files, other Government agencies, and information presented at the hearing and in briefs filed by interested parties.

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



## DETERMINATIONS, FINDING, AND RECOMMENDATION OF THE COMMISSION

Determinations

On the basis of its investigation, --

(1) the Commission 1/ determines that snelled hooks; fishing rods and parts thereof; and fishing reels and parts thereof; provided for in items 731.05; 731.15; and 731.20 through 731.26, inclusive, of the Tariff Schedules of the United States (TSUS), are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported articles; and

(2) the Commission 2/ determines that, as a result of their being designated as eligible for duty-free treatment under the Generalized System of Preferences (GSP), artificial baits and flies, provided for in item 731.60 of the TSUS, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

Finding and recommendation

The Commission 3/ finds and recommends that, to prevent or remedy such serious injury, it is necessary to suspend, for a period of 5 years, the designation of artificial baits and flies, provided for in item 731.60 of the TSUS, as eligible for duty-free treatment under the GSP.

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1/ Commissioner Ablondi not participating.

2/ Commissioner Bedell dissenting, Commissioner Ablondi not participating.

3/ Commissioners Bedell and Ablondi not participating.

VIEWS OF COMMISSIONERS BILL ALBERGER,  
GEORGE M. MOORE, and DANIEL MINCHEW

On the basis of information developed in this investigation, we have determined that snelled fish hooks; fishing rods and parts thereof; and fishing reels and parts thereof; of the types described in the notice are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing the like or directly competitive products.

With regard to artificial baits and flies of the type described in the notice, we have determined that as a result of their being designated for duty-free treatment under the Generalized System of Preferences (GSP), they are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing the like or directly competitive products.

The Trade Act of 1974 (Section 201(b)(1)) requires that each of the following conditions be met before an affirmative determination can be made:

- (1) There are increased imports (either actual or relative to the domestic production) of an article into the United States;
- (2) A domestic industry producing an article like or directly competitive with the imported article is seriously injured, or threatened with serious injury; and
- (3) Such increased imports of an article are a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The domestic industry

There are four basic products that are the subject of this investigation -- (1) snelled fishhooks; (2) rods and parts thereof; (3) reels and parts thereof; and (4) artificial baits and flies. For each of these products there is a

corresponding industry; therefore, the Commission has dealt with four industries in this investigation. The great bulk of production and sales in these four industries is accounted for by 17 firms located in the U.S. There are nearly a thousand one- and two-man operations in this country, mostly in the artificial baits and flies industry, but they impact locally rather than nationally.

#### Increased imports

Snelled fishhook industry -- Imports of snelled fishhooks have increased from 1973 through 1977. \* \* \*.

Rods and rod parts industry -- Imports of rods increased substantially from 1973 through 1977 and have continued upward into 1978. A large part of the 1978 increase when compared with the same period in 1977 is due to the sharp increase in imports by U.S. producers under item 807.00. In addition, nearly 1.3 million of the imported rods between 1976 and 1977 were of the novelty type telescopic rod not produced in volume in the United States.

Imports of rod parts have behaved irregularly in the 1973-77 period; peaking in 1974, dropping to a low in 1975 and climbing to near 1973 levels in 1977. 1978 partial figures show an increase over the comparable 1977 period, but it is difficult to determine if this trend will continue for the entire year.

Reels and reel parts -- Imports of reels increased from 1973 through 1977, especially after 1975. A great deal of this increase is attributable to the introduction of a "skirted-spool" spinning reel into the U.S. market by foreign manufacturers. This type of spinning reel is not produced in volume by U.S. manufacturers.

Imports of reel parts, like rod parts, behaved irregularly in the 1973-1977 period. They reached a period low in 1975 and climbed in 1976, 1977 and the first four months of 1978, but have not reached 1973 import levels.

Artificial baits and flies industry -- Imports for artificial baits and flies declined from 1973 through 1975, but with the advent of GSP, January 1, 1976, they increased sharply. 1976 imports were 57 percent higher than 1975 and 1977 imports from GSP beneficiary countries increased still another 67 percent over 1976 levels. Imports from Mexico, the principal supplier of artificial baits and flies under the GSP, were nearly 100 times greater in 1977 than 1973, and imports from the Republic of China, the second largest GSP supplier were up 56 percent from their 1973 level.

Summary -- In the case of each of the four industries dealt with in this investigation, imports are increasing. While the increases are occurring for different reasons, each instance meets the statutory criteria for increased imports.

Serious injury or the threat thereof

The Trade Act does not define the term "serious injury" but does provide guidelines for consideration. Under section 201(b)(2) the Commission is to take into account "all economic factors which it considers relevant, including (but not limited to)-- . . . the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment within the industry. . . ." Where such data was developed, we have considered and analyzed other economic developments in these four industries to determine whether injury exists. These include production, shipments, inventory, and prices.

Section 201(b)(2) further requires that the Commission consider all economic factors which it considers relevant with respect to the threat of serious injury, including but not limited to "a decline in sales, a higher and growing inventory, and a downward trend in production, profits . . . wages or employment." The question is whether serious injury is imminent if import trends continue unabated.

Snelled fishhook industry -- This industry is very small. The Commission was able to obtain only very limited data from the three firms that produce snelled hooks domestically. This shows that production and shipments declined irregularly from 1973 through 1977. Beyond that, however, separate data relative to profits, employment, etc., was not available since snelled hooks are such a small portion of the entire fishing tackle operation of the three domestic producers.

As we stated earlier, imports have traditionally provided virtually all U.S. consumption of snelled hooks. \* \* \*

Given this history and lack of supporting data, we are unable to find this very limited industry is being or is likely to be injured.

Rods and rod parts industry -- Domestic production and shipments increased irregularly from 1973 through 1977 and have continued to increase into early 1978, with production in the January-April 1978 period being 20 percent higher than the comparable time frame in 1977. The quantity of sales of domestically produced rods showed a 10 percent increase for January-April 1978 as compared with the same period the year before.

Employment of production and related workers increased slightly from 1,464 in 1973 to 1,519 in 1977. Worker productivity is up for the same time frame showing a 16 percent increase.

Inventories of domestically produced fishing rods in 1977 were below the 1973 peak of 480 thousand, and although they have risen recently, are not increasing as rapidly as those of the importers.

Prices of domestically produced rods have increased from 1973 to 1977. 1977 prices were nearly 40 percent higher than those of 1973 and prices of imported rods have consistently been higher than their domestic counterparts.

The profit picture for the domestic industry has been irregular. Profits were at their highest level in 1974, \$3.2 million, before tailing off to \$.2 million in 1976. 1977 reversed the downward trend when profits jumped by \$2. million. This increase occurred in the face of the highest imports for the five-year, 1973-77, period.

Having analyzed these facts and having considered the trends in this industry, we do not find that it is injured or likely to be injured.

Reels and reel parts industry -- Production and shipments have decreased irregularly from 1973 through 1977. After reaching a period low in 1975, they increased by 40 percent in 1976, before dropping by a little over 15 percent in 1977. The major portion of U.S. production is spin-casting reels, with only a slight amount of domestic production given over to spinning reels. Demand for the later type of reel has increased since 1976, with most of that demand being met by imported products.

Employment in this industry maintained a fairly steady level over the past five years with a slight increase over 1973 levels.

Inventories of domestically produced reels are up from 1973 to 1977. Spin-casting reels account over three-quarters of the inventories. Therefore, the increase may well be attributable to the shift in demand to the spinning reel that began in 1976.

Prices for domestically produced reels increased from 1973 through 1977 by nearly 36 percent. This increase continued through the four months of 1978. For each year covered in this investigation, average wholesale prices of the imported product were substantially higher than those of the domestic product.

Profits behaved irregularly from 1973 through 1977, reaching a high of \$9.5 million in 1974 before dropping to \$6.0 million in 1975. 1977 profits before Federal income taxes were \$6.1 million or 10.7 percent of net sales. The profit ratio in 1977 was nearly 125 percent more than that reported for all U.S. manufacturers.

Although some of the factors discussed appear to be negative, we find that, on balance, they show a healthy industry that is neither seriously injured nor threatened with serious injury.

Artificial baits and flies industry -- Production and shipments for the domestic industry were up from 1973 through 1977, but came nowhere near to maintaining the rate of increase in consumption and imports. Import market share jumped nearly 20 percent in this period.

Employment dropped by some 12 percent from the peak year of 1974 and hours worked by production and related workers decreased from 1973 through 1977.

1977 inventories of domestic producers were up slightly more than 50 percent from the 1973 levels. While imports were increasing nearly 85 percent during the same time, the rate of inventories of imports held by firms who did not manufacture fishing tackle rose only 24 percent.

1977 prices of imported artificial baits and flies were more than 55 percent below the average wholesale price of the domestically produced product. Prices of the imported product dropped nearly \$2 per dozen from 1975 through 1977.

Profits for the domestic industry declined by more than 37 percent in the 1973 to 1977 period, a time when net sales were rising by more than 50 percent. Of the 23 firms who responded to the Commission's questionnaire, nine showed losses for their artificial bait and fly operations in 1977.

In view of these factors, we have concluded that this artificial bait and fly industry is seriously injured within the meaning of the Trade Act.



### Substantial cause

Having found the domestic artificial bait the fly industry to be seriously injured, we will discuss whether increased imports are a substantial cause of that injury. Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." Thus, increased imports must be both an "important" cause of injury or the threat thereof and "not less than any other cause". Section 201(b)(2) further directs that in determining "substantial cause" the Commission "shall take into account all economic factors which it considers relevant, including (but not limited to) . . . an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers."

As we stated earlier, imports of artificial baits and flies increased dramatically with the advent of the GSP, January 1, 1976. From 1973 through 1975, imports had been in a state of decline, but in 1976 they shot up 57 percent over the previous year and increased at an even greater rate in 1977. Imports from Mexico, the principal supplier of artificial baits and flies under the GSP, were almost 100 times greater than 1973. The Republic of China, the second largest GSP supplier upped its 1977 imports to a level 56 percent higher than 1973. El Salvador, the third ranking GSP supplier, became an active exporter only after artificial baits and flies became eligible items under the GSP.

In 1977, imports provided more than 70 percent of apparent consumption compared with nearly 60 percent in 1973.

Based on these factors, and in absence of other explanations, we determine that increased imports are a substantial cause of the serious injury being suffered by the domestic artificial bait and fly industry.

VIEWS OF COMMISSIONERS BILL ALBERGER and GEORGE M. MOORE  
WITH RESPECT TO REMEDY

Having determined that as a result of their being designated as eligible articles for duty-free treatment under GSP, artificial baits and flies are being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, we have recommended that, to prevent or remedy such injury, it is necessary to suspend for a period of 5 years the designation of these products as eligible for duty-free treatment under GSP. This would restore the present column 1 rate of 12.5 percent to the articles and make them more price competitive with the domestically produced products as they had been before their designation as articles eligible for duty-free status.

Views of Chairman Joseph O. Parker and Commissioner Catherine Bedell 1/

On March 29, 1978, the United States International Trade Commission instituted an investigation to determine whether snelled hooks, fishing rods and parts thereof, fishing reels and parts thereof, and artificial baits and flies, provided for in items 731.05, 731.15, 731.20 through 731.26, inclusive, and 731.60 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. The investigation was instituted following the receipt on March 21, 1978, of a petition filed by the American Fishing Tackle Manufacturers Association (AFTMA) and the Tackle Representatives Association (TRA), both of Chicago, Ill.

#### Determination

On the basis of information developed by the Commission in this investigation, I have determined that snelled hooks, fishing rods and parts thereof, and fishing reels and parts thereof, provided for in items 731.05, 731.15, and 731.20 through 731.26, inclusive, of the TSUS, are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

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1/ Commissioner Bedell joins with these views only in part. Commissioner Bedell made a negative determination with respect to imports of artificial baits and flies, and her views with respect thereto are set forth following these views. Commissioner Bedell, like Chairman Parker, made a negative determination with respect to imports of snelled hooks, fishing rods and parts thereof, and fishing reels and parts thereof, and joins the views of the Chairman as they relate to these imports.

I further determine that, as a result of their being designated as eligible articles for duty-free treatment under the Generalized System of Preferences (GSP), the artificial baits and flies, provided for in item 731.60 of the TSUS, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

#### The domestic industry

There are four basic types of products which are the subject of this investigation -- snelled hooks, rods and parts thereof, reels and parts thereof, and artificial baits and flies. None of these four types of products are like or directly competitive with any other of the four types of products within the meaning of section 201. Therefore, in this investigation, we have considered there to be four separate domestic industries consisting of the domestic facilities devoted to the production of each of these four types of products.

#### Snelled hooks

Snelled hooks are like other fishhooks except that a leader line is attached to the fishhook and used to attach the hook to the fishline.

During each of the years 1973-77 and January-April 1978, imports of snelled hooks have accounted for \*\*\* percent of domestic consumption of these articles. \* \* \*.

Only three domestic firms produce snelled hooks. \* \* \*.

Each of the three firms producing snelled fishhooks also produces other fishing tackle products. Since snelled hooks account for only a small part of their operation, these firms were unable to report separately on their snelled hook operations. Thus, aside from domestic production and shipments, no information was presented in the course of the investigation with respect to profitability, unemployment or underemployment, suppressed or depressed prices, or rising inventories. In view of the lack of evidence of injury, or the threat thereof, we have made a negative determination with respect to the snelled hook industry.

#### Fishing rods and parts thereof

Imports of fishing rods increased from approximately 4 million to approximately 4.3 million between 1973 and 1974, and declined to 3.3 million in 1975. In 1976 and 1977, imports increased to 5.4 and 7.4 million rods, respectively. As a percent of domestic production, imports accounted for from 78 to 88 percent between 1973 and 1976 and then increased to 133 percent of domestic production in 1977. As a percent of apparent domestic consumption, imported rods fluctuated from 45 to 47 percent between 1973 and 1976 and then increased to 59 percent in 1977. Information obtained during the Commission's investigation indicates that over one-half of the increase in imports in 1977 (equal to over 15 percent

of total imports) was accounted for by novelty type telescopic rods not produced in the United States.

The value of imported fishing rod parts, most of which are believed to consist of cork handles used by domestic producers, increased from \$2.9 million in 1973 to \$4.4 million in 1974 and declined to \$2.4 million in 1975. The value of such imports increased modestly in 1976 and 1977, reaching \$2.7 million in the latter year, well below the peak year of 1974. During January-April 1978, the value of imports was above the value imported during the corresponding period of 1977.

Domestic production and shipments of fishing rods, which have closely tracked each other, were irregular during 1973-77. Production increased from 4.9 million units in 1973 to 5.3 million in 1974. In 1975, domestic production fell by 1 million units and then increased by almost 2 million units in 1976 to 6.1 million units. In 1977, production fell to 5.6 million units, but in January-April 1978, production was 20 percent higher than in the corresponding period of the preceeding year.

Employment in the domestic fishing rod industry fluctuated between approximately 1,500 and 1,600 workers in 1973-77. Employment in 1977 reached slightly more than 1,500 workers, the second highest total in the 1973-77 period.

Domestic producers' inventories of fishing rods, which averaged about 410,000 units in 1973-77, were 446,000 units in 1976, lower than the inventory high of 480,000 units in 1973.

The average wholesale price of domestically produced rods increased from \$4.75 to \$6.01 cents per rod between 1973 and 1975. After declining in 1976, wholesale prices increased to \$6.56 per rod in 1977, representing 38 percent more than the 1973 price. During 1973-76 and January-April 1978, the wholesale price of rods imported by domestic firms which do not produce rods was above the average wholesale price of domestically produced rods.

From 1974 to 1977, net sales of fishing rods increased from \$48.4 million to \$53.1 million. Net profit fell from \$3.2 million in 1974 to \$0.2 million in 1976, but increased to \$2.3 million in 1977, the year of greatest imports. The ratio of net operating profit to net sales fluctuated between 3.1 percent and 10.1 percent from 1974 to 1977; in 1977 it was 6.7 percent. Thus, even though imports increased, particularly in 1977, domestic prices, net sales and profit also increased in that year and employment and inventories remained at normal levels. While a number of factors have affected the performance of the domestic industry, increased imports are not a substantial cause of serious injury, or the threat thereof, to the domestic industry.

#### Fishing reels and parts thereof

Imports of fishing reels were approximately 8.2 million units in 1973 and 1974. In 1975, such imports decreased to 5.2 million units but, by 1977, had increased to 9.5 million units. The ratio of imports to domestic production of fishing reels fluctuated between 78 and 94 percent in 1973-76 and reached 122 percent in 1977. The ratio of imports

to apparent consumption, which fluctuated between 42 and 52 percent in 1973-76, reached 57 percent in 1977. \* \* \*. The increase in imports of spinning reels occurred primarily in the medium and higher priced reels with the greatest actual and percentage increase occurring in reels valued at more than \$8.45 each. Imports of fishing reel parts decreased irregularly in value from \$2.0 million in 1973 to \$1.5 million in 1977.

Domestic production and shipments of reels, like rods, were cyclical during 1973-77. After increasing from 8.7 to 9.9 million units between 1973 and 1974, production fell to 6.6 million units in 1975, increased to 9.2 million units in 1976, and then declined to 7.8 million units in 1977.

During 1973-77, employment of production and related workers in the fishing reel industry fluctuated from about 900 workers to slightly more than 1,000 workers. Information supplied in response to the Commission's questionnaires indicates that 998 workers were employed in 1977.

Inventories of fishing reels held by domestic producers averaged slightly more than 1.6 million units each year during 1973-77. Information reported in questionnaires to the Commission indicates that, in 1977, inventories were 1.6 million units.

The average wholesale price of domestically produced reels increased annually from \$4.45 to \$6.04 per unit between 1973 and 1977, or by more than 35 percent. In 1977, the average price of domestically produced



reels was less than one-half of the average wholesale price of reels imported by firms which do not produce reels and only a little more than one-half of the average price of reels imported by firms which produce reels.

Net sales information reported to the Commission by four of the eight firms which produce reels shows that sales increased steadily from \$44 million to \$57 million between 1973 and 1977. During 1973-77, net profit before income taxes of these four firms ranged from a low of \$6.0 million in 1975 to a high of \$9.5 million in 1974. In 1977, net profit before taxes was \$6.1 million, the equivalent of 10.7 percent of net sales.

On the basis of these factors, we determine that increased imports of fishing reels and parts are not causing serious injury, or the threat thereof, to the domestic fishing reel industry.

#### Artificial baits and flies 1/

Imports of artificial baits and flies declined irregularly from 4.9 million dozen in 1973 to 3.0 million dozen in 1975, or by 39 percent. However, in 1976, when artificial baits and flies became eligible articles under the GSP, imports increased by 57 percent to 4.7 million dozen units. In 1977, imports increased to 9 million dozen units. Imports from GSP beneficiary countries increased to 3.7 million dozen units, or more than 40 percent of total imports. In 1977, imports from Mexico, the principal supplier of artificial baits and flies under the GSP, totaled more than 1 million dozen units and were nearly 100 times

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1/ As noted in footnote 1 on the first page of these views, Commissioner Bedell made a negative determination with respect to imports of artificial baits and flies, and her views with respect to these imports are set forth following these views.

greater than in 1973. Imports from the Republic of China, the second largest GSP supplier, totaled 1.8 million dozen units in 1977, and were up 58 percent from their 1973 level. The third largest supplier in 1977, El Salvador, exported no artificial baits and flies to the United States in 1973. The ratios of imports to domestic production and shipments in 1977 were 248 percent and 241 percent, respectively, and imports accounted for more than 70 percent of apparent consumption.

The average foreign unit values of imports from Mexico and the Republic of Korea, the two largest GSP suppliers, decreased from 1976 to 1977 when imports from these countries increased dramatically. The average foreign unit values of imports from these two countries were below those of imports from all but one other foreign source in 1977.

Although net sales of artificial baits and flies of the firms reporting to the Commission reached \$23 million in 1977, higher than in any year during 1973-77, net profit before taxes fell to a low of \$536,000, or equal to about 2.3 percent of net sales. Nine of the 23 firms reporting to the Commission reported losses on their bait and fly operations in 1977. I have determined that, as a result of increased imports at low prices from GSP sources, the domestic industry has been seriously injured.

Views with respect to Remedy 1/

Having determined that, as a result of their being designated as eligible articles for duty-free treatment under GSP, artificial baits and flies are being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, I have recommended that, to prevent or remedy such injury, it is necessary to suspend for a period of 5 years the designation of these products as eligible for duty-free treatment under GSP. This would, for such period, restore the present column 1 rate of 12.5 percent to the articles and make them more price competitive with the domestically produced products as they had been before their designation as articles eligible for duty-free status.

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1/ Commissioner Bedell, having made a negative injury determination with regard to this industry, abstains from making a remedy recommendation.

## Further Views of Commissioner Catherine Bedell

I am in agreement with and have joined the views of Chairman Parker concerning his negative determination with respect to snelled hooks, fishing rods and parts thereof, and fishing reels and parts thereof. However, I do not find that artificial baits and flies are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic artificial baits and flies industry. My views concerning these imports and this industry are set forth below.

Artificial baits and flies industry

I find that the domestic artificial baits and flies industry is not being seriously injured or threatened with such injury. 1/ The economic data before us in this investigation indicates that not all the economic factors are favorable in this industry, i.e., profit levels are below the average level for all manufacturing industries. However, other economic data and trends in that data do not support a finding of

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1/ The Trade Act of 1974 requires that each of the following criteria be met before an affirmative determination can be made:

- (1) There are increased imports of an article into the United States;
- (2) The domestic industry producing an article like or directly competitive with the imported article is being seriously injured, or threatened with serious injury; and
- (3) Such increased imports are a substantial cause of the serious injury, or the threat thereof, to the relevant domestic industry.

serious injury or the threat of such injury. Industry sales have increased in each of the most recent 4 years, from \$15 million in 1973 to more than \$23 million in 1977. Domestic production has trended upward during the most recent 5-year period; from 3499 thousand dozen pieces in 1973 to 3617 thousand dozen in 1977. And inventories held by domestic producers, which were down in 1976 and up in 1977, have not changed significantly overall in the last several years.

The domestic industry has been profitable in each of the last 5 years. The industry had its best year, as measured in terms of net operating profit, in 1976, which was the first year in which the GSP was in effect. In 1977, the industry's gross profit increased to its highest level of the 5-year period, although net operating profit fell considerably that year as a result of increased selling and administrative expenses and a large write off by one of the producers. I cannot attribute the decline in net operating profit in 1977 to the designation of these articles as eligible for duty-free treatment under the GSP.

Employment in the industry has remained relatively constant during the most recent 5 years and apparently has increased since 1975. The industry employed an average of 791 persons in 1975, 804 in 1976, 813 in 1977, and 835 in the first quarter of 1978.

Exports by domestic producers of artificial baits and flies (which are counted as part of production) have almost doubled since 1973, from 56 thousand dozen in 1973 to 111 thousand dozen in 1977.

In summary, I have determined that the domestic artificial baits and flies industry is not seriously injured or threatened with serious injury.

## SUMMARY

Following receipt of a petition, filed on behalf of the American Fishing Tackle Manufacturers Association (AFTMA) and the Tackle Representatives Association (TRA), the Commission, on March 29, 1978, instituted an investigation under section 201(b)(1) of the Trade Act of 1974 to determine whether snelled hooks, fishing rods and parts, fishing reels and parts, and artificial baits and flies are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing and article like or directly competitive with the imported article. This report presents and analyzes the data and information gathered in the course of the investigation.

Overview

The table on the following page presents an overview of the domestic fishing tackle products for 1973-77, January-April 1977 and January-April 1978. Production of fishing tackle decreased slightly, moving irregularly from \*\*\* in 1973 to \*\*\* in 1977. <sup>1/</sup> Production in the first 4 months of 1978 was also slightly less than in the corresponding period of 1977. Shipments, however, increased in both quantity and value, from \*\*\* in 1973, to \*\*\* in 1977. This upward trend continued in January-April 1978. Throughout the period exports represented a small portion of domestic shipments.

While domestic producers' shipments of fishing tackle increased 7.8 percent by quantity and 26.8 percent by value from 1973 to 1977, imports rose 70.9 percent by quantity and 74.6 percent by value during the same period. Imports grew from \* \* \* units, valued at \$49.2 million in 1973, to \* \* \* valued at \$85.9 million in 1977, although there was a decline in the quantity of imports in 1978 compared with the quantity in January-April 1977. \*\*\*.

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<sup>1/</sup> Note that the term "units," in the context used here, describes a highly diverse and not strictly comparable product mix. The discussion here is intended only to provide an overview of trends in the physical volume and value of output, shipments, and trade for the fishing tackle industry as a whole. Later sections will divide the industry into more homogenous product groupings.

Fishing Tackle: An overview of the U.S. industry, 1973-77, January-April 1977 and January-April 1978

Item	1973	1974	1975	1976	1977	January-April--		Percent change--	
						1977	1978	1973 from 1977	1978 from 1/ 1977
Production:									
Quantity <u>2/</u> -----1,000 units--	***	***	***	***	***	***	***	***	***
Shipments:									
Quantity <u>2/</u> -----do--	***	***	***	***	***	***	***	***	***
Value-----1,000 dollars--	89,262	100,505	97,608	114,649	113,157	48,635	53,512	26.8	10.0
Exports:									
Quantity <u>2/3/</u> -----1,000 units--	890	1,039	1,326	1,530	1,728	598	504	94.2	(15.7)
Value-----1,000 dollars--	2,315	2,352	3,471	3,677	3,746	1,384	1,193	61.8	(13.8)
Imports:									
Quantity <u>2/</u> -----1,000 units--	***	***	***	***	***	***	***	***	***
Value-----1,000 dollars--	49,163	58,766	43,450	67,986	85,860	33,129	39,038	74.6	17.8
Apparent consumption:									
Quantity-----1,000 units--	***	***	***	***	***	***	***	***	***
Value-----1,000 dollars--	136,110	156,919	137,587	178,958	195,271	80,380	91,357	43.5	13.7
Average number of production and related employees <u>4/</u> -----	3,575	3,862	3,288	3,498	3,585	3,662	3,304	.3	(9.8)
Hours worked by production and related employees <u>5/</u> -----1,000 hours--	6,591	6,872	7,044	6,342	6,395	2,221	2,198	(3.0)	(1.0)
Ratio of:									
Imports to apparent consumption-----percent--	***	***	***	***	***	***	***	***	***
Net profit before taxes to net sales, on fish- ing tackle operations only-----percent--	<u>6/</u> 11.4	12.4	7.6	7.3	6.8	-	-	(40.4)	-

1/ Data for these years is for January-April.

2/ Quantities of snelled fishhooks and artificial baits and flies have been converted from dozen--the unit used throughout this report--to units for the purposes of this table.

3/ There were no exports of snelled fishhooks.

4/ Includes all workers engaged in the production of fishing tackle. The tables on pages 110, 111, and 112 include only workers in establishments primarily engaged in the manufacture of the named product.

5/ See footnote 3 above. Not all firms reported data on hours worked by their employees engaged in the production of fishing tackle.

6/ Excludes data on those firms primarily engaged in the production of fishing rods.

Source: U.S. imports compiled from official statistics of the U.S. Department of Commerce; all other information compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



The average number of employees engaged in the production of fishing tackle fluctuated irregularly from 1973 to 1977, and increased slightly from 3,575 in 1973 to 3,585 in 1977. The average number of employees during January-April decreased to 3,304 from 3,662 in the corresponding period of 1977. While the number of employees rose slightly during the period covered by the investigation, the number of hours worked declined from 6.6 million hours in 1973 to 6.4 million hours in 1977. This trend continued into January-April 1978.

The fishing tackle producers in aggregate show a decline in net profit before taxes as a percentage of net sales on fishing tackle operations only. Profits declined each year from a high of 11.4 percent of sales in 1973 to 6.8 percent of sales in 1977. In comparison, the Federal Trade Commission reports that all U.S. manufacturing firms experienced a net profit before taxes of 8.0 percent of sales in 1973, and 8.6 percent of sales in 1977.

#### Problems of analyzing the fishing tackle products as a group

While aggregate data on the fishing tackle producers are useful in determining overall trends, the articles covered by this investigation are produced by four different groups of producers, each with somewhat different characteristics. These four groups producing snelled fishhooks, fishing rods, fishing reels, and artificial baits and flies, produce ranges of products which are complementary rather than competitive with the output of the other three. They vary in the number and size of the firms which compose them, the degree to which they are labor-intensive, the impact of producers who are also importers of fishing tackle, and the use of imports under item 807.00 of the Tariff Schedules of the United States (TSUS) and the Generalized System of Preferences (GSP).

\* \* \*. Three domestic firms reported production of snelled fishhooks, but none manufacture only snelled fishhooks.

Nine firms account for nearly all of U.S. fishing rod production. Some of those firms produce items in addition to fishing tackle and are quite large relative to other companies in the industry. Many of the larger manufacturers of fishing rods also import fishing reels; in fact, they accounted for 59 percent of total imported fishing reels in 1977. These reels are usually sold in combination with their own domestically produced fishing rods and are generally spinning reels, which are produced domestically in very limited quantities. Thus, the fishing rod producers' imports do not compete directly with domestically produced reels.

Eight firms account for the bulk of U.S. fishing reel production, and these companies produce primarily fishing tackle. Thus, this group is somewhat smaller and less diverse than the fishing rod manufacturers. It is also more automated than either the fishing rod or snelled fishhook branches. Fishing reel producers are relatively specialized, manufacturing primarily spin-casting reels and a limited amount of spinning and bait-casting reels. \* \* \*. Consumption of fishing reels has been relatively slight from 1973 to 1977. The fishing reel producers have been most affected by the recent widespread change in consumer preference for spinning reels which resulted from the foreign innovation of the "skirted spool" spinning reel. This article is not produced domestically in any quantity, and, as a result, fishing reel producers have seen their market share slip as a result of foreign imports. Fishing reel producers are not generally importers of fishing tackle and do not combine their domestically produced reels with imported rods.

Producers of artificial baits and flies number over 1,000 companies, most of which produce only fishing tackle, and many of which are local or regional in nature. They are also considerably smaller in size than most rod and reel producers. Types of baits and flies are much more diverse than any of the other tackle product groups, with a wide variety of baits and flies being produced primarily by hand. Because this is such a labor-intensive segment, and because the great bulk of the products compete on the basis of price, producers of artificial baits and flies would tend to be most affected by imports under the GSP to the extent that imports have any impact at all.

#### Snelled fishhooks

Four firms, located primarily in the Midwest and Colorado, account for virtually all of the sales of snelled fishhooks in the United States, although none of these companies produce only snelled fishhooks. \* \* \*.

\* \* \*. There were no exports of snelled fishhooks during the period covered by the investigation. Because no company produces snelled fishhooks, employment and profit-and-loss data were not provided separately for these articles.

Imports of snelled fishhooks for consumption rose irregularly from \* \* \* in 1973, valued at \$1.0 million, to \* \* \* in 1977, valued at \$1.6 million, representing an increase of \* \* \* percent by quantity and 51 percent by value. For January-April 1978, the quantity of imported snelled fishhooks increased, but the value decreased compared with the value in the

Snelled fishhooks: U.S. production, shipments, imports, and apparent  
consumption, 1973-77, January-April 1977, and January-April 1978

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corresponding period of 1977. Imports under TSUS item 807.00 declined irregularly from \$0.5 million in 1973 to \$0.2 million in 1977, but increased in 1978 over the corresponding period of 1977. While imports under TSUS item 807.00 accounted for 47 percent of the total value of imports of snelled fishhooks in 1973, the proportion declined to 13 percent in 1977. Imports of snelled fishhooks under the GSP rose from \$1.1 million in 1976 to \$1.3 million in 1977, but were down for January-April 1978 compared with imports in the corresponding period of 1977. Imports of snelled fishhooks under the GSP accounted for 81 percent of total imports for consumption in 1977; \* \* \*.

Apparent consumption of snelled fishhooks increased irregularly from \* \* \* in 1973 to \*\*\* million dozen in 1977, representing a growth of \* \* \*. The trend continued upward during January-April 1978. Throughout the period covered by this investigation, imports accounted for \*\*\* percent of U.S. consumption of snelled fishhooks.

### Fishing rods and parts

Nine firms, located in the Midwest, South, and California, accounted for nearly all of the U.S. production of fishing rods and parts in 1977. The table on page A-7 presents a summary of data for this group of fishing tackle products for the period covered by the investigation.

U.S. production of fishing rods increased irregularly from 4.9 million units in 1973 to 5.6 million units in 1977 (down from the 1976 high of 6.1 million units), and continued upward during January-April 1978. Spinning rods made up 42 percent of the units produced in 1977; spin-casting rods, 26 percent, and bait-casting rods, 13 percent. Producers' shipments increased irregularly from 4.8 million units, valued at \$22.6 million in 1973, to 5.2 million units, valued at \$33.8 million in 1977; this upward trend continued during January-April 1978. In 1977, spinning rods accounted for approximately 36 percent of sales; boat and bay rods, 19 percent; spin-casting rods, 18 percent; and bait-casting rods, 12 percent. \* \* \*. Exports of fishing rods increased from 10,000 units, valued at \$81,000 in 1973, to 30,000 units, valued at \$174,000 in 1976. In 1977, the quantity of fishing rod exports declined to 24,000, but the value increased to \$222,000. Exports during January-April 1978 were greater than the exports in the corresponding period of 1977 in both quantity and value. Exports of fishing rod parts increased from less than \$500 in 1973 to \$5,000 in 1974, but averaged about \$1,000 annually thereafter.

Six firms, accounting for over one-half of the domestic output, reported inventory data on fishing rods. Inventories declined without interruption from 480,000 units in 1973 to 272,000 units in 1976, and then increased to 446,000 units in 1977. Inventories consisted primarily of spinning and spin-casting rods in 1977. Inventories of importers who did not manufacture fishing tackle increased from 83,000 units in 1973 to 219,000 units in 1977. About 70 percent of the 1977 inventories were bait-casting and spin-casting rods.

Fishing rods: A summary of statistics, 1973-1977, January-April 1977,  
and January-April 1978

Item	1973	1974	1975	1976	1977	January-April--		Percent change--	
						1977	1978	1977 from 1973	1978 from 1/ 1977
Domestic production-----1,000 units--	4,899	5,287	4,225	6,133	5,595	2,413	2,874	14.2	19.1
Domestic shipments-----do-----	4,756	5,133	4,079	6,084	5,152	2,358	2,507	8.3	6.3
Exports-----do-----	10	15	20	30	24	10	30	140.0	200.0
Imports-----do-----	3,951	4,343	3,303	5,365	7,411	2,811	3,402	87.6	21.0
Apparent consumption-----do-----	8,697	9,461	7,362	11,428	12,539	5,159	5,879	44.2	14.0
Average number of production and related workers 2/-----	1,464	1,618	1,380	1,462	1,519	1,532	1,294	3.8	-15.5
Hours worked by production and related workers 2/-----1,000 hours--	2,679	2,805	2,104	2,647	2,639	946	828	-1.5	-12.5
Inventories of domestically produced rods 3/-----1,000 units--	480	442	412	272	446	-	-	-7.1	-
Inventories of imported rods 3/-----do-----	181	358	318	294	1,112	-	-	514.4	-
Average wholesale price of domestically produced rods-----	\$4.75	\$5.35	\$6.01	\$5.39	\$6.56	\$6.34	\$6.57	38.1	3.6
Average wholesale price of rods imported by firms which also produce domestically-----	\$4.61	\$4.91	\$6.58	\$7.10	\$5.85	\$5.87	\$7.13	\$26.9	21.5
Average wholesale price of rods imported by firms which do not produce domestically-----	\$7.29	\$5.40	\$7.41	\$6.83	\$5.45	\$6.77	\$6.98	-25.2	3.1
Ratios of--									
Imports to domestic production-----percent--	81	82	78	88	133	117	118	64.2	.9
Imports to domestic shipments-----do-----	83	84	80	88	143	119	135	72.3	13.4
Imports to apparent consumption-----do-----	45	46	45	47	59	55	58	31.1	5.4
Net operating profit of domestic producers to net sales 4/-----percent--	-	10.1	7.4	3.1	6.7	-	-	5/33.7	-
Net profit of domestic producers to net sales 4/-----percent--	-	6.6	4.2	.4	4.5	-	-	5/27.4	-

1/ Data for these years are for January-April.

2/ Average number of employees and hours worked are as reported by U.S. firms primarily engaged in the production of fishing rods.

3/ Data reported are as of December 31 for each year shown.

4/ Ratios are for fishing tackle operations only.

5/ Data are not available for 1973; thus, the percentage change is for 1974-77.

Source: U.S. imports compiled from official statistics of the U.S. Department of Commerce; all other information compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. imports of fishing rods trended upward from 1973 to 1977, although imports declined in the recession year of 1975. Imports increased from 4.0 million units valued at \$7.0 million in 1973 to 5.4 million units valued at \$14.4 million in 1976 (a substantial increase over imports in 1975), then rose sharply to 7.4 million units valued at \$23.0 million in 1977, representing an increase of 87 percent by quantity and 228 percent by value from 1973. This upward trend continued during January-April 1978. Spinning rods were 44 percent of imports, 18 percent were spin-casting rods, and 15 percent were bait-casting rods. These imports rose from \$0.8 million in 1973 to \$1.7 million in 1977, and made up 11 percent of total imports for that year. Fishing rods are not eligible for entry under the GSP. The increase in fishing rod imports is due primarily to the popularization of the "skirted spool" spinning reel--an innovation of foreign manufacturers--which prompted an increase in spinning rod imports, and of miniaturized rods and reels, \* \* \* in 1975 and 1976. The value of imported fishing rod parts declined irregularly from \$2.9 million in 1973 to \$2.7 million in 1973 representing a drop of 7 percent, but increased in January-April compared with the corresponding period of 1977. Fishing rod parts consisted of approximately one-fourth of the total fishing rod imports reported in the official statistics of the U.S. Department of Commerce.

Apparent consumption of fishing rods rose irregularly from 8.7 million units in 1973 to 12.5 million units in 1977, representing an increase of 44 percent. This trend continued during January-April 1978. Imports supplied an average of 46 percent of fishing rods from 1973-76, and increased to nearly 60 percent of consumption in 1977.

The average wholesale price of domestically produced fishing rods rose from \$4.75 in 1973 to \$6.56 in 1977, representing an increase of 38 percent. Except for 1975 and 1976, the average wholesale price of fishing rods imported by firms which also produce domestically was lower than the price for the domestically produced article. This price rose from \$4.61 in 1973 to \$5.85 in 1977. However, the average wholesale price of fishing rods imported by firms which did not manufacture fishing tackle declined 25 percent, from \$7.29 in 1973 to \$5.45 in 1977. Prices in all these categories rose during January-April 1978 compared with the prices in the corresponding period of 1977.

The number of production and related workers enagaged in the manufacture of fishing rods increased irregularly from 1,464 in 1973 to 1,519 in 1977. The number of workers declined during January-April 1978 compared with the number in the corresponding period of 1977. The number of hours worked on fishing rod production fluctuated irregularly during the period, declining slightly from 2.7 million hours worked in 1973 to 2.6 million hours in 1977.

Although some firms manufacture goods other than fishing tackle, most produce only fishing tackle. Net sales on fishing tackle operations only, by firms primarily engaged in the production of fishing rods, increased annually from \$48.5 million in 1974 to \$53.2 million in 1977, representing a growth of 9.7 percent. However, net profit before Federal income taxes declined from

\$3.2 million in 1974 (or 6.6 percent of net sales) to \$2.4 million in 1977 (or 4.5 percent of net sales), representing a drop of 25 percent. 1/

### Fishing reels and parts

Eight companies, located in the Midwest, South, Oklahoma, and Pennsylvania, accounted for all of the domestic production of fishing reels in 1977. The table on page A-10 provides a summary of data for this group of the fishing tackle products from 1973 to 1977, January-April 1977, and January-April 1978.

U.S. production of fishing reels decreased irregularly from 8.7 million units in 1973 to 7.8 million units in 1977, decreasing from 9.2 million units in 1976. Production continued downward during January-April 1978. In contrast to imports, where spinning reels are the major type of reel imported, spin-casting reels dominate domestic production. \* \* \*. Producers' shipments of fishing reels decreased irregularly from 8.5 million units, valued at \$37.9 million in 1973, to 7.6 million units, valued at \$45.7 million in 1977. This downward trend continued during January-April 1978. \* \* \*. Three firms reported sales of fishing reel parts (production data were not gathered); sales fluctuated from a high of \$2.1 million in 1973 to a low of \$1.3 million in 1977. Exports of fishing reels increased irregularly from 208,000 units, valued at \$2.0 million in 1973, to 372,000 units, valued at \$2.8 million in 1977.

Six firms, accounting for 21 percent of domestic fishing reel output, reported inventory data for the period covered by this investigation. Inventories increased irregularly from 1.4 million units in 1973 to 1.6 million units in 1977, when spin-casting reels composed about 78 percent of the inventory. 3/ Inventories of fishing reels held by importing firms which did not manufacture fishing tackle declined annually from 114,000 units in 1973 to 111,000 units in 1976, but increased substantially in 1977 to 270,000 units.

Imports for consumption increased irregularly from 8.2 million reels, valued at \$31.0 million in 1973, to 9.5 million reels, valued at \$48.8 million in 1977, representing an increase of 15 percent by quantity and 57 percent by

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1/ For comparison, the ratio of net profit before Federal income taxes to net sales for all manufacturing operations was 8.0 percent in 1973, 8.7 percent in 1974, 7.4 percent in 1975, 8.7 percent in 1976, and 8.6 percent in 1977.

2/ \* \* \*.

3/ As stated earlier, in 1976 and 1977 the imported skirted-spool spinning reel gained wide consumer acceptance.

Fishing reels: A summary of statistic, 1973-77, January-April 1977,  
and January-April 1978

Item	1973	1974	1975	1976	1977	January-April--		Percent change--	
						1977	1978	1977 from 1973	1978 from 1/ 1977
Domestic production-----1,000 units--:	8,749	9,875	6,588	9,214	7,765	2,990	2,566	-11.2	-14.2
Domestic shipments-----do-----:	8,524	8,940	7,488	8,303	7,565	3,505	3,459	-11.2	-1.3
Exports-----do-----:	208	184	346	384	372	120	90	-78.8	-25.0
Imports-----do-----:	8,222	8,183	5,156	8,315	9,489	3,919	3,500	15.4	-10.7
Apparent consumption-----do-----:	16,538	16,939	12,296	16,234	16,682	7,304	6,869	.9	-6.0
Average number of production and related workers 2/-----:	891	1,011	885	1,003	998	1,126	967	12.0	-14.1
Hours worked by production and related workers 2/-----1,000 hours--:	1,730	1,919	1,587	1,853	1,889	660	563	9.2	-14.7
Inventories of domestically produced reels 3/-----1,000 units--:	1,373	2,391	1,026	1,693	1,600	-	-	16.5	-
Inventories of imported reels 2/-----do-----:	1,037	1,222	752	710	1,811	-	-	74.6	-
Average wholesale price of domestically produced reels-----:	\$4.45	\$4.60	\$5.29	\$5.44	\$6.04	\$5.95	\$6.33	35.7	6.4
Average wholesale price of reels imported by firms which also produce domestically-----:	\$11.25	\$10.43	\$12.08	\$12.25	\$11.24	\$11.91	\$11.89	-.1	-.2
Average wholesale price of reels imported by firms which do not produce domestically-----:	\$8.73	\$9.32	\$10.43	\$13.03	\$12.72	\$7.67	\$6.70	45.7	12.6
Ratios of--									
Imports to domestic production-----percent--:	94	83	78	90	122	131	136	29.8	3.8
Imports to domestic shipments-----do-----:	96	91	68	100	125	111	101	30.2	-9.0
Imports to apparent consumption-----do-----:	50	48	42	52	57	54	51	14.0	-5.6
Net operating profit of domestic producers to net sales 4/-----percent--:	20.8	20.0	13.4	14.6	11.6	-	-	-44.2	-
Net profit of domestic producers before taxes to net sales 4/-----percent--:	19.9	19.1	12.5	14.1	10.7	-	-	-46.2	-

1/ Data for these years are for January-April.

2/ Average number of employees and hours worked are as reported by U.S. firms primarily engaged in the production of fishing reels.

3/ Data reported are as of December 31 for each year shown.

4/ Ratios are for fishing tackle operations only.

Source: U.S. imports compiled from official statistics of the U.S. Department of Commerce; all other information compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



value compared with imports in 1973. This trend continued upward during January-April 1978. Imports under TSUS item 807.00, with respect to fishing reels, were insignificant for the period covered by this investigation. Imports of fishing reels under the GSP rose from \$4.3 million in 1976 to \$7.2 million in 1977, representing an increase of 69 percent, and accounted for 26 percent of the total quantity of imported reels in 1977. Imports of fishing reels valued over \$2.70 each accounted for the increase in total imports of fishing reels; however, imports of reels valued at less than \$2.70 each dropped during the period covered by the investigation.

Imports of fishing reels valued not over \$2.70 each declined irregularly from 4.5 million units, valued at \$5.2 million in 1973, to 3.4 million units, valued at \$4.7 million in 1977, or a decrease of 24 percent by quantity and 10 percent by value. This downward trend continued into January-April 1978. GSP imports of reels valued at less than \$2.70 each declined from 1.6 million reels, with a foreign value of \$2.1 million in 1976, to 1.5 million reels, valued at \$1.9 million in 1977, and accounted for 44 percent of the total imports of these reels in 1977. Imports of fishing reels valued over \$2.70 but not more than \$8.45 each increased irregularly from 3.0 million units, valued at \$15.7 million in 1973, to 4.3 million units, valued at \$20.0 million in 1977, representing an increase of 41 percent by quantity and 27 percent by value, and continued increasing in January-April 1978. Imports of these reels under the GSP also increased from 567,000 reels, valued at \$2.1 million in 1976, to 923,000 reels, valued at \$3.8 million in 1977, and in 1977 accounted for 22 percent of the quantity of imported fishing reels valued over \$2.70 but not more than \$8.45 each. Imports of fishing reels valued over \$8.45 each increased annually from 681,000 units, valued at \$10.0 million in 1973, to 2.1 million units, valued at \$25.5 million in 1976, then declined to 1.8 million units, valued at \$23.5 million in 1977, representing an increase of 158 percent by quantity and 132 percent by value, compared with the 1973 level. Imports increased during January-April 1978 by both quantity and value compared with levels in the corresponding period of 1977. Imports of reels valued over \$8.45 each entered under the GSP also increased from 1976 to 1977, and in the latter year accounted for 8 percent of the quantity of these imports. Imports of fishing reel parts declined irregularly from \$2.0 million in 1973 to \$1.5 million in 1977, but increased in January-April 1978 compared with imports in the corresponding period of 1977. GSP imports accounted for 3 percent of the total reel parts imported in 1977.

The average wholesale price of domestically produced fishing reels (primarily spin-casting reels) rose from \$4.45 in 1973 to \$6.04 in 1977, or by almost 36 percent. The average wholesale price of fishing reels imported by firms which also produced fishing tackle (primarily spinning reels) was considerably higher than that of domestically produced fishing reels, but fell slightly from \$11.25 in 1973 to \$11.24 in 1977. The average wholesale price of fishing reels imported by firms which did not produce fishing tackle rose

46 percent, from \$8.73 in 1973 to \$12.72 in 1977. While the average wholesale price of domestically produced fishing reels increased during January-April 1978 compared with the price in the corresponding period of 1977, the price of imported reels declined.

The number of production and related workers engaged in the manufacture of fishing reels increased irregularly from 891 in 1973 to 998 in 1977. The average number of employees decreased in January-April 1978 compared with the number in the corresponding period of 1977. The number of hours worked on fishing reel production fluctuated irregularly from 1.7 million hours in 1973 to 1.9 million hours in 1977, and also declined in the first 4 months of 1978 compared with the number in the corresponding period of 1977.

Four firms primarily engaged in fishing reel production reported profit-and-loss data on their fishing tackle operation, which was the same as that reported for all operations. Net sales increased irregularly from \$44.2 million in 1973 to \$56.5 million in 1977, or by 27.8 percent. However, net profit before Federal income taxes declined 30.7 percent over the period, falling from \$8.8 million in 1973 to \$6.1 million in 1977. The ratio of net profit before taxes to net sales decreased from a high of 19.9 percent in 1973 to 10.7 percent in 1977. <sup>1/</sup>

Apparent consumption of fishing reels was constant during the period covered by this investigation; except for the recession year of 1975, consumption averaged about 17 million reels annually. The ratio of imports to consumption declined from 50 percent in 1973 to 42 percent in 1975; rose in 1976, and increased again in 1977 to reach 57 percent. The growth in imported fishing reels, both in quantity and in relation to consumption, is largely due to the popularization of the "skirted spool" spinning reel, an innovation of foreign manufacturers not yet produced in significant volume in the United States. In 1977, spinning reels accounted for 62 percent of the imported reels; spin-casting reels, 20 percent; and bait-casting reels, 14 percent.

#### Artificial baits and flies

Artificial baits and flies are produced by more than 1,000 firms, most of which are quite small and are local or regional in their impact on the market. Ten larger firms accounted for an estimated 55 to 60 percent of the total significant commercial output in 1977; they are located primarily in the Midwest and South. All of the producers of artificial baits and flies derive most, if not all, of their income from the sale of these products. The table on page A-14 provides a summary of data for this segment of the fishing tackle products for the period covered by the investigation.

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<sup>1/</sup> For purpose of comparison, the ratio of net profit before Federal income taxes to net sales for all manufacturing companies was 8.0 percent in 1973, 8.7 percent in 1974, 7.4 percent in 1975, 8.7 percent in 1976, and 8.6 percent in 1977.

Estimated U.S. production <sup>1/</sup> for artificial baits and flies fluctuated irregularly around the 3.6 million dozen level. Producers' shipments are estimated to have risen irregularly from 3.3 million dozen in 1973 to 3.7 million dozen in 1977, and increased again in January-April 1978 compared with the number of shipments in the corresponding period of 1977. Exports of artificial baits and flies increased without interruption from 56,000 dozen, valued at \$259,000 in 1973, to 111,000 dozen, valued at \$703,000 in 1977. Data are not available as to the principal markets for these exports.

Seventeen firms, which in 1977 accounted for approximately 60 percent of the U.S. production of artificial baits and flies obtained from U.S. producers by Commission questionnaires, reported inventory data. Inventories increased irregularly from 461,000 dozen in 1973 to 695,000 dozen in 1977. Inventory data was reported by 12 firms which import but do not manufacture artificial baits and flies; their inventories rose from 570,000 dozen in 1973 to 705,000 dozen in 1977.

Imports of artificial baits and flies increased irregularly from 4.9 million dozen, valued at \$5.1 million in 1973, to 9.0 million dozen, valued at \$8.3 million in 1977. Imports from France increased from 470,000 dozen in 1976 to 3.8 million dozen in 1977. They consisted almost entirely of bait parts in both 1977 and January-April 1978. Thus, their inclusion in official import statistics distorts the data somewhat, although without the French imports, the trend of imports is still upward. This increase in imports continued in January-April 1978. Imports of artificial baits and flies under TSUS item 807.00 decreased from 298,000 dozen valued at \$116,000 in 1973 to 34,000 dozen valued at \$57,000 in 1977, although imports of these articles increased in January-April 1978 compared with imports in the corresponding period of 1977. Imports entered under the GSP rose from 2.2 million dozen valued at \$2.0 million in 1976 to 3.7 million dozen valued at \$3.5 million in 1977, or 68 percent by quantity and 75 percent by value. Firms which did not produce fishing tackle accounted for nearly all of the imports of artificial baits and flies.

The average wholesale price of domestically produced artificial baits and flies rose from \$4.68 per dozen in 1973 to \$6.34 per dozen in 1977, or by 36 percent. The average wholesale price of artificial baits and flies imported by firms which manufacture these products domestically increased even more--58 percent--from \$3.96 per dozen in 1973 to \$6.25 per dozen in 1977. In all years the price of these items was less than the domestically produced article. The average wholesale price of artificial baits and flies imported by firms which did not manufacture them domestically declined during the period from \$6.00 per dozen in 1973 to \$2.81 per dozen in 1977, or by 53

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<sup>1/</sup> Estimates for both consumption and production are based on questionnaire responses received by the U.S. International Trade Commission. These estimates are somewhat questionable because of the many different products involved, as well as the inclusion in 1977 of large numbers of bait parts imported from France.

Artificial baits and flies: A summary of statistics, 1973-77, January-April 1977, and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-Apr.--		Percent change	
						1977	1978	1977 from 1973	1978 from 1/ 1977
Domestic production-----1,000 dozen--	3,599	3,699	3,427	3,657	3,617	1,359	1,343	.5	-1.2
Domestic shipments-----do-----	3,314	3,963	3,545	3,953	3,715	1,576	1,679	12.1	-6.5
Exports-----do-----	56	70	80	93	111	39	32	98.2	-18.0
Imports-----do-----	4,866	4,951	3,026	4,744	8,957	3,407	2,619	84.1	-23.1
Apparent consumption-----do-----	8,124	8,844	6,491	8,664	12,561	4,944	4,266	54.6	-13.7
Average number of production and related workers 2/-----	879	925	791	804	813	740	835	-7.5	12.8
Hours worked by production and related workers 2/-----1,000 hours--	1,581	1,658	1,429	1,456	1,497	466	703	-5.3	50.9
Inventories of domestically produced artificial baits and flies 2/									
1,000 dozen--	461	550	666	590	695	-	-	50.8	-
Inventories of imported artificial baits and flies 3/-----1,000 dozen--	682	713	672	769	893	-	-	30.9	-
Average wholesale price of domesti- cally produced artificial baits and flies-----per dozen--	\$4.68	\$5.40	\$5.80	\$6.02	\$6.34	\$6.38	\$7.00	35.5	9.7
Average wholesale price of artificial baits and flies imported by firms which also produce domestically per dozen--	\$3.96	\$3.01	\$3.11	\$5.47	\$6.25	\$6.13	\$6.83	57.8	11.4
Average wholesale price of artificial baits and flies imported by firms which do not produce domestically per dozen--	\$6.00	\$4.05	\$4.79	\$2.13	\$2.81	\$4.14	\$5.11	-53.2	23.4
Ratio of imports to--									
Domestic production-----percent--	147	125	88	130	248	216	195	68.7	-9.7
Domestic shipments-----do-----	146	124	85	120	241	216	155	65.1	-28.2
Apparent consumption-----do-----	60	56	47	55	71	69	61	18.3	-11.6
Ratio of net operating profit of domestic producers to net sales 4/ percent--	6.9	8.6	5.7	7.2	3.8	-	-	-44.9	-
Ratio of net profit of domestic producers before taxes to net sales 3/-----percent--	5.6	8.2	4.1	5.9	2.3	-	-	-58.9	-

1/ Data for these years are for January-April.

2/ Average number of employees and hours worked are as reported by U.S. firms primarily engaged in the production of artificial baits and flies.

3/ Data reported are as of December 31 for each year shown.

4/ Ratios are for fishing tackle operations only.

Source: U.S. imports compiled from official statistics of the U.S. Department of Commerce; all other information compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

percent. The 1977 average wholesale price represented an increase over the price in 1976, and the price continued to increase in January-April 1978 compared with the wholesale price in the corresponding period of 1977. The average wholesale price of domestically produced artificial baits and flies as well as those imported by importer/producers, also increased in January-April 1978.

The number of production and related workers engaged in the manufacture of artificial baits and flies fluctuated during the period of the investigation, decreasing from 879 in 1973 to 813 in 1977. The number of hours worked on production of artificial baits and flies also fluctuated downward from 1.6 million hours in 1973 to 1.5 million hours in 1977. During January-April 1978 both the number of employees and hours worked increased compared with the number in the corresponding period of 1977.

Twenty-three firms reported profit-and-loss data on their fishing tackle operations. Net sales rose annually from \$15.1 million in 1973 to \$23.1 million in 1977, or by 53 percent. Net profit before Federal income taxes declined, however, from \$0.8 million in 1973 to \$0.5 million in 1977, or by 37.5 percent. The ratio of net profit before taxes to net sales declined from 5.6 percent in 1973 to 2.3 percent in 1977. 1/

Apparent consumption of artificial baits and flies was estimated to have increased irregularly from 8.1 million dozen in 1973 to 12.6 million dozen in 1977, or by 55 percent. Consumption was estimated to be slightly down in 1978 compared with consumption in the corresponding period of 1977. The ratio of imports to consumption was estimated to have declined irregularly from 60 percent in 1973 to 55 percent in 1976, increasing to 71 percent in 1977.

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1/ For purposes of comparison, the ratio of net profit before Federal income taxes to net sales for all manufacturing companies was 8.0 percent in 1973, 8.7 percent in 1974, 7.4 percent in 1975, 8.7 percent in 1976, and 8.6 percent in 1977.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Introduction

On March 21, 1978, the American Fishing Tackle Manufacturers Association (AFTMA) and the Tackle Representatives Association (TRA), both of Chicago, Ill., filed a petition with the United States International Trade Commission for import relief under section 201(b)(1) of the Trade Act of 1974. On March 29, 1978, the Commission instituted an investigation to determine whether snelled fishhooks, fishing rods and parts thereof, fishing reels and parts thereof and artificial baits and flies provided for in items 731.05; 731.15; 731.20 through 731.26, inclusive; and 731.60 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The petitioners request that the rates of duty applicable to imports under TSUS item 731.15, snelled fishhooks, item 731.15, fishing rods and parts thereof, 731.15, and 731.20 through 731.26, fishing reels and parts thereof, be retained at their present levels or increased. <sup>1/</sup> In addition, for imports of snelled fishhooks, TSUS item 731.05, fishing reels and parts, TSUS items 731.20 through 731.26, artificial baits and flies, TSUS item 731.60, the petitioners request that these products be withdrawn from eligibility for duty-free entry under the Generalized System of Preferences (GSP).

The Commission issued a public notice on March 30, 1978, regarding the institution of the investigation and the city and date of the public hearing. The notice was posted at the Commission's offices in Washington, D.C., and New York City and was published in the Federal Register of Tuesday, April 4, 1978 (43. F.R. 14156). (See app. C.) A prehearing conference in connection with this investigation was held on May 30, 1978, at the U.S. International Trade Commission building in Washington D.C. The public hearing, at which all interested parties were given an opportunity to be present, offer evidence, and be heard, was held on June 27, 1978, in Chicago, Ill.

The Trade Act of 1974 directs the Commission to complete its investigation under section 201 at the earliest practicable time, but not later than 6 months after the date on which the petition is filed. In this investigation the Commission must report to the President by September 21, 1978.

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<sup>1/</sup> In its petition of Mar. 21, 1978, the petitioners requested that absolute quotas, based on the 1975 level of imports, be imposed on imports of fishing rods and parts and fishing reels and parts. However, on May 22, 1978, the petitioners amended the original petition by dropping this portion of the request and adding in lieu thereof the request for a rate retention or increase.

Shortly after petitioning the Commission on March 29, 1978, the AFTMA and the TRA filed a petition with the Office of the Special Trade Representative (STR), requesting that imports under TSUS item 731.05, snelled fishhooks, TSUS items 731.20 through 731.26, fishing reels and parts, and TSUS item 731.60, artificial baits and flies, be withdrawn from eligibility under the GSP. According to personnel at STR, the petition has been reviewed by the GSP sub-committee and is scheduled to be reviewed by the Trade Policy Staff Committee in mid-September 1978.

The information used in this report was obtained through field visits and interviews with producers and importers, from responses to the Commission's questionnaires, from other Federal agencies, from the Commission's files, and from other sources.

### Description and Uses

The articles which are the subject of this investigation include snelled fishhooks (TSUS item 731.05), fishing rods and parts (731.15), fishing reels (731.20-731.24), fishing reel parts (731.26), and artificial baits and flies (731.60). Hereinafter, when referred to in the aggregate, the products included in this investigation will be called fishing tackle.

#### Snelled fishhooks

Snelled fishhooks are identical to other fishhooks, except that a leader line, usually about 6 to 8 inches in length, is used to attach the hook to the fishline proper. <sup>1/</sup> The leader line is usually made of a monofilament or, for certain types of fishing, metal wire. The size and type of hook and the thickness or weight of the leader wire, as well as the length, vary according to the type and size of fish for which it will be used. The hook is generally made from steel wire, frequently coated with nickel, gold, or bronze.

Fishhook production is highly automated. Steel wire is fed from large rolls, automatically straightened, measured, and cut to size. The cut piece of wire is grabbed by a clamp on a rotating wheel that carries it through a series of small independent machines that form the eye, cut a bait holder (if desired), sharpen the point, and bend the hook into its final shape. Double hooks are manufactured in similar fashion, utilizing a single length of wire and two additional machines that bend the wire in half and point and shape a hook at both ends. In either case, the entire operation takes place on a

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<sup>1/</sup> The cost of the leader line itself and labor used to attach it to the hook represents nearly all the manufacturing cost of the finished snelled fishhooks, even when the labor is performed in lower-wage-rate countries.

assembly the size of a table top. Each assembly is capable of producing 250 hooks a minute; however, only hooks of one size and shape can be produced by any assembly at one time.

Treble hooks are manufactured on a similar rotating-clamp arrangement in which a small, eyeless, single hook is joined with a double hook by a triangular clamp. The hooks are bonded together near the eye by a brass strip, then preheated and brazed under a series of torches. A worker threading the small single hooks onto a feeder bar used to deliver hooks into the treble hook clamps provides the only actual hand labor involved in the process to this point. Other workers maintain the operation of the machines and transport hooks from one station to the next.

Although the hooks are now fully formed, they are still malleable and covered with oil from the shaping process. The hooks are manually placed in wire baskets, washed, heated in a furnace, and bathed in a heated salt solution to remove the oil and harden them. Electrostatic cleaners are then used to remove any remaining salt particles. Finally, the hooks are placed in a vibrator to remove any other debris and smooth rough edges.

The hooks are now essentially finished; however, most hooks are then electroplated with 14 karat gold, nickel, cadmium, or tin. After plating, the finished hooks are ready for final packaging or shipment in bulk for use in making snelled hooks or in the manufacture of artificial lures. A hook is snelled by simply hand-typing a length of fishing line (having a tied loop at the free end) to the eye of the hook.

### Fishing rods and parts

Most fishing rods are manufactured from fiberglass, although some are made from steel, bamboo, and, in more recent years, high modulus carbon graphite. Rods may be of either solid or tubular construction, but tubular fiberglass rods are the most popular because of their light weight and high strength.

Fishing rods are essentially alike in that they all have handles, shafts, line guides, and reel seats. However, rods differ in design, size, and action <sup>1/</sup> because they are intended for different types of fishing. Although there are numerous types of rods, six basic types account for the great bulk of domestic consumption. These are described below.

Bait-casting rods.--Bait-casting rods are used with a revolving spool reel; they are usually from 5-1/2 to 6-1/2 feet in length and use a matching line that tests from 6 to 25 pounds.

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<sup>1/</sup> Action is the flex of a rod, which depends upon the rod-building material, taper, and length.



Spin-casting rods.--Though quite similar to bait-casting rods in design, spin-casting rods use reels (spin-cast reels) that are mounted higher on the rod's reel seat than on bait-casting rods (although many bait-casting reels will fit spin-casting rods); also, the guides on a spin-cast rod are usually larger than those on a bait-casting rod, and spin-casting rods have a softer action. Popular lengths in spin-cast rods are 6 and 6-1/2 feet; such rods are usually 'whippy' (light action), and they perform best with light lines.

Spinning rods.--Reel seats are near the center of the handle, guides are over-sized, and the shaft is usually long and 'whippy' on a spinning rod. Lengths for spinning rods may range from 4-1/2 to 14 feet, and line pours from open-faced, fixed-spool spinning reels.

Fly rods.--Fly rods are available in one-, two- and three- piece construction, with two-piece models the most popular. Although fly rods range in length from 6 to 9-1/2 feet, and in weight from 2-1/2 to 5 ounces, most are selected in terms of individual preference and the kind of fishing to be done.

Surf rods.--As the name implies, surf rods are used by fishermen along beaches to cast their tackle into the surf. Typical surf rods, even the shortest and lightest, are comparatively heavy because of the weight of the tackle used and the casting distance involved; thus, those made of the lightest materials are in demand. The two kinds of surf rods are long, two-handed spinning rods, ranging in length from 10 to 14 feet, and powerful conventional surf rods, generally 8 to 10 feet in length.

Boat and bay rods.--Boat and bay rods, also called pier or trolling rods, are produced in a variety of types. Most have two-handed handles, are short in length with stiff actions, and are designed for revolving spool reels.

Other rods.--Other fishing rods include "deep sea" rods, usually solidly constructed for catching big game fish; pack rods, which, as the name implies, can be taken apart and packed into a single short length for ease of transport or storage; and ice fishing rods, which are usually of simple design and are used to catch small fish through a hole in the ice.

Fishing rod parts.--A typical fishing rod includes a handle, reel seat, reel screw lock, foregrips, ferrules (male and female), shafts, and line guides.

Manufacturing fishing rods is primarily labor intensive and can be divided into two major processes: the fabrication of the rod blank and the production of the finished rod, including hardware, from the rod blank.

Although most rod blanks, including all high quality rods, are made from tubular fiberglass or graphite construction, many inexpensive solid fiberglass rods are also produced. Tubular rod blanks of fiberglass or graphite are manufactured in exactly the same manner. Several layers of cloth, impregnated with fiberglass or a combination of fiberglass and graphite (very few graphite rods contain no fiberglass) are cut from dies into patterns. Each pattern is

shaped so that it will form a particular rod or rod section. Unless painted later, the color of the cloth determines the color of the finished rod. A single sheet of cloth, cut to a pattern, is then rolled on a steel mandrel, forming a tube around the mandrel. The blank is given a cellophane wrapping, hung vertically from racks and heated in a furnace at 325 degrees Fahrenheit for 1-1/2 to 2 hours. This curing process melts the fiberglass (or graphite) to form a solid surface covering the mandrel. The cellophane serves to contain the glass. The mandrel is then mechanically pulled from the curved rod, leaving a hollow rod blank. The fiberglass cloth and the cut patterns must be maintained in a controlled environment at low humidity to prevent damage caused by precuring.

The cured blanks are soaked in water to loosen the cellophane wrapping. The cellophane is then stripped off, either by water pressure or by grinding. A wire brush is used to remove the cellophane from very thin-walled blanks.

The blanks are then wet-ground to smooth the entire surface, given a coat of epoxy, and baked in an oven for 1 hour. Both ends of the blanks are cut (usually 10 to 15 at a time) to the proper length. The ends are hand-ground to accept ferrules, rod tips, or end pieces (depending on the rod section being worked). At this point the rod blank is ready for assembly into a finished rod.

Inexpensive rod blanks can be manufactured from extruded fiberglass, forming a solid rod. These blanks are similarly smoothed and ground on the ends as previously described.

The following operations may vary slightly in sequence according to the type of rod produced and the manufacturer involved; however, most of the finishing operations described are common to all rod production.

Ferrules, ends (seals), and rod tips are hand-glued to the rod blanks. Small strips of tape may be placed along the rod at intervals to indicate where guides and thread designs are to be placed. The rod is attached to a lathe-like device that can spin the rod along its length. Line guides are glued to the rod at the indicated points and then secured with a thread wrapping as the rod rotates. Free-hand thread designs are also added in this manner. (It can take up to 1 year for a person to perfect a thread designing technique because of the high degree of skill required to reproduce some designs.) The threaded areas are then brushed with lacquer to act as a sealant. A logo or decal may be added to the rod at this time. The entire rod is then given one to five coats of lacquer on a cylindrical drum that rotates to dip the rod into the lacquer and then brings it up to air-dry. The clamps on this drum are designed to spin the rods so that drip marks will not appear during the drying cycle.

Rod handles and reel seats are made of cast aluminum or steel. These may be painted electrostatically with powder paint. Handles of cork are imported

presaped from Portugal, and may require further shaping or smoothing before they are suitable for rod manufacture. The rod is finished after the attachment of the handle, reel seats (if used), and rubber or plastic butt cap.

### Fishing reels and parts

A fishing reel, which is attached to the rod shaft near the handle, serves to (a) store the fishing line and (b) for casting and playing hooked fish. In general, there are six kinds of reels, which, to a degree, conform to the rods described above.

Bait-casting reels.--Bait-casting reels use a revolving spool that is mounted on the top of a rod handle. They are available in a variety of designs and sizes, and while used in saltwater fishing, find their principal use in freshwater fishing; many incorporate a "level wind" mechanism, which guides the line onto the reel as it is rewound.

Spin-casting reels.--Though designed for spin-casting rods, spin-casting reels can be used with other kinds of rods, usually bait-casting rods. They are usually mounted on top of a rod and have a hood or front cover that houses the line and stationary spool. The line is released from the spool by depressing a lever or button.

Spinning reels.--Since the line and spool are exposed at the front of the reel, the spinning reel is frequently referred to as an open face reel. Spinning reels are mounted under the rod and, like other reels, are produced in various designs, capacities, and quality. They are used equally in both freshwater and saltwater fishing.

Fly reels.--There are two types of fly reels--single action and automatic. The user must turn the reel handle to retrieve the line with a single action, whereas with an automatic, he merely trips a trigger which releases spring tension that revolves the reel spool and respools the line. A fly reel is mounted underneath and behind the handle.

Saltwater reels.--There are many types of saltwater reels; there are reels for surf fishing, boat and bay fishing, light trolling, reels with wide and narrow spools, and reels for 'big game' fishing. However, saltwater reels do have some common characteristics such as sturdy construction, strong drags, and capacity to hold hundreds of yards of heavy-test line.

Specialty reels.--Specialty reels include those designed for trolling with wire line, ultra-deep fishing with wire line, built in reels that are an integral part of the rod, reels designed specifically for still fishing and ice fishing, and spin-casting reels designed especially for under-the-rod use.

Fishing reel parts.--Reel parts differ, depending on the type of reel. For example, a typical bait-casting reel includes such parts as a spool, spool cap, handle, pillars, tail plate, star drag, and a free-spool button, whereas a spin-casting reel will include some of the same parts such as a handle and spool, but will also include such additional parts as a nose cone and a push button to release the line.

The manufacturing process utilized in the production of fishing reels is not highly automated. The various component parts such as bearings, pins, gears and other stamped or molded parts of metal or plastics are either purchased or made in-house. Generally, the larger the company, the more it is integrated. These component parts are then finished, i.e., plated, anodized, polished, painted, and so forth, before final assembly. Although conveyor belts and other mechanization systems are frequently used, the assembly of the various parts into complete reels is accomplished almost exclusively by hand. In this operation, after the individual parts are added and subassemblies completed, the basic parts, spool, shell, drum, plates, line guide, handle, and others are assembled, and after inspection, the unit is packaged for shipment.

#### Artificial baits and flies

As the name implies, artificial baits are simulations of natural food such as small fish, frogs, eels, worms, and so forth, or devices which simulate the movement of such natural baits. They are made in a myriad of sizes, shapes, and colors, usually of metal, wood, or plastics, and contain one or more hooks. The artificial bait is usually attached at or near the end of the fishing line. For such bait to be effective, they usually require some type of movement, e.g., casting, trolling, jerking, slow retrieval, or others. They are widely used in both saltwater and freshwater fishing.

There are literally hundreds of different types, styles, and sizes of artificial baits. Although the production process for each may vary somewhat according to the type of bait and material used, it is relatively basic. For example, the fabrication of plastic plugs, i.e., baits that simulate fish, frogs, and so forth, consists of the utilization of injection molding machines to produce solid or hollow plugs. Such plugs are often molded--sometimes around metal bills, lips, or other hardware--in a number of configurations, and then finished or decorated to simulate natural baits. All plugs and other lures, however, include hooks, which are either molded into the plug itself or attached to molded-in eyelets.

Artificial flies are made to simulate various types of insects or their movements and are most often used in freshwater fishing. Most flies consist of a hook to which small pieces of feathers or other materials are attached. This operation is performed by hand on a finished hook which usually has been purchased from a foreign or domestic fishhook manufacturer. There is limited commercial domestic production of artificial flies.

## U.S. Tariff Treatment

U.S. imports of the fishing tackle covered by this investigation are classified for tariff purposes under a number of provisions of the TSUS, at various rates of duty (see table 1, app. A).

Snelled fishhooks

Imports of snelled fishhooks are dutiable under TSUS item 731.05 at a column 1, or most-favored-nation, rate of 12.5 percent ad valorem. This is a reduced rate resulting from concessions in the Kennedy round of trade agreements concluded in 1967 and implemented between January 1, 1968, and January 1, 1972. The rate prior to the concessions was 25 percent ad valorem. The column 2, or statutory rate, is 55 percent ad valorem.

Fishing rods and parts

Imported fishing rods and parts are classified under 731.15 at a column 1 rate of 16.5 percent ad valorem; this is a reduced rate pursuant to concessions granted in the Kennedy round. The rate prior to the duty reductions was 33 percent ad valorem. The statutory rate is 55 percent ad valorem.

Fishing reels

As can be seen from table 1, imports of fishing reels are dutiable under one of three rate provisions, 731.20-731.24 inclusive, depending on the value of the reel. Imported reels valued not over \$2.70 each (item 731.20) are dutiable at a column 1 rate of 23 percent ad valorem; those valued over \$2.70 but not over \$8.45 each (item 731.22) are dutiable at a column 1 rate of 62.5 cents each; <sup>1/</sup> and those valued over \$8.45 each (item 731.24) are dutiable at a column 1 rate of 7.5 percent ad valorem. Each of these rates is a reduced rate reflecting concessions granted in the Kennedy round. The rates in effect prior to the Kennedy round for items 731.20, 731.22, and 731.24 were 46.5 percent ad valorem, \$1.25 each, and 15 percent ad valorem, respectively. The statutory rates for imports under each provision is 55 percent ad valorem.

Fishing reel parts.--Imports of fishing reel parts are dutiable under item 731.26 at a column 1 rate of 13.5 percent ad valorem. This is a reduced rate reflecting concessions granted in the Kennedy round; prior to these concessions the rate was 27 percent ad valorem. The statutory rate is 55 percent ad valorem.

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<sup>1/</sup> On the basis of imports entered under item 731.22 in 1977, the average ad valorem equivalent of the duty (62.5 cents each) was 13.1 percent; for individual countries, the ad valorem equivalent ranged from 8.9 to 20.8 percent.

Artificial baits and flies.--Imported artificial baits and flies are classified under item 731.60, "equipment designed for sport fishing, fishing tackle, and parts of such equipment, all the foregoing not specially provided for," at a column 1 rate of 12.5 percent ad valorem; this rate reflects concessions granted in the Kennedy round. The prior rate was 25 percent ad valorem, and the statutory rate is 55 percent ad valorem.

Title V of the Trade Act of 1974 authorized the establishment of the GSP for eligible articles imported from beneficiary developing countries. Effective January 1, 1976, imports of all the fishing tackle products covered by this investigation, except fishing rods and parts thereof (TSUS item 731.15), from all beneficiary developing countries became eligible for duty-free treatment under the provisions of the GSP.

#### General Background of the Investigation

Producer's questionnaires were mailed by the Commission to 225 firms which had been identified by representatives of the AFTMA as manufacturers of fishing tackle. However, some of these firms made fishing tackle of types not included in the investigation, and many of them, particularly those making artificial baits and flies, are very small operators (family- or one-man type with limited sales volume). For these small firms, completion of the questionnaires would have been difficult and burdensome; if they so requested, many were excused from completing the questionnaire.

Of the firms which received the questionnaires, 75 reported that they were not manufacturers of the products under investigation; some of these firms were distributors, others were importers. The Commission received 65 useable producers' questionnaires. In 1977 these producers accounted for all of the domestic sales by domestic producers of snelled fishhooks, for virtually all of the domestic production of fishing rods and parts, fishing reels and parts, and for an estimated two-thirds of production of artificial baits and flies.

With the exception of quantity data for snelled fishhooks and parts of fishing rods and reels, separate import data are available from official statistics of the U.S. Department of Commerce for all of the products covered by this investigation. However, importers' questionnaires were mailed to 100 firms which imported fishing tackle. The list of 100 importers represented a sample drawn from a list of 300 importers obtained from the net import file, which is compiled by the U.S. Customs Service. The firms selected for the sample excluded U.S. fishing tackle manufacturers because a request for their import data was included in the producers' questionnaires. Of the 100 mailed, the Commission received 35 useable importers' questionnaires. These, combined with those producers' questionnaires that contained import data gave the Commission full coverage for imports of snelled fishhooks, 60 percent coverage for imports of rods, 92 percent coverage for reels, and 30 percent coverage for imports of artificial baits and flies in 1977.

## U.S. Producers

Although there are a vast number of firms that produce fishing tackle in the United States, 17 account for the great bulk of total U.S. production and sales. <sup>1/</sup> Several of these 17 firms produce at least two of the products covered by this investigation, but none produce all of them. Most are also importers of some type of fishing tackle, generally importing products to complement their production lines. For example, some rod producing firms import certain types of rods, reels, and artificial baits and flies, while some reel producers import fishing rods or reels of a type not manufactured by them. Similarly, some U.S. manufacturers of artificial baits and flies import plain fishhooks, i.e., not snelled, most of which are used in their domestic production. For most of the principal manufacturers, the production and sale of fishing tackle accounts for the major portion of their total annual sales in the plants wherein fishing tackle is produced, although other products, usually those for leisure outdoor activities, are also produced by some firms.

The table on the following page lists the major producers, by products, and the ratio (percent) in 1977 of fishing tackle operations to total operations in the plant(s) where fishing tackle is produced.

Snelled fishhooks

Three firms accounted for virtually all of the domestic producers' sales of snelled fishhooks in 1977; each of these companies produces, in addition to snelled fishhooks, other fishing tackle products.

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<sup>1/</sup> There are perhaps upwards of 1,000 one-man type operations that produce some types of fishing tackle (mostly artificial baits) on a seasonal basis; their market impact is strictly local or regional. Data for these producers are not included in this report.

<sup>2/</sup> \* \* \*.

Fishing tackle: Principal producers, product category produced and/or imported, and percent of fishing tackle operations to total operations, 1977

\* \* \* \* \*



The remaining producers that sell fishhooks are medium-sized firms, each with sales of less than \$1.5 million in 1977, and which produce other fishing tackle products; one produces rods, the others, artificial baits. These firms are located in Iowa, Michigan, Wisconsin, and Mississippi.

#### Fishing rods

In 1977, virtually all of the domestic output of fishing rods was accounted for by 15 firms; of these, 9 accounted for over 90 percent of total production in that year. \* \* \*. Rod-producing facilities for these firms are located as follows: three in California, and one each in Minnesota, Wisconsin, Florida, South Carolina, Colorado, and Wisconsin. The remaining firms are mostly medium-sized companies, all but two of which derive more than half of their total annual income from the sale of fishing rods and other fishing tackle products.

#### Fishing reels

Eight firms accounted for all of the domestic production of fishing reels in 1977. \* \* \*. Production facilities are situated in Minnesota, Michigan, Wisconsin, Ohio, Iowa, Oklahoma, Pennsylvania, and South Carolina. Except for \* \* \* firms \* \* \*, the remaining reel producers are medium-size manufacturers of fishing tackle, all of which derive the major portion of their total income from the sale of such products.

#### Artificial baits and flies

Although there are many firms that produce artificial baits 10 companies accounted for approximately 55 to 60 percent of the total annual output in 1977. \* \* \*. All of the large artificial bait producers derive most, if not all, of their income from the sale of such products.

Although there is limited commercial production of artificial flies, the Commission received responses from eight firms which produced these products. However, many of the artificial flies are produced on a custom basis by individual craftsmen in the United States.

### Channels of Distribution

Data obtained in response to the Commission's questionnaires show that fishing tackle reached the consumer in 1977 generally from the same types of outlets, regardless of whether they were produced in the United States, imported by domestic fishing tackle manufacturers, or imported by firms that did not manufacture fishing tackle. Wholesalers/jobbers were the principal outlets, accounting for about 60 percent of sales, while mass-merchandisers,

which for purposes of this investigation include discount stores, were the second most important with 21 percent. Independent retailers took 7 percent, and sales to such diverse outlets as premium houses, government agencies, domestic fishing tackle manufacturers, and export accounted for 12 percent. The tables on the following 2 pages show the percentage of total sales, based on quantity, by products, by types of sales outlets, for both domestic producers and importers.

### The Question of Increased Imports

#### U.S. imports

In the aggregate, the value of U.S. imports of fishing tackle increased from \$49.2 million in 1973 to \$58.8 million in 1974, but declined to \$43.5 million in the recession year of 1975, the low point for the 1973-77 period. Imports began their upward movement again in 1976, and by 1977 the value was nearly double that recorded during the 1975 low and was about 75 percent greater than that in 1973. Imports during January-April 1978 continued upward, as their value reached \$39.0 million, representing an 18 percent increase compared with the value in the corresponding period of 1977 as shown below.

Fishing tackle: U.S. imports for consumption, by products, 1973-77,  
January-April 1977, and January-April 1978

(In thousands of dollars)							
Product	:	:	:	:	:	: Jan.-Apr.--	
						1977	1978
	:	:	:	:	:	:	:
Snelled fishhooks-----	:	:	:	:	:	:	:
Fishing rods-----	:	:	:	:	:	:	:
Fishing rod parts-----	:	:	:	:	:	:	:
Fishing reels-----	:	:	:	:	:	:	:
Fishing reel parts-----	:	:	:	:	:	:	:
Artificial baits and	:	:	:	:	:	:	:
flies-----	:	:	:	:	:	:	:
Total-----	:	:	:	:	:	:	:
	:	:	:	:	:	:	:

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

Snelled fishhooks and artificial baits and flies: Sales by type of sales outlet, 1977

(In percent)

Type of outlet	Manufacturers' sales of--		Importers sales
	Domestic	Imported	
Snelled fishhooks:			
Independent retailers (includes sporting goods and department stores)-----	13	***	***
Mass-merchandisers (includes discount stores)---	8	***	***
Wholesalers/jobbers-----	75	***	***
Other-----	1/ 4	1/ ***	2/ ***
Total-----	100	100	100
Artificial baits and flies:			
Independent retailers (includes sporting goods and department stores)-----	6	20	2
Mass-merchandisers (includes discount stores)---	32	26	8
Wholesalers/jobbers-----	58	54	82
Other-----	1/ 4	0	2/ 8
Total-----	100	100	100

1/ Includes premium houses, government agencies, and export sales.

2/ Principally sales to fishing tackle manufacturers.

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

## Fishing rods and reels: Sales by products, by types of sales outlets, 1977

(In percent)

Type of outlet	Manufacturers' sales :		
	of --		Importers
	Domestic	Imported	sales
Fishing rods:	:	:	:
Independent retailers (includes sporting	:	:	:
goods and department stores)-----	17	10	1
Mass-merchandisers (includes discount stores)---	23	32	14
Wholesalers/jobbers-----	48	56	83
Other 1/-----	12	2	2
Total-----	100	100	100
Fishing reels:	:	:	:
Independent retailers (includes sporting	:	:	:
goods and department stores)-----	6	4	1
Mass-merchandisers (includes discount stores)---	25	36	4
Wholesalers/jobbers-----	43	54	66
Other 1/-----	26	6	29
Total-----	100	100	100

1/ Includes premium houses, government agencies, and export sales.

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

As shown in the following table, the value of fishing tackle entered under the provisions of TSUS item 807.00 increased from \$1.4 million in 1973 to \$2.9 million in 1974, the high point for the 1973-77 period. The value of such imports declined in 1975 and again in 1976, but increased in 1977 to nearly \$2.0 million. In 1977, the value of 807.00 imports was 40 percent above the 1973 level. This trend continued through April 1978, when the value of such imports was nearly twice the value reported for the comparable period of 1977. As a percentage of total fishing tackle imports, entries under 807.00 fluctuated between a high of 6 percent in 1975 and a low of 2 percent in both 1976 and 1977. The largest decline in fishing tackle entered under 807.00 during 1973-77 occurred with respect to snelled fishhooks.

Fishing tackle: U.S. imports for consumption, entered under the provisions of TSUS item 807.00, by products, 1973-77, January-April 1977, and January-April 1978

(In thousands of dollars)								
Product	1973	1974	1975	1976	1977	Jan.-Apr.--		
						1977	1978	
Snelled fishhooks-----	488	525	514	13	202	50	62	
Fishing rods-----	771	1,576	1,262	1,129	1,691	395	660	
Fishing rod parts-----	-	329	197	-	9	7	3	
Fishing reels 1/-----	22	41	52	-	-	-	-	
Artificial baits and								
flies-----	116	461	621	393	57	1	145	
Total-----	1,397	2,932	2,646	1,535	1,959	453	870	

1/ There were no fishing reel parts imported under the provisions of TSUS item 807.00 during 1973-77.

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

As stated earlier in this report, since January 1, 1976, imports of the fishing tackle covered by this investigation, with the exception of fishing rods and parts, from all beneficiary developing countries, are eligible for duty-free treatment under the GSP as provided for in title V of the Trade Act of 1974. Such imports were valued at \$7.3 million in 1976, and \$12.0 million in 1977, but were slightly down during January-April 1978 compared with the values in the corresponding period of 1977, as shown in the following table. In terms of value, fishing reels accounted for the bulk of GSP imports (58 percent in 1976 and 60 percent in 1977), followed by artificial baits and flies, which accounted for 27 percent and 29 percent in 1976 and 1977,

respectively. Snelled fishhooks accounted for most of the remaining entries. As a percentage of the total value of imports of fishing tackle, GSP imports accounted for 15 percent in 1976, 26 percent in 1977, 20 percent in January-April 1977, and 17 percent in January-April 1978 (table 2).

Fishing tackle entered duty-free under the GSP, by products, 1/ 1976-77, January-April 1977, and January-April 1978

(In thousands of dollars)

Product	1976	1977	Jan.-Apr.--	
			1977	1978
Snelled fishhooks-----	1,086	1,262	620	517
Fishing reels-----	4,267	7,218	2,579	2,559
Fishing reel parts-----	39	43	13	10
Artificial baits and flies-----	1,956	3,475	1,444	1,434
Total-----	7,348	11,998	4,656	4,520

1/ Neither fishing rods nor fishing rod parts are eligible for duty-free treatment under the GSP.

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

Snelled fishhooks.--The value of U.S. imports of snelled fishhooks increased irregularly from \$1.0 million in 1973 to \$1.6 million in 1977, or by 51 percent. During January-April 1978 the value of imported snelled fishhooks was \$617,000, 15 percent below the value of the corresponding period of 1977. Principal sources during the 1973-77 period were the Republics of Korea and China, Mexico, Singapore, and Japan (table 3).

Imports under the provisions of TSUS item 807.00.--The value of imports of snelled fishhooks entered under the provisions of TSUS item 807.00 increased from \$488,000 in 1973 to \$525,000 in 1974, declined slightly to \$514,000 in 1975, and then plummeted to \$13,000 in 1976. \* \* \*. In 1977 the value of imports recovered somewhat when they increased to \$202,000. During January-April 1978 the value of imports of snelled fishhooks increase by 24 percent, from \$50,000 in January-April 1977, to \$62,000 (table 4). Imports under 807.00 accounted for 47 percent of the total value of imports of snelled fishhooks in 1973 and 1975, 35 percent in 1974, 1 percent in 1976, 13 percent in 1977, 7 percent during January-April 1977, and 10 percent during January-April 1978.

Imports under the GSP.--As shown in table 5, imports of snelled fishhooks, which entered the United States duty free under the GSP, were valued at \$1.1 million in 1976, \$1.3 million in 1977, and, for the partial year of 1978, \$517,000, or a decrease of 17 percent compared with the value in the corresponding period of 1977. Such imports, which were supplied principally by the Republics of Korea and China, and by Mexico and Singapore, accounted for 80 percent of the total value of imports in 1976, 81 percent in 1977, 86 percent in January-April 1977, and 84 percent in January-April 1978.

Fishing rods and parts.--U.S. imports of fishing rods fluctuated irregularly but trended upward between 1973 and 1977 (table 6 and fig. 1, app. B). Such imports, which totaled 4.0 million units valued at \$7.0 million in 1973, increased in 1974, but declined rather sharply in the recession year of 1975. Imports increased sharply in each of the years 1976 and 1977, reaching 7.4 million units valued at \$23.0 million in 1977, or an 88 percent increase by quantity and 228 percent by value compared with levels in 1973. During January-April 1978, rod imports continued upward, increasing 18 percent by quantity and 26 percent by value compared with the corresponding period of 1977. 1/

The three principal suppliers (the Republic of China, Japan, and the Republic of Korea), all experienced substantial overall increases in shipments to the United States during 1973-77, with the Republic of Korea showing the highest percentage gain. On the basis of quantity, exports from the Republic of Korea to the United States were nearly 400 percent greater in 1977 than in 1973, while the value was up approximately 478 percent. During January-April 1978, imports from that source continued to increase above the 1977 level, as the number of rods imported was up 31 percent and the value up 47 percent. Between 1975 and 1976, imports from that source increased 117 percent by quantity and 90 percent by value; this increase is attributed largely to the introduction of a new type of fishing rod--a telescopic rod, which is not produced in the United States. 2/ The telescopic rod is largely a novelty-type convenience item, used widely in recent years by campers and backpackers because it folds into a pack for ease of carrying while in the field. Representatives of the Korean Plastics Goods Association, which includes 11 Korean manufacturers of fishing rods, reported that Korean exports of fishing rods to the United States nearly tripled between 1976 and 1977, approximately 60 percent of which were telescopic (folding) rods. 3/ According to data received, imported telescopic rods from Korea in 1977 numbered nearly 1.3 million units; during January-April 1978 they amounted to approximately 99,000 units.

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1/ Nearly all of the increase in the partial year of 1978 was the result of increased imports under TSUS item 807.00.

2/ \* \* \*.

3/ Official U.S. imports statistics report an increase of 74 percent in the number of rods imported from Korea in 1977 compared with 1976; however, the time lag between the exports leaving Korea and entering the United States probably accounts for a large part of the discrepancy in the data.

Imports from the Republic of China in 1977, based on quality, increased 104 percent from the 1973 level, while the value rose by about 350 percent. (The average unit value of imports from that source increased from \$1.43 each in 1973 to \$3.15 each in 1977, or by 120 percent.) In January-April 1978, the number of rods imported from the Republic of China, compared with the number in the corresponding period of 1977, increased by only 3 percent, while the value increased by 18 percent.

The number of rods imported from Japan in 1977 was 24 percent above the quantity shipped in 1973, and the value was nearly double the 1973 level. Shipments of fishing rods from Japan increased 36 percent by quantity and 31 percent by value through April 1978, compared with the corresponding 1977 period.

Fishing rod parts.--The value of imported fishing rod parts, which are believed to have consisted principally of cork handles, but also included rod tips, ferrules, line guides, and rod blanks, increased from \$2.9 million in 1973 to \$4.4 million in 1974, but declined irregularly to \$2.7 million in 1977, or 8 percent below the 1973 level. For January-April 1978, however, imported rod parts were up 60 percent compared with the level in the corresponding period of 1977, reaching one-half the value of total rod parts entered during the whole of 1977. The Republic of China, the third largest supplier, increased shipments of rod parts to the United States by 224 percent during the partial year of 1978, compared with shipments in the corresponding period of 1977, while shipments from the principal supplier, Spain, increased by 92 percent. Shipments from Portugal, the second largest supplier, declined by 44 percent (table 7).

Imports under TSUS item 807.00.--Table 8 shows imports of fishing rods entered under the provisions of TSUS item 807.00 during 1973-77. Such imports fluctuated rather sharply during the period, reaching a high of 915,000 units in 1974 and a low of 488,000 units in the recession year of 1975; the peak year in terms of value was 1977 (\$1.7 million). For January-April 1978, fishing rods entered under item 807.00 were 160 percent larger by quantity and nearly 67 percent greater by value than in the corresponding 1977 period. <sup>1/</sup> Haiti, Jamaica, and the Republic of China have been the principal sources of these imports; however, during January-April 1978 no imports under 807.00 were reported from Jamaica. Based on quantity, rods entered under 807.00 in 1973 amounted to 20 percent of the total rods imported but declined

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<sup>1/</sup> The increase in imports under item 807.00 accounts for most of the increase in total rod imports during the partial year. If imports under 807.00 are deducted from the total rod imports, those not entered under 807.00 increased in quantity by 8 percent (instead of the 18 percent reported earlier); however, the average unit values of imports under 807.00 are low, so the increase in the value of total imports is not affected significantly.



to 15 percent of the total in 1975 and 10 percent in 1976. Such imports amounted to 11 percent of the total fishing rod imports in 1977 and 14 percent at the end of January-April 1978.

Fishing rod parts.--In 1973, no rod parts were imported under TSUS item 807.00; in 1975, Portugal supplied parts valued at \$4,000, while imports from Haiti were valued at \$193,000. In 1974, 1976, and 1977, Haiti was the only source of imported parts under 807.00, and Mexico was the only source during January-April 1978 (table 9).

Fishing reels and parts.--Total U.S. imports of fishing reels showed a definite upward trend during the 1973-77 period (fig. 2). Aggregate imports of fishing reels declined from 8.2 million reels in 1973 and 1974 to 5.2 million in 1975, but increased thereafter, and in 1977 totaled 9.5 million reels, representing a 15 percent increase compared with 1973. During January-April 1978, however, the number of imported reels was 11 percent below that recorded in January-April 1977. By value, imports increased from \$31.0 million in 1973 to \$34.8 million in 1974, declined in 1975, increased substantially in 1976, and in 1977 reached a value of \$48.8 million. The value of imports continued to increase during January-April 1978, increasing by 14 percent over the level in the corresponding period of 1977 (table 10). On the basis of the quantity of imports in 1977, reels valued not over \$2.70 each accounted for 36 percent of total reel imports; those valued at over \$2.70 but not over \$8.45 each, accounted for 45 percent and those valued over \$8.45 each accounted for the remaining 19 percent. Figure 3 shows the trend of imported reels by value bracket. Principal sources of imported fishing reels included Japan, Sweden, France, the Republic of Korea, Hong Kong, and West Germany.

During the period covered by this investigation, imports of fishing reels under TSUS item 807.00 were insignificant (table 11). Such imports were all sourced in Japan and amounted to less than 1 percent of the total fishing reel imports. No fishing reels entered the United States under the provisions of 807.00 during January-April 1978.

In 1976, 1977, and January-April 1978, reels were imported duty free under the GSP from the Republic of Korea, Hong Kong, and the Republic of China (table 12). Such imports accounted for 26 percent of the total quantity of imported reels in 1976 and 32 percent in 1977, and for 26 percent in January-April 1978.

Fishing reels valued not over \$2.70 each.--Imported fishing reels valued not over \$2.70 each trended downward between 1973 and April 1978, both in number of units and in value. As shown in table 13, imports declined irregularly from 4.5 million units valued at \$5.2 million in 1973 to 3.4 million units valued at \$4.7 million in 1977, when they were down 24 percent by quantity and 10 percent by value compared with the 1973 levels. Imports continued downward during January-April 1978, declined 38 percent by quantity and 27 percent by value compared with imports in the corresponding period of 1977.

In 1976, 1.6 million reels valued at less than \$2.70, with a foreign value of \$2.1 million, were imported duty-free under the GSP; in 1977, such imports declined to 1.5 million units valued at \$1.9 million, and during January-April 1978 continued downward, declining 33 percent by both quantity and value compared with imports in the corresponding period of 1977 (table 14). These imports, which were supplied by the Republics of Korea, China, and Hong Kong accounted for 44 percent of the total units valued not over \$2.70 each in 1976 and 1977, 49 percent during January-April 1978, 42 percent of the total value of these imports in 1976, 40 percent in 1977, and 39 percent in 1978.

Fishing reels valued over \$2.70 but not over \$8.45 each.--U.S. imports of fishing reels valued over \$2.70 but not over \$8.45 each totaled 3.0 million units valued at \$15.7 million in 1973, declined to 2.0 million units valued at \$10.6 million in 1975, before increasing to 4.3 million units valued at \$20.0 million in 1977, or an increase of 41 percent by quantity and 27 percent by value compared with the 1973 level of imports. Imports during January-April 1978 increased 7 percent by quantity and 27 percent by value compared with imports during the corresponding period of 1977 (table 15). Japan, the Republic of Korea, and Hong Kong supplied the bulk of these imports.

The Republic of Korea, Hong Kong, and the Republic of China supplied reels valued over \$2.70 but not over \$8.45 each under the GSP. Such imports, as shown in table 16, totaled 567,000 reels valued at \$2.1 million in 1976, and 923,000 reels valued at \$3.8 million in 1977, and accounted for 22 percent of the total quantity and 19 percent of the value in both 1976 and 1977. In January-April 1978, reels imported under the GSP accounted for 24 percent of the quantity of total imports and 19 percent of the value.

Fishing reels valued over \$8.45 each.--Imports of fishing reels valued at more than \$8.45 each increased regularly from 681,000 units valued at \$10.1 million in 1973 to 2.1 million units valued at \$25.5 million in 1976. Imports declined in 1977 to 1.8 million units valued at \$23.5 million but still increased 158 percent by quantity and 132 percent by value compared with the 1973 level. In January-April 1978, imports increased by nearly 9 percent by quantity and 13 percent by value compared with the levels of the corresponding period of 1977 (table 17). Imports of these higher priced reels during the period covered here were supplied principally by Sweden, Japan, France, and West Germany.

Imports of reels valued over \$8.45 each which entered free of duty under the GSP increased their share of the quantity imported from 0.1 percent in 1976 to 9 percent in 1977, and increased their share of the value from less than 0.1 percent in 1976 to 6 percent in 1977. For January-April 1978, they amounted to 5 percent of the quantity and 4 percent of the value of total imports. The Republic of Korea was the only source of the imports which entered under the GSP.

Fishing reel parts.--The value of imported parts for fishing reels declined irregularly from \$2.0 million in 1973 to \$1.5 million in 1977. For January-April 1978, however, such imports were valued at \$651,000, or 86

percent more than the value in the corresponding period of 1977 (table 18). Principal sources of reel parts included Japan, Sweden, and France.

There were no parts for reels imported under the 807.00 provisions, but parts of reels, as shown in table 19, were entered duty-free under the GSP. These parts, which were supplied by the Republics of Korea and China, and Hong Kong accounted for 3 percent of the total value of reel parts imported in 1976 and 1977 and 2 percent during January-April 1978.

Artificial baits and flies.--Official data, as reported by the U.S. Department of Commerce, show an irregular increase in the importation of artificial baits and flies between 1973 and 1977 (table 20, fig. 4). According to official statistics, imports of these articles rose from 4.9 million dozen valued at \$5.1 million in 1973 to 9.0 million dozen valued at \$8.3 million in 1977. Imports from France, as reported in official statistics, increased from 470,000 dozen in 1976 to 3.9 million dozen in 1977. This tremendous increase in 1977 reflected a large volume of exports from France of bait parts for assembly into finished products in this country. Because the imports from France consisted mainly of parts, these entries were deducted from total imports in order to obtain a more realistic picture of the actual imports. With the imports from France eliminated, imports still showed a slightly upward trend, reaching 5.1 million dozen valued at \$7.4 million in 1977, or an increase of 5 percent by quantity and 44 percent by value from 1973 levels. The average unit value of total imports, excluding France, was \$1.44 per dozen in 1977. Principal suppliers of artificial baits and flies have been Finland, Japan, the Republic of China, and France.

Imports under the provisions of TSUS item 807.00.--Artificial baits and flies imported under the provisions of TSUS item 807.00 increased from 298,000 dozen, valued at \$116,000 in 1973, to 959,000 dozen valued at \$461,000 in 1974, but declined thereafter, and in 1977 totaled 34,000 dozen valued at \$57,000. During January-April 1977, imports amounted to less than 500 dozen valued at \$1,000 but amounted to 94,000 dozen valued at \$145,000 in the comparable 1978 period, or 176 percent more than the 1977 annual total quantity and 154 percent of the total value (table 21). Mexico, Haiti, Salvadore, and Costa Rica were the principal suppliers in recent years.

Imports under the GSP.--Duty-free entries of artificial baits and flies under the GSP increased from 2.2 million dozen valued at \$2.0 million in 1976 to 3.7 million dozen valued at \$3.5 million in 1977. Data for January-April 1978 show a slight increase in the quantity and a slight decline in the value of these imports compared with the levels in the corresponding period of 1977 (table 22, fig. 5). Mexico and the Republic of China were the principal sources of the GSP imports.

Ratio of U.S. imports to U.S. production, producers'  
shipments, and consumption

Snelled fishhooks.--\* \* \*. No U.S. firms produces only snelled fishhooks, although a few firms, primarily engaged in the production of other fishing tackle, also produce snelled fishhooks in small quantities. No U.S. producer reported exports of snelled fishhooks. The following table shows U.S. imports, production, producers' shipments, consumption, and the ratios of U.S. imports to production, shipments, and consumption, 1973-77, January-April 1977, and January-April 1978.

Snelled fishhooks: U.S. imports, production, producers' shipments, and consumption, 1973-77, January-April 1977, and January-April 1978

\* \* \* \* \*

Fishing rods.--As shown in the following table, the ratio of imports to consumption averaged about 46 percent between 1973 and 1976, but increased substantially in 1977. In that year, imports increased by 38 percent, apparent consumption increased 10 percent and producers' shipments declined by 15 percent. \* \* \* .

Fishing rods: U.S. imports, production, producers' shipments, and consumption, 1973-77, January-April 1977, and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Imports---1,000 units--	3,951	4,343	3,303	5,365	7,411	2,811	3,402
Production-----do----	4,899	5,287	4,225	6,133	5,595	2,413	2,874
Producers' shipments							
1,000 units--	4,756	5,133	4,079	6,084	5,152	2,358	2,507
Consumption-----do----	8,697	9,461	7,362	11,428	12,539	5,159	5,879
Ratio of U.S. imports							
to--							
Production---percent--	81	82	78	88	1/ 133	117	118
Producers' shipments							
percent--	83	85	81	88	1/ 144	119	136
Consumption-----do----	45	46	45	47	1/ 59	55	58

1/ If, in 1977, imports entered under TSUS item 807.00 and the imports identified as novelty-type telescopic (or folding rods) were deducted from total imports, the ratio of imports to production would be 94 percent, to producers' shipments, 102 percent, and to consumption, 51 percent.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, except for imports, which were compiled from official statistics of the U.S. Department of Commerce.

Because of the significant volume of fishing rods which have been imported under the provisions of TSUS item 807.00 by domestic manufacturers of fishing rods in recent years, ratios were compiled excluding such imports. 1/ The following table shows the ratio of U.S. imports of fishing rods (excluding imports under item 807.00) to U.S. production, producers' shipments, and consumption for 1973-77, January-April 1977, and January-April 1978.

1/ Under the provisions of TSUS item 807.00, some U.S. manufacturers export fishing rod parts such as rod blanks, handles, ferrules, and line guides to various countries, including Haiti, Jamaica, and Taiwan, for assembly into finished products and for packaging. When returned to the United States, these imports are dutiable only on the value added abroad.

Fishing rods: U.S. imports (excluding imports under 807.00), production, producers' shipments, and consumption, 1973-77, January-April 1977, and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Imports 1/--1,000 units--	3,164	3,428	2,815	4,829	6,547	2,694	2,914
Production-----do----	4,899	5,287	4,225	6,133	5,595	2,413	2,874
Producers' shipments							
1,000 units--	4,756	5,133	4,079	6,084	5,152	2,358	2,507
Consumption-----do----	7,910	8,546	6,874	10,892	11,675	5,042	5,391
Ratio of U.S. imports							
to--							
Production----percent--	64	64	66	78	117	111	101
Producers' shipments							
percent--	66	66	69	79	127	114	116
Consumption-----do----	40	40	40	44	56	53	54

1/ Excludes imports under TSUS item 807.00.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, except for imports, which were compiled from official statistics of the U.S. Department of Commerce.

Fishing reels.--The ratio of U.S. imports to U.S. production, producers' shipments, and consumption each following the same trend. They declined annually from 1973 to 1975, but increased in both 1976 and 1977, as shown in the following table. The ratio of U.S. imports to production averaged 93 percent for the 5-year period, the ratio of imports to producers' shipments averaged 96 percent, and the ratio of imports to consumption averaged 50 percent.

Fishing reels: U.S. imports, production, producers' shipments, and consumption, 1973-77, January-April 1977, and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Imports----1,000 units--	8,222	8,183	5,156	8,315	9,489	3,919	3,500
Production-----do----	8,749	9,875	6,588	9,214	7,765	2,990	2,566
Producers' shipments							
1,000 units--	8,524	8,940	7,488	8,303	7,565	3,505	3,459
Consumption-----do----	16,538	16,939	12,296	16,234	16,682	7,304	6,869
Ratio of U.S. imports							
to--							
Production---percent--	94	83	78	90	122	131	136
Producers' shipments							
percent--	96	92	69	100	125	112	101
Consumption-----do----	50	48	42	52	57	54	51

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, except for imports, which were compiled from official statistics of the U.S. Department of Commerce.

Artificial baits and flies.--As stated earlier in this report, firms responding to the Commission's questionnaires manufactured an estimated two-thirds of the artificial baits and flies produced annually. On the basis of the questionnaire responses, total U.S. production and consumption were estimated for the period covered by the Commission investigation. However, because of the many different products involved, the estimates are of questionable value; information was not available regarding any changes in the product-mix or the extent of any such changes during the period for which the estimates were made. Also, in 1977 and January-April 1978, imports from France included large, but unknown, quantities of bait parts (see section on U.S. imports). The estimates are based on those baits and flies produced and sold in significant commercial volume and exclude the numerous small operations described elsewhere in this report. On the basis of the estimates described above, U.S. imports, production, producers' shipments, consumption, 1973-77, January-April 1977, and January-April 1978, are shown in the following table.

Artificial baits and flies: U.S. imports, production, producers' shipments, and consumption, 1973-77, January-April 1977, and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Imports----1,000 dozen--:	4,866	4,951	3,026	4,744	8,957	3,407	2,619
Production-----do-----:	3,599	3,699	3,427	3,657	3,617	1,359	1,343
Producers' shipments	:	:	:	:	:	:	:
1,000 dozen--:	3,314	3,963	3,545	3,953	3,715	1,576	1,679
Consumption-----do-----:	8,124	8,844	6,491	8,604	12,561	4,944	4,266
Ratio of U.S. imports	:	:	:	:	:	:	:
to--	:	:	:	:	:	:	:
Production---percent--:	147	125	88	130	248	216	195
Producers' shipments	:	:	:	:	:	:	:
percent--:	147	124	85	120	241	216	156
Consumption-----do-----:	60	56	47	55	71	69	61
	:	:	:	:	:	:	:

Source: Estimated on the basis of questionnaire returns except for imports, which were compiled from official statistics of the U.S. Department of Commerce.

Note.--If imports from France are excluded from the official data for 1977, the ratios of imports to production, producer' shipments, and consumption were 141 percent, 137 percent, and 59 percent, respectively.

### Composition of imports

Snelled fishhooks.--\* \* \*.

Fishing rods.--Aggregate data obtained by questionnaires from firms which imported fishing rods accounted for 60 percent of the total imports in 1977. Firms which also manufacture fishing tackle, but generally not rods, and firms that did not manufacture fishing tackle each accounted for about 30 percent of total imports in that year.

The data obtained show that, on the basis of quantity in 1977, 44 percent of the imports were spinning rods; 18 percent, spin-casting; 15 percent, bait-casting; 15 percent were those described in the questionnaire as "other" (which includes rods such as folding-types, and others); surf rods, 4 percent; fly rods, 3 percent; and boat and bay rods, 1 percent.

Importing firms that did not manufacture fishing tackle reported that spinning rods accounting to 47 percent of their imports in 1977 and 42 percent of the total for firms that manufactured fishing tackle. The average dutiable value of the imports by firms that did not manufacture fishing tackle was slightly lower than that of the other importers (\$3.44 each compared with \$3.56 each). Spin-casting rods amounted to 16 percent of the total imports



for firms that did not manufacture fishing tackle and 20 percent for firms which did. Average unit values of fishing rods for firms that did manufacture fishing tackle were again slightly higher, \$3.01 each compared with \$2.93 each. The remaining types of rods--fly, surf, and boat and bay--were about evenly accounted for by both firms that did and did not manufacture fishing tackle; however, the firms that did manufacture reported much larger sales of "other" rods (table 23 and 24).

Price data obtained for those importing firms which did, and those that did not, manufacture fishing tackle were very similar and show that in 1977, slightly more than half of the imported rods were sold in the wholesale price range between \$3.01 and \$6 each. Twenty-one percent were sold at prices between \$6.01 and \$9 each, 10 percent were sold between \$9.01 and \$12 each, 7 percent at less than \$3 each, and 6 percent at \$12.01 to \$15 each.

### Fishing rod parts

Data obtained for rod parts represented about one-fourth of the total imports reported in official statistics. Firms that did manufacture fishing rods reported no sales of imported parts during the period covered by the Commission questionnaire. It is believed that rod parts imported by manufacturers consisted principally of rod handles and line guides, which were incorporated in their U.S. production; it is not known if the other importers sold the parts to domestic rod manufacturers or as replacements. However, most of the imported parts were entered in recent years by firms that did not manufacture fishing rods.

### Fishing reels

Data obtained by questionnaire for imported fishing reels amounted to 91 percent of total imports in 1977. Of this total, firms that produce fishing tackle, but generally not reels, accounted for 59 percent.

In 1977, imports of reels were entered in roughly the same proportions, by types, by firms that did, and those that did not manufacture fishing tackle. In this connection, spinning reels accounted for 62 percent of the total imports, spin-casting reels accounted for 19 percent, bait-casting reels, 14 percent, and the remaining reels (fly, saltwater, and "other") accounted for 5 percent. The composition of imports did not change significantly since 1973 (tables 25 and 26). Except in 1973, firms that did not manufacture fishing tackle reported generally higher dutiable values for their foreign-produced reels than did other importers.

Firms that manufactured fishing tackle and supplied price data reported that 45 percent of the reels they imported were sold at wholesale prices between \$2.51 and \$7.50 each, 18 percent at \$7.51 to \$12 each, 16 percent at less than \$2.50 each, 10 percent at \$12.01 to \$15 each, 7 percent between \$15.01 and \$20 each, and 4 percent at \$20.01 to \$25 each. A few imported

reels (less than 0.05 percent) were sold in the ranges of \$25.01 to \$30 each and \$30.01 to \$40 each. Importers that did not manufacture fishing tackle reported 27 percent of their sales in the wholesale price range between \$7.51 and \$12 each, 24 percent between \$2.51 and \$7.50 each, 17 percent from \$25.01 to \$30, 11 percent from \$12.01 to \$15, 7 percent at less than \$2.50 each, and 6 percent between \$30.01 and \$40 each.

#### Fishing reel parts

Respondents to the Commission's questionnaires accounted for 36 percent of total imports of these articles in 1977. Firms which did not manufacture fishing tackle accounted for most of the imports, the bulk of which were sold as replacement parts. Data were not obtained with respect to the prices of these parts.

#### Artificial baits and flies

Questionnaire returns represented about one-fourth of total imports of artificial baits and flies for 1977. Nearly all of these imports were accounted for by firms which did not produce fishing tackle. Although no data are available with respect to changes in the product-mix of the hundreds of articles which enter under this tariff provision, the imports are like, and directly competitive with, domestically produced articles. During fieldwork in connection with this investigation, and also from other sources, it was learned that imported flies, for the most part, supplement the limited domestic production. Domestically produced flies are reportedly preferred over the imported flies by the serious fisherman because of their superior quality; the imported articles, which are usually much less expensive, are of a type used more often by the occasional fisherman.

Price data were not obtained separately on imported baits and flies, but questionnaire returns indicate that 72 percent of the imported products were sold at wholesale at less than \$1 each, 14 percent were sold between \$1.01 and \$1.50 each, while about 4 percent were at wholesale prices between \$1.51 and \$2 each, and another 4 percent at between \$3.01 and \$3.50 each.

#### Factors contributing to increased imports

Testimony at the public hearing, information obtained by field interviews, and post-hearing briefs submitted by interested parties point out some of the factors which may have resulted in increased imports.

Spinning-type fishing tackle has become more popular and accounted for most of the market growth. According to information received, the most important factor in the growth of spinning reel sales was the popularization

of the "skirted spool" spinning reel, which became popular in the United States in about 1974; such reels were introduced by foreign manufacturers. 1/

Between 1975 and 1976 the \* \* \*. introduced miniature rods and reels as a market innovation. The products are either spinning or spin-casting and are smaller and lighter than those normally used. They are designed to help the fisherman "get more fun out of fishing" and add more sport to the landing of the catch. As a result of this mini-cast system, spin-casting reels are becoming a more important factor in the market.

Imports which entered under the GSP also had an impact on the domestically produced articles, particularly artificial baits and flies. Although some of these products are competitive on a name-brand basis, most compete solely on the basis of price. According to official statistics the GSP share of total imports declined from 46 percent of the total quantity of imports in 1976 to 41 percent in 1977; however, if the bait parts which entered from France are deducted, GSP imports in 1977 increased to 72 percent of the total quantity of imports. The average wholesale price of the imported baits and flies increased in both 1976 and 1977, and in the latter year were up 32 percent from the 1976 level. The average wholesale price received for the domestic product was 5 percent higher than in 1976 and 56 percent higher than the baits and flies sold by importers that did not manufacture fishing tackle.

#### The Question of Serious Injury or Threat Thereof to the

##### Domestic Industry

##### U.S. production

Snelled fishhooks.--As stated earlier in this report, \* \* \*. Only three companies reported U.S. production of snelled fishhooks, and these firms were engaged primarily in the manufacturing of other products. \* \* \*.

Fishing rods.--According to questionnaire returns, U.S. production of fishing rods increased from 4.9 million in 1973 to 5.3 million in 1974, dropped to 4.2 million in the recession year of 1975, but increased in 1976 to 6.1 million rods, a high for the investigation period. Rod production in 1977 declined from the 1976 high by nearly 10 percent (to 5.6 million rods) but increased again in January-April 1978, by nearly 20 percent compared with production in the corresponding period of 1977. (Table 28, fig. 6.)

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1/ \* \* \*.

The Commission questionnaire, sent to U.S. manufacturers in connection with the investigation, requested production by types of rods. Although not all of the responding firms supplied data on their production by types of rods, the data obtained were sufficient to show the trends. The data on types of rods amounted to slightly less than 60 percent of total production reported for 1977 (table 29). The composition of U.S. production did not change significantly during the period covered by the questionnaire. Data, as reported for 1977, show that spinning rods accounted for 42 percent of production, spin-casting rods for 26 percent, and bait-casting rods for 13 percent. In 1977, boat and bay rods accounted for about one-half of the remaining 19 percent, while fly rods and surf rods accounted for about 5 percent each.

Fishing reels.--U.S. production of fishing reels increased from 8.7 million units in 1973 to 9.9 million units in 1974, declined to 6.6 million units in 1975 (or by one-third), but in 1976, nearly returned to the 1974 level, reaching 9.2 million units. In 1977, production declined by 16 percent, compared with the 1976 level, to 7.8 million units, and dropped to 2.6 million units during January-April 1978, or nearly a 14 percent decrease compared with production in the corresponding period of 1977 (table 30, fig. 7).

The composition of U.S. production of fishing reels remained unchanged during the period covered by the questionnaire. \* \* \*.

Artificial baits and flies.--U.S. production of artificial baits and flies, as estimated on the basis of the questionnaire returns, <sup>2/</sup> shows an increase from 3.6 million dozen in 1973 to 3.7 million dozen in 1974. Production declined to 3.4 million dozen in 1975, but in 1976 and in 1977 returned to the 3.6 million dozen level. Data were not obtained with respect to the composition of U.S. production (table 32).

#### U.S. producers' shipments

Snelled fishhooks.--\* \* \*.

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

<sup>2/</sup> As stated earlier in the report, only a small number of flies are produced domestically, and most of these are custom-made for the serious fisherman.

Snelled fishhooks: U.S. producers; shipments, 1973-77, January-April 1977, and January-April 1978

\* \* \* \* \*

Fishing rods and parts.--U.S. producers' shipments of domestically produced fishing rods increased from 4.8 million units, with a wholesale value of \$22.6 million in 1973, to 5.1 million units, valued at \$27.0 million in 1974, declined to 4.1 million units, valued at \$25.4 million in 1975, and then peaked in 1976, reaching 6.1 million units, valued at \$32.8 million or an increase of 28 percent, by quantity, and 45 percent, by value, compared with the 1973 level. In 1977, producers' shipments declined to 5.2 million units, but the value of sales increased to \$33.8 million compared with the 1976 level, as the average value of sales increased from \$5.39 each to \$6.56 each. The number of units sold in 1977, however, remained 8 percent above the 1973 level of shipments. Shipments, as reported for January-April 1978, were up 6 percent, by quantity, compared with the corresponding 1977 period, and 10 percent by value (table 28).

Data were obtained by questionnaire on the shipments of domestically produced rods, by types. Not all of the respondents were able to supply the data as requested, but those that did accounted for 37 percent of the total 1977 producers' shipments (table 33). The distribution of producers' sales, by product, did not change significantly during the period covered by the questionnaire. On the basis of the value of sales in 1977, spinning rods accounted for 36 percent of total sales of the reporting firms, <sup>1/</sup> boat and bay rods accounted for 19 percent, spin-casting rods for 18 percent, and bait-casting rods for 13 percent. The remaining 14 percent was divided between fly rods, surf rods, and rods defined in the questionnaire as "other."

U.S. producers were asked to supply data on their sales of domestically produced fishing rod parts. \* \* \*

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<sup>1/</sup> In recent years, most of the imported reels were spinning reels.

Fishing rod parts: Shipments (sales) by U.S. manufacturers, 1973-77,  
January-April 1977, and January-April 1978

\* \* \* \* \*

Fishing reels and parts.--U.S. producers' shipments (sales) of domestically produced fishing reels increased from 8.5 million units, valued at \$37.9 million in 1973, to 8.9 million units, valued at \$41.1 million in 1974, declined substantially during 1975, but increased to 8.3 million units, valued at \$45.1 million in 1976, representing increases of 11 percent by quantity and 14 percent by value compared with the 1975 levels. Shipments in 1977, however, declined 9 percent by quantity compared with the 1976 level, but the value increased by 1 percent. Shipment data reported for January-April 1978 show that the decline has continued (table 30).

Data were also obtained for producers' shipments of domestically manufactured fishing reels, by types. As was the case with respect to the domestic fishing rod sales, shipments of fishing reels, by types, did not change significantly during the period covered by the questionnaire. \* \* \*.

Three firms reported shipments (sales) of domestically manufactured parts for fishing reels. Such sales fluctuated between a high of \$2.1 million in 1973 and a low of \$1.3 million in 1977 as shown below:

Fishing reel parts: Shipments (sales) of domestically produced articles by  
U.S. manufacturers, 1973-77, January-April 1977, and January-April 1978

(In thousands of dollars)

Period	Value
1973-----	2,136
1974-----	1,920
1975-----	1,668
1976-----	2,038
1977-----	1,305
January-April--	
1977-----	560
1978-----	471

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

1/ As mentioned earlier, imported reels consisted principally of spinning reels.

2/ \* \* \*.

Artificial baits and flies.--As stated earlier in this report, production and sales of artificial baits and flies were estimated on the basis of questionnaire returns. It is estimated that producers' shipments of domestically produced artificial baits and flies increased from 3.3 million dozen in 1973 to 4.0 million dozen in 1974, declined in 1975, but in 1976 returned to the 4.0 million dozen level. In 1977, producers' shipments were down slightly (to 3.7 million dozen), but increased again during January-April 1978 (table 32). Because of the many different types of artificial baits and flies, with a wide range of unit price, no attempt was made to estimate the value of sales.

Respondents to the Commission questionnaire accounted for about two-thirds of total U.S. producers' shipments of domestically produced artificial baits and flies, excluding those sold by the small and family-type producers, as described earlier. These respondents supplied separate data on artificial baits and flies, as shown in the following table.

Artificial baits and flies: U.S. producers' shipments of domestically produced articles, 1973-77, January-April 1977, and January-April 1978

Period	Artificial baits			Flies		
	Quantity	Net	Unit	Quantity	Net	Unit
	value	1/	value	value	1/	value
	1,000 dozen	1,000 dollars	Per dozen	1,000 dozen	1,000 dollars	Per dozen
1973-----	2,259	12,064	\$5.34	353	158	\$0.44
1974-----	2,624	15,886	6.05	348	166	.47
1975-----	2,413	15,717	6.51	321	136	.42
1976-----	2,652	17,661	6.65	313	116	.37
1977-----	2,482	17,559	7.07	304	106	.34
January-April--	:	:	:	:	:	:
1977-----	1,070	7,486	6.99	112	58	.51
1978-----	1,157	8,762	7.57	102	48	.47
	:	:	:	:	:	:

1/ Net value of sales is the gross sales, f.o.b. company point of shipment, less discounts, allowances, excise taxes, and value of returned goods.

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

#### U.S. exports

Data on U.S. exports of the fishing tackle covered by this investigation are not separately reported in official statistics. Export data were requested by questionnaire, and respondents reported their exports, except for those products which were sent out of the country for assembly or further

fabrication and eventual return to the United States under TSUS item 807.00. Exports generally have been small in relation to production and imports.

Snelled fishhooks.

\* \* \* \* \*

Fishing rods and parts.--U.S. exports increased annually from 10,000 units, valued at \$81,000, in 1973 to 30,000 units, valued at \$174,000, in 1976. The quantity declined to 24,000 units in 1977, but the value increased to \$222,000. During January-April 1978, the quantity reported was 30,000 units (the same as in 1976, the peak year for the number of rods exported). U.S. exports of fishing rods accounted for only 0.5 percent of total rod sales in 1977. The following table shows U.S. exports of fishing rods.

Fishing rods: U.S. exports of domestic merchandise, 1973-77,  
January-April 1977, and January-April 1978

Period	Quantity	Value	Unit
	1,000	1,000	
	units	dollars	Each
1973-----	10	81	\$8.10
1974-----	15	139	9.27
1975-----	20	158	7.90
1976-----	30	174	5.80
1977-----	14	222	9.25
January-April--			
1977-----	10	105	10.50
1978-----	30	147	4.90

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

The value of exports of fishing rod parts increased from less than \$500 in 1973 to a value of \$5,000 in 1974, but averaged about \$1,000 annually during the remaining years for which data were requested.

Fishing reels and parts.--U.S. exports of fishing reels declined from 208,000 units valued, at \$2.0 million, in 1973 to 184,000 units, valued at \$1.9 million, in 1974, but increased irregularly thereafter, and in 1977 amounted to 372,000 units, valued at \$2.8 million, when they were equal to about 5 percent of total reel shipments, as shown in the following table:



Fishing reels: U.S. exports of domestic merchandise, 1973-77  
January-April 1977, and January-April 1978

Period	Quantity	Value	Unit value
	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>dollars</u>	<u>Each</u>
1973-----	208	1,975	\$9.50
1974-----	184	1,868	10.15
1975-----	346	2,898	8.38
1976-----	384	2,950	7.68
1977-----	372	2,821	7.58
January-April--			
1977-----	120	1,042	8.68
1978-----	90	793	8.81

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

The value of U.S. exports of parts for fishing reels increased from \$40,000 in 1973 to \$61,000 in 1977. In January-April 1978 they continued upward, when they amounted to \$27,000, compared with \$21,000 for the corresponding 1977 period.

Artificial baits and flies.--U.S. exports of artificial baits and flies increased without interruption from 56,000 dozen, valued at \$259,000, in 1973 to 111,000 dozen, valued at \$703,000 in 1977. For January-April 1978 the quantity exported dropped somewhat, while the value of export sales increased, compared with the levels in the corresponding period of 1977, as shown in the following table.

Artificial baits and flies: U.S. exports of domestic merchandise 1973-77  
January-April 1977, and January-April 1978

Period	Quantity	Value	Unit value
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>dozen</u>
1973-----	56	259	\$4.62
1974-----	70	345	4.93
1975-----	80	415	5.19
1976-----	93	553	5.95
1977-----	111	703	6.33
January-April--			
1977-----	39	237	6.08
1978-----	32	253	7.91

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

## Inventories

Data on inventories held by U.S. producers were requested by the Commission, but not all responding firms submitted such data. The Commission received no useful data with respect to snelled fishhooks, but did obtain enough data to show trends for the other products covered by the investigation.

Data obtained from respondents to the Commission questionnaires generally showed an increase in the domestic fishing tackle held in inventory by U.S. firms in 1977, compared with the other years covered by the investigation. With respect to fishing rods, inventories declined from 1973 to 1976, but increased in 1977. Inventories of domestic reels (principally spin-casting) held by U.S. manufacturers declined irregularly after 1974 but in 1977 were above the inventory level reported in 1973. Inventories of reels held by firms that did not manufacture fishing tackle declined between 1973 and 1976, but increased in 1977. Inventories of both domestic and imported baits and flies also increased.

Fishing rods.--Ten fishing rod manufacturing firms that accounted for well over one-half of domestic output of rods in 1977 reported inventory data. These firms reported that inventories of domestically produced fishing rods declined without interruption from 480,000 units in 1973 to 272,000 units in 1976, but increased in 1977 to 446,000 units. In 1977, spinning and spin-casting rods accounted for the bulk of the domestic rods held by these U.S. producers.

Only three firms that manufactured fishing tackle reported inventory data with respect to their imported rods. In this connection, inventories of imported rods increased from 98,000 units in 1973 to 252,000 in 1974, declined in 1975, and again in 1976, but increased substantially in 1977. The increase was accounted for in large part by an increase in spin-casting rods held by \* \* \*, and an increase in rods defined in the questionnaire as "other" rods, held by \* \* \*. Spinning-rod inventories also increased significantly in 1977, but all three reporting firms accounted for about equal shares of these imported rods (table 35).

Importers that did not manufacture fishing tackle were also asked to supply data on their inventories of rods; seven firms supplied such data. As shown in table 36, inventories increased without interruption during the 1973-77 period, from 83,000 units in 1973 to a high of 219,000 units in 1977. Bait-casting rods and spinning rods accounted for about 70 percent of the total held by these importing firms.

Fishing reels.--Inventories of domestically produced fishing reels were reported to the Commission by six firms that accounted for 21 percent of the total domestic output of reels in 1977. Such inventories as shown in table 37, increased from 1.4 million units in 1973 to 2.4 million units in 1974, but declined irregularly thereafter, and in 1977 amounted to 1.6 million units, representing a slight increase compared with the 1973 level. Spin-casting reels accounted for \* \* \* of the domestic reels held in inventory in 1977.

Seven firms which manufactured fishing tackle in the United States reported their inventories of reels which they imported. The inventory of imported reels increased in 1974, but decreased steadily through 1976. In 1977, however they increased substantially, as the number of imported spinning reels held in inventory increased by 157 percent compared with the 1976 level (table 37).

Inventories of fishing reels held by importing firms that did not manufacture fishing tackle declined annually from 144,000 units in 1973 to 111,000 units in 1976, but increased substantially in 1977, reaching 270,000 units, representing an 87 percent increase from the previously high in 1973. Most of the increase was in spinning reels, which, in 1977, accounted for 55 percent of the total. During 1973-76, spinning reels annually averaged 33 percent of the total held in inventory by firms which did not manufacture fishing tackle (table 38).

Artificial baits and flies.--Inventory data were supplied by 17 firms, which accounted for about 60 percent of the U.S. production reported to the Commission for 1977. Six firms that manufacture fishing tackle reported inventories for their imported artificial baits and flies, and 12 firms which imported, but did not manufacture, fishing tackle also reported. The following table shows inventories held by these firms during the period 1973-77.

Artificial baits and flies: Inventories held by U.S. producers, producer/importers, and importers that did not produce fishing tackle, 1973-77

(In thousands of dozens)

Year	Producers' inven- tories of--		
	Domestic : artificial : baits and : flies :	Imported : artificial : baits and : flies :	Importers' : inventories
1973-----	461 :	112 :	570
1974-----	550 :	192 :	521
1975-----	666 :	188 :	484
1976-----	590 :	174 :	595
1977-----	695 :	188 :	705

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

As shown above, annual inventories of artificial baits and flies, whether held by U.S. fishing tackle producers or importers, fluctuated during 1973-76, but trended upward over the period.

Employment and hours worked by production and related workers.--For the purposes of this report, employment and hours worked by production and related workers have been separated according to the principal fishing tackle product manufactured at the reporting establishment. Since snelled fishhooks were not the principal product of any reporting U.S. firm, no separate table was made with respect to those employees or their hours worked; they are included separately, however, in tables for their firms' principal product category.

In summary, during the period covered by the questionnaire, employment of the production and related workers engaged in the production of fishing rods fluctuated irregularly during 1973-77. The number of production and related workers manufacturing fishing reels increased irregularly during the period covered by the questionnaire, and in 1977 were up by 13 percent compared with the 1973 level; the number of persons employed in the production of artificial baits and flies trended downward during the period.

Hours worked on fishing rods by production and related workers fluctuated during 1973-77, averaging about 1,730 hours annually, but increasing slightly in January-April 1978. The number of hours worked on fishing reels remained fairly stable except for the recession year of 1975, but declined somewhat in 1978. Hours worked by production and related workers trended downward between 1973 and 1977 but increased by 50 percent during January-April 1978.

Fishing rods.--Firms which supplied data reported that the number of persons employed fluctuated irregularly between a high of 3,590 in 1974 and a low of 2,917 in 1977, the last full year covered by the Commission questionnaire. The trend continued downward into January-April 1978, when 2,750 employees were reported. The number of production and related workers engaged in fishing rod production also fluctuated, from a low of 1,464 in 1973 to a high of 1,618 in 1974. Production and related workers declined to 1,294 during January-April 1978, or a decrease of 16 percent compared with the corresponding period of 1977. In some cases firms primarily engaged in producing fishing rods also had production workers manufacturing fishing reels, artificial baits and flies, and snelled fishhooks, as shown in table 39.

Table 40 shows hours worked by production and related workers on fishing rods. The hours worked fluctuated downward during the years covered by the questionnaire. During 1973-77, production and related workers averaged about 1,730 hours annually. Although the total hours worked by production and related workers declined in January-April 1978, the average hours worked per employee increased slightly from 617 hours to 639 hours. According to information obtained during the investigation, \* \* \*.

Fishing reels.--The number of all persons employed by firms primarily engaged in the production of fishing reels increased irregularly from 1,139 in 1973 to 1,294 in 1977 representing an increase of 155 employees, or 14 percent. The number of total employees reported for January-April 1977 was substantially higher than the average reported for the entire year but, during January-April 1978 it declined by 13 percent compared with the corresponding 1977 period, and by 4 percent compared with the 1977 annual average. The

number of production and related workers increased from 891 in 1973 to 1,011 in 1974, but declined irregularly thereafter, reaching 998 in 1977. Although the number of production and related workers in 1977 declined slightly from the previous year, they numbered 12 percent more than in 1973 (table 41).

Hours worked on all products by production and related workers fluctuated upward during the period covered by the Commission questionnaire, and in 1977 were 9 percent greater than the hours reported for 1973. Hours worked on fishing reels by production and related workers increased from 1.7 million hours in 1973 to 1.9 million hours in 1974, declined slightly during the recession year of 1975 to 1.6 million hours, but remained at the 1.9 million hour level in both 1976 and 1977. During January-April 1978, the number of hours worked by each production worker averaged 582, down slightly from the 1977 period, when they averaged 586 hours.

Artificial baits and flies.--The number of persons employed by firms primarily engaged in the production of artificial baits and flies trended downward during the 1973-77 period, and in 1977 numbered 5 percent fewer than in 1973, and 12 percent less than during their peak year of 1974. The number of persons reported for January-April 1978, however, increased 10 percent compared with the number in the corresponding period of 1977. The number of production and related workers manufacturing artificial baits and flies also trended downward, and in 1977 was 8 percent below the 1973 level, and 12 percent below the level of the peak employment year 1974. Some firms which primarily manufacture artificial baits and flies also reported a number of production and related workers engaged in the manufacture of snelled fishhooks and/or fishing rods. None, however, had employees engaged in fishing reel production (table 42). Figure 8 shows U.S. employment and output per hour of employees engaged primarily in the production of artificial baits and flies.

Hours worked by production and related workers on all products declined slightly from about 2.1 million in 1973 and 1974 to 2.0 million in 1977, but, during January-April 1978 were up 56 percent from hours worked in the corresponding months of 1977. Hours worked on artificial baits and flies also trended downward between 1973 and 1977. Hours worked in 1977 were 5 percent less than those worked in 1973, but rebounded during January-April 1978, or an increase of 51 percent compared with the corresponding 1977 period (table 43).

#### Profit-and-loss experience

Profit-and-loss data were supplied by 39 firms primarily engaged in the production of fishing tackle. Profit-and-loss data were not provided for firms that manufacture snelled fishhooks. 1/

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1/ \* \* \*

The profit-and-loss experience of producers of fishing tackle (other than snelled fishhooks) on their fishing tackle operations only, shows an increase in net sales from 1973 to 1977, but a decrease in net profit before Federal income taxes. Aggregate data from 12 firms primarily engaged in the production of fishing rods indicate that net sales increased from \$48.5 million in 1974 to \$53.2 million in 1977, representing a growth of 9.7 percent for the period. Net profit before taxes, however, declined irregularly from \$3.2 million in 1974 (or 6.6 percent of net sales) to \$2.4 million in 1977 (4.5 percent of net sales) representing a 25-percent decrease. Data from four fishing reel producers which supplied profit-and-loss information to the Commission show that net sales of fishing reels increased irregularly from \$44.2 million in 1973 to \$56.5 million in 1977, or by 27.8 percent. Net profit before taxes declined 30.7 percent over the period, from \$8.8 million in 1973 to \$6.1 million in 1977. Though fishing reel manufacturers experienced the highest ratio of net profit before taxes to net sales for all the fishing tackle producers, this ratio declined from 19.9 percent in 1973 to 10.7 percent in 1977. Profit-and-loss data from the 23 firms which primarily manufacture artificial baits and flies indicate that net sales on fishing tackle operations increased from \$15.1 million in 1973 to \$23.1 million in 1977, or by 53 percent. Net profit before taxes declined from \$0.8 million in 1973 to \$0.5 million in 1977, or by 37.5 percent. The ratio of net profit before taxes to net sales also declined from 5.6 percent in 1973 to 2.3 percent in 1977.

Fishing rods.--Profit-and-loss data were supplied by 12 firms primarily engaged in the production of fishing rods. Table 44 shows the overall operations of reporting concerns, and table 45 indicates their operations on fishing tackle. Because some firms did not report profit-and-loss data for 1973, the aggregate figures for that year are misleading and hence are not included here.

The profit-and-loss experience of fishing rod producers on all operations also excludes data from the.

\* \* \* \* \*

As shown in table 44, net sales on all operations declined slightly from 1974 to 1977; they fell from \$69.3 million in 1974 to \$65.2 million in 1975, rose to \$70.3 million in 1976, then declined to \$68.6 million in 1977. Net profit before taxes also declined during the period. Profits dropped from \$4.4 million in 1974 to \$0.025 million in 1975, then rose to \$1.2 million in 1976, and again to \$2.7 million in 1977. While profits rose over the last 2 years, the overall trend for 1974-77 shows a decline.

Aggregate net sales from fishing tackle operations rose each year from \$48.5 million in 1974 to \$53.2 million in 1977. Despite this upward trend in sales, net profit before taxes declined. Net profit before Federal taxes fell from a high of \$3.2 million in 1974 to \$2.1 million in 1975, and \$0.2 million

in 1976, and then rose to \$2.4 million in 1977. Of the 12 firms supplying data, 5 reported losses in 1974, 6 in 1975, 4 in 1976, and 5 in 1977. The ratio of net profit before taxes to net sales declined irregularly over the period. Net profit before taxes as a percent of sales declined from 6.6 percent in 1974 to 4.2 percent in 1975, dropped to 0.4 percent in 1976, and increased to 4.5 percent in 1977, as shown in table 45.

The following table helps to explain the profit-and-loss experience by fishing rod producers on their fishing tackle operations.

Fishing rods: Ratios of cost of goods sold, selling and administrative expenses, and net profit before Federal income taxes to net sales, 1974-1977

(In percent)				
Item	: 1974	: 1975	: 1976	: 1977
Cost of goods sold-----	: 64.9	: 65.0	: 70.1	: 66.0
Selling and administrative expense-----	: 25.0	: 27.6	: 26.8	: 27.4
Total-----	: 89.9	: 92.6	: 96.9	: 93.4
Net profit before Federal income taxes-----	: 6.6	: 4.2	: 0.4	: 4.5

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

Net profit before taxes as a percent of sales declined from 1974 to 1975, primarily because the proportion of selling and administrative expenses to sales increased. While these expenses as a percent of sales declined somewhat in 1976, they were more than offset by a rise in manufacturing costs. The \$1.1 million increase in sales from 1975 to 1976 could not absorb the \$3.3 million rise in the cost of the goods sold. Manufacturing expenses as a percent of sales declined in 1977 to approximately their 1975 level, while selling and administrative expenses rose slightly to their 1975 level. With the general controlling of expenses in 1977 and an increase in sales for that year, net profit before taxes as a percent of sales rose to 4.5 percent. This was higher than the 1976 figure of 0.4 percent, as well as 1975's 4.2 percent, though less than the 6.6 percent recorded in 1974.

The effects of inflation are presented in table 45, Net sales in constant dollars (1972 = 100) declined steadily from \$41.7 million in 1974 to \$37.6 million in 1977, indicating that the increase in net sales of fishing rods in current dollars did not keep pace with inflation. Gross profit also declined from \$14.6 million in 1974 to \$12.8 million in 1977. Net profit before taxes in constant dollars declined irregularly. From a high of \$2.7 million in 1974, net profit before taxes declined to \$1.6 million in 1975, dropped to \$0.2 million in 1976, then rose to \$1.7 million in 1977.

Fishing reels.--Profit-and-loss data were provided by four firms primarily engaged in the production of fishing reels. Tables 46 and 47 show their operations on fishing tackle, which were the same as on all operations.

Net sales on fishing tackle operations increased irregularly from 1973 to 1977. Sales rose from \$44.2 million in 1973 to \$49.7 million in 1974, dropped to \$47.9 million in 1975, increased to \$55.7 million in 1976, and rose again to \$56.5 million in 1977. However, net profit before Federal and other income taxes declined irregularly over the period. Profits rose from \$8.8 million in 1973 to \$9.8 million in 1974, dropped to \$6.0 million in 1975, increased to \$7.8 million in 1976, and then declined to \$6.1 million in 1977. Only one of the four firms reported a loss, which occurred in 1975. Net profit before taxes as a percent of sales also declined irregularly from 1973 to 1977. From a high of 19.9 percent of sales in 1973, net profit before taxes declined to 19.1 percent in 1974 and 12.5 percent in 1975, increase to 14.1 percent in 1976, and then fell to 10.7 percent in 1977.

The following table helps to explain the profit-and-loss experience of fishing reel producers on their fishing tackle operations from 1973 to 1977.

Fishing reels: Ratios of cost of goods sold, administrative and selling expenses, and net profit before Federal income taxes to net sales, 1973-77

(In percent)					
Item	1973	1974	1975	1976	1977
Cost of goods sold-----	55.6	57.1	61.6	60.8	61.5
Administrative expense-----	5.7	6.5	7.6	7.6	9.2
Selling expense-----	18.0	16.4	17.3	17.1	17.6
Total-----	79.3	80.0	86.5	85.5	88.3
Net profit before Federal income taxes-----	19.9	19.1	12.5	14.1	10.7

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

Cost of goods sold as a percent of net sales increased during the period and hence contributed to the overall decline in profit. As table 41 indicates, the number of employees engaged primarily in the production of fishing reels increased from 891 in 1973 to 998 in 1977, although production of fishing reels fell from 8.7 million reels in 1973 to 7.8 million reels in 1977. These increased labor costs, along with larger overhead expenses, account for the higher cost of goods sold for the period. Though net sales increased during the period, they did not offset the higher costs incurred while making fewer reels.



Administrative expenses more than doubled from 1973 to 1977 and also contributed to the decline in net profit before taxes. Research and development expenditures were the major factors in this increase.

\* \* \* \* \*

Selling expenses as a percent of net sales decreased slightly from 1973 to 1977. Dollar increases were primarily due to increased advertising expenditures.

The effects of inflation are presented in table 46. While net sales in current dollars increased from 1973 to 1977, net sales in constant dollars (1972 = 100) declined irregularly from \$41.7 million in 1973 to \$40.0 million in 1977. Gross profit in constant dollars also showed a decline from \$18.5 million in 1973 to \$15.4 million in 1977. Gross profit in current dollars, on the other hand, increased from \$19.6 million in 1973 to \$21.8 million in 1977. Net profit before Federal income taxes in both current and constant dollars declined irregularly from 1973 to 1977. In constant dollars, net profit dropped from a high of \$8.3 million in 1973 to \$4.3 million in 1977.

Artificial baits and flies.--Profit-and-loss data were supplied by 23 firms primarily engaged in the production of artificial baits and flies. Table 48 shows the overall operations of the reporting concerns, and tables 49 and 50 indicate their operations on fishing tackle.

Net sales on all operations rose each year in the period being studied, from approximately \$28.0 million in 1973 to \$38.1 million in 1977. Net profit before taxes rose from \$1.9 million in 1973 to \$2.3 million in 1974, then declined to \$1.9 million in 1975. After rising again to \$2.4 million in 1976, profits dropped to \$1.3 million in 1977. The overall trend shows a decline in net profit before taxes from 1973 to 1977 as shown in table 48.

Aggregate net sales from fishing tackle operations increased each year, from \$15.1 million in 1973 to \$23.1 million in 1977. While the overall trend in net sales was upward, the pattern for net profit before taxes was downward. Profits rose from \$0.8 million in 1975. After rising to \$1.3 million in 1976, net profit before taxes declined to \$0.5 million in 1977. The number of firms reporting losses reflects this overall profit-and-loss picture. Four firms reported losses in 1973, three in 1974, six in 1975 three in 1976, and nine in 1977. The ratio of net profit before taxes to net sales declined irregularly over the period. Net profit before taxes, as a percent of sales rose from 5.6 percent in 1973 to 8.2 percent in 1974, fell to 4.1 percent in 1975, increased to 5.9 percent in 1976, and declined to 2.3 percent in 1977.

The following table helps to explain the profit-and-loss experience for artificial bait and fly producers on their fishing tackle operations for 1973-77.

Artificial baits and flies: Ratios of cost of goods sold, selling and administrative expenses, and net profit before Federal income taxes to net sales, 1973-77

(In percent)					
Item	1973	1974	1975	1976	1977
Cost of goods sold-----	63.0	61.5	64.0	62.1	62.7
Selling and administrative expenses-----	30.0	29.9	30.3	30.7	33.5
Total-----	93.0	91.4	94.3	92.8	96.2
Net profit before Federal income taxes--	5.6	8.2	4.1	5.9	2.3

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

In general, the cost of goods sold made up about the same proportion of net sales throughout the period, as did selling and administrative expenses, except for 1977. The increase in net profit before taxes in 1977 was because of, at least in part, the decline in manufacturing, selling, and administrative expenses as a percent of a sales. In 1975, however, the proportion of these expenses increased, particularly the cost of goods sold. Some companies attributed the decline in profits to the combined effects of economic conditions, which suppressed prices while costs continued to increase. The rise in net profit before taxes in 1976 was because of the relative decline in manufacturing, selling, and administrative expenses. While the cost of goods sold as a percent of sales increased only slightly in 1977, selling and administrative expenses rose sharply, thus explaining the decline in net profit before taxes. Firms which included itemized expense reports in the data which they submitted to the Commission indicated that they had higher salaries, commissions, and advertising and promotional expenses in 1977. One company reported an unusually large write-off for bad debt expenses.

The effects of inflation are evident from the data presented in table 49. Net sales in constant dollars (1972 = 100) increased at a slower rate than did net sales in current dollars and actually declined in 1977. Gross profit in constant dollars presents a similar pattern, with profits declining in 1977, compared with a slight increase in gross profit in current dollars. Net profit before taxes in constant dollars declined more sharply than profits in current dollars. Net profit before taxes, in constant dollars, declined 53 percent from 1973 to 1977, but only 37 percent in current dollars.

Capital expenditures.--Expenditures for domestic facilities used primarily in the fabrication <sup>1/</sup> of the fishing tackle under investigation, as reported by 21 firms, increased irregularly from \$2.0 million in 1973 to \$5.1 million in 1977. As the following table shows, total expenditures increased annually except during the recession year of 1975. New machinery accounted for more

Capital expenditures: Index and percentage distribution, by 21 firms engaged in the production of fishing tackle, 1973-77

Item	1973	1974	1975	1976	1977
Index (1973 = 100)					
Total value-----	100	126	113	246	260
Percentage distribution					
Land, land improvements-----	1	16	1/	1/	1/
Buildings, leasehold improvement-----	5	21	21	46	18
Machinery, equipment, fixtures:					
New-----	93	62	65	53	79
Used-----	1	1	14	1	1/
Total-----	100	100	100	100	100

1/ Less than 0.05 percent.

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

than one-half of annual expenditures by these firms and in 1976, the total for buildings and leasehold improvements increased substantially, reaching 46 percent.

Efforts of U.S. producers to compete with imports.--During the investigation, the Commission requested that domestic manufacturers of fishing tackle describe any efforts they or their workers have undertaken to compete more effectively with imported fishing tackle. Thirty-five firms responded with one or more of the following statements: (1) improved production methods through automation, purchasing better equipment, and/or improving worker efficiency; (2) introduction of new products or product lines; (3) increased marketing efforts such as offering better terms and dealer promotions to customers; (4) importing fishing tackle to stay competitive or establishing an overseas manufacturing facility; (5) improving their service to customers; (6) emphasizing the quality of their product to compensate for its price, which was higher than imports; (7) moving operations to gain better distribution facilities, a more adequate work force, and greater production capability; (8) eliminating company-sponsored environmental and educational programs; and (9) introducing consumer-oriented programs for the at-home fishing tackle assembler. In addition, two firms reported that they had not been affected by imported fishing tackle.

1/ Excluded are expenditures for administrative facilities, warehousing or other nonmanufacturing facilities.

The Commission also asked domestic manufacturers of fishing tackle what adjustments they would make if relief were granted in the form of increased duties, quotas, or other means. Firms responded with one or more of the following statements: (1) continue automation and other steps to improve production efficiency; (2) continue marketing efforts; (3) increase sales volume; and (4) increase prices. Several firms mentioned that labor costs were a factor in their profit-and-loss experience, and complained that the increased minimum wage, social security, workmen's compensation, and other legislated costs were lowering their profits.

The Question of Imports as a Substantial Cause of  
Serious Injury

Apparent consumption

Apparent U.S. consumption of three of the four categories of the fishing tackle covered by this investigation trended generally upward, but that of fishing reels remained almost constant at about 17 million reels annually. The table below, in index form, shows U.S. consumption of fishing tackle, by products, for 1973-77.

Certain fishing tackle: Apparent U.S. consumption, in index form, by  
product, 1973-77

(1973 = 100)					
Item	1973	1974	1975	1976	1977
Snelled fishhooks-----	100	165	140	161	166
Fishing rods-----	100	109	85	131	144
Fishing reels-----	100	103	74	98	101
Artificial baits and flies-----	100	109	80	106	155

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

Snelled fishhooks

\* \* \*

\* \* \*. 1/

### Fishing rods

The apparent consumption of fishing rods increased from 8.7 million units in 1973 to 9.5 million units in 1974, declined to 7.4 million units in 1975, but increased thereafter, and in 1977 reached the alltime high of 12.5 million units. Consumption of fishing rods continued upward during January- April 1978, with an increase of 14 percent compared with the corresponding 1977 period. Imports supplied an average of 45 percent of the market during 1973-76, but increased their share to nearly 60 percent in 1977 (table 51).

### Fishing reels

Apparent consumption of fishing reels remained at about 17 million units annually during the period covered by the investigation. Beginning in 1976, imported reels obtained a larger share of the U.S. market as a result of the introduction of the skirted-spool spinning reel, which is not yet produced in significant volume in the United States. 2/ Table 52 shows U.S. consumption of fishing reels, 1973-77, January-April 1977, and January-April 1978.

### Artificial baits and flies

Apparent U.S. consumption of artificial baits and flies increased from an estimated 8.1 million dozen in 1973 to 8.8 million dozen in 1974, declined substantially in 1975, but increased thereafter and reached an alltime high of 12.6 million dozen in 1977, representing a level 55 percent above the 1973 level. 3/ The official import statistics (and consequently consumption data) are overstated for 1977 because of the inclusion of a large, but unknown, quantity of bait parts entered from France for assembly and packaging in the United States. Consumption of these articles declined by 14 percent during January-April 1978 compared with consumption in the corresponding period of 1977 (table 31).

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1/ \* \* \*.

2/ As stated elsewhere in this report, fishing tackle producers accounted for 59 percent of the total number of fishing reels imported in 1977. In that year, spinning reels accounted for 62 percent of total reel imports.

3/ In 1977, imports of artificial baits and flies entered under the GSP increased 67 percent.

### Price competition

During the investigation, data were obtained on average wholesale prices received by U.S. manufacturers for their domestic production and for fishing rods and reels, and for artificial baits and flies which they imported. Firms which imported but did not manufacture fishing tackle provided similar data. Because of the qualitative differences that exist among rods and/or reels of the same general type and approximate size, it is not possible to make a meaningful or completely objective comparison of prices between domestically produced and imported fishing tackle on a rod-for-rod or reel-for-reel basis.

In summary, the average wholesale prices of fishing rods imported by firms that did not produce fishing tackle was higher than the average wholesale prices for domestically produced fishing rods in each year except 1977. Fishing rods imported by firms that manufactured fishing tackle however, undersold domestic production, except in 1975 and 1976. The average wholesale prices of the imported reels also were substantially higher than the domestically produced reels, while artificial baits and flies imported by firms that did not manufacture fishing tackle were sold at a wholesale price substantially below the price of the domestically produced article except in 1974.

Fishing rods.--On the basis of total production and imports by fishing tackle producers, types of rods were about equally divided between spin-casting and spinning. The bulk of the rods entered by importers which did not manufacture consisted of spinning rods. 1/ The following table shows the average wholesale price received for domestically produced fishing rods, and the average dutiable value and the average wholesale price received for rods imported by both fishing tackle manufacturing firms and firms that were strictly importers. Also in the table are the differences or "spread" between the dutiable value and the wholesale price received. The "spread" includes duty, freight, insurance, and mark-up.

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1/ The bulk of the imported fishing reels were spinning reels; the bulk of the reels produced domestically were spin-casting reels.

Fishing rods: Average wholesale prices of domestically produced rods, average dutiable value, and average price received for imported rods, 1973-77, January-April 1977, and January-April 1978

(Per unit)								
Period	Domestically produced fishing rods	Rods imported by fishing tackle producers				Rods imported by firms that did not produce		
		Average:		Difference	Average:		Difference	
		dutiable	whole-sale		dutiable	whole-sale		
		cost 1/	price 2/		cost 1/	price 2/		
1973-----	\$4.75	\$1.75	\$4.61	\$2.86	\$5.13	\$7.29	\$2.16	
1974-----	5.35	2.06	4.91	2.85	4.10	5.40	1.30	
1975-----	6.01	3.09	6.58	3.49	5.17	7.41	2.24	
1976-----	5.39	2.88	7.10	3.22	4.82	6.83	2.01	
1977-----	6.56	2.90	5.85	2.95	4.34	5.45	1.11	
Jan.-Apr.--	:	:	:	:	:	:	:	
1977-----	6.34	3.38	5.87	2.49	4.29	6.77	2.48	
1978-----	6.57	3.74	7.13	3.39	4.67	6.98	2.31	
:	:	:	:	:	:	:	:	

1/ Excludes import duty and the cost of freight and insurance.

2/ Wholesale prices are f.o.b. company point of shipment, less discounts allowance, excise taxes, and value of returned goods.

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

As shown above, the average wholesale price of fishing rods imported by firms that did not produce fishing tackle was higher than prices for domestically produced fishing rods in each year except in 1977. Fishing rods imported by tackle manufacturers, however, undersold domestically produced articles except in 1975 and 1976, but even in those years, producer/importers sold their imported rods for less than importers that did not produce. The difference between the average dutiable value and the average wholesale price of the imported rods was much higher for producers/importers than for importers that did not produce. In 1977, spinning rods accounted for 46 percent of the total imports of reporting firms that did not manufacture fishing tackle. In that year the average dutiable cost of these rods was \$2.93 each, and the average wholesale price was \$4.18. Imports of rods by firms that produced fishing tackle were about evenly divided between spinning rods and spin-casting rods. The average dutiable value of their spinning rods in 1977 was \$3.56, and the average wholesale price received was \$6.92; for spin-casting rods the average dutiable value was \$3.01 each, and the average wholesale price was \$6.24. The dutiable value of imports of spinning rods by producers/importers was about 3 percent higher than the dutiable value by importers that did not produce. The wholesale price received for these imports by producers/importers was 57 percent more than for importers that did not produce.

Fishing reels.--The bulk of the fishing reels manufactured in the United States in recent years have been spin-casting reels, while the bulk of the imports, both by firms that manufacture fishing tackle and by those firms that do not, have consisted of spinning reels. Principal markets for spin-casting reels have been the United States and Canada; spinning reels are marketed worldwide. The table below shows the average wholesale prices received for reels produced domestically and for reels imported by both producers and other importers. Also shown are the average dutiable values of the imports and the differences between the dutiable values and the average wholesale prices received.

Fishing reels: Average wholesale prices of domestically produced reels, average dutiable value, and average price received for imported reels, 1973-77, January-April 1977, and January-April 1978

(Per unit)								
Period	Domesti- cally produced fishing reels	Reels imported by fishing tackle producers			Reels imported by firms that did not produce			Difference
		Average:	Average:	Difference	Average:	Average:	Difference	
		duti- able	whole- sale		duti- able	whole- sale		
		cost 1/ :	price 2/ :		cost 1/ :	price 2/ :		
1973-----	\$4.45	\$2.15	\$11.25	\$9.10	\$6.89	\$8.73	\$1.84	
1974-----	4.60	3.61	10.43	6.82	7.55	9.32	1.77	
1975-----	5.29	4.35	12.08	7.73	8.08	10.43	2.35	
1976-----	5.44	3.93	12.25	8.32	10.21	13.03	2.82	
1977-----	6.04	3.88	11.24	7.36	9.92	12.72	2.70	
Jan.-Apr.--	:	:	:	:	:	:	:	
1977-----	5.95	2.15	11.91	9.76	5.38	7.67	2.29	
1978-----	6.33	4.67	11.89	7.22	5.12	6.70	1.58	
:	:	:	:	:	:	:	:	

1/ Excludes import duty and the cost of freight and insurance, and other charges.

2/ Wholesale prices are f.o.b. company point of shipment, less discounts, allowances, excise taxes, and value of returned goods.

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

As shown above, the average wholesale price of the imported reels was substantially higher in each year than the reels produced domestically. On the basis of the averages, firms that did not manufacture fishing tackle imported reels with a much higher dutiable value than firms that did manufacture fishing tackle, but in most years, reels sold by the firms that did not



manufacture fishing tackle had a lower wholesale price. <sup>1/</sup> In 1977, the average wholesale price of a domestically produced spinning reel was \$15.64; for those firms that produced fishing tackle, the wholesale price averaged \$10.42, and for firms that did not manufacture, it averaged \$10.60. For the spin-casting reels, the bread-and-butter item for the domestic producers, the average wholesale price of the domestic articles was substantially below the price of the imported products. The average wholesale price of the domestic spin-casting reel in 1977 was \$4.66, those imported by fishing tackle producers averaged \$5.26, and those imported by firms that did not manufacture fishing tackle averaged \$5.68.

Artificial baits and flies.--Data obtained by questionnaire on the average wholesale prices of domestic and imported baits and flies are shown in the table below.

Artificial baits and flies: Average wholesale prices of domestically produced articles, average dutiable value, and average price received for imported articles, 1973-77, January-April 1977, and January-April 1978

(Per dozen)								
Period	Articles imported by fishing: Domestically produced articles				Articles imported by firms that did not produce			
	tackle producers							
	Average:	Average:	Average:	Difference	Average:	Average:	Average:	Difference
	dutiable value:	dutiable value:	whole-sale price:		dutiable value:	dutiable value:	whole-sale price:	
	cost 1/	price 2/	price 2/		cost 1/	price 2/	price 2/	
1973-----	\$4.68	\$2.11	\$3.96	\$1.85	\$2.60	\$6.00	\$3.40	
1974-----	5.40	1.36	3.01	1.65	2.72	4.05	1.33	
1975-----	5.80	1.41	3.11	1.70	3.33	4.79	1.46	
1976-----	6.02	1.32	5.47	4.15	1.50	2.13	.63	
1977-----	6.34	.88	6.25	5.37	1.91	2.81	.90	
Jan.-Apr.--								
1977-----	6.38	.73	6.13	5.40	2.78	4.14	1.36	
1978-----	7.00	.63	6.83	6.20	3.18	5.11	1.93	

<sup>1/</sup> Excludes import duty and the cost of freight and insurance.

<sup>2/</sup> Wholesale prices are f.o.b. company point of shipment, less discounts, allowances, excise taxes, and value of returned goods.

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

<sup>1/</sup> Many of the imports by firms that produced fishing tackle were brought in by rod producers for distribution with their production as a combination rod-and-reel kit.

As shown above, artificial baits and flies imported by firms that did not manufacture fishing tackle were sold at wholesale substantially below the price of domestically produced articles in each year except 1973. Artificial baits and flies imported by fishing tackle producers also undersold the domestic articles annually during the period covered by the Commission questionnaire.

#### Other possible causes of serious injury

Despite bad winter weather in the eastern and mid-western parts of the country in 1977 and 1978, overall consumption of fishing tackle increased in 1977. For January-April 1978, consumption of snelled fishhooks and fishing rods increased, while that of fishing reels and artificial baits and flies declined; however, this period may not be representative of the entire year. The table below shows statistics for consumption of certain fishing tackle.

Certain fishing tackle: U.S. consumption, U.S. imports, 1973-77,  
January-April 1977, and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Snelled fishhooks:							
Consumption							
1,000 dozen--	***	***	***	***	***	***	***
Imports-----do----	***	***	***	***	***	***	***
Ratio-----percent--	***	***	***	***	***	***	***
Fishing rods:							
Consumption							
1,000 dozen--	8,697	9,461	7,362	11,428	12,539	5,159	5,879
Imports-----do----	3,951	4,343	3,303	5,365	7,411	2,811	3,402
Ratio-----percent--	45	46	45	47	59	55	58
Fishing reels:							
Consumption							
1,000 dozen--	16,538	16,939	12,296	16,234	16,682	7,304	6,869
Imports-----do----	8,222	8,183	5,156	8,315	9,489	3,919	3,500
Ratio-----percent--	50	48	42	51	57	54	51
Artificial baits and flies:							
Consumption							
1,000 dozen--	8,124	8,844	6,491	8,664	12,561	4,944	4,266
Imports-----do----	4,866	4,951	3,026	4,744	8,957	3,407	2,619
Ratio-----percent--	60	56	47	55	71	69	61

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

As shown in the table above, imports accounted for nearly all of the U.S. consumption of snelled fishhooks for the entire period covered by the investigation. \* \* \*. The increased market share acquired by imports in recent years, with respect to the other products, can be attributed at least in part to the following:

#### Fishing rods

The sudden increase in market share by imports in 1977, which continued into January-April 1978 can be attributed principally to increased imports from the Republic of China and the Republic of Korea. In 1977, imports under item 807.00 increased substantially, and the Republic of China accounted for nearly all of the increase. Imports from that source under item 807.00 increased from 43,000 units in 1976 to 310,000 units in 1977. \*\*\*. Imports under TSUS item 807.00 accounted for 10 percent of total imports in 1976, 12 percent in 1977, and 14 percent in January-April 1978.

Official statistics of the U.S. Department of Commerce show that imports from the Republic of Korea nearly doubled between 1976 and 1977, reaching 2.1 million units. However, it was reported by representatives of the Korean Plastics Goods Manufacturers Association, which includes the Korean fishing rod producers, that 60 percent of the imports from that source in 1977 (1.3 million units) were novelty-type, telescopic rods, which are not produced in the United States. These rods are similar to the folding rods produced in small value by one or two U.S. manufacturers for use by backpackers and campers.

#### Fishing reels

Although the ratio of imports to consumption increased by 23 percent between 1975 and 1976 (from 42 to 51 percent) it was up only 4 percent from the ratio in 1973 and 6 percent above that in 1974. In 1977, imports increased their share of the U.S. market by 12 percent compared with the 1976 level. The increased market share was the result of the wide consumer acceptance of the skirted-spool spinning reel, introduced about 1976 by foreign manufacturers and not yet produced in volume in the United States.

Data obtained by questionnaire show that in 1977, domestic fishing tackle manufacturers, many of them fishing rod producers, entered 59 percent of the imported fishing reels. The data further show that domestic rod producers increased their production of spinning rods in 1977 to 42 percent of total U.S. fishing rod production. Many of the imported spinning reels were combined with rods made by U.S. rod producers and marketed as spinning-rod-and-reel kits or combinations. Until 1977, domestic reel producers were successful in marketing spin-casting reels, which were their major product; many of these reels were also sold as combinations or kits, incorporated with either domestic or imported spin-casting rods and sold by U.S. fishing reel

manufacturers. In 1977, as consumer demand switched to spinning tackle, sales of domestic spin-casting reels declined by 9 percent, imports of spinning reels by fishing tackle manufacturers increased by 40 percent, and imports of spinning reels by firms which did not manufacture fishing tackle and were included in the Commission sample increased by 17 percent. Meanwhile, the traditional product of the U.S. fishing reel manufacturer (the spin-casting reel) was affected adversely by the increased U.S. demand for the skirted-spool spinning reel, an imported product. As the same time, European countries which traditionally have supplied many of the bait-casting reels, as well as spinning reels, in use in this country, also felt this change in consumer preference. The table below shows U.S. imports of fishing reels from European sources for 1975-77, January-April 1977, and January-April 1978. For purposes of comparison, imports from the Orient are also shown.

Fishing reels: U.S. imports of bait-casting reels and spinning reels, by sources, 1975-77, January-April 1977, and January-April 1978

(In thousands of units)						
Item	1975	1976	1977	Jan.-Apr.--		
				1977	1978	
Europe:						
Sweden-----	442	512	397	186	197	
West Germany-----	128	69	123	81	21	
United Kingdom-----	28	19	11	8	14	
France-----	994	1,174	644	339	405	
Total-----	1,592	1,774	1,175	614	637	
Orient:						
Japan-----	2,484	3,572	4,873	1,964	1,941	
Republic of Korea-----	370	1,443	1,735	701	581	
Hong Kong-----	305	982	1,049	349	127	
Republic of China-----	43	516	590	285	212	
Total-----	3,502	6,513	8,247	3,299	2,861	

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

Although imports from European sources in 1976 increased by 11 percent compared with the 1975 recession year level, they declined 34 percent between 1976 and 1977, as the skirted-spool spinning reel gained acceptance in the U.S. market. Between 1976 and 1977, imports of spinning reels from the Orient increased by more than the total of all reels imported from Europe. Imports from the Orient were up 27 percent in 1977, compared with imports in 1976, and up 135 percent compared with the level in 1975, the recession year but also the year before the skirted-spool spinning reel entered the market. For January-April 1978, reels from Europe increased by 4 percent compared with the

number in the corresponding 1977 period, while the number of reels from the Orient declined by 13 percent.

### Artificial baits and flies

Although production processes vary by manufacturer and according to the types of baits and materials used, labor costs average about 17 percent of the total sales by firms producing artificial baits. Artificial baits compete largely on the basis of price, with the exception of those from Finland and France, which compete on a name-brand basis with some products produced domestically. With the increase in the minimum wage (from \$1.60 per hour in 1973 to \$2.65 per hour in 1978), the wholesale price of the domestic product has risen without interruption, while the average wholesale prices of the baits entered by importers that did not produce fishing tackle were lower in 1976 and 1977 than in 1973-75. Even though the average wholesale price of the imported bait was increased in January-April 1978 by 82 percent compared with the entire 1977 average, this was still below the average price of the domestic articles. This price increase occurred notwithstanding that many of the imports entered the United States free of duty. The following table shows the average wholesale price received for domestically produced baits and flies and those entered by firms which did not produce fishing tackle, 1973-77, January-April 1977, and January-April 1978.

Artificial baits and flies: Average wholesale prices received by domestic manufacturers and by importers that did not manufacture fishing tackle, 1973-77, January-April 1977, and January-April 1978

(Per dozen)		
Period	Wholesale prices of--	
	Domestically produced articles	Those imported by firms that did not manufacture
1973-----	\$4.68 :	\$6.00
1974-----	5.40 :	4.05
1975-----	5.80 :	4.79
1976-----	6.02 :	2.13
1977-----	6.34 :	2.81
January-April--	:	:
1977-----	6.38 :	4.14
1978-----	7.00 :	5.11
	:	:

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

## Other Investigations

A number of firms or worker groups that produced certain types of fishing tackle have petitioned several agencies of the Federal government for trade adjustment assistance. The following tabulation lists the firms involved in these investigations, the determination made, and other salient aspects.

Name of firm	Products	Agency	Year instituted	Determination
U.S. Fiberglass Div., Gladding Corp., Miami, Fla--	Fishing rods	U.S.I.T.C. then U.S.T. C.	1971	Negative
Rogers Flies and Lures, Purdy, Mo---	Flies and lures	U.S. Labor Dept.	1975	Certified
True Temper Corp. Tackle Div., Anderson, S.C-----	Fishing rods and reels	U.S. Labor Dept.	1976	Certified
St. Croix Corp., Park Falls, Wis----	Fishing rods and tubular fiberglass blanks	U.S. Labor	1977	Certified
Pollack Time Saver Tackle Co., Miami, Fla-----	Rigs, leader rigs, hooks, and swivels	U.S. Commerce Dept.	1978	Certified

APPENDIX A  
STATISTICAL TABLES

Table 1.--Certain fishing tackle: U.S. rates of duty, by TSUS items, Aug. 31, 1963 to present

TSUS item No.	Description	TSUS rate of duty in effect on Aug. 31, 1963 1/	Rates established pursuant to the Kennedy round negotiations, effective Jan. 1--					Col. 2 rate of duty	GSP eligible article
			1968	1969	1970	1971	1972		
731.05	Snelled fish hooks-----	25% ad val.	22% ad	20% ad	17% ad	15% ad	12.5% ad	55% ad val.	Yes
			val.	val.	val.	val.	val.		
731.15	Fishing rods, and parts thereof-----	33% ad val.	29.5% ad	26% ad	23% ad	19.5% ad	16.5% ad	55% ad val.	No
			val.	val.	val.	val.	val.		
	Fishing reels and parts thereof:								
	Reels:								
731.20	Valued not over \$2.70 each-----	46.5% ad val.	41.5% ad	37% ad	32.5% ad	27.5% ad	23% ad	55% ad val.	Yes
			val.	val.	val.	val.	val.		
731.22	Valued over \$2.70 but not over \$8.45								
	each-----	\$1.25 each	\$1.12	\$1 each	87¢ each	75¢ each	62.5¢	55% ad val.	Yes
			each				each 2/		
731.24	Valued over \$8.45 each-----	15% ad val.	13% ad	12% ad	10% ad	9% ad	7.5% ad	55% ad val.	Yes
			val.	val.	val.	val.	val.		
731.26	Parts-----	27% ad val.	24% ad	21.5% ad	18.5% ad	16% ad	13.5% ad	55% ad val.	Yes
			val.	val.	val.	val.	val.		
731.60	Artificial baits and flies-----	25% ad val.	22% ad	20% ad	17% ad	15% ad	12.5% ad	55% ad val.	Yes
(part)			val.	val.	val.	val.	val.		

1/ The effective date of the TSUS.

2/ Based on imports entered under item 731.22 in 1977, the average ad valorem equivalent of the 62.5¢ rate of duty was 13.1 percent. For individual countries the ad valorem equivalent ranged from 8.9 percent for imports from Sweden, to 20.8 percent for imports from Hong Kong.

Source: Tariff Schedules of the United States Annotated (1978).



Table 2.--Certain fishing tackle: Total U.S. imports for consumption, imports entered duty-free under the GSP, and imports entered under the GSP as a percentage of total imports, by products, 1976-77, January-April 1977, and January-April 1978

Period	Snelled hooks	Fishing reels	Fishing reel parts	Artificial baits and flies	Total
	Value <u>1,000</u> dollars	Quantity <u>1,000</u> units	Value <u>1,000</u> dollars	Value <u>1,000</u> dollars	Value <u>1,000</u> dollars
Total imports:					
1976-----	1,364	8,315	41,863	1,468	6,355
1977-----	1,555	9,489	48,808	1,452	8,319
January-April--					
1977-----	724	3,919	19,444	350	3,284
1978-----	617	3,500	22,091	651	3,610
GSP imports:-----					
1976-----	1,086	2,175	4,298	39	1,956
1977-----	1,262	2,601	7,218	43	3,475
January-April--					
1977-----	620	1,078	2,579	13	1,444
1978-----	517	899	2,556	10	1,434
GSP imports as a percent of total imports:					
1976-----	79.6	26.2	10.3	2.7	30.8
1977-----	81.2	27.4	14.8	3.0	41.8
January-April--					
1977-----	85.6	27.5	13.3	3.7	44.0
1978-----	83.8	25.7	11.6	1.5	39.7

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

Note.--Neither fishing rods nor their parts are eligible for duty-free treatment under the Generalized System of Preferences.

Table 3.--Snelled fishhooks: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978.

(In thousands of dollars)								
Source	1973	1974	1975	1976	1977	January-April--		
						1977	1978	
Republic of Korea-----	235	463	163	519	451	267	123	
Republic of China-----	275	296	329	465	317	198	171	
Mexico-----	284	430	339	42	271	46	121	
Singapore-----	-	7	81	104	175	98	68	
Japan-----	209	219	145	128	66	47	30	
All other-----	29	70	48	106	<u>1/</u> 275	68	104	
Total-----	1,032	1,485	1,105	1,364	1,555	724	617	

1/ Includes imports valued at \$202,000 from Haiti under the provisions of 807.00.

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

Table 4 --Snelled fishhooks entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1973-77, January-April 1977 January-April 1978

(In thousands of dollars)								
Source	1973	1974	1975	1976	1977	January-April--		
						1977	1978	
Haiti-----	-	42	30	-	202	50	62	
Republic of China-----	209	45	146	11	-	-	-	
Mexico-----	279	427	338	2	-	-	-	
Republic of Korea-----	-	11	-	-	-	-	-	
Total-----	488	525	514	13	202	50	62	

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

Table 5...--Snelled fishhooks entered duty-free under the GSP: U.S. imports for consumption, by sources, 1973-77, January-April 1977, and January-April 1978

(In thousands of dollars)

Source	1976	1977	January-April--	
			1977	1978
Republic of Korea-----	467	433	267	124
Republic of China-----	386	317	199	168
Mexico-----	37	271	47	121
Singapore-----	99	175	98	68
Montserrat-----	2	49	7	16
Guatemala-----	1	13	-	20
Republic of the Philippines-----	-	3	2	-
Hong Kong-----	-	1	<u>1/</u>	-
Haiti-----	92	-	-	-
Total-----	1,084	1,262	620	517

1/ Less than 500.

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

Table 6.--Fishing rods: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977 and January-April 1978

Source	1973	1974	1975	1976	1977	January-April--	
						1977	1978
Quantity (1,000 units)							
Republic of China-----	1,514	1,519	1,047	2,144	3,095	1,165	1,201
Japan-----	1,224	1,223	1,296	1,404	1,513	623	849
Republic of Korea-----	438	677	563	1,224	2,140	815	1,069
Haiti-----	220	156	31	344	397	144	275
Jamaica-----	544	751	325	157	135	35	-
All other-----	11	17	41	92	131	99	8
Total-----	3,951	4,343	3,303	5,365	7,411	2,881	3,402
Value (1,000 dollars)							
Republic of China-----	2,159	2,985	2,403	5,374	9,761	3,417	4,048
Japan-----	3,061	3,914	3,908	4,541	6,016	2,395	3,154
Republic of Korea-----	1,013	1,793	1,702	3,231	5,852	2,141	3,152
Haiti-----	61	36	55	401	632	208	334
Jamaica-----	680	1,529	767	528	514	157	-
All other-----	52	58	159	345	272	173	38
Total-----	7,026	10,315	8,994	14,420	23,047	8,491	10,726
Unit value							
Republic of China-----	\$1.43	\$1.97	\$2.30	\$2.51	\$3.15	\$2.93	\$3.37
Japan-----	2.50	3.20	3.01	3.23	3.98	3.84	3.71
Republic of Korea-----	2.31	2.65	3.02	2.63	2.73	2.63	2.95
Haiti-----	.28	.23	1.77	1.17	1.59	1.44	1.21
Jamaica-----	3.09	2.04	2.36	3.36	3.81	4.49	-
All other-----	4.73	3.41	3.88	2.75	2.01	1.75	4.75
Average-----	1.78	2.38	2.72	2.68	3.11	2.95	3.15

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

Table 7.--Fishing rod parts: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978

(In thousands of dollars)

Source	1973	1974	1975	1976	1977	January-April--	
						1977	1978
Spain-----	1,184	1,692	1,006	1,351	1,260	382	735
Portugal-----	1,276	2,004	974	667	718	295	165
Republic of China-----	293	125	73	211	450	105	341
Republic of Korea-----	-	19	10	69	99	3	70
Hong Kong-----	4	3	11	46	86	35	15
Haiti-----	-	329	193	43	<u>1</u> / 9	7	-
West Germany-----	150	133	59	74	-	-	-
All other-----	24	71	75	55	57	9	17
Total-----	2,931	4,376	2,401	2,516	2,679	836	1,343

1/ All under TSUS item 807.00.

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

Table 8.--Fishing rods entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1973-77, January-April 1977 and January-April 1978

Source	1973	1974	1975	1976	1977	January- April--	
						1977	1978
	Quantity (1,000 units)						
Haiti-----	220	157	3	309	396	144	276
Jamaica-----	544	751	325	157	135	35	0
Republic of							
China-----	23	0	139	43	310	0	205
Spain-----	0	0	20	27	23	8	7
Japan-----	0	0	1	<u>1</u> /	0	0	0
Hong Kong-----	0	7	0	0	0	0	0
Total-----	787	915	488	536	864	187	488
	Value (1,000 dollars)						
Haiti-----	61	36	9	338	633	208	334
Jamaica-----	680	1,529	767	528	515	157	-
Republic of							
China-----	30	-	384	134	453	-	297
Spain-----	-	-	97	128	93	30	29
Japan-----	-	-	5	1	-	-	-
Hong Kong-----	-	11	-	-	-	-	-
Total-----	771	1,576	1,262	1,129	1,694	395	660

1/ Less than 500.

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

Table 9.--Parts for fishing rods entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1974-77, January-April 1977 and January-April 1978 1/

(In thousands of dollars)								
Source	1974	1975	1976	1977	January-April--			
					1977	1978		
Haiti-----	329	193	38	9	7		-	
Portugal-----	-	4	-	-	-		-	
Mexico-----	-	-	-	-	-		3	
Total-----	329	197	38	9	7		3	

1/ In 1973 no rod parts entered under the provisions TSUS item 807.00.

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

Table 10.--Fishing reels: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978

Source	1973	1974	1975	1976	1977	January-April--		
						1977	1978	
	Quantity (1,000 units)							
Japan-----	5,061	4,672	2,484	3,572	4,873	1,964	1,941	
Sweden-----	547	651	442	512	397	186	197	
France-----	1,465	1,271	994	1,174	644	339	405	
Republic of Korea----	88	442	370	1,443	1,735	701	581	
Hong Kong-----	304	422	305	982	1,049	349	127	
West Germany-----	172	231	128	69	123	81	21	
Republic of China----	373	422	343	516	590	285	212	
United Kingdom-----	36	26	28	19	11	8	14	
All other-----	176	46	62	28	67	6	2	
Total-----	8,222	8,183	5,156	8,315	9,489	3,919	3,500	
	Value (1,000 dollars)							
Japan-----	10,840	13,128	8,103	15,678	23,300	8,598	10,888	
Sweden-----	8,604	8,458	6,527	8,991	8,314	3,749	4,041	
France-----	8,801	8,662	7,547	10,287	5,892	2,961	4,035	
Republic of Korea----	107	570	486	3,171	5,879	2,066	2,115	
Hong Kong-----	386	581	404	1,807	2,114	615	302	
West Germany-----	1,380	2,244	1,412	874	1,422	921	260	
Republic of China----	364	716	772	621	711	305	230	
United Kingdom-----	172	218	238	275	202	117	188	
All other-----	363	246	228	159	304	112	32	
Total-----	31,017	34,823	25,717	41,863	48,138	19,444	22,091	
	Unit value							
Japan-----	\$2.14	\$2.81	\$3.26	\$4.39	\$4.78	\$4.38	\$5.61	
Sweden-----	15.73	12.99	14.77	17.56	20.94	20.16	20.51	
France-----	6.01	6.82	7.59	7.13	9.15	8.73	9.96	
Republic of Korea----	1.22	1.29	1.31	2.20	3.39	2.95	3.64	
Hong Kong-----	1.27	1.38	1.32	1.84	2.02	2.16	2.38	
West Germany-----	8.02	9.71	11.03	12.67	11.56	11.37	12.38	
Republic of China----	.98	1.70	2.25	1.20	1.21	1.07	1.08	
United Kingdom-----	4.78	8.38	8.50	14.47	18.36	14.62	13.43	
All other-----	2.07	5.35	3.68	5.68	4.54	18.67	16.00	
Average-----	3.77	4.26	4.99	5.03	5.07	4.96	6.31	

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

Table 11.--Fishing reels entered under the provisions of TSUS item 807.00:  
U.S. imports for consumption, 1973-76

Year	Fishing reels	
	Quantity	Value
	(1,000 units)	(1,000 dollars)
1973-----	5	22
1974-----	9	41
1975-----	10	52
1976-----	6	31

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

Note.--Japan was the only source of fishing reels entered under TSUS item 807.00; there were no reels entered under 807.00 in 1977 or in January-April 1978.

Table 12.--Fishing reels entered duty-free under the GSP: U.S. imports for consumption, by sources, 1976-77, January-April 1977, and January-April 1978.

Source	:	:	:	January-April--	
	1976	1977	:	1977	1978
			:	:	:
	Quantity (1,000 units)				
Republic of Korea-----	1,282	1,655	:	665	578
Hong Kong-----	417	376	:	129	114
Republic of China-----	470	570	:	284	207
Total-----	2,169	2,601	:	1,078	899
	Value (1,000 dollars)				
Republic of Korea-----	2,806	5,656	:	1,994	2,104
Hong Kong-----	888	890	:	284	229
Republic of China-----	573	672	:	301	223
Total-----	4,267	7,218	:	2,579	2,556

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



Table 13.--Fishing reels, valued not over \$2.70 each: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977 and January-April 1978.

Source	1973	1974	1975	1976	1977	January-April--	
						1977	1978
Quantity (1,000 units)							
Japan-----	3,580	2,910	1,316	1,331	1,341	657	491
Republic of Korea-----	85	423	360	1,120	883	431	210
Hong Kong-----	290	372	272	669	639	235	71
Republic of China-----	373	343	241	461	510	257	205
United Kingdom-----	27	12	13	-	-	-	-
France-----	111	1	3	11	-	-	-
All other-----	30	5	41	4	53	-	-
Total-----	4,496	4,066	2,246	3,596	3,426	1,580	977
Value (1,000 dollars)							
Japan-----	4,157	4,339	1,949	2,072	2,080	1,020	957
Republic of Korea-----	96	491	445	1,747	1,334	682	349
Hong Kong-----	339	423	297	812	757	240	60
Republic of China-----	364	454	412	427	423	210	205
United Kingdom-----	31	17	32	-	-	-	-
France-----	130	1	5	28	-	-	-
All other-----	55	8	68	4	80	-	-
Total-----	5,172	5,733	3,208	5,090	4,674	2,152	1,571
Unit value							
Japan-----	\$1.16	\$1.49	\$1.48	\$1.57	\$1.55	\$1.55	\$1.95
Republic of Korea-----	1.13	1.16	1.24	1.56	1.51	1.58	1.66
Hong Kong-----	1.17	1.14	1.09	1.21	1.18	1.02	.85
Republic of China-----	.98	1.32	1.71	.93	.83	.81	1.00
United Kingdom-----	1.15	1.42	2.46	-	-	-	-
France-----	1.17	1.00	1.67	2.54	-	-	-
All other-----	1.83	1.60	1.66	1.00	1.51	-	-
Average-----	1.15	1.41	1.43	1.42	1.36	1.36	1.61

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

Table 14.--Fishing reels, valued not over \$2.70 each, entered duty-free under the GSP: U.S. imports for consumption by sources, 1976-77, January-April 1977, and January-April 1978

Source	1976	1977	January-April--	
			1977	1978
Quantity (1,000 units)				
Republic of Korea-----	983	841	405	209
Republic of China-----	418	496	257	202
Hong Kong-----	199	186	61	70
Total-----	1,600	1,523	723	481
Value (1,000 dollars)				
Republic of Korea-----	1,530	1,272	643	347
Republic of China-----	392	404	210	201
Hong Kong-----	211	193	47	57
Total-----	2,133	1,869	900	605
Unit value				
Republic of Korea-----	\$1.56	\$1.51	\$1.59	\$1.66
Republic Of China-----	.94	.82	.82	.99
Hong Kong-----	1.06	1.04	.77	.81
Average-----	1.33	1.23	1.24	1.26

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

Table 15.--Fishing reels, valued over \$2.70 but not over \$8.45 each: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977 and January-April 1978

Source	1973	1974	1975	1976	1977	January-April--	
						1977	1978
Quantity (1,000 units)							
Japan-----	1,407	1,630	1,036	1,760	2,994	1,118	1,159
Republic of Korea-----	3	19	10	312	694	221	342
Hong Kong-----	14	50	33	313	410	114	55
France-----	1,246	1,138	718	109	101	36	68
Republic of China-----	-	79	102	55	80	28	6
Sweden-----	211	250	38	18	19	10	5
West Germany-----	124	77	18	1	1	1	-
All other-----	40	35	17	14	6	3	5
Total-----	3,045	3,278	1,972	2,582	4,305	1,531	1,640
Value (1,000 dollars)							
Japan-----	5,572	7,048	4,686	8,128	14,486	5,272	6,436
Republic of Korea-----	11	79	41	1,302	2,996	880	1,492
Hong Kong-----	47	158	107	995	1,357	376	240
France-----	7,628	7,276	4,943	529	610	155	448
Republic of China-----	-	262	360	194	288	94	25
Sweden-----	1,292	1,777	260	84	136	77	34
West Germany-----	910	627	100	9	8	8	-
All other-----	238	171	68	51	19	9	24
Total-----	15,698	17,398	10,565	11,292	19,950	6,871	8,699
Unit value							
Japan-----	\$3.96	\$4.32	\$4.52	\$4.62	\$4.84	\$4.71	\$5.55
Republic of Korea-----	3.67	4.16	4.10	4.17	4.32	3.98	4.36
Hong Kong-----	3.36	3.16	3.24	3.18	3.41	3.30	4.36
France-----	6.12	6.39	6.89	4.85	6.04	4.31	6.59
Republic of China-----	-	3.32	3.53	3.53	3.60	3.36	4.17
Sweden-----	6.12	7.11	6.84	4.67	7.16	7.70	6.80
West Germany-----	7.34	8.14	5.56	9.00	8.00	8.00	-
All other-----	5.95	4.89	4.00	3.64	3.17	3.00	4.80
Average-----	5.16	5.31	5.36	4.37	4.63	4.49	5.30

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

Table 16.--Fishing reels, valued over \$2.70 but not over \$8.45 each, entered duty free under the GSP: U.S. imports for consumption, by sources, 1976-77, January-April 1977, and January-April 1978

Source	1976	1977	Jan.-Apr.--	
			1977	1978
Quantity (1,000 units)				
Republic of Korea-----	296	659	212	339
Hong Kong-----	219	190	68	44
Republic of China-----	52	74	27	5
Total-----	567	923	307	388
Value (1,000 dollars)				
Republic of Korea-----	1,252	2,856	847	1,482
Hong Kong-----	677	697	237	172
Republic of China-----	181	267	90	22
Total-----	2,110	3,820	1,174	1,676
Unit value				
Republic of Korea-----	\$4.23	\$4.34	\$4.00	\$4.37
Hong Kong-----	3.10	3.67	3.49	3.91
Republic of China-----	3.48	3.61	3.33	4.40
Average-----	3.72	4.14	3.82	4.32

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

Note.--In 1976 there were 2,600 fishing reels valued over \$8.45 each, valued at \$23,478, with an average unit value of \$9.03, entered duty-free under the GSP, and in 1977, 155,490 fishing reels valued over \$8.45 each, valued at 1,528,275 with an average unit value of \$9.83 each. In April 1978 such imports amounted to 48,040, valued at \$503,950, with an average unit value of \$10.49. The Republic of Korea was the only source of these imports.

Table 17.--Fishing reels, valued over \$8.45 each: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977 and January-April 1978

Source	1973	1974	1975	1976	1977	January-April--	
						1977	1978
	Quantity. (1,000 units)						
Sweden-----	436	401	404	494	378	175	191
Japan-----	74	132	132	481	538	190	292
France-----	108	132	273	1,054	543	303	337
West Germany-----	48	154	110	68	122	80	21
United Kingdom-----	9	14	13	19	11	6	9
All other-----	6	6	6	21	1/ 166	54	32
Total-----	681	839	938	2,137	1,758	808	882
	Value (1,000 dollars)						
Sweden-----	7,312	6,681	6,267	8,907	8,178	3,673	4,007
Japan-----	1,111	1,741	1,468	5,478	6,734	2,306	3,495
France-----	1,043	1,385	2,599	9,730	5,282	2,806	3,587
West Germany-----	470	1,617	1,312	865	1,414	913	260
United Kingdom-----	141	201	206	275	202	108	165
All other-----	70	67	92	226	1/1,704	615	307
Total-----	10,147	11,692	11,944	25,481	23,514	10,421	11,821
	Unit value						
Sweden-----	\$16.77	\$16.67	\$15.51	\$18.03	\$21.63	\$20.99	\$20.98
Japan-----	15.01	13.19	11.12	11.39	12.52	12.14	11.97
France-----	9.66	10.49	9.52	9.23	9.73	9.26	10.64
West Germany-----	9.79	10.50	11.93	12.72	11.59	11.41	12.38
United Kingdom-----	15.67	14.36	15.85	14.47	18.36	18.00	18.33
All other-----	11.67	11.17	15.33	10.76	1/10.27	11.39	9.59
Average-----	14.90	13.94	12.73	11.92	13.38	12.90	13.40

1/ Includes 158,000 reels, valued at \$1,549,000, with a unit value of \$9.80, imported from the Republic of Korea.

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

Table 18.--Fishing reel parts: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977, and January-April 1978

(In thousands of dollars)

Source	1973	1974	1975	1976	1977	January-April--	
						1977	1978
Japan-----	891	644	211	734	942	175	363
Sweden-----	562	223	329	238	180	39	166
France-----	206	725	260	314	157	64	47
Republic of China-----	274	108	9	21	14	5	7
All other-----	108	202	171	161	159	67	68
Total-----	2,041	1,902	980	1,468	1,452	350	651

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

Table 19.--Fishing reel parts entered duty-free under the GSP: U.S. imports for consumption, by sources, 1976-1977, January-April 1977, and January-April 1978

(In dollars)					
Source	1976	1977	January-April--		
			1977	1978	
Republic of Korea-----	9,489	21,192	8,634	3,014	
Republic of China-----	20,792	11,858	4,395	7,111	
Hong Kong-----	8,414	8,901	-	-	
Total-----	38,695	41,951	13,029	10,125	

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

Table 20.--Artificial baits and flies: U.S. imports for consumption, by principal sources, 1973-77, January-April 1977 and January-April 1978

Source	1973	1974	1975	1976	1977	January-April--	
						1977	1978
	Quantity (1,000 dozen)						
Finland-----	163	219	162	196	256	98	134
Japan-----	2,043	1,243	799	1,245	918	617	259
Republic of China-----	1,169	1,428	933	1,538	1,845	878	884
France-----	867	589	55	470	3,850	860	354
Hong Kong-----	207	175	210	186	210	140	106
All other-----	417	1,297	867	1/ 1,109	2/ 1,878	814	882
Total-----	4,866	4,951	3,026	4,744	8,957	3,407	2,619
	Value (1,000 dollars)						
Finland-----	959	1,459	1,312	1,511	2,279	782	1,314
Japan-----	1,690	1,358	869	1,299	1,136	545	494
Republic of China-----	606	791	603	894	1,012	529	524
France-----	1,259	1,047	185	762	958	320	67
Hong Kong-----	134	236	198	217	324	160	115
All other-----	468	974	1,086	1/ 1,672	2/ 2,610	948	1,096
Total-----	5,116	5,865	4,253	6,355	8,319	3,284	3,610
	Unit value (per dozen)						
Finland-----	\$5.88	\$6.66	\$8.10	\$7.71	\$8.90	\$7.98	\$9.80
Japan-----	.83	1.09	1.09	1.04	1.24	.88	1.90
Republic of China-----	.53	.55	.65	.58	.55	.60	.59
France-----	1.42	1.78	3.36	1.62	.25	.37	.18
Hong Kong-----	.65	1.35	.94	1.17	1.54	1.14	1.08
All other-----	1.12	.75	1.25	1/ 1.51	2/ 1.39	1.16	1.24
Average-----	1.05	1.18	1.41	1.34	.93	.96	1.37

1/ Includes 11,000 dozen artificial baits and flies valued at \$6,000, with an average unit value of \$0.55 per dozen, imported from Haiti under the provisions of 807.00, and 10,000 dozen artificial baits and flies valued at \$20,000 with an average unit value of \$2.00 per dozen, imported from Costa Rica under the provisions of 807.00.

2/ Includes 1,086,000 dozen valued at \$1,213,000 from Mexico. Of the total, 24,000 dozen valued at \$43,000, with a unit value of \$1.79 per dozen entered under the provisions of item 807.00, and 1,059,000 dozen valued at \$1,168,000, with a unit value of \$1.10 per dozen entered under the GSP.

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



Table 21.--Artificial baits and flies entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1973-77, January-April 1977 and January-April 1978

Source	1973	1974	1975	1976	1977	January- April--	
						1977	1978
	Quantity (1,000 dozen)						
Mexico-----	9	85	218	57	24		63
Haiti-----	44	327	229	12	10	<u>1/</u> 0	31
Salvadore-----	0	0	55	120	0	0	0
Costa Rica-----	0	0	13	10	0	0	0
Republic of							
China-----	245	511	370	50	0	0	0
Dominican							
Republic-----	0	36	6	0	0	0	0
Total-----	298	959	891	249	34	<u>1/</u>	94
	Value (1,000 dollars)						
Mexico-----	3	71	193	85	43	-	113
Haiti-----	17	152	111	6	14	1	32
Salvadore-----	-	-	101	277	-	-	-
Costa Rica-----	-	-	24	20	-	-	-
Republic of							
China-----	96	221	190	5	-	-	-
Dominican							
Republic-----	-	17	3	-	-	-	-
Total-----	116	461	622	393	57	1	145

1/ Less than 500 dozen.

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

Table 22--Artificial baits and flies entered duty-free under the GSP: U.S. imports for consumption, by sources, 1976-1977, January-April, and January-April 1978

Source	1976	1977	January-April--	
			1977	1978
Quantity (1,000 dozen)				
Mexico-----	136	1,059	492	444
Republic of China-----	1,315	1,825	862	884
Salvadore-----	153	329	121	96
Hong Kong-----	150	162	91	106
Guatemala-----	71	69	27	27
Republic of Korea-----	81	110	28	111
Thailand-----	0	0	0	5
Costa Rica-----	52	27	10	6
Malawi-----	224	37	37	1
Colombia-----	4	8	3	7
India-----	3	14	7	4
Swaziland-----	0	0	0	3
Portugal-----	0	24	13	1
Kenya-----	0	1	1/	0
Singapore-----	3	1/	0	14
Haiti-----	1	0	0	0
Total-----	2,193	3,665	1,691	1,709
Value (1,000 dollars)				
Mexico-----	293	1,167	429	386
Republic of China-----	789	991	513	524
Salvadore-----	323	572	200	207
Hong Kong-----	187	305	141	115
Guatemala-----	227	201	69	67
Republic of Korea-----	56	108	28	61
Thailand-----	-	-	-	9
Costa Rica-----	37	59	18	14
Malawi-----	29	32	32	2
Colombia-----	8	19	7	18
India-----	2	13	5	5
Swaziland-----	-	-	-	3
Portugal-----	-	5	1	2/
Kenya-----	-	2	1	-
Singapore-----	4	1	-	23
Haiti-----	1	-	-	-
Total-----	1,956	3,475	1,444	1,434
Unit value (per dozen)				
Mexico-----	\$2.16	\$1.10	\$0.86	\$0.86
Republic of China-----	.60	.54	.59	.59
Salvadore-----	2.11	1.74	1.64	2.15
Hong Kong-----	1.25	1.89	1.54	1.08
Guatemala-----	3.18	2.91	2.58	2.46
Republic of Korea-----	.69	.98	.99	.55
Thailand-----	-	-	-	1.86
Costa Rica-----	.72	2.19	1.79	2.16
Malawi-----	.13	.86	.86	2.14
Colombia-----	2.07	2.45	2.51	2.56
India-----	.68	.87	.77	1.29
Swaziland-----	-	-	-	1.00
Portugal-----	-	.19	.09	.29
Kenya-----	-	3.47	2.81	1.68
Singapore-----	1.43	3.66	-	-
Haiti-----	1.60	-	-	-
Average-----	.89	.95	.85	.84

1/ Less than 500 dozen.

2/ Less than \$500.

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

Table 23.--Fishing rods: U.S. imports, by types, by firms that did not manufacture fishing tackle, 1973-77, January-April 1977, and January-April 1978

Type	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Quantity (1,000 rods)							
Bait-casting-----	90	172	395	462	549	267	246
Spin-casting-----	28	53	75	184	348	169	142
Spinning-----	32	220	281	512	1,037	400	368
Fly-----	6	19	21	22	51	25	10
Surf-----	<u>1</u> /	39	38	80	151	50	88
Boat and bay-----	6	4	3	<u>1</u> /	13	4	10
All other-----	17	79	47	30	60	28	14
Total-----	179	586	860	1,290	2,209	943	878
Dutiable value (1,000 dollars) <u>2</u> /							
Bait-casting-----	590	1,090	2,599	3,019	3,701	1,823	1,569
Spin-casting-----	66	130	232	641	1,019	431	453
Spinning-----	165	748	1,192	1,934	3,568	1,289	1,334
Fly-----	19	57	75	70	162	79	53
Surf-----	11	221	220	458	880	293	576
Boat and bay-----	15	21	23	1	66	22	72
All other-----	53	137	102	98	195	109	47
Total-----	919	2,404	4,443	6,221	9,591	4,046	4,104
Unit value							
Bait-casting-----	\$6.56	\$6.34	\$6.58	\$6.54	\$6.74	\$6.83	\$6.38
Spin-casting-----	2.36	2.45	3.09	3.48	2.93	2.55	3.19
Spinning-----	5.16	3.40	4.24	3.78	3.44	3.22	3.62
Fly-----	3.17	3.00	3.57	3.18	3.18	3.16	5.30
Surf-----	5.50	5.67	5.79	5.72	5.83	5.86	6.55
Boat and bay-----	2.50	5.25	7.67	9.43	5.08	5.50	7.20
All other-----	3.12	1.73	2.17	3.27	3.25	3.89	3.36
Average-----	5.13	4.10	5.17	4.82	4.34	4.29	4.67

1/ Less than 500.

2/ Excludes import duty and cost of freight and insurance.

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

Table 24.--Fishing rods: U.S. imports by firms that manufactured fishing tackle, by types of fishing rods, 1973-77, January-April 1977, and January-April 1978

Type	1973	1974	1975	1976	1977	Jan.-Apr.--		
						1977	1978	
	Quantity (1,000 rods)							
Bait-casting-----	58	61	29	32	117	42	82	
Spin-casting-----	166	301	114	340	436	211	201	
Spinning-----	443	864	377	272	914	348	363	
Fly-----	83	92	34	32	84	28	29	
Surf-----	0	4	2	2	8	1	4	
Boat and bay-----	91	72	35	16	31	14	28	
All other-----	0	0	0	300	606	150	0	
Total-----	841	1,394	591	994	2,196	794	707	
	Dutiable value (1,000 dollars) <u>1/</u>							
Bait-casting-----	85	105	88	114	417	160	316	
Spin-casting-----	269	588	358	1,227	1,313	712	621	
Spinning-----	763	1,751	1,125	870	3,254	1,414	1,466	
Fly-----	170	182	105	102	231	82	98	
Surf-----	-	18	9	8	34	6	16	
Boat and bay-----	184	224	141	56	129	66	129	
All other-----	-	-	-	486	982	243	-	
Total-----	1,471	2,868	1,826	2,863	6,360	2,683	2,646	
	Unit value							
Bait-casting-----	\$1.47	\$1.72	\$3.03	\$3.56	\$3.56	\$3.81	\$3.85	
Spin-casting-----	1.62	1.95	3.14	3.61	3.01	3.37	3.09	
Spinning-----	1.72	2.03	2.98	3.20	3.56	4.06	4.04	
Fly-----	2.05	1.98	3.09	3.19	2.75	2.93	3.38	
Surf-----	-	4.50	4.50	4.00	4.25	6.00	4.00	
Boat and bay-----	2.02	3.11	4.03	3.50	4.16	4.71	4.61	
All other-----	-	-	-	1.62	1.62	1.62	-	
Average-----	1.75	2.06	3.09	2.88	2.90	3.38	3.74	

<sup>1/</sup> Excludes import duty and cost of freight and insurance.

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

Table 25.--Fishing reels: Imports for consumption by U.S. firms that manufacture fishing tackle, by types of reels, 1973-77, January-April 1977, and January April 1978

Type	1973	1974	1975	1976	1977	January-April--	
						1977	1978
Quantity (1,000 reels)							
Bait-casting-----	598	545	391	390	641	271	258
Spinning-----	1,501	2,807	1,860	2,398	3,350	1,390	1,210
Spin-casting-----	386	434	217	691	1,394	513	629
Fly-----	37	78	47	41	131	52	40
Saltwater-----	77	76	99	39	63	28	21
Other <u>1/</u> -----	8	23	0	0	5	0	0
Total-----	2,607	3,963	2,614	3,559	5,584	2,254	2,158
Dutiable value (1,000 dollars) <u>2/</u>							
Bait-casting-----	13,532	9,982	5,150	7,012	15,983	6,285	5,411
Spinning-----	8,581	14,287	8,402	13,080	20,614	5,885	7,843
Spin-casting-----	1,330	1,418	658	2,254	4,700	1,176	2,379
Fly-----	89	104	115	108	498	183	163
Saltwater-----	721	514	506	342	651	279	199
Other <u>1/</u> -----	37	143	-	-	47	-	-
Total-----	24,290	26,448	14,831	22,796	42,493	13,808	15,995
Unit value							
Bait-casting-----	\$22.63	\$18.42	\$13.17	\$17.98	\$24.93	\$23.19	\$20.97
Spinning-----	5.72	5.09	4.52	5.45	6.15	4.23	6.48
Spin-casting-----	3.45	3.27	3.03	3.26	3.37	2.29	3.78
Fly-----	2.41	1.33	2.45	2.63	3.80	3.52	4.08
Saltwater-----	9.36	6.76	5.11	8.77	10.33	9.96	9.48
Other-----	4.62	6.22	-	-	9.40	-	-
Average-----	9.32	6.67	5.67	6.41	7.61	6.13	7.41

1/ Includes ice-fishing and other specialty reels.

2/ Excludes import duty and cost of freight and insurance.

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

Note.--Data reported herein do not agree with total reel imports by fishing tackle manufacturers shown elsewhere in this report. Not all reporting firms could supply data by type.

Table 26.--Fishing reels: Imports by U.S. firms, by types of reels, that did not manufacture fishing tackle, 1973-77, January-April 1977, and January-April 1978

Type	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
	Quantity (1,000 reels)						
Bait-casting-----	463	515	367	385	551	70	38
Spinning-----	1,662	1,901	1,378	1,729	2,023	369	811
Spin-casting-----	367	257	189	211	281	74	103
Fly-casting-----	54	50	45	82	78	34	32
Saltwater-----	50	87	107	89	90	23	37
All other-----	29	25	15	21	22	11	3
Total-----	2,625	2,835	2,101	2,517	3,045	581	1,024
	Dutiable value (1,000 dollars) <u>1/</u>						
Bait-casting-----	7,182	8,200	5,465	8,068	11,189	771	340
Spinning-----	9,129	11,365	9,490	15,412	16,739	1,835	4,210
Spin-casting-----	1,285	1,107	1,040	1,221	1,175	201	201
Fly-casting-----	131	106	117	308	253	92	88
Saltwater-----	305	562	806	624	786	192	388
All other-----	56	53	48	57	53	34	18
Total-----	18,088	21,393	16,966	25,690	30,195	3,125	5,245
	Unit value						
Bait-casting-----	\$15.51	\$15.92	\$14.89	\$20.96	\$20.31	\$11.01	\$8.94
Spinning-----	5.49	5.98	6.89	8.91	8.27	4.97	5.19
Spin-casting-----	3.50	4.31	5.50	5.79	4.18	2.72	1.95
Fly-casting-----	2.43	2.12	2.60	3.76	3.24	2.71	2.75
Saltwater-----	6.10	6.46	7.53	7.01	8.73	8.35	10.49
All other-----	1.93	2.12	3.20	2.71	2.52	3.09	6.00
Average-----	6.89	7.55	8.08	10.21	9.92	5.38	5.12

<sup>1/</sup> Excludes import duty and cost of freight and insurance.

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

Table 27.--Snelled fishhooks: U.S. production, producers' shipments, imports for consumption, and apparent consumption, 1973-77, January-April 1977, January-April 1978 1/

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Table 28.--Fishing rods: U.S. production and shipments (sales) of domestically produced rods, 1973-77, January-April 1977 and January-April 1978

Period	:	:	Shipments (sales)		
	Production	:	Quantity	Net sales	Unit
	:	:		value <u>1/</u>	value
	<u>1,000 rods</u>	:	<u>1,000 rods</u>	<u>1,000 dollars</u>	:
1973-----	4,899	:	4,756	22,591	\$4.75
1974-----	5,287	:	5,133	26,955	5.25
1975-----	4,225	:	4,079	25,397	6.01
1976-----	6,133	:	6,084	32,763	5.39
1977-----	5,595	:	5,152	33,776	6.56
January-April--	:	:	:	:	:
1977-----	2,413	:	2,358	14,951	6.34
1978-----	2,874	:	2,507	16,470	6.57
	:	:	:	:	:

1/ Net value of sales is the gross sales, f.o.b. company point of shipment, less discounts, allowances, excise taxes, and value of returned goods.

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



Table 29.--Fishing rods: U.S. production by types, 1973-77, January-April 1977  
January-April 1978

(In thousands of rods)								
Type	1973	1974	1975	1976	1977	Jan.-April--		
						1977	1978	
Bait-casting-----	367	378	306	384	411	170	141	
Spin-casting-----	502	602	394	878	825	412	230	
Spinning-----	999	1,189	1,032	1,288	1,358	590	508	
Fly-----	161	148	143	148	147	59	62	
Surf-----	169	182	158	186	158	64	52	
Boat and bay-----	218	320	207	286	265	109	65	
All other-----	90	93	64	54	71	24	18	
Total-----	2,506	2,912	2,304	3,224	3,235	1,428	1,076	

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

Note.--Data reported herein do not agree with total rod production shown elsewhere in this report; not production by types of rods.

Table 30.--Fishing reels: U.S. production and shipments (sales) of domestically produced reels, 1/ 1973-77, January-April 1977, and January-April 1978

Period	Production	Shipments (sales)		
		Quantity	Net sales value <u>2/</u>	Unit value
	<u>1,000</u> <u>reels</u>	<u>1,000</u> <u>reels</u>	<u>1,000</u> <u>dollars</u>	
1973-----	8,749	8,524	37,895	\$4.45
1974-----	9,875	8,940	41,113	4.60
1975-----	6,580	7,488	39,603	5.29
1976-----	9,214	8,303	45,155	5.44
1977-----	7,765	7,565	45,685	6.04
January-April--				
1977-----	2,990	3,505	20,838	5.95
1978-----	2,566	3,459	21,906	6.33

1/ Data were reported by 8 firms.

2/ Net value of sales is the gross sales, f.o.b. company point of shipment, less discounts, allowances, excise taxes, and value of returned goods.

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

Table 31.--Fishing reels: U.S. production, by type, 1973-77,  
January-April 1977, and January-April 1978

(In thousands)								
Type	1973	1974	1975	1976	1977	Jan.-Apr.--		
						1977	1978	
Bait-casting-----	***	***	***	***	***	***	***	***
Spinning-----	***	***	***	***	***	***	***	***
Spin-casting-----	***	***	***	***	***	***	***	***
Fly-casting-----	***	***	***	***	***	***	***	***
Saltwater-----	***	***	***	***	***	***	***	***
All other-----	***	***	***	***	***	***	***	***
Total-----	8,749	9,875	6,580	9,214	7,765	2,990	2,566	

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

Table 32.--Artificial baits and flies: U.S. production, producers' shipments, imports, for consumption, and apparent consumption, 1973-77, January-April 1977, January-April 1978

Period	Produc- tion <u>1/</u>	Pro- ducers' ship- ments	Imports	Exports <u>2/</u>	Apparent consump- tion	Ratio of imports to--	
						Production	Consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	Percent	Percent
1973-----	3,599	3,314	4,866	56	8,124	146.8	59.9
1974-----	3,699	3,963	4,951	70	8,844	124.9	56.0
1975-----	3,427	3,545	3,026	80	6,491	88.3	46.6
1976-----	3,657	3,953	4,744	93	8,604	129.7	55.1
1977-----	3,617	3,715	8,957	111	12,561	247.6	71.3
Jan.-Apr.--							
1977-----	1,359	1,576	3,407	39	4,944	216.1	68.9
1978-----	1,343	1,679	2,619	32	4,266	195.0	61.4

1/ Estimated on the basis of questionnaire returns.

2/ Reported to the Commission by questionnaire.

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

Note.--Production and producers' shipments as estimated above include only those produced and sold in significant commercial value. No estimate has been made for the numerous 1-man and family-type operations whose market impact is strictly local or regional.

Table 33.--Fishing rods: U.S. producers' shipments of domestically produced articles, by types, 1973-77, January-April 1977, and January-April 1978

Period	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Quantity (1,000 units)							
Bait-casting-----	173	184	145	241	212	97	102
Spin-casting-----	382	392	302	763	647	252	200
Spinning-----	371	559	369	805	669	282	352
Fly-----	99	101	89	96	88	39	37
Surf-----	41	49	23	65	34	16	15
Boat and bay-----	136	211	122	202	209	59	45
All other-----	90	93	64	54	69	23	18
Total-----	1,292	1,589	1,114	2,226	1,928	768	769
Net value (1,000 dollars) <sup>1/</sup>							
Bait-casting-----	752	870	792	1,406	1,836	850	1,058
Spin-casting-----	1,641	1,751	1,584	2,933	2,625	1,073	1,027
Spinning-----	2,142	3,425	2,783	4,851	5,223	2,220	2,590
Fly-----	665	690	669	773	882	356	487
Surf-----	179	427	286	477	518	174	131
Boat and bay-----	1,210	1,647	1,513	2,227	2,751	781	698
All other-----	212	454	317	276	563	81	57
Total-----	6,801	9,264	7,944	12,943	14,398	5,535	6,048
Unit value							
Bait-casting-----	\$4.34	\$4.73	\$5.46	\$5.83	\$8.66	\$8.76	\$10.37
Spin-Casting-----	4.30	4.47	5.25	3.84	4.06	4.26	5.54
Spinning-----	5.77	6.13	7.54	6.03	7.81	7.87	7.36
Fly-----	6.72	6.83	7.52	8.05	10.02	9.13	13.16
Surf-----	4.37	8.71	12.43	7.34	15.24	10.88	8.73
Boat and bay-----	8.90	7.81	12.40	11.02	13.16	13.24	15.51
All other-----	2.36	4.88	4.95	5.11	8.16	3.52	3.71
Average-----	5.26	5.83	7.13	5.81	7.37	7.21	7.87

<sup>1/</sup>Net value of sales is the gross value, f.o.b. company point of shipment, less discounts, allowances, excise taxes, and value of returned goods.

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

Note.--Data on this table do not agree with the total sales figures shown elsewhere in this report as not all respondents were able to supply data by types.

Table 34.--Fishing reels: Shipments (sales) of domestic reels, by types, 1973-77, January-April 1977, and January-April 1978

Type	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Quantity (1,000 reels)							
Bait-casting-----	***	***	***	***	***	***	***
Spinning-----	***	***	***	***	***	***	***
Spin-casting-----	***	***	***	***	***	***	***
Saltwater-----	***	***	***	***	***	***	***
All other <u>1</u> /-----	***	***	***	***	***	***	***
Total-----	8,524	8,940	7,488	8,303	7,565	3,505	3,459
Net sales value (1,000 dollars) <u>1</u> /							
Bait-casting-----	***	***	***	***	***	***	***
Spinning-----	***	***	***	***	***	***	***
Spin-casting-----	***	***	***	***	***	***	***
Saltwater-----	***	***	***	***	***	***	***
All other <u>1</u> /-----	***	***	***	***	***	***	***
Total-----	37,895	41,113	39,603	45,155	45,685	20,838	21,906
Unit value							
Bait-casting-----	***	***	***	***	***	***	***
Spinning-----	***	***	***	***	***	***	***
Spin-casting-----	***	***	***	***	***	***	***
Saltwater-----	***	***	***	***	***	***	***
All other <u>1</u> /-----	***	***	***	***	***	***	***
Average-----	4.45	4.60	5.29	5.44	6.04	5.95	6.33

1/ Includes ice-fishing and other speciality reels.

2/ Net value of sales is the gross sales, f.o.b. company point of shipment less discounts, allowances, excise taxes, and value of returned goods.

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

Note: Data reported herein do not agree with total shipments by fishing tackle manufacturers shown elsewhere in this report. Not all reporting firms could supply sales data by types of reels.

Table 35-- Fishing rods: Inventories of domestic and imported fishing rods held by U.S. fishing tackle manufacturers, by types, 1973-77

(In thousands)						
Type	1973	1974	1975	1976	1977	
Domestically produced fishing rods:						
Bait-casting-----	57	67	50	30	63	
Spin-casting-----	170	143	112	90	144	
Spinning-----	167	151	177	82	170	
Fly-----	46	26	23	23	23	
Surf-----	2	5	4	9	7	
Boat and bay-----	38	50	46	38	39	
All other-----	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	
Total-----	480	442	412	272	446	
Imported fishing rods:						
Bait-casting-----	3	8	3	7	56	
Spin-casting-----	23	67	27	17	<u>2/</u> 157	
Spinning-----	55	137	99	51	252	
Fly-----	9	14	21	12	30	
Surf-----	4	10	16	2	11	
Boat and bay-----	4	16	10	3	20	
All other-----	-	-	-	11	<u>3/</u> 367	
Total-----	98	252	176	103	893	

1/ Less than 500.

2/ Most of these rods were held in inventory by \* \* \*.

3/ Most of these rods were held in inventory by \* \* \*.

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

Table 36--Fishing rods: Inventories held by firms that did not manufacture fishing tackle, by types of rods, 1973-77

(In thousands of units)						
Type	1973	1974	1975	1976	1977	
Bait-casting-----	16	49	69	87	94	
Spin-casting-----	15	9	16	21	24	
Spinning-----	16	15	24	47	58	
Fly-----	2	2	5	7	10	
Surf-----	1	1	1	3	3	
Boat and bay-----	-	-	-	-	-	
All other-----	33	30	27	26	30	
Total-----	83	106	142	191	219	

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



Table 37.--Fishing reels: Inventories held by U.S. fishing tackle manufacturers, by types of reels, 1973-77

(In thousands of units)						
Type	1973	1974	1975	1976	1977	
Produced in the reporting establishment:						
Bait-casting-----	***	***	***	***	***	***
Spinning-----	***	***	***	***	***	***
Spin-casting-----	***	***	***	***	***	***
Fly-casting-----	***	***	***	***	***	***
Saltwater-----	***	***	***	***	***	***
All other-----	***	***	***	***	***	***
Total-----	1,373	2,391	1,026	1,693	1,600	
Imported by the reporting firm:						
Bait-casting-----	3	26	20	13	50	
Spinning-----	654	871	468	430	1,089	
Spin-casting-----	207	158	108	130	380	
Fly-casting-----	27	23	28	20	17	
Saltwater-----	2	9	9	6	5	
Total-----	893	1,087	633	599	1,541	

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

Table 38--Fishing reels: Inventories held by firms that did not manufacture fishing tackle, by types of reels, 1973-77

(In thousands of units)						
Type	1973	1974	1975	1976	1977	
Bart-casting-----	8	5	8	10	36	
Spinning-----	10	70	62	25	148	
Spin-casting-----	74	18	10	18	24	
Fly-casting-----	6	3	2	4	4	
Saltwater-----	2	2	<u>1/</u>	14	21	
All other-----	44	37	37	40	37	
Total-----	144	135	119	111	270	

1/ Less than 500.

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

Table 39.--Fishing rods: Average number of employees as reported by U.S. firms, engaged primarily in the production of fishing rods, 1973-77, January-April 1977 and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-April--	
						1977	1978
Average number of employed in the reporting establishment:							
All persons-----	3,325	3,590	2,998	3,032	2,917	3,055	2,750
Production and related workers engaged in the manufacture of--							
Fishing rods-----	1,464	1,618	1,380	1,462	1,519	1,532	1,294
Fishing reels-----	307	271	200	199	218	234	180
Artificial baits and flies-----	7	8	9	10	11	11	11
Snelled fishhooks-----	2	2	2	2	2	2	2

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

Table 40.--Fishing rods: Hours worked by production and related workers engaged primarily in the production of fishing rods, 1973-77, January-April 1977 and January-April 1978.

(In thousands of hours)								
Item	:	:	:	:	:	:	Jan.-Apr.--	
	1973	1974	1975	1976	1977	1977	1978	
Hours worked by production and:	:	:	:	:	:	:	:	:
related workers on-----:	:	:	:	:	:	:	:	:
All products-----:	5,488	5,679	3,938	4,224	4,456	1,654	:	1,464
Fishing rods-----:	2,679	2,805	2,104	2,647	2,639	946	:	828
Fishing reels	547	452	296	345	322	138	:	95
Artificial baits and	:	:	:	:	:	:	:	:
flies-----:	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	:	<u>1/</u>
Snelled fishhooks-----:	4	4	4	4	4	4	<u>1/</u>	<u>1/</u>

1/ Data on hours worked by production and related workers were not reported.

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

Table 41.--Fishing reels: Average number of employees and hours worked by production and related workers as reported by firms engaged primarily in the production of fishing reels, 1973-77, January-April 1977 and January-April 1978

Item	1973	1974	1975	1976	1977	Jan.-Apr.--	
						1977	1978
Average number employed at the reporting establishments:							
All persons -----	1,139	1,278	1,110	1,279	1,294	1,420	1,239
Production and related workers-----	891	1,011	885	1,003	998	1,126	967
Hours worked by production and related workers on--							
All products--							
-----1,000 hours--	1,840	2,022	1,695	1,962	2,002	1,162	1,115
Fishing reels-----do---	1,730	1,919	1,587	1,853	1,889	660	563

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

Note.--Data were reported by 5 firms none of which produced fishing tackle other than reels.

Table 42.--Artificial baits and flies: Average number of employees as reported by 23 U.S. firms engaged primarily in the production of artificial baits and flies, by product, 1973-77, January-April 1977, and January-April 1978.

Item	1973	1974	1975	1976	1977	January-April--	
						1977	1978
Average number employed in the reporting establishments:							
All persons-----	1,261	1,357	1,188	1,190	1,198	1,102	1,207
Production and related workers engaged in the manufacture of--							
Artificial baits and flies-----	879	925	791	804	813	740	835
Snelled hooks-----	10	8	6	2	<u>1/</u>	<u>1/</u>	<u>1/</u>
Fishing rods-----	15	19	15	16	23	16	14
Total, all production workers-----	904	952	812	822	837	757	850

1/ Data not reported.

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

Note: The reporting firms had no employees engaged in the production of fishing reels during the period covered.

Table 43.--Artificial baits and flies: Hours worked by production and related workers as reported by 23 firms engaged primarily in the production of artificial baits and flies, 1973-77, January-April 1977, and January-April 1978

(In thousands of hours)								
Item	1973	1974	1975	1976	1977	Jan.-Apr.--		
						1977	1978	
Hours worked by production:								
and related workers								
on--								
All products-----	2,059	2,147	1,847	1,910	1,961	586	913	
Artificial baits and								
flies-----	1,581	1,658	1,429	1,456	1,497	466	703	
Snelled hooks-----	20	10	12	4	<u>1/</u>	<u>1/</u>	<u>1/</u>	
Fishing rods-----	30	24	29	33	44	11	9	

1/ Data not reported.

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

Note.--The reporting firms had no employees engaged in the production of fishing reels during the period covered.

Table 44.--Fishing rods: Profit-and-loss experience of U.S. producers engaged primarily in the production of fishing rods on all operations of their establishments, 1974-77

Item	1974 <u>1/</u>	1975 <u>2/</u>	1976 <u>3/</u>	1977 <u>4/</u>
Net sales <u>5/</u> -----1,000 dollars--:	69,275	65,235	70,260	68,608
Cost of goods sold-----do-----:	45,013	44,989	48,630	45,668
Gross profit-----do-----:	24,262	20,246	21,630	22,940
General, selling, and administrative expenses-----1,000 dollars--:	16,945	17,524	18,543	18,380
Net operating profit-----do-----:	7,317	2,722	3,087	4,560
Other income (expense)-----do-----:	(2,911)	(2,697)	(1,935)	(1,811)
Net profit before Federal income taxes-----1,000 dollars--:	4,406	25	1,152	2,749

1/ 11 firms supplied data; 4 reported losses for the year.

2/ 11 firms supplied data; 5 reported losses for the year.

3/ 11 firms supplied data; 3 reported losses for the year.

4/ 10 firms supplied data; 2 reported losses for the year.

5/ Does not include sales of fishing tackle imported by the establishment or purchases from other domestic producers.

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



Table 45.--Profit-and-loss experience of U.S. producers of fishing rods on their fishing tackle operations only, 1974-77

Item	1974 <u>1/</u>	1975 <u>2/</u>	1976 <u>3/</u>	1977 <u>4/</u>
Net sales <u>5/</u> -----1,000 dollars--	48,485	49,574	50,661	53,153
Cost of goods sold-----do----	31,478	32,227	35,527	35,064
Gross profit-----do----	17,007	17,347	15,134	18,089
General, selling, and administrative expense-----1,000 dollars--	12,099	13,685	13,566	14,548
Net operating profit-----do----	4,908	3,662	1,568	3,541
Other income (expense)-----do----	(1,710)	(1,586)	(1,356)	(1,162)
Net profit before Federal income taxes-----1,000 dollars--	3,198	2,076	212	2,379
Ratio of--				
Net operating profit to net sales percent--	10.1	7.4	3.1	6.7
Net profit before taxes to net sales-----percent--	6.6	4.2	.4	4.5
In constant dollars (1972=100):				
Net sales-----	41,650	38,958	37,841	37,620
Gross profit-----	14,610	13,632	11,304	12,803
Net profit before taxes-----	2,747	1,631	158	1,684

1/ 12 firms supplied data; 5 reported losses for the year.

2/ 12 firms supplied data; 6 reported losses for the year.

3/ 12 firms supplied data; 4 reported losses for the year.

4/ 12 firms supplied data; 5 reported losses for the year.

5/ Does not include sales of fishing tackle imported by the establishment or purchased from other domestic producers.

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

Table 46.--Profit-and-loss and other financial data for U.S. firms engaged primarily in the production of fishing reels on their fishing tackle operations only 1973-77

(In thousands of dollars)						
Item	1973	1974	1975	1976	1977	
Net sales (net sales less discounts, excise taxes, returns, and allowances) <sup>1/</sup>	44,156	49,698	47,916	55,700	56,534	
Cost of goods sold:						
Raw materials	12,763	15,272	14,438	15,550	17,430	
Direct labor	5,677	6,556	7,375	8,139	8,426	
Other factory costs	8,062	8,828	9,513	10,826	13,168	
Opening inventory	9,862	12,478	14,501	15,911	15,938	
Total	36,364	43,134	45,827	50,426	54,962	
Less closing inventory	11,815	14,749	16,268	16,575	20,193	
Total	24,549	28,385	29,559	33,851	34,769	
Gross profit	19,607	21,313	18,357	21,849	21,765	
Administrative expenses	2,502	3,227	3,629	4,217	5,218	
Selling expenses	7,942	8,170	8,289	9,500	9,972	
Total, administrative and selling expenses	10,444	11,397	11,918	13,717	15,190	
Net operating profit	9,163	9,916	6,439	8,132	6,575	
Other expense	366	438	463	289	509	
Net profit before Federal and other income taxes	8,777	9,777	5,976	7,843	6,066	
In constant 1972 dollars:						
Net sales	41,688	42,692	37,655	41,604	40,013	
Gross profit	18,511	18,308	14,426	16,320	15,404	
Net profit before Federal income taxes	8,286	8,142	4,696	5,858	4,293	

<sup>1/</sup> Does not include sales of fishing tackle imported by the established or purchased from other domestic producers.

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

Note.--Data were supplied by 4 firms, 1 of which reported a loss for 1975.

Table 47.--Profit-and-loss experience of U.S. producers of fishing reels on their fishing tackle operations only, 1973-77

Item	1973	1974	1975	1976	1977
Net sales-----1,000 dollars--	44,156	49,698	47,916	55,700	56,534
Cost of goods sold-----do----	24,549	28,385	29,559	33,851	34,769
Gross profit-----do----	19,607	21,313	18,357	21,849	21,765
General, selling, and administra-					
tive expense-----1,000 dollars--	10,444	11,397	11,918	13,717	15 190
Net operating profit-----do----	9,163	9,916	6,439	8,132	6,575
Other income (expense)-----do----	(366)	(438)	(463)	(289)	(509)
Net profit before income taxes					
1,000 dollars--	8,777	9,478	5,976	7,843	6,066
Ratio of net operating profit to					
net sales-----percent--	20.8	20.0	13.4	14.6	11.6
Ratic of net profit before taxes					
to net sales-----percent--	19.9	19.1	12.5	14.1	10.7

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

Note.--Data were supplied by 4 firms, 1 of which reported a loss for 1975.

Table 48.--Profit-and-loss and other financial data for U.S. producers of artificial baits and flies on all operations of their establishments, 1973-77

(In thousands of dollars)					
Item	1973	1974	1975	1976	1977
Net sales (net sales less discounts, excise taxes, returns, and allowances) <sup>1/</sup>	27,978	32,261	32,533	36,436	38,114
Cost of goods sold:					
Raw materials-----	9,614	11,672	10,603	11,069	12,547
Direct labor-----	5,712	6,362	5,989	6,438	7,041
Other factory costs-----	4,225	4,687	5,359	6,147	6,701
Opening inventory-----	4,710	5,492	6,987	7,826	8,059
Total-----	24,261	28,213	28,938	31,480	34,348
Less closing inventory-----	5,681	6,793	7,656	7,987	9,180
Total-----	18,580	21,420	21,282	23,493	25,168
Gross profit-----	9,398	10,841	11,251	12,943	12,946
Administrative expenses-----	3,423	4,064	4,234	4,797	5,332
Selling expenses-----	3,907	4,411	4,688	5,276	5,789
Total, administrative and selling expenses-----	7,330	8,475	8,922	10,073	11,118
Net operating profit-----	2,068	2,366	2,329	2,870	1,828
Other expense-----	204	96	402	438	482
Net profit before Federal and other income taxes-----	1,864	2,270	1,927	2,432	1,346

<sup>1/</sup> Does not include sales of fishing tackle imported by the establishment or purchased from other domestic producers.

<sup>2/</sup> 22 firms supplied data; 3 reported losses for the year.

<sup>3/</sup> 22 firms supplied data; 3 reported losses for the year.

<sup>4/</sup> 23 firms supplied data; 5 reported losses for the year.

<sup>5/</sup> 23 firms supplied data; 3 reported losses for the year.

<sup>6/</sup> 23 firms supplied data; 5 reported losses for the year.

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

Table 49.--Profit-and-loss experience and other financial data by U.S. producers engaged primarily in the production of artificial baits and flies on their fishing tackle operations only, 1973-77

(In thousands of dollars)					
Item	1973	1974	1975	1976	1977
Net sales (net sales less discounts, excise taxes, returns, and allowances) <sup>1/</sup>	15,104	18,125	19,513	22,431	23,107
Cost of goods sold:					
Raw materials	4,813	5,923	6,376	6,252	6,863
Direct labor	3,103	3,617	3,454	4,007	4,247
Other factory costs	2,096	2,281	3,143	3,513	3,597
Opening inventory	1,662	2,176	3,173	3,698	3,656
Total	24,261	28,213	28,938	31,480	34,348
Less closing inventory					
Total	2,156	2,848	3,658	3,545	3,869
Gross profit	5,586	6,976	7,025	8,506	8,613
Administrative expenses	1,800	2,358	2,444	2,970	3,369
Selling expenses	2,737	3,062	3,465	3,913	4,370
Total, administrative and selling expenses	4,537	5,420	5,909	6,883	7,739
Net operating profit	1,049	1,556	1,116	1,623	874
Other expense	201	69	307	309	338
Net profit before Federal and other income taxes	848	1,487	809	1,314	536
In constant 1972 dollars:					
Net sales	14,260	15,570	15,334	16,754	16,354
Gross profit	5,274	5,993	5,521	6,353	6,096
Net profit before Federal income taxes	801	1,277	636	981	379

<sup>1/</sup> Does not include sales of fishing tackle imported by the establishment or purchased from other domestic producers.

<sup>2/</sup> 22 firms supplied data; 4 reported losses for the year.

<sup>3/</sup> 22 firms supplied data; 3 reported losses for the year.

<sup>4/</sup> 23 firms supplied data; 6 reported losses for the year.

<sup>5/</sup> 23 firms supplied data; 3 reported losses for the year.

<sup>6/</sup> 23 firms supplied data; 9 reported losses for the year.

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

Table 50.--Profit-and-loss experience of U.S. producers on their fishing tackle operations only, 1973-77

Item	1973 <u>1/</u>	1974 <u>2/</u>	1975 <u>3/</u>	1976 <u>4/</u>	1977 <u>5/</u>
Net sales-----1,000 dollars--	15,104	18,125	19,513	22,431	23,107
Cost of goods sold-----do---	9,518	11,149	12,488	13,925	14,494
Gross profit-----do---	5,586	6,976	7,025	8,506	8,613
General selling and administrative expense-----1,000 dollars--	4,537	5,420	5,909	6,883	7,739
Net operating profit----do---	1,049	1,556	1,116	1,623	874
Other income (expense)--do---	(201)	(69)	(307)	(309)	(338)
Net profit before income taxes-----1,000 dollars--	848	1,487	809	1,314	536
Ratio of--					
Net operating profit to net sales-----percent--	6.9	8.6	5.7	7.2	3.8
Net profit before taxes to net sales-----percent--	5.6	8.2	4.1	5.9	2.3
<u>1/</u> 22 firms supplied data; 4 reported losses for the year.					
<u>2/</u> 22 firms supplied data; 3 reported losses for the year.					
<u>3/</u> 23 firms supplied data; 6 reported losses for the year.					
<u>4/</u> 23 firms supplied data; 3 reported losses for the year.					
<u>5/</u> 23 firms supplied data; 9 reported losses for the year.					

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

Table 51.--Fishing rods: 1/ U.S. production, producers' shipments, imports for consumption, and exports of domestic merchandise, 1973-77, January-April 1977, and January-April 1978

Period	Production	Pro- ducers' ship- ments	Imports	Exports	Apparent consump- tion	Ratio of imports to--	
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	Production	Consumption
						Percent	Percent
1973-----	4,899	4,756	3,951	10	8,697	80.6	45.4
1974-----	5,287	5,133	4,343	15	9,461	82.1	45.9
1975-----	4,225	4,079	3,303	20	7,362	78.2	44.9
1976-----	6,133	6,084	5,365	21	11,428	87.5	46.9
1977-----	5,595	5,152	7,411	24	12,539	132.5	59.1
Jan.-Apr.--							
1977-----	2,413	2,358	2,811	10	5,159	116.5	54.5
1978-----	2,874	2,507	3,402	30	5,879	118.4	57.9

1/ Production and producers shipments are not included for two firms which manufacture a small number of rods annually--one of the firms however, has a large value of sales.

Source: Production, producers shipments, and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; import data compiled from official statistics of the U.S. Department of Commerce.

Table 52.--Fishing reels: U.S. production, producers' shipments, imports for consumption, and exports of domestic merchandise, 1973-77, January-April 1977, and January-April 1978

Period	Production	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to	
						Production	Consumption
	<u>1,000</u> <u>reels</u>	<u>1,000</u> <u>reels</u>	<u>1,000</u> <u>reels</u>	<u>1,000</u> <u>reels</u>	<u>1,000</u> <u>reels</u>	<u>Percent</u>	<u>Percent</u>
1973-----	8,749	8,524	8,222	208	16,538	94.0	49.7
1974-----	9,875	8,940	8,183	184	16,939	82.9	48.3
1975-----	6,588	7,488	5,156	346	12,296	78.3	41.9
1976-----	9,214	8,303	8,315	384	16,234	90.2	51.2
1977-----	7,765	7,565	9,489	372	16,682	122.2	56.9
Jan.-Apr.--							
1977-----	2,990	3,505	3,919	120	7,304	131.1	53.7
1978-----	2,566	3,459	3,500	90	6,869	136.4	51.0

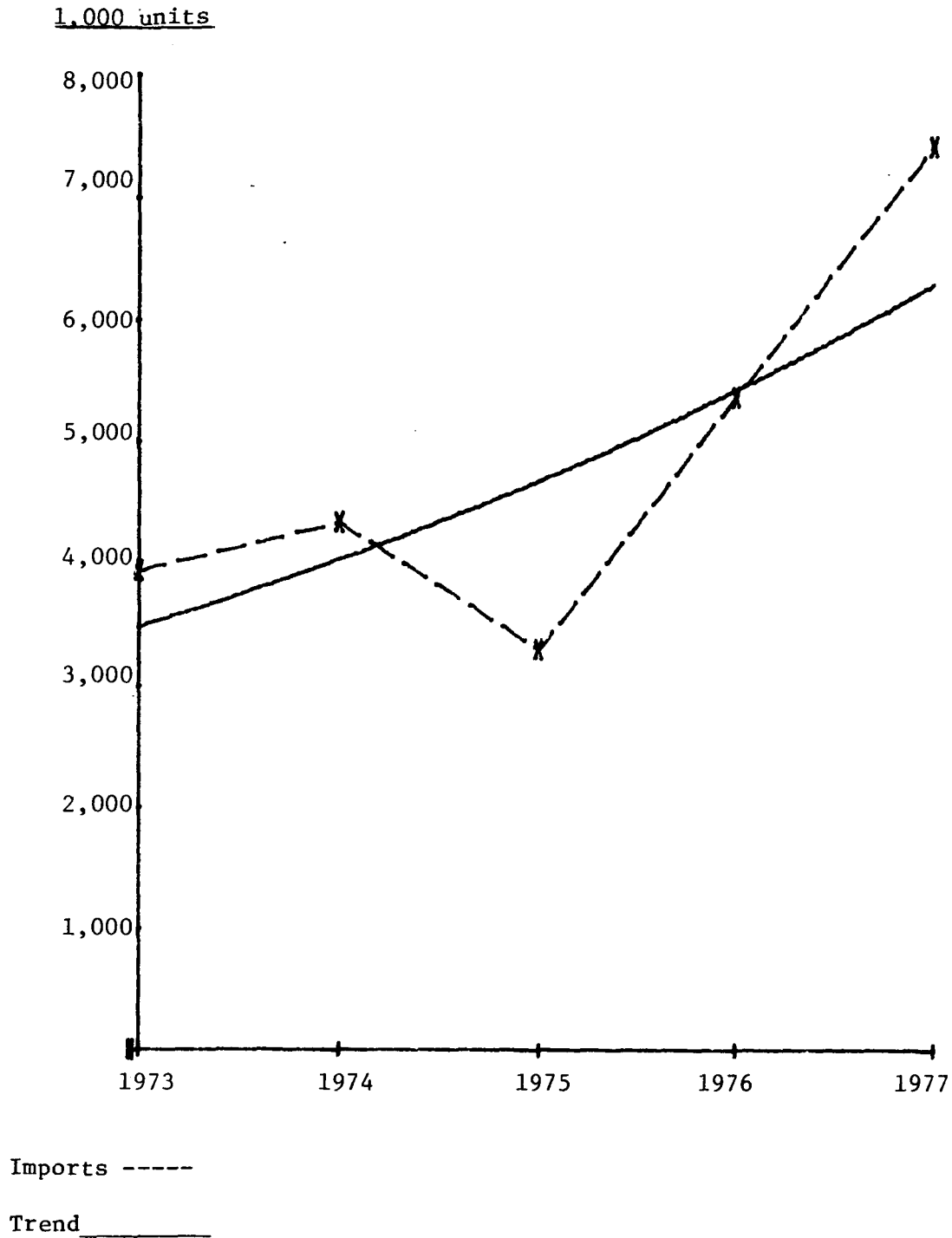
Source: Production, producers' shipments, and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; import data compiled from official statistics of the U.S. Department of Commerce.



**APPENDIX B**

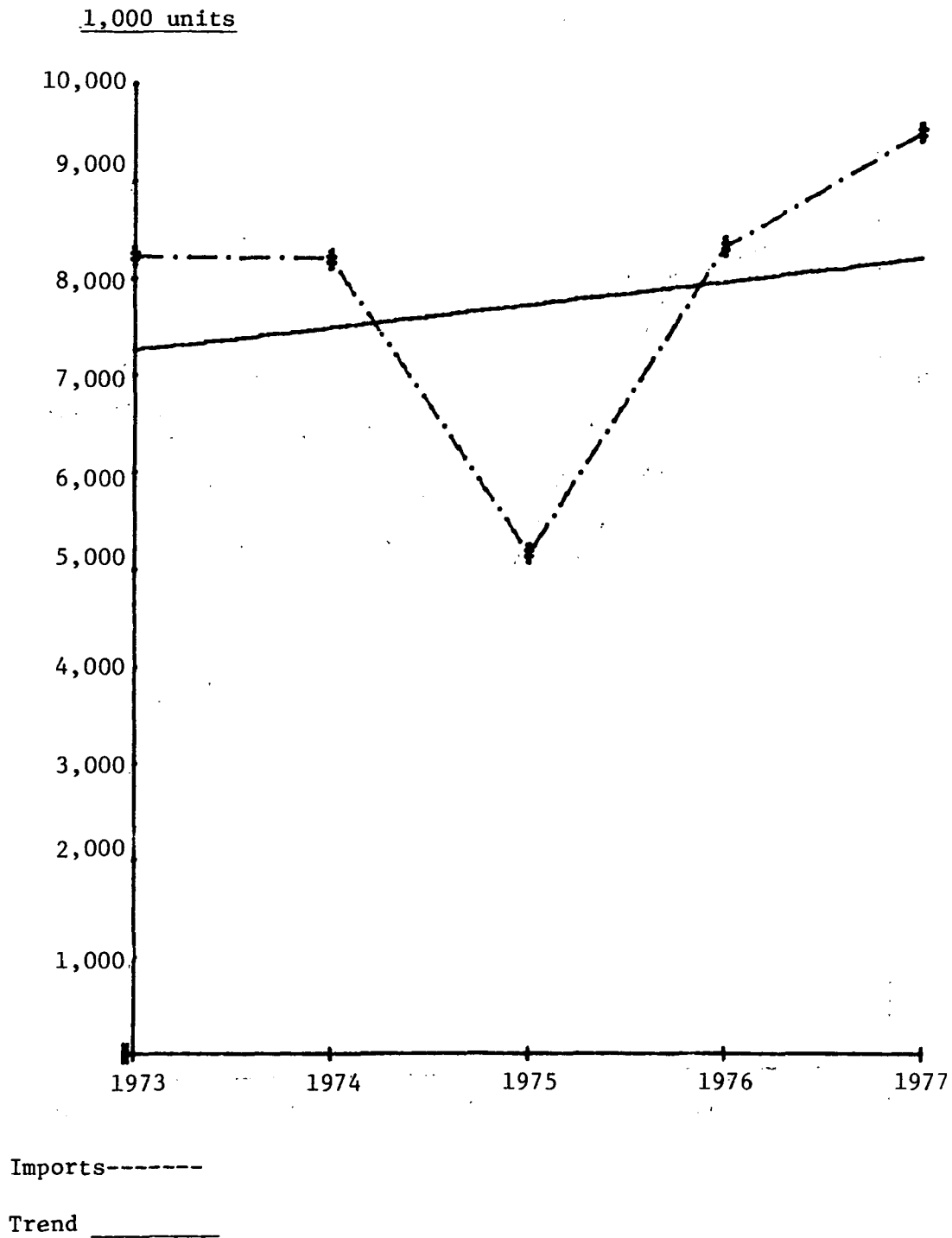
**FIGURES**

Figure 1.--Fishing rods: U.S. imports for consumption, 1973-77



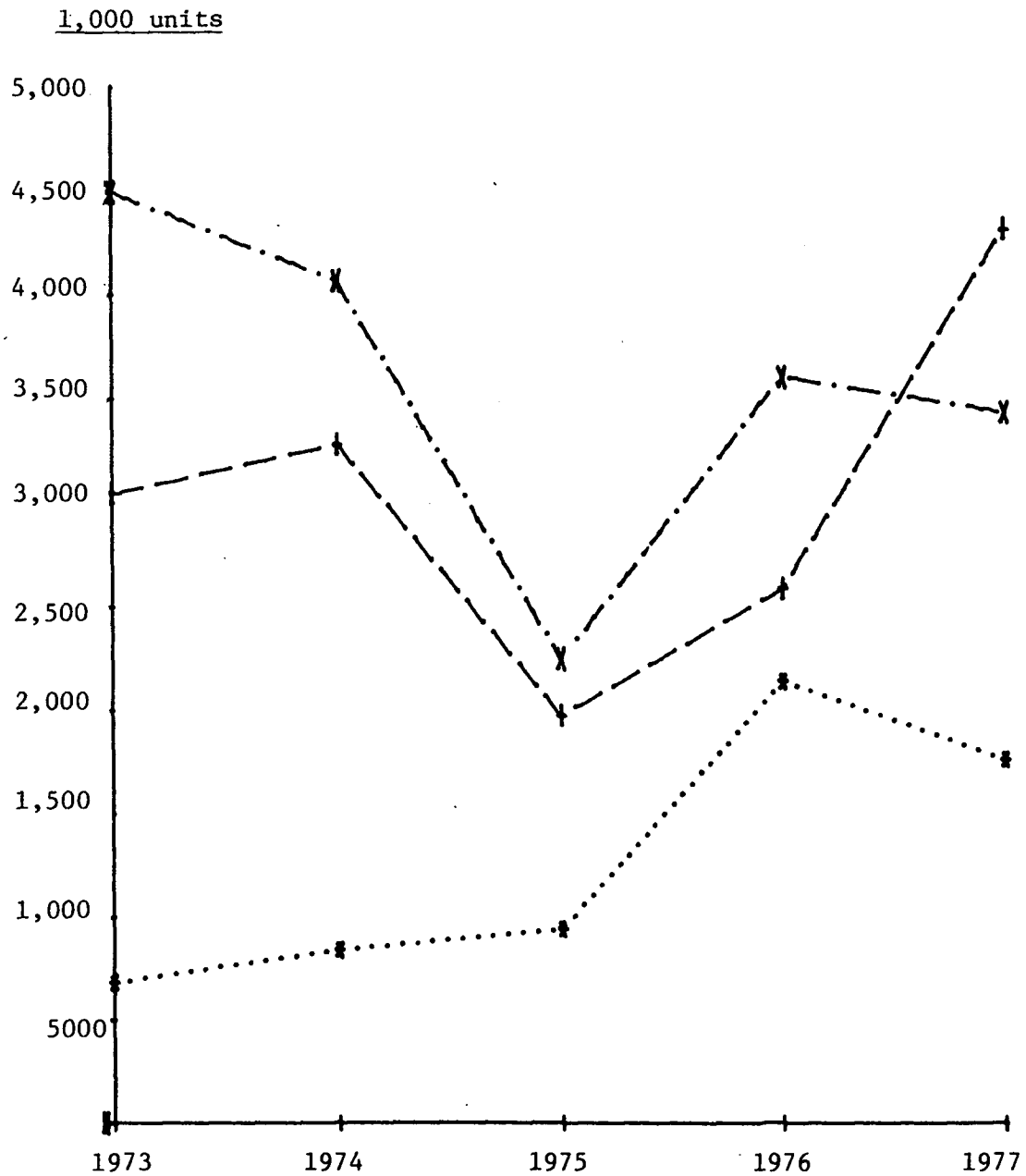
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 2.--Fishing reels: U.S. imports for consumption, 1973-77



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

Figure 3. Fishing reels: U.S. imports for consumption, by value brackets, 1973-77



Reels valued at:

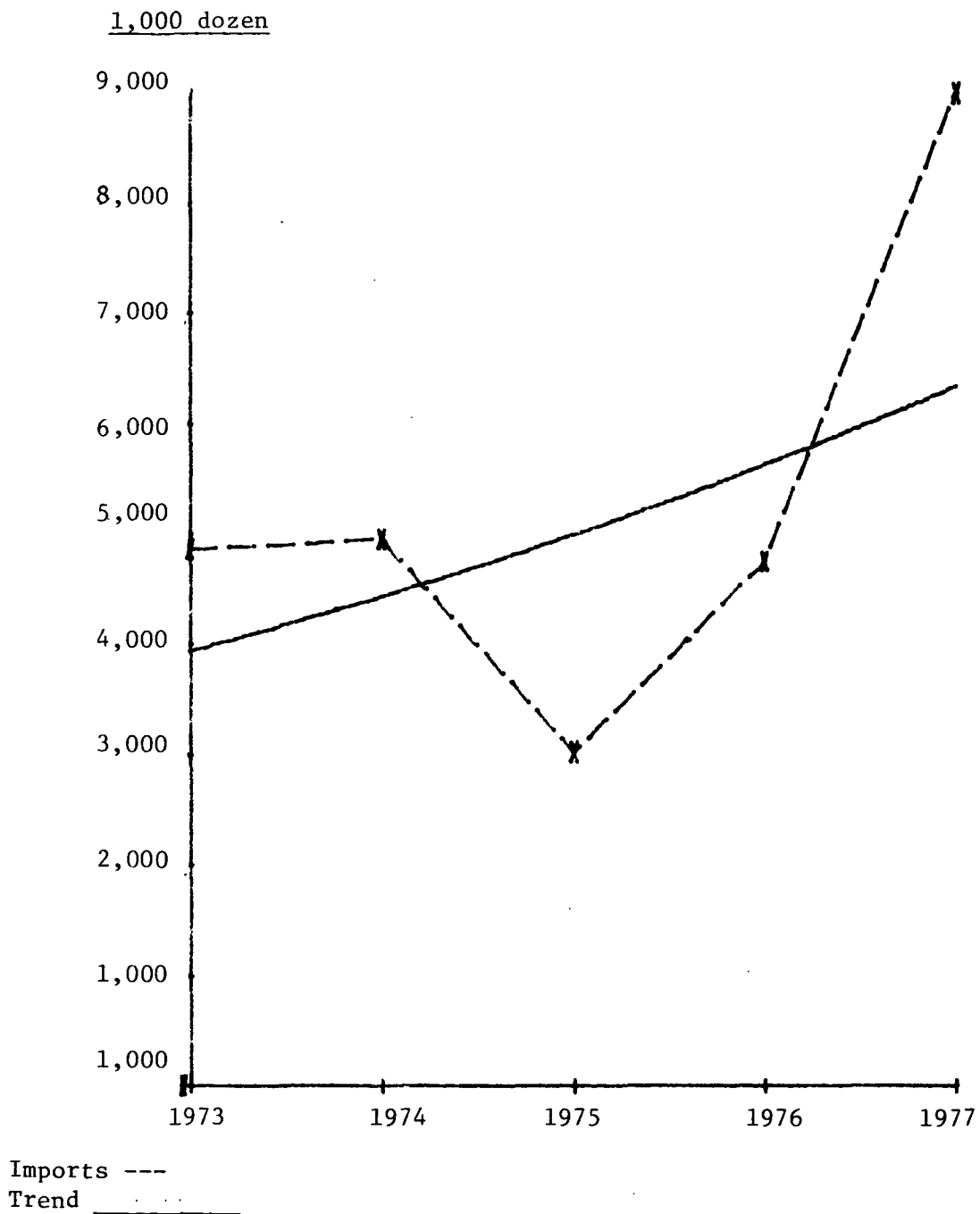
Less than \$2.70 each - - - -

\$2.70, not over \$8.45 each - - -

Over \$8.45 each.....

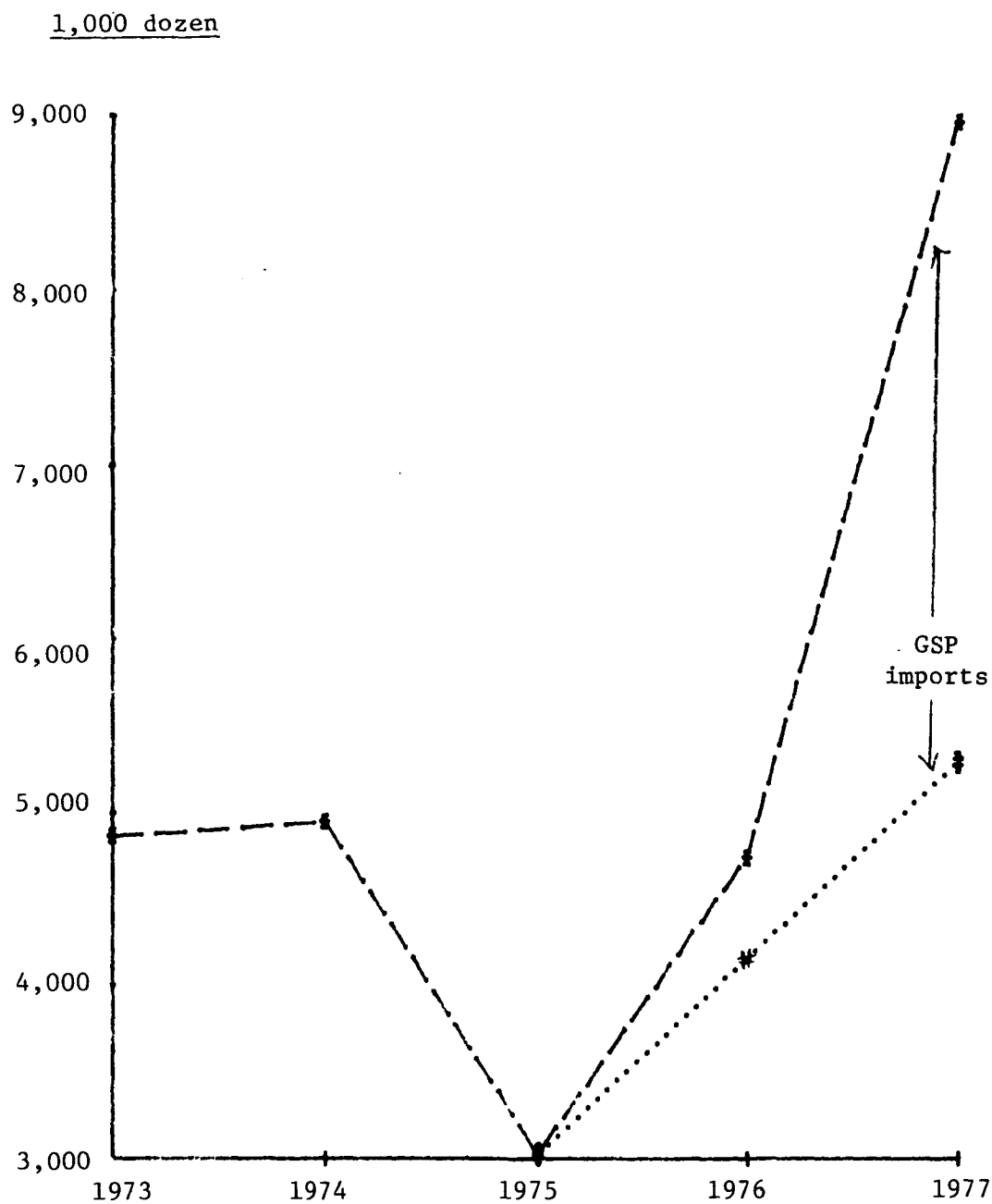
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 4. Artificial baits and flies: U.S. imports for consumption, 1973-77



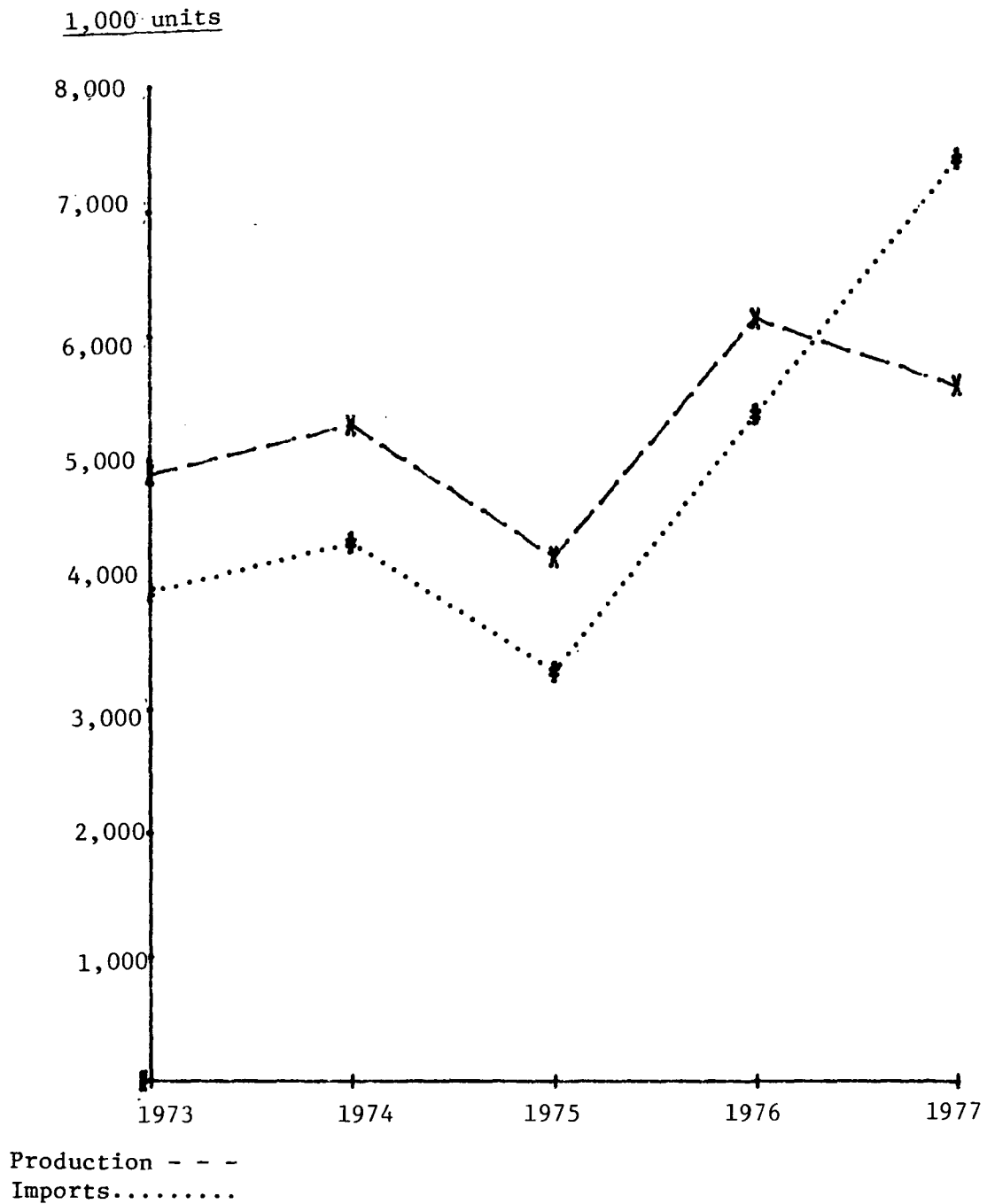
Source: Compiled from official statistics of the U.S. Department of Commerce.

Figure 5-- Artificial baits and flies: U.S. imports  
for consumption and GSP imports, 1973-77



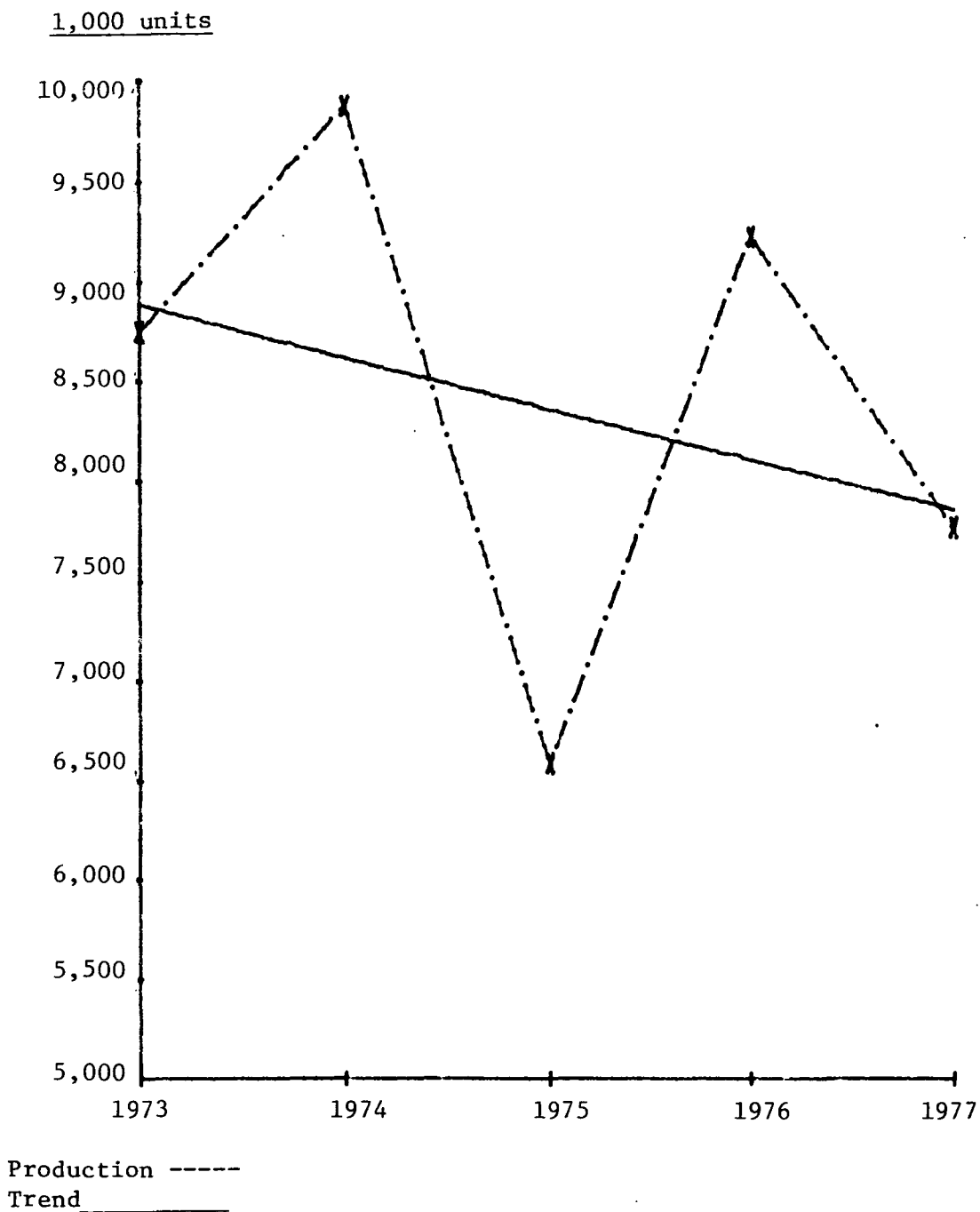
Source: Compiled from data submitted in response to  
questionnaires of the U.S. International Trade Commission.

Figure 6.--Fishing rods: U.S. production and imports 1973-77



Source: U.S. production compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

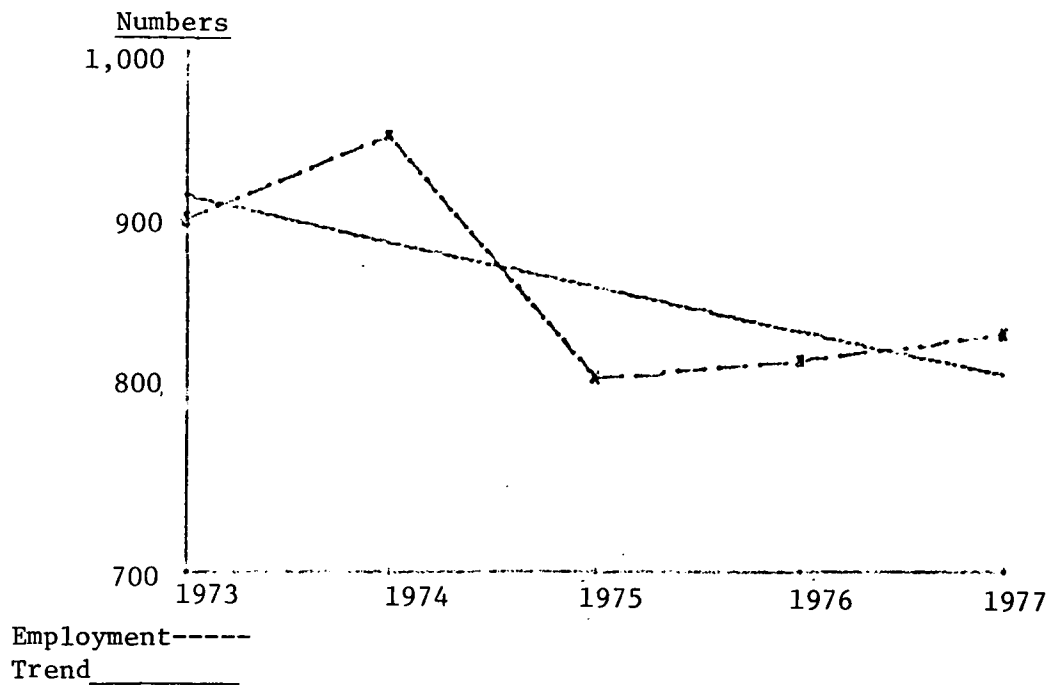
Figure 7.--Fishing reels; U.S. production, 1973-77



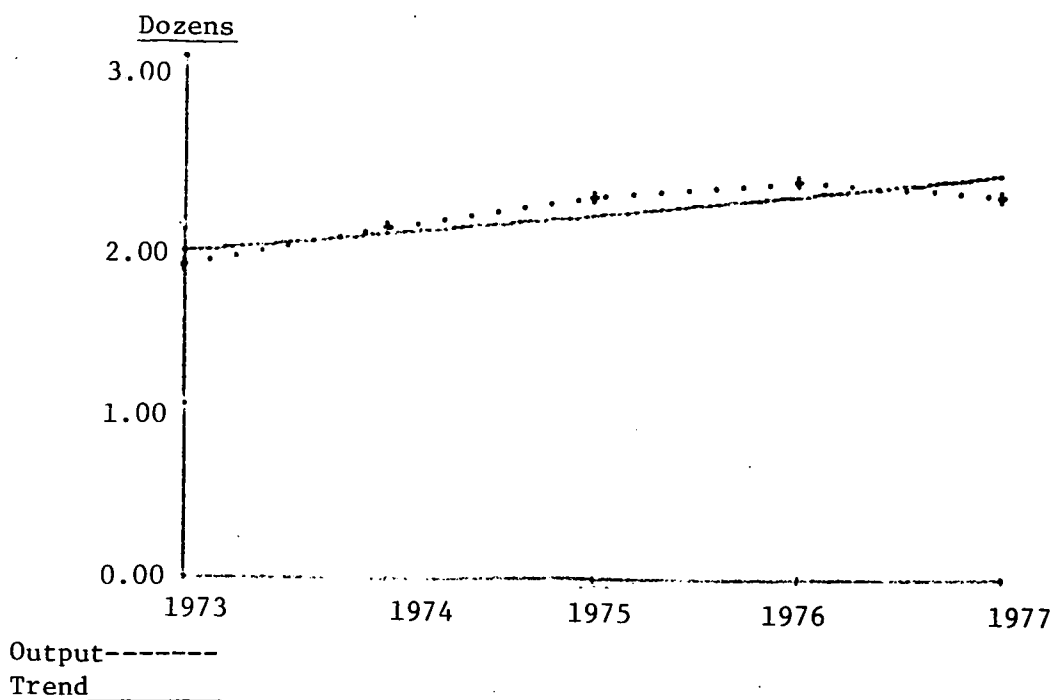
Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



Figure 8.--Artificial baits and flies: Employment, 1973-77



## Output per hour worked



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

APPENDIX C

NOTICE OF INVESTIGATION AND HEARING

14156

NOTICES

[7020-02]

[7020-02]

(TA-201-34)

## CERTAIN FISHING TACKLE

## Investigation and Hearings

*Investigation instituted.* Following receipt of a petition on March 21, 1973, filed by the American Fishing Tackle Manufacturers Association and the Tackle Representatives Association, both of Chicago, Ill., the U.S. International Trade Commission, on March 23, 1973, instituted an investigation under section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) to determine whether snelled hooks; fishing rods and parts thereof; fishing reels and parts thereof; and artificial baits and flies; provided for in items 731.03; 731.15; 731.20 through 731.26, inclusive; and 731.50 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

*Public hearing ordered.* A public hearing in connection with this investigation will be held in Chicago, Ill., beginning on Tuesday, June 13, 1973. The time and place of the hearing will be announced later. Requests for appearances at the hearing should be received in writing by the Secretary of the Commission at his office in Washington, D.C., not later than noon of the fifth calendar day preceding the hearing at which an appearance is requested.

A prehearing conference in connection with this investigation will be held at 9:30 a.m., e.d.t., on May 30, 1973, in room 117, U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. 20435.

*Inspection of the petition.* The petition filed in this matter is available for public inspection at the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20435 and at the New York City office of the U.S. International Trade Commission located at 6 World Trade Center.

Issued: March 30, 1973.

By order of the Commission.

KENNETH R. MASON,

Secretary.

(E) D.C. 20435 (M) 1-3-73, 1-45 am)

(532-99)

## CONVERSION OF SPECIFIC AND COMPOUND RATES OF DUTY TO AD VALOREM RATES

AGENCY: U.S. International Trade Commission.

*ACTION:* The Commission is instituting an investigation under the authority of section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. 1332(g)), to: (1) prepare an ad valorem equivalent for each item in the Tariff Schedules of the United States currently having a specific or compound rate of duty, and (2) determine the probable economic effect of adopting ad valorem rates in lieu of current specific and compound rates. This investigation was requested to assist the President in the current round of multilateral trade negotiations.

EFFECTIVE DATE: March 23, 1973.

FOR FURTHER INFORMATION CONTACT:

Mr. Aaron Chesser, Office of Industries, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone: 202-523-0171.

*SUPPLEMENTARY INFORMATION:* In response to a request received March 13, 1973, from the Special Representative for Trade Negotiations, at the direction of the President, the U.S. International Trade Commission instituted the above-captioned investigation.

Specifically the Special Representative, acting pursuant to the authority of section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. 1332(g)), and Executive Order 11846 (3 CFR 971 (1971-1975 Comp.)), as amended, has requested that the Commission report to the President on the following:

1. For each TSUS item which carries a specific or compound rate of duty, an ad valorem equivalent (AVE) of the current Column 1 rate of duty, based on the value of imports of the article concerned in a recent period which the Commission considers to be representative. The base period of imports used for each item will be identified. For items under which no imports have occurred, an estimated ad valorem equivalent will be supplied, together with an indication of the basis of the estimate. For any TSUS items containing a large number of diverse products with widely differing values, the item may be divided into subcategories of products and an AVE reported for each, where the Commission considers it appropriate and desirable.

2. For each of the TSUS items for which an AVE is reported, the Commission's judgment as to whether the changes which would result in the duties collected on imports under the

item, if the current Column 1 rates were converted to ad valorem rates, would be sufficient to have a significant effect upon either the volume or the position of imports over the next 5 years, or could have a significant detrimental effect on imports of the article concerned by the domestic industry producing directly competitive products.

3. Any special circumstances covered in paragraph 2 above, which make conversion of rates for the items undesirable, for either economic or administrative reasons.

4. For each of the TSUS items for which an AVE of the current Column 1 item is reported, an ad valorem rate which could be substituted for the corresponding Column 2 rate. For Column 2 rates reported, the Commission will supply the same type of advice and information required by paragraphs 2 and 3 above concerning the AVE's for Column 1 rates.

*List of proposed ad valorem equivalents of specific and compound rates.*—The Commission will, at the course of the investigation, prepare for public consideration and comment a proposed list of ad valorem equivalents for items within the TSUS having specific and compound rates of duty.

*Public hearing.*—A public hearing in connection with the investigation will be held in the Commission Hearing Room, 701 E Street NW., Washington, D.C. 20436, beginning at 9:30 a.m., e.d.t., on April 24, 1973. All interested persons will be given an opportunity to be present, produce evidence, and be heard at that hearing. Requests to appear at the public hearing should be addressed to the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20435, and should be received not later than noon of the fifth calendar day preceding the hearing at which an appearance is requested.

*Written submissions.*—In lieu of, or in addition to appearances at the public hearings, interested persons may submit written statements. Any business information which a submitter desires the Commission to treat as confidential shall be submitted on separate sheets, each clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be made available for inspection by interested persons. To be assured of consideration by the Commission, written statements should be submitted at the earliest practicable date, but no later than May 3, 1973. All submissions

APPENDIX D  
PROBABLE ECONOMIC EFFECTS

Library Cataloging Data

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