

UNITED STATES TARIFF COMMISSION
Washington, D.C.

[APTA-W-18]

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October 17, 1967

TARIFF COMMISSION SUBMITS REPORT TO THE
AUTOMOTIVE AGREEMENT ADJUSTMENT ASSISTANCE BOARD
IN ADJUSTMENT ASSISTANCE CASE PERTAINING TO
CERTAIN WORKERS OF ROCKWELL-STANDARD CORPO-
RATION'S BUMPER DIVISION PLANT IN
MISHAWAKA, INDIANA

The Tariff Commission today reported to the Automotive Agree-
ment Adjustment Assistance Board the results of its investigation
No. APTA-W-18, conducted under section 302(e) of the Automotive
Products Trade Act of 1965. The Commission's report contains fac-
tual information for use by the Board, which determines the eligi-
bility of the workers concerned to apply for adjustment assistance.
The workers in this case were employed in the Mishawaka, Indiana,
plant of Rockwell-Standard Corporation.

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.

U.S. Tariff Commission
October 17, 1967

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 an investigation (APTA-W-18) concerning the dislocation of certain workers engaged in the production of automotive bumpers at the Mishawaka, Indiana, plant of the Bumper Division of Rockwell-Standard Corp. The Commission instituted the investigation on August 29, 1967, upon receipt of a request for investigation on August 28, 1967, 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. 12702) on September 1, 1967.

The Automotive Assistance Committee's request for the investigation resulted from a petition for determination of eligibility to apply for adjustment assistance that was filed with the Assistance Board on August 23, 1967, by the International Union, United Automobile Aerospace & Agricultural Implement Workers of America (U.A.W.) and its Local No. 586, on behalf of a group of workers at the Mishawaka plant of the Bumper Division of Rockwell-Standard Corp. Neither the petitioners nor any other party requested a hearing before the Commission, and none was held.

The petition stated that on June 26, 1967, Rockwell-Standard Corp., advised the U.A.W. that it would discontinue operations at the Mishawaka plant on or before July 31, 1967, with some 554 employees to be affected by permanent layoffs. The petition further stated that approximately 12 percent of the annual volume of work performed at the Mishawaka plant was shifted to Canada as a result of the Mishawaka plant's closing. The petition, therefore, attributes the layoff of 66 employees or 12 percent of the 554 employees affected by the plant closing to the United States-Canadian Automotive Trade Agreement.

The information reported herein was obtained from a variety of sources, including Rockwell-Standard Corp., U.A.W. Local 586, the Commission's files, and through fieldwork by members of the Commission's staff.

The automotive product involved--bumpers

Bumpers are devices which are secured to the front and rear of most motor vehicles for the purpose of absorbing shocks and preventing damage in minor collisions. They are generally produced from carbon steel sheets by blanking and drawing processes. Subsequent to forming, bumpers are nickel plated, buffed, chrome plated, and polished in order to improve their appearance and corrosion resistance.

The aforementioned articles are dutiable under item 692.27 of the Tariff Schedules of the United States at 8.5 percent ad valorem unless they are Canadian articles for use as "original motor-vehicle equipment", in which event they are entered duty free under item 692.28.

Rockwell-Standard Corp.

Rockwell-Standard Corp., with headquarters in Pittsburgh, Pennsylvania, is a large corporation that operates 32 plants in the United States and 11 in Canada. It had net sales of \$636 million in 1966; parts for trucks, trailers, and buses accounted for 43 percent of 1966 sales, and parts of passenger automobiles for 22 percent. In addition to bumpers, Rockwell-Standard produces such automotive products as axles, brakes, universal joints, transmissions, springs, seats, wheel covers, and lamp assemblies.^{1/}

Prior to the closing of the Mishawaka plant Rockwell-Standard produced bumpers at Mishawaka, Indiana, Newton Falls, Ohio, and Chatham, Ontario. All three of these plants had produced bumpers for several years prior to the enactment of the Automotive Products Trade Act of 1965. The two United States plants were operated by the Corporation's Bumper Division and the Canadian plant by Ontario Steel Products Co., Ltd., a subsidiary company

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^{1/} The information contained in this paragraph is applicable to Rockwell-Standard Corp. prior to September 22, 1967, when it merged with North American Aviation, Inc., to form a new company known as North American Rockwell Corp.

Production and trade between the United States and Canada

The Tariff Commission obtained information from the major North American motor-vehicle producers that was representative of production and trade between the United States and Canada in bumpers for use as original equipment in the assembly of motor vehicles. Apparent U.S. production of such bumpers increased from 17.6 million units in model year 1964 to 19.8 million units a year in 1965 and 1966, then declined to about 17.4 million units in 1967 (table 1.). Canadian production increased from an average of 1.1 million units in 1964-66 to 1.6 million units in model year 1967.

United States imports of bumpers from Canada and United States exports thereto both increased in 1964-67, however, the increase in imports was much larger than the increase in exports. U.S. imports of bumpers from Canada totalled 112,510 units in 1964, 240,830 units in 1966, and 824,470 units in 1967. U.S. exports of bumpers to Canada increased from 294,400 units in 1964, to 755,950 units in 1967.

For the purpose of comparing the most recent representative four-month period with the corresponding period of the 1964 model year, March-June was selected in order to avoid the effect of production variations that occur during model changeover periods. Nevertheless, July and August data were obtained by the Commission and are reported in Table 1. The difference between the production and trade data for the shorter periods in 1964 and 1967 correspond with those which have been noted in the data for the full model years.

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Table 1.--Bumpers: United States and Canadian production, and United States exports to and imports from Canada for use as original equipment in the assembly of motor vehicles, model years 1964-67, and monthly March-August 1964 and 1967

(Number of bumpers)				
Model year ending July 31--	United States production	Canadian produc- tion	U.S. imports from Canada	U.S. exports to Canada
1964-----	17,648,930	1,064,540	112,510	294,400
1965-----	19,815,860	1,116,250	183,880	390,000
1966-----	19,790,950	1,039,570	240,830	685,640
1967-----	17,350,220	1,579,710	824,470	755,950
1964:				
March, 1964-----	1,628,250	100,110	12,160	28,280
April-----	1,769,520	105,740	12,150	31,940
May-----	1,630,700	97,470	10,740	30,150
June-----	1,754,640	103,680	9,940	32,030
Sub Total-----	6,783,110	407,000	44,990	122,400
July-----	1,327,570	29,560	1,980	12,560
August-----	385,860	14,730	5,470	7,200
Total-----	8,496,540	451,290	52,440	142,160
1967:				
March, 1967-----	1,543,950	145,480	82,240	61,420
April-----	1,493,210	125,970	59,600	55,630
May-----	1,713,630	154,950	76,620	72,310
June-----	1,739,750	159,780	79,110	75,120
Sub Total-----	6,490,540	586,180	297,570	264,480
July-----	919,330	67,410	29,380	40,700
August-----	520,820	68,630	59,470	12,310
Total-----	7,930,690	722,220	386,420	317,490

Source: Compiled by the U.S. Tariff Commission from reports submitted by 7 major motor-vehicle manufacturers.