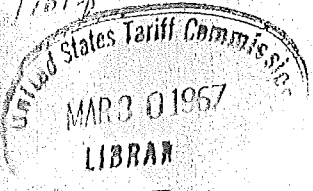


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UNITED STATES TARIFF COMMISSION  
Washington, D.C.

bsol

[APTA-W-7]

TC Publication 199

March 30, 1967

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

The Tariff Commission today reported to the Automotive Agreement Adjustment Assistance Board the results of its investigation No. APTA-W-7, 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 Detroit, Michigan 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.

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U.S. Tariff Commission  
March 30, 1967

Introduction

In accordance with section 302(e) of the Automotive Products Trade Act of 1965 (79 Stat. 1016), the U.S. Tariff Commission has conducted an investigation (APTA-W-7) concerning the possible dislocation of certain workers engaged in the production of automotive flat leaf springs produced at the Detroit, Michigan, plant of the Eaton Spring Division of Eaton Yale & Towne, Inc. The Commission instituted the investigation on February 8, 1967, upon receipt of a request for investigation on the same day 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. 2915) on February 15, 1967. The results of the investigation herein reported are intended to provide a factual record in order to assist the Automotive Agreement Adjustment 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 2, 1967, by the International Union, United Automobile Aerospace & Agricultural Implement Workers of America (U.A.W.), and its Local 368, of Detroit, Michigan, on behalf of a group of workers at the Detroit plant of Eaton Spring Division of Eaton Yale & Towne, Inc.

The petition alleged that the transfer of the production of automotive leaf springs from Detroit to a newly established plant in Chatham, Ontario, resulted in the permanent layoff of 166 workers between January 7 and January 21, 1967 and threatens approximately 125 additional permanent layoffs in 1967. The petition further alleged that had it not been for the U.S.-Canadian Trade Agreement Concerning Automotive Products, signed January 16, 1965, the leaf spring production would have remained in Detroit.

The information reported herein was obtained from Eaton Yale & Towne, Inc., the major motor-vehicle manufacturers in the United States, the International Union, U.A.W. and Local Union 368, U.A.W., the Commission's files, and by field work by members of the Commission's staff. Although the petitioners had originally indicated the desire for a public hearing, they subsequently withdrew their request. No other 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. (The other major type of spring used in suspension systems is the coil spring which is used to a greater extent than leaf springs in passenger car production.) Leaf springs are composed

of from one to many leaves that vary in length and thickness depending largely upon the load carrying capacity of the vehicle on which they are used. The leaves are made from spring steel bar generally containing 0.50 to 0.65 percent carbon, 0.70 to 1.00 percent manganese and either silicon (about 2 percent) or chromium (about 0.8 percent).

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 bowed slightly. Loops or "eyes" are formed at the ends of the main leaf in which bushings are placed 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 entirely by hand in an assembly line.

Imported leaf springs and leaves for springs suitable for motor-vehicle suspension are provided for under item number 652.84 of the Tariff Schedules of the United States and are dutiable at the rate of 8.5 percent ad valorem. The exception to this classification is leaf springs or leaves for springs when imported from Canada for use as original motor-vehicle equipment, in which event they are entered duty free under item 652.85.

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

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

The company 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., with headquarters in Detroit, Michigan, was the employer of the workers herein concerned. This division operates plants in Detroit (passenger car springs) and Lackawanna, New York (truck springs). The only other suspension spring facility of Eaton Yale & Towne, Inc. is the recently formed subsidiary, Eaton Springs, Canada, Ltd., with plant and headquarters in Chatham, Ontario, a city about 70 miles east of Detroit. Although the Lackawanna and Chatham plants produce leaf springs exclusively, the Detroit plant also makes hot-wound coil suspension springs, mechanical springs, and a limited number of spring-related articles.