

UNITED STATES INTERNATIONAL TRADE COMMISSION

CAST-IRON STOVES

Report to the President
on Investigation No. TA-201-24
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 the operations of individual concerns. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

United States International Trade Commission,
July 25, 1977

To the President:

In accordance with section 201(d)(1) of the Trade Act of 1974 (19 U.S.C. 2251(d)(1)), the United States International Trade Commission herein reports the results of an investigation relating to cast-iron stoves, stove parts, and fireplace grates.

The investigation (investigation No. TA-201-24) was undertaken to determine whether stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The Commission instituted the investigation, under the authority of section 201(b)(1) of the Trade Act, on March 23, 1977, following receipt on March 9, 1977, of a petition for import relief filed by The Atlanta Stove Works, Inc., Washington Stove Works, United States Stove Co., Portland Stove Foundry, Inc., and Martin Industries, Inc.

The Commission held a public hearing on this matter in Washington, D.C., on May 19 and 20, 1977.

Notice of the investigation and hearing was published in the Federal Register of March 30, 1977 (42 F.R. 16874).

The information for this report was obtained from fieldwork and interviews by members of the Commission's staff, from other Federal agencies, from responses to the Commission's questionnaires, from information presented at the public hearing, from briefs submitted by interested parties, and from the Commission's files.

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

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

DETERMINATIONS, FINDINGS, AND RECOMMENDATIONS
OF THE COMMISSION

The Commission, being equally divided, 1/ makes no determination as to whether stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 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.

Determinations

On the basis of the Commission investigation, Chairman Minchew determines--

That stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the TSUS, are--as a result of their designation as eligible for duty-free treatment under the Generalized System of Preferences (GSP)--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.

Commissioner Moore determines--

That stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the TSUS, are--as a result of their designation as eligible for duty-free treatment under the GSP--being imported into the United States in such

1/ Commissioners Minchew and Moore voted in the affirmative, Commissioners Bedell and Ablondi voted in the negative, and Commissioner Parker did not participate. Sec. 330(d) of the Tariff Act of 1930, as amended (19 U.S.C. 1330(d)), provides that, where the Commissioners voting are equally divided on a determination, the Commission shall report to the President the determination of each group of Commissioners, and further, that the determination agreed upon by either group of Commissioners may be considered by the President as the determination of the Commission.

increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

Commissioners Bedell and Ablondi determine--

That stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the TSUS, are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

Findings and Recommendations

Chairman Minchew and Commissioner Moore find--

That to prevent 1/ or remedy 2/ such serious injury, it is necessary to suspend the designation of stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the TSUS, as eligible for duty-free treatment under the GSP.

1/ Because Chairman Minchew has determined that the domestic industry is threatened with serious injury, his finding concerns the relief necessary to prevent such injury.

2/ Because Commissioner Moore has determined that the domestic industry is seriously injured, his finding concerns the relief necessary to remedy such injury.

VIEWS OF CHAIRMAN DANIEL MINCHEW AND COMMISSIONER
GEORGE M. MOORE

On March 9, 1977, the United States International Trade Commission received a petition requesting an investigation under section 201(b)(1) of the Trade Act of 1974 with respect to imports of cast-iron stoves and cast-iron parts of stoves (including fireplace grates). On March 23, 1977, the Commission instituted an investigation to determine whether stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

Section 201(b)(1) of the Trade Act requires that each of the following criteria be met if the Commission is to make an affirmative determination in this investigation and thus find a domestic industry eligible for import relief:

- (1) Imports of the articles concerned are entering the United States in increased quantities;
- (2) The domestic industry producing articles like or directly competitive with the imported articles concerned is being seriously injured or threatened with serious injury; and
- (3) Increased imports are a substantial cause of the serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles concerned.

Determination

On the basis of the evidence obtained during this investigation, we have determined that stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the TSUS, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

The serious injury, or the threat thereof, to the domestic industry which we have found to exist results from the designation of cast-iron stoves, cast-iron stove parts, and cast-iron fireplace grates as eligible articles for the purposes of duty-free entry under title V, Generalized System of Preferences (GSP), of the Trade Act, effective January 1, 1976.

The domestic industry

In this investigation we have concluded that the relevant domestic industry consists of the U.S. facilities used in the production of cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates. Such facilities consist primarily of foundries which produce cast-iron stove parts, including fireplace grates. There are 14 significant producers of the articles which are the subject of this investigation; of these firms, 8 produce cast-iron stoves, 10 produce cast-iron stove parts, and 10 produce cast-iron fireplace grates.

Increased imports

Imports of cast-iron stoves increased from 18,541 units in 1972 to 202,772 units in 1976, or tenfold; as a percentage of U.S. production, imports grew each year from 17 percent in 1972 to 157 percent in 1976. Imports of cast-iron fireplace grates increased irregularly from 206,323 units in 1972 to 279,359 units in 1976, and the ratio of imports to U.S. production rose from 127 percent in 1972 to 159 percent in 1976. In 1976, U.S. imports of cast-iron stoves and cast-iron fireplace grates entered duty free under the GSP accounted for 78 percent and 92 percent, respectively, of total U.S. imports of these articles. Thus, the statutory requirement of increased imports is clearly satisfied.

Serious injury or the threat of serious injury

As Chairman Minchew has based his affirmative finding on the threat of serious injury and Commissioner Moore has found in the affirmative based on present serious injury, the injury portion of their opinions will be discussed separately.

Serious injury ^{1/}

The second criterion which must be satisfied if an industry is to be eligible for relief is that such industry be seriously injured, or threatened with serious injury. This criterion is written in the alternative, and as I find the relevant domestic industry to be seriously injured, this discussion is devoted to that finding alone.

^{1/} Statement of Commissioner Moore.

Although the Trade Act provides no precise definition of the term "serious injury," section 201(b)(2)(A) of the Trade Act provides that the Commission should take into account all relevant factors, including (but not limited to)--

the significant idling of the 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.

Significant idling of productive facilities.--U.S. producers'

utilization of their capacity for production of cast-iron stoves declined by almost 50 percent between 1975 and 1976 (the first year in which these articles were entitled to duty-free entry under the Generalized System of Preferences) and then declined by an additional 38 percent during the first quarter of 1977, compared with the corresponding period of 1976. U.S. producers reported that less than 25 percent of their capacity to manufacture cast-iron stoves was utilized for such purposes in January-March 1977. U.S. producers' utilization of their capacity for production of cast-iron fireplace grates declined annually during 1973-76. An overall decline of 43 percent occurred during this period. In January-March 1977, U.S. producers operated their facilities for producing cast-iron fireplace grates at only 28 percent of capacity.

The declines in capacity utilization discussed above are in part attributable to the growth in U.S. producers' capacity to produce cast-iron stoves and cast-iron fireplace grates during 1972-76; however, the principal reason for the decline was the sharp drop in U.S. production.

U.S. production of stoves declined from 248,096 units in 1975 to 128,983 units in 1976, or by 48 percent. Production in 1976 was smaller than it had been in any other year since 1972--prior to the oil embargo, which led to increased fuel prices and awareness of the need to conserve energy. U.S. production of cast-iron fireplace grates declined from a high of 242,465 units in 1974 to 175,204 units in 1976. Thus it is evident that the marked decline in U.S. production of cast-iron stoves and fireplace grates has resulted in a significant idling of U.S. facilities used in the production of these articles.

The inability of a significant number of firms to operate at a reasonable level of profit.--The aggregate profit before taxes of eight U.S. producers of cast-iron stoves and stove parts on their overall company operations fell from \$9.3 million in 1975 to less than \$2.4 million in 1976, or by 75 percent. The ratio of net profit before taxes to net sales fell from 10.7 percent in 1975 to 3.0 percent in 1976, the lowest ratio reported for any year during 1972-76. Three of the eight firms reporting financial data to the Commission operated at a loss in 1976, and two other firms reported profit ratios of less than 2 percent. This performance is evidence of the inability of a significant number of firms in the industry to operate at a reasonable level of profit.

Significant unemployment or underemployment within the industry.--In 1976, average annual employment of production and related workers involved in the production of cast-iron stoves and cast-iron parts of stoves (including fireplace grates) was at the lowest level reported throughout

1972-76. In that year there were 754 employees, 19 percent fewer than the 927 employed in 1972 and 44 percent fewer than the 1,358 employed in 1975. In January-March 1977, employment declined to 691.

The number of man-hours worked by production and related workers in the manufacture of cast-iron stoves and cast-iron parts of stoves (including fireplace grates) during 1972-76 and January-March 1977 followed the same trend as that reported for the average number of production and related workers. The decline in the number of persons employed and the number of man-hours worked per employee has resulted in significant unemployment and underemployment within the industry.

It is evident from the foregoing that the sharp decline in U.S. producers' operations that occurred in 1976 and has continued in 1977 is closely tied to the implementation of the Generalized System of Preferences effective January 1, 1976. With the advent of duty-free imports from countries entitled to GSP benefits, U.S. producers' production, shipments, profits, and employment have all experienced marked declines.

Threat of serious injury ^{1/}

I am in general agreement with the remarks of Commissioner Moore, and, therefore, endorse them, even though I am unable to find present serious injury.

In addition to considering the factors already discussed by Commissioner Moore in his analysis of serious injury, it is necessary

^{1/} Statement of Chairman Minchew.

to also consider other factors when considering the threat of serious injury.

Although the Trade Act provides no precise definition of what constitutes the "threat of serious injury," some factors to be considered are listed in section 201(b)(2)(B), which provides:

with respect to threat of serious injury, 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 concerned.

(1) Level of sales

From 1972 to 1976, U.S. producers' shipments of cast-iron stoves, by unit, increased steadily from 107,684, in 1972, to 225,615, in 1975. In 1976, however, there was a large decline to 120,553 units. The same trend is observed with fireplace grates, with the peak year occurring in 1974, and a steady decline since that time. The same trend lines are evident in the value of shipments of both cast-iron stoves and fireplace grates.

(2) Higher or growing inventories

U.S. producers of cast-iron stoves and fireplace grates have traditionally carried relatively small inventories both because of storage costs and because of their ability to respond quickly to changes in demand. Inventories of stoves ran at 6 percent of domestic shipments in 1972, 2 percent in 1973, and 3 percent in 1974. However, by the end of 1975, inventories had increased to 14 percent of shipments, and, by December of 1976, had reached 20 percent. While there are indications

that this high level of inventories is now being slightly reduced, it appears that levels will remain relatively high.

As stated earlier, I concur with Commissioner Moore's analysis of serious injury. Therefore, for an explanation of the "downward trend in production, profits, wages, or employment (or increasing underemployment)" please see the remarks of Commissioner Moore.

From looking at the information obtained I have concluded that the domestic industry is being threatened with serious injury.

Substantial cause

The third criterion which must be met before an industry is eligible for import relief is that the increased imports found to exist must be a "substantial cause" of the serious injury, or threat thereof, being suffered by the industry. The Trade Act contains both a definition of the term "substantial cause" and certain guidelines to be considered by the Commission in determining whether increased imports are a substantial cause of the requisite serious injury. Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." The guidelines to be considered by the Commission with regard to substantial cause are contained in section 201(b)(2)(C), which states that in making its determination the Commission shall take into account all economic factors which it considers relevant, including (but not limited to)--

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

As previously noted, annual U.S. imports of cast-iron stoves increased tenfold between 1972 and 1976, and U.S. imports of fireplace grates increased by 35 percent during the same period. The share of the U.S. market for cast-iron stoves supplied by imports increased each year during 1972-76, rising from 10.5 percent to 64.7 percent. The share of apparent U.S. consumption of cast-iron fireplace grates supplied by imports increased from about one-half of the total in 1972 to about two-thirds of the total in 1976.

While it was argued that factors other than imports were a more important cause of injury, an analysis of such factors does not support such a conclusion. It is clear that the economic recession in the United States during 1974 and 1975 was not the cause of injury sustained by the domestic industry in 1976 and January-March 1977. To the contrary, U.S. producers' shipments of cast-iron stoves were at record high levels during the height of the recession. Furthermore, contrary to allegations made at the Commission's public hearing, cast-iron stoves have not lost market share to other types of wood- or coal-burning heating stoves (such as those constructed of sheet metal). Total U.S. shipments of cast-iron stoves (both imported and U.S.-produced) grew from 50 percent of total U.S. shipments of all wood- or coal-burning heating stoves in 1972 to 60 percent of such shipments in 1975. ^{1/} Further, there is no evidence that other economic factors were a more important cause of serious injury to the domestic industry than increased imports.

^{1/} See p. A-42 of this report.

Conclusion

In view of the above, we have determined that the domestic industry producing cast-iron stoves and cast-iron stove parts (including fireplace grates) is being seriously injured or is being threatened with serious injury within the meaning of section 201 of the Trade Act of 1974, and, therefore, we have made an affirmative determination.

Finding and Recommendation With Respect to Import Relief

Section 201(d)(1) of the Trade Act provides, in part, that if the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in section 201(b)(1), it shall--

(A) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or

(B) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance

In view of our affirmative determination in this investigation and our finding that the serious injury or the threat of serious injury to the domestic industry was caused by the designation of cast-iron stoves, cast-iron stove parts, and cast-iron fireplace grates as eligible articles for the purposes of duty-free entry under title V of the Trade Act, we find that--

to prevent or remedy such serious injury, it is necessary to suspend the designation of stoves, stove parts, and fireplace grates, wholly or almost wholly of cast-iron, provided for in item 653.50 of the Tariff Schedules of the United States as eligible for duty-free treatment under the Generalized System of Preferences.

VIEWS OF COMMISSIONERS CATHERINE BEDELL
AND ITALO H. ABLONDI

On March 9, 1977, the United States International Trade Commission received a petition requesting an investigation under section 201(b)(1) of the Trade Act of 1974 with respect to imports of cast-iron stoves and cast-iron parts of stoves (including fireplace grates). On March 23, 1977, the Commission instituted an investigation to determine whether stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

Section 201(b)(1) of the Trade Act requires that each of the following criteria be met if the Commission is to make an affirmative determination in this investigation and thus find a domestic industry eligible for import relief:

- (1) Imports of an article into the United States are increasing (either actually or relative to domestic production);
- (2) The domestic industry producing an article like or directly competitive with the imported article is being seriously injured or threatened with serious injury; and
- (3) Increased imports are a substantial cause (i.e., an important cause and not less than any other cause) of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Determination

On the basis of the evidence obtained during this investigation, we have determined that stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the TSUS, are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. Specifically, we find in this case that the second criterion has not been satisfied, i.e., that the domestic industry producing articles like or directly competitive with the imported articles is not being seriously injured nor is it threatened with serious injury.

The domestic industry

In this investigation we have concluded that the relevant domestic industry consists of the U.S. facilities used in the production of cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates. Such facilities consist primarily of foundries which produce cast-iron stove parts, including fireplace grates. There are 14 significant producers of the articles which are the subject of this investigation; of these firms, 8 produce cast-iron stoves, 10 produce cast-iron stove parts, and 10 produce cast-iron fireplace grates.

Serious injury or the threat thereof

When making its determination of serious injury or threat thereof, the Commission is directed by the Trade Act to take into account all economic factors which it considers relevant, including, 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. We believe that "serious injury" is an injury which if not remedied would have permanent or lasting consequences. Such injury can be found only after examining the performance of an industry over a period of time of sufficient length to establish trends and thereby put temporary conditions into perspective. The evidence developed during this investigation shows that the U.S. cast-iron stove industry grew rapidly and prospered during the years 1972-75 before experiencing a decline in the level of operations in 1976. In our opinion, the 1976 downturn is not of sufficient magnitude and duration to support a finding of serious injury. 1/ Furthermore, we believe the current outlook for the industry does not warrant a finding that the industry is being threatened with serious injury.

As indicated in the report, it is difficult to provide a precise statistical analysis of the domestic industry's capacity utilization. However, an analysis of the figures, whether or not they are exact, does reveal that U.S. producers increased their capacity to produce cast-iron stoves each year from 1972 through 1975 with a concomitant increase in

1/ Commissioner Bedell finds, however, that the domestic industry producing cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates is being adversely affected by imports of such articles entered duty free under the Generalized System of Preferences (GSP). During 1976, 78 percent of all U.S. imports of cast-iron stoves and 92 percent of all U.S. imports of cast-iron fireplace grates, in terms of quantity, entered duty free under the GSP. Commissioner Bedell notes that although these imports injure the domestic industry, they do not affect it to the extent that "serious injury, or the threat thereof," can be found within the meaning of sec. 201 of the Trade Act.

the use of such capacity. In 1976, there seems to have been a decline in the ratio of U.S. production to capacity, but the sharp reduction in U.S. producers' inventories of cast-iron stoves and fireplace grates that occurred in the first quarter of 1977 should result in a significant improvement in capacity utilization during the full year 1977.

Profit on overall company operations of U.S. producers of cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates increased from \$1.7 million in 1972 (seven firms reporting) to \$9.3 million in 1975 (eight firms reporting), or by more than 440 percent. All eight firms reporting financial data to the Commission were profitable in 1974 and 1975. Although there was a decline in the profit position of the industry in 1976, the trend in overall financial performance has been positive, and it is anticipated that this trend will continue as production increases to fill depleted stocks.

The average number of production and related workers engaged in the production of cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates increased annually during 1972-75, rising from 927 to 1,358. Man-hours worked by these employees followed a similar trend, increasing from 1.8 million in 1972 to 2.8 million in 1975. Employment levels in 1976 reflected the downturn of capacity utilization in that year.

With respect to the threat of serious injury, the 5-year trends in sales (shipments), production, and profit are all positive, as shown in the attached figure. Furthermore, as a result in part of the unusually cold weather experienced in most of the United States during the 1976-77 winter, U.S. producers' inventories of cast-iron stoves as of March 31, 1977, had been reduced to a very favorable level of 18,950 units, compared

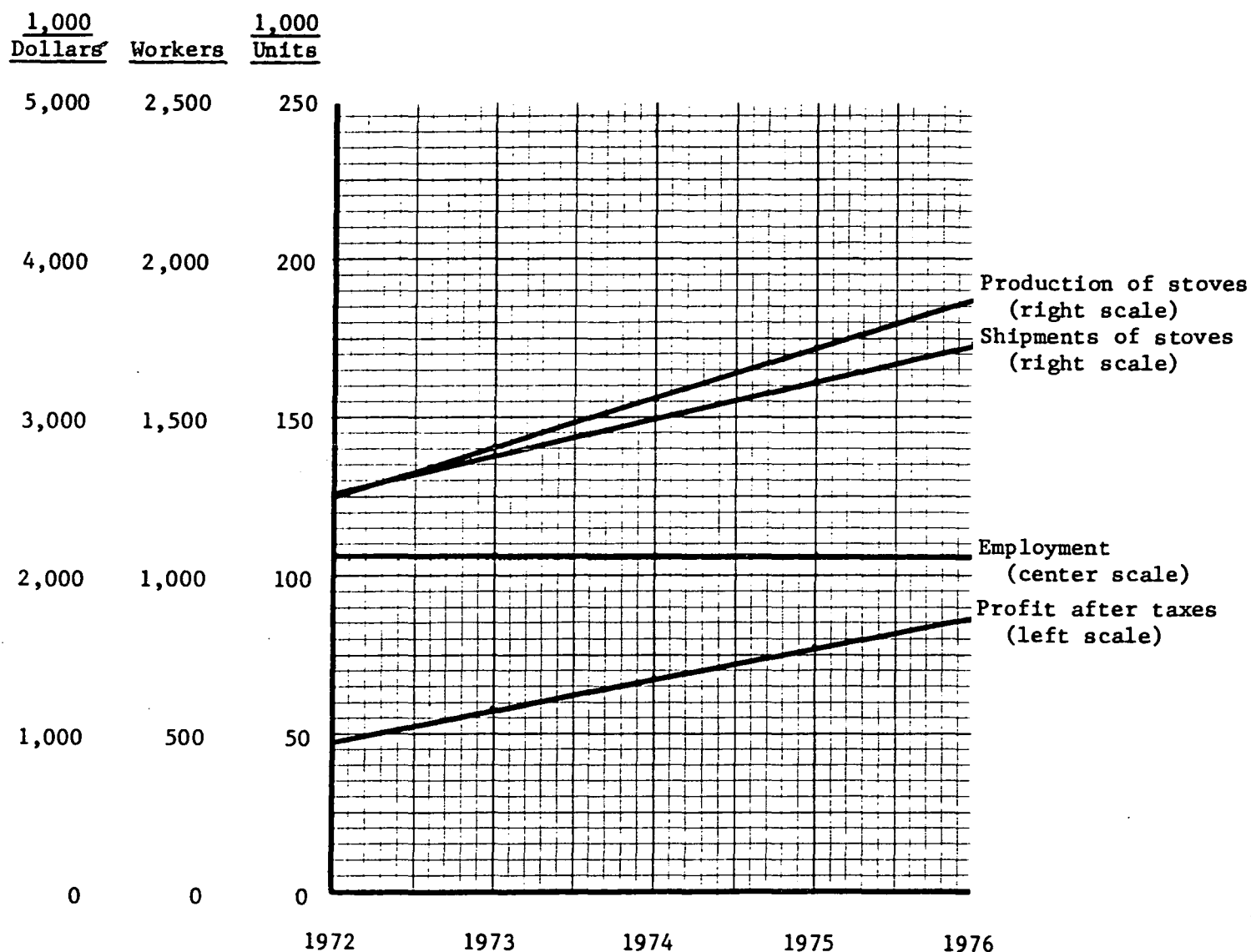
with 45,816 units on the same date in 1976. U.S. producers' inventories of cast-iron fireplace grates were also reduced substantially, decreasing from 55,207 units on March 31, 1976, to 21,879 units on March 31, 1977.

It is anticipated that the following factors will have a favorable impact on demand for fuel-efficient cast-iron stoves and cast-iron fireplace grates: the renewed emphasis on conserving energy, the continuing threat of future shortages of natural gas and fuel oil, and the rapidly increasing costs of natural gas and fuel oil. U.S. producers' low inventories, their expanding production capacity, and their recent capital-intensive foundry modifications required by safety and anti-pollution laws provide a solid basis for U.S. producers to capitalize on any increase in U.S. demand for cast-iron stoves and fireplace grates.

Conclusion

On the basis of the above considerations, we have determined that the domestic industry producing cast-iron stoves and cast-iron stove parts (including fireplace grates) is not being seriously injured or threatened with serious injury by increased imports of the articles under investigation.

Cast-iron stoves and parts of stoves (including fireplace grates): Trend lines for U.S. producers' production of stoves, shipments of stoves, employment, and profit after taxes, 1972-76



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

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

The United States International Trade Commission instituted the present investigation with respect to imports of cast-iron stoves and cast-iron parts of stoves (including fireplace grates) on March 23, 1977, following receipt on March 9, 1977, of a petition for import relief under section 201 of the Trade Act of 1974 (19 U.S.C. 2251) filed by The Atlanta Stove Works, Inc., Washington Stove Works, United States Stove Co., Portland Stove Foundry, Inc., and Martin Industries, Inc.

The Commission conducted the investigation to determine whether stoves, stove parts, and fireplace grates, wholly or almost wholly of cast iron, provided for in item 653.50 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Notice of the institution of the investigation and of the public hearing held in connection therewith was posted at the Commission's offices in Washington, D.C., and New York City and published in the Federal Register of March 30, 1977 (42 F.R. 16874). The hearing was held in Washington, D.C., on May 19 and 20, 1977.

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

In December 1976 the Commission submitted a report to the President entitled Information for Use in Determining Whether To Remove Cast-Iron Household Stoves and Cast-Iron Parts of Household Stoves (Including Fireplace and Stove-Top Grates) From the List of Articles Eligible for the Generalized System of Preferences (investigation No. 332-79(2) under section 332(g) of the Tariff Act of 1930, as amended). The findings of the Commission in investigation No. 332-79(2) are shown in appendix A. As of the date of this report, no decision has been made by the President concerning the Commission's recommendations.

Description and Uses

Cast-iron stoves

The cast-iron stoves of concern in this investigation are those used as space heaters, cooking stoves, or a combination of the two. Portable units (such as hibachis), stoves used in commercial applications (such as in bakeries), and marine stoves are excluded from consideration. This investigation also covers "hybrid" stoves, which

contain cast-iron and sheet-metal parts and whose chief weight is of cast-iron.

The primary types of cast-iron stoves are Franklin fireplaces, boxwood stoves, potbelly stoves, parlor stoves, and cooking ranges. A Franklin fireplace (fig. 1) is a freestanding stove that provides more heat to a room than a built-in fireplace, which loses most of its heat up the chimney. A Franklin fireplace resembles the conventional built-in fireplace in shape and size, with the width of the hearth opening for most models varying from 18 inches to 34 inches. With its doors open, it resembles the traditional fireplace with the fire open to view. With its doors closed, it resembles and functions like other heating stoves. Franklin fireplaces burn wood, coal, or charcoal, and can be adapted for gas logs. Most are offered with cooking accessories such as swing-out barbecue grills or bean pots. A 26-inch Franklin stands a little less than 3 feet high and weighs from 200 pounds to 350 pounds, depending on its design and the thickness of the castings.

The potbelly stove (fig. 2) derives its name from its shape and is generally designed to use coal. It is usually less than 3 feet tall and weighs no more than 100 pounds. Many of the imported potbelly stoves weigh less than 50 pounds. Boxwood stoves or heaters (fig. 3) are rectangular in shape, in part to facilitate the use of logs of a standard size. They stand about 2 feet tall and weigh about 100 pounds. Both the boxwood and potbelly stoves have small cooking surfaces.

The parlor stove (fig. 4) is a larger stove (weighing about 200 pounds) designed solely for space heating. When equipped with chrome accessories, however, these stoves are often purchased for their decorative effect rather than their utility. Cast-iron cooking ranges (fig. 5) are available in a variety of sizes from less than 100 pounds to more than 300 pounds. Most have a four-place cooking surface and an oven with a capacity of about 1 cubic foot. They burn either wood or coal.

These stoves are used as either a primary or a supplementary source of heat, but they are also gaining popularity as decorative items. As a primary source of heat, they are frequently placed in hunting cabins, cottages, and houses where heating with gas, oil, or electricity is too expensive or not practical. As a supplementary source of heat, they can be used in rooms that are hard to heat with the central or main heating system, in garages and other areas where central heating is normally not available, and in homes where the main heating system is especially vulnerable to frequent or prolonged electrical failures.

Figure 1.--Franklin fireplace.

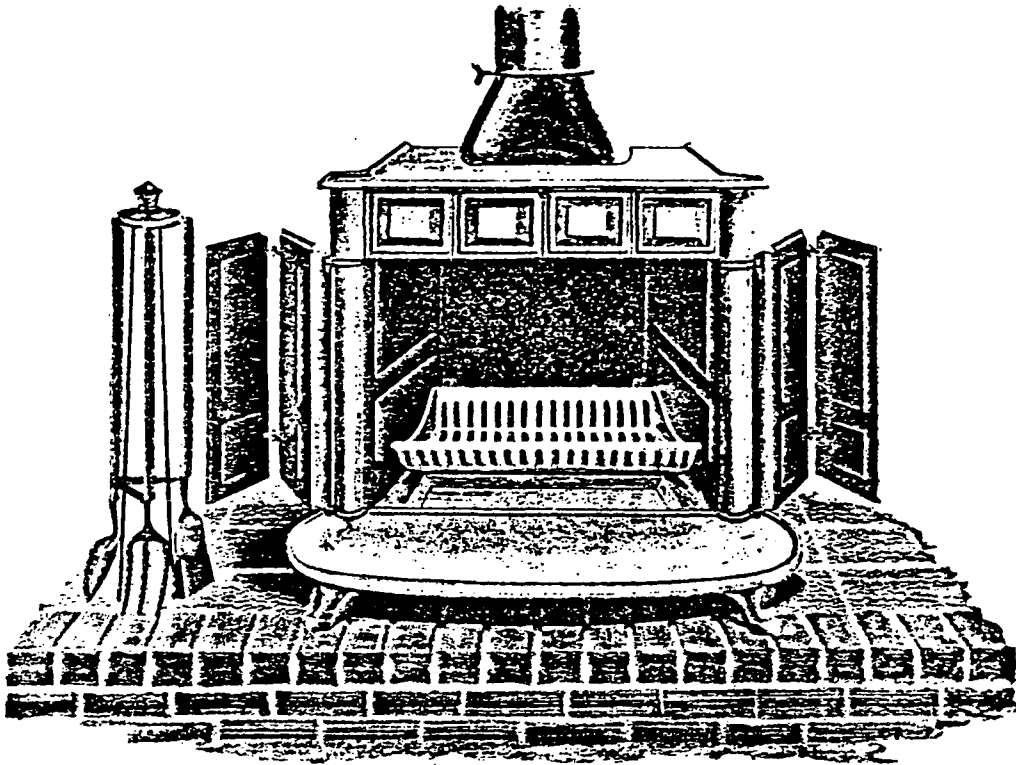


Figure 2.--Potbelly stove.

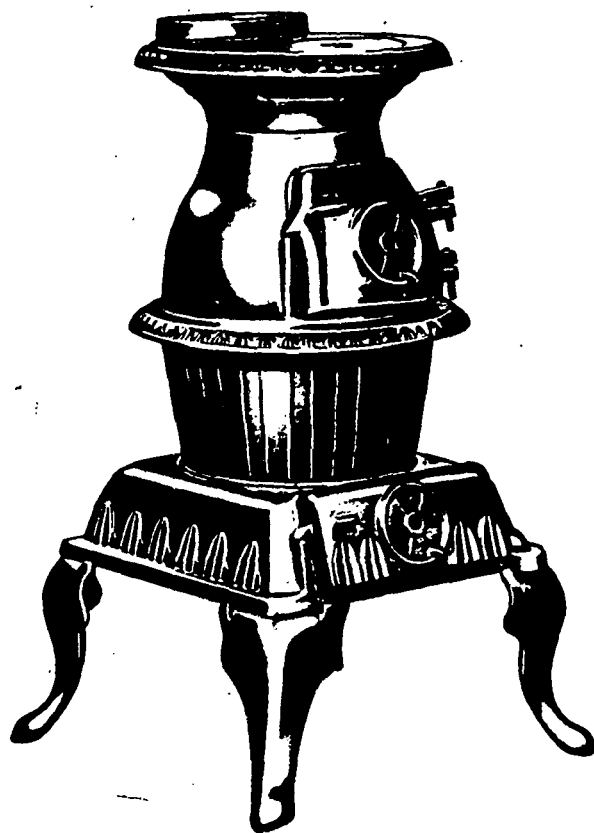


Figure 3.--Boxwood stove.

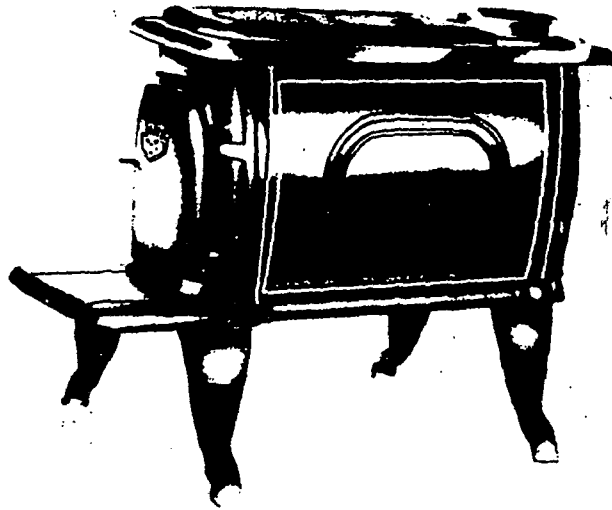
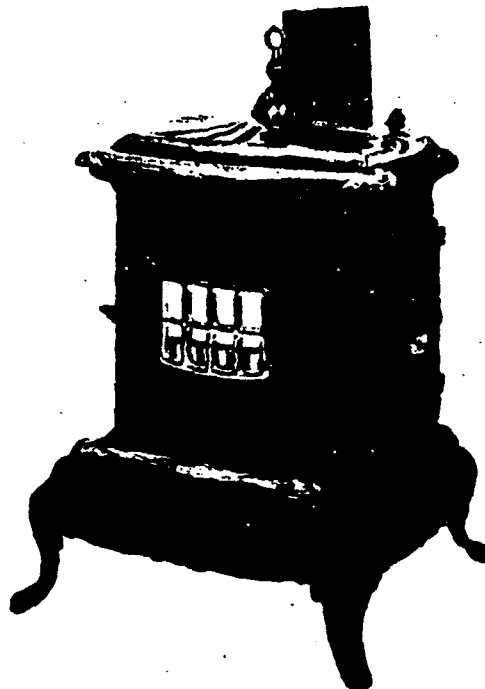
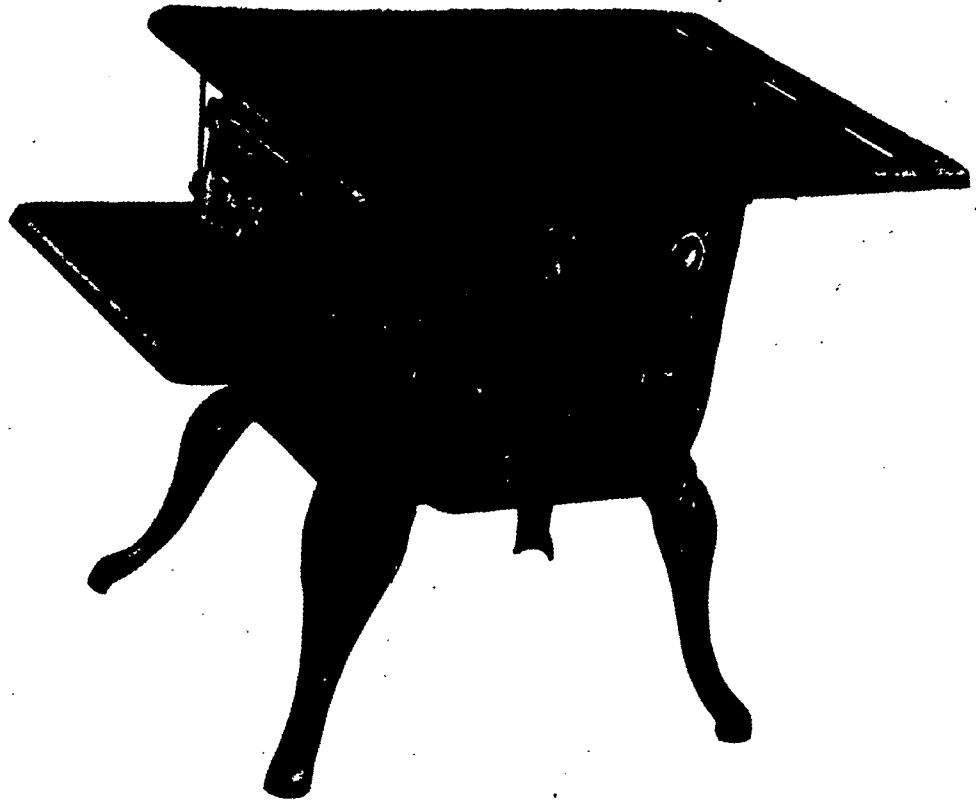


Figure 4.--Parlor stove.



A-6

Figure 5.--Cooking stove.



Cast-iron parts of stoves

Cast-iron parts of stoves (other than fireplace grates, which are discussed in the next section) consist almost exclusively of parts of the cast-iron stoves discussed above. Few cast-iron parts are used in other stoves. Such parts include sides, backs, legs, hearths, baffles, boots or reducers (for connecting a flue to the stove), and doors. As some parts are especially susceptible to heat damage, the availability of replacement parts may be an important factor in marketing stoves. Parts of stoves exclude flue pipes for venting smoke and toxic products, such accessories as swing-out grills and bean pots (for Franklin fireplaces), fireplace tools, fireplace screens, and, for the purpose of this investigation, the stove-top grates which are used on gas cooking ranges to support pots and pans above the burner. Stove-top grates are not included because most domestic production is captive (produced by firms for use on gas ranges they market) and there is very little trade in these items (the value of imports is estimated to have been well below \$100,000 in 1976).

Cast-iron fireplace grates

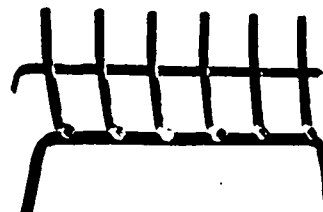
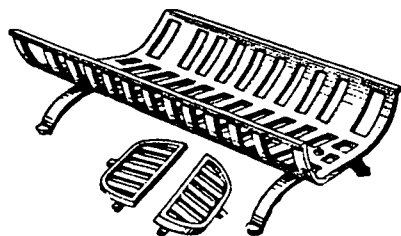
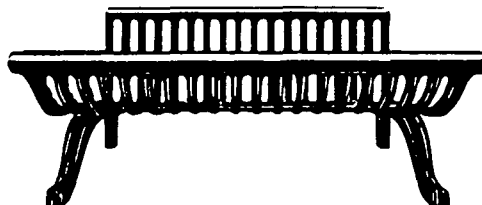
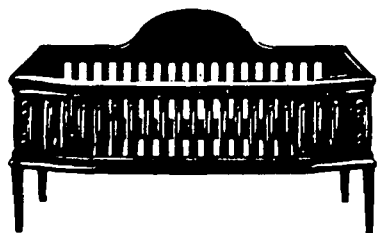
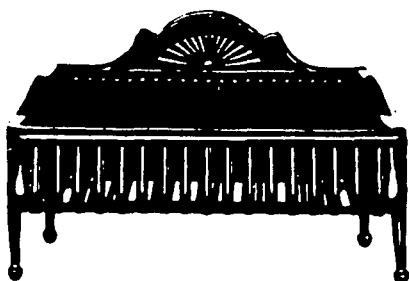
Cast-iron fireplace grates (fig. 6) are used for holding wood or coal in built-in or freestanding fireplaces. Fireplace grates come in a number of sizes, shapes, and qualities. Many grates can be interchanged between a Franklin or freestanding fireplace and a built-in fireplace, but some are built to fit only a certain model of freestanding fireplace. The life of a fireplace grate depends upon the degree of use as well as the quality of the casting. With heavy use, a cast-iron grate may burn out in as little as 3 to 5 years.

Related products

Despite obvious similarities in basic function, sheet-metal stoves and steel fireplace grates are generally not considered commercially competitive with their cast-iron counterparts by those within the industry. Many producers, importers, and retailers feel that since the sheet-metal or steel articles are largely made by different companies, involve dissimilar technologies, encompass different metallic properties or characteristics, and sell in substantially different retail markets at widely varying prices, they cannot be considered as truly competitive items.

The cast-iron products considered here have advantages as well as disadvantages in comparison with household heating stoves made from sheet metal or steel. Most important, the cast-iron product will withstand heat better--and therefore last longer--than the sheet-metal or the steel product, and retain heat longer. Moreover, cast-iron stoves generally fit an early American decor.

Figure 6.--Cast-iron fireplace grates.



On the other hand, sheet-metal stoves, especially the freestanding fireplaces, are preferred by some for their esthetic value. Sheet-metal stoves have a smooth finish and are offered in a variety of colors, whereas cast-iron stoves have a rougher finish and are generally painted black. Sheet-metal stoves also come in a wide variety of shapes and sizes, usually to fit a modern decor. Steel is not as brittle or breakable as cast iron. Steel fireplace grates are less expensive than cast-iron grates, and they generally weigh less (thereby incurring lower transportation costs), although some producers have begun to make cast-iron grates equally light in weight.

U.S. Tariff Treatment

Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates are classifiable with other nonelectric heating and cooking apparatus and parts under item 653.50 of the TSUS. Effective with the adoption of the TSUS on August 31, 1963, the most-favored-nation (MFN) rate of duty applicable to this item was 12.5 percent ad valorem. Subsequent staged reductions resulting from concessions under the General Agreement on Tariff and Trade negotiated in the Kennedy round of trade negotiations brought the rate to its current level of 6 percent ad valorem, effective January 1, 1972. On January 1, 1976, products classifiable under TSUS item 653.50 from countries designated as beneficiary developing countries for the purposes of the Generalized System of Preferences (GSP) became eligible for duty-free treatment. A list of the countries entitled to GSP benefits appears in appendix B. The non-MFN rate of duty for these products is 45 percent ad valorem.

U.S. Producers and Production Technology

Producers

Eight firms are known to be currently manufacturing cast-iron stoves, although production is heavily concentrated in only four: The Atlanta Stove Works, Inc., Atlanta, Ga. (production facilities are located at its subsidiary, Birmingham Stove & Range Co., Birmingham, Ala.); Martin Industries, Inc., Florence, Ala.; United States Stove Co., South Pittsburg, Tenn.; and Washington Stove Works, Everett, Wash. All eight of these companies also make other cast-iron products, such as fireplace accessories and cookware. Hearth Craft, Inc., Portland Oreg., assembles stoves from imported parts on a major scale, but is not considered to be part of the domestic industry for most purposes since it has no cast-iron production (i.e., foundry) facilities. In addition to the U.S. producers discussed above, there are a number of small firms that from time to time produce a limited number of cast-iron stoves for marketing in their immediate vicinities.

Domestic stove producers generally make their own cast-iron parts. Lodge Manufacturing Co., South Pittsburg, Tenn., and Jacobs Manufacturing Co., Bridgeport, Ala., do not make stoves but do supply cast-iron parts to cast-iron stove producers.

Fireplace grates are reportedly made by 10 U.S. companies. Most Franklin fireplace manufacturers make the grates for their Franklin fireplaces. Some also purchase additional grates, which are either manufactured domestically or imported. Vestal Manufacturing Co., Sweetwater, Tenn., and Liberty Foundry Co., St. Louis, Mo., produce only fireplace grates among the products considered in this report. Liberty Foundry Co. also imports fireplace grates.

Production processes and technology

Producers generally concentrate on either a cast-iron product or a steel product because of the total dissimilarity of the two production processes. Some producers of cast-iron stoves also manufacture sheet-metal stoves in separate production facilities; however, producers of sheet-metal stoves may purchase, but apparently do not manufacture, cast-iron stoves. This limited diversification is dictated by the varied technology involved in making the two types. Production of cast-iron stoves and grates is essentially a casting process, whereas production of sheet-metal stoves or steel grates is basically a metal-working process that starts with semifinished products--steel sheet, bars, or wire.

Producers of the cast-iron products considered in this report require a foundry for melting the iron (in combination with other raw materials), pouring the molten iron into molds, and finishing the resulting casting. The casting process starts with the melting of appropriate quantities of pig iron, steel scrap, alloy metals, coke, and limestone. This is done mainly in cupolas, which are miniature blast furnaces, although electric furnaces are becoming increasingly popular. The quality and the finish of the casting, or final product, varies largely with the particular combination of raw materials and the degree of sophistication of the patterns and the molds, as well as the quality of the sand used in packing the mold. Casting the large, thin plates for the Franklin fireplaces, for example, is technologically complex, a fact that may have deterred some foundries from entering into the production of Franklins until market conditions had improved considerably. Castings are usually finished first by sandblasting and then by painting.

Although the foundry process has traditionally been technologically simple and labor intensive, foundries in the stove industries have been

increasingly employing improved equipment, including automatic molding equipment, to improve efficiency.

Foundry operations have been major sources of pollutants, and the Environmental Protection Agency (EPA) has required extensive and frequently expensive pollution controls. Domestic manufacturers have reported capital outlays of more than \$2 million since the beginning or 1974 to bring their foundries into compliance with EPA's emission-control standards. The majority of the expenditures were for the purchase of electric furnaces to replace open hearth cupolas that generated air pollutants in excess of Government regulations. Other standard antipollution devices installed with the electric furnaces included gas afterburners and baghouses (dust collectors) to further trap and dispose of emissions. Three foundries reported operating difficulties with commercially purchased emission-control systems and at least intermittently, bypassed the controls by tilting the cap on the smokestack open to allow a brownish smoke to escape. At least one producer operates an emission-control system that was designed by its own engineers; this system is reported to be highly successful.

Reported expenditures for safety equipment, rewiring, and various structural alterations to working areas to comply with requirements of the Occupational Safety and Health Administration (OSHA) have totaled more than \$500,000 since January 1974. More expenditures to comply with noise-level restrictions currently being developed are anticipated. The noise level is a particularly serious problem in these foundries because of the manner in which castings are cleaned. After the molten metal solidifies, the sand mold is removed by a vibrating conveyor belt and then by tumbling in a large drum 6 to 10 feet in diameter. The tumbling operation generates a noise level which makes noise-insulating baffles and even earplugs largely ineffective. OSHA is expected to announce its standards with respect to acceptable noise levels within a year.

Owners of U.S. foundries contend that these expenditures, which add to operating costs, are not required of cast-iron stove producers in less developed countries. They assert that the burden of financing these expenditures falls heavily on the domestic firms and their workers: these costs cannot easily be passed on to consumers because such a practice would further accentuate the price variances between foreign and domestically produced stoves.

Channels of Distribution

U.S. producers sell their domestically manufactured cast-iron stoves and fireplace grates to wholesale distributors as well as to retail establishments. In addition, several domestic producers import these articles for resale through the same channels of distribution. Importers of these articles include retail firms that sell

directly through their own establishments and wholesale distributors that sell the articles to both retailers and other wholesale distributors. Some of the large department store and hardware store chains that import directly for resale through their own stores also purchase domestic and other imported stoves at wholesale from domestic producers, distributors, and other importers. In addition, cast-iron household stoves and fireplace grates are sold at retail through various other outlets, including specialty stove or fireplace shops, antique stores, and decorator shops. Fireplace grates are also sold in large discount drugstores.

The Question of Increased Imports

U.S. imports of cast-iron stoves

The stoves covered in this investigation are classified under Tariff Schedules of the United States Annotated (TSUSA) item 653.5035, nonportable heating and/or cooking units of base metal. Data collected from importers of cast-iron stoves are detailed with respect to country of origin, value, and average unit value in table 1 in appendix C, and summarized in the following table and figure 7.

Cast-iron stoves: U.S. imports for consumption, by types, 1972-76,
January-March 1976, and January-March 1977

| (In units) | | | |
|-----------------|----------------------------|---------------------|---------------------|
| Period | : Franklin : fireplaces | : Other : stoves | : Total : stoves |
| 1972----- | : *** | : *** | : 18,541 |
| 1973----- | : *** | : *** | : 22,087 |
| 1974----- | : 51,270 | : 31,496 | : 82,766 |
| 1975----- | : 167,064 | : 116,666 | : 283,730 |
| 1976----- | : 90,846 | : 111,926 | : 202,772 |
| January-March-- | : : | : : | : : |
| 1976----- | : 21,397 | : 19,816 | : 41,213 |
| 1977----- | : 17,432 | : 22,766 | : 40,198 |
| | : : | : : | : : |

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

Imports of total cast-iron stoves increased from 18,541 units in 1972 to 283,730 units in 1975 and then fell to 202,772 units in 1976 for an average annual increase of 81.9 percent. Imports of Franklin fireplaces increased from *** units in 1972 to 167,064 units in 1975 and then fell to 90,846 units in 1976 for an average annual increase of

*** percent. The Republic of China is currently the major source of Franklin fireplaces, but this situation has developed only since 1975. In 1972 and 1973, Spain supplied *** percent of total U.S. imports of such stoves. In 1974, Spain supplied only *** percent, while Yugoslavia and the Republic of China supplied *** percent and 32.5 percent, respectively. During 1972-74, *** imported the bulk of total U.S. imports of Franklin fireplaces and, therefore, was primarily responsible for the shift. The company actively sought foreign suppliers of knocked-down Franklin fireplaces and assisted the foreign foundries with the technology necessary to produce the castings. In the years since 1974, the import market has been dominated by *** which together accounted for *** percent of imports of Franklin fireplaces in 1975, *** percent in 1976, and *** percent in January-March 1977. In 1976, the Republic of China provided 68.6 percent of imported Franklins, followed by the Republic of Korea with 18.9 percent, Yugoslavia with *** percent, and Spain with *** percent.

There were no imports of Franklin fireplaces from countries eligible for duty-free GSP treatment in 1972 and 1973 but such imports increased from 37,620 units in 1974 (73.4 percent of total imports of Franklins) to 153,100 units in 1975 (91.6 percent of the total), but fell to 87,563 units in 1976 (96.4 percent of the total). Virtually all the Franklin fireplace imports in January-March 1977 were from GSP countries.

Imports of cast-iron stoves other than Franklin fireplaces increased from *** units in 1972 to 116,666 units in 1975 and then fell to 111,926 units in 1976 for an average annual increase of about *** percent. These stoves came predominantly from the Republic of China in 1976 (51.7 percent), with smaller numbers entering from Japan (*** percent), Norway (13.3 percent), the Republic of Korea (11.8 percent), and Denmark (5.1 percent). Imports from non-MFN countries are virtually nonexistent, although a few stoves reportedly came from the People's Republic of China in 1976.

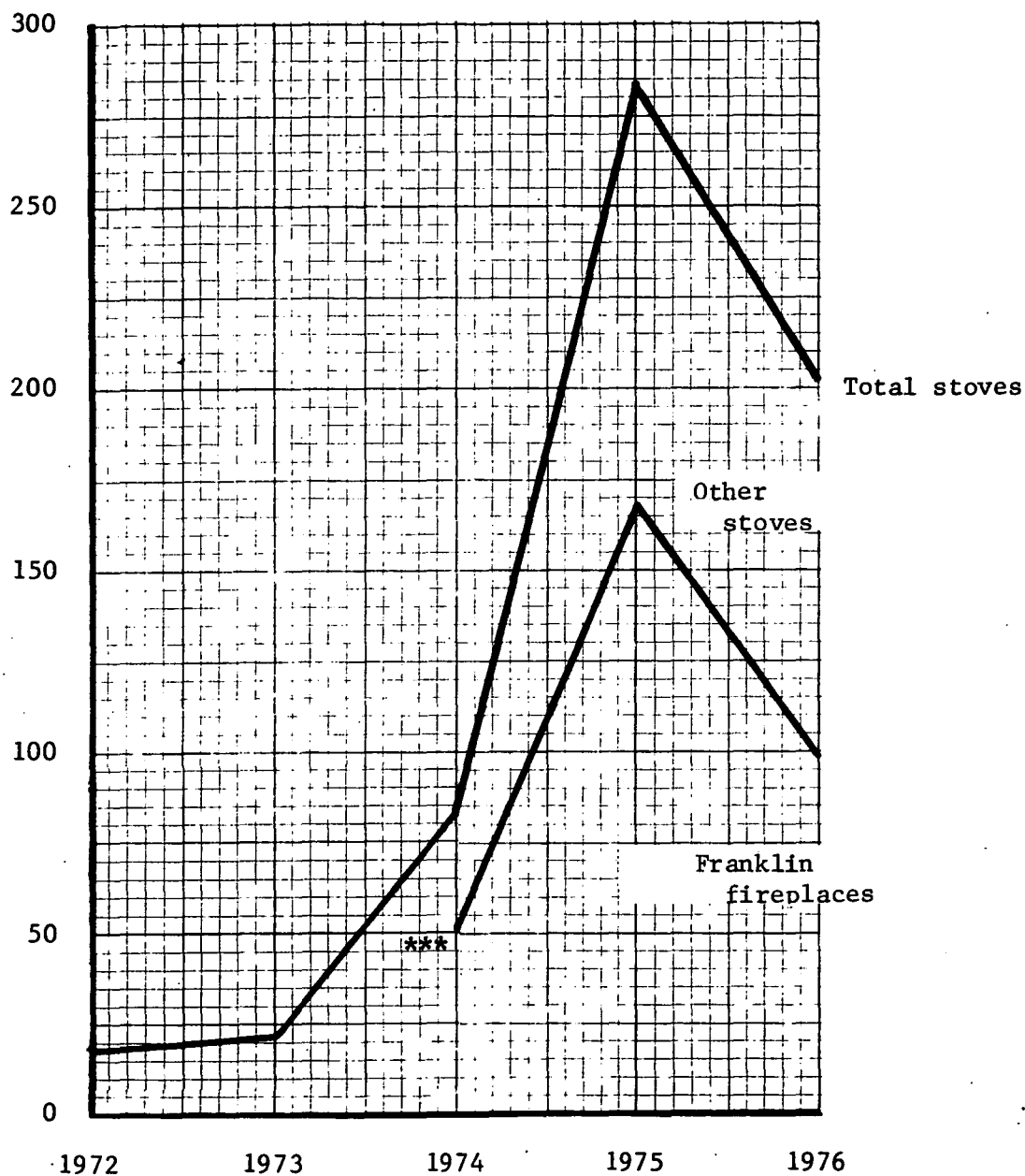
Imports of cast-iron stoves other than Franklin fireplaces from countries eligible for duty-free GSP treatment increased from 300 units in 1972 to 1,600 units in 1973, 2,400 units in 1974, 39,784 units in 1975, and 71,056 units in 1976. As a share of total imports of stoves other than Franklin fireplaces, imports from GSP countries amounted to *** percent in 1972, *** percent in 1973, 7.6 percent in 1974, 34.1 percent in 1975, 63.5 percent in 1976, and 49.7 percent in January-March 1977.

U.S. imports of cast-iron parts of stoves
(including fireplace grates)

Cast-iron parts of stoves are imported for various purposes, such as the repair of imported stoves damaged in transit or the replacement of

Figure 7.--Cast-iron stoves: U.S. imports for consumption,
by types, 1972-76

1,000 units



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

wornout parts. These items are classifiable under TSUSA item 653.5040, parts for all nonelectric heating and/or cooking apparatus, of base metal. Data collected from importers of the articles under consideration are detailed in tables 2 and 3 and summarized in the following table.

Cast-iron parts of stoves: U.S. imports for consumption, by types, 1972-76, January-March 1976, and January-March 1977

| Period | : | Fireplace | : | Other |
|-----------------|---|-----------|---|---------------|
| | : | grates | : | parts |
| | : | Units | : | 1,000 dollars |
| 1972----- | : | 206,323 | : | - |
| 1973----- | : | 233,970 | : | - |
| 1974----- | : | 347,122 | : | 16 |
| 1975----- | : | 426,100 | : | 51 |
| 1976----- | : | 279,359 | : | 134 |
| January-March-- | : | | : | |
| 1976----- | : | 61,871 | : | 6 |
| 1977----- | : | 31,520 | : | 10 |
| | : | | : | |

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

Imports of fireplace grates rose from 206,323 units, valued at \$0.9 million, in 1972 to 426,100 units, valued at \$2.3 million, in 1975 and then fell to 279,359 units, valued at \$1.4 million, in 1976 for an average annual increase of 7.9 percent. In 1976 the Republic of Korea provided 60.5 percent of imported grates, followed by the Republic of China (29.4 percent), and Poland (***) percent).

Approximately 90 percent of cast-iron fireplace grates imported each year during 1972-76 came from GSP countries. Such imports totaled 184,207 units in 1972, 201,194 units in 1973, 319,313 units in 1974, 409,186 units in 1975, 256,060 units in 1976, and 27,958 units in January-March 1977.

There were no imports of cast-iron parts of stoves other than fireplace grates in 1972 or 1973; the value of such imports rose from \$16,000 in 1974 to \$134,000 in 1976. In each year more than 90 percent of these imports were from GSP countries.

The ratio of U.S. imports to U.S. production

* * * * *

Cast-iron stoves and cast-iron fireplace grates: U.S. production, U.S. imports for consumption, by types, 1972-76 January-March 1976, and January-March 1977

| Type and period | Production | Imports | Ratio of imports to production |
|----------------------|------------|---------|--------------------------------------|
| | Units | Units | Percent |
| Stoves: | | | |
| Franklin fireplaces: | | | |
| 1972----- | *** | *** | *** |
| 1973----- | *** | *** | *** |
| 1974----- | *** | 51,270 | *** |
| 1975----- | *** | 167,064 | *** |
| 1976----- | *** | 90,846 | *** |
| January-March-- | | | |
| 1976----- | *** | 21,397 | *** |
| 1977----- | *** | 17,432 | *** |
| Other stoves: | | | |
| 1972----- | *** | *** | *** |
| 1973----- | *** | *** | *** |
| 1974----- | *** | 31,496 | *** |
| 1975----- | *** | 116,666 | *** |
| 1976----- | *** | 111,926 | *** |
| January-March-- | | | |
| 1976----- | *** | 19,816 | *** |
| 1977----- | *** | 22,766 | *** |
| Total: | | | |
| 1972----- | 108,970 | 18,541 | 17.0 |
| 1973----- | 132,282 | 22,087 | 16.7 |
| 1974----- | 164,390 | 82,766 | 50.3 |
| 1975----- | 248,096 | 283,730 | 114.4 |
| 1976----- | 128,983 | 202,772 | 157.2 |
| January-March-- | | | |
| 1976----- | 42,747 | 41,213 | 96.4 |
| 1977----- | 28,304 | 40,198 | 142.0 |
| Fireplace grates: | | | |
| 1972----- | 162,803 | 206,323 | 126.7 |
| 1973----- | 211,304 | 233,970 | 110.7 |
| 1974----- | 242,465 | 347,122 | 143.2 |
| 1975----- | 235,193 | 426,100 | 181.2 |
| 1976----- | 175,204 | 279,359 | 159.4 |
| January-March-- | | | |
| 1976----- | 24,520 | 61,871 | 252.3 |
| 1977----- | 35,814 | 31,520 | 88.0 |

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

The ratio of U.S. imports of cast-iron fireplace grates to U.S. production rose from 126.7 percent in 1972 to 181.2 percent in 1975 and then fell to 159.4 percent in 1976 and 88.0 percent in January-March 1977.

The Question of Serious Injury to the Domestic Industry

Utilization of productive facilities

Domestic producers were asked to report their annual capacity to produce cast-iron stoves and fireplace grates based on their 1976 product mix and a 5-day-a-week, two-shift-a-day operating level.

Before presenting the results of the survey, the shortcomings of this method of determining capacity should be noted. First, the domestic firms manufacture a variety of products in their foundries, and the allocation of capacity to any one product line is somewhat arbitrary. Second, at least one firm cannot operate at more than one shift a day because facility limitations (only one group of molds may be prepared, poured, and set--called "setting the floor"--a day). Third, the important assumption is made that adequate supplies of raw materials and labor are available to utilize the existing plant and equipment. The iron and steel shortage of 1973 and 1974 may have prevented two-shift operations in some companies. In addition, the unpleasant working conditions normally associated with foundry work may hinder domestic manufacturers in the hiring and retaining of enough production workers to operate at capacity.

The data in the following table show that the foundries did not operate at more than 56 percent of capacity for stoves or 68 percent of capacity for fireplace grates throughout 1972-77, and that in 1976, utilization dropped to 29 percent for stoves and 39 percent for grates. In January-March 1977, plant utilization continued to drop, amounting to 24 percent for stoves and 28 percent for grates.

Cast-iron stoves and cast-iron fireplace grates: U.S. production and production capacity, 1/ by types, 1972-76, January-March 1976, and January-March 1977

| Item | 1972 | 1973 | 1974 | 1975 | 1976 | January-March-- | |
|------------------------|---------|---------|---------|---------|---------|-----------------|---------|
| | | | | | | 1976 | 1977 |
| Stoves: | | | | | | | |
| Franklin fireplaces: | | | | | | | |
| Production----units-- | *** | *** | *** | *** | *** | *** | *** |
| Production capacity | | | | | | | |
| units-- | *** | *** | *** | *** | *** | *** | *** |
| Ratio of production | | | | | | | |
| to capacity | | | | | | | |
| percent-- | 57 | 62 | 66 | 63 | 30 | 39 | 34 |
| Other stoves: | | | | | | | |
| Production----units-- | *** | *** | *** | *** | *** | *** | *** |
| Production capacity | | | | | | | |
| units-- | *** | *** | *** | *** | *** | *** | *** |
| Ratio of production | | | | | | | |
| to capacity | | | | | | | |
| percent-- | 27 | 27 | 24 | 48 | 29 | 39 | 14 |
| All stoves: | | | | | | | |
| Production----units-- | 108,970 | 132,282 | 164,390 | 248,096 | 128,983 | 42,747 | 28,304 |
| Production capacity | | | | | | | |
| units-- | 262,448 | 305,107 | 366,188 | 442,081 | 438,353 | 109,815 | 117,067 |
| Ratio of production | | | | | | | |
| to capacity | | | | | | | |
| percent-- | 42 | 43 | 45 | 56 | 29 | 39 | 24 |
| Fireplace grates: | | | | | | | |
| Production-----units-- | 162,803 | 211,304 | 242,465 | 235,193 | 175,204 | 24,520 | 35,814 |
| Production capacity | | | | | | | |
| units-- | 275,055 | 308,960 | 368,560 | 406,575 | 449,250 | 114,175 | 128,725 |
| Ratio of production to | | | | | | | |
| capacity----percent-- | 59 | 68 | 66 | 58 | 39 | 21 | 28 |

1/ Based on each responding firm's 1976 product mix and a 2-shift-a-day operating level.

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

U.S. producers have advised the Commission of 14 foundries that discontinued production of cast-iron stoves or cast-iron parts of stoves within the 1967-76 period. Some foundries shut down because of EPA requirements and other considerations, while others continued operating but dropped cast-iron stoves from their product line. No firms that produce large quantities of stoves entered this industry during 1967-76, however, as mentioned earlier, there are a number of small casting firms that produce a few stoves from time to time for sale in local or regional markets.

U.S. production

Production figures in the preceding table indicate that the industry grew rapidly through 1975, but suffered a severe setback in 1976.

Cast-iron-stove production rose from 108,970 units in 1972 to 248,096 units in 1975 and then fell by nearly 50 percent to 128,983 units in 1976. The production of three of the four major producers followed this trend, more than tripling between 1972 and 1975. The fourth producer had relatively stable production throughout the period. In 1976, all producers experienced sharply reduced production. In January-March 1977, production was down in comparison with the corresponding period of 1976, but shipments rose substantially, indicating that production will probably be increased as accumulated inventories are depleted.

Franklin fireplaces account for the bulk of cast-iron-stove production, although their importance may be declining. In 1972, they accounted for *** percent of production; by 1973 their share had grown to *** percent, but it fell to *** percent in 1975 and *** percent in 1976. In January-March 1977, Franklins accounted for *** percent of production, but this figure may be distorted by the inventory depletion mentioned earlier. Production rose from *** units in 1972 to *** units in 1975 and then fell to *** units in 1976. In January-March 1977, *** units were produced, compared with *** units in the corresponding period of 1976.

Production of fireplace grates followed a similar pattern, rising from 162,803 units in 1972 to 235,193 units in 1975 and then falling to 175,204 units in 1976. In January-March 1977, 35,814 fireplace grates were produced, compared with 24,520 in January-March 1976.

U.S. producers' shipments

Cast-iron stoves.--U.S. producers' shipments of cast-iron stoves rose from 107,684 units valued at \$6.2 million, in 1972 to 225,615 units valued at \$21.7 million in 1975 and then fell to 120,553 units, valued at \$12.0 million, in 1976, as shown in the following table. The first quarter of 1977 showed increased business in this industry as 30,599 units were shipped, compared with 21,311 units in the corresponding period of 1976. The energy crisis and the desire of many people to be self-sufficient in heating their homes have contributed much to the improving market. The inordinately cold weather that prevailed in the winter of 1976-77 also had a beneficial impact on this industry.

Shipments of Franklin fireplaces rose from *** units in 1972 to *** units in 1975 and then fell to *** units in 1976. The unit value of Franklin fireplaces rose throughout the period from *** in 1972 to *** in January-March 1977. From 1972 through 1976, the average unit value rose at an average annual rate of *** percent.

Cast-iron stoves and cast-iron parts of stoves: U.S. producers' shipments, by types, 1972-76, January-March 1976, and January-March 1977

| Period | Stoves | | | Parts of stoves | | |
|-----------------------|---------------------------|---------|-----------|-----------------------|---------|-------|
| | Franklin : fireplaces: | Other : | Total : | Fireplace : grates | Other : | Total |
| Quantity (units) | | | | | | |
| 1972----- | *** : | *** : | 107,684 : | 160,700 : | 1/ : | 1/ |
| 1973----- | *** : | *** : | 135,341 : | 201,163 : | 1/ : | 1/ |
| 1974----- | *** : | *** : | 160,957 : | 248,396 : | 1/ : | 1/ |
| 1975----- | *** : | *** : | 225,615 : | 188,623 : | 1/ : | 1/ |
| 1976----- | *** : | *** : | 120,553 : | 187,824 : | 1/ : | 1/ |
| Jan.-Mar.-- | : | : | : | : | : | : |
| 1976----- | *** : | *** : | 21,311 : | 19,270 : | 1/ : | 1/ |
| 1977----- | *** : | *** : | 30,599 : | 36,482 : | 1/ : | 1/ |
| Value (1,000 dollars) | | | | | | |
| 1972----- | *** : | *** : | 6,173 : | 940 : | 2,074 : | 3,014 |
| 1973----- | *** : | *** : | 8,300 : | 1,260 : | 2,180 : | 3,440 |
| 1974----- | *** : | *** : | 12,560 : | 2,027 : | 2,749 : | 4,776 |
| 1975----- | *** : | *** : | 21,739 : | 1,829 : | 3,113 : | 4,942 |
| 1976----- | *** : | *** : | 11,950 : | 1,982 : | 2,952 : | 4,934 |
| Jan.-Mar.-- | : | : | : | : | : | : |
| 1976----- | *** : | *** : | 1,873 : | 189 : | 1,022 : | 1,211 |
| 1977----- | *** : | *** : | 2,870 : | 374 : | 1,180 : | 1,554 |
| Unit value <u>2/</u> | | | | | | |
| 1972----- | *** : | *** : | \$57.33 : | \$5.85 : | - : | - |
| 1973----- | *** : | *** : | 61.33 : | 6.27 : | - : | - |
| 1974----- | *** : | *** : | 78.03 : | 8.16 : | - : | - |
| 1975----- | *** : | *** : | 96.36 : | 9.69 : | - : | - |
| 1976----- | *** : | *** : | 99.13 : | 10.55 : | - : | - |
| Jan.-Mar.-- | : | : | : | : | : | : |
| 1976----- | *** : | *** : | 87.89 : | 9.80 : | - : | - |
| 1977----- | *** : | *** : | 93.78 : | 10.25 : | - : | - |

1/ Not available.

2/ Calculated from the unrounded figures.

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

Cast-iron parts of stoves.--U.S. producers' shipments of cast-iron parts of stoves increased in value from \$3.0 million in 1972 to \$4.9 million in 1976. As with the stoves, shipments rose substantially in January-March of 1977 (\$1.6 million, compared with \$1.2 million in the corresponding period of 1976).

Shipments of fireplace grates rose from 160,700 units in 1972 to 248,396 units in 1974, fell to 188,623 units in 1975, and then held relatively constant in 1976 at 187,824 units. Shipments of 36,482 units in January-March 1977 represent an 89-percent increase over the 19,270 units shipped in the corresponding period of 1976. Unit values of fireplace grates rose at an average annual rate of 15.9 percent, from \$5.85 in 1972 to \$10.55 in 1976. The average unit value dropped to \$10.25 in January-March 1977.

U.S. inventories

U.S. producers of cast-iron stoves and fireplace grates have traditionally carried relatively small inventories because of storage costs and because of their ability to respond quickly to changes in demand. Inventories of stoves amounted to 6 percent of domestic shipments in 1972, 2 percent in 1973, and 3 percent in 1974. By the end of 1975, however, inventories had grown to 14 percent of shipments and by the end of 1976, had reached 20 percent. This high level of stock on hand accounts for the fact that in January-March 1977, production declined but shipments rose sharply from the corresponding period in 1976. As inventories are drawn down production should pick up, and the time required to fill orders will probably increase.

U.S. producers' inventories of fireplace grates also rose sharply in 1975; they were reduced significantly in 1976 and again in the first quarter of 1977. In relation to domestic producers' shipments, yearend inventories of fireplace grates amounted to 7 percent in 1972, 11 percent in 1973, 5 percent in 1974, 31 percent in 1975, and 18 percent in 1976. U.S. producers' inventories are presented in table 4, and the year-to-year changes in inventories (as derived by subtracting domestic producers' shipments from production) are presented in table 5.

U.S. importers (primarily those which import articles for sale in their own retail outlets) carry a much larger inventory in relation to sales than do producers, but their inventories as a percentage of sales of imported articles have been declining since 1974. Importers' inventories of stoves rose from *** percent of sales of imported stoves in 1972 to *** percent in 1973 and then fell to 49 percent in 1974, 41 percent in 1975, and 38 percent in 1976. The big drop in 1974 is explained by the entry of *** into this market. This firm was a very large importer, but maintained relatively small inventories in relation to its sales. Importers' inventories of fireplace grates amounted to 6 percent of sales of imported grates in 1972, 13 percent in 1973, 52 percent in 1974, 45 percent in 1975, and 36 percent in 1976. The jump in

1974 is due to the importation by ***, of unusually large quantities of fireplace grates from the Republic of Korea. U.S. importers' inventories are presented in table 6 and the year-to-year changes in inventories (as derived by subtracting sales of imported articles from imports for consumption) are presented in table 7.

U.S. exports

Exports of domestically manufactured cast-iron stoves amounted to less than 1 percent of production in 1975, but rose substantially to 3,985 units, valued at \$403,000, in 1976 (about 3 percent of production) (table 8). Exports continued to increase in 1977, amounting to 1,067 units, valued at \$119,000, in January-March, compared with 418 units, valued at \$51,000, in January-March 1976.

Employment

Total employment in firms that manufacture cast-iron stoves or cast-iron parts of stoves rose from 2,283 workers in 1972 to 2,740 in 1975, fell to 2,370 in 1976, and then recovered in January-March 1977, with 2,439. The number of workers involved in the production of Franklin fireplaces followed nearly the same trend, but showed greater variances: from *** workers in 1972 to *** in 1975, then down more than 50 percent to *** in 1976, and down still more to *** in January-March 1977. The number of workers producing other cast-iron stoves (*** in January-March 1977), fireplace grates (49 in January-March 1977), and other parts of stoves (139 in January-March 1977) generally followed the same trend as that reported for Franklin fireplaces, as shown in the following table.

Average number of persons employed in U.S. establishments in which cast-iron stoves and parts of stoves were produced, total and production and related workers, 1972-76, January-March 1976, and January-March 1977

| Period | All employees | Production and related workers producing-- | | | | | Total |
|---------------|------------------|---|-------|---------------------|-------|-------|-------|
| | | Stoves | | Parts of stoves | | | |
| | | Franklin fireplaces | Other | Fireplace grates | Other | | |
| | | | | | | | |
| 1972----- | 2,283 | *** | *** | 73 | 149 | 927 | |
| 1973----- | 2,433 | *** | *** | 93 | 139 | 1,037 | |
| 1974----- | 2,634 | *** | *** | 95 | 155 | 1,210 | |
| 1975----- | 2,740 | *** | *** | 69 | 143 | 1,358 | |
| 1976----- | 2,370 | *** | *** | 60 | 140 | 754 | |
| Jan.-Mar.---- | | | | | | | |
| 1976----- | 2,493 | *** | *** | 54 | 143 | 941 | |
| 1977----- | 2,439 | *** | *** | 49 | 139 | 691 | |

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

In addition to the employment discussed herein, Hearth Craft, Inc., a large importer, employed approximately *** persons in the finishing and assembly of imported stoves during 1972-76.

The number of man-hours worked by production and related workers in the manufacture of cast-iron stoves and cast-iron parts of stoves rose from 1.8 million in 1972 to 2.8 million in 1975 and then fell to 1.4 million in 1976, as shown in the following table.

Man-hours worked by production and related workers in the manufacture of cast-iron stoves and cast-iron parts of stoves, 1972-76, January-March 1976, and January-March 1977

| (In thousands of man-hours) | | | | | | |
|-----------------------------|------------|-------|-----------------|-------|-------|--|
| Period | Stoves | | Parts of stoves | | Total | |
| | Franklin | Other | Fireplace | Other | | |
| | fireplaces | | grates | | | |
| 1972----- | *** | *** | 149 | 251 | 1,754 | |
| 1973----- | *** | *** | 176 | 239 | 1,961 | |
| 1974----- | *** | *** | 189 | 269 | 2,340 | |
| 1975----- | *** | *** | 137 | 251 | 2,810 | |
| 1976----- | *** | *** | 106 | 235 | 1,393 | |
| January-March-- | | | | | | |
| 1976----- | *** | *** | 24 | 80 | 469 | |
| 1977----- | *** | *** | 22 | 89 | 395 | |

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

Note.--Because of rounding, figures may not add to the totals shown.

The improved efficiency of the work force can be seen in the reduced time needed to produce one Franklin fireplace (believed to be due in large part to the acquisition of more versatile and technologically advanced equipment):

| <u>Hours</u> | | <u>Hours</u> | |
|--------------|------|--------------|------|
| 1972----- | 13.4 | 1975----- | 11.0 |
| 1973----- | 12.8 | 1976----- | 10.0 |
| 1974----- | 12.6 | | |

Prices

Table 9 presents a summary of wholesale prices for imported and U.S.-produced cast-iron Franklin fireplaces and cast-iron fireplace grates. Because of the differences in individual styles of fireplaces and grates, price data are given on a per-pound basis as well as on a per-unit basis. The per-pound figures are believed to be better for comparison.

The average lowest wholesale price for U.S.-produced Franklin fireplaces rose from \$0.26 per pound in January-June 1972 to \$0.55 per

pound in January-June 1976 and then declined slightly to \$0.52 per pound in January-March 1977. The average lowest wholesale price per pound for imported Franklin fireplaces rose from \$0.30 in January-June 1974 (data are not presented for earlier periods for Franklin fireplaces because these articles were imported in quantity by only one firm prior to January 1974) to \$0.42 in January-March 1977. From January-June 1974 through January-March 1977, prices of domestically produced stoves increased 53 percent, while prices of imported stoves increased 40 percent.

The average lowest wholesale price per unit for U.S.-produced Franklin fireplaces rose from \$77.03 in January-June 1972 to \$157.28 in January-June 1976 and then fell to \$149.23 in January-March 1977, increasing an average of 18.4 percent a year during 1972-76. The average lowest wholesale price per unit for imported Franklin fireplaces rose from \$85.36 in January-June 1974 to \$114.37 in July-December 1976 and then fell to \$112.98 in January-March 1977, increasing an average of 10.2 percent during 1974-76. The average annual increase for U.S.-produced Franklin fireplaces during 1974-76 was 16.1 percent.

The average lowest wholesale price for U.S.-produced fireplace grates increased from \$0.26 per pound in January-June 1972 to \$0.42 per pound in January-March 1977. The average lowest wholesale price for imported fireplace grates rose irregularly from \$0.34 per pound in January-June 1974 to \$0.37 per pound in January-March 1977.

The average lowest wholesale price per unit for U.S.-produced fireplace grates rose from \$6.91 in January-June 1972 to \$11.64 in January-March 1977 for an average annual increase of 13.4 percent during 1972-76. The average lowest wholesale price per unit for imported fireplace grates declined from \$9.10 in January-June 1974 to \$8.19 in January-March 1977.

The price indexes in table 9 show that while the prices per unit and per pound for U.S.-produced and imported Franklin fireplaces have maintained their relative positions, the prices for fireplace grates have not. The import price per pound for grates has stayed much closer to the U.S. price per pound than the import price per unit has to the U.S. price per unit. This indicates that the imported grates are being made lighter or smaller to keep the unit prices down even though the price per pound is rising.

The average lowest prices reported in this section without exception apply to articles imported from Far-Eastern countries, almost exclusively the Republic of China, the Republic of Korea, and India. According to data supplied to the Commission by representatives for the European producers of cast-iron stoves, the 1977 wholesale prices of imports from Norway, Denmark, and France range between a low of \$1.13 and a high of \$2.39 per pound, with the great bulk of the prices at about \$1.70.

Data on average lowest unit costs of imported cast-iron Franklin fireplaces and fireplace grates are shown in table 10.

Profit-and-loss experience of domestic producers

Profit-and-loss experience of eight U.S. producers of cast-iron stoves or cast-iron parts of stoves is summarized in the following table and detailed in table 11. Financial data for Hearth Craft, Inc., are presented separately in table 11 for comparison, but are not included in the aggregated data.

Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates: Profit-and-loss experience of 8 U.S. producers on their overall company operations, accounting years 1972-76

| (In thousands of dollars) | | | | | |
|---|----------------|----------------|-----------------|-----------------|---------------|
| Item | 1972 <u>1/</u> | 1973 <u>1/</u> | 1974 | 1975 | 1976 |
| Net sales----- | 28,125 | 32,381 | 72,765 | 87,372 | 78,675 |
| Cost of goods sold----- | 21,499 | 25,461 | 58,082 | 64,683 | 62,383 |
| Gross profit----- | 6,626 | 6,920 | 14,683 | 22,689 | 16,292 |
| Administrative, general, and selling expenses---- | 4,783 | 5,242 | 9,541 | 12,099 | 12,588 |
| Net operating profit----- | 1,843 | 1,678 | 5,142 | 10,590 | 3,704 |
| Other expense, net----- | 136 | 408 | 704 | 1,268 | 1,327 |
| Net profit before income taxes----- | 1,707 | 1,270 | 4,438 | 9,322 | 2,377 |
| Income taxes----- | 1,022 | 662 | <u>1/</u> 1,615 | <u>1/</u> 2,730 | <u>1/</u> 2 |
| Net profit after income taxes----- | 685 | 608 | <u>1/</u> 1,935 | <u>1/</u> 3,414 | <u>1/</u> 170 |

1/ 7 firms reported.

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

Only two of the U.S. producers were able to provide acceptable data with respect to their stove operations, but an indication of the relative importance of these operations can be seen in the tabulation below, which shows sales of cast-iron stoves and stove parts as a share of U.S. producers' total sales:

| | <u>Percent</u> | | <u>Percent</u> |
|-----------|----------------|-----------|----------------|
| 1972----- | 16 | 1975----- | 27 |
| 1973----- | 21 | 1976----- | 17 |
| 1974----- | 20 | | |

All eight producing firms are privately held and together account for more than 95 percent of domestic production of cast-iron stoves and about half of domestic production of cast-iron parts of stoves.

Total sales rose from \$28.1 million in 1972 to \$87.4 million in 1975 and then fell to \$78.7 million in 1976. Net profit before taxes rose from \$1.7 million in 1972 to \$9.3 million in 1975 and then fell sharply to \$2.4 million in 1976. Three firms suffered losses in 1976, while none did in 1975 or 1974.

Table 12 presents profit-and-loss ratios for the eight producing firms during 1972-76. Of particular interest are the ratios of profit before taxes to sales, which indicate that the cast-iron-stove industry significantly outperformed the overall casting industry in 1975 with a return on sales of 10.7 percent (compared with an industry average of 8.3 percent), but suffered a dramatic drop in return on sales to 3.0 percent in 1976.

Balance-sheet data for seven producers (***) did not provide balance sheet data) are summarized in table 13 and detailed in table 14. Data for Hearth Craft are presented separately in table 14, but not included in table 13. Table 15 presents an analysis of balance-sheet data. The ratios of cost of sales to inventory suggest that while the cast-iron-stove industry maintains about twice as much inventory as the overall casting industry, the inventory levels have remained relatively constant throughout the period.

Table 16 presents ratios of sales to various balance-sheet items. Not all companies were able to provide asset data based on cost and replacement cost in addition to book value, but for those that did, the impact of inflation can clearly be seen. This is also apparent from the data in table 12, where return on assets valued at replacement cost averaged about one-third of return on assets valued at book (about 2.6 percent compared with 7.3 percent).

Research and development costs and capital expenditures

The domestic industry spent about \$119,000 on research and development in 1972, \$85,000 in 1973, \$76,000 in 1974, \$71,000 in 1975, and \$63,000 in 1976. Estimates for 1977 indicate that as much as \$185,000 may be spent. Capital expenditures during the period were substantial as shown in the following table.

Cast-iron stoves and cast-iron parts of stoves: Capital
expenditures by domestic producers, 1972-77

| Year | Capital expenditures for-- | |
|-----------|-----------------------------------|----------------------|
| | Land and building improvements | Machinery |
| | <u>1,000 dollars</u> | <u>1,000 dollars</u> |
| 1972----- | 669 | 869 |
| 1973----- | 794 | 1,224 |
| 1974----- | 208 | 767 |
| 1975----- | 512 | 2,517 |
| 1976----- | 891 | 1,220 |
| 1977----- | <u>1/</u> 360 | <u>1/</u> 884 |

1/ Estimated.

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

Factors influencing demand

The most significant factor affecting demand for cast-iron stoves in the last several years has been the energy crisis. Demand for cast-iron stoves jumped along with the price of fuels in 1974-75, and the market appears to be growing again in 1977. Most producers feel that there will be a continuing market for these products even though most sales are on a new rather than a replacement basis.

There is also considerable demand for these stoves as decorative items, as indicated by the large numbers imported by antique and specialty shops. Franklin fireplaces are not as efficient as airtight stoves for heating, but they're more attractive than comparably priced airtight stoves and are still reasonably efficient when the doors are closed.

U.S. consumption and ratio of imports to consumption

Table 17 presents consumption and import penetration data. Consumption of cast-iron stoves rose from 116,300 units, valued at \$7.4 million, in 1972 to 446,777 units, valued at \$50.0 million, in 1975 and then fell

to 330,031 units, valued at \$34.5 million, in 1976. Consumption almost doubled in January-March 1977 (compared with that in the corresponding period 1976) to 94,061 units, valued at \$10.2 million. The ratio of sales of imports to consumption rose from 10.5 percent in 1972 to 50.0 percent in 1975, 64.7 percent in 1976, and 68.6 percent in January-March 1977 (fig. 8).

* * * * *

Possible substantial causes of serious injury, or
the threat of serious injury, other than imports

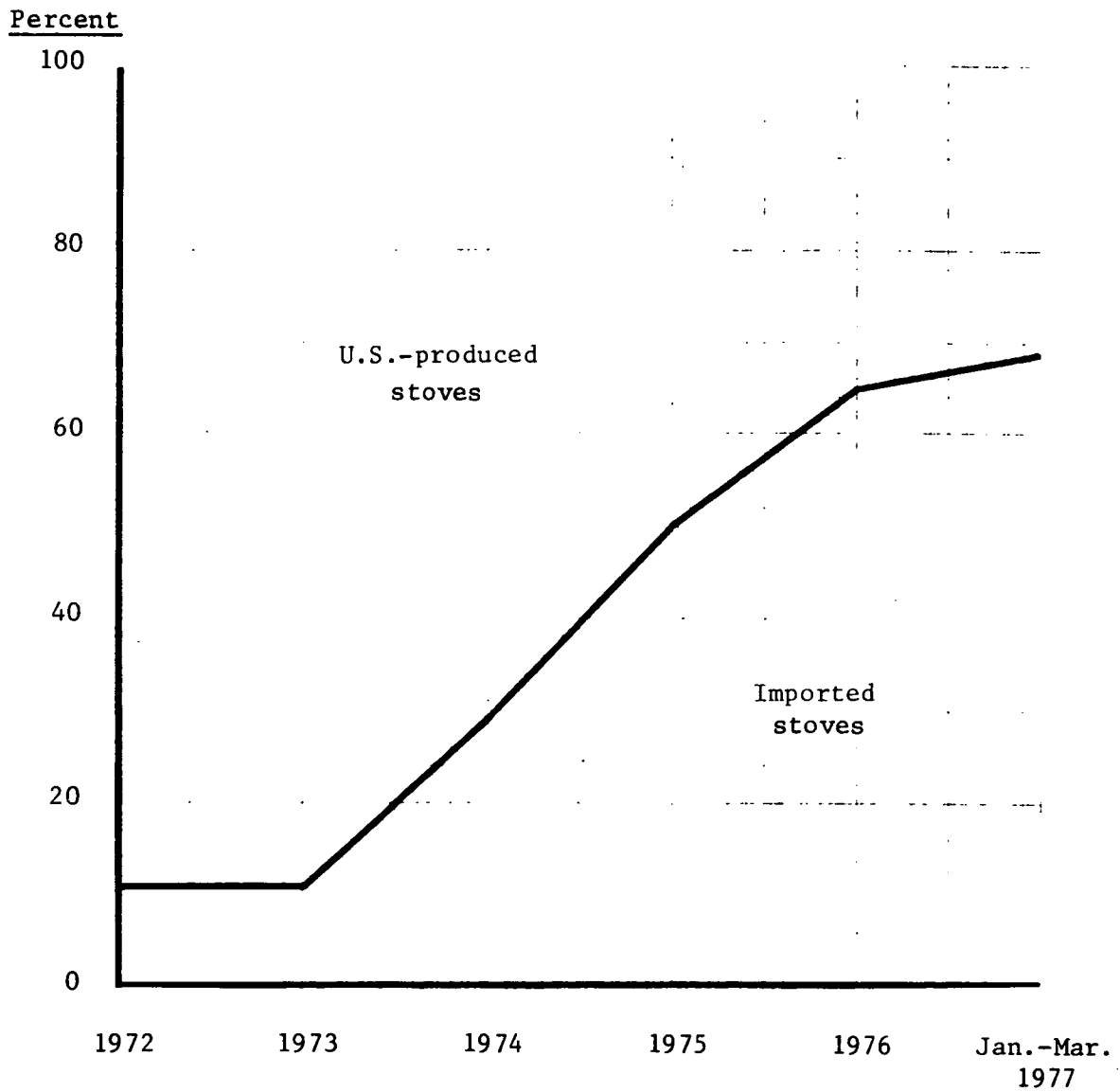
Recession.--Except for those used as primary sources of heat, stoves can be considered luxury goods, and, as such, their sales are likely to be sensitive to recessionary pressures. However, this situation is complicated by the opposing influence of rising heating-fuel costs, so that during a recession sales may drop to the point that it is cheaper to purchase a solid-fuel stove than to pay heating bills, and then sales would rise again. The allegation that the recession was a more important cause of injury or the threat thereof to the domestic industry than imports is questionable, because during the period of the recent U.S. recession (1974-75), U.S. producers' shipments of cast-iron stoves were at record high levels.

Inability of U.S. producers to meet the demand.--U.S. importers contend that increased imports are not a substantial cause of serious injury to the domestic industry because there have been times in the last several years, primarily in 1975, when, despite increased imports, U.S. producers could not meet the demand for stoves (transcript of the hearing, p. 201).

U.S. producers have acknowledged that there were times in 1974 and 1975 when they could not supply stoves in accordance with delivery schedules requested by their customers. However, the capacity utilization data presented earlier in this report indicate that for the full years 1974 and 1975, when demand for cast-iron stoves was increasing rapidly, U.S. producers had unused capacity which could have been used to produce these stoves.

Substitution.--Some customers are no doubt influenced by the price, design, and availability of non-cast-iron stoves, and it is likely that there is some substitution of such stoves for the cast-iron types which are the subject of this investigation. The advantages of cast-iron construction, however, make cast-iron stoves reasonably unique and allow them to compete primarily in a separate and distinct market.

Figure 8.--Shares of U.S. consumption accounted for by U.S.-produced and imported cast-iron stoves, 1972-76 and January-March 1977.



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

An indication of the trends in the consumption of all wood- or coal-burning stoves (Department of Commerce product code 3433427) can be seen in the following table. These data indicate that cast-iron stoves have gained an irregularly increasing share of the total market (49.9 percent in 1972, 59.3 percent in 1973, 52.7 percent in 1974, and 60.3 percent in 1975). Substitution of steel stoves for cast-iron stoves apparently has not taken place in the overall market.

The Foreign Industry

Both the Republic of China (Taiwan) and the Republic of Korea have substantial cast-iron production capacity, primarily in small, labor-intensive foundries. Materials presented at the public hearing by U.S. producers show that these foreign producers aim strong sales campaigns at potential U.S. customers and frequently offer to copy any design desired by the purchaser. Some imports are such exact copies that U.S. producers' casting numbers or model numbers are duplicated. The product mix in the Taiwanese foundries is somewhat similar to that of U.S. foundries and consists of hibachis, cookware, patio furniture, and special order castings in addition to stoves and parts.

Scandinavian producers manufacture several lines of stoves that are sold in the United States under such brand names as Jotul, Lange, Trolla, and Morso. These stoves are airtight, a feature which gives them a considerably higher efficiency rating than either the domestically produced or imported Asian stoves. Some tests indicate that airtight stoves achieve an efficiency of 60 percent or more (60 percent of the heat warms the room while 40 percent goes up the chimney), while Franklin fireplaces rate 20 to 30 percent and a standard fireplace rates 10 percent or less. In addition to the airtight construction, which allows the fuel to burn much more slowly, part of the increased efficiency of these stoves is due to the installation of baffles which force heated gases to flow back over the fire. Thus, more complete combustion is obtained and the gases are allowed more time to heat the stove before going up the chimney. Many of these stoves are produced with a porcelainized finish. Neither the European producers of these stoves nor the petitioners consider them to be in direct commercial competition with U.S. made stoves because of the differences in construction and the substantial price differences. 1/ Some airtight stoves are also imported from France.

1/ Transcript of the hearing, pp. 6, 135, and 142.

**U.S. producers' shipments of wood- or coal-burning heating stoves and
sales of imported cast-iron stoves, 1972-76**

| Item | 1972 | 1973 | 1974 | 1975 | 1976 |
|----------------------------------|---------|---------|---------|---------|-----------|
| Producers' shipments of | | | | | |
| airtight sheet-metal wood- | | | | | |
| or coal-burning heating | | | | | |
| stoves-----units-- | 86,319 | 88,161 | 123,798 | 126,698 | <u>1/</u> |
| Producers' shipments of | | | | | |
| other wood- or coal- | | | | | |
| burning heating stoves <u>2/</u> | | | | | |
| units-- | 141,882 | 151,111 | 240,926 | 394,237 | <u>1/</u> |
| Sales of imported cast- | | | | | |
| iron stoves-----units-- | 12,195 | 15,829 | 65,896 | 223,270 | 213,463 |
| Total U.S. shipments of | | | | | |
| wood- or coal-burning | | | | | |
| heating stoves <u>3/</u> | | | | | |
| units-- | 240,396 | 255,101 | 430,620 | 744,205 | <u>1/</u> |
| Ratio of total U.S. ship- | | | | | |
| ments of cast-iron stoves | | | | | |
| to total U.S. shipments | | | | | |
| of wood- or coal-burning | | | | | |
| heating stoves---percent-- | 49.9 | 59.3 | 52.7 | 60.3 | <u>1/</u> |
| Ratio of total U.S. produc- | | | | | |
| ers' shipments of cast- | | | | | |
| iron stoves to total U.S. | | | | | |
| producers' shipments of | | | | | |
| wood- or coal-burning | | | | | |
| heating stoves---percent-- | 47.2 | 56.6 | 44.1 | 43.3 | <u>1/</u> |

1/ Not available.

2/ Includes cast-iron stoves.

3/ Does not include imported sheet-metal stoves, for which data are not available. Quantities are believed to be small.

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

Efforts of U.S. Producers To Compete
With Imports

The efforts to compete with imports as reported by U.S. producers include--

installation of equipment to improve habitability and worker productivity;

installation of equipment to improve production efficiency and quality of the product;

commissioning of studies by outside agencies to reduce product cost and improve management and cost control;

expanding distribution by promotion through catalog houses and mass merchandisers;

increased promotional allowances;

reduced prices;

product testing to insure safe and reliable design;

maintenance of large parts inventories to supply repair requests;

research and development expenditures to improve product;

improved equipment maintenance programs;

modification of equipment to improve efficiency;

substitution of some steel parts for cast-iron parts to reduce costs;

issuance of warranties on stoves;

offering liberal discounts to customers who order during offpeak periods (generally spring and summer); and

concentrating production and marketing on those stoves that do not compete directly with imports.

APPENDIX A

FINDINGS OF THE COMMISSION IN
INVESTIGATION NO. 332-79(2)

* * * * *

APPENDIX B

LIST OF COUNTRIES DESIGNATED AS BENEFICIARY
DEVELOPING COUNTRIES FOR PURPOSES OF
THE GENERALIZED SYSTEM OF PREFERENCES

The following countries and territories are designated beneficiary developing countries for purposes of the GSP, provided for in title V of the Trade Act of 1974

Independent Countries

| | | |
|-----------------------------|--------------------|-----------------------|
| Afghanistan | Guinea | Papua New Guinea |
| Angola | Guinea Bissau | Paraguay |
| Argentina | Guyana | Peru |
| Bahamas | Haiti | Philippines |
| Bahrain | Honduras | Portugal |
| Bangladesh | India | Republic of China |
| Barbados | Israel | Romania |
| Benin | Ivory Coast | Rwanda |
| Bhutan | Jamaica | Sao Tome and Principe |
| Bolivia | Jordan | Senegal |
| Botswana | Kenya | Sierra Leone |
| Brazil | Korea, Republic of | Singapore |
| Burma | Lebanon | Somalia |
| Burundi | Lesotho | Sri Lanka |
| Cameroon | Liberia | Sudan |
| Cape Verde | Malagasy Republic | Surinam |
| Central African Republic | Malawi | Swaziland |
| Chad | Malaysia | Syria |
| Chile | Maldives Islands | Tanzania |
| Colombia | Mali | Thailand |
| Congo (Brazzaville) | Malta | Togo |
| Costa Rica | Mauritania | Tonga |
| Cyprus | Mauritius | Trinidad and Tobago |
| Dominican Republic | Mexico | Tunisia |
| Egypt | Morocco | Turkey |
| El Salvador | Mozambique | Upper Volta |
| Equatorial Guinea | Nauru | Uruguay |
| Ethiopia | Nepal | Western Samoa |
| Fiji | Nicaragua | Yemen Arab Republic |
| Gambia | Niger | Yugoslavia |
| Ghana | Oman | Zaire |
| Grenada | Pakistan | Zambia |
| Guatemala | Panama | |

Nonindependent Countries and Territories

| | | |
|--|--|--|
| Afars and Issas, French Territory of the | Falkland Islands (Malvinas) and Dependencies | Portuguese Timor |
| Antigua | French Polynesia | Saint Christopher-Nevis Anguilla |
| Belize | Gibraltar | Saint Helena |
| Bermuda | Gilbert Islands | Saint Lucia |
| British Indian Ocean Territory | Heard Island and McDonald Islands | Saint Vincent |
| British Solomon Islands | Hong Kong | Seychelles |
| Brunei | Macao | Spanish Sahara |
| Cayman Islands | Montserrat | Tokelau Islands |
| Christmas Island (Australia) | Netherlands Antilles | Trust Territory of the Pacific Islands |
| Cocos (Keeling) Islands | New Caledonia | Tuvulu |
| Comoro Islands | New Hebrides Condominium | Turks and Caicos Islands |
| Cook Islands | Niue | Virgin Islands, British |
| Dominica | Norfolk Island | Wallis and Futuna Islands |
| | Pitcairn Island | |

APPENDIX C
STATISTICAL TABLES

Table 1.--Cast-iron stoves: U.S. imports for consumption, by types and by principal sources, 1972-76, January-March 1976, and January-March 1977

| Type and source | 1972 | 1973 | 1974 | 1975 | 1976 | January-March-- | | |
|------------------------|-----------------------|--------|--------|---------|---------|-----------------|--------|--|
| | | | | | | 1976 | 1977 | |
| | Quantity (units) | | | | | | | |
| Franklin fireplaces: | | | | | | | | |
| Republic of China----- | *** | *** | 16,650 | 107,554 | 62,328 | 14,555 | 15,918 | |
| Republic of Korea----- | *** | *** | *** | 27,360 | 17,189 | 1,789 | 1,511 | |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** | |
| Spain----- | *** | *** | *** | *** | *** | *** | *** | |
| All other----- | *** | *** | 118 | 4,361 | 798 | 798 | 3 | |
| Total----- | *** | *** | 51,270 | 167,064 | 90,846 | 21,397 | 17,432 | |
| Other stoves: | | | | | | | | |
| Republic of China----- | *** | *** | *** | 16,555 | 57,870 | 10,110 | 10,908 | |
| Japan----- | *** | *** | *** | *** | *** | *** | *** | |
| Norway----- | *** | *** | 7,751 | 19,576 | 14,939 | 3,409 | 4,700 | |
| Republic of Korea----- | *** | *** | *** | 23,198 | 13,186 | 4,271 | 408 | |
| Denmark----- | *** | *** | 1,982 | 6,312 | 5,702 | 1,235 | 2,314 | |
| France----- | *** | *** | 1,150 | 1,222 | 636 | 3 | 476 | |
| All other----- | *** | *** | *** | *** | *** | *** | *** | |
| Total----- | *** | *** | 31,496 | 116,666 | 111,926 | 19,816 | 22,766 | |
| All stoves: | | | | | | | | |
| Republic of China----- | *** | *** | *** | 124,109 | 120,198 | 24,665 | 26,826 | |
| Republic of Korea----- | *** | *** | *** | 50,558 | 30,375 | 6,060 | 1,919 | |
| Japan----- | *** | *** | *** | *** | *** | *** | *** | |
| Norway----- | *** | *** | 7,751 | 19,576 | 14,939 | 3,409 | 4,700 | |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** | |
| Denmark----- | *** | *** | 1,982 | 6,312 | 5,702 | 1,235 | 2,314 | |
| Spain----- | *** | *** | *** | *** | *** | *** | *** | |
| All other----- | *** | *** | 19,481 | 55,386 | 1,824 | 899 | 489 | |
| Total----- | 18,541 | 22,087 | 82,766 | 283,730 | 202,772 | 41,213 | 40,198 | |
| | Value (1,000 dollars) | | | | | | | |
| Franklin fireplaces: | | | | | | | | |
| Republic of China----- | *** | *** | 1,450 | 8,862 | 4,868 | 1,173 | 1,158 | |
| Republic of Korea----- | *** | *** | *** | 1,621 | 910 | 83 | 70 | |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** | |
| Spain----- | *** | *** | *** | *** | *** | *** | *** | |
| All other----- | *** | *** | 14 | 524 | 108 | 108 | 1/ | |
| Total----- | *** | *** | 3,341 | 13,392 | 6,449 | 1,617 | 1,228 | |
| Other stoves: | | | | | | | | |
| Republic of China----- | *** | *** | *** | 500 | 2,480 | 316 | 434 | |
| Japan----- | *** | *** | *** | *** | *** | *** | *** | |
| Norway----- | *** | *** | 1,015 | 2,860 | 2,471 | 533 | 872 | |
| Republic of Korea----- | *** | *** | *** | 753 | 533 | 158 | 15 | |
| Denmark----- | *** | *** | 349 | 1,287 | 1,084 | 239 | 472 | |
| France----- | *** | *** | 98 | 140 | 53 | 1/ | 64 | |
| All other----- | *** | *** | *** | *** | *** | *** | *** | |
| Total----- | *** | *** | 2,355 | 8,479 | 7,296 | 1,293 | 1,890 | |
| All stoves: | | | | | | | | |
| Republic of China----- | *** | *** | *** | 9,362 | 7,348 | 1,489 | 1,593 | |
| Republic of Korea----- | *** | *** | *** | 2,374 | 1,443 | 241 | 85 | |
| Japan----- | *** | *** | *** | *** | *** | *** | *** | |
| Norway----- | *** | *** | 1,015 | 2,860 | 2,471 | 533 | 872 | |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** | |
| Denmark----- | *** | *** | 349 | 1,287 | 1,084 | 239 | 472 | |
| Spain----- | *** | *** | *** | *** | *** | *** | *** | |
| All other----- | *** | *** | 956 | 3,604 | 224 | 128 | 65 | |
| Total----- | 892 | 1,188 | 5,697 | 21,871 | 13,745 | 2,909 | 3,118 | |

See footnotes at end of table.

Table 1.--Cast-iron stoves: U.S. imports for consumption, by types and by principal sources, 1972-76, January-March 1976, and January-March 1977--Continued

| Type and source | 1972 | 1973 | 1974 | 1975 | 1976 | January-March-- | |
|------------------------|------------------------------|-------|---------|---------|---------|-----------------|---------|
| | | | | | | 1976 | 1977 |
| | Unit value 2/ | | | | | | |
| Franklin fireplaces: | | | | | | | |
| Republic of China----- | *** | *** | \$87.07 | \$82.40 | \$78.10 | \$80.59 | \$72.76 |
| Republic of Korea----- | *** | *** | *** | 59.26 | 52.92 | 46.27 | 46.06 |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** |
| Spain----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | *** | *** | 126.52 | 102.13 | - | - | 123.00 |
| Average----- | *** | *** | 65.17 | 80.16 | 70.98 | 75.56 | 70.45 |
| Other stoves: | | | | | | | |
| Republic of China----- | *** | *** | *** | 30.18 | 42.85 | 31.22 | 39.83 |
| Japan----- | *** | *** | *** | *** | *** | *** | *** |
| Norway----- | *** | *** | 130.95 | 146.10 | 165.41 | 156.35 | 185.53 |
| Republic of Korea----- | *** | *** | *** | 32.44 | 40.44 | 37.10 | 37.24 |
| Denmark----- | *** | *** | 176.30 | 203.90 | 190.06 | 193.85 | 203.95 |
| France----- | *** | *** | 85.40 | 114.45 | 83.58 | 60.00 | 133.53 |
| All other----- | *** | *** | *** | *** | *** | *** | *** |
| Average----- | *** | *** | 74.77 | 72.68 | 65.19 | 65.24 | 83.03 |
| All stoves: | | | | | | | |
| Republic of China----- | *** | *** | *** | 75.43 | 61.13 | 60.35 | 59.37 |
| Republic of Korea----- | *** | *** | *** | 46.95 | 47.50 | 39.81 | 44.19 |
| Japan----- | *** | *** | *** | *** | *** | *** | *** |
| Norway----- | *** | *** | 130.95 | 146.10 | 165.41 | 156.35 | 185.53 |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** |
| Denmark----- | *** | *** | 85.40 | 114.45 | 83.58 | 60.00 | 133.53 |
| Spain----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | *** | *** | 49.10 | 65.06 | 122.71 | 142.64 | 132.77 |
| Average----- | 48.12 | 53.80 | 68.83 | 77.08 | 67.78 | 70.60 | 77.57 |
| | Percent of total quantity 2/ | | | | | | |
| Franklin fireplaces: | | | | | | | |
| Republic of China----- | *** | *** | 32.5 | 64.4 | 68.6 | 68.0 | 91.3 |
| Republic of Korea----- | *** | *** | *** | 16.4 | 18.9 | 8.4 | 8.7 |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** |
| Spain----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | *** | *** | .2 | 2.6 | .9 | 3.7 | 3/ |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Other stoves: | | | | | | | |
| Republic of China----- | *** | *** | *** | 14.2 | 51.7 | 51.0 | 47.9 |
| Japan----- | *** | *** | *** | *** | *** | *** | *** |
| Norway----- | *** | *** | 24.6 | 16.8 | 13.3 | 17.2 | 20.6 |
| Republic of Korea----- | *** | *** | *** | 19.9 | 11.8 | 21.6 | 1.8 |
| Denmark----- | *** | *** | 6.3 | 5.4 | 5.1 | 6.2 | 10.2 |
| France----- | *** | *** | 3.7 | 1.0 | .6 | 3/ | 2.1 |
| All other----- | *** | *** | *** | *** | *** | *** | *** |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| All stoves: | | | | | | | |
| Republic of China----- | *** | *** | *** | 43.7 | 59.3 | 59.8 | 66.7 |
| Republic of Korea----- | *** | *** | *** | 17.8 | 15.0 | 14.7 | 4.8 |
| Japan----- | *** | *** | *** | *** | *** | *** | *** |
| Norway----- | *** | *** | 9.4 | 6.9 | 7.4 | 8.3 | 11.7 |
| Yugoslavia----- | *** | *** | *** | *** | *** | *** | *** |
| Denmark----- | *** | *** | 2.4 | 2.2 | 2.8 | 3.0 | 5.8 |
| Spain----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | *** | *** | 23.5 | 19.5 | .9 | 2.2 | 1.2 |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1/ Less than \$500.

2/ Calculated from the unrounded figures.

3/ Less than 0.05 percent.

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

Note.--Because of rounding, figures may not add to the totals shown.

Table 2.--Cast-iron fireplace grates: U.S. imports for consumption, by principal sources, 1972-76, January-March 1976, and January-March 1977

| Source | 1972 | 1973 | 1974 | 1975 | 1976 | January-March-- | |
|------------------------|---------------------------|---------|---------|---------|---------|-----------------|--------|
| | | | | | | 1976 | 1977 |
| | Quantity (units) | | | | | | |
| Republic of Korea----- | 93,707 | 130,194 | 222,607 | 178,417 | 168,901 | 38,280 | 14,156 |
| Republic of China----- | 90,500 | 71,000 | 93,240 | 173,687 | 82,229 | 16,225 | 13,802 |
| Poland----- | *** | *** | *** | *** | *** | *** | *** |
| India----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | 11,400 | 9,082 | 8,051 | 3,302 | 411 | 410 | 0 |
| Total----- | 206,323 | 233,970 | 347,122 | 426,100 | 279,359 | 61,871 | 31,520 |
| | Value (1,000 dollars) | | | | | | |
| Republic of Korea----- | 369 | 525 | 1,246 | 866 | 731 | 156 | 58 |
| Republic of China----- | 472 | 375 | 528 | 1,092 | 414 | 88 | 67 |
| Poland----- | *** | *** | *** | *** | *** | *** | *** |
| India----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | 43 | 38 | 49 | 20 | 2 | 2 | - |
| Total----- | 906 | 992 | 1,886 | 2,301 | 1,365 | 288 | 173 |
| | Unit value | | | | | | |
| Republic of Korea----- | \$3.93 | \$4.03 | \$5.60 | \$4.85 | \$4.33 | \$4.09 | \$4.10 |
| Republic of China----- | 5.22 | 5.28 | 5.66 | 6.29 | 5.04 | 5.42 | 4.85 |
| Poland----- | *** | *** | *** | *** | *** | *** | *** |
| India----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | 3.78 | 4.17 | 6.10 | 6.12 | 4.92 | 4.88 | - |
| Average----- | 4.39 | 4.24 | 5.43 | 5.40 | 4.89 | 4.65 | 5.49 |
| | Percent of total quantity | | | | | | |
| Republic of Korea----- | 45.4 | 55.6 | 64.1 | 41.9 | 60.5 | 61.9 | 44.9 |
| Republic of China----- | 43.9 | 30.3 | 26.9 | 40.8 | 29.4 | 26.2 | 43.8 |
| Poland----- | *** | *** | *** | *** | *** | *** | *** |
| India----- | *** | *** | *** | *** | *** | *** | *** |
| All other----- | 5.5 | 3.9 | 2.3 | .8 | .1 | .7 | - |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note.--Because of rounding, figures may not add to totals shown.

Table 3.--Cast-iron parts of stoves (excluding fireplace grates): U.S. imports for consumption, by principal sources, 1972-76, January-March 1976, and January-March 1977

| Source | 1972 | 1973 | 1974 | 1975 | 1976 | Jan.-Mar. | |
|-----------------------|------|------|-------|-------|-------|-----------|-------|
| | | | | | | 1976 | 1977 |
| Value (1,000 dollars) | | | | | | | |
| Republic of China--- | *** | *** | *** | *** | *** | *** | *** |
| Republic of Korea--- | *** | *** | *** | *** | *** | *** | *** |
| Denmark----- | *** | *** | *** | *** | *** | *** | *** |
| Italy----- | *** | *** | *** | *** | *** | *** | *** |
| Total----- | - | - | 16 | 51 | 134 | 6 | 10 |
| Percent of total | | | | | | | |
| Republic of China--- | *** | *** | *** | *** | *** | *** | *** |
| Republic of Korea--- | *** | *** | *** | *** | *** | *** | *** |
| Denmark----- | *** | *** | *** | *** | *** | *** | *** |
| Italy----- | *** | *** | *** | *** | *** | *** | *** |
| Total----- | - | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Note.--Because of rounding, figures may not add to the totals shown.

Table 4.--Cast-iron stoves and cast-iron fireplace grates: U.S. producers' inventories of U.S.-made articles, by types, Dec. 31 of 1972-76 and Mar. 31 of 1976 and 1977

| (In units) | | | | | |
|------------|------------------------|-------|--------|---------------------|--|
| Date | Stoves | | | Fireplace grates | |
| | Franklin fireplaces | Other | Total | | |
| Dec. 31-- | | | | | |
| 1972----- | *** | *** | 6,592 | 11,093 | |
| 1973----- | *** | *** | 3,310 | 21,632 | |
| 1974----- | *** | *** | 5,310 | 12,727 | |
| 1975----- | *** | *** | 31,862 | 58,493 | |
| 1976----- | *** | *** | 24,281 | 32,912 | |
| Mar. 31-- | | | | | |
| 1976----- | *** | *** | 45,816 | 55,207 | |
| 1977----- | *** | *** | 18,950 | 21,879 | |

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

Table 5.--Cast-iron stoves and cast-iron fireplace grates: Changes in U.S. producers' inventories of U.S.-made articles, by types, 1972-76, January-March 1976, and January-March 1977

| (In units) | | | | | |
|-------------|------------------------|-------|--------|---------------------|--|
| Period | Stoves | | | Fireplace grates | |
| | Franklin fireplaces | Other | Total | | |
| 1972----- | *** | *** | 1,286 | 2,103 | |
| 1973----- | *** | *** | -3,059 | 10,141 | |
| 1974----- | *** | *** | 3,433 | -5,931 | |
| 1975----- | *** | *** | 22,481 | 46,570 | |
| 1976----- | *** | *** | 8,430 | -12,620 | |
| Jan.-Mar.-- | | | | | |
| 1976----- | *** | *** | 21,436 | 5,250 | |
| 1977----- | *** | *** | -2,295 | -668 | |

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

Table 6.--Cast-iron stoves and cast-iron fireplace grates: U.S. importers' inventories of imported articles, by types, Dec. 31 of 1972-76 and Mar. 31 of 1976 and 1977

| (In units) | | | | | |
|------------|------------------------|--------|---------|---------------------|--|
| Date | Stoves | | | Fireplace grates | |
| | Franklin fireplaces | Other | Total | | |
| Dec. 31-- | | | | | |
| 1972----- | *** | *** | 9,248 | 11,287 | |
| 1973----- | *** | *** | 15,506 | 28,879 | |
| 1974----- | 29,540 | 2,836 | 32,376 | 128,782 | |
| 1975----- | 52,576 | 38,605 | 91,181 | 170,927 | |
| 1976----- | 45,917 | 35,590 | 81,507 | 114,733 | |
| Mar. 31-- | | | | | |
| 1976----- | 59,297 | 42,186 | 101,483 | 180,025 | |
| 1977----- | 35,245 | 20,138 | 55,383 | 97,547 | |

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

Table 7.--Cast-iron stoves and cast-iron fireplace grates: Changes in U.S. importers' inventories of imported articles, by types, 1972-76, January-March 1976, and January-March 1977

| (In units) | | | | | |
|-------------|------------------------|---------|---------|---------------------|--|
| Period | Stoves | | | Fireplace grates | |
| | Franklin fireplaces | Other | Total | | |
| 1972 ----- | *** | *** | 6,346 | 12,256 | |
| 1973 ----- | *** | *** | 6,258 | 17,663 | |
| 1974 ----- | 14,282 | 2,588 | 16,870 | 100,043 | |
| 1975 ----- | 23,950 | 36,510 | 60,460 | 42,152 | |
| 1976 ----- | -6,647 | -4,044 | -10,691 | -42,088 | |
| Jan.-Mar.-- | | | | | |
| 1976 ----- | 7,885 | 2,336 | 10,211 | 18,600 | |
| 1977 ----- | -8,864 | -15,467 | -24,331 | -11,672 | |

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

Table 8.--Cast-iron stoves and cast-iron parts of stoves: U.S. exports of domestic merchandise, by types, 1972-76, January-March 1976, and January-March 1977

| Period | Stoves | | | Parts of stoves | | |
|-----------------------|---------------------------|-------|---------|-----------------------|-------|-------|
| | Franklin : fireplaces: | Other | Total | Fireplace : grates | Other | Total |
| Quantity (units) | | | | | | |
| 1972----- | *** | *** | 3,579 | *** | 1/ | 1/ |
| 1973----- | *** | *** | 1,469 | *** | 1/ | 1/ |
| 1974----- | *** | *** | 1,174 | *** | 1/ | 1/ |
| 1975----- | *** | *** | 2,108 | *** | 1/ | 1/ |
| 1976----- | *** | *** | 3,985 | *** | 1/ | 1/ |
| Jan.-Mar.-- | | | | | | |
| 1976----- | *** | *** | 418 | *** | 1/ | 1/ |
| 1977----- | *** | *** | 1,067 | *** | 1/ | 1/ |
| Value (1,000 dollars) | | | | | | |
| 1972----- | *** | *** | 151 | *** | - | *** |
| 1973----- | *** | *** | 108 | *** | - | *** |
| 1974----- | *** | *** | 143 | *** | - | *** |
| 1975----- | *** | *** | 254 | *** | - | *** |
| 1976----- | *** | *** | 403 | *** | - | *** |
| Jan.-Mar.-- | | | | | | |
| 1976----- | *** | *** | 51 | *** | - | *** |
| 1977----- | *** | *** | 119 | *** | - | *** |
| Unit value <u>2/</u> | | | | | | |
| 1972----- | *** | *** | \$42.19 | *** | 1/ | 1/ |
| 1973----- | *** | *** | 73.52 | *** | 1/ | 1/ |
| 1974----- | *** | *** | 122.20 | *** | 1/ | 1/ |
| 1975----- | *** | *** | 120.66 | *** | 1/ | 1/ |
| 1976----- | *** | *** | 101.04 | *** | 1/ | 1/ |
| Jan.-Mar.-- | | | | | | |
| 1976----- | *** | *** | 122.01 | *** | 1/ | 1/ |
| 1977----- | *** | *** | 111.99 | *** | 1/ | 1/ |

1/ Not available.

2/ Calculated from the unrounded figures.

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

Table 9.--Cast-iron Franklin fireplaces and cast-iron fireplace grates: Lowest wholesale price ranges, average lowest wholesale prices, and price indexes for U.S.-produced and imported articles, by specified periods, January 1972-March 1977

| Commodity and period | Lowest wholesale price range | | | | Average lowest wholesale price | | | | Price index (January-June 1974=100) | | | |
|----------------------|------------------------------|-----------------|---------------|-------------|--------------------------------|----------|---------------|----------|-------------------------------------|----------|---------------|----------|
| | Per unit | | Per pound | | Per unit | | Per pound | | Per unit | | Per pound | |
| | U.S. produced | Imported | U.S. produced | Imported | U.S. produced | Imported | U.S. produced | Imported | U.S. produced | Imported | U.S. produced | Imported |
| Franklin fireplaces: | | | | | | | | | | | | |
| 1972: | | | | | | | | | | | | |
| January-June----- | \$59.90-\$94.05 | 1/ | \$0.22-\$0.32 | 1/ | \$77.03 | 1/ | \$0.26 | 1/ | 80 | 1/ | 79 | 1/ |
| July-December----- | 59.90- 94.05 | 1/ | .22- .32 | 1/ | 77.03 | 1/ | .26 | 1/ | 80 | 1/ | 79 | 1/ |
| 1973: | | | | | | | | | | | | |
| January-June----- | 63.15- 94.05 | 1/ | .23- .32 | 1/ | 79.62 | 1/ | .27 | 1/ | 82 | 1/ | 81 | 1/ |
| July-December----- | 63.15- 94.05 | 1/ | .23- .32 | 1/ | 79.62 | 1/ | .27 | 1/ | 82 | 1/ | 81 | 1/ |
| 1974: | | | | | | | | | | | | |
| January-June----- | 67.01-139.00 | \$61.13-\$99.00 | .25- .46 | 1/ - \$0.36 | 96.54 | \$85.36 | .34 | \$0.30 | 100 | 100 | 100 | 100 |
| July-December----- | 77.60-165.00 | 61.13-120.00 | .29- .55 | \$0.33- .36 | 114.47 | 98.21 | .40 | .35 | 119 | 115 | 119 | 115 |
| 1975: | | | | | | | | | | | | |
| January-June----- | 83.95-235.00 | 77.08-140.00 | .31- .78 | .34- .44 | 133.27 | 104.63 | .46 | .38 | 138 | 123 | 138 | 126 |
| July-December----- | 92.20-269.00 | 80.00-140.00 | .34- .90 | .32- .43 | 145.46 | 102.00 | .51 | .37 | 151 | 119 | 151 | 124 |
| 1976: | | | | | | | | | | | | |
| January-June----- | 95.06-289.00 | 74.59-200.00 | .35- .96 | .30- .67 | 157.28 | 111.28 | .55 | .40 | 163 | 130 | 163 | 135 |
| July-December----- | 95.06-253.00 | 74.59-200.00 | .35- .84 | .30- .67 | 151.28 | 114.37 | .53 | .42 | 157 | 134 | 157 | 140 |
| 1977: | | | | | | | | | | | | |
| January-March----- | 95.06-234.00 | 80.00-139.50 | .35- .78 | .32- .61 | 149.23 | 112.98 | .52 | .42 | 155 | 132 | 155 | 138 |
| Fireplace grates: 2/ | | | | | | | | | | | | |
| 1972: | | | | | | | | | | | | |
| January-June----- | 4.30- 10.50 | 1/ | .19- .42 | 1/ | 6.91 | 1/ | .26 | 1/ | 82 | 1/ | 82 | 1/ |
| July-December----- | 4.30- 10.50 | 1/ | .19- .42 | 1/ | 6.94 | 1/ | .26 | 1/ | 82 | 1/ | 82 | 1/ |
| 1973: | | | | | | | | | | | | |
| January-June----- | 4.50- 11.50 | 1/ | .21- .42 | 1/ | 7.33 | 1/ | .27 | 1/ | 87 | 1/ | 87 | 1/ |
| July-December----- | 4.50- 11.50 | 1/ | .21- .42 | 1/ | 7.39 | 1/ | .27 | 1/ | 87 | 1/ | 88 | 1/ |
| 1974: | | | | | | | | | | | | |
| January-June----- | 4.86- 12.51 | 7.35- 12.54 | .22- .50 | .33- .35 | 8.46 | 9.10 | .31 | .34 | 100 | 100 | 100 | 100 |
| July-December----- | 6.10- 12.70 | 3.76- 12.54 | .23- .66 | .17- .35 | 9.77 | 7.12 | .36 | .28 | 115 | 78 | 116 | 85 |
| 1975: | | | | | | | | | | | | |
| January-June----- | 6.70- 13.97 | 4.84- 12.54 | .23- .66 | .22- .35 | 10.34 | 7.78 | .38 | .30 | 122 | 85 | 122 | 89 |
| July-December----- | 7.20- 13.97 | 4.54- 12.54 | .23- .66 | .21- .35 | 10.65 | 7.68 | .40 | .30 | 126 | 84 | 126 | 88 |
| 1976: | | | | | | | | | | | | |
| January-June----- | 7.40- 15.00 | 4.09- 14.95 | .32- .75 | .19- .83 | 11.43 | 7.98 | .42 | .35 | 135 | 88 | 135 | 103 |
| July-December----- | 7.40- 15.00 | 4.00- 14.95 | .32- .75 | .26- .83 | 11.43 | 7.51 | .42 | .36 | 135 | 83 | 135 | 106 |
| 1977: | | | | | | | | | | | | |
| January-March----- | 7.40- 15.00 | 6.73- 9.75 | .32- .75 | .32- .46 | 11.64 | 8.19 | .42 | .37 | 138 | 90 | 133 | 110 |

1/ Not available.

2/ 19 to 28 inches in width.

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

Table 10.--Cast-iron Franklin fireplaces and cast-iron fireplace grates:
Average lowest unit cost of imports, landed, duty-paid, at port of
entry, by specified periods, January 1974-March 1977

| Period | Per unit | | Per pound | |
|--------------------|------------|------------|------------|------------|
| | Franklin: | Fireplace: | Franklin: | Fireplace: |
| | fireplace: | grate | fireplace: | grate |
| 1974: | : | : | : | : |
| January-June----- | \$56.06 : | \$5.50 : | \$0.21 : | \$0.28 |
| July-December----- | 64.48 : | 4.96 : | .25 : | .22 |
| 1975: | : | : | : | : |
| January-June----- | 78.91 : | 5.25 : | .30 : | .24 |
| July-December----- | 78.65 : | 4.64 : | .30 : | .23 |
| 1976: | : | : | : | : |
| January-June----- | 78.89 : | 4.73 : | .30 : | .22 |
| July-December----- | 78.12 : | 4.80 : | .29 : | .24 |
| 1977: | : | : | : | : |
| January-March----- | 73.94 : | 5.18 : | .28 : | .26 |

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

Table 11.--Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates: Profit-and-loss experience of 8 U.S. producers and 1 assembler on their total company operations, by companies, accounting years 1972-76

* * * * *

Table 12.--Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates: Profit-and-loss analysis of total company operations of 8 U.S. producers, by companies, accounting years 1972-76

| | | (In percent) | | | | | | |
|------------------------------------|-----------------------|-------------------------------|----------------------------|--------------------------------|--|--|---|--|
| | | Ratio of-- | | | | | | |
| Accounting year and company | Gross profit to sales | Net operating profit to sales | Profit before tax to sales | Profit before tax to net worth | Profit before tax to total assets (cost) | Profit before tax to total assets (book) | Profit before tax to total assets (replacement) | |
| 1972: | | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Martin Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** | |
| 7-company average----- | 23.6 | 6.6 | 6.1 | 16.1 | 1/ | 9.4 | 1/ | |
| Industry average 2/----- | 19.1 | 1/ | 4.7 | 15.6 | 1/ | 8.0 | 1/ | |
| 1973: | | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Martin Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** | |
| 7-company average----- | 21.4 | 5.2 | 3.9 | 11.5 | 1/ | 6.5 | 1/ | |
| Industry average 3/----- | 20.1 | 1/ | 6.8 | 21.6 | 1/ | 11.6 | 1/ | |
| 1974: | | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Martin Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** | |
| 8-company average----- | 20.2 | 7.1 | 6.1 | 4/ 27.8 | 1/ | 13.5 | 1/ | |
| Industry average 5/----- | 22.3 | 1/ | 7.4 | 28.6 | 1/ | 15.2 | 1/ | |
| 1975: | | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Martin Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** | |
| 8-company average----- | 26.0 | 12.1 | 10.7 | 4/ 39.2 | 1/ | 4/ 20.0 | 1/ | |
| Industry average 6/----- | 20.5 | 1/ | 8.3 | 30.1 | 1/ | 16.3 | 1/ | |
| 1976: | | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Martin Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** | |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** | |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** | |
| 8-company average----- | 20.7 | 4.7 | 3.0 | 4/ 1.1 | 1/ | 4/ 0.6 | 1/ | |

1/ Not available.

2/ 55-company average, Annual Statement Studies, 1973, p. 42.

3/ 59-company average, Annual Statement Studies, 1974, p. 83.

4/ 7-company average.

5/ 69-company average, Annual Statement Studies, 1975, p. 83.

6/ 71-company average, Annual Statement Studies, 1976, p. 84.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic producers, except as noted.

Table 13.--Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates:
Overall company financial condition of 7 U.S. producers, accounting years 1972-76

| (In thousands of dollars) | | | | | |
|--|--------|--------|--------|--------|--------|
| Item | 1972 | 1973 | 1974 | 1975 | 1976 |
| <u>Assets</u> | | | | | |
| Current assets: | | | | | |
| Cash----- | 1,760 | 1,435 | 1,489 | 3,648 | 3,114 |
| Accounts receivable, net----- | 3,502 | 3,645 | 7,131 | 6,417 | 6,626 |
| Inventories----- | 5,982 | 6,694 | 8,335 | 9,893 | 8,059 |
| Other current assets----- | 122 | 270 | 263 | 288 | 1,124 |
| Total current assets----- | 11,366 | 12,044 | 17,218 | 20,246 | 18,923 |
| Property, plant, machinery, and equipment, net of reserve for depreciation----- | 6,543 | 7,325 | 8,616 | 9,998 | 9,813 |
| Other assets, including investments----- | 174 | 175 | 376 | 402 | 471 |
| Total assets----- | 18,083 | 19,544 | 26,210 | 30,646 | 29,207 |
| <u>Liabilities</u> | | | | | |
| Current liabilities: | | | | | |
| Accounts payable----- | 1,234 | 1,442 | 2,572 | 2,020 | 3,245 |
| Notes and loans payable----- | 812 | 3,527 | 4,325 | 4,428 | 3,016 |
| Accrued expenses and taxes----- | 1,228 | 521 | 1,682 | 2,050 | 369 |
| Other current liabilities----- | 436 | 458 | 647 | 1,114 | 216 |
| Total current liabilities----- | 3,710 | 5,948 | 9,226 | 9,612 | 6,846 |
| Long-term debt----- | 3,778 | 2,523 | 4,232 | 5,376 | 6,889 |
| Stockholders' equity: | | | | | |
| Capital stock----- | 1,549 | 1,639 | 1,666 | 1,635 | 1,658 |
| Paid-in surplus----- | 80 | 80 | 80 | 80 | 87 |
| Retained earnings----- | 8,966 | 9,354 | 11,006 | 13,943 | 13,727 |
| Total stockholders' equity----- | 10,595 | 11,073 | 12,752 | 15,658 | 15,472 |
| Total liabilities and stockholders' equity--- | 18,083 | 19,544 | 26,210 | 30,646 | 29,207 |

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

Table 14.--Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates: Overall company financial condition of 7 U.S. producers and 1 assembler, by companies, accounting years 1972-76

* * * * *

Table 15.--Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates: Balance sheet analysis of total company operations of 7 U.S. producers, by companies, accounting years 1972-76

| Accounting year and company | Ratio of cost of sales to inventory | Inventory turnover Days | Ratio of-- | | | | |
|---|--|-----------------------------------|-----------------------------------|--|--|---|---|
| | | | Cash to total assets (book) | Receivables to total assets (book) | Inventory to total assets (book) | Current assets to total assets (book) | Current assets to current liabilities |
| | | | Percent | Percent | Percent | Percent | Ratio |
| 1972: | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 3.6 | 100 | 9.7 | 19.4 | 33.1 | 62.9 | 3.1 |
| Industry average 1/----- | 8.7 | 41 | 6.0 | 26.9 | 18.2 | 55.5 | 1.8 |
| 1973: | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 3.8 | 95 | 7.3 | 18.6 | 34.3 | 61.6 | 2.0 |
| Industry average 2/----- | 7.9 | 46 | 5.0 | 26.0 | 21.1 | 55.3 | 1.7 |
| 1974: | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 4.6 | 78 | 5.7 | 27.2 | 31.8 | 65.7 | 1.9 |
| Industry average 3/----- | 8.2 | 44 | 6.4 | 25.7 | 23.2 | 57.6 | 1.5 |
| 1975: | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 4.3 | 84 | 11.9 | 20.9 | 32.3 | 66.1 | 2.1 |
| Industry average 4/----- | 10.4 | 35 | 8.4 | 22.2 | 19.3 | 53.7 | 1.9 |
| 1976: | | | | | | | |
| The Atlanta Stove Works, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co----- | *** | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc----- | *** | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 4.9 | 74 | 10.7 | 22.7 | 27.6 | 64.8 | 4.3 |
| 1/ 55-company average, <u>Annual Statement Studies</u> , 1973, p. 42. | | | | | | | |
| 2/ 59-company average, <u>Annual Statement Studies</u> , 1974, p. 83. | | | | | | | |
| 3/ 69-company average, <u>Annual Statement Studies</u> , 1975, p. 83. | | | | | | | |
| 4/ 71-company average, <u>Annual Statement Studies</u> , 1976, p. 84. | | | | | | | |

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic producers, except as noted.

Table 16.--Cast-iron stoves, cast-iron parts of stoves, and cast-iron fireplace grates: Sales analysis of total company operations of 7 U.S. producers, by companies, accounting years 1972-76

| Accounting year and period | Ratio of sales to receivables | Average collection period | Ratio of-- | | | |
|----------------------------------|-------------------------------------|---------------------------------|-----------------------|---------------------------------------|---------------------------------------|--|
| | | | Sales to net worth | Sales to total assets (cost) | Sales to total assets (book) | Sales to total as- sets (re- placement) |
| 1972: | | | | | | |
| The Atlanta Stove Works, Inc---- | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co-- | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc---- | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 8.0 | 45 | 2.7 | 1/ | 1.6 | 1/ |
| Industry average 2/----- | 6.9 | 52 | 3.5 | 1/ | 1.8 | 1/ |
| 1973: | | | | | | |
| The Atlanta Stove Works, Inc---- | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co-- | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc---- | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 8.9 | 41 | 2.9 | 1/ | 1.7 | 1/ |
| Industry average 3/----- | 7.9 | 46 | 3.9 | 1/ | 2.0 | 1/ |
| 1974: | | | | | | |
| The Atlanta Stove Works, Inc---- | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co-- | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc---- | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 6.9 | 52 | 3.8 | 1/ | 1.9 | 1/ |
| Industry average 4/----- | 7.8 | 46 | 4.3 | 1/ | 2.1 | 1/ |
| 1975: | | | | | | |
| The Atlanta Stove Works, Inc---- | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co-- | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc---- | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 9.0 | 40 | 3.7 | 1/ | 1.9 | 1/ |
| Industry average 5/----- | 9.6 | 38 | 3.7 | 1/ | 2.0 | 1/ |
| 1976: | | | | | | |
| The Atlanta Stove Works, Inc---- | *** | *** | *** | *** | *** | *** |
| Berkmont Industries, Inc----- | *** | *** | *** | *** | *** | *** |
| Keystone Grey Iron Foundry Co-- | *** | *** | *** | *** | *** | *** |
| Lodge Manufacturing Co----- | *** | *** | *** | *** | *** | *** |
| Portland Stove Foundry, Inc---- | *** | *** | *** | *** | *** | *** |
| United States Stove Co----- | *** | *** | *** | *** | *** | *** |
| Washington Stove Works----- | *** | *** | *** | *** | *** | *** |
| 7-company average----- | 7.3 | 49 | 3.1 | 1/ | 1.7 | 1/ |

1/ Not available.

2/ 55-company average, Annual Statement Studies, 1973, p. 42.3/ 59-company average, Annual Statement Studies, 1974, p. 83.4/ 69-company average, Annual Statement Studies, 1975, p. 83.5/ 71-company average, Annual Statement Studies, 1976, p. 84.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by domestic producers, except as noted.

Table 17.--Cast-iron stoves and cast-iron parts of stoves: U.S. producers' shipments, sales of imported articles, exports of domestic merchandise, and apparent consumption, by types, 1972-76, January-March 1976, and January-March 1977

| (Quantity in units; value in thousands of dollars) | | | | | | | |
|--|----------------------|----------------------------|---------|----------------------|---|---|--|
| Type and period | Producers' shipments | Sales of imported articles | Exports | Apparent consumption | Ratio (percent) of sales of imported articles to apparent consumption | Ratio (percent) of sales of imported articles to producers' shipments | |
| Quantity | | | | | | | |
| Stoves: | | | | | | | |
| Franklin fireplaces: | | | | | | | |
| 1972----- | *** | *** | *** | *** | 14.5 | *** | |
| 1973----- | *** | *** | *** | *** | 13.9 | *** | |
| 1974----- | *** | 36,988 | *** | 153,089 | 24.2 | *** | |
| 1975----- | *** | 143,114 | *** | 276,398 | 51.8 | *** | |
| 1976----- | *** | 97,493 | *** | 160,615 | 60.7 | *** | |
| January-March-- | | | | | | | |
| 1976----- | *** | 13,512 | *** | 23,259 | 58.1 | *** | |
| 1977----- | *** | 26,296 | *** | 40,525 | 64.9 | *** | |
| Other stoves: | | | | | | | |
| 1972----- | *** | *** | *** | *** | 1.2 | *** | |
| 1973----- | *** | *** | *** | *** | 3.5 | *** | |
| 1974----- | *** | 28,908 | *** | 72,590 | 39.8 | *** | |
| 1975----- | *** | 80,156 | *** | 170,379 | 47.0 | *** | |
| 1976----- | *** | 115,970 | *** | 169,416 | 68.5 | *** | |
| January-March-- | | | | | | | |
| 1976----- | *** | 17,490 | *** | 28,636 | 61.1 | *** | |
| 1977----- | *** | 38,233 | *** | 53,536 | 71.4 | *** | |
| Total: | | | | | | | |
| 1972----- | 107,684 | 12,195 | 3,579 | 116,300 | 10.5 | 11.3 | |
| 1973----- | 135,341 | 15,829 | 1,469 | 149,701 | 10.6 | 11.7 | |
| 1974----- | 160,957 | 65,896 | 1,174 | 225,679 | 29.2 | 40.9 | |
| 1975----- | 225,615 | 223,270 | 2,108 | 446,777 | 50.0 | 99.0 | |
| 1976----- | 120,553 | 213,463 | 3,985 | 330,031 | 64.7 | 177.1 | |
| January-March-- | | | | | | | |
| 1976----- | 21,311 | 31,002 | 418 | 51,895 | 59.7 | 145.5 | |
| 1977----- | 30,599 | 64,529 | 1,067 | 94,061 | 68.6 | 210.9 | |
| Parts of stoves: | | | | | | | |
| Fireplace grates: | | | | | | | |
| 1972----- | 160,700 | 194,067 | *** | *** | *** | 120.8 | |
| 1973----- | 201,163 | 216,307 | *** | *** | *** | 107.5 | |
| 1974----- | 248,396 | 247,079 | *** | *** | *** | 99.5 | |
| 1975----- | 188,623 | 383,948 | *** | *** | *** | 203.6 | |
| 1976----- | 187,824 | 321,447 | *** | *** | *** | 171.1 | |
| January-March-- | | | | | | | |
| 1976----- | 19,270 | 43,271 | *** | *** | *** | 224.6 | |
| 1977----- | 36,482 | 43,192 | *** | *** | *** | 118.4 | |
| Other parts: | | | | | | | |
| 1972----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1973----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1974----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1975----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1976----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| January-March-- | | | | | | | |
| 1976----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1977----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| Total: | | | | | | | |
| 1972----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1973----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1974----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1975----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1976----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| January-March-- | | | | | | | |
| 1976----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |
| 1977----- | 1/ | 1/ | 1/ | 1/ | 1/ | 1/ | |

See footnote at end of table.

Table 17.--Cast-iron stoves and cast-iron parts of stoves: U.S. producers' shipments, sales of imported articles, exports of domestic merchandise, and apparent consumption, by types, 1972-76, January-March 1976, and January-March 1977--Continued

| (Quantity in units; value in thousands of dollars) | | | | | | | |
|--|----------------------|----------------------------|---------|----------------------|---|---|--|
| Type and period | Producers' shipments | Sales of imported articles | Exports | Apparent consumption | Ratio (percent) of sales of imported articles to apparent consumption | Ratio (percent) of sales of imported articles to producers' shipments | |
| Value | | | | | | | |
| Stoves: | | | | | | | |
| Franklin fireplaces: | | | | | | | |
| 1972----- | *** | *** | *** | *** | 23.4 | *** | |
| 1973----- | *** | *** | *** | *** | 21.5 | *** | |
| 1974----- | *** | 4,904 | *** | 15,060 | 32.6 | *** | |
| 1975----- | *** | 19,070 | *** | 33,441 | 57.0 | *** | |
| 1976----- | *** | 11,328 | *** | 18,469 | 61.3 | *** | |
| January-March-- | | | | | | | |
| 1976----- | *** | 1,533 | *** | 2,513 | 61.0 | *** | |
| 1977----- | *** | 3,489 | *** | 5,140 | 67.9 | *** | |
| Other stoves: | | | | | | | |
| 1972----- | *** | *** | *** | *** | .8 | *** | |
| 1973----- | *** | *** | *** | *** | 2.1 | *** | |
| 1974----- | *** | 3,836 | *** | 6,097 | 62.9 | *** | |
| 1975----- | *** | 9,419 | *** | 16,533 | 57.0 | *** | |
| 1976----- | *** | 11,596 | *** | 16,235 | 71.4 | *** | |
| January-March-- | | | | | | | |
| 1976----- | *** | 1,765 | *** | 2,607 | 67.7 | *** | |
| 1977----- | *** | 4,009 | *** | 5,109 | 78.5 | *** | |
| Total: | | | | | | | |
| 1972----- | 6,173 | 1,419 | 151 | 7,441 | 19.1 | 23.0 | |
| 1973----- | 8,300 | 1,740 | 108 | 9,932 | 17.5 | 21.0 | |
| 1974----- | 12,560 | 8,740 | 143 | 21,157 | 41.3 | 69.6 | |
| 1975----- | 21,739 | 28,489 | 254 | 49,974 | 57.0 | 131.0 | |
| 1976----- | 11,950 | 22,923 | 403 | 34,470 | 66.5 | 191.8 | |
| January-March-- | | | | | | | |
| 1976----- | 1,873 | 3,297 | 51 | 5,119 | 64.4 | 176.0 | |
| 1977----- | 2,870 | 7,498 | 119 | 10,249 | 73.2 | 261.3 | |
| Parts of stoves: | | | | | | | |
| Fireplace grates: | | | | | | | |
| 1972----- | 940 | 1,231 | *** | *** | *** | 131.0 | |
| 1973----- | 1,260 | 1,357 | *** | *** | *** | 107.7 | |
| 1974----- | 2,027 | 1,913 | *** | *** | *** | 94.4 | |
| 1975----- | 1,829 | 3,617 | *** | *** | *** | 197.8 | |
| 1976----- | 1,982 | 2,409 | *** | *** | *** | 121.5 | |
| January-March-- | | | | | | | |
| 1976----- | 189 | 362 | *** | *** | *** | 191.5 | |
| 1977----- | 374 | 326 | *** | *** | *** | 87.2 | |
| Other parts: | | | | | | | |
| 1972----- | 2,074 | - | - | 2,074 | - | - | |
| 1973----- | 2,180 | 1 | - | 2,181 | - | - | |
| 1974----- | 2,749 | 57 | - | 2,806 | 2.0 | 2.1 | |
| 1975----- | 3,113 | 97 | - | 3,210 | 3.0 | 3.1 | |
| 1976----- | 2,952 | 538 | - | 3,490 | 15.4 | 18.2 | |
| January-March-- | | | | | | | |
| 1976----- | 1,022 | - | - | 1,022 | - | - | |
| 1977----- | 1,180 | 1 | - | 1,181 | - | - | |
| Total: | | | | | | | |
| 1972----- | 3,014 | 1,231 | *** | *** | *** | 40.8 | |
| 1973----- | 3,440 | 1,358 | *** | *** | *** | 39.5 | |
| 1974----- | 4,776 | 1,970 | *** | *** | *** | 41.2 | |
| 1975----- | 4,942 | 3,714 | *** | *** | *** | 75.2 | |
| 1976----- | 4,934 | 2,947 | *** | *** | *** | 59.7 | |
| January-March-- | | | | | | | |
| 1976----- | 1,211 | 362 | *** | *** | *** | 29.9 | |
| 1977----- | 1,554 | 326 | *** | *** | *** | 21.0 | |

See footnote at end of table.

Table 17.--Cast-iron stoves and cast-iron parts of stoves: U.S. producers' shipments, sales of imported articles, exports of domestic merchandise, and apparent consumption, by types, 1972-76, January-March 1976, and January-March 1977--Continued

| (Quantity in units; value in thousands of dollars) | | | | | | | |
|--|----------------------|----------------------------|---------|----------------------|---|---|--|
| Type and period | Producers' shipments | Sales of imported articles | Exports | Apparent consumption | Ratio (percent) of sales of imported articles to apparent consumption | Ratio (percent) of sales of imported articles to producers' shipments | |
| Unit value | | | | | | | |
| Stoves: | | | | | | | |
| Franklin fireplaces: | | | | | | | |
| 1972----- | *** | *** | *** | *** | 161.9 | *** | |
| 1973----- | *** | *** | *** | *** | 154.7 | *** | |
| 1974----- | *** | 132.58 | *** | 98.37 | 134.8 | *** | |
| 1975----- | *** | 133.25 | *** | 120.99 | 110.1 | *** | |
| 1976----- | *** | 116.19 | *** | 114.99 | 101.0 | *** | |
| January-March-- | | | | | | | |
| 1976----- | *** | 113.42 | *** | 108.04 | 105.0 | *** | |
| 1977----- | *** | 132.68 | *** | 126.84 | 104.6 | *** | |
| Other stoves: | | | | | | | |
| 1972----- | *** | *** | *** | *** | 64.7 | *** | |
| 1973----- | *** | *** | *** | *** | 60.3 | *** | |
| 1974----- | *** | 132.70 | *** | 83.99 | 158.0 | *** | |
| 1975----- | *** | 117.50 | *** | 97.04 | 121.1 | *** | |
| 1976----- | *** | 99.99 | *** | 95.83 | 104.3 | *** | |
| January-March-- | | | | | | | |
| 1976----- | *** | 100.90 | *** | 91.04 | 110.8 | *** | |
| 1977----- | *** | 104.87 | *** | 95.43 | 109.9 | *** | |
| Total: | | | | | | | |
| 1972----- | 57.33 | 116.34 | 42.19 | 63.98 | 181.8 | 202.9 | |
| 1973----- | 61.33 | 109.90 | 73.52 | 66.35 | 165.6 | 179.2 | |
| 1974----- | 78.03 | 132.63 | 122.20 | 93.75 | 141.5 | 170.0 | |
| 1975----- | 96.36 | 127.60 | 120.66 | 111.85 | 114.1 | 132.4 | |
| 1976----- | 99.13 | 107.39 | 101.04 | 104.44 | 102.8 | 108.3 | |
| January-March-- | | | | | | | |
| 1976----- | 87.89 | 106.36 | 122.01 | 98.64 | 107.8 | 121.0 | |
| 1977----- | 93.78 | 116.20 | 111.99 | 108.96 | 106.6 | 123.9 | |
| Parts of stoves: | | | | | | | |
| Fireplace grates: | | | | | | | |
| 1972----- | 5.85 | 6.34 | *** | 6.12 | 103.6 | 108.4 | |
| 1973----- | 6.27 | 6.27 | *** | 6.27 | 100.0 | 100.0 | |
| 1974----- | 8.16 | 7.74 | *** | 7.95 | 97.4 | 94.9 | |
| 1975----- | 9.69 | 9.42 | *** | 9.51 | 99.1 | 97.2 | |
| 1976----- | 10.55 | 7.50 | *** | 8.61 | 87.1 | 71.1 | |
| January-March-- | | | | | | | |
| 1976----- | 9.80 | 8.36 | *** | 8.80 | 95.0 | 85.3 | |
| 1977----- | 10.25 | 7.54 | *** | 8.77 | 86.0 | 73.6 | |
| Other parts: | | | | | | | |
| 1972----- | - | - | - | - | - | - | |
| 1973----- | - | - | - | - | - | - | |
| 1974----- | - | - | - | - | - | - | |
| 1975----- | - | - | - | - | - | - | |
| 1976----- | - | - | - | - | - | - | |
| January-March-- | | | | | | | |
| 1976----- | - | - | - | - | - | - | |
| 1977----- | - | - | - | - | - | - | |
| Total: | | | | | | | |
| 1972----- | - | - | - | - | - | - | |
| 1973----- | - | - | - | - | - | - | |
| 1974----- | - | - | - | - | - | - | |
| 1975----- | - | - | - | - | - | - | |
| 1976----- | - | - | - | - | - | - | |
| January-March-- | | | | | | | |
| 1976----- | - | - | - | - | - | - | |
| 1977----- | - | - | - | - | - | - | |

1/ Not available.

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

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