FISHING RODS AND PARTS THEREOF

Report to the President on
Investigation No. TA-201-45
Under Section 201
of the Trade Act of 1974

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that would result in the disclosure of 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
ON INVESTIGATION ON TA-201-45

Fishing Rods and Parts Thereof

UNITED STATES INTERNATIONAL TRADE COMMISSION
November 17, 1981

Determination

On the basis of the information developed in the course of investigation No. TA-201-45, the Commission (Commissioner Frank dissenting) 1/ has determined that fishing rods and parts thereof provided for in item 731.15 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 industry producing articles like or directly competitive with the imported articles.

Background

The Commission instituted the present investigation, No. TA-201-45, on July 27, 1981, following the receipt, on July 13, 1981, of a petition for import relief filed by twenty-one U.S. firms, 18 of which manufacture fishing rods and fishing rod parts. One of the firms manufactures fishing reels, one manufactures fiberglass cloth and another manufactures mandrels used in forming tubular rod blanks. The investigation was instituted pursuant to section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)(1)) in order to determine whether fishing rods and parts thereof provided for in item 731.15 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.

1/ Commissioner Frank determined that fishing rods and parts thereof are being imported in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

Notice of the Commission's investigation was published in the Federal Register of August 5, 1981 (46 F.R. 39914).

A public hearing in this investigation was held in the hearing room of the U.S. International Trade Commission Building in Washington, D.C., on Friday, October 2, 1981. All interested parties were afforded an opportunity to be present, to present evidence, and to be heard. 1/

This report is being furnished to the President in accordance with section 201(d)(1) of the Trade Act. The information in the report was obtained from fieldwork and interviews by members of the Commission's staff, and from other Federal agencies, responses to Commission questionnaires, information presented at the public hearing, briefs submitted by interested parties, the Commission's files, and other sources.

1/ A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation were attached to the original report sent to the President. Copies are available for inspection at the U.S. International Trade Commission, except for material submitted in confidence.

VIEWS OF CHAIRMAN BILL ALBERGER, COMMISSIONER CATHERINE BEDELL, COMMISSIONER PAULA STERN, AND COMMISSIONER ALFRED ECKES

On the basis of the information obtained in this investigation, 1/ we have determined that fishing rods and parts thereof provided for in item 731.15 of the Tariff Schedules of the United States 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.

In order to make an affirmative determination in an investigation under section 201 of the Trade Act of 1974, the Commission must find that three conditions exist:

(1) some or all of the articles described in the notice of investigation are being imported in "increased quantities;"

(2) the relevant domestic industry is being seriously injured or is being threatened with serious injury; and

(3) the increased imports are a "substantial cause" of the serious injury or threat thereof.

1/ Chairman Alberger notes that in September 1978, the Commission unanimously found that fishing rods and parts thereof were 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 (TA-201-34). The previous investigation considered the period January 1973 through April 1978. He feels that the relevant period for consideration in this investigation should include the last full year of the previous investigation. Going back to 1976, is in his view, reopening the prior case. There, is in his view, nothing magic or in any sense mandated about reviewing five years of data. Therefore, he has considered the period January 1977 through June 1981 in reaching his determination. If anyone were to construe such a requirement here, as he notes his collegues have apparently done, his view is that there would be increased imports from 1976 to present, and they would be an "important cause," but the analysis of serious injury and substantial cause would be unaffected. Neither would exist.

In this case, we have found that imports are increasing, 2/ but that the injury present in the industry is not serious, and increased imports are not a substantial cause of any injury or the threat thereof to the domestic industry producing articles like or directly competitive with the imported articles. For these reasons, we have made a negative determination.

The domestic industry

In making our determination, we must first decide what constitutes the domestic industry which may be injured and against which the impact of increased imports must be assessed.

The term "domestic industry" is not defined in the Trade Act or its legislative history. However, section 201, like predecessor import relief provisions, describes the domestic industry in terms of domestic production of an article "like or directly competitive with" an imported article. Generally, the Commission has followed a "product line" approach, finding the domestic industry to consist of the domestic productive facilities and workers producing a product "like" the imported product. When the scope of an investigation has included several distinct products, the Commission has found there to be two or more distinct industries and has made separate findings

2/ Chairman Alberger notes that imports of fishing rods increased slightly from 7.4 million units in 1977 to 7.5 million units in 1980, representing an increase of 0.1 million units, or 1.5 percent. During 1978 and 1979, imports were 6.9 and 6.7 million units, respectively. Imports from January-June 1981 were 7 percent above the level in the corresponding period of 1980. A trend-line analysis of imports during 1977-80 shows a small negative slope. He could argue that imports have not increased, but since imports are higher in 1980 than in 1977, he has given industry the benefit of the doubt and found that the first statutory condition is satisfied.

with respect to each where there were adequate data for making such separate findings.

In the present case, we have concluded that the appropriate industry consists of the domestic facilities and workers producing fishing rods and parts like the imported rods and parts covered in the investigation. While such rods (either domestically made or imported) may vary in construction or materials, they are essentially alike in that all have handles, shafts, line guides, and reel seats (rod parts). Moreover, rods of different construction and composition are made by the same firms, are made on similar equipment, and involve similar worker skills. Although the finishing operations may vary slightly in sequence according to the type of rod produced and the manufacturer involved, the finishing process is virtually the same in all rod production. Additionally, rods are sold in the same markets using similar marketing techniques.

It is impossible to give a more extensive analysis of the domestic industry in order to examine rod parts in more detail. However, it really is not a meaningful exercise in view of the lack of injury to rod parts producers shown by the data we have obtained and the relative lack of concern expressed by the producers of those products.

Imports in increased quantities

The first of the three conditions for an affirmative determination is that the imported articles are being imported in "increased quantities." Sec. 201(b)(1). The statute provides that imports are in increased quantities when the increase is in actual or absolute terms or when the increase is "relative to domestic production." Sec. 201(b)(2)(C).

Imports of fishing rods increased irregularly from 5.4 million units in 1976 3/ to 7.5 million units in 1980, representing an increase of 2.1 million units or 40 percent, although imports in 1980 were barely above the level of 7.4 million rods reached in 1977. Imports in January-June 1981 were 7 percent above the level in the corresponding period of 1980. Since 1977, the last full year of the previous investigation, imports increased slightly from 7.4 million units in 1977 to 7.5 million units in 1980. Imports have increased, and we therefore find that the first statutory condition is satisfied.

Serious injury or threat thereof

The second condition for an affirmative determination is that the domestic industry be seriously injured or threatened with serious injury. Sec. 201(b)(1). While the statute does not define the terms "serious injury" or "threat of serious injury," it directs the Commission to consider certain economic factors in its analysis of the injury issue.

In determining whether there is serious injury, the Commission is required to take into account all economic factors which it considers relevant. These include, but are not limited to, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry. Sec. 201(b)(2)(A). In connection with the question of serious injury, we have considered other

3/ Chairman Alberger has a different view as expressed in footnote one on p. 3 and footnote two on p. 4.

economic factors also in order to determine whether injury exists. These include data on production, shipments, inventories, prices, and exports.

In determining whether there is a threat of serious injury, the Commission is similarly directed to take into account all factors which it considers relevant. These include, but are not limited to, a decline in sales, a higher and growing inventory, and a downward trend in production, profits, wages, or employment (or increasing underemployment) in the domestic industry. Sec. 201(b)(2)(B). The legislative history of section 201 defines a threat of serious injury to exist where "serious injury, although not yet occurring, is clearly imminent if present trends continue." 4/

No serious injury.--An analysis of the relevant economic factors has led us to conclude that the domestic industry is not being seriously injured. As shown below, domestic production, shipments, sales, and employment have all increased, and inventories of domestically produced rods have decreased during the period under review. While several small domestic producers have been unprofitable, the larger more efficient producers have been profitable. Capacity utilization levels have declined somewhat, in part because domestic capacity has substantially increased.

Domestic production of fishing rods increased irregularly from 6.1 million units in 1976 to 6.5 million units in 1978 and 6.7 million units in 1979, and fell to 6.5 million units in 1980. Production stayed almost constant at 3.1 million units in January-June 1980 and January-June 1981.

Exports, mostly to Canada, increased irregularly during the 5-year period from 21,000 rods in 1976 (only 0.3 percent of shipments) to 259,000 rods in

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4/ S. Rep. No. 93-1298, 93d Cong., 2d Sess. 121 (1974).

1980 (nearly 4 percent of shipments). Exports increased from 102,000 rods in January-June 1980 to 165,000 rods in January-June 1981 and accounted for about 4.3 percent of shipments in the 1981 period.

Apparent U.S. consumption rose from 11.4 million units in 1976 to 13.9 million units in 1980, an increase of 22 percent. During January-June 1981, U.S. consumption rose 9 percent from the rate of consumption during the corresponding period in 1980, while U.S. producers' shipments rose 12 percent and imports increased by 7 percent.

Domestic productive capacity increased substantially between 1978 (the earliest year for which comparable data are available) and 1980 from 5.7 million units to 7.0 million units. In part as a result of this increase in capacity, capacity utilization declined during that period from 87 percent in 1978 to 81 percent in 1979 and 73 percent in 1980.

Producers' shipments of fishing rods generally paralleled domestic production levels, increasing irregularly from 6.1 million units in 1976 to 6.7 million units in 1979 but falling slightly in 1980 to 6.6 million units. Such shipments rose from 3.4 million units in January-June 1980 to 3.9 million units in January-June 1981.

The number of production and related workers employed in the manufacture of fishing rods increased from 1,152 workers in 1978 to 1,300 workers in 1980. Inventories of domestically produced fishing rods in 1980 were 9 percent below the 1978 inventory level.

Profit-and-loss data were received from 11 rod manufacturers and 2 rod parts producers, which made up 79 percent of U.S. production of fishing rods in 1980. Net sales of fishing rods and fishing rod parts of U.S. manufacturers that supplied profit-and-loss data to the Commission rose from

$36.7 million in 1978 to $47.3 million in 1980, or by 29 percent. For January through June of 1981, net sales by those firms were up $7.5 million or 29 percent from sales reported during the corresponding period of 1980. Although 7 of the 13 firms had operating losses and net losses in 1978, that number declined to 5 firms reporting losses in 1979, 1980 and the partial year of 1981. Aggregate pretax losses reported by the firms declined from 4.5 percent of net sales in 1978 to 1.1 percent in 1980 and to 0.7 percent in the partial accounting year that ended June 30, 1981. A profit of 0.1 percent was experienced by the reporting producers in 1979. Large producers, that on the average, have achieved significant economies of scale, are generally more profitable than the small producers. * * *.

Data were obtained by the Commission on average wholesale prices received by manufacturers and importers for their best-selling rods. These data are difficult to interpret because of numerous significant differences in the characteristics of the various products. But the data do not indicate underselling. The average domestic spin-casting rods were consistently priced well under the imported spin-casting rods throughout the period January 1978-June 1981. The best-selling domestic spinning rods have increased in price since 1978, while the best-selling imported spinning rods have fallen in price and since 1980 have been less costly than the domestic rods. U.S. producers prices for best-selling bait-casting rods have risen sharply since 1978, and since 1979 have averaged well above prices for the imported products. There has been no reliable indication that these changes in relative prices represent anything more than changes in the types of rods being domestically produced and imported.

In summary, notwithstanding the financial difficulties which several of the smaller producers are experiencing, we have concluded that the industry is not in such a condition as to be "seriously injured."

Threat of serious injury--Economic factors do not indicate that the industry is threatened with serious injury in the sense that serious injury is "imminent" if present trends continue. As the data discussed above show, domestic sales, production, and employment, are rising and inventories are falling. The profit picture of producers has improved slightly in recent years. Thus, the present trends do not suggest that serious injury is imminent.

Although the capacity to produce fishing rods in Taiwan (the principal foreign supplier of imports) increased during 1980-1981 by * * * units from capacity in 1979, this increase was largely the result of the establishment of one new manufacturer. At present, the industry in Taiwan is reportedly operating at * * * percent of capacity and has no plans for future expansion. 5/ With respect to the Republic of Korea (Korea), the second largest supplier, most of the fishing rod producers were in operation by 1978, and since then, no major manufacturing facilities have been established. The fishing rod industry in Korea is reportedly * * *

6/ Imports from Japan, the third principal supplier in recent years, have declined annually since 1977, and that country has reportedly

5/ Posthearing brief filed on behalf of the Taiwan Sporting Goods Manufacturers' Association, p. 8.
6/ Posthearing brief filed on behalf of the Korean Plastic Goods Exporters' Association, app. 1.

become a significant market for rods produced in Taiwan and Korea. Therefore, it appears unlikely that U.S. imports of fishing rods from the major foreign suppliers will increase significantly in the near future.

Substantial cause of injury 7/

Not having found serious injury or threat thereof, it is unnecessary to reach the substantial cause issue. We discuss it here to demonstrate conclusively that increased imports are not a substantial cause of any problems the industry is experiencing or may soon face. Section 201(b)(4) defines the term "substantial cause" as "a cause which is important and not less than any other cause." Thus, for increased imports to be a substantial cause of injury, they must be both an "important" cause of injury and must not be a less important cause than any other cause of injury.

The statute directs the Commission, in determining the substantial cause question, to 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. Sec. 201(b)(2)(C).

Our analysis convinces us that increased imports are not a substantial cause of problems this industry is experiencing or may soon face.

Imports have increased, but not by a large amount. The 1980 level of 7.5 million rods is barely higher than the 1977 level of 7.4 million rods. The

7/ Commissioner Bedell and Commissioner Eckes, having found no serious injury or threat thereof, do not join in the discussion of causation which follows.

ratio of imports to production has increased slightly if one examines a trend line for the years 1976-80, but the 1980 level of 115 percent is below the 1977 level of 133 percent. However, the ratio of imports to consumption has declined slightly in recent years from a high of 59 percent in 1977 to 55 percent in 1978, and 50 percent in 1979, before rising to 54 percent in 1980. The imports-to-consumption ratio in January-June 1981 was 54 percent, slightly lower than the 55 percent level in the corresponding period of 1980.

It is questionable whether the increase in imports has been of sufficient magnitude to constitute an "important" cause of any injury or threat thereof. 8/ Even if it is, we believe that other factors constitute more important causes of any injury or threat, further precluding an affirmative finding.

We believe that the shift in demand from rods of tubular construction to less expensive solid rods constitutes a more important cause of injury or threat than increased imports. Consumption of such rods nearly doubled between 1978 and 1980, and such rods accounted for nearly * * * percent of all rods sold in 1980. Domestic producers increased their production of solid rods by more than * * * between 1978 and 1980, and most of the firms producing such rods are among the most profitable in the industry. Solid rods have been imported in significant quantities only since 1979. But for such imports, fishing rod imports have declined by nearly * * * percent between 1978 and 1980. Both domestic production and imports of tubular rods declined by about * * * percent during 1978-80.

8/ Chairman Alberger feels that the increase which he found to be almost non-existent is not even an important cause.

A second more important cause of any injury or threat of injury is the high rate of interest that has prevailed during the last several years. High interest rates have increased the costs of financing debt, including debt covering inventories, and have made it more difficult for firms to implement expansion and/or improvement plans.

Conclusion

For the foregoing reasons, we have concluded that fishing rods 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 fishing rod industry.

Views of Vice Chairman Michael J. Calhoun

While I am in concurrence with my colleagues in result, I have reached my position for reasons that are somewhat different than those expressed in the majority opinion. For this reason I submit these separate views.

The Domestic Industry

As the majority has observed, little guidance is given the Commission in statute or legislative history for defining the term "domestic industry". However, Commission practice in this regard is clear and consistent and is fairly represented in the majority opinion.

Since the statute speaks of the relevant industry as "the domestic industry producing an article like or directly competitive with the imported article," it seems obvious to begin the analysis of what constitutes the domestic industry with a comparison of what is being imported to that which is being domestically produced. Two discrete categories of items are entering this country: completed fishing rods and certain fishing rod parts. Regarding completed rods, the vast majority of imports include spinning rods, spin-casting rods, bait-casting rods, surf rods, boat and bay rods, and fly rods. These rods are either of tubular or solid construction and may be composed of fiberglass, graphite, or boron. These imports cover the price spectrum but concentrate in the mid to lower price ranges.

With regard to fishing rod parts, a serious problem arose in this investigation in gathering full information on both imports and domestic production. Since the TSUS does not require identification of the various fishing rod parts being imported, data on imports of rod parts by type had to be deduced by staff. 1/ From this information it is clear that imported parts are overwhelmingly of three types: rod blanks, line guides (the largest category) and handles.

There is domestic production which parallels the two categories of articles being imported. As of 1980, 25 domestic firms produced completed fishing rods. Of these, 16 firms specialized in the production of completed rods and nine produced and sold both completed rods and parts. Domestic production of completed rods include tubular and solid; graphite, fiberglass, boron, metal and bamboo; spinning, spin-casting, bait-casting, fly, boat and ba deep sea, and ice fishing rods. Plainly, domestic production of completed rods includes all the various types and styles which are being imported. Moreover, from the information we collected in our investigation, it appears that domestic and imported completed rods of the same type are substantially the same. To the extent there are differences, they are largely cosmetic.

Domestically produced parts include line guides, rod blanks, and handles. Thus, domestic parts production includes each of the types of parts being imported. While domestic fishing rod parts are substantially the same as imported parts of the same type, there was information given us that some imported parts were qualitatively superior to domestic parts.

In view of all the information collected, I can find no serious question as to whether domestic fishing rods are like the imports and whether domestic parts are like imported parts. Indeed, during the investigation the issue was never raised by any party. Therefore, I find domestic fishing rods to be like the imported ones and domestic fishing rod parts to be like those that are imported.

1/ The Commission staff obtained detailed information about the types of parts being imported through its questionnaire to importers which requested data on rod blanks, line guides, handles, and all other parts. The response to these questionnaires accounted for 49 percent of total imports by value in 1980.

A more difficult question, however, is whether fishing rods and fishing rod parts ought to be considered as belonging to the same industry. Commission practice in this regard is helpful. As the majority opinion observes,

> [w]hen the scope of an investigation has included several distinct products, the Commission has found there to be two or more distinct industries, and has made separate findings with respect to each where there were adequate data for making such a separate finding. p. 4. 1/

The domestic production of completed rods and rod parts appears to be well divided into two distinct groups. As observed above, most domestic producers, 16, produce only completed rods. Seven produce only parts and nine make and sell both. Furthermore, domestic parts production and imported parts do not simply supply the original equipment market, but also supply a separate replacement market. All of these factors strongly suggest two distinct, though related, industries. However, with regard to domestic production of parts, financial and other data useful in making an injury finding is limited. Of the sixteen domestic producers and sellers of parts, sporadic data are available for only five producers. Despite this, it is my view that an

1/ See the Views of Chairman Will E. Leonard, Commissioners George M. Moore, Catherine Bedell, Joseph O. Parker, and Italo H. Ablondi, pp. 407, in Certain Gloves: Report to the President on Investigation No. TA-201-9..., USITC Publication 760, 1976; the Views of Vice Chairman Daniel Minchew, pp. 4-5, and the Views of Chairman Will E. Leonard and Commissioner Italo H. Ablondi, pp. 18-22, in Shrimp: Report to the President on Investigation No. TA-201-12...., USITC Publication 773, 1976; the Views of Chairman Bill Alberger, pp. 4-11, the Views of Vice Chairman Michael J. Calhoun, pp. 53-64, the Views of Commissioner Paula Stern, pp. 95-103, the Views of Commissioners George M. Moore and Catherine Bedell, p. 168, in Certain Motor Vehicles and Certain Chassis and Bodies Therefor: Report to the President on Investigation No. TA-201-44..., USITC Publication 1110, 1980.

adequate basis exists to find that there are two domestic industries at issue in this investigation. The first is comprised of the domestic facilities and workers producing fishing rods. I agree with the majority that, although fishing rods, whether domestic or imported, do vary in construction and material, they are all essentially alike, made by the same firms, made on similar equipment, and involve similar worker skills. In addition, finishing processes for fishing rods are virtually the same even though finishing operations may vary sequentially according to the type of rod and manufacturer involved. Finally, all rods are sold in the same markets using similar marketing techniques.

I find the second industry to be comprised of the facilities and workers producing fishing rod parts for sale. Although fishing rod parts, whether imported or domestic, vary by purpose served, they tend to be produced by the same firms, they are all essential parts of the same product, and are all largely used in conjunction with that product.

Serious Injury

In requiring that increased quantities of imports be a "substantial" cause of "serious" injury and in defining substantial cause as being a cause which is, *inter alia*, "not less important that any other cause," the statute compells us to compare and weigh the various causes of injury in reaching a decision in section 201 investigations. The starting point, then, in the analysis here, is to determine whether there is serious injury to the two industries. Then, if such injury exists, it must be determined how much a part imports have played in contributing to that injury.

The conclusion as to whether an industry is injured or whether imports are increasing can be greatly affected by the reference period examined. Commission practice in usual circumstances has been to refer to the immediately preceding five year period. 1/ To do so in this case is complicated by the fact that on September 21, 1978 the Commission found no injury in investigation no. TA-201-34, which included substantially the same products relevant here. To use the normal five year period as the reference period in this investigation would be to include data already evaluated in reaching our decision in the prior determination. The determination in the prior investigation was based on consideration of the period 1973 through the first four months of 1978. I recognize a certain continuity in trends might be introduced if we were to consider as part of the relevant period here, a portion of the period, such as the last full year, considered in this investigation. I am more persuaded, however, that, in this investigation, nothing in the data suggests that factors in the marketplace make such continuity sufficiently important to consider data a second time. 2/

The case before us does not arise as a review of the Commission's prior finding. It is a matter *de novo*. As a result, in absence of an

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1/ Commission practice under both the present law (The Trade Act of 1974) and its predecessor provision (sec. 301(b) of the Trade Expansion Act of 1962 (76 Stat. 872)) are well articulated in views expressed by former Commission Chairman Will E. Leonard in *Birch Plywood Door Skins: Report to the President on Investigation No. TA-201-1...,* USITC Publication 743 (1975), pp. 17-19; and *Bolts, Nuts and Screws of Iron or Steel: Report to the President on Investigation No. TA-201-2....,* USITC Publication 747 (1975), p. 11.

2/ To the contrary, the last full year considered in the prior investigation was 1977. In that year imports were 7.4 million units compared to 5.4 million units in 1976, 6.9 million units in 1978 and 6.7 million units in 1979. Inclusion of 1977, then, would seem to introduce not a measure of continuity to a developing trend, but rather would introduce an unnecessary abberration to the data base.

extraordinary circumstances compelling otherwise, we ought not to include complete data already accounted for in previous investigations. Thus, in my view, the appropriate period for reference in this investigation is the full year 1978 through the second quarter of 1981.

As the majority observes, the statute and the legislative history are not especially explicit in identifying what is meant by "serious". Section 201(b)(2)(A) and (B), regarding serious injury and the threat thereof, respectively, requires us to take into account all economic data we consider relevant, including specifically delineated factors for finding serious injury and for finding threat. 1/ The legislative history does not address the issue of what constitutes serious injury.

Regarding serious injury to the completed rod industry, I concur in the result and, except as noted, share the views of the majority. I note, however, that with respect to the statutorily mandated matter of the idling of productive facilities, there has been virtually no instance of it. Indeed, there have been rather significant increases in domestic capacity, although capacity utilization has declined. This decline from

1/ In the case of serious injury we must consider,

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

In the case of threat of serious injury we must consider,

> a decline in sales, a higher and growing inventory, and a downward trend in production, profits, wages or employment....

87 percent to about 73 percent, in the face of increased capacity is explained by what I see to be rather static production levels owing to an anticipation of a decline in demand. That production has been static seems rather clear: In 1978 production was 6.5 million units, 6.7 million in 1979 and 6.5 million in 1980. Production for the first half of 1981 was essentially the same as the first half of 1980.

With respect to the statutorily mandated matter of the number of firms operating at a reasonable level of profit, I note, in addition, to the majority's discussion of profitability, that six of the 11 firms reporting data for their completed rod operations were reporting pretax losses in 1978, five in 1979 and five in 1980. By the same token, the ratio of net operating profit/loss to net sales has been largely in loss status since 1978 when six firms were negative. Currently five firms are experiencing negative ratios.

Thus, while the industry is plainly experiencing difficulties, the indicators, as a whole, are too mixed or are not sufficiently strong for me to conclude that the measure of the difficulties can be characterized as serious. I admit, however, to this being a close question. Regarding threat of serious injury to the completed rod industry, I concur with the result and the reasoning of the majority.

The matter of serious injury and threat to the rod parts industry is more difficult to address, but easier to conclude. Because of TSUS classification and the accounting practices of the industry, it was not possible to obtain the full range of data we normally acquire in these investigations. We received questionnaire responses from only five non-rod producing parts producers regarding shipments. With regard to profit and loss data, we received responses from two of the non-rod producing fishing rod parts producers. This circumstance introduces obvious difficulties in making the kind of assessments required. While this data base is clearly smaller than I would like, it is in the industry's interest to submit this data. Their failure to do so cannot be allowed to frustrate the operation of law.

Based on the data we have collected, domestic shipments of fishing rod parts increased slightly from about $7.1 million in 1978, $6.9 million in 1979, to $7.8 million in 1980. Half year figures show shipments decreasing from a value of $4.5 million in 1980 to $3.0 million in 1981. Profit and loss data for the firms reporting 1/ show an industry far from injury of any kind. The industry reported an *** percent ratio of net profit to net sales in 1978 and * * * in 1979 but significantly improved with a ratio of * * * percent in 1980. A comparison of end of 1979 accounting year through June 1980 with accounting year 1980 through June 1981 shows the ratio of net profits to net sales increasing from * * * percent to * * * percent. Based upon data on less than 50 percent of domestic producers, it is my view that this industry is neither suffering serious injury nor is threatened with it.

I concur with the majority opinion regarding threat to the completed rod industry.

Causality

Having found no serious injury to either industry, it is not necessary to address the question of whether imports are a substantial cause. But since I have found the question of whether the completed rod industry

1/ Firms reporting profit and loss data for the years 1978, 1979 and 1980, accounted for *** percent of reported shipments, *** percent, and *** percent, respectively.

is suffering or is threatened with serious injury to be a rather close question, I shall address causality as though serious injury or threat had been found to exist. In deciding whether increased quantities of imports are a substantial cause of serious injury we must, obviously, find, first, that imports are increasing and, second, that such increased quantities are a substantial cause.

Increased imports--In deciding whether imports are arriving in increased quantities, section 201(b)(2)(C) requires us to take into account, in addition to other economic factors,

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

Imports of completed rods increased, in absolute terms, irregularly from 6.9 million units in 1978 to 7.5 million units in 1980, an increase of about 8.7 percent. In the first half of 1981, imports were 6.9 percent higher than the same period in 1980. Relative to domestic production, imports increased irratically in the 1978 to 1980 period. Currently, the ratio of imports to production of 138 percent is running significantly higher than the 106.8 percent ratio of 1978.

Against this, however, the imports' share of the domestic market has remained at about the same magnitude although the trend is in slight decline. In 1978, imports were 55.4 percent of consumption, 50.4 percent in 1979, and 54.1 percent in 1980. The first half year figures for 1981 are running slightly behind those for 1980. Overall, though, I find the data must be read to mean that imports of completed rods are entering in increased quantities.

Substantial cause--Section 201, in providing that increased quantities of imports must be a substantial cause of serious injury, compels us to focus not so much on the impact of the quantum of imports as on the impact of the incremental increase. Furthermore, these increased quantities have to be sufficient to be considered, in themselves, as an important cause and a cause not less than any other cause. In this investigation, the amount of increase in imports during the period was about 8.7 percent. During this period, however, import market share declined by about 2 percent (1.3 percentage points). For the partial year figures, there is a one percent decline. As well, the financial condition of the industry, while plainly not especially good, is, nevertheless, steadily improving. If increased quantities of imports were an important cause of serious injury, it is hard to explain how the financial indicators and market share would be improving in the face of steadily increasing imports.

As well, the fact that domestic market share is improving while import volume is growing and imports as a percent of domestic production is acceleratin further demonstrates the absence of a meaningful nexus between imports and injury to the domestic industry. Indeed, this anomoly suggests that while completed rod imports are coming into the United States at a rather faster rate than the industry is producing them, the domestic industry is ever so slightly gaining over imports in the rate at which it converts production into sales. This fact does not support a conclusion that imports are an important cause of serious injury.

For all of these reasons, I do not find that increased quantities of imports are an important cause of serious injury or threat of serious injury to the domestic industry producing completed rods.

Moreover, I believe that there is a cause of serious injury or threat that is more important than increased imports. In this regard, I support the views expressed in the majority opinion regarding the demand shift from rods of tubular construction to solid rods. It is important to note, in this connection, that those firms producing solid rods are the most profitable in the industry.

Efforts to Compete

Section 201(5) requires that we report to the President those efforts made by the domestic industry to compete more effectively with imports. In requring us to make such an assessment, this provision observes that our assessment is "for the purpose of assisting the President in making his determination under sections 202 and 203." Since this is a negative determination, the President can make no such determination and, thus, there is no need for us to make such an assessment.

VIEWS OF COMMISSIONER EUGENE J. FRANK

On the basis of information developed in this investigation, I have determined that fishing rods and parts thereof, provided for in item 731.15 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 the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

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

(1) There are increased imports (either actual or relative to domestic production) of some or all of the articles into the United States;

(2) A domestic industry is seriously injured, or threatened with serious injury; and

(3) Such increased imports are a substantial cause of serious injury, or the threat thereof.

The domestic industry

Before discussing the three statutory criteria and the information relevant thereto, it is appropriate to define the domestic industry against which the impact of imports should be assessed.

The Trade Act does not expressly define the term "domestic industry" but suggests that it should be defined in terms of domestic facilities engaged in the production of articles "like or directly competitive with" the imported articles under investigation. 1/ The Commission has consistently defined the industry in such terms under both the Trade Act and predecessor provisions.

In the present case I have found the appropriate domestic industry to consist of the facilities engaged in the production of fishing rods and parts thereof. There are 25 firms producing fishing rods and several additional firms producing parts for such rods. Because most domestically produced rod parts are used in the production of domestic rods, the discussion herein will focus on domestic rod production.

Increased imports

The first criterion for an affirmative determination requires a finding that an article is being imported into the United States in increased quantities. Section 201 provides that an article is being imported in "increased quantities" when the increase is "either actual or relative to domestic production" (sec. 201(b)(2)(C)). Traditionally, the Commission has examined import trends during the most recent 5-year period in determining whether imports have increased. In this determination I have considered data for the period 1976-81 inclusive.

Imports of fishing rods have increased significantly since 1976 both in actual terms and relative to domestic production. Imports rose from a level of 5.4 million rods in 1976 to 7.4 million rods in 1977, declined somewhat to 6.9 million rods in 1978 and 6.7 million rods in 1979, and rose to a record 7.5 million rods in 1980. The record level of 1980 continued in 1981, and

1/ Sec. 201(b)(1) and (b)(3).

January-June 1981 imports of 4.3 million rods were 7 percent above the January-June 1980 level of 4.0 million. 2/

The ratio of imports to production similarly rose irregularly from 87.5 percent in 1976 to 115.4 percent in 1980. The ratio was 130.8 percent in January-June 1980 and 8 percentage points higher, 138.3 percent, in January-June 1981. 3/

Serious injury or threat thereof

The second criterion requires a finding that the domestic industry is seriously injured or, in the alternative, that the industry is threatened with serious injury. Like the term "domestic industry," the term "serious injury or threat thereof" is not expressly defined in the statute. However, the statute sets forth economic factors which are to be considered in determining whether serious injury or the threat of serious injury is present.

Thus, section 201(b)(2) provides that the Commission, in determining whether there is serious injury, 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 or underemployment within the industry. With respect to threat of serious injury, the Commission is to take into account all relevant economic factors including (but not limited to) a decline in sales, a higher and growing inventory, and a downward trend in production, profits,

2/ Report, p. A-15.
3/ Report, p. A-15.

wages, or employment (or increasing underemployment) in the industry. The legislative history of the Trade Act further explains that the drafting committees considered a threat of serious injury to be present when "serious injury, although not yet existing, is clearly imminent if import trends continued unabated." 4/

In the present case I have concluded that several of the relevant economic factors show that the basic indicatorts of serious injury are present and that they clearly show that serious injury, if not presently occurring, is imminent if such trends continue. In particular, I have found that the industry's continuing unprofitability, low and declining capacity utilization, and declining employment clearly show that the industry is presently unhealthy, and I believe that any continuation of these trends will lead to further deterioration from which large parts of the industry will be unable to recover.

A significant number of firms are unable to operate at a reasonable level of profit. In the aggregate, on their fishing rod operations the eleven reporting producers of fishing rods operated at a loss in each of the last 3 years (1978-80) and operated at a loss in January-June 1980 and January-June 1981. The ratio of pretax loss to net sales was *** percent in 1978, *** percent in 1979, *** percent in 1980, *** percent in January-June 1980, and *** percent in January-June 1981. Six of 11 reporting firms reported a loss in 1978, and five of 11 reporting firms showed losses in 1979 and 1980. Four out of eight reporting for the period January-June 1981 showed a loss. (Comparable data were not available for the pre-1978 period.) The loss ratio

4/ Trade Reform Act of 1974: Report of the Committee on Finance . . . , S. Rept. No. 93-1298 (93d Cong., 2d sess.), 1974, p. 121.

was worse in 1980 than in 1979, and was worse in January-June 1981 than in the comparable period of 1980. 5/ No firm or industry can sustain continuing losses and remain in business.

Utilization of productive capacity in the industry has declined to a comparatively low level and will decline further with the cessation of domestic production last month by a major producer, Abu-Garcia, an event not yet reflected in available figures. Capacity utilization declined from 87 percent in 1978 (the earliest year for which comparative data are available) to 81 percent in 1979 and 73 percent in 1980. Capacity utilization for the firms principally producing tubular rods, which account for the bulk of the value of domestic production, has declined even more precipitously, from *** percent in 1978 to *** percent in 1979 and to *** percent in 1980. While total capacity for fishing rods increased between 1978 and 1980 (and available data do not reflect the recent closing of the aforementioned major producer), most of such increase was accounted for by capacity added by one firm to produce a substantially less expensive solid (as opposed to tubular) rod. 6/

While domestic shipments, production, and sales have trended upward during the last 3 years, these normally positive indicators of an industry's health are greatly overshadowed by the industry's unprofitability and declining capacity utilization.

Inventories of domestic fishing rods held by U.S. producers more than tripled between 1976 and 1980 from 272,000 to 865,000 (although the 1979 level was about 11 percent higher). 7/

5/ Report, pp. A-55 through A-59.
6/ Report, pp. A-17 and A-20.
7/ Report, pp. A-30 and A-40.

In summary, the relevant economic factors clearly show that the fishing rod industry, if not already seriously injured, is threatened with serious injury.

Substantial cause

The third criterion requires a finding that the increased imports are "a substantial cause" of the serious injury or threat thereof. Section 201(b)(4) defines the term "substantial cause" to mean a cause which is "important and not less than any other cause." Further, section 201(b)(2) directs the Commission, in determining substantial cause, to 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 stated above, imports of fishing rods have increased significantly since 1976. Imports have also increased relative to domestic consumption. The ratio of imports to consumption increased irregularly from 47 percent in 1976 to 54 percent in 1980. The ratio remained at 54 percent in January-June 1981. 8/ Imports clearly have increased at a faster rate than domestic production or shipments as the index below, derived from tables in the attached report, shows.

8/ Report, p. A-67.

(In Percent)

Year	U.S. production	U.S. producers' shipments	U.S. imports
1976-----	100	100	100
1977-----	91	85	138
1978-----	106	98	129
1979-----	110	110	124
1980-----	106	109	140

The ratio of imports to consumption is certain to rise higher with the opening of new foreign plants and the cessation of domestic production by the large domestic producer Abu-Garcia. A plant that opened in Taiwan in late 1980 has a capacity to produce 3 million tubular rods per year, a quantity equal to almost half annual U.S. production. It is likely that the U.S. market will be a target for much of that production. Taiwan is already a major supplier of the U.S. market. Abu-Garcia, as stated earlier in these views, ceased production of tubular rods in October 1981. The firm has stated it will substitute imported rods for the domestic rods which it presently supplies its customers.

During the course of the investigation, the Commission received information on many efforts by U.S. producers to compete more effectively with imports. These efforts ranged from the introduction of new lines of fishing rods to replace those lost to imports, to improved production processes, advertising promotions and new credit terms and discounts. In spite of these efforts, U.S. producers documented many lost sales as a direct result of import competition. Eight wholesaler/retailers indicated that they increased their purchases of imports at the expense of U.S. products because foreign manufacturers offered rods of equal or better quality at a lower price. Seven companies reported that they had not changed suppliers but that their traditional U.S. sources had added an increased proportion of imports in their product mix. 9/

Many firms that comprise the fishing rod industry are small and many of the smaller firms that specialize in the production of fishing rods and parts without a strong brand name have experienced the greatest financial difficulty. Since 1976, the U.S. Department of Labor has certified 3 petitions for adjustment assistance for workers from the fishing rod industry. During the same period, the Department of Commerce has certified 6 petitions for adjustment assistance for producers.

It is worthy of note that, during the public hearing on this case, a sizable profitable importer/domestic manufacturer of fishing rods conceded that it would have a cost problem from a labor input standpoint if it were to maintain a full product line domestically and not import at all. 10/

Data obtained by the Commission on average wholesale prices received by manufacturers and importers for their best selling rods were difficult to analyze. This was due to an inability to ascertain comparability of competing products, particularly in tubular rods, and determine appropriate price break points in the breadth of product lines available to the consumer. Consequently, it is my view that an analysis of pricing trends of domestic vis-a-vis imported articles is not a feasible undertaking that can be conducted with any meaningful precision. Therefore, I believe no definitive conclusions can be drawn from that data.

9/ Report, p. A-75.
10/ Transcript of hearing, p. 181.

Several causes were suggested as being more important causes of injury or threat of injury than increased imports. For example, it was suggested that the shift by consumers from tubular rods to less expensive solid rods, high interest rates, and aging domestic machinery were more important causes of injury. However, after considering these other possible causes of injury, I have concluded that none of them, even if of sufficient magnitude to constitute an "important" cause, constitutes a more important cause of the threat of serious injury than increased imports.

Conclusion

For the foregoing reasons, I have concluded that fishing rods and parts thereof are being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic fishing rod industry. However, in view of the fact that the majority of Commissioners have made a negative determination, I am not addressing the issue of remedy.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On July 27, 1981, the United States International Trade Commission instituted an investigation (No. TA-201-45) under section 201(b) of the Trade Act of 1974 to determine whether fishing rods and parts thereof, provided for in item 731.15 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.

This investigation resulted from a petition filed with the Commission on July 13, 1981, on behalf of 21 U.S. firms, 18 of which manufacture fishing rods and fishing rod parts, 1 manufactures fishing reels, 1 manufactures fiberglass cloth, and another manufactures mandrels used in forming the tubular rod blanks. Reels, fiberglass cloth, and mandrels are not included in the scope of the Commission's investigation. The petitioners requested that the rate of duty applicable to imported fishing rods and parts thereof be increased by 50 percent ad valorem or that quantitative restrictions based on the 1976 level of imports of fishing rods and parts be imposed for a period of no less than 3 years.

Notice of the institution of the investigation and the scheduling of the hearing was given by posting copies of the notice in the office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of August 5, 1981 (46 F. R. 39914). 1/ A prehearing conference was held on Friday, September 25, 1981, and the public hearing was held on Friday, October 2, 1981. 2/

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 was filed. In view of the fact that the Commission has considerable data on fishing rods and parts in its records as a result of a prior investigation (No. TA-201-34, September 1978) on certain fishing tackle, and because the petitioners requested an expedited investigation, the Commission has scheduled an administrative deadline of November 17, 1981, for the completion of this investigation. The statutory deadline is January 13, 1982.

On September 21, 1978, the Commission reported to the President that it had determined as a result of investigation No. TA-201-34 that snelled fish hooks, fishing rods, reels, and parts thereof were not being imported in such increased quantities as to be a substantial cause of serious injury or the threat thereof to the domestic industry producing like or directly competitive articles. Its negative vote on fishing rods was unanimous.

1/ A copy of the Commission's notice of investigation and hearing is presented in app. A.

2/ A calendar of witnesses who appeared at the public hearing is presented in app. B.

Description and Uses

Fishing rods

Most fishing rods are manufactured from fiberglass, although some are made from steel, bamboo, and, in more recent years, high modulus carbon graphite and boron. Rods may be of either solid or tubular construction, but tubular fiberglass rods have been the most popular because of their light weight and high strength. Inexpensive solid rods, however, have become increasingly popular in the last few years; in 1980 they accounted for * * * of U.S. production of fishing rods, and an estimated * * * to * * * percent of U.S. imports of fishing rods.

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 1/ 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.

Spin-casting rods.--Spin-casting rods, which accounted for an estimated 54 percent of U.S. producers' shipments in 1980, use special spin-cast reels that are mounted relatively high on the reel seat, however, many spin-casting rods will accommodate bait-casting reels. The guides on a spin-casting rod are relatively large. 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.--Spinning rods accounted for an estimated 25 percent of U.S. producers' shipments in 1980. Reel seats for these rods are near the center of the handle, guides are over-sized, and the shaft is usually long and "whippy." Lengths for spinning rods may range from 4-1/2 to 14 feet, and the line pours from open-faced, fixed-spool spinning reels.

Bait-casting rods.--Bait-casting rods, which accounted for an estimated 6 percent of U.S. producers' shipments in 1980, are similar to spin-casting rods, but use a revolving spool bait-casting reel that is mounted lower on the reel seat than is the reel for a spin-casting rod. The rods 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.

Fly rods.--Fly rods, which accounted for about 2 percent of U.S. producers' shipments in 1980, 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.

Boat and bay rods.--Boat and bay rods, which accounted for an estimated 4 percent of U.S producers' shipments in 1980, are also called pier or trolling rods, and 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.

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

Surf rods.--As the name implies, surf rods are used by fishermen along beaches to cast their tackle into the surf. Surf rods accounted for about 1 percent of U.S. producers' shipments in 1980. 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 greatest 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.

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. "Other" rods accounted for about 8 percent of U.S. producers' shipments in 1980.

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

The manufacture of fishing rods is highly labor intensive and can be divided into three major processes: the fabrication of the rod blank; the production of the hardware, described above; and the assembly of the hardware onto the rod blank to complete the finished rod.

Although most rod blanks, including those for most high quality rods, are made from tubular fiberglass or graphite construction, 1/ 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 a pattern. 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 cooled 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 premature curing.

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.

1/ Graphite has become more popular since the 1978 Commission investigation and is used principally in the higher price rods. Graphite reportedly is about twice the cost of fiberglass. Graphite is more flexible than fiberglass, but it is also more fragile. Higher priced yet are boron rods which have the strength of fiberglass and the flexibility of graphite.

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.

Some inexpensive rod blanks are manufactured from extruded fiberglass, forming a solid rod. Significantly less labor is involved in extruding the solid rod than making the tubular rod. These solid blanks are similarly smoothed and ground on the ends as previously described for the tubular rods.

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, a painted line, or chalk marks 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. High-quality rods have a thread wrapping under the line guides as well as over the feet of the guides in order to create a tighter fit. 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.

Thread wrapping and the application of the lacquer are labor intensive processes. Many producers pay their rod wrappers on a piece-work basis while other employees receive an hourly wage. Several firms contract out a portion of their rod wrapping. * * *.

Rod handles and reel seats are made of cast aluminum, steel, or an injection molded plastic. These may be painted electrostatically with powder paint. Handles of cork are imported preshaped from Portugal, and may require further shaping or smoothing before they are suitable for rod manufacture. Line guides are stamped from metal wire. The insertion of ceramic rings adds to the quality, and also the raw material and labor costs of line guides. Roller guides, used on expensive saltwater rods, are formed in a capital intensive, metal stamping process. The rod is finished after the attachment of the handle, the reel seat (if used), and the rubber or plastic butt cap.

U.S. Tariff Treatment

Imported fishing rods and parts thereof are classified under TSUS item 731.15 at a column 1, or most-favored-nation rate of 14.3 percent ad valorem. This is a reduced rate resulting from concessions in the Tokyo round of trade agreements which were concluded in 1979 and are being implemented between January 1, 1980, and January 1, 1987. The rate in effect from January 1, 1972, to December 31, 1979, was 16.5 percent ad valorem. The negotiated column 1 rate which is scheduled to be in effect on January 1, 1987, after eight annual reductions is 7.6 percent ad valorem. This rate is currently applicable to imports from sources designated in general headnote 3(d) of the TSUS as the least developed developing countries (LDDC). 1/ The column 2 or statutory rate of duty (applicable to products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS) is 55 percent ad valorem. Imported fishing rods and parts are not eligible for duty-free treatment under the Generalized System of Preferences (GSP). 2/

The following tabulation shows the scheduled reductions in the column 1 rate of duty for TSUS item 731.15 which have or will become effective on January 1, of each specified year:

	Rate of duty (Percent ad valorem)
1980	15.4
1981	14.3
1982	13.2
1983	12.1
1984	10.9
1985	9.8
1986	8.7
1987	7.6

U.S. Producers

In 1980, virtually all of the domestic output of fishing rods was accounted for by 25 firms, of these, 10 firms accounted for 96 percent of total production in that year. The 11 rod-producing facilities of these 10 firms are situated as follows: three in California and one each in Washington, Florida, South Carolina, Colorado, Wisconsin, Michigan, Connecticut, and New York.

1/ The rates of duty in rate of duty column "LDDC" are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging) and are applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided in column numbered 1 applies.

2/ The GSP under title V of the Trade Act of 1974, provides for duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985, unless modified by the President or terminated.

During the investigation, counsel for Daiwa, a Japanese-owned firm which is one of the largest U.S. producers and also one of the major U.S. importers of fishing rods and parts thereof, alleged that the petitioners do not represent a substantial share of the domestic industry. Data obtained by the Commission from questionnaires show that the petitioners accounted for more than * * * percent of U.S. production of fishing rods in 1980 and that the largest of the nonpetitioners--Daiwa, Garcia, and Shakespeare--* * *.

A list of the petitioners and other producers, showing products produced by these firms and which firms imported fishing rods or parts during the period January 1977-June 1981, is shown in table 1. Appendix tables C-1 and C-2 show the U.S. producers and their volumes of production and imports of fishing rods and parts in 1977 and 1980. All of the U.S. producers of fishing rods that offer rods having cork handles are dependent upon preformed cork handles imported from Portugal. Many of the U.S. producers of rods that have obtained their line guides solely from U.S. manufacturers are now offering at least some rods with * * * line guides which are imported from * * *.

U.S. Importers

Three domestic producers of fishing rods, Daiwa, Garcia, and Shakespeare, are * * * importers of fishing rods. Daiwa, * * * began operations as an importer and in 1976, established production facilities in the United States. * * *. Garcia has *** of fishing rods *** in recent years and has informed the Commission it will cease its U.S. production of those products in October 1981. Shakespeare * * *. Table 2 lists the U.S. importers of fishing rods and table C-3 lists the importers and their volume of imports in 1977 and 1980.

Foreign Capacity

Counsel representing fishing rod producers in Taiwan and Korea, the principal suppliers of U.S. imports of those products, presented data in posthearing briefs on the production capacity and capacity utilization in those countries. The capacity to produce fishing rods in Taiwan increased by * * * units, during 1980-81 from what it was in 1979, largely as the result of the establishment of one new manufacturer. At present, the Taiwan industry is reportedly operating at * * * percent of capacity * * *. 1/ With respect to Korea, most of the fishing rod producers were in operation by 1978 and since then no major manufacturing facilities have been established. The fishing rod industry in Korea is reportedly now * * *. 2/

Channels of Distribution

Data obtained during the investigation indicate that more than half of 1980 domestic sales of fishing rods, whether imported or domestic, were to

1/Posthearing brief on behalf of Taiwan Sporting Goods Manufacturers Association at p. 8.
2/ Posthearing brief on behalf of the Korean Plastics Goods Exporters' Association at app. 1.

Table 1.--Fishing rods and parts: U.S. producers, and product category produced for sale and/or imported during January 1977-June 1981

Firm	Location	Fishing rods		Blanks		Guides and reel seats	
		Producer	Importer	Producer	Importer	Producer	Importer
Petitioners: 1/							
Wright & McGill	Denver, Colo	***	***	***	***	***	***
Larco	Miami, Fla	***	***	***	***	***	***
St. Croix	Park Falls, Wis	***	***	***	***	***	***
Fenwick/ Woodstream	Bainbridge, Wash and Westminister, Calif	***	***	***	***	***	***
Dasco	Stamford, Conn	***	***	***	***	***	***
Kodiak	Bessimer, Mich	***	***	***	***	***	***
Calif, Tackle	Carson, Calif	***	***	***	***	***	***
Lamiglas	Woodland, Wash	***	***	***	***	***	***
Skyline	Fort Worth, Tex	***	***	***	***	***	***
Magnuflex	Miami, Fla	***	***	***	***	***	***
Biscayne	Miami, Fla	***	***	***	***	***	***
Palm Beach	Lake Park, Fla	***	***	***	***	***	***
Perfection Tip	Denver, Colo	***	***	***	***	***	***
Varmac	Los Angeles, Calif	***	***	***	***	***	***
Axelson	Irvine, Calif	***	***	***	***	***	***
Gudebrod	Pottstown, Pa	***	***	***	***	***	***
Lakeland	Mahopec, N.Y	***	***	***	***	***	***
Tycoon Fin Nor	Miami, Fla	***	***	***	***	***	***
Hexcel	Livermore, Calif	***	***	***	***	***	***
Lynco Grinding	Bell Gardens, Calif	***	***	***	***	***	***
Stillfish	Toledo, Ohio	***	***	***	***	***	***

See footnote at end of table.

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Table 1.--Fishing rods and parts: U.S. producers, and product category produced for sale and/or imported during January 1977-June 1981--Continued

Firm	Location	Fishing rods		Blanks		Guides and reel seats	
		Producer	Importer	Producer	Importer	Producer	Importer
Nonpetitioners:							
Daiwa	Garden, Calif	***	***	***	***	***	***
ABU Garcia/Conolon	Santa Ana, Calif	***	***	***	***	***	***
Shakespeare	Columbia, S.C.	***	***	***	***	***	***
Brule	Iron River, Wis	***	***	***	***	***	***
Browning	Morgan, Utah	***	***	***	***	***	***
National Fiber Glass:	Yonkers, N.Y.	***	***	***	***	***	***
Best	Northport, Mich	***	***	***	***	***	***
Sportsman's Accessories	Bridgeport, Conn	***	***	***	***	***	***
Cordell	Hot Springs, Ark	***	***	***	***	***	***
Cortland	Cortland, N.Y.	***	***	***	***	***	***
Leisure Time	St. Paul, Minn	***	***	***	***	***	***
Contender	Costa Mesa, Calif	***	***	***	***	***	***
Pacifica	Huntington Beach, Calif	***	***	***	***	***	***
Dynaflex	Tallahassee, Fla	***	***	***	***	***	***
J.A. Runge	Seminole, Okla	***	***	***	***	***	***
Mildrum	East Berlin, Conn	***	***	***	***	***	***
Allan Manufacture	Hicksville, N.Y.	***	***	***	***	***	***
Loomis Composites	Woodland, Wash	***	***	***	***	***	***
Star Products	Chicago, Ill	***	***	***	***	***	***
Lake King	Topeka, Kans	***	***	***	***	***	***
Vasco International	Libertyville, Ill	***	***	***	***	***	***
Walker International	Detroit, Mich	***	***	***	***	***	***
Alou International	Farmingdale, N.Y.	***	***	***	***	***	***
Charlie Brewer's	Memphis, Tenn	***	***	***	***	***	***
Pro Rod	Jamestown, N.Y.	***	***	***	***	***	***
Gator Glass	Miami, Fla	***	***	***	***	***	***

1/ Lynco Grinding, Stillfish and Hexcel are listed as petitioners, but they do not produce rods or parts that are the subject of this investigation. Lynco Grinding produces mandrels used in the production of tubular fishing rods and Stillfish produces fishing reels. Hexcel produces fiberglass cloth for use in the production of fiberglass rods.

Source: Compiled from field work and from data obtained from questionnaire of the U.S. International Trade Commission in this investigation and in investigation No. TA-201-34.

Table 2.--U.S. importers of fishing rods

Firm	Location
U.S. Producers:	
Daiwa	Gardena, Calif.
Garcia	Santa Ana, Calif.
Shakespeare	Columbia, S.C.
St. Croix 1/	Park Falls, Wisc.
Firms that do not produce in the United States:	
C. Itoh	New York, N.Y.
Mitsubishi 2/	San Francisco, Calif.
K-Mart	Troy, Mich.
Berkley	Spirit Lake, Iowa
Daimoru	New York, N.Y.
Amcor	Brooklyn, N.Y.
Hyosung	Compton, Calif.
Kassner	Harrisburg, Pa.
Jon H. Importing	Cypress, Calif.
Powerscopic	El Segundo, Calif.
World Wide	Minneapolis, Minn.
Fairfield S.G.	Chicago, Ill.
Pacific Products	Kentfield, Calif.
Lew Childre & Sons	Foley, Ala.
Kunnan	Westminister, Calif.
Plastilite	Omaha, Nebr.
TG & Y Stores	Oklahoma City, Okla.
Manufacturers Import	Norfolk, Va.
Gambles Import	Burbank, Calif.
J. Heddon's Sons	Dowagiac, Mich.
Normark Corp.	Minneapolis, Minn.
Iyuo Bros.	Honolulu, Hawaii
Impecco	Teaneck, N.J.
Quick Corp.	Costa Mesa, Calif.
Great Southern	Memphis, Tenn.
Cabela's Inc.	Sidney, Nebr.
F.W. Woolworth	New York, N.Y.
Ryobi	Elk Grove, Ill.
Valley Distributing	Phoenix, Ariz.
Danielson	Kent, Wash.
Kencor	Torrance, Calif.
S. Ebisazaki	Honolulu, Hawaii
Shimano	Parsipany, N.J.
Zebco	Tulsa, Okla.
Bikoff	Whitestone, N.Y.
Impro	Miami, Fla.
Jadico	Camdenton, Mo.
Master	Carson, Calif.
Pace	Ft. Lauderdale, Fla.
Sears Roebuck & Co.	Chicago, Ill.
Southern Tackle	Miami, Fla.
Baystate 3/	Centerville, Mass.

1/ * * *.
2/ * * *.
3/ * * *.

wholesalers/jobbers. Direct sales by manufacturers and importers to mass-merchandisers including discount stores, accounted for about 20 percent of total sales in 1980. Direct sales from the producers and importers to specialty and sporting goods stores accounted for a substantial portion of the remainder of domestic sales.

The Question of Increased Imports

U.S. imports

Fishing rods.--As shown in table 3, U.S. imports of fishing rods increased from 5.4 million units in 1976 to 7.4 million units in 1977, or by 38 percent but declined to 6.7 million units in 1979. Although imports in 1979 were 10 percent below the quantity imported in 1977, they were 24 percent above the 1976 level. In 1980, imported fishing rods totaled 7.5 million units--only 2 percent above the 1977 peak but 40 percent above the 1976 level. For January-June 1981, imports of 4.3 million rods, were 7 percent greater than in the corresponding period of 1980. As a ratio of U.S. imports to production, imports of fishing rods increased irregularly from 88 percent in 1976 to 115 percent in 1980, as shown in the following tabulation:

Period	Imports (1,000 rods)	Production (1,000 rods)	Ratio of imports to production (Percent)
1976	5,365	6,133	87.5
1977	7,411	5,595	132.5
1978	6,921	6,484	106.8
1979	6,676	6,740	99.1
1980	7,524	6,519	115.4
January-June--			
1980	4,031	1/ 3,082	1/ 130.8
1981	4,308	1/ 3,116	1/ 138.3

1/ * * *.

During the period 1976-80, imports from Korea increased annually, those from Taiwan, although they fluctuated, trended upward, and those from Japan decreased in each year. Table 4 shows imports of fishing rods by principal importers.

Table 5, based on partial data, shows the composition of imports by type of rod. The types of imported rods which experienced the greatest percentage increase in the 1978-80 period were surf rods and boat and bay rods. These are the most expensive rods and are more likely to have a high degree of labor-intensive cosmetic thread wrapping ("diamond wraps").

Imports of solid fishing rods.--* * * companies in Taiwan (* * *) and * * * in Korea (* * *) exported solid fishing rods to the United States. The tabulation below shows exports from those sources in 1978-80, and January-August 1981.

* * * * * * *

Table 3.--Fishing rods: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 units)						
Taiwan	2,144	3,095	2,865	2,809	3,618	2,008	2,180
Republic of Korea	1,224	2,140	2,180	2,221	2,595	1,445	1,486
Japan	1,404	1,513	1,454	913	616	208	204
Haiti	344	397	404	665	665	360	436
United Kingdom	3	1	1	1	4	3	1/
All other	246	265	17	67	26	7	2
Total	5,365	7,411	6,921	6,676	7,524	4,031	4,308
	Value (1,000 dollars)						
Taiwan	5,374	9,761	9,536	10,053	12,623	7,031	7,431
Republic of Korea	3,231	5,852	6,590	7,826	9,922	5,587	5,653
Japan	4,541	6,016	5,119	3,664	3,194	1,832	1,074
Haiti	401	632	682	1,170	942	403	827
United Kingdom	36	22	18	55	27	13	25
All other	837	764	55	95	88	28	21
Total	14,420	23,047	22,000	22,863	26,796	14,894	15,031
	Unit value						
Taiwan	$2.51	$3.15	$3.33	$3.58	$3.49	$3.50	$3.41
Republic of Korea	2.63	2.73	3.02	3.82	3.52	3.87	3.80
Japan	3.23	3.98	3.52	4.01	5.19	8.81	5.27
Haiti	1.17	1.59	1.69	1.76	1.42	1.12	1.90
United Kingdom	10.82	16.26	25.39	44.56	6.75	3.93	71.44
All other	3.40	2.88	3.23	1.42	3.38	4.00	10.50
Average	2.68	3.11	3.18	3.42	3.56	3.70	3.49
	Percent of total quantity						
Taiwan	40	42	41	42	48	50	51
Republic of Korea	23	29	31	33	34	36	34
Japan	26	20	21	14	8	5	5
Haiti	6	5	6	10	9	9	10
United Kingdom	2/	2/	2/	2/	2/	2/	2/
All other	5	4	2/	1	2/	2/	2/
Total	100	100	100	100	100	100	100

1/ Less than 500 rods.
2/ Less than 0.5 percent.

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

Table 4.--Fishing rods: U.S. imports for consumption, by principal importers, 1978-80, January-June 1980, and January-June 1981

Importer	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 rods)				
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
Total---------------	4,599	4,109	5,240	2,298	3,075
	Value (1,000 dollars) 6/				
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
* * *-------------------	***	***	***	***	***
Total---------------	17,586	17,002	24,055	11,225	13,582

See footnotes at end of table.

Table 4.--Fishing rods: U.S. imports for consumption, by principal importers, 1978-80, January-June 1980, and January-June 1981--Continued

Importer	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Unit Value				
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
All other	***	***	***	***	***
Average	3.82	4.14	4.59	4.88	4.42

1/ * * *.
2/ * * *.
3/ * * *.
4/ * * *.
5/ * * *.
6/ Excludes 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 presented in this table accounted for 66 percent of total imports reported in official statistics by the U.S. Department of Commerce in 1978; 62 percent in 1979; 70 percent in 1980; 57 percent in January-June 1980; and 71 percent in January-June 1981.

Table 5.--Fishing rods: U.S. imports for consumption, by types, 1978-80, January-June 1980, and January-June 1981

Type	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 units)				
Spinning	2,135	1,756	1,722	960	797
Spin-casting	1,541	1,198	1,103	284	739
Bait-casting	281	223	204	109	77
Surf	61	146	196	92	80
Boat and bay	50	78	67	37	23
Fly	75	78	89	47	35
All others	29	10	7	3	9
Total	4,172	3,489	3,388	1,532	1,760
	Value (1,000 dollars)				
Spinning	7,803	7,303	8,336	4,609	3,876
Spin-casting	4,788	2,688	3,204	1,232	1,816
Bait-casting	1,431	1,162	1,011	513	422
Surf	379	1,126	1,519	756	612
Boat and bay	393	634	677	372	232
Fly	287	325	408	218	163
All others	105	52	35	12	25
Total	15,186	13,290	15,190	7,712	7,146

Table 5.--Fishing rods: U.S. imports for consumption, by types, 1978-80, January-June 1980, and January-June 1981--Continued

Type	1978	1979	1980	January-June 1980	January-June 1981
	Unit value 1/				
Spinning	$3.66	$4.16	$4.84	$4.80	$4.86
Spin-casting	3.11	2.24	2.91	4.34	2.46
Bait-casting	5.08	5.22	4.96	4.73	5.47
Surf	6.21	7.74	7.76	8.18	7.69
Boat and bay	7.78	8.12	10.18	10.04	10.09
Fly	3.83	4.18	4.61	4.63	4.61
All others	3.74	4.57	3.78	4.59	2.75
Average	3.64	3.81	4.48	5.03	4.06
	Percent of total quantity				
Spinning	51	50	51	63	45
Spin-casting	37	34	33	19	42
Bait-casting	7	6	6	7	4
Surf	1	4	6	6	5
Boat and bay	1	2	2	2	1
Fly	2	2	3	3	2
All others	1	2/	2/	2/	2/
Total	100	100	100	100	100

1/ Calculated on the exact (i.e. unrounded) figures.
2/ Less than 0.5 percent.

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

Note.--Data presented in this table amounted to 60 percent of total imports reported in official statistics of the U.S. Department of Commerce in 1978, 52 percent in 1979, 45 percent in 1980, 38 percent in January-June 1980, and 41 percent in January-June 1981.

Fishing rod parts.--The value of U.S. imports of parts for fishing rods increased without interruption, from $2.5 million in 1976 to $4.8 million in 1980, or by 92 percent, as shown in table 6. Japan was by far the principal supplier of imported fishing-rod parts during 1976-80. Imports from Taiwan, Korea, and Hong Kong all increased significantly during the period. The parts from Japan, Taiwan, and Korea were principally line guides, * * *.

Table 6.--Fishing rod parts: U.S. imports for consumption, by principal sources, 1976-80, January-June 1980, and January-June 1981

(In thousands of dollars)

Source	1976	1977	1978	1979	1980	January-June--	
						1980	1981
Japan	1,351	1,423	1,331	1,714	2,063	1,151	1,273
Taiwan	211	483	653	528	1,060	425	439
Republic of Korea	69	99	153	405	822	354	138
Portugal	667	699	432	426	434	142	183
Hong Kong	46	81	37	354	383	235	164
All other	172	65	51	47	76	34	43
Total	2,516	2,850	2,657	3,474	4,838	2,341	2,240
	Percent of total value						
Japan	54	50	50	49	43	49	57
Taiwan	8	17	25	15	22	18	20
Republic of Korea	3	3	6	12	17	15	6
Portugal	27	25	16	12	9	6	8
Hong Kong	2	3	1	10	8	10	7
All other	7	2	2	1	2	1	2
Total	100	100	100	100	100	100	100

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

Imports under TSUS item 807.00.--Table 7 shows U.S. imports of fishing rods under TSUS item 807.00. Haiti has been the only consistent source of imports under TSUS item 807.00. * * *. Parts of fishing rods entered under TSUS item 807.00 have been very small, declining from a value of $38,000 in 1976 to $9,000 in 1977 and $2,000 in 1980. There were no imports of fishing rod parts under TSUS item 807.00 during January-June 1981

Under TSUS item 807.00, imported articles assembled in foreign countries with components that have been manufactured in the United States are subject to duty upon the full value of the imported product less the value of the U.S.-fabricated components contained therein. No further processing in the United States is required for articles imported under TSUS item 807.00.

Table 7.--Fishing rods entered under the provisions of TSUS item 807.00: U.S. imports for consumption, by sources, 1976-80, January-June 1980, and January-June 1981

Source	1976	1977	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 units)						
Haiti	309	396	404	661	596	358	329
Mexico	0	0	0	0	17	0	0
Korea	0	0	0	17	0	0	0
Taiwan	43	310	363	93	0	0	0
Japan	1/	0	2	12	0	0	0
Spain	27	23	7	0	0	0	0
Jamaica	157	145	0	0	0	0	0
Total	536	874	777	784	613	358	329
	Dutiable value (1,000 dollars)						
Haiti	338	633	679	1,166	738	392	302
Mexico	-	-	-	-	38	-	-
Korea	-	-	-	191	-	-	-
Taiwan	135	453	565	159	-	-	-
Japan	-	-	14	27	-	-	-
Spain	128	93	30	-	-	-	-
Jamaica	528	515	-	-	-	-	-
Total	1,129	1,694	1,289	1,543	776	392	302

1/ Less than 500 units.

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

Importers' shipments

Shipments of fishing rods by importers that responded to the Commission's questionnaire and that accounted for 66 percent of total imports during the last 3 years, trended upward between 1978 and 1980 (table 8). * * *.

Table 8.--Fishing rods: Shipments by principal importers, 1/ 1978-80, January-June 1980, and January-June 1981

Importer	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 units)				
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
Total----------	3,032	2,988	3,998	2,181	2,700
	Value (1,000 dollars)				
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
Total----------	23,972	25,482	31,773	16,193	24,637
	Unit value				
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
Average--------	7.91	8.53	7.95	7.43	9.13

1/ * * *.
2/ * * *.
3/ * * *.
4/ * * *.

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

The Question of Serious Injury or Threat Thereof to the Domestic Industry

U.S. production

U.S. production of fishing rods declined from 6.1 million units in 1976 to 5.6 million units in 1977, but increased irregularly thereafter reaching 6.5 million units in 1980, as shown in the tabulation below:

Year	Quantity (1,000 units)
1976	6,133
1977	5,595
1978	6,484
1979	6,740
1980	6,518
January-June--	
1980 1/	3,082
1981 1/	3,116

1/ * * *.

Table 9 shows U.S. production of fishing rods by principal manufacturers in 1978-80, January-June 1980, and January-June 1981. Production by 7 of the 15 principal reporting companies was higher in 1980 than in 1978 although many of the firms reported only a slight increase.

* * * * * * *

Solid fishing rods.--Approximately 10 producers manufacture solid fishing rods in the United States. As stated earlier in this report, solid rods require significantly less labor to produce than tubular rods. Principal U.S. producers of solid fishing rods are Larco, Shakespeare, St. Croix, and National Fiber Glass. Table C-3 presents U.S. production of solid fishing rods by firm, 1978-80, January-June 1980 and January-June 1981. U.S. production of solid fishing rods increased without interruption from * * * in 1978 to * * * in 1980. Production of solid rods during January-June 1981 was up * * * percent from what it was in the corresponding period of 1980, as shown in the following tabulation:

* * * * * * *

Table 9.--Fishing rods: U.S. production, by principal firms, 1978-80, January-June 1980, and January-June 1981

(In thousands of rods)

Firm	1978	1979	1980	January-June-- 1980	January-June-- 1981
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
Total	6,484	6,740	6,518	3/ 3,082	3/ 3,116

1/ * * *.
2/ * * *.
3/ * * *.

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

* * * * * * *

Tubular fishing rods.--Production of tubular fishing rods in the United States declined without interruption from * * * in 1978 to * * * in 1980. Production continued to decline during January-June 1981, as shown in the following tabulation. Imported fishing rods consisted principally of this more labor-intensive tubular type of rods. Table C-3 also presents U.S. production of tubular fishing rods, by firms, 1978-80, January-June 1980, and January-June 1981.

* * * * * * *

U.S. production capacity

Nine U.S. manufacturers of fishing rods which accounted for about 80 percent of U.S. production in 1980 supplied information on production capacity. Capacity for U.S. fishing rod production by these firms increased annually from 5.8 million units in 1978 to 7.0 million units in 1980. * * * (table 10). Capacity utilization for the 9 firms declined from 87 percent in 1978 to 81 percent in 1979 and to 73 percent in 1980. * * *.

U.S. producers' shipments

Shipments of domestically produced fishing rods by U.S. producers increased irregularly from 6.1 million units in 1976 to 6.7 million units in 1979 but fell slightly to 6.6 million units in 1980. The value of producers' shipments increased from $32.8 million in 1976 to $52.0 million in 1980. Two of the principal firms did not provide partial year data, but the number of units sold by those that did report increased more than 12 percent during January-June 1981 compared with the number of units sold in the corresponding period of 1980 as shown in the following tabulation:

Period	Quantity (1,000 rods)	Net sales value 1/ (1,000 dollars)	Unit value
1976-----------	6,084	32,763	$5.39
1977-----------	5,152	33,776	6.56
1978-----------	2/ 5,982	2/ 43,277	2/ 7.23
1979-----------	2/ 6,718	2/ 49,028	2/ 7.30
1980-----------	2/ 6,640	2/ 51,997	2/ 7.83
January-June--			
1980--------	3/ 3,440	3/ 29,438	3/ 8.56
1981--------	3/ 3,867	3/ 35,051	3/ 9.06

1/ Net sales value is the gross sales, f.o.b. company point of shipment, less discounts, allowances, excise taxes, and value of returned goods.
2/ * * *.
3/ * * *.

Table 10.—Fishing rods: U.S. production capacity, production, and capacity utilization, by firms, 1978-80

Firm	1978			1979			1980		
	Capacity	Production	Capacity utilization	Capacity	Production	Capacity utilization	Capacity	Production	Capacity utilization
	1,000 rods	1,000 rods	Percent	1,000 rods	1,000 rods	Percent	1,000 rods	1,000 rods	Percent
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
* * *	***	***	***	***	***	***	***	***	***
Total or average	5,741	4,972	87	6,589	5,353	81	7,010	5,132	73

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

Table 11 shows domestic shipments by principal firms during 1978-80, January-June 1980, and January-June 1981. * * *. Table 12 shows domestic shipments by type of rod during 1978-80, January-June 1980, and January-June 1981.

Table 11.--Fishing rods: U.S. producers' total shipments, by principal firms, 1978-80, January-June 1980, and January-June 1981

Firm	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 rods)				
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
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* * *	***	***	***	***	***
* * *	***	***	***	***	***
Total	3/ 5,982	3/ 6,718	3/ 6,640	4/ 3,440	4/ 3,867
	Value (1,000 dollars)				
* * *	***	***	***	***	***
* * *	***	***	***	***	***
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* * *	***	***	***	***	***
Total	3/ 43,277	3/ 49,028	3/ 51,997	4/ 29,438	4/ 35,051

See footnotes at end of table.

Table 11.--Fishing rods: U.S. producers' total shipments, by principal firms, 1978-80, January-June 1980, and January-June 1981--Continued

Firm	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Unit value				
* * *----------------	***	***	***	***	***
* * *----------------	***	***	***	***	***
* * *----------------	***	***	***	***	***
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* * *----------------	***	***	***	***	***
Average---------	3/ 7.23	3/ 7.30	3/ 7.83	4/ 8.56	4/ 9.06

1/ * * *.
2/ * * *.
3/ * * *.
4/ * * *.

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

Table 12.--Fishing rods: U.S. producers' shipments, by type, 1978-80, January-June 1980, and January-June 1981

Type	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 units)				
Spin-casting	2,376	3,050	2,965	1,419	1,660
Spinning	1,203	1,321	1,379	614	856
Bait-casting	272	279	306	132	330
Boat and bay	293	245	240	102	103
Fly	167	136	120	19	51
Surf	100	116	70	32	43
All others	425	453	463	186	237
Total	4,836	5,600	5,543	2,504	3,280
	Value (1,000 dollars)				
Spin-casting	6,893	10,188	10,448	5,128	6,183
Spinning	11,007	12,880	14,174	4,919	10,192
Bait-casting	5,505	6,109	6,772	2,206	6,692
Boat and bay	2,550	2,492	2,668	652	1,322
Fly	2,430	2,372	2,309	457	1,356
Surf	1,643	1,391	1,329	617	964
All others	1,573	1,521	1,791	375	674
Total	31,601	36,953	39,491	14,354	27,383

Table 12.--Fishing rods: U.S. producers' shipments, by type, 1978-80, January-June 1980, and January-June 1981--Continued

Type	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Unit value 1/				
Spin-casting	$ 2.90	$ 3.34	$ 3.52	$ 3.61	$ 3.72
Spinning	9.21	9.75	10.28	8.01	11.91
Bait-casting	20.24	21.90	22.13	16.71	20.28
Boat and bay	8.70	10.17	11.12	6.39	12.83
Fly	14.55	17.44	19.24	24.05	26.59
Surf	16.43	11.99	18.99	19.28	22.42
All others	3.70	3.36	3.87	2.02	2.84
Average	6.53	6.60	7.12	5.73	8.35
	Percent of total quantity				
Spin-casting	49.1	54.5	53.5	56.7	50.6
Spinning	24.9	23.6	24.9	24.5	26.6
Bait-casting	5.6	5.0	5.5	5.3	10.1
Boat and bay	6.1	4.4	4.3	4.1	3.1
Fly	3.5	2.4	2.2	.8	1.6
Surf	2.1	2.1	1.3	1.3	1.3
All others	8.7	8.0	8.3	7.3	7.2
Total	100.0	100.0	100.0	100.0	100.0

1/ Calculated on the exact (i.e. unrounded) figures.

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

Note.--Data presented in this table accounted for 81 percent of total reported U.S. producers' shipments of all fishing rods in 1978; 88 percent in 1979 and 1980; 73 percent in January-June 1980, and 85 percent in January-June 1981.

Sales by wholesale price ranges

Table 13 shows sales of domestic and imported fishing rods by wholesale price ranges. The bulk of the fishing rods, both domestic and imported, sold at wholesale for less than $12.00. * * *.

Table 13.--Fishing rods: Percentage distribution of sales by U.S. producers and by importers that did not manufacture fishing rods, by wholesale price ranges, 1978-80

(In percent)

Wholesale price range	Producers 1/			Importers that did not manufacture fishing rods		
	1978	1979	1980	1978	1979	1980
Less than $3.00	47	44	40	12	4	3
$3.01 to $6.00	21	21	21	51	51	53
$6.01 to $9.00	11	10	11	28	33	28
$9.01 to $12.00	7	9	7	8	7	9
$12.01 to $15.00	2	4	3	1	4	3
$15.01 to $20.00	3	3	6	2/	1	4
$20.01 to $30.00	6	5	8	2/	2/	2/
$30.01 to $40.00	2	2	2	2/	2/	2/
More than $40.00	1	2	2	2/	2/	2/
Total	100	100	100	100	100	100

1/ Includes producers' sales of imported fishing rods.
2/ Less than 0.5 percent.

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

Shipments of solid fishing rods.--* * *. Table C-4 shows producers' shipments of solid rods by type of construction and by manufacturer, 1978-80, January-June 1980, and January-June 1981. U.S. producers' shipments are summarized in the following tabulation:

Period	Quantity (1,000 rods)	Net sales value 1/ (1,000 dollars)	Unit value
1978	***	***	***
1979	***	***	***
1980	***	***	***
January-June--			
1980	***	***	***
1981	***	***	***

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

Shipments of tubular fishing rods.--* * *:

Period	Quantity (1,000 units)	Net sales value 1/ (1,000 dollars)	Unit value
1978	***	***	***
1979	***	***	***
1980	***	***	***
January-June--			
1980	***	***	***
1981	***	***	***

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

If shipments by producers that also import are extracted, the trend for the remaining producers of tubular rods is distinctly downward. As indicated in table 14, shipments of tubular rods by nonimporting producers fell by * * * percent during 1978-80, from * * * rods to * * * rods. Table C-4 shows producers' shipments by firm, 1978-80, January-June 1980 and January-June 1981.

Table 14.--Tubular fishing rods: U.S. producers' shipments by producer/importers, and other producers, 1978-80, January-June 1980, and January-June 1981

Period	Producer/Importers			Other Producers		
	Quantity	Net sales value	Unit value	Quantity	Net sales value	Unit value
	1,000 units	1,000 dollars		1,000 units	1,000 dollars	
1978	***	***	***	***	***	***
1979	***	***	***	***	***	***
1980	***	***	***	***	***	***
January-June--						
1980	***	***	***	***	***	***
1981	***	***	***	***	***	***

Source: Obtained by telephone contact with officials of the producing firms.

Shipments of fishing rod parts

The value of shipments of line guides by U.S. producers increased from * * * 1978 to * * * 1980 to * * *. During January-June 1981, the value of shipments of line guides by U.S. producers declined, * * *. Shipments of other parts, which consisted principally of reel seats and handles declined substantially between January-June 1980 and the corresponding period of 1981 (table 15).

Table 15.--Certain fishing rod parts: U.S. producers' shipments, by type and by manufacturer, 1978-80, January-June 1980, and January-June 1981

(In thousands of dollars)

Item and Manufacturer	1978	1979	1980	January-June-- 1980	January-June-- 1981
Line guides:					
* * *-------------	***	***	***	***	***
* * *-------------	***	***	***	***	***
* * *-------------	***	***	***	***	***
* * *-------------	***	***	***	***	***
* * *-------------	***	***	***	***	***
* * *-----------	***	***	***	***	***
Other (reel seats and handles):					
* * *-------------	***	***	***	***	***
* * *-------------	***	***	***	***	***
* * *-------------	***	***	***	***	***
* * *-----------	***	***	***	***	***
Grand total--	7,102	6,926	7,837	4,515	3,021

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and telephone conversations with officials of the producing firms.

U.S. exports

U.S. exports of fishing rods declined irregularly from 429,000 units, or 7 percent of U.S. production, in 1978 to 259,000 units, or 5 percent of U.S. production, in 1980. During January-June 1981, exports of fishing rods increased 62 percent, by quantity, from the corresponding level of January-June 1980. Japan, Sweden, Canada and the United Kingdom were the principal markets for U.S. exports (table 16).

Aggressive marketing efforts by a few U.S. firms to sell * * * in Sweden have resulted in that country becoming our chief export market. The value of U.S. rod exports to Sweden soared from $25,000 in 1979 to $631,000 in 1980, and to $1.2 million in January-June 1981. * * *.

* * * * * * *

Inventories

Data were obtained from domestic producers and importers on their inventories held on December 31, 1978-80, and on June 30, 1980-81. Inventories of domestic rods held by U.S. producers declined by 9 percent during 1978-80 and inventories of imported fishing rods increased. Inventory data for the June 30 dates are incomplete. Table 17 shows inventories of domestically produced fishing rods. The ratios of U.S. producers' inventories

Table 16.--Fishing rods: U.S. exports of domestic merchandise, by principal markets, 1978-80, January-June 1980, and January-June 1981

Market	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity (1,000 units)				
Japan	27	21	26	14	10
Sweden	1	1	22	6	44
Canada	316	56	95	29	13
United Kingdom	8	5	6	3	51
Haiti	1/	28	21	10	6
Belgium	0	1/	9	2	5
Hong Kong	1/	1	36	11	57
All other	77	42	44	27	25
Total	429	154	259	102	165
	Value (1,000 dollars)				
Japan	540	594	714	513	300
Sweden	21	25	631	33	1,193
Canada	977	778	621	292	302
United Kingdom	269	248	303	204	242
Haiti	4	391	269	137	53
Belgium	-	20	208	50	162
Hong Kong	6	14	196	54	230
All other	962	782	1,019	532	474
Total	2,779	2,852	3,961	1,815	2,956
	Unit value				
Japan	$20.34	$28.19	$26.96	$35.85	$29.65
Sweden	17.42	22.03	28.76	5.05	27.24
Canada	3.09	13.98	6.53	10.11	23.84
United Kingdom	35.05	52.22	48.94	64.91	44.59
Haiti	9.25	13.74	12.91	13.89	8.49
Belgium	-	43.85	22.91	22.92	31.88
Hong Kong	41.71	17.41	5.44	5.10	4.07
All other	12.49	18.62	23.16	19.70	18.96
Average	6.48	18.56	15.30	17.79	17.93

1/ Less than 500 rods.

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

to producers' shipments are shown in table 18. * * *. Table 19 shows inventories of imported fishing rods held by importers on December 31, 1978-80, June 30, 1980, and June 30, 1981.

Table 17.--Inventories of domestically produced fishing rods held by U.S. manufacturers on Dec. 31, 1978-80, on June 30, 198, and on June 30,1981

(In thousands of rods)

Manufacturer	As of December 31--			As of June 30--	
	1978	1979	1980	1980	1981
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
* * *---------------	***	***	***	***	***
Total----------	955	976	865	463	594

1/ * * *.
2/ * * *.

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

Note.--* * *.

Employment

The number of production and related workers producing fishing rods increased from 1,152 in 1978 to 1,300 in 1980, or by 13 percent, but declined by about 5 percent during January-June 1981. 1/ Hours worked on fishing rods by those employees followed a similar trend, increasing by 14 percent between 1978 and 1980 and decreasing by 4 percent during January-June 1981. Production per hour worked on tubular fishing rods declined from 2.0 rods per hour in 1978 and 1979 to 1.5 rods per hour in 1980. Productivity per hour on the less labor-intensive solid rods, however, increased from * * * per hour in 1978 to * * * rods per hour during January-June 1981 (table 20).

1/ Garcia did not complete the Commission's questionnaire and the data in this section do not reflect Garcia's employment history. Garcia reportedly employed * * * workers at its Conolon plant in Santa Ana, California until it was closed in October 1981.

Table 18.--Fishing rods: Ratio of U.S. producers' end of period inventories of domestically produced rods to producers' shipments, by manufacturers, 1978-1980, January-June 1980, and January-June 1981

(In percent)

Manufacturer	1978	1979	1980	January-June--	
				1980	1981
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
Average	28.8	35.2	30.2	33.1	29.3

1/ * * *.

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

Note.--* * *.

Table 19.--Inventories of imported fishing rods held on Dec. 31, of 1978-80, on June 30, 1980, and on June 30, 1981

(In thousands of rods)

Importer	As of December 31--			As of June 30--	
	1978	1979	1980	1980	1981
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
Total	448	531	1,265	887	786

1/ * * *.

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

Table 20.--Average number of production and related workers engaged in the production of fishing rods, total, and hours worked by them, 1978-80, January-June 1980, and January-June 1981

Item	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Number				
Average number of production and related workers:					
Solid fishing rods	***	***	***	***	***
Tubular fishing rods	***	***	***	***	***
Total	1,152	1,249	1,300	1,246	1,184
	1,000 hours				
Hours worked by production and related workers on--					
Solid fishing rods 1,000 hours	***	***	***	***	***
Tubular fishing rods 1,000 hours	***	***	***	***	***
Total do	1,920	2,021	2,196	1,058	1,014
	Number of rods per worker hour				
Number of rods per worker hour:					
Solid fishing rods	***	***	***	***	***
Tubular fishing rods	2.0	2.0	1.5	1.4	1.7

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

The number of production and related workers manufacturing fishing rod parts declined annually from 179 in 1978 to 172 in 1980. During January-June 1981, employment of production workers on rod parts was 46 employees (or 23 percent) lower than in January-June 1980. Hours worked by those employees declined by about 5 percent between 1978 and 1980, and by 20 percent in January-June 1981 (table 21).

Table 21.--Fishing rod parts: U.S. shipments, number of employees, and hours worked by them, by firms which did not make complete rods, 1978-80, January-June 1980, and January-June 1981

Item	1978	1979	1980	January-June--	
				1980	1981
Shipments 1,000 dollars--	7,102	6,926	7,837	4,515	3,021
Production workers Number--	179	175	172	176	130
Hours worked by production workers 1,000 hours--	238	223	220	109	87
Annual hours per production worker----Number--	2,034	2,027	2,056	1,019	1,024

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

Profit-and-Loss Performance of U.S. Producers

Overall operations of the establishment or division

Thirteen producers of fishing rods and parts provided profit-and-loss data relative to the establishment or division within which such rods or parts are manufactured. Net sales of all products manufactured in such establishments or divisions rose from $105 million in 1978 to $127 million in 1980, representing an increase of $22 million, or 21 percent (table 22). Net sales rose to $122 million during partial year 1981, topping net sales of the corresponding period of 1980 by $30 million, or 33 percent. In the aggregate, the 13 firms derived about 37 percent of their overall establishment or division sales revenue from the sale of fishing rods and parts during 1978-80.

Profits behaved erratically during 1978-80 and partial year 1981. Operating profit rose from $5.0 million in 1978 to $6.2 million in 1979 and then declined sharply to $3.6 million in 1980. Operating profit climbed to $10.3 million during partial year 1981, topping that of the corresponding period of 1980 by $5.9 million, or 134 percent. Net profit before income taxes followed the same trend as operating profit--ranging from a high of $4.3 million in 1979 to a low of $1.5 million in 1980. Such profit rose from $2.4 million to $6.4 during partial years 1980 and 1981.

During 1978-80, operating profit margin ranged from a high of 5.4 percent in 1979 to a low of 2.8 percent in 1980, and pretax profit margin ranged from a high of 3.7 percent in 1979 to a low of 1.2 percent in 1980. Operating profit margin and pretax profit margin rose from 4.8 percent and 2.6 percent, respectively, in partial year 1980, to 8.5 percent and 5.2 percent, respectively, for the corresponding period of 1981. The higher 1981 partial year operating profit was offset somewhat by higher interest costs which is

Table 22.--Profit-and-loss experience of 13 U.S. producers on the overall operations of their establishments or divisions producing fishing rods and parts thereof, 1978-80, partial accounting year ending June 1980, and partial accounting year ending June 1981. 1/

Item	1978	1979	1980	Partial accounting year ending June 1980	Partial accounting year ending June 1981
Net sales----1,000 dollars--	105,052	114,669	127,270	91,860	121,762
Cost of goods sold----do----	74,170	81,432	92,362	65,033	84,297
Gross profit----------do----	30,882	33,237	34,908	26,827	37,465
Selling and administrative expenses---1,000 dollars--	25,859	27,035	31,322	22,412	27,148
Net operating profit--do----	5,023	6,202	3,586	4,415	10,317
Other income or (expense) net -------1,000 dollars--	(2,381)	(1,926)	(2,109)	(1,999)	(3,934)
Net profit before income taxes------1,000 dollars--	2,642	4,276	1,477	2,416	6,383
Depreciation and amortization expense 1,000 dollars--	1,743	1,843	1,806	1,180	1,160
Cash flow from operations -----------1,000 dollars--	4,385	6,119	3,283	3,596	7,543
Ratio of gross profit to net sales--------Percent--	29.4	29.0	27.4	29.2	30.8
Ratio of operating profit to net sales-----Percent--	4.8	5.4	2.8	4.8	8.5
Ratio of net profit before income taxes to net sales------------Percent--	2.5	3.7	1.2	2.6	5.2
Ratio of cost of goods sold to net sales-----Percent--	70.6	71.0	72.6	70.8	69.2
Ratio of administrative and selling expenses to net sales------------Percent--	24.6	23.6	24.6	24.4	22.3
Net sales of fishing rods and parts thereof included in total net sales 1,000 dollars--	36,673	42,447	47,312	26,275	33,798
Ratio of fishing rods and parts net sales to total establishment or division net sales--------Percent--	35	37	37	29	28
Number of firms reporting operating losses----------	4	2	2	-	1
Number of firms reporting net losses----------------	4	2	4	1	3

1/ Partial year data are for only 10 producers.

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

reported under the column heading "Other income (expense) net." Individual firm profit-and-loss data on an establishment or division basis are shown in table 23.

* * * * * * *

Profit-and-loss experience of U.S. producers on their fishing rod and parts operation

Thirteen firms--11 fishing rod manufacturers and 2 fishing rod parts manufacturers--furnished profit-and-loss data on their operations that are engaged in the manufacture of fishing rods or parts for fishing rods. The 11 firms accounted for 79 percent of the total 1980 U.S. production of fishing rods.

Net sales of fishing rods and parts rose from $36.7 million in 1978 to $47.3 million million in 1980, representing an increase of $10.6 million or 29 percent (table 24). For partial year 1981, net sales were up $7.5 million, or 29 percent over the $26.3 million net sales recorded during the corresponding period of 1980.

For the most part, the 13 firms' aggregate fishing rod and parts operations were unprofitable during 1978-80 and partial year 1981. The 13 firms sustained an aggregate operating loss of $1.0 million in 1978. In 1979 and 1980, they recorded operating profits of $400,000 and $9,000, respectively, and in partial year 1981, they recorded an operating profit of $574,000, compared with $306,000 for the corresponding period of 1980. Because of high cost of borrowed funds, the 13 firms posted a pretax profit in only 1 year. That was in 1979 and it was only $45,000. In 1978, the firms sustained a net loss of $1.6 million, losing $511,000 in 1980, $149,000 in partial year 1980, and $229,000 in partial year 1981. The net losses were equal to 4.5 percent of net sales in 1978, 1.1 percent in 1980, 0.6 percent in partial year 1980, and 0.7 percent in partial year 1981. The 1979 pretax profit was equal to 0.1 percent of net sales.

* * * * * * *

The thirteen producers experienced a negative cash flow of $750,000 in 1978. In 1979 and 1980, they recorded positive cash flows of $1.2 million and $634,000, respectively. For partial accounting years 1980 and 1981, the cash flow was $574,000 and $358,000, respectively.

Individual firm profit-and-loss data relative to the 13 producers' fishing rods and parts operation are shown in table 25. Profit-and-loss data in this tables are broken down into two groups, one showing the profit-and-loss experience of 11 fishing rod manufacturers and the other showing the profit-and-loss experience of the 2 fishing rod parts manufacturers. The table

Table 23.--Profit-and-loss experience of U.S. producers on the overall operations of their establishments or divisions, producing fishing rods and parts thereof, by firms, 1978-80, partial accounting year ending June 1980, and partial accounting year ending June 1981

*   *   *   *   *   *   *

reveals that the aggregate fishing rod parts operations * * * were more profitable than the aggregate fishing rod operations of the other 11 producers.

Table 24.--Profit-and-loss experience of 13 U.S. producers on their operations producing fishing rods and parts thereof, 1978, 1979, and 1980, partial accounting year ending June 1980 and partial accounting year ending June 1981. 1/

Item	1978	1979	1980	Partial accounting year ending June 1980	Partial accounting year ending June 1981
Net sales------1,000 dollars--	36,673	42,447	47,312	26,275	33,798
Cost of goods sold------do----	29,628	33,146	37,944	20,441	27,301
Gross profit------------do----	7,045	9,301	9,368	5,834	6,497
Selling and administrative expenses-----1,000 dollars--	8,088	8,901	9,359	5,528	5,923
Operating profit or (loss) 1,000 dollars--	(1,043)	400	9	306	574
Interest expense--------do----	456	527	681	507	812
Other income or (expense) 1,000 dollars--	(138)	172	161	52	9
Net profit or (loss) before income taxes-1,000 dollars--	(1,637)	45	(511)	(149)	(229)
Depreciation and amortization expense------1,000 dollars--	887	1,110	1,145	723	587
Cash flow from operations 1,000 dollars--	(750)	1,155	634	574	358
Ratio of gross profit to net sales--------------percent--	19.2	21.9	19.8	22.2	19.2
Ratio of operating profit or (loss) to net sales percent--	(2.8)	.9	2/	1.2	1.7
Ratio of net profit or (loss) before income taxes to net sales--------------percent--	(4.5)	0.1	(1.1)	(0.6)	(0.7)
Ratio of cost of goods sold to net sales-------percent--	80.8	78.1	80.2	77.8	80.8
Ratio of administrative and selling expenses to net sales--------------percent--	22.1	21.0	19.8	21.0	17.5
Number of firms reporting operating losses------------	7	5	5	3	5
Number of firms reporting net losses------------------	7	5	5	4	5

1/ Partial year data are for only 10 producers.
2/ Less than 0.05 percent.

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

Table 25.--Profit-and-loss experience of U.S. producers on their operations producing fishing rods and parts thereof, by firms, 1978-80, partial accounting year ending June 1980, and partial accounting year ending June 1981

* * * * * * *

Nine of the eleven fishing rod producers manufacture mainly tubular fishing rods. Table 26 compares the profitability of the 9 producers' tubular fishing rod operations with that of the 11 producers which in the aggregate, manufacture solid and tubular fishing rods.

Table 26.--Profit-and-loss experience of 11 U.S. producers on their fishing rod operations; of 9 U.S. producers mainly on their tubular fishing rod operation; and of 2 U.S. producers mainly on their solid fishing rod operations, 1978, 1980-80 1/

* * * * * * *

The demand for fishing rods is seasonal. As a result, some fishing rod producers find it necessary to borrow funds to finance inventories during certain times of the year. High interest rates have had an impact on the earnings of fishing rod manufacturers. Table 27 summarizes the interest expense incurred by individual fishing rods and parts producers during 1978-80 and partial years 1980-81.1/

Table 27.--Fishing rods and parts: Interest expense incurred in the production and sale of fishing rods and parts thereof, 1978-80, partial accounting year ending June 1980, and partial accounting year ending June 1981

* * * * * * *

Capital expenditures

Capital expenditures for land, buildings, and machinery and equipment used in the manufacture of fishing rods and parts increased from $1.5 million in 1978 to $1.6 million in 1979 and then declined 22 percent to $1.2 million in 1980 (table 28). During January-June 1981, capital expenditures were reported at $455,000 compared with $543,000 for the corresponding period of 1980. The largest share of capital expenditures was accounted for by machinery and equipment (88 percent during the period) followed by expenditures on building and leasehold improvements.

1/ Includes interest expense incurred in financing capital expenditures as well as financing working capital.

Table 28.--Capital expenditures for land, buildings, leasehold improvements, and machinery and equipment used in the production of fishing rods and parts, 1978-80, January-June 1980, and January-June 1981

Period	Land and Land improvements	Buildings and Lease-hold improvements	Machinery and equipment	Total
1978	10	219	1,301	1,530
1979	9	252	1,324	1,585
1980	-	94	1,148	1,242
January-June:				
1980	-	15	528	543
1981	-	38	417	455

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

Investment in productive facilities

Thirteen firms supplied data on their investment in productive facilities for 1978-80, and nine firms supplied such data for partial years 1980 and 1981. The thirteen firms' net investment in productive facilities used in the manufacture of fishing rods and parts increased $1.6 million during 1978-80, and the book value of such assets declined $390,000 (table 29).

The relationship of operating profit-or-loss and net profit-or-loss before income taxes to investment in productive facilities, at both original cost and book value, produces the same trend as when such profits or losses are related to net sales.

Research and development expenditures

Research and development expenditures by U.S. producers of fishing rods and parts increased from $186,000 in 1978 to $441,000 and $420,000, respectively, in 1979 and 1980. Such expenditures amounted to $266,000 during January-June 1981, compared with $206,000 for the corresponding period of 1980. Table 30 shows expenditures on research and development by firms that responded to the Commission's questionnaires.

Efforts by U.S. producers to compete with imports

U.S. producers were asked to describe efforts made by their firms and/or its workers to compete more effectively in the U.S. market with imported fishing rods. Responses were received from 13 firms and are summarized below:

* * * * * * *

Table 29.--Investment in productive facilities of U.S. producers of fishing rods and parts, 1978-80, accounting year ending June 30, 1980, and accounting year ending June 30, 1981 1/

Item	1978	1979	1980	As of June 30-- 1980	As of June 30-- 1981
Original cost------1,000 dollars--	12,082	13,257	13,667	12,006	11,941
Book value-----------------do----	6,889	6,875	6,499	5,907	5,424
Replacement cost------------do----	2/	2/	2/	2/	2/
Ratio of net operating profit or (loss) to--					
Net sales-------------Percent--	(2.8)	0.9	3/	1.2	1.7
Original cost-------------do----	(8.6)	3.0	0.1	4/ 2.5	4/ 4.8
Book value----------------do----	(15.1)	5.8	.1	4/ 5.2	4/ 10.6
Ratio of net profit or (loss) before income taxes to--					
Net sales-------------percent--	(4.5)	.1	(1.1)	(.6)	(.7)
Original cost-------------do----	(13.5)	.3	(3.7)	4/ (1.2)	4/ (1.9)
Book value----------------do----	(23.8)	.7	(7.9)	4/ (2.5)	4/ (4.2)

1/ Data are for 13 firms for 1978-80 and 9 firms for accounting years ending June 30, 1980 and June 30, 1981.
2/ Data not available.
3/ Less than 0.05 percent.
4/ Ratios of profits to productive facilities for interim periods are not comparable to ratios based on 12-month data.

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

Table 30.--Research and development expenditures by U.S. producers of fishing rods and parts, 1978-80, January-June 1980, and January-June 1981 1/

Item	1978	1979	1980	January-June-- 1980	January-June-- 1981
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
Total	186	441	420	206	266

1/ Some firms do not keep separate accounts for reasearch and development expenditures.
2/ * * *.

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

* * * * * * *

The Question of Imports as a Substantial Cause of Serious Injury

Apparent consumption

Apparent U.S. consumption of fishing rods increased from 11.4 million units in 1976 to 13.9 million units in 1980 or by 22 percent. Imports of fishing rods in 1980 were up 2.2 million units or by 40 percent from the amount of imports in 1976. During January-June 1981, U.S. consumption increased 9 percent from consumption during January-June 1980, while U.S. producers' shipments increased 12 percent and imports increased by 7 percent (table 31). As a share of U.S. consumption in 1980, Taiwan supplied 26 percent, Korea, 19 percent, and Japan 4 percent. Table 32 shows estimated U.S. consumption, and the ratio of imports to consumption, by type of fishing rod.

Prices

During the investigation the Commission obtained data on average wholesale prices received by U.S. manufacturers and by importers for the sale of various types of fishing rods and parts. However, because there are great qualitative differences that exist among the rods of the same general type and size, both among the domestic as well as imported rods, it is difficult to compare prices between the domestic and imported fishing rods on a one-to-one basis. In addition, some domestic producers and some importers switch from one model to another with great differences in price, further obscuring the price trends.

The various weighted average wholesale prices for best selling types of spin-casting, spinning, and bait-casting rods, both domestic and imported, are discussed in more detail below. These rods accounted for more than 80 percent of U.S. producers shipments and imports of fishing rods in 1980.

Spin-casting rods

Of the questionnaire respondents that supplied data on their shipments of domestic rods and imports of rods by type of rod, spin-casting rods accounted for 54 percent of U.S. producers' shipments and 33 percent of imports of all fishing rods in 1980. On that basis, imports are estimated to have accounted for 41 percent of domestic consumption of spin-casting rods in 1980. Data on net wholesale prices for best selling models of spin-casting rods were obtained by questionnaire from 8 domestic producers and 11 importers, by quarters, for the period January 1978-June 1981. Not all questionnaire respondents could supply data for each of the time periods requested, however, and a number of respondents reported sharp price changes from quarter to

Table 31.--Fishing rods: U.S. production, producers' shipments, imports for consumption, and exports of domestic merchandise, by types of construction, 1976-80, January-June 1980, and January-June 1981

Period	Production	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to-- Production	Ratio of imports to-- Consumption
	1,000 rods					Percent	
All fishing rods:							
1976----------	6,133	6,084	5,365	1/ 21	11,428	87.5	46.9
1977----------	5,595	5,152	7,411	1/ 24	12,539	132.5	59.1
1978----------	6,484	2/ 5,982	6,921	429	12,474	106.7	55.4
1979----------	6,740	2/ 6,718	6,676	154	13,240	99.1	50.4
1980----------	6,518	2/ 6,640	7,524	259	13,905	115.4	54.1
Jan.-June--							
1980--------	3/ 3,082	3/ 3,440	4,031	102	7,369	3/ 130.8	54.7
1981--------	3/ 3,116	3/ 3,867	4,308	165	8,010	3/ 138.3	53.8
Tubular rods:							
1978----------	***	***	***	***	***	***	***
1979----------	***	***	***	***	***	***	***
1980----------	***	***	***	***	***	***	***
Jan.-June--							
1980--------	***	***	***	***	***	***	***
1981--------	***	***	***	***	***	***	***
Solid rods:							
1978----------	***	***	***	***	***	***	***
1979----------	***	***	***	***	***	***	***
1980----------	***	***	***	***	***	***	***
Jan.-June--							
1980--------	***	***	***	***	***	***	***
1981--------	***	***	***	***	***	***	***

1/ Export data for 1976 and 1977 were compiled from questionnaire returns during investigation No. TA-201-34.
2/ * * *.
3/ * * *.
4/ * * *.

Source: Production and shipments compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; import and export data compiled from official statistics of the U.S. Department of Commerce, except as noted; consumption calculated by adding producers' shipments and imports and subtracting exports.

Table 32.--Fishing rods: Apparent U.S. consumption, and ratio of imports to consumption, by type of rod, 1978-80, January-June 1980, and January-June 1981

Type of rod	1978	1979	1980	January-June-- 1980	January-June-- 1981
	Quantity of consumption (1,000 rods)				
Spin-casting	5,403	5,825	5,939	2,615	3,646
Spinning	4,971	4,877	4,645	3,339	2,905
Bait-casting	808	727	806	455	539
Boat and bay	422	421	428	215	156
Fly	341	291	368	147	144
Surf	191	404	535	283	262
All other	574	654	1,262	238	286
Total	12,710	13,199	13,083	7,292	7,938
	Ratio of imports to consumption (ln percent)				
Spin-casting	47.4	39.0	41.8	29.3	49.6
Spinning	71.0	68.4	65.4	76.1	66.4
Bait-casting	59.9	55.2	56.0	62.0	31.9
Boat and bay	16.4	31.8	35.0	37.7	27.6
Fly	40.5	46.0	61.4	82.3	50.7
Surf	36.1	66.0	84.3	35.2	32.1
All other	12.2	20.2	57.5	1/	15.3
Average	54.4	50.6	57.5	55.3	54.3

1/ Less than 0.05 percent.

Source: Consumption for each type of rod was estimated by adding U.S. producer's shipments and imports for consumption. Exports, which have accounted for less than 0.5 percent of consumption in any of the periods covered by the table, are not taken into account. Data on U.S. producer's shipments, by type of rod were obtained by applying the share of shipments accounted for by each category (table 12) to total U.S. producers' shipments as shown in the tabulation on page A-21. Import data, by type of rod, were obtained by applying the shares of imports accounted for by each type of rod (table 5) to Commerce Department data on total imports, as shown in table 3.

quarter as model specifications for their best selling models changed. Overall, the weighted average wholesale prices for best selling spin-casting rods, on an annual basis are shown in the following tabulation (per unit):

Period	U.S. producers' prices	Importers' prices
1978	$2.42	$5.79
1979	2.23	4.14
1980	2.55	4.37
January-June--		
1980	3.00	4.34
1981	2.76	5.62

As shown in the preceding tabulation, the average domestic spin-casting rods were consistently priced well under imported spin-casting rods throughout the 1978-81 period. Tables C-5 and C-6, which present price data by firms, shows * * *.

Spinning rods

According to data collected from questionnaire responses, spinning rods accounted for 25 percent of U.S. producers' shipments and 51 percent of imports of all fishing rods in 1980. On that basis, imports are estimated to have accounted for 65 percent of domestic consumption of spinning rods in 1980. Data were obtained from 8 domestic producers and 12 importers on their net wholesale prices on their sales of spinning rods, by quarters, for the period January 1978-June 1981. The weighted average wholesale prices for best selling spinning rods, on an annual basis, are shown in the following tabulation (per unit):

Period	U.S. producers' prices	Importers' prices
1978	$3.56	$6.69
1979	4.85	7.66
1980	6.07	5.63
January-June--		
1980	6.21	6.48
1981	7.20	5.49

As shown in the preceding tabulation, and in tables C-7 and C-8, the best selling domestic spinning rods have generally increased in price since 1978, and the best selling imported rods have fallen in price. Prior to 1980, the best selling imports were generally sold for substantially higher prices than the domestic products but since 1980 they have been less costly than their domestic counterparts. The fall in the average price for imports is largely due to a substantial increase in the quantities of lower priced spinning rods, imported by * * *. As shown in table C-7 and C-8, * * *.

Bait-casting rods

Questionnaire data indicate that bait-casting rods accounted for 6 percent of U.S. producers' shipments and 6 percent of imports of all fishing rods in 1980. On that basis, imports are estimated to have accounted for nearly 56 percent of domestic consumption of bait-casting rods in 1980. Quarterly data on net wholesale prices of their best-selling models of bait-casting rods were obtained from five domestic producers and 7 importers, for the period January 1978-June 1981. The U.S. producers' and importers' weighted average wholesale prices for best selling bait-casting rods, on an annual basis, are shown in the following tabulation (per unit):

Period	U.S. producers' prices	Importers' prices
1978	$8.92	$12.40
1979	15.25	10.65
1980	17.64	10.37
January-June--		
1980	18.84	10.04
1981	19.92	11.30

As shown in the preceding tabulation, U.S. producers' prices for best selling bait-casting rods have risen sharply since 1978, and since 1979 have averaged well above importers' prices. * * *, as shown in table C-9. Average import prices have been relatively constant during the period, because of changed product and supplier mixes; however, most of the individual importers have raised their prices during the period covered, as shown in table C-10. * * *.

Adverse effects of price competition

U.S. producers were asked to describe effects of price competition with imports. * * *.

* * * * * * *

Lost sales

Seven domestic producers of fishing rods 1/ reported lost sales as a direct result of import competition in their responses to the Commission's questionnaire. The Commission's staff contacted by telephone 20 companies which fishing rod producers claimed reduced or ended their purchases of U.S.-

1/ * * *.

made rods in favor of imported rods. One company stopped buying fishing rods altogether. Of the remaining 19 companies, eight indicated they increased their purchases of imported rods at the expense of U.S.-produced rods because foreign manufacturers offered rods of equal or better quality at a lower price. Four companies cited lower prices as the only reason for their change to imports, while seven companies stated that they had not changed suppliers, but their traditional U.S. sources had added an increasing proportion of imports in their product mix. A summary of the information as reported by the individual purchasers follows:

* * * * * * *

* * * * * * *

Possible causes of alleged injury to the domestic industry other than increased imports

Certain factors other than competition with imported fishing rods have reduced the shipments of domestically produced rods.

* * * * * * *

* * *. Late thaws, particularly in the North Central States, sometimes shorten the fishing season in that region and dramatically shrink the demand for fresh water rods. Such a situation occurred in 1980, leaving retailers "stuck" with high inventories. Occassionally, when warm currents, which bear bonita and yellowtail, do not flow northward to California from the coast of Baja California, California salt water rod sales suffer.

Possible threat of serious injury

Kunnan Enterprises Ltd. finished construction of a fishing rod factory in Taichung, Taiwan, in 1980. The plant has a capacity to make over 3 million rods annually in its nearly 100,000 square feet of research, development, and manufacturing space. The plant began production in October 1980, * * *.

Japan was alleged by the domestic industry to be considering the possibility of imposing restrictions on its importations of fishing rods. 1/ * * *. Should market conditions dictate or should Japan or other countries place restrictions on imports of fishing rods, Korea could redirect its marketing efforts towards the United States.

In addition, since Garcia has ceased its U.S. production of fishing rods and intends to supply its customers totally from imports, the result will be increased imports and declining U.S. production and sales of domestic merchandise of about * * * units in 1982 if Garcia maintains its current market share.

1/ Confirmation of Japanese proceedings against imports has been sought from the government of Japan and from Japanese producers, and exporters of fishing tackle, but none has yet been received.

APPENDIX A
NOTICE OF INVESTIGATION AND HEARING

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Notice of Investigation and Hearing
(TA-201-45)

FISHING RODS AND PARTS THEREOF

AGENCY: United States International Trade Commission.

ACTION: Following receipt of a petition on July 13, 1981, filed by nineteen U.S. manufacturers of fishing rods and parts thereof, the U.S. International Trade Commission on July 27, 1981, instituted an investigation (No. TA-201-45) under section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) to determine whether fishing rods and parts thereof, provided for in item 731.15 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.

EFFECTIVE DATE: July 13, 1981.

FOR FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator, U.S. International Trade Commission, Washington, D.C. 20436 (202-523-0439).

SUPPLEMENTARY INFORMATION:

Public hearing ordered. A public hearing in connection with this investigation will be held in Washington, D.C., at 10 a.m. e.d.t. on Friday, October 2, 1981, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street, NW. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission at his office in Washington no later than the close of business Wednesday, September 23, 1981.

Prehearing procedures. To facilitate the hearing process, it is requested that persons wishing to appear at the hearing submit prehearing briefs enumerating and discussing the issues which they wish to raise at the hearing. An original and nineteen copies of such prehearing briefs should be submitted to the Secretary no later than the close of business Wednesday, September 23, 1981. Copies of any prehearing briefs submitted will be made available for public inspection in the Office of the Secretary. While submission of prehearing briefs does not prohibit submission of prepared statements in accordance with section 201.12(d) of the Commission's Rules of Practice and Procedure (19 CFR 201.12(d)), it would be unnecessary to submit such a statement if a prehearing brief is submitted instead. Any prepared statements submitted will be made a part of the transcript. Oral presentations should, to the extent possible, be limited to issues raised in the prehearing briefs.

A prehearing conference will be held on Friday, September 25, 1981, at 10 a.m. e.d.t. in Room 117 of the U.S. International Trade Commission Building.

Persons not represented by counsel or public officials who have relevant matters to present may give testimony without regard to the suggested prehearing procedures outlined above.

Other written submissions. Other written submissions, except for posthearing briefs, should be filed with the Secretary to the Commission prior to the public hearing. Commercial or financial data which are confidential should be clearly marked "Confidential Business Information" and should be submitted in accord with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Submissions should also conform to the general requirements of section 201.8 of the Commission's rules (19 CFR 201.8).

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: July 2[illegible], 1981

APPENDIX B

CALENDAR OF WITNESSES

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject : Fishing Rods and Parts Thereof

Inv. No. : TA-201-45

Date and time: October 2, 1981 - 10:00 a.m., e.d.t.

Sessions were held in connection with the investigation in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

<u>In support of the petition</u>:

U. S. Fishing Rod and Rod Parts Manufacturers

Charles D. Fleishman, Fleishman & Tennyson Communications

Richard Woolworth, Chairman of the Board, Woodstream Corp.

Larry D. Hogarth, Lynco Grinding Co., Inc.

Gene Howard, Vice President-Planning & Administration, ZEBCO

Don Haggard, Director Sports Products, Skyline Industries, Inc.

<u>In opposition to the petition</u>:

Daniels, Houlihan & Palmeter--Counsel
Washington, D.C.
<u>on behalf of</u>

Korea Plastic Goods Exporters Association

Donald B. Cameron, Jr.--OF COUNSEL

K Mart Corporation, Troy, Michigan

N. R. Miron, Senior Buyer of Sporting Goods

R. L. Thomasson, Buyer of Fishing Rods

James C. Tuttle)
Ms. Deborah L. Miela)--OF COUNSEL

- more -

Stein, Shostak, Shostak & O'Hara--Counsel
Washington, D.C.
on behalf of

Daiwa Corporation
Japanese Fishing Tackle Manufacturers Association
Ad Hoc Group of U. S. Importers of Fishing Rods

John Carey, President of Daiwa Corporation

John F. Perry, Vice President-Finance

S. Richard Shostak)
Steven P. Kersner)--OF COUNSEL
David R. Amerine)

Kaplan, Russin & Vecchi--Counsel
Washington, D.C.
on behalf of

Taiwan Sporting Goods Manufacturers Association

Dennis James, Jr.)
Ms. Kathleen F. Patterson)--OF COUNSEL

APPENDIX C

SUPPLEMENTAL STATISTICAL TABLES

Table C-1.--U.S. producers of fishing rods, by firms, location of production facilities, and U.S. production and imports, 1977 and 1980

Firm	Plant location	Production		Imports		Combined production and imports	
		1977	1980	1977	1980	1977	1980
Petitioners:							
Larco 1/	Miami, Florida	***	***	***	***	***	***
St. Croix	Park Falls, Wisconsin	***	***	***	***	***	***
Fenwick/ Woodstream	Bainbridge, Washington and Westminster, California	***	***	***	***	***	***
Dasco	Stamford, Connecticut	***	***	***	***	***	***
Kodiak	Bessemer, Michigan	***	***	***	***	***	***
Calif. Tackle	Carson, California	***	***	***	***	***	***
Lamiglas	Woodland, Washington	***	***	***	***	***	***
Skyline	Ft. Worth, Texas	***	***	***	***	***	***
Magnuflex	Miami, Florida	***	***	***	***	***	***
Biscayne	Miami, Florida	***	***	***	***	***	***
Palm Beach	Lake Park, Florida	***	***	***	***	***	***

See footnotes at end of table.

Table C-1.--U.S. producers of fishing rods, by firms, location of production facilities, and U.S. production and imports, 1977 and 1980--Continued

Firm	Plant location	Production		Imports		Combined production and imports	
		1977	1980	1977	1980	1977	1980
Other:							
Daiwa	Gardena, California	***	***	***	***	***	***
Garcia 3/	Santa Ana, California	***	***	***	***	***	***
Shakespeare	Columbia, South Carolina	***	***	***	***	***	***
Wright & McGill	Denver, Colorado	***	***	***	***	***	***
Brule	Iron River, Wisconsin	***	***	***	***	***	***
Browning	Morgan, Utah	***	***	***	***	***	***
National Fiber Glass	Yonkers, New York	***	***	***	***	***	***
Best	Northport, Michigan	***	***	***	***	***	***
Sportman's Accessories	Bridgeport, Connecticut	***	***	***	***	***	***
Cordell	Hot Spring, Arkansas	***	***	***	***	***	***
Cortland	Cortland, New York	***	***	***	***	***	***
Leisure Time	St. Paul, Minnesota	***	***	***	***	***	***
Contender 4/	Costa Mesa, California	***	***	***	***	***	***
Pacifica 5/	Huntington Beach, California	***	***	***	***	***	***

1/ * * *.
2/ * * *.
3/ Plans to stop U.S. production in October 1981 and will thereafter supply its customers from * * *.
4/ * * *.
5/ * * *.

Source: Compiled from responses to Commission questionnaires and interviews with company representatives.

Table C-2.--U.S. producers of fishing rod parts, by firms, location of production facilities, and shipments of U.S. produced parts, 1977 and 1980

Firm	Plant location	1977	1980
Petitioners:			
Blanks:			
Fenwick/Woodstream	Bainbridge, Washington	***	***
St. Croix	Park Falls, Wisconsin	***	***
Calif. Tackle	Carson, California	***	***
Kodiak	Bessemer, Michigan	***	***
Skyline	Ft. Worth, Texas	***	***
Lamiglas	Woodland, Washington	***	***
Guides and reel seats:			
Perfection tip	Denver, Colorado	***	***
Varmac	Los Angeles, California	***	***
Axelson	Irvine, California	***	***
Gudebrod	Pottstown, Pennsylvania	***	***
Fenwick/Woodstream	Westminster, California	***	***
St. Croix	Park Falls, Wisconsin	***	***
Lakeland	Mahopec, New York	***	***
Tycoon Fin-Nor	Miami, Florida	***	***
Other producers:			
Blanks:			
Garcia	Santa Ana, California	***	***
Shakespeare	Columbia, South Carolina	***	***
National Fiber Glass	Yonkers, New York	***	***
Dynaflex	Tallahassee, Florida	***	***
Guides and reel seats:			
J.A. Runge	Seminole, Oklahoma	***	***
Mildrum	East Berlin, Connecticut	***	***
Allan Mfg	Hicksville, New York	***	***

Source: Compiled from response to Commission questionnaires and interviews with company representatives.

Table C-3.--U.S. production of fishing rods by firm and by type of construction 1978-80, January-June 1980 and January-June 1981

Quantity (1,000 rods)

Type/Manufacturer	1978	1979	1980	January-June-- 1980	January-June-- 1981
Solid fiberglass rod producers:					
Larco	***	***	***	***	***
Shakespeare	***	***	***	***	***
St. Croix	***	***	***	***	***
National Fiber Glass	***	***	***	***	***
Tubular rod producer-importers:					
Daiwa	***	***	***	***	***
Shakespeare	***	***	***	***	***
Garcia	***	***	***	***	***
Tubular rod producers which do not import:					
Larco	***	***	***	***	***
St. Croix	***	***	***	***	***
National Fiber Glass	***	***	***	***	***
Wright & McGill	***	***	***	***	***
Fenwick/Woodstream	***	***	***	***	***
Dasco Rod Co	***	***	***	***	***
Kodiak	***	***	***	***	***
Browning	***	***	***	***	***
Brule	***	***	***	***	***
Skyline	***	***	***	***	***
California Tackle	***	***	***	***	***
Lamiglas	***	***	***	***	***
Cortland	***	***	***	***	***
Biscayne	***	***	***	***	***
Solid fiberglass rods	***	***	***	***	***
U.S. production of tubular rods by importers	***	***	***	***	***
U.S. production of	***	***	***	***	***
tubular rods by	***	***	***	***	***
non-importers	***	***	***	***	***
Grand total	6,484	6,740	6,518	3,082	3,116

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from telephone contact with officials of the firms.

Table C-4.--U.S. shipments of fishing rods by firm and by type of construction, 1978-80, January-June 1980 and January-June 1981

Quantity (1,000 rods)

Type/Manufacturer	1978	1979	1980	January-June--	
				1980	1981
Solid fiberglass rod producers:					
Larco	***	***	***	***	***
Shakespeare	***	***	***	***	***
St. Croix	***	***	***	***	***
National Fiber Glass	***	***	***	***	***
Tubular rod producer-importers:					
Daiwa	***	***	***	***	***
Shakespeare	***	***	***	***	***
Garcia	***	***	***	***	***
Tubular rod producers which do not import:					
Larco	***	***	***	***	***
St. Croix	***	***	***	***	***
National Fiber Glass	***	***	***	***	***
Wright & McGill	***	***	***	***	***
Fenwick/Woodstream	***	***	***	***	***
Dasco Rod Co	***	***	***	***	***
Kodiak	***	***	***	***	***
Browning	***	***	***	***	***
Brule	***	***	***	***	***
Skyline	***	***	***	***	***
California Tackle	***	***	***	***	***
Lamiglas	***	***	***	***	***
Cortland	***	***	***	***	***
Biscayne	***	***	***	***	***
Solid fiberglass rods	***	***	***	***	***
U.S. production of tubular rods by importers	***	***	***	***	***
U.S. production of tubular rods by non-importers	*** *** ***	*** *** ***	*** *** ***	*** *** ***	*** *** ***
Grand total	5,982	6,718	6,640	3,440	3,867

Table C-4.--U.S. shipments of fishing rods by firm--Continued

Value (1,000 dollars)

Type/Manufacturer	1978	1979	1980	January-June-- 1980	January-June-- 1981
Solid fiberglass rod producers:					
Larco	***	***	***	***	***
Shakespeare	***	***	***	***	***
St. Croix	***	***	***	***	***
National Fiber Glass	***	***	***	***	***
Tubular rod producer-importers:					
Daiwa	***	***	***	***	***
Shakespeare	***	***	***	***	***
Garcia	***	***	***	***	***
Tubular rod producers which do not import:					
Larco	***	***	***	***	***
St. Croix	***	***	***	***	***
National Fiber Glass	***	***	***	***	***
Wright & McGill	***	***	***	***	***
Fenwick/Woodstream	***	***	***	***	***
Dasco Rod Co	***	***	***	***	***
Kodiak	***	***	***	***	***
Browning	***	***	***	***	***
Brule	***	***	***	***	***
Skyline	***	***	***	***	***
California Tackle	***	***	***	***	***
Lamiglas	***	***	***	***	***
Cortland	***	***	***	***	***
Biscayne	***	***	***	***	***
Solid fiberglass rods	***	***	***	***	***
U.S. production of tubular rods by importers	***	***	***	***	***
U.S. production of	***	***	***	***	***
tubular rods by	***	***	***	***	***
non-importers	***	***	***	***	***
Grand total	43,277	49,028	51,997	29,438	35,051

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from telephone contact with officials of the firms.

Table C-5.--Fishing rods: Net wholesale prices for best selling domestic spin-casting rods, and quantities sold at those prices, by quarters, January 1978-June 1981

Period	National Fiber Glass	Shakes-speare	Larco	Daiwa	St. Croix	Dasco	Fenwick/ Woodstream	Wright & McGill	Weighted average price and total quantity
	Price (per rod)								
1978:									
Jan.-Mar---	***	***	***	***	***	***	***	***	$4.19
Apr.-June--	***	***	***	***	***	***	***	***	1.80
July-Sept--	***	***	***	***	***	***	***	***	1.74
Oct.-Dec---	***	***	***	***	***	***	***	***	2.48
1979:									
Jan.-Mar---	***	***	***	***	***	***	***	***	3.51
Apr.-June--	***	***	***	***	***	***	***	***	3.65
July-Sept--	***	***	***	***	***	***	***	***	2.62
Oct.-Dec---	***	***	***	***	***	***	***	***	2.23
1980:									
Jan.-Mar---	***	***	***	***	***	***	***	***	2.85
Apr.-June--	***	***	***	***	***	***	***	***	3.20
July-Sept--	***	***	***	***	***	***	***	***	2.20
Oct.-Dec---	***	***	***	***	***	***	***	***	2.09
1981:									
Jan.-Mar---	***	***	***	***	***	***	***	***	2.66
Apr.-June--	***	***	***	***	***	***	***	***	2.86
	Quantity on which price data are based (units)								
1978:									
Jan.-Mar---	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***
1979:									
Jan.-Mar---	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***
1980:									
Jan.-Mar---	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***
1981:									
Jan.-Mar---	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***

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

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Table C-6.--Fishing rods: Net wholesale prices and weighted average prices for best selling imported spin-casting rods, and quantities sold at those prices, by quarters, January 1978-June 1981

Period	Daiwa	Amcor	Manu-facturers Imports	F.W. Woolworth	Jon H. Importing	Hyosung America	Great Southern	Meehan Assoc.	Shakespeare	C. Itoh	Zebco	Weighted average price and total quantity
	Price (per rod)											
1978:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	$4.77
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	5.02
July-Sept	***	***	***	***	***	***	***	***	***	***	***	6.40
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	6.59
1979:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	3.79
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	5.07
July-Sept	***	***	***	***	***	***	***	***	***	***	***	3.36
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	4.02
1980:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	4.55
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	4.07
July-Sept	***	***	***	***	***	***	***	***	***	***	***	4.14
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	4.84
1981:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	5.76
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	5.46
	Quantity on which price data are based (units)											
1978:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***
1979:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***
1980:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***
1981:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***

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

Table C-7.—Fishing rods: Net wholesale prices and weighted average prices for best selling domestic spinning rods, and quantities sold at those prices, by quarters, January 1978-June 1981

Period	National Fiber Glass	Shake-speare	Larco	Daiwa	St. Croix	Dasco	Fenwick/ Woodstream	Wright & McGill	Weighted average price and total quantity
	Price (per rod)								
1978:									
Jan.-Mar	***	***	***	***	***	***	***	***	$3.52
Apr.-June	***	***	***	***	***	***	***	***	2.20
July-Sept	***	***	***	***	***	***	***	***	4.50
Oct.-Dec	***	***	***	***	***	***	***	***	4.53
1979:									
Jan.-Mar	***	***	***	***	***	***	***	***	6.40
Apr.-June	***	***	***	***	***	***	***	***	4.56
July-Sept	***	***	***	***	***	***	***	***	4.52
Oct.-Dec	***	***	***	***	***	***	***	***	4.48
1980:									
Jan.-Mar	***	***	***	***	***	***	***	***	6.46
Apr.-June	***	***	***	***	***	***	***	***	5.93
July-Sept	***	***	***	***	***	***	***	***	5.63
Oct.-Dec	***	***	***	***	***	***	***	***	5.97
1981:									
Jan.-Mar	***	***	***	***	***	***	***	***	6.90
Apr.-June	***	***	***	***	***	***	***	***	7.60
	Quantity on which price data are based (units)								
1978:									
Jan.-Mar	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***
1979:									
Jan.-Mar	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***
1980:									
Jan.-Mar	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***
1981:									
Jan.-Mar	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***

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

Table C-8.--Fishing rods: Net wholesale prices and weighted average prices for best selling imported spinning rods, by quarters, January 1978-June 1981

Year	Daiwa	Amcor	Manufacturers Import	F.W. Woolworth	Jon H. Importing	Hyosung America	Meehan Assoc.	Great Southern	Shakespeare	Lew Childre	C. Itoh	Zebco	Weighted average price and total quantity
	Price (per rod)												
1978:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	$5.99
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	6.43
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***	7.72
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***	6.58
1979:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	7.34
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	7.02
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***	8.29
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***	8.42
1980:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	6.96
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	5.88
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***	4.90
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***	5.15
1981:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	5.43
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	5.55
	Quantity on which price data are based (units)												
1978:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***	***
1979:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***	***
1980:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***	***
1981:													
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***	***

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

Table C-9.--Fishing rods: Net wholesale prices and weighted average prices for best selling domestic bait-casting rods, and quantities sold at those prices, by quarter, January 1978-June 1981

Period	Daiwa	Browning	St. Croix	Fenwick/ Woodstream	Shakespeare	Weighted average price and total quantity
	Price (per rod)					
1978:						
Jan.-Mar---	***	***	***	***	***	$7.37
Apr.-June--	***	***	***	***	***	9.34
July-Sept--	***	***	***	***	***	6.36
Oct.-Dec---	***	***	***	***	***	12.24
1979:						
Jan.-Mar---	***	***	***	***	***	13.16
Apr.-June--	***	***	***	***	***	16.45
July-Sept--	***	***	***	***	***	17.21
Oct.-Dec---	***	***	***	***	***	15.58
1980:						
Jan.-Mar---	***	***	***	***	***	17.82
Apr.-June--	***	***	***	***	***	20.31
July-Sept--	***	***	***	***	***	13.45
Oct.-Dec---	***	***	***	***	***	17.55
1981:						
Jan.-Mar---	***	***	***	***	***	18.74
Apr.-June--	***	***	***	***	***	21.32
	Quantity on which price data are based (in units)					
1978:						
Jan.-Mar---	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***
1979:						
Jan.-Mar---	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***
1980:						
Jan.-Mar---	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***
1981:						
Jan.-Mar---	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***

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

Table C-10.--Fishing rods: Net wholesale prices and weighted average prices for best selling imported bait-casting rods, and quantities sold at those prices, by quarters, January 1978-June 1981

Year	Daiwa	Manufacturers Import	F.W. Woolworth	Jon H. Importing	Great Southern	Lew Childre	C. Itoh	Weighted average prices and total quantity
	Prices (per rod)							
1978:								
Jan.-Mar---	***	***	***	***	***	***	***	$8.90
Apr.-June--	***	***	***	***	***	***	***	13.97
July-Sept--	***	***	***	***	***	***	***	13.92
Oct.-Dec---	***	***	***	***	***	***	***	11.46
1979:								
Jan.-Mar---	***	***	***	***	***	***	***	12.00
Apr.-June--	***	***	***	***	***	***	***	12.86
July-Sept--	***	***	***	***	***	***	***	13.98
Oct.-Dec---	***	***	***	***	***	***	***	14.76
1980:								
Jan.-Mar---	***	***	***	***	***	***	***	10.60
Apr.-June--	***	***	***	***	***	***	***	8.32
July-Sept--	***	***	***	***	***	***	***	9.49
Oct.-Dec---	***	***	***	***	***	***	***	11.47
1981:								
Jan.-Mar---	***	***	***	***	***	***	***	9.68
Apr.-June--	***	***	***	***	***	***	***	13.88
	Quantities on which price data are based (in units)							
1978:								
Jan.-Mar---	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***
1979:								
Jan.-Mar---	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***
1980:								
Jan.-Mar---	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***
1981:								
Jan.-Mar---	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***

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