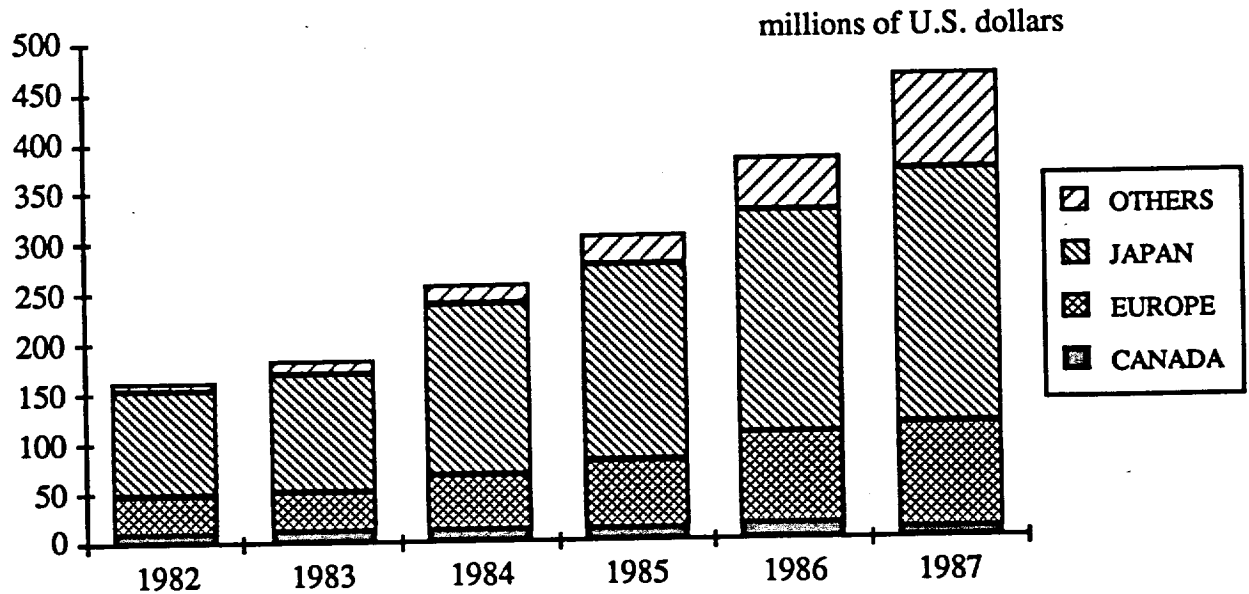


CHART 1

TOTAL U.S. IMPORTS OF SELECTED HAND TOOLS



Source: *U.S. General Imports and Imports for Consumption*, U.S. Department of Commerce.

Hand-controlled tools with non-electric motors, nsfp, and parts thereof (Schedule A 7451050) is the larger U.S. import market of the two product groups under study. This is a residual category which includes hand-held varieties of grease guns, air drills, air tappers, air wrenches, air hammers and air punches, to name a few. Products specifically excluded are chain saws, metal-working tools, power-activated hand tools and all mechanical and electric hand tools.

U.S. imports of these products reached \$291.6 million (U.S.) in 1987 growing at an average annual rate of 21.5% since 1982. Europe and Japan, together, have dropped from holding over 90% of this import market in 1982 to 81.9% in 1986 and 81.6% in 1987. A portion of this loss of market share can be attributed to the appreciation of their currencies against the U.S. dollar. Canada, however, has not been able to absorb this loss in market share. While Canada has increased exports to the United States between 1982 and 1986, shipments to the United States dropped by 50% between 1986 and 1987. Developing countries have supplied a large portion of the growth in U.S. imports.