

UNITED STATES TARIFF COMMISSION
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APTA-W-8

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TARIFF COMMISSION SUBMITS REPORT TO THE
AUTOMOTIVE AGREEMENT ADJUSTMENT ASSISTANCE BOARD
IN ADJUSTMENT ASSISTANCE CASE PERTAINING TO
CERTAIN WORKERS OF EATON YALE & TOWNE, INC.
(LACKAWANNA, N.Y. PLANT)

The Tariff Commission today reported to the Automotive Agreement Adjustment Assistance Board the results of its investigation No. APTA-W-8, 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 Lackawanna, New York plant of the Eaton Spring Division, Eaton Yale & Towne, Inc.

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

Introduction

In accordance with section 302(e) of the Automotive Products Trade Act of 1965 (79 Stat. 1016), the U.S. Tariff Commission reports the results of its investigation (APTA-W-8) concerning the possible dislocation of certain workers engaged in the production of automotive flat leaf springs produced at the Lackawanna, New York plant of the Eaton Spring Division of Eaton Yale & Towne, Inc. The Commission instituted the investigation on February 28, 1967, upon receipt of a request from the Automotive Assistance Committee of the Automotive Agreement Adjustment Assistance Board. Public notice of the investigation was given in the Federal Register (32 F.R. 3853) on March 8, 1967. The information reported herein is intended to provide a factual record to assist the Automotive Agreement Adjustment Assistance Board in making the determinations required by section 302 of the Act.

The Automotive Assistance Committee's request for the investigation resulted from a petition for determination of eligibility to apply for adjustment assistance filed with the Assistance Board on February 23, 1967, by the United Steelworkers of America, AFL-CIO, on behalf of a group of workers at the Lackawanna, New York plant of Eaton Spring Division of Eaton Yale & Towne, Inc.

The petition alleged that the transfer of the production of automotive leaf springs from Lackawanna to a newly established plant in Chatham, Ontario, will result in the permanent layoff of all 169 workers between April 1 and May 31, 1967. The petition further alleged that a company official cited only the U.S.-Canadian Trade Agreement Concerning Automotive Products, signed January 16, 1965, as the reason for the discontinuation of leaf spring production at Lackawanna.

The information reported herein was obtained from Eaton Yale & Towne, Inc., the major motor-vehicle manufacturers in the United States, the United Steelworkers of America, the Commission's files, and by field work by the Commission's staff. No parties requested a hearing and none was held.

The automotive product involved--leaf springs

Automotive leaf springs are an integral part of the suspension system of many passenger cars, trucks, trailers, buses and other motor vehicles. (Coil springs are used more extensively than leaf springs in passenger car production. Coil springs are also used on some models of light trucks). Leaf springs are composed of one to many leaves of varying length and thickness, depending largely on the load capacity of the vehicle for which they are intended. The leaves are generally made from medium high carbon or high carbon spring steel bar containing manganese and either silicon or chromium.

The production of leaf springs is primarily a forging and heat-treating process. The ends of the steel bar are tapered and the bar is slightly bowed. Loops or "eyes" are formed at the ends of the main leaf in which bushings are placed later to reduce wear and facilitate movement of the spring about the shackle pin. The leaves are heat-treated to impart resilience and are then assembled into leaf spring units. The forming operations require much handling and the assembly process is done largely by hand in an assembly line.

Both imported leaf springs suitable for motor-vehicle suspension and leaves for such springs are provided for under item number 652.84 of the Tariff Schedules of the United States; both are dutiable at the rate of 8.5 percent ad valorem. Excepted from this tariff treatment are leaf springs and leaves for springs when imported from Canada for use as original motor-vehicle equipment. In such event they are entered duty free under item 652.85.

Eaton Yale & Towne, Inc., and its Eaton Spring Division

Eaton Yale & Towne, Inc., the employer of concern in this investigation has its headquarters in Cleveland, Ohio. It is a large diversified corporation having more than 50 divisions, subsidiaries, and foreign affiliates. Its foreign operations accounted for about 17 percent of its total net sales of \$702 million in 1965. In addition, Eaton Yale & Towne, Inc. has licensed 47 other firms to produce 50 products in 13 foreign countries.

The firm was initially incorporated in 1916 in Ohio as the Torbeson Gear and Axle Company; its name has been changed on several occasions, the most recent of which was on December 31, 1965. Eaton Yale & Towne, Inc. manufactures a wide variety of components used in the production of motor vehicles, machine tools, farm machinery, aircraft, and pleasure boats, and in electrical, material handling, railway, construction, and road building equipment.

The Eaton Spring Division of Eaton Yale & Towne, Inc., having headquarters in Detroit, Michigan is the immediate employer of the workers herein concerned. This division operates plants in Detroit (where it produces coil springs for passenger cars, mechanical springs, and a limited number of spring-related articles) and Lackawanna, New York (leaf springs for trucks). * * * * * Eaton Yale & Towne, Inc. decided to construct a new leaf-spring facility at Chatham, Ontario, a city about 70 miles east of Detroit. This plant, now operational, is operated by the newly established subsidiary, Eaton Springs, Canada, Ltd.