

UNITED STATES TARIFF COMMISSION
Washington, D.C.

[APTA-W-2]

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TARIFF COMMISSION REPORTS TO THE PRESIDENT ON
PETITION FOR ADJUSTMENT ASSISTANCE BY CERTAIN WORKERS
OF THE GENERAL MOTORS CORPORATION, FISHER BODY PLANT NO. 2,
GRAND RAPIDS, MICHIGAN

The Tariff Commission today reported to the President the results of its investigation No. APTA-W-2, conducted under section 302(e) of the Automotive Products Trade Act of 1965. The Commission's report was submitted to the President through the Automotive Agreement Adjustment Assistance Board.

The investigation was instituted upon receipt of a request on April 19, 1966, from the Automotive Assistance Committee of the Board. The Committee's request resulted from a petition for adjustment assistance filed with the Board by the International Union, United Auto Workers, on behalf of Local 1231, a group of workers employed by the General Motors Corporation at Fisher Body Plant No. 2 in Grand Rapids, Michigan. The petition alleged that 1,100 workers were unemployed as a result of a decision of the General Motors Corporation to transfer the production of interior soft trim for the Chevy II and Chevelle series from the Grand Rapids Plant to a new plant near Windsor, Ontario, and that the operation of the U.S.-Canadian automotive agreement was the primary factor causing such unemployment.

The Commission's entire report cannot be made public since much of the data it contains was received in confidence. Sections of the report that can be made public are reproduced below. In addition to the material printed below, the report contained extensive information concerning changes in employment at the Grand Rapids plant and the factors causing those changes.

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Description of the automotive product concerned

Soft trim is the term used to describe collectively a variety of motor vehicle components, some of which are used as interior furnishings and some as exterior coverings (such as convertible tops). The articles are manufactured largely from non-rigid materials such as textiles, leather, plastic-coated fabric, and stiff paperboard. The motor-vehicle components ordinarily regarded as soft trim include the following: Front and rear door trim pads; rear quarter trim pads; headlinings; sunshades; center pillar trim; trunk linings; shelf compartments; upholstery for seat cushions, seat backs, and head, arm and footrests; cowl trim panels; convertible tops (and associated fabric components, such as back curtains and dust boots); spare tire covers; and vinyl tops (hardtop fabric).

The production of automotive soft trim involves two basic manufacturing operations: (1) Cutting, shaping, or otherwise forming the various materials, and (2) assembling the pieces of material into trim components by sewing, glueing, heat bonding, or other means.

Statistical data pertinent to determinations
under sections 302(b)(2) and (3)

The Tariff Commission obtained data representative of U.S. production, U.S. imports from Canada, U.S. exports to Canada, and Canadian production of soft trim for use as original equipment in the assembly of motor vehicles (table 1). These data indicate that U.S. production of soft trim has been substantially larger in recent months than in corresponding months of the 1964 model year. Similarly, U.S. imports of soft trim from Canada, U.S. exports of soft trim to Canada, and Canadian production of soft trim in recent months have all been appreciably larger than in the corresponding months of the 1964 model year. This growth in production and trade in soft trim has been generally evident during the past 5 model years.

The Tariff Commission requested the major U.S. and Canadian motor vehicle producers 1/ to furnish information on their use of soft trim in the assembly of motor vehicles, and to distinguish between the soft trim obtained in the United States and that obtained in Canada. The data were reported on a value basis; no satisfactory direct measure of quantity could be devised because of the great variety of items which fall under the definition of soft trim. From these data, the Commission compiled the statistics presented in table 1.

1/ U.S. and Canadian companies that produce only a relatively small number of motor vehicles were not requested to supply information; data respecting the use of soft trim by these companies could not affect the trends shown by the compiled data to a meaningful extent.

Several companies found it necessary to estimate the data reported. No satisfactory indication of the degree of error embodied in these estimates is available. The trends shown by the statistics, however, are so strongly upward that even substantial errors in the estimates reported would be unlikely to reverse them.

Table 1.--U.S. production, U.S. imports from Canada, U.S. exports to Canada and Canadian production of soft trim for use as original equipment in the assembly of motor vehicles, model years, 1/ 1961-65, and monthly, December 1963-March 1964, and December 1965-March 1966

Period	Value (1,000 U.S. dollars)			
	U.S. production	U.S. imports from Canada <u>2/</u>	U.S. exports to Canada	Canadian production
Model years <u>1/</u> :				
1961-----	287,680		276	14,241
1962-----	354,470		626	16,866
1963-----	403,277		1,502	21,626
1964-----	459,665		1,379	26,490
1965-----	539,666		1,722	29,576
Dec. 1963-Mar. 1964:				
December-----	43,997		134	2,614
January-----	43,718		126	2,872
February-----	37,618		110	2,598
March-----	40,755		132	2,538
Dec. 1965-Mar. 1966:				
December-----	55,034		547	6,911
January-----	50,821		563	5,909
February-----	47,860		637	5,885
March-----	55,239		667	6,866

1/ The model year begins about Aug. 1 of the year preceding that shown, and ends about July 31 of the year shown.

2/ Data on U.S. imports from Canada of soft trim cannot be made public without revealing the operations of individual concerns:

Source: Compiled by the U.S. Tariff Commission from data supplied by 8 motor vehicle producers.

Note.--The data reported by several companies were estimated. No indication of the probable error is available.