

UNITED STATES TARIFF COMMISSION

**BICYCLE TIRES AND TUBES:
PRODUCTION AND MAINTENANCE WORKERS
AT THE INDIANAPOLIS PLANT OF UNIROYAL TIRE CO.**

**Report to the President
Worker Investigation No. TEA-W-20
Under Section 301(c)(2) of the Trade Expansion Act of 1962**



**TC Publication 325
Washington, D. C.
June 1970**

UNITED STATES TARIFF COMMISSION

Glenn W. Sutton, *Chairman*

Penelope H. Thunberg

Bruce E. Clubb

Will E. Leonard, Jr.

Herschel D. Newsom

George M. Moore

Kenneth R. Mason, *Secretary*

**Address all communications to
United States Tariff Commission
Washington, D. C. 20436**

CONTENTS

| | <u>Page</u> |
|--|-------------|
| Report to the President----- | 1 |
| Finding of the Commission----- | 2 |
| Considerations supporting the Commission's finding----- | 3 |
| Information obtained in the investigation: | |
| Description of articles----- | A-1 |
| U.S. tariff treatment----- | A-2 |
| U.S. consumption----- | A-3 |
| U.S. imports----- | A-4 |
| U.S. producers and production----- | A-6 |
| Marketing practices and prices----- | A-6 |
| Operations of Uniroyal, Inc.----- | A-8 |
| Production and sales of Uniroyal Tire Co., Indianapolis, Indiana----- | A-10 |
| Labor relations----- | A-10 |
| Employment or underemployment----- | A-11 |
| Appendices: | |
| Appendix A--Statistical tables----- | A-15 |
| Appendix B--Letter from Unircyal, Inc. to the Tariff Commission----- | A-20 |

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 firms. 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 in the report.



REPORT TO THE PRESIDENT

U.S. Tariff Commission
June 12, 1970

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of its investigation TEA-W-20 under section 301(c)(2) of the act. On April 13, 1970, the International United Rubber, Cork, Linoleum and Plastic Workers of America (AFL-CIO, CLC) filed a petition for the investigation on behalf of certain production and maintenance workers, members of Local Union No. 110, URW, formerly employed by the Uniroyal Tire Company, a division of Uniroyal, Inc., Indianapolis, Indiana. The investigation was instituted on April 17, 1970, for the purpose of determining whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with bicycle tires and bicycle tubes produced by the Uniroyal Tire Company are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such company.

The Commission instituted the investigation on April 17, 1970. Public notice of the receipt of the petition and the institution of the investigation was given by publication in the Federal Register, April 22, 1970 (35 F.R. 6448). No hearing was requested and none was held.

The information in this report was obtained principally from the petitioners, the officials of Uniroyal, Inc. and Carlisle corporation (a company producing bicycle tires and tubes at its plant in Carlisle, Pa.), the State of Indiana Department of Employment Security, and from Commission files.

Finding of the Commission

On the basis of its investigation, the Commission unanimously finds that articles like or directly competitive with bicycle tires and tubes produced by the Bicycle Tire and Tube Division of the Uniroyal Tire Company, Indianapolis, Indiana, are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of that Division.

Considerations Supporting the Commission's Finding 1/

This investigation relates to a petition filed on behalf of the production and maintenance workers who were formerly employed in the bicycle tire and tube division of the Uniroyal Tire Company of Indianapolis, Indiana. The company ceased the manufacture of bicycle tires and tubes early in 1970, and many of the petitioning workers were laid off. As indicated above, the workers' union then filed a petition with the Commission under section 301(c)(2) of the Trade Expansion Act of 1962, as a step to obtain adjustment assistance for the workers concerned.

Before the Commission could make an affirmative determination in this case, each of the following conditions would have to be met:

(1) Bicycle tires and bicycle tubes are being imported in increased quantities;

(2) the increased imports are in major part the result of concessions granted under trade agreements;

(3) a significant number or portion of the workers in the bicycle tire and tube division of the company are unemployed or are threatened therewith; and

(4) the increased imports (resulting in major part from trade-agreement concessions) have been the major factor causing or threatening to cause the unemployment or underemployment.

The Commission is satisfied that imports of bicycle tires and tubes have increased and that a significant number of the workers concerned are unemployed. It is unable to conclude, however, that the

1/ Commissioner Clubb concurs in the result.

increased imports are in major part the result of concessions granted under trade agreements and that increased imports have been the major factor causing the unemployment.

Under the Tariff Act of 1930, the statutory rate of duty for bicycle tires was 10 percent ad valorem, and that for bicycle tubes was 30 percent ad valorem. These rates remained unchanged until January 1, 1968, when the United States placed the first stage of its Kennedy-round concessions into effect. Under the staging of the concessions, the rate of duty on bicycle tires was reduced from 10 percent to 9 percent, 8 percent, and 7 percent ad valorem at the beginning of 1968, 1969, and 1970, respectively; at corresponding intervals, the rate of duty on bicycle tubes was reduced from 30 percent to 27 percent, 24 percent, and 21 percent ad valorem. U.S. imports of bicycle tires and tubes, however, rose sharply before 1968, i.e., before the duties were first reduced; indeed, the bulk of the increase in imports during the last two decades occurred before 1968. U.S. imports of bicycle tires and tubes began to increase in the late 1950's. In 1958, imports totaled 1.1 million tires and 1.3 million tubes. ^{1/} Thereafter, with no change in the rates of duty, imports rose markedly, both in absolute terms and relative to U.S. consumption. In 1967, the year before the rate of duty was first reduced, imports of bicycle tires aggregated

^{1/} The data shown relate to imports of unmounted bicycle tires and tubes. Tires and tubes entering the United States mounted on bicycles are dutiable as part of the bicycle rather than under the rates shown above. The entries of unmounted tires and tubes account for three-fourths of current imports, and for nearly all of the increased imports over the last two decades.

8.3 million and imports of bicycle tubes totaled 9.0 million--supplying about two-fifths of the U.S. market. Following the first minor reduction in import duties, which reduced the duty on bicycle tires to 9 percent and that on bicycle tubes to 27 percent, imports of tires and tubes in 1968 were both substantially higher than in the previous year. The year 1968, however, was a period of peak U.S. production and consumption of bicycles. The increase in imports, therefore, appears to have resulted primarily from increased U.S. demand for bicycle tires and tubes, and not from the reduction in duty. Moreover, in 1969, when the second stage of the duty reductions was in effect, U.S. imports declined--responding to decreased domestic demand.

The lay-off of workers which occurred at Uniroyal's Indianapolis plant was not in major part the result of increased imports. In recent years, Uniroyal has taken several steps to eliminate its marginal operations. According to the 1969 annual report, the company in 1969 discontinued or sold a number of product lines which had become unprofitable, and intended to accelerate the program in 1970. Thus, the decision to discontinue the production of bicycle tires and tubes was a corporate decision undertaken as part of corporate-wide programs to rationalize the company's production and to release cash for more profitable activities. Moreover, the machinery on which bicycle tires and tubes were produced by Uniroyal was purchased by the Carlisle Corporation, which is currently producing tires on some of it.

In view of the foregoing, the Commission has concluded that trade-agreement concessions were not the major factor causing increased

imports of bicycle tires and tubes and that the increased imports were not the major factor causing unemployment at the Uniroyal plant. The Commission, therefore, has had to make a negative determination in this case.

Information Obtained in the Investigation

Description of articles

The Uniroyal Tire Company, which ceased producing bicycle tires and tubes on January 23, 1970, manufactured a full line of such tires and tubes in terms of both price and size at its plant in Indianapolis, Indiana.

In the United States, bicycle tires and tubes are manufactured in about 20 sizes. Sizes are expressed in terms of the diameter and cross-section of the tire, e.g., a 20 by 1.75 tire is 20 inches in diameter measured from tread to tread and 1.75 inches in cross section measured from side wall to side wall. The 20 x 1.75 size accounts for about 50 percent of U.S. sales of bicycle tires and tubes, and the 20 x 2.125 size accounts for an additional 15 percent.

The sizes prevalent in the United States and in most other English-speaking countries, being expressed in inches, are generally not used in countries that use the metric system. Some of the latter countries, e.g., Japan, produce bicycle tires and tubes in U.S. and British dimensions for export only, but no bicycle tires or tubes are produced in the United States for export to countries that use the metric system.

The manufacturing technique for producing bicycle tires and tubes is basically the same the world over. In the manufacture of bicycle tires, layers of fabric (usually nylon), combined with layers of rubber tread, are wrapped around two rubberized metal wires (beads) to form the tire carcass; vulcanization completes the process. Unlike automobile tires, which are manufactured for use with and without

tubes, bicycle tires are made only for use with tubes. In the manufacture of tubes, rubber is fed into extruders and formed into a hose; the hose is then cut to length, spliced, fitted with an air valve, and then vulcanized. Most of the equipment on which bicycle tires and tubes are manufactured is useful only for that purpose.

Although most tires and tubes are of standard quality, deficiencies in the quality of some few imported tires and tubes have been noted. These resulted more from the use of inferior fabric and poorly processed rubber than from inferior manufacturing techniques. Some bicycle tires from India, for example, have been made with cotton tire fabric rather than the more durable nylon tire fabric. Imports from all sources, however, have improved markedly in quality in the past 5 or 6 years; they are for the most part regarded as directly comparable and competitive with the bulk of domestic production.

U.S. tariff treatment

Bicycle tires and tubes are classified for duty purposes under the provision of TSUS item numbers 772.48 and 772.57, respectively. Prior to the effective date of the TSUS (August 31, 1963), tires were dutiable under the provisions of paragraph 1537(b) as manufactures of rubber, n.e.s., and tubes under paragraph 371 as parts of bicycles. The rate of duty established under the Tariff Act of 1930 for tires was 10 percent ad valorem; for tubes it was 30 percent ad valorem. Each of these rates was bound under the General Agreement on Tariffs and Trade, effective January 1, 1948; they remained in effect until

January 1, 1968. In the Kennedy Round of trade-agreement negotiations, further concessions were granted on bicycle tires and tubes, as shown in the following tabulation:

| Effective date | : Rate of duty for : bicycle tires : (TSUS item 772.48) | : Rate of duty for : bicycle tubes : (TSUS item 772.57) |
|--------------------|---|---|
| | : <u>Percent ad valorem</u> | : <u>Percent ad valorem</u> |
| Jan. 1, 1968-----: | 9 | 27 |
| Jan. 1, 1969-----: | 8 | 24 |
| Jan. 1, 1970-----: | 7 | 21 |
| Jan. 1, 1971-----: | 6 | 18 |
| Jan. 1, 1972-----: | 5 | 15 |
| | : | : |

Tires and tubes imported mounted on bicycles are not separately dutiable as bicycle tires and tubes, but are dutiable as a part of the bicycle on which they are mounted under TSUS items 732.02-732.26.

U.S. consumption

Apparent U.S. consumption of bicycle tires (including those imported on bicycles) averaged 22.3 million units annually during the period 1964-69. In those years, consumption ranged from 18.9 million units in 1966 to 26.0 million units in 1968. Imports steadily increased their share of the market from 44 percent in 1964 to 62 percent in 1969 (table 1).

Apparent consumption of bicycle tubes averaged 24.9 million units annually in the same period, and ranged from 21.1 million in 1966 to 29.7 million in 1968. The ratio of imports to consumption increased from 44 percent in 1964 to 60 percent in 1969 (table 2).

The annual U.S. consumption of bicycle tubes is greater than that

of bicycle tires because the tubes are replaced more often than the tires. In recent years, the ratio of tubes to tires increased; it was 106 percent in 1964 and 116 percent in 1969.

Consumers' purchases of bicycles have been increasing in the United States for many years. From 5.1 million in 1964 purchases increased each year to 7.5 million bicycles in 1968, but declined for the first time in 1969, to about 7.1 million. Data on consumption of bicycle tires and tubes show a similar, but more irregular trend; the irregularity in annual consumption of bicycle tires and tubes results in part from inventory changes and labor disputes.

U.S. imports

Imports of bicycle tires and tubes are entered both separately and mounted on bicycles. Aggregate imports were negligible during the period 1946-49. During the 1950's, however, total imports increased markedly, from 165,000 tires and 171,000 tubes in 1950 to 5.3 million tires and 5.7 million tubes in 1959. During those years, annual imports of tires and tubes mounted on bicycles were greater in every year (except 1959) than those entered separately. In the 1960's aggregate imports increased irregularly from 6.1 million tires and 6.6 million tubes in 1960 to 14.5 million tires and 16.3 million tubes in 1969. In those years, however, imports of tires and tubes entered separately accounted for approximately three fourths of total imports.

Imports of tires and tubes entered separately were negligible until 1958. In that year imports of tires totaled 1.1 million units valued at \$788,000, and those of tubes an estimated 1.3 million units

valued at approximately \$380,000. Since then imports have increased sharply, though irregularly; entries in 1968 reached their highest level--11.9 million tires, valued at \$7.9 million, and 13.5 million tubes, valued at \$4 million. In 1969, reflecting a decline in U.S. production of bicycles, imports of tires entered separately decreased to 10.6 million units, valued at \$7 million, and imports of tubes to 12.4 million units, valued at \$3.7 million (table 3). Although U.S. imports of bicycle tires and tubes entered separately were supplied by many countries in the period 1964-69, Japan was, by far, the principal source. Imports from Japan accounted annually for slightly more than 50 percent of both the quantity and value of imports of tires and tubes during those years. Sweden was the second most important source (tables 4 and 5).

Annual imports of tires and tubes mounted on bicycles totaled less than 150,000 units each until 1951, when the number of tires and tubes thus imported reached 353,000 of each. The number increased until it reached 2.3 million units in 1956. Following an escape-clause action, which increased the duties on bicycles, the number of tire-tube assemblies of foreign origin entering the United States mounted on bicycles was reduced to about 1.5 million in 1957 and 1.6 million in 1958, and in each successive year through 1967 was about 2 million. In 1968, however, the number increased to 3.1 million and in 1969 it increased further to almost 4.0 million. The principal suppliers of complete bicycles in recent years have been Japan, West Germany, and the United Kingdom.

While domestic production consists almost entirely of good-to excellent-grade tires and tubes, imports include a small percentage of low-grade articles. Imports of low quality tires and tubes originate chiefly in Taiwan, India and Malaysia. However, as mentioned earlier in this report, the great bulk of the imported articles are comparable in quality to domestically produced tires and tubes.

U.S. producers and production

Until January 1970, when Uniroyal ceased to manufacture bicycle tires and tubes, there were 3 domestic manufacturers of these articles-- Uniroyal, Inc., Indianapolis, Indiana; Carlisle Corporation, Carlisle, Pennsylvania; and the Goodyear Tire and Rubber Company, New Bedford, Massachusetts.

From 1958-64 annual domestic production of both bicycle tires and tubes increased substantially, rising by more than 50 percent. Since 1964, the peak year for domestic output, the annual production of tires declined by 29 percent, and that of tubes by 18 percent. Annual U.S. output of bicycle tires declined from 12.7 million in 1964 to 9 million in 1969; output of tubes decreased from 13.3 million in 1964 to 10.9 million in 1969. During the period since 1964 the share of domestic consumption of bicycle tires and tubes accounted for by domestic output has declined from 56 percent to about 40 percent (tables 1 and 2).

Marketing practices and prices

Bicycle tires and tubes are sold in two major markets: (1) the original equipment market, which involves direct sales to bicycle

manufacturers, and (2) the replacement market, which is characterized by sales to jobbers and mail order houses. Shipments to bicycle manufacturers consist of the assembled tire, tube and rim strip 1/ packaged as a unit and ready for mounting, while the articles shipped to the replacement market are usually separately packaged. Prices received by manufacturers for sale to the original equipment market are less than those received for sale of identical articles to the replacement market.

* * * * *

Bicycle tires and tubes are sold in a variety of sizes and types. Prices received by manufacturers for specific tires, for example, vary with the size, type of side wall (all black or white or red strip), type of tread, and brand name. Trade sources agree that price competition between imported and domestic tires and tubes is keener in the original equipment market than in the replacement market. Current price comparisons were obtained from trade sources for typical all-black assembled tire-tube rim strip units of two tread designs, delivered to a bicycle manufacturer, excise tax (10 cents per pound), included in the two most commonly sold sizes. The prices quoted in the following tabulation show Uniroyal's prices and a representative importers' prices, net of trade discounts, for identical packaged units:

1/ A strip of rubber which wraps around the inside of the rim of a bicycle wheel to protect the tube from the ends of the wheel spokes.

| <u>Size and description</u> | <u>Uniroyal's price</u> | <u>Importers' price</u> |
|-----------------------------|-------------------------|-------------------------|
| * | * | * |

Operations of Uniroyal, Inc.

Uniroyal, Inc., until 1967 known as the United States Rubber Company, is the nation's third largest rubber fabricator, with sales and operating revenues of \$1.6 billion in 1969, compared with \$1.4 billion in 1968 and \$1.3 billion in 1967. Its revenue in 1967 (the latest year for which data were published for major product classifications) was derived as follows: 42 percent from tires, tubes, and accessories, 37 percent from chemicals and fibers, 12 percent from footwear, sporting goods, and clothing, and 9 percent from industrial rubber products. * * * *

Uniroyal operates about 80 plants, (55 in the United States) manufacturing approximately 33,000 separate items in 1,200 product lines. On January 1, 1970, the gross value of Uniroyal property, plant and equipment was \$1.0 billion, of which 71 percent was located in the United States, 10 percent in other Western Hemisphere countries, and 19 percent in Europe, Africa, and the Far East.

During 1969, a number of product lines which had become unprofitable were discontinued or sold. According to the latest annual report of the company, this process of divestment is being accelerated in 1970 in order to release cash for more productive purposes. Accordingly, footwear production was discontinued at Mishawaka, Indiana, and Woonsocket, Rhode Island 1/. Plans for ending footwear production in

1/ See U.S. Tariff Commission report on investigation Nos. TEA-W-13 and TEA-W-14, April 1970, relating to the workers at Woonsocket.

Naugatuck, Connecticut are also under consideration.

During recent periods, however, programs of capital expansion and plant improvement continued. Capital additions in 1969 were \$137 million, compared with \$101 million invested in 1968. Projects completed included a tripling of capacity at the Opelika, Alabama automotive tire plant, and several new or expanded non-tire production facilities throughout the world. Construction also started on a new automotive tire plant in Oklahoma. New footwear plants have been opened at Dublin, Georgia and Farmville, Virginia.

In 1969 the total number of Uniroyal's employees averaged 67,208, compared with 64,341 in 1968.

As stated by the petitioners and confirmed by the company, the production of bicycle tires and tubes was discontinued at Uniroyal's Indianapolis plant on January 23, 1970. Other products, chiefly tubes for automobiles, airplanes, and special tires for agricultural and construction vehicles, are still produced there. For a number of years the Indianapolis plant was the only Uniroyal plant producing bicycle tires and tubes, and was one of three plants producing them in the United States.

In its notice to the affected employees, dated January 5, 1970, the company announced the decision to discontinue the manufacture of bicycle tires, tubes and related materials, and to curtail the production of auto tubes. Closing of the bicycle tire and tube division was attributed to "the flooding of our domestic market with foreign imports selling at substantially lower prices"; auto tube production

was curtailed because "the substantial amount of other than Uniroyal brand customers we have taken on to increase our volume has not proven economically worthwhile".

Uniroyal, Inc. and the Carlisle Corporation entered into an agreement in February 1970 respecting the purchase of Uniroyal's bicycle tire and tube equipment by Carlisle and Uniroyal's licensing of Carlisle to use Uniroyal's brand names. * * * *

Production and sales of Uniroyal Tire Co., Indianapolis, Ind.

* * * * *

Labor relations

Uniroyal's tire workers are represented by the International United Rubber, Cork, Linoleum and Plastic Workers of America, AFL-CIO, CLC. Local No. 110 of this union has a separate contract with Uniroyal covering the workers at the Indianapolis plant. The contract provides, in case of lay-offs, for retention of the workers having the greatest seniority, by transfer to other departments where possible. There is no provision in the contract, however, for the transfer of workers to other Uniroyal plants. The company does encourage such transfers where the workers have appropriate skills, but in that case, according to the union rules, the transferred workers must begin anew to acquire seniority.

In 1967 there were prolonged industry-wide strikes of tire workers, followed by a 3-year settlement. At the Indianapolis plant the strike lasted from May through July. Negotiations are now under

way for a new 3-year wage benefit contract.

At Carlisle there is no union. According to trade sources, the general level of wages paid to the tire and tube workers there is somewhat lower than at any of the "big four" tire companies (Goodyear, Firestone, Uniroyal and Goodrich).

Employment or underemployment

* * * * *

Retention of workers, in accordance with the contract between the firm and the labor union, was on the basis of seniority where workers' skills could be utilized. Accordingly some of the bicycle tire-and-tube workers were retained on other jobs, some retired, and some had to seek work elsewhere. At the same time other workers at the plant lost their employment, temporarily or otherwise--some for reasons not connected with the discontinuance of production of bicycle tires and tubes and some because they were displaced by former bicycle tire-and-tube workers.

The number who lost their employment because of cessation of bicycle tire and tube production is estimated, in the workers' petition, at 165. * * * *

The state unemployment compensation, which lasts for a maximum of 26 weeks, amounts to \$40 per week, plus \$3 for each dependent, not to exceed 4 dependents, or 25 percent of base pay, whichever is less. The supplemental benefits provide the amount necessary to bring the worker's unemployment compensation up to 80 percent of his wages at the time of separation.

Data are not available to the Commission to indicate which of the discharged workers have found other employment. According to data supplied by the Unemployment Security Division, some 4,500 persons were employed in rubber and miscellaneous plastics industries in the Indianapolis area (8 counties) in March 1970, a decline of 10 percent from a year earlier. The general unemployment rate in the area was 3.2 percent, compared with 2.1 percent in March 1969.

The annual unemployment rate in this area was lower than that for the United States as a whole in 1964-69, shown below as a percent of the total work force:

| <u>Year</u> | <u>Indianapolis area</u> | <u>United States</u> |
|-------------|--------------------------|----------------------|
| 1964 | 3.5 | 5.2 |
| 1965 | 2.5 | 4.5 |
| 1966 | 2.2 | 3.8 |
| 1967 | 2.3 | 3.8 |
| 1968 | 2.6 | 3.6 |
| 1969 | 2.3 | 3.5 |

APPENDICES



Table 1.--Bicycle tires: U.S. production, imports for consumption, exports of domestic merchandise, and ratio of imports to consumption, 1958-69

| Year | (In thousands of units) | | | | | | | | | | Ratio (percent) of imports to apparent consumption |
|------|-------------------------|--------------------|---------------------------|--------|---------------|-----------------------------------|----|--|--|--|--|
| | Pro- duction | Loose shipments | Imports On bicycles | Total | Exports 1/ | Ap- parent con- sumption | | | | | |
| 1958 | 8,303 | 1,122 | 1,648 | 2,770 | 49 | 11,024 | 25 | | | | |
| 1959 | 9,140 | 3,245 | 2,026 | 5,271 | 59 | 14,352 | 37 | | | | |
| 1960 | 8,421 | 3,719 | 2,371 | 6,090 | 41 | 14,470 | 42 | | | | |
| 1961 | 8,704 | 3,010 | 2,175 | 5,185 | 26 | 13,863 | 37 | | | | |
| 1962 | 10,004 | 4,840 | 2,535 | 7,375 | 22 | 17,357 | 42 | | | | |
| 1963 | 9,488 | 5,609 | 2,534 | 8,143 | 13 | 17,618 | 46 | | | | |
| 1964 | 12,686 | 7,749 | 2,020 | 9,769 | 17 | 22,438 | 44 | | | | |
| 1965 | 11,666 | 8,470 | 2,078 | 10,548 | 14 | 22,200 | 48 | | | | |
| 1966 | 9,628 | 7,416 | 1,854 | 9,270 | 15 | 18,883 | 49 | | | | |
| 1967 | 10,054 | 8,298 | 2,234 | 10,532 | 14 | 20,572 | 51 | | | | |
| 1968 | 10,911 | 11,933 | 3,068 | 15,001 | 18 | 25,894 | 58 | | | | |
| 1969 | 9,012 | 10,560 | 3,962 | 14,522 | 17 | 23,517 | 62 | | | | |

1/ Not including small quantities of tires exported on bicycles.

Source: Production and exports from Rubber Manufacturers Association; imports compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Bicycle tubes: U.S. production, imports for consumption, exports of domestic merchandise, and ratio of imports to consumption, 1958-69

| Year | Pro- duction | Imports | | Exports 1/ | Ap- parent con- sumption | Ratio (percent) of imports to apparent consumption |
|------|-----------------|--------------------|----------------|---------------|-----------------------------------|---|
| | | Loose shipments | On bicycles | | | |
| | | Total | | | | |
| 1958 | 8,783 | 1,265 | 1,648 | 2,913 | 11,643 | 25 |
| 1959 | 9,127 | 3,660 | 2,026 | 5,686 | 14,769 | 38 |
| 1960 | 9,170 | 4,195 | 2,371 | 6,566 | 15,680 | 42 |
| 1961 | 9,250 | 3,395 | 2,175 | 5,570 | 14,791 | 38 |
| 1962 | 10,417 | 5,460 | 2,535 | 7,995 | 18,388 | 43 |
| 1963 | 9,604 | 6,325 | 2,534 | 8,859 | 18,451 | 48 |
| 1964 | 13,281 | 8,520 | 2,020 | 10,540 | 23,800 | 44 |
| 1965 | 13,058 | 9,166 | 2,078 | 11,244 | 24,289 | 46 |
| 1966 | 11,101 | 8,158 | 1,854 | 10,012 | 21,098 | 47 |
| 1967 | 11,941 | 9,020 | 2,234 | 11,254 | 23,181 | 48 |
| 1968 | 13,121 | 13,527 | 3,068 | 16,595 | 29,698 | 56 |
| 1969 | 10,875 | 12,388 | 3,962 | 16,350 | 27,210 | 60 |

1/ Not including small quantities of tubes exported on bicycles.

Source: Production and exports from Rubber Manufacturers Association; imports compiled from official statistics of the U.S. Department of Commerce.

Table 3.--Bicycle tires and tubes imported separately: U.S. rate of duty and imports for consumption, 1946-69

| Year | Bicycle tires | | | | Bicycle tubes | | | |
|-----------|--------------------|--------------------|----------------------|--------------------|-----------------------|----------------------|--|--|
| | Rate of duty | Imports | | Rate of duty | Imports ^{1/} | | | |
| | | Quantity | Value | | Quantity | Value | | |
| | Percent ad valorem | <u>1,000</u> units | <u>1,000</u> dollars | Percent ad valorem | <u>1,000</u> units | <u>1,000</u> dollars | | |
| 1946----- | 10 | 13 | 13 | 30 | 15 | 4 | | |
| 1947----- | 10 | 33 | 40 | 30 | 40 | 11 | | |
| 1948----- | <u>2/</u> 10 | 18 | 24 | <u>2/</u> 30 | 20 | 6 | | |
| 1949----- | 10 | 13 | 20 | 30 | 15 | 4 | | |
| 1950----- | 10 | 29 | 29 | 30 | 35 | 10 | | |
| 1951----- | 10 | 50 | 55 | 30 | 55 | 17 | | |
| 1952----- | 10 | 56 | 78 | 30 | 65 | 19 | | |
| 1953----- | 10 | 78 | 72 | 30 | 90 | 26 | | |
| 1954----- | 10 | 126 | 90 | 30 | 140 | 43 | | |
| 1955----- | 10 | 310 | 226 | 30 | 350 | 105 | | |
| 1956----- | 10 | 400 | 318 | 30 | 450 | 135 | | |
| 1957----- | 10 | 506 | 405 | 30 | 570 | 171 | | |
| 1958----- | 10 | 1,122 | 788 | 30 | 1,265 | 380 | | |
| 1959----- | 10 | 3,245 | 2,040 | 30 | 3,660 | 1,097 | | |
| 1960----- | 10 | 3,719 | 2,485 | 30 | 4,195 | 1,258 | | |
| 1961----- | 10 | 3,010 | 2,159 | 30 | 3,395 | 1,018 | | |
| 1962----- | 10 | 4,840 | 3,211 | 30 | 5,460 | 1,637 | | |
| 1963----- | 10 | 5,609 | 3,586 | 30 | 6,325 | 1,897 | | |
| 1964----- | 10 | 7,749 | 4,874 | 30 | 8,520 | 2,372 | | |
| 1965----- | 10 | 8,470 | 5,511 | 30 | 9,166 | 2,814 | | |
| 1966----- | 10 | 7,416 | 5,154 | 30 | 8,158 | 2,539 | | |
| 1967----- | 10 | 8,298 | 5,487 | 30 | 9,020 | 2,709 | | |
| 1968----- | <u>3/</u> 9 | 11,933 | 7,944 | <u>3/</u> 27 | 13,527 | 3,975 | | |
| 1969----- | <u>4/</u> 8 | 10,560 | 7,002 | <u>4/</u> 24 | 12,388 | 3,747 | | |

^{1/} Data for the period 1946-63 are estimated.

^{2/} Bound, effective January 1, 1948.

^{3/} Effective January 1, 1968.

^{4/} Effective January 1, 1969.

Table 4.--Bicycle tires imported separately: U.S. imports for consumption, by principal sources, 1964-69

| Source | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|----------------------------------|-------|-------|-------|-------|--------|--------|
| Quantity (in thousands of units) | | | | | | |
| Japan----- | 3,048 | 4,483 | 3,911 | 4,161 | 5,787 | 6,400 |
| Sweden----- | 1,500 | 1,438 | 1,722 | 1,433 | 3,043 | 1,915 |
| Netherlands----- | 1,382 | 1,092 | 990 | 1,120 | 1,271 | 905 |
| Belgium----- | 729 | 599 | 270 | 369 | 429 | 309 |
| Republic of Korea---- | - | 58 | 64 | 485 | 372 | 332 |
| All other----- | 1,090 | 800 | 459 | 730 | 1,031 | 699 |
| Total----- | 7,749 | 8,470 | 7,416 | 8,298 | 11,933 | 10,560 |
| Value (in thousands of dollars) | | | | | | |
| Japan----- | 1,838 | 2,828 | 2,809 | 2,928 | 4,016 | 4,244 |
| Sweden----- | 986 | 984 | 1,144 | 917 | 1,903 | 1,219 |
| Netherlands----- | 825 | 630 | 577 | 716 | 789 | 555 |
| Belgium----- | 443 | 420 | 204 | 242 | 333 | 247 |
| Republic of Korea---- | - | 31 | 44 | 156 | 208 | 177 |
| All other----- | 782 | 618 | 376 | 528 | 695 | 560 |
| Total----- | 4,874 | 5,511 | 5,154 | 5,487 | 7,944 | 7,002 |

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

Table 5.--Bicycle tubes imported separately: U.S. imports for consumption, by principal sources, 1964-69

| Source | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|----------------------------------|-------|-------|-------|-------|--------|--------|
| Quantity (in thousands of units) | | | | | | |
| Japan----- | 3,115 | 4,708 | 4,568 | 4,931 | 7,034 | 7,761 |
| Sweden----- | 2,129 | 1,789 | 1,544 | 1,528 | 3,009 | 2,063 |
| Netherlands----- | 1,405 | 1,188 | 952 | 1,172 | 1,321 | 925 |
| Austria----- | 513 | 502 | 381 | 341 | 501 | 394 |
| Republic of Korea----- | - | - | 169 | 237 | 468 | 374 |
| All other----- | 1,358 | 979 | 544 | 811 | 1,194 | 871 |
| Total----- | 8,520 | 9,166 | 8,158 | 9,020 | 13,527 | 12,388 |
| Value (in thousands of dollars) | | | | | | |
| Japan----- | 912 | 1,501 | 1,410 | 1,490 | 2,064 | 2,357 |
| Sweden----- | 467 | 457 | 467 | 437 | 908 | 631 |
| Netherlands----- | 414 | 368 | 301 | 357 | 378 | 280 |
| Austria----- | 176 | 171 | 133 | 124 | 167 | 134 |
| Republic of Korea----- | - | - | 42 | 65 | 116 | 83 |
| All other----- | 403 | 317 | 186 | 236 | 342 | 262 |
| Total----- | 2,372 | 2,814 | 2,539 | 2,709 | 3,975 | 3,747 |

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



UNIROYAL, Inc.
Rockefeller Center
1230 Avenue of Americas
New York, N. Y. 10020
212-247-5000

May 11, 1970

Mr. Kenneth R. Mason, Secretary
United States Tariff Commission
Washington, D. C. 20436

Dear Mr. Mason:

A petition has been filed on behalf of the production and maintenance workers formerly employed by the Bicycle Tire & Tube Division of Uniroyal, Inc., Indianapolis, Indiana, seeking adjustment assistance under the Trade Expansion Act of 1962.

In support of the petition, Uniroyal, Inc. voluntarily submits the enclosed information to the Tariff Commission as confidential business data pursuant to Section 201.6 of the Rules of Practice & Procedure of the Tariff Commission. In the event the Tariff Commission refuses to accept any of the enclosed information as confidential business data, I would appreciate being advised of this fact immediately.

I might also point out that the discontinuance of the manufacture of bicycle tires and tubes was a result of increased competition from foreign bicycle tire manufacturers whose products sold at substantially lower prices than our own.

I hope the enclosed information is satisfactory for your purposes. Of course, Uniroyal, Inc. will be more than happy to lend further assistance during the course of the Commission's investigation should it be deemed necessary.

Very truly yours,

A handwritten signature in dark ink, appearing to read "A. J. Pontana".

A. J. Pontana
Director of Industrial Relations

Enc.



