

UNITED STATES TARIFF COMMISSION  
Washington, D.C.

[APTA-W-5]

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TARIFF COMMISSION SUBMITS REPORT TO THE  
AUTOMOTIVE AGREEMENT ADJUSTMENT ASSISTANCE BOARD  
IN ADJUSTMENT ASSISTANCE CASE PERTAINING TO  
CERTAIN WORKERS OF THE BORG-WARNER CORPORATION

The Tariff Commission today reported to the Automotive Agreement Adjustment Assistance Board the results of its investigation No. APTA-W-5, conducted under section 302(e) of the Automotive Products Trade Act of 1965. The Commission's report contains factual information for use by the Board, which determines the eligibility of the workers concerned to apply for adjustment assistance. The workers in this case were employed in the Memphis, Tenn. plant of Mechanics Universal Joint Division, Borg-Warner Corporation.

Only certain sections of the Commission's report can be made public since much of the data it contains were received in confidence. Publication of such data would result in the disclosure of certain operations of individual firms. The sections of the report that can be made public are reproduced below.



Introduction

In accordance with section 302(e) of the Automotive Products Trade Act of 1965 (79 Stat. 1016), the U.S. Tariff Commission herein reports the results of investigation No. APTA-W-5, which was ordered in response to a request received December 27, 1966, from the Automotive Assistance Committee of the Automotive Agreement Adjustment Assistance Board. The Committee's request resulted from a petition for adjustment assistance filed with the Board on December 19, 1966, by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, on behalf of a group of workers who had been employed in the Memphis, Tennessee plant of Mechanics Universal Joint Division, Borg-Warner Corp.

The petition alleged that the loss of orders for universal joints from the American Motors Corp. was the reason for layoffs of 48 employees in June 1966 and 82 employees in July 1966. The petition further alleged, in effect, that the operation of the United States-Canadian Automotive agreement was the primary factor causing the layoffs.

The Commission instituted the investigation upon receipt of the Committee's request on December 27, 1966; public notice thereof was given in the Federal Register (31 F.R. 16722) on December 30, 1966. Neither the petitioners nor any other party requested a hearing before the Commission, and none was held.

The information reported herein was obtained from the Mechanics Universal Joint Division, Borg-Warner Corp., the United Auto Workers Union, the Department of Employment Security of the State of Tennessee, the major U.S. automotive vehicle manufacturers, the Commission's files, and by fieldwork by members of the Commission's staff.

The automotive product involved--universal joints

A universal joint is a flexible, mechanical coupling between two shafts that permits one shaft to drive another at an angle to it. A simple universal joint is composed of three basic parts--a journal (spider) and two yokes. The two yokes are set at right angles to each other, and their open ends are joined by the journal. This construction permits each yoke to pivot on the axis of the journal and also permits the transmission of rotary motion from one yoke to the other.

The universal joints under consideration in this investigation, which are of various designs, are generally used to connect the ends of the drive (propeller) shaft of a motor vehicle to the gear box and to the rear axle. Two universal joints and a connecting drive shaft transmit the power from the engine to the rear axle, even though the engine is rigidly mounted in the frame at a higher level than the rear axle, which is constantly moving up and down in relation to the frame. Universal joints are used in preference to other types of flexible couplings because they allow larger values of misalignment between shafts than can be tolerated by other types of couplings.

Imported universal joints which are parts of motor vehicles are dutiable under item 692.27 of the Tariff Schedules of the United States at the rate of 8.5 percent ad valorem, unless imported from Canada for use as original motor vehicle equipment, in which case they are duty free under item 692.28.

Borg-Warner Corp. and its Mechanics Universal Joint Division

Borg-Warner Corp., with headquarters in Chicago, is a large, diversified corporation which operated about 55 plants and had net sales of \$815 million in 1965. Major divisions of Borg-Warner and products of each include: York Division, air conditioning and refrigeration equipment; Norge Division, major home appliances; Byron Jackson Division, centrifugal pumps and oil-field tools; and Warner Gear Division, automotive, industrial and marine transmissions.

Mechanics Universal Joint Division (MUJD), also a Division of Borg-Warner, with headquarters in Rockford, Ill., is the employer of the workers herein concerned. MUJD operates plants in Memphis, Tenn., and Rockford.\* \* \*

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