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FORM 10-K

NEW LISTINGS &
CORPORATE LIAISON

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

1990 MAR 29 A 9:52

For the fiscal year ended December 31, 1989 **Commission File Number: 1-1927**

THE GOODYEAR TIRE & RUBBER COMPANY
(Exact name of Registrant as specified in its charter)

PROCESSED BY DISCLOSURE INCORPORATED
RECEIVED MAR 30 1990

Ohio (State or other jurisdiction of incorporation or organization)	34-0253240 (I.R.S. Employer Identification No.)
1144 East Market Street, Akron, Ohio (Address of principal executive offices)	44316-0001 (Zip Code)

Registrant's telephone number, including area code: (216) 796-2121

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
Common Stock, Without Par Value	New York Stock Exchange Midwest Stock Exchange Pacific Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange Midwest Stock Exchange Pacific Stock Exchange
8.60% Sinking Fund Debentures, due September 30, 1995	New York Stock Exchange
7.35% Sinking Fund Debentures, due September 15, 1997	New York Stock Exchange

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Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes ✓ No _

The aggregate market value of Registrant's outstanding Common Stock held by nonaffiliates of the Registrant on February 16, 1990, determined using the per share closing price thereof on the New York Stock Exchange Composite Transactions tape of $35.00 on that date, was approximately $2,026,790,955.00.

Shares of Common Stock, Without Par Value, outstanding at February 16, 1990:
57,962,494

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of Registrant's definitive Proxy Statement, dated February 26, 1990, for its 1990 Annual Meeting of Shareholders are incorporated by reference into Part III.

THE GOODYEAR TIRE & RUBBER COMPANY

Annual Report on Form 10-K

For the Fiscal Year Ended December 31, 1989

Table of Contents

THE GOODYEAR TIRE & RUBBER COMPANY

PART I

ITEM I. BUSINESS.

BUSINESS OF GOODYEAR

The Goodyear Tire & Rubber Company is an Ohio corporation organized in 1898. Its principal offices are located at 1144 East Market Street, Akron, Ohio 44316-0001. Its telephone number is (216) 796-2121. The term "Registrant" wherever used herein refers solely to The Goodyear Tire & Rubber Company. The terms "Goodyear" and the "Company" wherever used herein refer to The Goodyear Tire & Rubber Company together with all of its domestic and foreign subsidiary companies, unless the context indicates to the contrary.

Goodyear is one of the world's leading manufacturers of tires and rubber products, engaging in operations throughout the free world. Goodyear's net sales in 1989 were $10.9 billion. Goodyear's net income in 1989 was $206.8 million, including $17.4 million of tax benefits from loss carryovers on prior foreign losses which were accounted for as an extraordinary item. Goodyear's worldwide employment averaged approximately 111,469 during 1989.

Goodyear's principal business is the development, manufacture, distribution and sale of tires for most applications throughout the free world. Goodyear also manufactures and markets numerous rubber, chemical and plastic products for the transportation industry and various industrial and consumer markets. The Company also provides automotive repair and other services and sells various other products.

Goodyear also engages in various crude oil transportation and trading activities through the Celeron subsidiaries. The All American Pipeline System has been designed, when completed, to be a 1,750 mile heated crude oil pipeline capable of transporting approximately 300,000 barrels per day of heavy crude oil produced offshore California from the California Coast to refineries along the Gulf Coast and in the mid-continent region. The 1,225-mile mainline segment extending from near Bakersfield, California, to McCamey, Texas, has been transporting limited quantities of onshore California and Alaska North Slope crude oil to Texas since December of 1987, when the segment commenced preoperational developmental and testing operations.

RECENT DEVELOPMENTS IN GOODYEAR'S BUSINESS

During 1989, the Company continued cost containment programs and reorganized its management and operating structure designed to make the Company more responsive to the demands of the market place, an extension of the Company's continuing Comprehensive Restructuring Plan initiated in 1986. Goodyear's Comprehensive Restructuring Plan included, among other things, the following: (1) Registrant's 1986 and 1987 purchase of approximately 53,616,992 shares of its Common Stock for approximately $2.6 billion; (2) the Divestiture Program, pursuant to which Registrant sold its Motor Wheel, Goodyear Aerospace and Celeron Oil and Gas subsidiaries and certain real estate and other assets for approximately $1.6 billion in 1986 and 1987 and is currently holding available for sale the All American Pipeline System and other oil transportation assets; (3) the Facility Modernization Program consisting of the closure of obsolete facilities, other capacity realignments and process improvement and cost containment programs; and (4) Cost Reduction Programs, which included special workforce reduction programs during 1986 through 1989.

During 1989, Goodyear sold its South Africa tire and general products manufacturing subsidiary for $41.0 million, incurring a $43.0 million pre-tax ($52.0 million after-tax) loss. All American Pipeline Company, a wholly-owned subsidiary of Registrant, sold approximately 435 miles of unused 30-inch pipe for approximately $70.0 million, incurring a $48.3 million pre-tax ($43.0 million after-tax) loss. In December of 1989, Goodyear also acquired Co-Ex Plastics Inc., a blown wrapping films manufacturing company located in Lewisburg, Tennessee.

The Company commenced construction of a radial passenger and light truck tire manufacturing plant in Napanee, Ontario, Canada, in July of 1988, scheduled to be completed in two phases at an aggregate cost of approximately Canadian $320 million. The first phase, which is expected to cost approximately Canadian $240 million, is scheduled to be ready for start up in mid-1990. It is expected that the Napanee plant, designed to serve the Canadian original equipment market, will be capable of producing approximately 14,000 tires per day by late 1991. During 1989, the Company continued the acquisition and development of a site in Korea for a radial passenger and light truck tire manufacturing facility. The Company had obtained authorization from the Republic of Korea to build the facility in 1988. A new technology tread rubber plant at Greenville, Texas, was completed in 1989.

During 1989, the Company continued its program designed to enhance production capacity and efficiency through significant plant modernization and expansion projects. Projects completed during 1989 included passenger tire expansions at the Fayetteville, North Carolina and Union City, Tennessee plants, light and medium radial truck tire expansions at the Company's Danville, Virginia, Fayetteville, North Carolina, and Topeka, Kansas plants and radial aircraft tire and earthmover tire expansions at the Danville, Virgina and Topeka, Kansas plants. Expansions of tire capacity in plants in Luxembourg, Mexico and Venezuela were also completed during 1989. Expansion of the Lincoln, Nebraska industrial rubber products plant was also completed during 1989. Other significant plant modernization and expansion projects are presently underway at the Company's Lawton, Oklahoma, Topeka, Kansas, Union City, Tennessee, Americana, Brazil, Fulda, West Germany, and Izmit, Turkey tire plants. Expansions were also started in 1989 at the Company's Houston, Texas, and Beaumont, Texas, chemical plants.

The Company continued its emphasis on the design and development of high technology radial passenger and truck tires. The market share of radial passenger and truck tires, which offer more performance and durability than bias-ply or bias-belted tires, continued to increase in 1989. Approximately 93% of all passenger tires sold in the United States during 1989 were radial, compared to 92% in 1988, 89% in 1987, 86% in 1986 and 82% in 1985. Approximately 68% of all highway truck tires sold in the United States during 1989 were radials, compared to 64% in 1988, 58% in 1987, 52% in 1986 and 48% in 1985. High performance tires continued to increase their share of the total United States passenger tire market, constituting approximately 19% of the market in 1989, compared to 17% of the market in 1988 and 11% of the market in 1987.

In 1989, Goodyear introduced the EAGLE GA, a new all season, high performance radial passenger tire for luxury touring sedans. The EAGLE GA was the most widely accepted new passenger tire by auto manufacturers in the Company's history. Other new tires introduced in 1989 included the EAGLE ZR35 Gatorback, a foot-wide high performance tire designed for the rear wheels of the ZR-1 Corvette. radial tires for stock car racing and the Unisteel G259, a new steer-axle tire designed to provide increased mileage for over-the-road trucks.

FINANCIAL INFORMATION ABOUT GOODYEAR'S INDUSTRY SEGMENTS

Financial information relating to Goodyear's "Industry Segments" for each of the three years in the period ended December 31, 1989, appears in the Note captioned "Business Segments" and in the tabulation captioned "Industry Segments" in the Notes to Financial Statements set forth in Item 8 of this Annual Report, at pages 46 and 48, respectively, and is incorporated herein by specific reference.

As further described in the "Business Segments" Note, the Company realigned its Industry Segments in 1989. The realigned Industry Segments match external segment reporting to the internal structure of the Company's worldwide Tire Division, worldwide General Products Division and the Celeron Subsidiaries. The Tires and Related Industry Segment, formerly the Tire and Related Transportation Products Industry Segment, no longer includes certain rubber and plastic automotive products which are now included in the General Products Industry Segment, formerly the Industrial Rubber, Chemical and Plastic Products Industry Segment. Industry Segment information for 1988 and 1987 has been restated to reflect these changes.

DESCRIPTION OF GOODYEAR'S BUSINESS — INDUSTRY SEGMENTS

TIRES AND RELATED

Goodyear's principal Industry Segment is the development, manufacture, distribution and sale of Tires and related products and services (the "Tires and Related" Industry Segment), which accounted for approximately 81.4%, 82.3% and 83.5% of Goodyear's net sales and approximately 78.0%, 73.4% and 81.5% of Goodyear's operating income for the years 1989, 1988 and 1987, respectively. The principal class of products in the Tires and Related Industry Segment is tires for most applications. Sales of tires were approximately 72.5%, 73.9% and 74.3% of Goodyear's net sales in the years 1989, 1988 and 1987, respectively. No other class of products or services in the Tires and Related Industry Segment accounted for as much as 10% of Goodyear's sales in any of the last three years.

The products and services comprising the Tires and Related Industry Segment include:

Tires. Goodyear manufactures and markets throughout the world a broad line of rubber tires and tubes for automobiles, trucks, buses, tractors, farm implements, earthmoving equipment, airplanes, industrial equipment and various other applications, in each case for sale to original equipment manufacturers and in the replacement market.

In the United States and in several other markets, Goodyear offers two basic constructions of tires, radial and bias-ply. Various belting and reinforcing materials are used, including rayon, nylon and polyester tire cord, fiberglass, aramid fiber and steel.

Several major lines of Goodyear-brand radial passenger tires are sold in the United States, including the VECTOR, the ARRIVA, the TIEMPO, the DOUBLE EAGLE, the EAGLE GT+4, the INVICTA and the CORSA all season tire lines, the new all season, high performance EAGLE GA touring tire, the EAGLE ZR S, the EAGLE GT, the EAGLE ST, the EAGLE VR50, the EAGLE VR40 and the EAGLE ZR35 "Gatorback" high performance tire lines, the CUSTOM POLYSTEEL and the F32 and the ULTRA GRIP winter tire lines. Several major lines of Goodyear-brand radial light truck tires are offered in the United States, including the WRANGLER AT, HT, LT and MT and the TRACKER LT II lines. These lines of tires are also sold in Canada.

Goodyear offers several passenger tire lines in the various foreign markets it serves. In Europe, where substantially all tires sold are radials, several lines of Goodyear-brand radial passenger tires are sold, including the VECTOR, the EAGLE, the GRAND PRIX S, the high performance EAGLE VR and NCT, the GT, the GTA and the EAGLE M + S all season passenger tire lines, the ALL WEATHER and ULTRA GRIP lines of winter passenger tires, and the WRANGLER, G22 and G46 light truck tire lines. In the Asian, African and Latin American markets, both radial and bias-ply Goodyear-brand passenger and light truck tires are manufactured and sold.

Goodyear manufactures three constructions of radial medium truck tires, one using fabric, one using fabric and steel and another, the UNISTEEL Series, using an all-steel cord and belt construction. Goodyear also offers a full line of bias-ply medium truck tires.

Goodyear produces several lines of tires for other applications, including radial and bias-ply tires for farm machinery, heavy equipment and aircraft. Goodyear retreads truck, aircraft and heavy equipment tires, primarily as a service to its commercial customers, and manufactures and sells tread rubber and other tire retreading materials for various applications.

The Kelly-Springfield Tire Company, a wholly-owned subsidiary of Registrant ("Kelly-Springfield"), manufactures and sells several lines of radial and bias-ply passenger and truck tires in the United States replacement market and sells various lines of Kelly-brand tires in the replacement markets in Canada and certain other countries. Lee Tire & Rubber Company, a wholly-owned subsidiary of Registrant ("Lee Tire"), markets several lines of radial and bias-ply passenger and truck tires in the United States replacement market. Brad Ragan, Inc., a 74.5% owned subsidiary of Registrant, is a tire retailing and commercial tire sales, retreading and service chain with operations in several areas of the United States. Air Treads, Inc., a wholly-owned subsidiary of Registrant, sells new aircraft tires, produces and sells retreaded aircraft tires and repairs aircraft wheels and brakes in the United States and Canada.

Related products and services. Additional products and services in the Tires and Related Industry Segment include: automotive repair services provided by Goodyear through its retail outlets and the sale to dealers and consumers of automotive repair and maintenance items, automotive equipment and accessories and other items, including televisions and stereos, household appliances, home and garden equipment and supplies, and recreational equipment, purchased for such resale; the operation of six rubber plantations and the processing and sale of natural rubber; aircraft wheel and brake maintenance; and miscellaneous other products and services.

Markets and Distribution — Competition

The Company offers a broad line of tires for most applications and for all classes of customers. In the United States and in most other countries, the Company sells Goodyear-brand tires to vehicle manufacturers for use as original equipment on vehicles they produce and sells Goodyear-brand, Kelly-brand, other house brand and private brand tires through various channels of distribution for sale to vehicle owners for replacement purposes. Worldwide, the Company's sales of passenger, truck and farm tires in the replacement market substantially exceed its sales of passenger, truck and farm tires to original equipment manufacturers.

Because of their superior durability, handling and fuel economy, demand for radial tires in the United States and other countries has increased significantly in recent years. Except for bias-ply temporary spare tires, all passenger tires sold in the United States to automobile manufacturers since 1982 have been radials. During 1989, approximately 94% of all tires sold to automobile manufacturers outside the United States were radials. Approximately 95% of all passenger tires sold during 1989 in the United States replacement market were radials, compared to 94% in 1988, 90% in 1987, 87% in 1986, 81% in 1985 and 76% in 1984. Goodyear anticipates that during 1990 approximately 97% of all passenger tires sold in the United States replacement market will be radials. For the same reasons, demand for radial truck tires in the United States has also increased in recent years. During 1989, approximately 84% of all light and medium highway truck tires sold in the United States to truck manufacturers were radials, compared to 76% in 1988 and 70% in 1987. During 1989, approximately 64% of all light and medium highway truck tires sold in the United States replacement market were radials, compared to 61% in 1988, 56% in 1987, 49% in 1986 and 45% in 1985. Goodyear anticipates that during 1990 approximately 69% of all highway truck tires sold in the United States replacement market will be radials.

Goodyear's tires are sold under highly competitive conditions both in the United States and in other countries. There are approximately 10 members of the tire manufacturing industry in the United States. Goodyear's principal domestic competitors are The Firestone Tire & Rubber Company (acquired by Bridgestone in 1988), Uniroyal-Goodrich Tire Company (which has agreed to be acquired by Michelin) and General Tire Inc. (acquired by Continental in 1987). In addition, Goodyear also competes worldwide with several major foreign based tire manufacturing concerns, including Michelin (which has four plants in the United States and Canada and has agreed to acquire Uniroyal-Goodrich), Bridgestone (which owns five plants in the United States as a result of its purchase of Firestone), Continental (which owns four General Tire plants in the United States), Pirelli, Sumitomo, Toyo, Yokohama and several Korean tire companies.

Goodyear competes with other tire manufacturers on the basis of price, warranty, service, product design, performance and reputation, and consumer convenience. The Company believes Goodyear-brand tires enjoy a high recognition factor throughout the world and have a reputation for high quality and value.

Goodyear is a major supplier, on a direct sale basis, of tires to several manufacturers of automobiles, trucks, farm and construction equipment and other vehicles, both in the United States and several foreign markets. Goodyear sells tires to the major United States automobile and truck manufacturers: General Motors, Ford, Chrysler, Nissan, Honda, Volkswagen, Navistar, Mack Truck, Freightliner, Peterbilt and Kenworth. Goodyear is a significant supplier of tires to several European manufacturers, including Fiat, Daimler-Benz, Volkswagen, Volvo, Ferrari, Jaguar, Lotus, Porsche, Alfa Romeo and Renault, to four Japanese manufacturers, Nissan, Mazda, Toyota and Isuzu, and to foreign subsidiaries of General Motors, Ford and Chrysler. Goodyear also supplies major manufacturers of construction and agricultural equipment, including Caterpillar, Ford Tractor, J. I. Case, John Deere and Massey-Ferguson.

No customer or group of affiliated customers accounted for as much as 7.5% of Goodyear's consolidated net sales during 1989, 1988 or 1987. Worldwide, Goodyear's annual net sales (including sales of both the Tires and Related and General Products Industry Segments) to its ten largest vehicle manufacturing customers, including their respective affiliates, represented less than 18.5% of Goodyear's consolidated net sales for each of 1989, 1988 and 1987.

Goodyear-brand tires for replacement purposes are marketed in the United States in various ways. The principal method of distribution is a large network of independent dealers and franchisees. In addition, approximately 1,015 retail outlets (including truck tire centers and leased space in department stores) are operated under the Goodyear name. In addition, approximately 365 retail and commercial outlets are operated by subsidiaries of the Registrant, including Brad Ragan/Carolina Tire, Cambridge Tire, Mark C. Bloome, Capital Tire, Delta Tire, Dorman's Tire & Auto Service, Sims Tire, Gerard Tire, Norton Tire, and Atomic Tire & Service.

Kelly-Springfield manufactures and markets under its own trade names several lines of passenger and truck tires, primarily through independent dealers. Kelly-Springfield also sells private brand and its own brands of tires to national and regional wholesale marketers, to retail chain marketers, to service stations and to various other retail marketers. Lee Tire markets passenger and truck tires in the replacement market through independent dealers and several large wholesale marketing organizations. The major portion of Kelly-Springfield's sales are private brand passenger tires. The major portion of Lee's sales are house brand passenger tires.

Goodyear sells tires outside the United States to original equipment manufacturers and in the replacement market through its own wholesale distribution organizations and, in some countries, through its own retail stores, as well as through independent wholesale distributors. In certain countries Goodyear manufactures tires for others under their brand names and in certain other countries Goodyear contracts for the manufacture by others of Goodyear-brand tires.

Related products and services, including automotive parts, automotive maintenance and repair services and associated merchandise, are sold in the United States through approximately 1,380 retail outlets operated by the Company. Automotive repair and maintenance items, automotive equipment and accessories and other items which are purchased for resale by the Company are distributed to many of the Company's tire dealers and franchisees. Related products are sold principally in the United States and Canada, under highly competitive conditions.

Government Regulations — Tires

The National Highway Traffic Safety Administration ("NHTSA"), under authority granted to it by the National Traffic and Motor Vehicle Safety Act of 1966, as amended, has established various standards and regulations relating to motor vehicle safety, some of which apply to tires sold in the United States for highway use. The NHTSA has the authority to order the recall of automotive products, including tires, having defects deemed to present a significant safety risk.

NHTSA has also issued "Uniform Tire Quality Grading" regulations requiring the grading of passenger tires for treadwear, traction and temperature resistance pursuant to prescribed testing procedures and the molding of such grades into the sidewall of each tire. The effect of compliance with these regulations on Goodyear's sales and profits cannot be determined. However, these regulations have increased the cost of producing and marketing passenger tires in the United States.

Other Information Regarding Tires and Related Industry Segment

Goodyear does not consider its Tires and Related business to be seasonal to any significant degree. Goodyear maintains a significant inventory of new tires and certain other products in order to rationalize production schedules and assure prompt availability of such products to its customers. Goodyear maintains a rigid inventory control program.

Goodyear offers its customers various financing and extended payment programs from time to time. Goodyear does not believe these programs, when considered in the aggregate, require an unusual amount of working capital relative to the volume of sales involved and the prevailing practices in the tire industry. A nationwide special purpose credit card issued by a bank, which is honored at all Goodyear retail outlets and by participating independent Goodyear dealers and franchisees, is available to qualified persons. Since January 1, 1989, the Company has maintained a limited retail installment credit program to supplement the special purpose credit card and other third party credit facilities.

In the United States replacement market, 1989 unit sales of passenger tires decreased 1.1% compared to 1988 unit sales levels, and increased 1.1% compared to 1987 unit sales levels. In the United States original equipment market, 1989 unit sales of passenger tires decreased 5.5% compared to 1988 unit sales levels, and decreased 3.3% compared to 1987 unit sales levels. Total unit sales in the United States passenger tire market decreased approximately 2.0% in 1989 compared to 1988 and .1% compared to 1987.

Based on current economic forecasts, Goodyear expects the total market for passenger tires in the United States in 1990 to be approximately the same as during 1989. Goodyear estimates that demand for original equipment passenger tires during 1990 will be approximately 5% below 1989 levels and that demand for passenger tires in the replacement market during 1990 will be approximately 2% higher than in 1989.

The total unit sales of passenger tires by the Company in the United States during 1989 decreased approximately 8.7% from 1988 levels and 9.7% from 1987 levels. The Company's unit sales of passenger tires in the United States replacement market during 1989 were 5.9%, or approximately 2.3 million units, lower than 1988 levels and 11.1% lower than in 1987. The Company's unit sales of passenger tires to automobile manufacturers in the United States during 1989 were 14.0%, or approximately 3.0 million units, lower than in 1988 and 6.5% lower than during 1987. Goodyear also exported approximately .67 million, 1.6 million and 1.9 million tires to Japan and Korea during 1989, 1988 and 1987, respectively, for vehicles manufactured for shipment to the United States.

Goodyear's total replacement market unit sales of light truck tires in the United States were 8.6% lower in 1989 than in 1988 compared to an industry unit increase of 2.2%; and were 9.4% lower than 1987 levels compared to a 2.7% increase over 1987 levels for the entire industry. Goodyear's unit sales of light truck tires to truck manufacturers in the United States during 1989 increased 27.1% over 1988 levels and 41.7% over 1987 levels.

Based on reported shipments in the United States, the Company delivered approximately 27.5%, 29.3%, 30.2%, 29.2% and 28.4% of all passenger and truck tires shipped in the United States during 1989, 1988, 1987, 1986 and 1985, respectively. The share of market for Goodyear-brand passenger and truck tires in the United States in 1989 was approximately 16.9%, compared to approximately 18.7% in 1988 and 1987, 18.9% in 1986 and 18.5% in 1985. The Company delivered approximately 45.5% of all farm tires shipped in the United States during 1989, compared to approximately 44.2% during 1988 and 42.5% during 1987.

Although prior to 1988 there had been an apparent excess of tire capacity in the United States, the tire industry was operating near its radial passenger tire capacity during 1988 and in early 1989. This was primarily due to continued high levels of new automobile production. From time to time in 1988 and early 1989 there were backlogs of orders due to limitations on capacity, especially in certain sizes of radial high performance passenger and light truck tires. The high levels of capacity utilization in the United States continued during 1989 until the second half of the year, when substantially reduced demand in the original equipment market for automobile and truck tires and the effects of lower than expected demand for the Company's tires resulted in lower capacity utilization. During 1989, Goodyear's radial passenger and truck tire capacity was generally sufficient to meet demand. In order to maintain its competitive position, respond to changing market conditions and optimize production efficiencies, Goodyear has a continuing program for the construction of new, and the expansion and modernization of existing, radial passenger and truck tire facilities.

Goodyear's worldwide unit sales of auto, truck and farm tires decreased approximately 4.2% in 1989 compared to 1988, and were approximately 2.3% lower than in 1987. In the United States, Goodyear's unit tire sales were approximately 7.5% lower than in 1988, and approximately 8% lower than in 1987. Unit sales of the Company's tires in foreign markets in 1989 decreased approximately .1% from 1988 levels, but were 5.2% over 1987 levels. Goodyear believes it is generally well positioned to supply the anticipated demand for its auto, truck and farm tires in each market it serves based on existing capacity and additional capacity which is under construction or planned.

GENERAL PRODUCTS

Another Industry Segment is the development, manufacture, distribution and sale of numerous rubber, chemical and plastic products (the "General Products" Industry Segment). The General Products Industry Segment accounted for approximately 18.5%, 17.6% and 16.3% of Goodyear's net sales and 28.1%, 26.0% and 18.4% of Goodyear's total operating income in the years 1989, 1988 and 1987, respectively. No class of products or services in the General Products Industry Segment accounted for as much as 10% of Goodyear's net sales in any of the last three years.

The products and services comprising the General Products Industry Segment include:

Vehicle Components. Goodyear manufactures a wide variety of automotive belts and hoses, air springs, engine mounts, instrument panels and various body and chassis parts for motor vehicles made of rubber, fiberglass, urethane and reinforced plastics.

Industrial Rubber Products. Goodyear produces various industrial rubber products, including: conveyor, transmission and power transmission belts, belting and other products; air, steam, oil, water, gasoline and dry materials hose and hydraulic hose for industrial applications; tank and pipe lining; noise abatement materials; air springs and bellows; and dock fenders. Goodyear also manufactures various rubber and plastic custom designed and engineered products, including rubber railroad crossings, rubber treads for tank tracks, and miscellaneous molded and extruded products.

Chemical Products. Goodyear produces a broad line of synthetic rubber, rubber latices, organic chemicals used in rubber and plastic processing and vinyl resins and latices.

Polyester Products. Goodyear produces polyester resins for containers, dual-ovenable trays, textiles and other applications, high purity bottle resins and specialty and coating resins.

Film Products. Goodyear manufactures: various PVC films for the packaging industry, for the food industry and for various industrial end use applications and other purposes; various films using LLDPE resins for pallet wrap and other industrial packaging applications; a wide variety of printed and embossed vinyl laminating films for the furniture, kitchen cabinet and electronic case goods industries; and numerous cast and blown rigid and flexible films and specialty films for various applications.

Shoe Products. Goodyear, utilizing products obtained under foreign offtake agreements, markets heels, soles and strips for new shoes and shoe repair from rubber and other synthetic materials.

Graphic Products. Goodyear manufactures engraving rubber, printing blankets and gums for the printing industry.

Roofing Products. Goodyear manufactures and markets elastomer membrane roofing materials and systems for commercial and industrial roofs.

Markets and Distribution — Other Information

Most General Products are sold directly to manufacturers or sold through independent wholesale distributors. No single customer or group of customers accounted for a significant portion of General Products sales. Goodyear does not maintain a significant inventory of General Products when considered in relation to the volume of business conducted.

The General Products Industry Segment consists of a large number of product lines in respect of which several manufacturers produce some, but not all, of the products manufactured by Goodyear. There are approximately 300 suppliers of automotive belts and hose products, rubber, fiberglass, urethane and reinforced plastic components for motor vehicles. Goodyear is a leading manufacturer of such products. Goodyear is a leading producer of industrial rubber products, an industry served by about 60 major firms. There are over 325 other firms participating in the engineered products segment of the market, Goodyear being one of the leading suppliers. Several major firms are significant suppliers of one or more chemical products similar to those manufactured by Goodyear. Goodyear is a major producer of synthetic rubber, rubber chemicals and latex. Goodyear is a major global supplier of blown and cast plastic films utilized in selected food packaging and industrial market segments and a significant supplier to the roofing market.

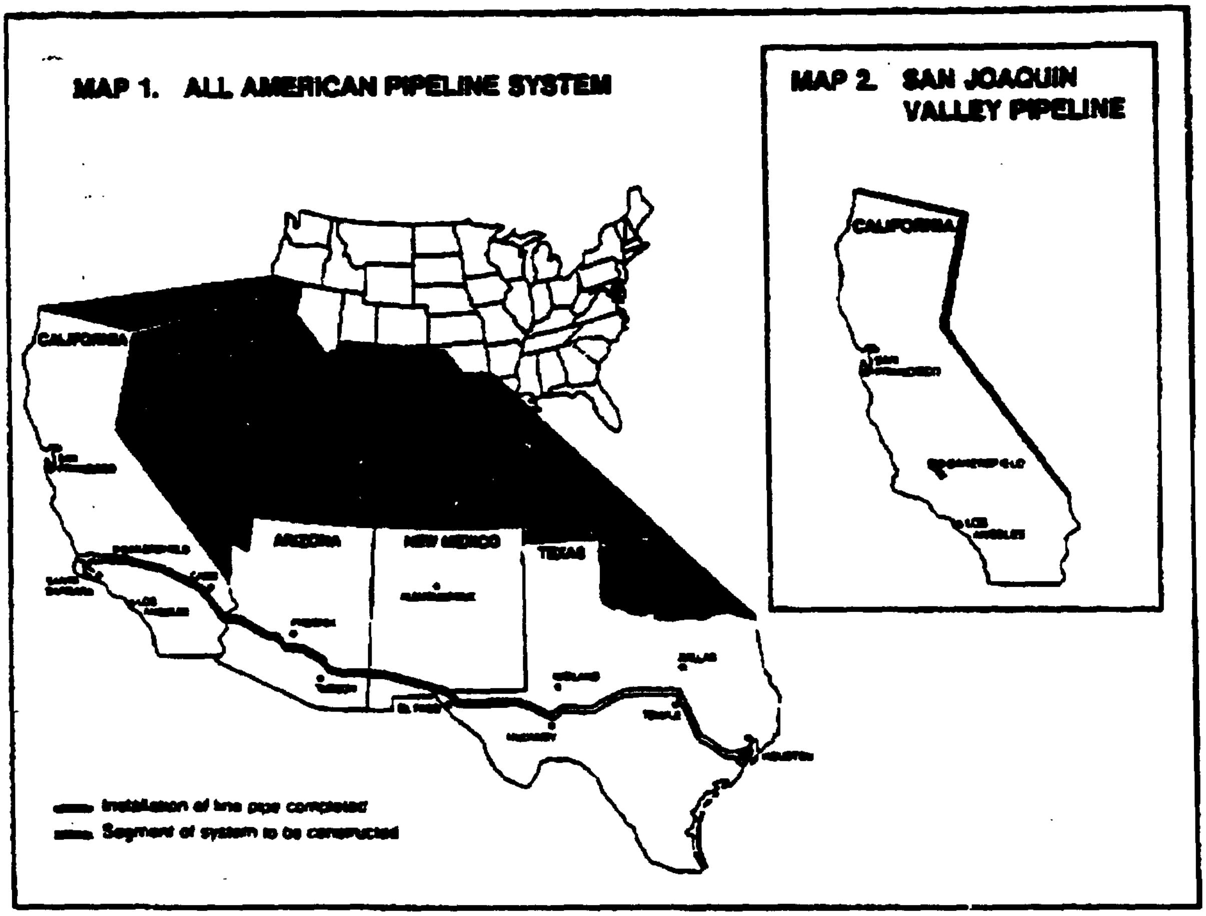
These markets are highly competitive, with quality and price being the most significant factors to most customers. Goodyear considers its products to be very competitive in both quality and price.

OIL TRANSPORTATION

Goodyear's crude oil transportation and related energy activities (the "Oil Transportation" Industry Segment) are conducted by the Celeron group of companies ("Celeron"). The Oil Transportation Industry Segment accounted for approximately .1%, .1% and .2% of Goodyear's net sales in the years 1989, 1988 and 1987, respectively. The Oil Transportation Industry Segment incurred operating losses in 1989 aggregating an amount equivalent to 6.1% of Goodyear's 1989 total operating income and accounted for approximately .6% and .1% of Goodyear's total operating income in the years 1988 and 1987, respectively. The Oil Transportation Industry Segment had no net sales or operating income in 1986.

The Oil Transportation Industry Segment, previously referred to as the "Oil and Gas Industry Segment", was renamed in 1987 due to the Company's sale of substantially all of its oil and gas reserves and related assets in two transactions completed during 1987. On July 24, 1987, Celeron Oil and Gas Company ("Celeron Oil and Gas") sold approximately 6½% of its reserves to IP Petroleum Inc, a subsidiary of International Paper Company, for approximately $70 million in cash. On December 4, 1987, all of the shares of Celeron Oil and Gas were sold to Exxon San Joaquin Production Company, a subsidiary of Exxon Corporation, for approximately $615 million in cash. These transactions were accounted for as discontinued operations.

All American Pipeline Company, a wholly-owned subsidiary of Registrant ("All American"), is engaged in the design, construction, development and operation of a 1,750 mile heated crude oil pipeline system which has been designed to extend, when completed, from the California Coast in the Santa Barbara Channel — Santa Maria Basin area to the Texas Gulf Coast in the Webster/Houston Ship Channel area (the "All American Pipeline System"). Celeron Gathering Company, a wholly-owned subsidiary of Registrant ("Celeron Gathering"), engages in the gathering and trading of crude oil and, in that connection, has constructed and is operating a 43-mile gathering pipeline in the San Joaquin Valley, California (the "San Joaquin Valley Pipeline"). The locations of the All American Pipeline System and of the San Joaquin Valley Pipeline are shown on Maps 1 and 2, respectively, below. Celeron Trading &



Transportation Company, a wholly-owned subsidiary of Registrant, is engaged in various crude oil trading activities. The assets comprising the Oil Transportation Industry Segment remain available for sale as a part of the Company's Comprehensive Restructuring Plan. See "Recent Developments in Goodyear's Business" at page 1 of this Annual Report.

All American Crude Oil Pipeline System

All American is currently constructing and developing the All American Crude Oil Pipeline System, a 1,750 mile heated crude oil pipeline designed to transport up to 300,000 barrels per day of heavy crude oil from points along the California coast and from various onshore California oil fields in the San Joaquin Valley and other areas in central California, for delivery to refineries in the mid-continent region and along the Gulf Coast. The All American Pipeline System is also capable of transporting up to 450,000 barrels per day of lighter crude oils or lower daily volumes of combinations of heavy crude oils (which must be heated) from fields on the outer continental shelf along the California coast in the Santa Barbarba Channel — Santa Maria Basin area ("OCS Crude Oil") and lighter crude oils (which would not require heating) from various onshore California fields ("California Crude Oil") or other sources to refineries in the mid-continent region and along the Gulf Coast.

Construction of the All American Pipeline System was started in late 1984 and had been scheduled to be completed in 1989 at an estimated cost of approximately $1.2 billion, excluding capitalized interest. During 1987, the 1,225-mile mainline segment of the All American Pipeline System extending from Pentland Station located near Bakersfield, California, to McCamey, Texas (the "Pentland to McCamey Segment"), was filled with over 5 million barrels of crude oil. Since December 7, 1987, the Pentland to McCamey Segment of the All American Pipeline System has been transporting California Crude Oil and Alaska North Slope crude oil ("ANS Crude Oil") from central California to McCamey, Texas, while conducting preoperational development and testing operations. The average daily volume of such crude oils transported by the All American Pipeline System aggregated approximately 90,000 barrels per day during 1989 and 72,000 barrels per day during 1988. During 1990 and 1991, throughput levels are not expected to change significantly from 1989 levels.

Construction of the 450-mile segment of the All American Pipeline System which would extend from McCamey to the Texas Gulf Coast (the "McCamey to Houston Segment") had been delayed by, among other things, the acquisition of rights-of-way and permits by All American along the preferred route determined by the United States Bureau of Land Management and approved by All American, the State of Texas and a Federal District Court (which route is shown on Map 1 at page 9). Construction of the McCamey to Houston Segment of the All American Pipeline System is currently planned to be undertaken only if and when it has been determined that there will be sufficient demand for OCS Crude Oil at refineries along the Gulf Coast and that substantial quantities of OCS Crude Oil are expected to be available to the All American Pipeline System on a timely basis subsequent to completion and then only when various ancillary permits have been obtained and necessary rights-of-way have been acquired.

While the All American Pipeline System continues to be in the construction (from Pentland Station west to the California Coast at Gaviota and along the coast from Gaviota to Las Flores and, when appropriate, from McCamey, Texas, east to the Texas Gulf Coast near Houston) and preoperational development stage, and due in part to the current unavailability of OCS Crude Oil, the All American Pipeline System has been transporting, and expects to continue transporting, limited quantities of California Crude Oil produced in the San Joaquin Valley area of California and ANS Crude Oil received from other pipelines from insert points in central California to terminals located in and near McCamey, Texas. Other potential transportation strategies, in addition to the current activities of All American and the heavy oil transportation activities for which the All American Pipeline System has been designed, are being reviewed and studied with a view to increasing the utilization of the All American Pipeline System. All American Pipeline Company is also investigating several potential methods of delivering OCS Crude Oil, and developing plans for constructing such pipeline or other connecting facilities as may be required to deliver OCS Crude Oil, to connecting carriers for redelivery to refineries located in the Los Angeles Basin.

In September of 1989, All American Pipeline Company sold approximately 435 miles of unused 30-inch mainline pipe at a pre-tax loss of approximately $48.3 million ($43.0 million after tax). The pipe, which had been purchased to construct the McCamey to Houston Segment, was sold to reduce interest, storage and maintenance costs.

Effective October 1, 1989, the Company began recognizing depreciation, other net operating expenses and interest expense of the All American Pipeline System, which had previously been capitalized, reducing the Company's fourth quarter 1989 pretax results by $41.2 million. All costs associated with the All American System were capitalized (net of tariff revenues received) and, therefore, were not included in the results of operations for Goodyear in 1988 and the first three quarters of 1989. Assuming that fourth quarter 1989 All American Pipeline System operating levels and the effective cost of capital continue in 1990, All American Pipeline System operations are expected to result in pretax losses totalling approximately $175 million in 1990.

San Joaquin Valley Pipeline

Celeron Gathering engages in various crude oil gathering and trading activities in the San Joaquin Valley, California, and, in that connection, has constructed and owns and operates the San Joaquin Valley Pipeline, a 43-mile crude oil gathering pipeline system completed in June of 1987 at a cost of approximately $22.5 million, including the cost of subsequently added tankage, connecting and handling facilities. The San Joaquin Valley Pipeline has a design capacity of up to 100,000 barrels per day of crude oil. Celeron Gathering uses the San Joaquin Valley Pipeline in connection with its gathering of and trading in crude oil it purchases from various producing areas in the San Joaquin Valley, particularly the South Belridge area. Celeron Gathering sells or exchanges substantially all of the crude oil it acquires in the San Joaquin Valley, the major portion of which is ultimately sold to or traded with refiners located in the mid-continent and Gulf Coast areas. Celeron Gathering also trades crude oil in California, most of which is ultimately used by refiners located in the Los Angeles Basin and in Northern California.

Government Regulation

The All American Pipeline System is a common carrier pipeline system and, as such, under current law is subject to the general jurisdiction of the Federal Energy Regulatory Commission (the "FERC"). Pursuant to the Interstate Commerce Act, the All American Pipeline System is subject to FERC regulation as to tariffs, annual reporting requirements and other operating matters. The All American Pipeline System will file an Annual Report on FERC Form No. 6 with the FERC in March of 1990 in respect of its activities during 1989. The San Joaquin Valley Pipeline, which is owned and operated by Celeron Gathering, is a proprietary intrastate gathering pipeline system and, as such, is not subject to the general jurisdiction of the FERC.

In accordance with current laws and the regulations of the FERC, the All American Pipeline System has filed with the FERC interim tariffs for transportation services being offered to shippers desiring to transport crude oil through the 1,225-mile segment extending from Pentland Station, California, to McCamey, Texas, during the period required by All American to conduct its operational and market testing, to complete the portion of the All American Pipeline System extending westward from Pentland to the California Coast, and to construct the segment of the All American Pipeline System extending eastward from McCamey, Texas to the Texas Gulf Coast. The All American Pipeline System filed a request with, and received the approval of, the FERC for authority to continue to capitalize costs and expenses, including interest, incurred through December 31, 1989. The All American Pipeline System has filed with FERC a request for extended authority to continue to capitalize costs and expenses through December 31, 1990.

GENERAL BUSINESS INFORMATION

Sources and Availability of Raw Materials

Goodyear uses substantial quantities of petrochemical feedstocks and fuels in the production of tires and other rubber products, synthetic rubber and latex, vinyl and polyester resins and other products.

The principal raw materials used in Goodyear's products, primarily in tires, hose products and belting, are synthetic and natural rubber. Goodyear purchases substantially all of its requirements for natural rubber in the world market. Synthetic rubber accounted for approximately 60% of all rubber consumed by Goodyear worldwide during 1989, compared to 70% in 1988. The Company's plants located in Beaumont and Houston, Texas, supply the major portion of its domestic synthetic rubber requirements. Substantially all synthetic rubber used by Goodyear in foreign countries is supplied by third parties. The principal raw materials used in the production of synthetic rubber are butadiene and styrene, which are purchased from others, and isoprene, which is purchased from others or produced by Goodyear from purchased materials.

Nylon, rayon and polyester yarn, substantial quantities of which are processed in Goodyear's textile mills, and wire for radial tires, a portion of which is produced by Goodyear, are used in significant quantities by Goodyear. Other important raw materials used by Goodyear are carbon black, pigments, chemicals, bead wire, fiberglass and aramid fiber. Substantially all of these raw materials are purchased from third parties, except for polyester resins and certain other chemicals which Goodyear manufactures. Goodyear purchases most of the materials and supplies it uses in significant quantities from several suppliers, except in those instances where only one or a few qualified sources are available. As in 1989, Goodyear anticipates the continued availability (subject to possible spot shortages) of all such materials during 1990.

Although there were spot shortages of various petrochemical feedstocks from time to time in early 1989, such shortages did not have a material adverse effect on Goodyear's operations. Petrochemical feedstock prices began to decline in mid-1989 and were generally below early 1988 levels by the end of 1989. Goodyear anticipates that supplies of petrochemical feedstocks adequate to meet Goodyear's production requirements for 1990 will be available, generally at the same or somewhat lower price levels than those in effect at the end of 1989. Supplies of petroleum and natural gas based fuels have been and are expected to continue to be adequate for domestic manufacturing plants.

Patents and Trademarks

Goodyear owns approximately 1,875 patents issued by the United States Patent Office and approximately 4,400 patents issued or granted in other countries around the world, and also has licenses under numerous patents of others, covering various improvements in the design and manufacture of its products and in processes and equipment for the manufacture of its products. Goodyear also has approximately 300 patent applications currently on file with the United States Patent Office and approximately 2,775 patent applications on file in other countries around the world. While Goodyear considers that such patents, patent applications and licenses as a group are of material importance, it does not consider any one patent, patent application or license, or any related group of them, to be of such importance that the loss or expiration thereof would materially affect its business considered as a whole or the business of any of its Industry Segments.

Goodyear owns and uses approximately 1,050 different trademarks, including several using the word "Goodyear". These trademarks are protected by approximately 7,399 registrations worldwide. While Goodyear believes such trademarks as a group are of importance, the only trademarks Goodyear considers material to its business are those using the word "Goodyear". Goodyear believes all of its significant trademarks are valid and will have unlimited duration as long as they are adequately protected and appropriately used.

Backlog

Goodyear does not consider its backlog of orders to be material to, or a significant factor in, evaluating and understanding its business considered as a whole or the business of any Industry Segment.

Government Business

The total amount of Goodyear's business during 1989 under contracts or subcontracts which were subject to termination at the election of the United States Government amounted to approximately 1.0% of Goodyear's consolidated net sales for 1989.

Research and Development

Goodyear expends significant amounts each year on basic and applied research for the development of new, and the improvement of existing, products and manufacturing processes and equipment. Goodyear maintains substantial research and development centers for tires and related products in Akron, Ohio, and Colmar-Berg, Luxembourg; and tire proving grounds in Akron, Ohio, San Angelo, Texas, Mireval, France, and Colmar-Berg, Luxembourg. Goodyear operates substantial research and development facilities for other products in Akron, Ohio, and Orsay, France. The Company has also established a tires and related products technical group in Japan. Construction of the first phase of a tire technical center in Japan was started in December of 1989.

During the years ended December 31, 1989, 1988 and 1987, Goodyear expended, directly or indirectly, $303.3 million, $304.8 million and $266.5 million, respectively, on basic and applied research, and on development and certain engineering activities, relating to the design, development, improvement or modification of new or existing products or services and to the formulation and design of new manufacturing processes or equipment or improvements on existing processes or equipment. Goodyear estimates that it will expend approximately $325.0 million for research and development activities during 1990.

Employees

As of December 31, 1989, Goodyear employed approximately 109,899 people throughout the world. Of the approximately 52,821 persons employed in the United States, approximately 13,107 were at December 31, 1989 covered by a master collective bargaining agreement, dated April 23, 1988, with the United Rubber, Cork, Linoleum and Plastic Workers of America ("URW"), which agreement will expire on April 20, 1991. Of the remaining domestic employees, at December 31, 1989 approximately 11,020 were covered by other contracts with the URW and various other unions and 28,694 were not represented by any union.

Compliance with Environmental Regulations

Goodyear has a continuing program to assure its compliance with Federal, State and local environmental and occupational safety and health laws and regulations. Goodyear expended approximately $24.1 million, $22.3 million, $11.8 million and $10.5 million during the years 1989, 1988, 1987 and 1986, respectively, for environmental improvement and occupational safety and health compliance projects in respect of its facilities worldwide. Goodyear presently estimates that it will make expenditures for pollution control facilities of approximately $25 million during 1990 and approximately $27 million during 1991. Approximately $1.0 million will be expended on occupational safety and health projects during the same two-year period. In addition, during 1989 Goodyear expended approximately $30 million, and during 1990 and 1991 Goodyear expects to expend approximately $45 million and approximately $45 million, respectively, to maintain and operate its pollution control facilities and conduct its other environmental and occupational safety and health activities, including the control, disposal and clean-up of hazardous substances. The above estimates of expenditures for 1990 and 1991 are expected to be sufficient to comply with applicable existing environmental and occupational safety and health laws and regulations and are not expected to have a material adverse effect on Goodyear's competitive position in the various industries in which it participates.

FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

Financial information relating to Goodyear's "Geographic Segments" for each of the three years in the period ended December 31, 1989 appears in the Note captioned "Business Segments" and in the tabulation captioned "Geographic Segments" in the Notes to Financial Statements set forth in Item 8 of this Annual Report, at pages 46 and 49, respectively, and is incorporated herein by specific reference.

The Company, through its foreign subsidiaries, engages in manufacturing or sales operations in most countries in the free world, including manufacturing operations in 25 foreign countries. Foreign sales represented 41%, 41% and 40% of total sales and foreign operating income represented 47%, 56% and 43% of total operating income in 1989, 1988 and 1987, respectively. Goodyear's foreign manufacturing operations consist primarily of the production of tires. Industrial rubber, packaging films and certain other products are also manufactured in certain of the Company's foreign plants.

Goodyear also participates in several joint ventures in various foreign countries. In 1987, Goodyear and Pacific Dunlop Limited established South Pacific Tyres, an Australian partnership, and South Pacific Tyres N.Z. Limited, a New Zealand company, in each of which Goodyear and Pacific Dunlop Limited each have a 50% equity interest, which entities operate five tire manufacturing plants (two of which were formerly owned by an Australian subsidiary of Registrant), 27 retread plants and a chain of approximately 425 retail outlets in Australia, New Zealand and Papua – New Guinea. In 1989, Goodyear and Pacific Dunlop Limited established Tecbelt Pacific, an Australian partnership in which Goodyear and Pacific Dunlop Limited each have a 50% equity interest, which entity will manufacture steel reinforced conveyor belting in Australia. Other joint venture interests of the Company include: (1) a 50% interest in Nippon Giant Tire Co., Ltd., which manufactures earthmover tires in Japan; (2) a 50% interest in a V-belt plant in Taiwan; and (3) a 30% interest in a synthetic rubber and specialty polymers facility in Brazil. These joint venture interests are accounted for on an equity basis.

In addition to the ordinary risks of the marketplace, the Company's foreign operations and the results thereof in some countries are significantly affected by rigid price controls, import controls, labor regulations, tariffs, extreme inflation or fluctuations in currency values. Furthermore, in certain countries where Goodyear operates (primarily countries located in Central and South America), transfers of funds from foreign operations are generally or periodically subject to the availability of foreign exchange in the host country and other related restrictive governmental regulations. For some investments in developing countries, insurance against expropriation, war losses and currency nonconvertibility is available through Overseas Private Investment Corporation ("OPIC"). When available, the Company normally affords itself of the protection provided by OPIC insurance in respect of its investments in such countries.

ITEM 2. PROPERTIES.

Goodyear manufactures its products in 86 manufacturing facilities located throughout the free world. There are 43 plants at 41 locations in 21 states of the United States and 43 plants at 39 locations in 25 foreign countries.

The table below identifies by location each of the Company's 86 manufacturing facilities, indicates the principal product or products manufactured therein and sets forth the approximate number of square feet of usable floor space at each facility or multiple plant location. In addition, each Industry Segment using the facility is indicated after the products manufactured therein with the following references: (A), which indicates use by the Tires and Related Industry Segment; and (B), which indicates use by the General Products Industry Segment. Except as indicated in the Notes to the following list of Manufacturing Facilities, Goodyear owns each facility, including the land, buildings and manufacturing equipment comprising such facility.

MANUFACTURING FACILITIES

Plant Location	Product(s) Manufactured-Industry Segment(s)	Approximate Floor Space (In Thousands of Square Feet)
UNITED STATES		
Akron, Ohio (Multiple Plant location — 3 Plants) (1)	Tires, Chemicals and Film Products (A) and (B)	1,906
Asheboro, North Carolina	Tire Wire Cord (A)	282
Auburn, Pennsylvania (1)	Vinyl Laminating and Other Film Products (B)	193
Bayport, Texas	Rubber Processing Chemicals (A) and (B)	39

Plant Location	Product(s) Manufactured-Industry Segment(s)	Approximate Floor Space (In Thousands of Square Feet)
Beaumont, Texas	Synthetic Rubber, Rubber Chemicals and Hydrocarbon Resins (A) and (B)	645
Bowling Green, Kentucky	Film Products (B)	44
Calhoun, Georgia	Latex and Packaging Films (B)	100
Carrollton, Ohio	Film Products (B)	68
Cartersville, Georgia	Textile Mill (A) and (B)	686
Cleveland, Ohio (2)	Scrap Rubber Processing (A) and (B)	45
Danville, Virginia	Tires (A)	2,050
Decatur, Alabama	Textile Mill (A) and (B)	652
Fayetteville, North Carolina	Tires (A)	1,976
Freeport, Illinois	Tires (A)	1,160
Gadsden, Alabama (3)	Tires (A)	2,068
Greensburg, Ohio	Air Springs (B)	112
Greenville, Texas	Tread Rubber (A)	24
Hannibal, Missouri (4)	Hose Products (B)	30
Houston, Texas	Synthetic Rubber (A) and (B)	641
Jackson, Ohio (4)	Automotive and Commercial Reinforced Plastics (B)	220
Lawton, Oklahoma (4)	Tires (A)	1,816
Lewisburg, Tennessee	Film Products (B)	40
Lincoln, Nebraska (1)	Belting and Hose Products (B)	1,157
Logan, Ohio (4)	Automotive and Commercial Custom Foam Products (A)	410
Madisonville, Kentucky (4)	Industrial Tires (A)	193
Marysville, Ohio	Conveyor Belting and Roofing Products (B)	374
Merced, California	Packaging Films (B)	38
Mt Pleasant, Iowa	Hose Products (B)	110
New Bedford, Massachusetts	Bladders and Sleeves, Graphic Arts and Roofing Products (A) and (B)	846
Niagara Falls, New York	Chemicals and Vinyl Resins (A) and (B)	300
Norfolk, Nebraska	Hose Products (B)	257
Point Pleasant, West Virginia	Polyester Resin (A) and (B)	575
Radford, Virginia (5)	Tread Rubber (A)	55
St Marys, Ohio	Molded and Extruded Rubber Products (B)	829
Scottsboro, Alabama	Polyester Tire Cord Fibers, Textile Mill and PET Resins (A) and (B)	548
Spartanburg, South Carolina	Tread Rubber (A)	96
Stow, Ohio (1)	Tire Molds (A)	132
Sun Prairie, Wisconsin	Hose Products (A)	173
Topeka, Kansas	Tires (A)	2,905
Tyler, Texas	Tires (A)	1,306
Union City, Tennessee (4)	Tires (A)	2,026
FOREIGN		
Argentina — Buenos Aires	Tires, Tubes, Industrial Rubber Products and Fabric (A) and (B)	938
Australia — Melbourne	Films (B)	18
Sydney	Conveyor Belts (B)	303
Brazil — Americana	Tires, Fabric Dipping and Films (A) and (B)	1,471
Sao Paulo (2 Plants)	Tires, Tubes, Belting and Hose Products and Fabric (A) and (B)	1,095
Canada		
Bowmanville, Ontario	Conveyor Belts (B)	323

Plant Location	Product(s) Manufactured-Industry Segment(s)	Approximate Floor Space (In Thousands of Square Feet)
Collingwood, Ontario	Hose Products (B)	206
Medicine Hat, Alberta	Tires (A)	112
Owen Sound, Ontario	Transmission Belts and V-Belts (B)	108
Quebec City, Quebec	Molded Products and Tread Rubber (A) and (B)	204
St. Alphonse de Granby, Quebec	Hose Products (B)	163
St Hyacinthe, Quebec	Textile Mill (A) and (B)	442
Toronto, Ontario	Films (B)	106
Valleyfield, Quebec	Tires (A)	1,001
Chile — Santiago	Tires, Tubes, Industrial Rubber Products and Batteries (A) and (B)	804
Colombia — Cali	Tires, Tubes and Industrial Rubber Products (A) and (B)	446
France — Amiens	Tires (A)	714
LeHavre	Chemicals (B)	208
Greece — Salonika	Tires (A)	268
Guatemala — Guatemala City	Tires and Tubes (A)	341
India — New Delhi	Tires and Tubes (A)	654
Indonesia — Bogor (6)	Tires and Tubes (A)	677
Italy — Cisterna di Latina	Tires (A)	550
Jamaica — Morant Bay	Tires (A)	154
Luxembourg		
Colmar-Berg (4 Plants) (1)	Tires, Fabrics, Steel Tire Cord, Tire Molds and Machines (A)	2,208
Malaysia — Kuala Lumpur (7)	Tires (A)	385
Mexico — Mexico City	Tires, Tubes, Conveyor Belts, Plastic Hose and Films (A) and (B)	1,226
San Luis Potosi	V-Belts and Hose Products (B)	82
Morocco — Casablanca	Tires and Tubes (A)	215
Peru — Lima	Tires, Tubes and Industrial Rubber Products (A) and (B)	457
Philippines — Manila (8)	Tires and Tubes (A)	380
Taiwan — Taipei	Tires (A)	250
Thailand — Bangkok	Tires (A)	289
Turkey — Adapazari	Tires (A)	536
Izmit	Tires and Tubes (A)	380
United Kingdom		
Wolverhampton, England	Tires (A)	1,970
Venezuela — Valencia	Tires, Tubes and Industrial Rubber Products (A) and (B)	768
West Germany — Fulda(1)	Tires (A)	1,360
Philippsburg	Tires and Films (A) and (B)	1,018

Notes:

(1) Portion of facility is leased by Goodyear.

(2) Facility is leased by Goodyear.

(3) Portion of facility is leased by Goodyear in conjunction with an expansion project financed by industrial development revenue mortgage bonds. The expansion facility may be purchased upon the expiration of the initial term of the lease at a nominal option price.

(4) Facility is leased by Goodyear. The lease provides that the Company has the option to purchase the facility at the expiration of the initial term at an option price which is either nominal or highly favorable to Goodyear. It is anticipated that such option will be exercised at the appropriate time if such facility is then needed in Goodyear's manufacturing operations or its acquisition would otherwise be advantageous to Goodyear.

(5) Facility is owned by Brad Ragan, Inc., a 74.6% owned subsidiary of Registrant.

(6) Facility is situated on land held under a use right which expires in 1997. It is not possible to obtain fee title under Indonesian law.

(7) Facility is situated on land held under the terms of a land lease which expires in 2072. It is not possible to obtain fee title to land under Malaysian law.

(8) Facility is situated on land owned by a Philippine company in which Goodyear Philippines Inc. owns a 40% equity interest and is leased under a land lease having 11 years remaining, with a 25-year renewal option. Philippine law requires all land to be beneficially owned by Philippine citizens or by companies at least 60% owned by Philippine citizens.

The manufacturing facilities of Goodyear are, when considered in the aggregate, modern and adequately maintained. Goodyear's capital expenditures for new plant and equipment, for expansion, modernization and replacement of existing plants and equipment, and for construction of the All American Pipeline System and another pipeline and related assets, aggregated $775.7 million in 1989, $743.7 million in 1988 and $665.6 million in 1987 (which amounts relate solely to continuing operations), including capitalized interest of $118.9 million in 1989, $126.2 million in 1988 and $104.5 million in 1987. Of said amounts, $486.8 million in 1989, $536.3 million in 1988 and $490.9 million in 1987 were expended on facilities located in the United States. The Company estimates that it will spend approximately $700.0 million for capital expenditures during 1990, including approximately $20.0 million of capitalized interest.

During most of 1988 and the first half of 1989, the Company's radial passenger and truck tire plants in the United States were operated at or near capacity. In the second half of 1989 and in early 1990, reduced production schedules at certain of the Company's radial tire plants in the United States reflected reduced vehicle production which resulted in lower demand for tires by the Company's original equipment customers and weaker than expected demand for the Company's tires in the United States replacement market. In general, the Company's foreign plants were operated at or near capacity.

In July of 1988, Goodyear commenced construction of the Napanee, Ontario, radial passenger and light truck tire plant, which is scheduled to be completed and ready for full production in 1991, with production startup planned for mid-1990. Giving effect to the new radial tire plant under construction in Napanee, and to plant expansions and modernizations recently completed or presently underway or planned, the Company's manufacturing facilities are expected, in general, to have production capacity sufficient to satisfy existing and presently anticipated demand for the Company's tires and other products.

In addition to its manufacturing facilities, the Company owns and operates rubber plantations in the Philippines, Indonesia, Brazil and Guatemala (76,122 acres) and operates two rubber plantations in the Philippines (4,806 acres). Goodyear also owns substantial interests in plants located in Australia (tires and retreading), Japan (earthmover tires), Brazil (synthetic rubber), Taiwan (V-belts) and New Zealand (tires and retreading).

The Company owns and operates research and development facilities and technical centers in Akron, Ohio, Colmar-Berg, Luxembourg, and Orsay, France. These facilities occupy more than 335,000 square feet of floor space. In addition, the Company owns its Corporate Headquarters complex in Akron, Ohio, which has approximately 1.8 million square feet of usable floor space. The Company also owns and operates tire proving grounds in Akron, Ohio (82 acres), Colmar-

Berg, Luxembourg (126 acres), Mireval, France (460 acres), and San Angelo, Texas (7,243 acres). In December, 1989, the Company commenced construction of the first phase of a tire technical center in Tsukuba, Japan.

The Company operates approximately 1,380 retail outlets for the sale of its tires and other products to consumers in the United States and approximately 474 retail outlets in foreign countries. Worldwide, the Company also operates approximately 80 retread plants and approximately 289 warehouse and distribution facilities. Substantially all of these facilities are leased. Many of the lease agreements contain renewal options. The Company does not consider any one of these leased properties to be material to its operations. For additional information regarding leased properties, see the Notes to Financial Statements captioned "Properties and Plants" and "Leased Assets" set forth in Item 8 of this Annual Report at pages 38 and 41, respectively.

Reference is made to the information set forth in Item 1 under the caption "Oil Transportation" beginning at page 8, and to the Maps at page 9, which describe the nature and location of the All American Pipeline System (Map 1) and the San Joaquin Valley Pipeline (Map 2), the principal assets of Celeron used in conducting the business activities of the Oil Transportation Industry Segment.

ITEM 3. LEGAL PROCEEDINGS.

At March 20, 1990, Goodyear was a party to the following material legal proceedings, as defined in the Instructions to Item 103 of Regulation S-K:

(A) In December of 1986, Smith Barney, Harris Upham & Co. Incorporated and GVM Partners filed a civil action, *Smith Barney, et al. v. Goodyear, et al.*, 86 Civ. 9357, in the United States District Court for the Southern District of New York against Registrant and Robert E. Mercer, then the Chairman of the Board and Chief Executive Officer of Registrant, and against James Goldsmith ("Goldsmith") and three corporations and two partnerships affiliated with Goldsmith. The complaint alleges that plaintiffs purchased shares of the Common Stock of Registrant in reliance on public statements and filings with the Securities and Exchange Commission by one or more of the defendants to the effect that, among other things, Registrant would not pay and Goldsmith would not accept "greenmail" and that Goldsmith would make a tender offer for shares of Registrant's Common Stock at $49 per share unless the "market" values Registrant's Common Stock at $50 per share or more after any restructuring. The complaint charges that these alleged statements were false when made, violate Sections 10(b), 13 and 18 of the Securities Exchange Act of 1934 (the "Exchange Act") and amount to common law fraud. The plaintiffs seek damages totaling more than $17 million and costs, including attorneys' fees.

Registrant will indemnify, to the extent permitted by law, the retired director for all reasonable expenses, including attorneys' fees, incurred by him in defending this civil action.

(B) In November of 1988, two civil actions. *Souibile v. Goodyear, et al.*, CA 88-8633, and *Phillips v. Goodyear, et al.*, CA 88-8635, were filed in the United States District Court for the Eastern District of Pennsylvania against Registrant, Robert E. Mercer, then the Chairman of the Board and Chief Executive Officer of Registrant, and Tom H. Barrett, then the President and Chief Operating Officer and a director of Registrant, on behalf of a purported class consisting of all purchasers of shares of the Common Stock of Registrant during the period March 24, 1988 through October 5, 1988. The complaints allege, among other things, that during the March 24, 1988 to October 5, 1988 period Registrant misrepresented, or failed to disclose in a timely manner certain material information concerning its business condition and operations in violation of Section 10(b) of, and Rule 10(b)-5 promulgated under, the Exchange Act, and that such conduct also constituted common law fraud and deceit and negligent misrepresentation.

The plaintiffs are seeking damages in an unspecified amount and such further relief as may be determined to be just and proper.

Registrant will indemnify, to the extent permitted by law, the director and retired director who are also defendants defendant for all reasonable expenses, including attorneys' fees, incurred by them in defending these civil actions.

(C) Since November 2, 1987, seventeen civil actions have been filed against Registrant in the United States District Court for the District of Maryland relating to the deaths of, or the development of cancer or other diseases by, former employees of The Kelly-Springfield Tire Company ("Kelly-Springfield"), a wholly-owned subsidiary of Registrant, alleged to be the result of exposure to certain allegedly toxic or carcinogenic chemicals while working at the Cumberland, Maryland tire plant of Kelly-Springfield, which was closed in 1987. The plaintiffs allege, among other things, that Registrant, as the manufacturer or seller of certain process chemicals, negligently failed to warn employees of Kelly-Springfield of the danger of exposure to such chemicals, concealed the hazards posed by such chemicals, and was grossly negligent in failing to implement procedures to preserve their health and safety. The plaintiffs in these civil actions are seeking an aggregate of $180 million in compensatory damages and $1.80 billion in punitive damages.

(D) On January 19, 1990, a series of 43 civil actions were filed against Registrant in the United States District Court for the District of Maryland relating to the development of lung disease, cancer and other diseases by former employees of Kelly-Springfield, alleged to be the result of exposure to allegedly toxic substances, including asbestos and certain chemicals, while working at the Cumberland, Maryland tire plant of Kelly-Springfield, which was closed in 1987. The plaintiffs allege, among other things, that Registrant, as the manufacturer or seller of certain materials, negligently failed to warn Kelly employees of the health risks associated with their employment at the Cumberland plant and failed to implement procedures to preserve their health and safety. The plaintiffs in these civil actions are seeking an aggregate of $596 million in compensatory damages and $5.96 billion in punitive damages.

(E) On September 29, 1988, the United States Environmental Protection Agency (the "EPA") served a Complaint and Notice of Opportunity for Hearing (Docket No. TSCA-III-365) against Registrant under the Toxic Substances Control Act (the "TSC Act"), whereunder the EPA alleged several violations of the TSC Act at the Registrant's polyester resin plant in Pt. Pleasant (Apple Grove), West Virginia, and proposed to assess civil penalties against Registrant in respect of said alleged violations of the TSC Act in an aggregate amount of $314,750.00. In accordance with a Consent Agreement between Registrant and the EPA, Registrant agreed to pay, and pursuant to a Consent Order paid, a civil penalty of $145,700.00 in November of 1989.

(F) The United States Environmental Protection Agency and similar agencies of various States have identified for remedial investigation and cleanup several waste disposal sites which Goodyear is alleged to have used in the past for the disposal of industrial waste. It is not possible at this time to determine the ultimate costs associated with any necessary remedial investigations and cleanup of contaminants which may be required or the extent to which Goodyear will be required to bear such costs.

(G) In addition to the legal proceedings described above, as of March 20, 1990, various legal actions, claims and governmental investigations and proceedings covering a wide range of matters were pending against Registrant and its subsidiaries. Although the ultimate outcome and financial impact of such proceedings cannot be predicted at this time, no such action, claim, investigation or proceeding is considered material (as specified by the Instructions to Item 103 of Regulation S-K) or is expected to result in liability to Registrant which would be material relative to Registrant's consolidated financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matter was submitted to a vote of the security holders of the Registrant during the calendar quarter ended December 31, 1989.

ITEM 4(A). EXECUTIVE OFFICERS OF REGISTRANT.

Set forth below, in accordance with Instruction 3 to Item 401(b) of Regulation S-K, are: (1) the names and ages of all executive officers (including executive officers who are also directors) of the Registrant as of March 20, 1990, (2) all positions with the Registrant presently held by each such person and (3) the positions held by, and principal areas of responsibility of, each such person during the last five years.

Name	Position(s) Held	Age
TOM H. BARRETT	Chairman of the Board, President, Chief Executive Officer and Director	59

Mr. Barrett joined Goodyear in 1953. After serving in various posts, he was elected an Executive Vice President of Registrant on October 3, 1978, serving in such capacity as the executive officer responsible for manufacturing and related services. Mr. Barrett was elected President and Chief Operating Officer of Registrant effective December 31, 1982. Mr. Barrett was elected President and Chief Executive Officer of Registrant effective December 31, 1988 and Chairman of the Board, President and Chief Executive Officer of Registrant effective March 31, 1989. Mr. Barrett has been a Director of Registrant since April 2, 1979.

JACQUES R. SARDAS	Executive Vice President and Director	59

Mr. Sardas joined Goodyear in 1957. He served in various posts around the world until elected an Executive Vice President of Registrant effective January 1, 1981. From January 1, 1981 to September 5, 1984, he was the executive officer of Registrant responsible for North American operations. From September 5, 1984 to August 15, 1988, he served as the executive officer of the Registrant responsible for Goodyear's international operations. Since August 15, 1988, Mr. Sardas has served as the Chief Operating Officer — Tires and, as such, is the executive officer of the Registrant responsible for the worldwide tire operations of the Registrant and its subsidiaries. Mr. Sardas has been a Director of Registrant since January 1, 1981.

F. VINCENT PRUS	Executive Vice President and Director	63

Mr. Prus joined Goodyear in 1949. After serving in various posts, he was elected an Executive Vice President of Registrant effective January 1, 1981. He is the executive officer of Registrant responsible for Goodyear's research, development and product design activities. Mr. Prus has been a Director of Registrant since June 1, 1982.

OREN G. SHAFFER	Executive Vice President and Director	47

Mr. Shaffer joined Goodyear in 1968, serving in various posts around the world until elected an Assistant Comptroller of Registrant on January 1, 1983. Effective August 1, 1985, he was elected a Vice President and the Treasurer of Registrant. On June 2, 1987, Mr. Shaffer was elected an Executive Vice President of Registrant. He is the principal financial officer of the Registrant. Mr. Shaffer has been a Director of Registrant since June 2, 1987.

Name	Position(s) Held	Age
Hoyt M. Wells	Executive Vice President and Director	63

Mr. Wells joined Goodyear in 1951, serving in various manufacturing and sales posts until June 3, 1980, when he was elected a Vice President of Registrant, serving in such capacity as the executive officer responsible for worldwide general products manufacturing operations, until February 11, 1987, when he became the executive officer responsible for special projects for the worldwide general products group. On June 2, 1987, he was elected an Executive Vice President of Registrant and, as such, is the executive officer of Registrant responsible for Goodyear's worldwide general products operations. Since August 15, 1988, Mr. Wells has served as an Executive Vice President of Registrant and as Chief Operating Officer — General Products and, as such, is the executive officer of the Registrant responsible for the worldwide general products operations of Registrant and its subsidiaries. Mr. Wells has been a Director of Registrant since December 6, 1988.

Robert W. Milk	Executive Vice President	63

Mr. Milk was elected a Vice President of Registrant on May 6, 1980, serving as the executive officer responsible for Registrant's general products development activities until January, 1982, when he became the executive officer responsible for product quality and safety. From March 1, 1984 to November 4, 1985, he served as the executive officer responsible for materials management. On November 4, 1985, Mr. Milk was elected an Executive Vice President of Registrant and, in such capacity, served as the executive officer of Registrant responsible for Goodyear's materials management operations throughout the world. On November 11, 1987, Mr. Milk was also elected President and Chief Executive Officer of Celeron Corporation, a wholly-owned subsidiary of Registrant. Since November 11, 1987, Mr. Milk has served as the executive officer of Registrant responsible for the construction and operation of the All American Pipeline System and Goodyear's other Oil Transportation Industry Segment activities. Mr. Milk has been an employee of Goodyear since 1950.

Eugene R. Culler, Jr.	Executive Vice President	51

Mr. Culler served in various capacities until June of 1984, when he was elected the Vice President — Europe of Goodyear International Corporation, a wholly-owned subsidiary of Registrant ("GIC"). On November 5, 1986, he was elected a Vice President of Registrant, in which capacity he served as the executive officer of the Registrant responsible for worldwide tire marketing until January 1, 1987, when he became the executive officer of Registrant responsible for Goodyear's worldwide original equipment tire sales. On August 2, 1988, Mr. Culler was elected an Executive Vice President of the Registrant and, as such, is the executive officer of Registrant responsible for Goodyear's North American Tire Operations. Mr. Culler has been an employee of Goodyear since 1961.

Frank R. Tully	Executive Vice President	62

Mr. Tully served in various capacities until June 3, 1980, when he was elected a Vice President of Registrant, serving in such capacity as the executive officer responsible for Goodyear's human resources. Mr. Tully was elected an Executive Vice President of Registrant on December 5, 1989, and, as such, is the executive officer of Registrant responsible for Goodyear's human resources and total quality systems. Mr. Tully has been an employee of Goodyear since 1951.

Frederick J. Kovac	Vice President	59

Mr. Kovac served in various posts in the Tire Technology and Tire Sales Departments until 1977, when he became Director of Goodyear's International Technical Center in Luxembourg. He was elected a Vice President of Registrant on June 3, 1980. Mr. Kovac is the executive officer of Registrant responsible for Goodyear's tire design and development activities. Mr. Kovac has been an employee of Goodyear since 1956.

Name	Position(s) Held	Age
ROBERT M. HEHIR	Vice President	58

Dr. Hehir joined Goodyear in August of 1980 as Director of Governmental Environment, Safety and Health Assurance Programs. On August 4, 1981, he was elected a Vice President of Registrant. Dr. Hehir is the executive officer of Registrant responsible for Goodyear's environmental improvement and occupational safety and health compliance programs.

EARL W. DAHL	Vice President	61

Mr. Dahl served in various tire engineering and customer and technical service posts until appointed Director of Tire Engineering in 1976. He was appointed Director of Tire Programs in 1982. He was elected a Vice President of Registrant effective March 1, 1984 and is the executive officer of Registrant responsible for product quality and safety. Mr. Dahl has been an employee of Goodyear since 1951.

DENNIS E. DICK	Vice President	50

Mr. Dick served in various research and development and production posts until appointed Director of General Products Development for GIC in 1981. On June 16, 1983, he was appointed Director of Chemical Research and Development. Mr. Dick was elected a Vice President of Registrant on April 9, 1984 and is the executive officer of Registrant responsible for Goodyear's technology management activities worldwide. Mr. Dick has been an employee of Goodyear since 1964.

JAMES W. BARNETT	Vice President	59

Mr. Barnett served in various posts in Goodyear's replacement tire sales organization until elected a Vice President of Registrant on September 6, 1984, serving in such capacity as the executive officer of Registrant responsible for Registrant's domestic replacement tires sales and marketing until August 15, 1988. Since August 15, 1988, Mr. Barnett has served as the executive officer of Registrant responsible for Goodyear's worldwide original equipment tire sales. Mr. Barnett has been an employee of Goodyear since 1950.

NISSIM CALDERON	Vice President	56

Dr. Calderon served as Manager of General Purpose Rubber Research from May of 1978 until January 1, 1983, when he was appointed Manager of Tire Materials Research. He was elected a Vice President of Registrant on April 7, 1986. He is the executive officer of Registrant responsible for Goodyear's research programs. Dr. Calderon has been an employee of Goodyear since 1962.

WILLIAM J. SHARP	Vice President	48

Mr. Sharp served in various tire production posts until appointed Director of Domestic Tire Production in July of 1983. He was elected the Production Director-Europe of GIC in August of 1984. Mr. Sharp was elected a Vice President of Registrant on January 6, 1987. He is the executive officer of Registrant responsible for Goodyear's worldwide tire manufacturing operations. Mr. Sharp has been an employee of Goodyear since 1964.

WELTON BIRDWELL	Vice President	54

Mr. Birdwell served in various production posts in the tire and general products divisions until appointed Director of Hose and Foam Products Manufacturing in May of 1984. On February 10, 1987, he was elected a Vice President of Registrant. He is the executive officer of Registrant responsible for Goodyear's worldwide general products manufacturing operations. Mr. Birdwell has been an employee of Goodyear since 1957.

JOHN M. ROSS	Vice President and General Counsel	58

Mr. Ross served as an Assistant Secretary and the Assistant General Counsel of Registrant from 1973 to June 2, 1987, when he was elected a Vice President and the General Counsel of Registrant. Mr. Ross joined the Registrant as a member of its legal staff in 1965. Mr. Ross has been a member of the Ohio Bar since 1965.

Name	Position(s) Held	Age
JAMES BOYAZIS	Vice President and Secretary	63

Mr. Boyazis served in various posts until April 11, 1983, when he was elected Secretary and Counsel of Goodyear Aerospace Corporation (then a wholly-owned operating subsidiary of Registrant). From January 1, 1986 to June 2, 1987, Mr. Boyazis served as a member of Registrant's legal staff. On June 2, 1987, Mr. Boyazis was elected a Vice President and the Secretary of Registrant. He is also the Associate General Counsel of Registrant. Mr. Boyazis joined Goodyear in 1963.

GEORGE R. HARGREAVES, JR.	Vice President and Treasurer	60

Mr. Hargreaves served in various financial posts until elected an Assistant Comptroller of Registrant in 1978, a post he held until February of 1981. He became the Finance Director of Goodyear Great Britain Limited, a wholly-owned subsidiary of Registrant, in February of 1981 serving in that post until mid-1987. Mr. Hargreaves was elected a Vice President and the Treasurer of Registrant on June 2, 1987. Mr. Hargreaves has been an employee of Goodyear since 1971.

LEE N. FIEDLER	Vice President	48

Mr. Fiedler served in various general products posts until 1978, when he became the General Manager of DuoTherm Corporation, then a wholly-owned operating subsidiary of Registrant, a post he held until March 12, 1986, when he became Director of Purchasing. Mr. Fiedler was elected a Vice President of Registrant on June 2, 1987. Mr. Fiedler served as the executive officer of Registrant responsible for Goodyear's worldwide purchasing operations until October 3, 1989, when he became the executive officer of the Registrant responsible for Goodyear's worldwide Chemical Division operations. Mr. Fiedler has been an employee of Goodyear since 1963.

LUDWIG H. SEIDENTHAL	Vice President and Comptroller	59

Mr. Seidenthal served in various financial posts in Europe until 1982, when he became the Finance Director — Europe of GIC, a post he held until July of 1988. On August 2, 1988, Mr. Seidenthal was elected a Vice President and the Comptroller of Registrant. Mr. Seidenthal is the principal accounting officer of Registrant. Mr. Seidenthal has been an employee of Goodyear since 1956.

JESSE T. WILLIAMS, SR.	Vice President	50

Mr. Williams served in various human resources posts until 1980, when he became the Registrant's Manager of Industrial Relations, a post he held November 16, 1985, when he became the Director of Industrial Relations for Goodyear Atomic Corporation, then a wholly-owned subsidiary of Registrant, a post held until September 30, 1986. On October 1, 1986, Mr. Williams was appointed Registrant's Director — Equal Employment Opportunity. On August 2, 1988, Mr. Williams was elected a Vice President of Registrant and, in such capacity, is the executive officer of Registrant responsible for Goodyear's compliance with equal employment opportunity laws and regulations. Mr. Williams has been an employee of Goodyear since 1962.

JOHN P. PERDUYN	Vice President	50

Mr. Perduyn served in various public relations posts until appointed Director of Public Information in 1980, serving in that post until June 1, 1989. Mr Perduyn was elected a Vice President of Registrant effective June 1, 1989, and is the executive officer of Registrant responsible for Goodyear's public affairs activities. Mr. Perduyn has been an employee of Goodyear since 1970.

Name	Position(s) Held	Age
Louis S. DiPasqua	Vice President	55

Mr. DiPasqua served in various tire sales and marketing posts until June of 1984, when he became the Chairman and Managing Director of Goodyear Great Britain Limited, a wholly-owned subsidiary of Registrant. He became President and Chief Executive Officer of Kelly-Springfield Tire Company, a wholly-owned subsidiary of Registrant, in May of 1988. Effective September 1, 1989, Mr. DiPasqua was elected a Vice President of Registrant and, in such capacity, is the executive officer of Registrant responsible for Goodyear's North American replacement tire sales and marketing. Mr. DiPasqua has been an employee of Goodyear since 1962.

J. David Wolf	Vice President	63

Mr. Wolf served in various posts in the General Products Division until 1978, when he was appointed general manager of Goodyear's Chemical Division. Mr. Wolf was elected a Vice President of Registrant on October 3, 1989 and, in such capacity, is the executive officer of Registrant responsible for Goodyear's worldwide purchasing operations. Mr. Wolf has been an employee of Goodyear since 1961.

No family relationship exists between any of the above named executive officers or between said executive officers and any other director or nominee for director of Registrant.

Each executive officer is elected by the Board of Directors at its annual meeting to a term of one year or until his or her successor is duly elected, except in those instances where the person is elected at other than an annual meeting of the Board of Directors in which event such person's tenure will expire at the next annual meeting of the Board of Directors unless such person is reelected. The next annual meeting of the Board of Directors is scheduled to be held on April 9, 1990.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS.

The principal market for Registrant's Common Stock is the New York Stock Exchange (Stock Exchange Symbol GT). Registrant's Common Stock is also listed on the Midwest Stock Exchange and The Pacific Stock Exchange. Overseas listings include the Tokyo Stock Exchange.

Information relating to the high and low sale prices of Registrant's Common Stock and the frequency and amount of dividends paid on such shares during 1989 and 1988 appears under the caption "Quarterly Data and Market Price Information" in Item 8 of this Annual Report, at page 52, and is incorporated herein by specific reference. The first quarter cash dividend for 1990, paid on March 15, 1990 to shareholders of record at February 16, 1990, was $.45 per share.

At February 16, 1990, there were 44,664 record holders of the 57,962,494 shares of the Common Stock of Registrant then outstanding. Approximately 1,613,546 shares of the Common Stock of Registrant were beneficially owned by approximately 29,695 participants in the six Employee Savings Plans sponsored by the Registrant and certain of its subsidiaries. Bankers Trust Company is the Trustee for said Employee Savings Plans.

ITEM 6. SELECTED FINANCIAL DATA.

(In millions, except per share)	Year Ended December 31,				
	1989	1988	1987	1986	1985
Net Sales	$10,869.3	$10,810.4	$9,905.2	$9,040.0	$8,341.1
Income from continuing operations before extraordinary item	189.4	350.1	513.9	216.8	227.1
Discontinued operations	—	—	257.0	(92.7)	185.3
Income before extraordinary item	189.4	350.1	770.9	124.1	412.4
Extraordinary item — Tax benefit of loss carryovers	17.4	—	—	—	—
Net Income	$ 206.8	$ 350.1	$ 770.9	$ 124.1	$ 412.4
Per Share of Common Stock:					
Income from continuing operations before extraordinary item	$ 3.28	$ 6.11	$ 8.49	$ 2.02	$ 2.11
Discontinued operations	—	—	4.24	(.86)	1.73
Income before extraordinary item	3.28	6.11	12.73	1.16	3.84
Extraordinary item — Tax benefit of loss carryovers	.30	—	—	—	—
Net Income	$ 3.58	$ 6.11	$ 12.73	$ 1.16	$ 3.84
Dividends	$ 1.80	$ 1.70	$ 1.60	$ 1.60	$ 1.60

	December 31,				
	1989	1988	1987	1986	1985
Total Assets	$ 8,460.3	$ 8,618.3	$8,395.9	$9,039.3	$7,537.3
Long Term Debt and Capital Leases	2,963.4	3,044.8	3,282.4	2,914.9	1,578.0
Shareholders' Equity	2,143.8	2,027.1	1,834.4	3,002.6	3,507.4

Note: Financial information has been restated where necessary to reflect the disposition of the shares of Motor Wheel Corporation and certain related assets in 1986, the assets of Goodyear Aerospace Corporation and certain related assets in March of 1987, certain oil and gas reserves in July of 1987, and the shares of Celeron Oil and Gas Company in December of 1987, all of which were accounted for as discontinued operations. The financial information has also been restated to reflect the adoption of Statement of Financial Accounting Standards No. 94, "Consolidation of All Majority-owned Subsidiaries" in 1987. See Accounting Policies in respect of the Financial Statements in Item 8 captioned "Principles of Consolidation" at page 36.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

Consolidated

Sales for 1989 of $10.9 billion increased less than one percent from 1988 and rose 9.7 percent above 1987 levels.

Income of $470.9 million from continuing operations before income taxes and extraordinary item declined 12.4 percent from the $537.5 million recorded in 1988 and 46 percent from the

$872.4 million recorded in 1987. In 1989, this level of income reflected unusual charges of $109.7 million ($105.9 million after tax) consisting of a $43 million loss from the sale of the Company's South Africa subsidiary, a $48.3 million loss from the sale of unused pipe held by the All American Pipeline subsidiary and charges of $18.4 million in the fourth quarter resulting from the planned reduction of bias-ply truck tire capacity at the Gadsden, Alabama plant, and from the realignment of the Canadian operations. For 1988, results were adversely affected by unusual charges totaling $78.8 million ($25.8 million after tax), including $50.9 million from the pension settlement/asset reversion and $27.9 million from an employee reduction program. Results for 1987 included unusual income of $135 million ($73.8 million after tax), the major portion of which was the gain on the sale of the Arizona properties. Further discussion of these transactions is contained in the note to the financial statements entitled Unusual Items.

The Company began, effective October 1, 1989, recognizing depreciation, other net operating expenses and interest expense of the All American Pipeline System, which had previously been capitalized. The recognition of these items reduced the Company's 1989 pretax results by $41.2 million ($26.4 million after tax), consisting of $9.1 million of segment operating losses and $32.1 million of increased consolidated interest expense. Assuming that fourth quarter 1989 operating levels and interest rates continue, the recognition of these costs for all of 1990 are expected to amount to approximately $175 million before taxes.

Improved gross margins resulting primarily from lower raw material costs during 1989 failed to fully offset increased selling, administrative and general expenses, resulting primarily from higher compensation and benefit costs. Benefit cost increases resulted in part from less investment income due to the 1988 pension asset reversion.

The results also reflect lower tire unit sales, especially in the U.S., caused by increased price competition in the replacement market and reduced vehicle production by original equipment customers.

In 1989, income taxes increased over 1988 by $94.1 million due principally to higher foreign taxes, the tax impact of the South Africa subsidiary sale, additional U.S. taxes on foreign source income and the reduction of 1988 taxes due to the pension asset reversion. The higher foreign taxes included a $17.4 million charge equivalent to the tax benefit of foreign loss carryovers realized. The Company expects the higher effective tax rate to continue in 1990. Further information is contained in the note to the financial statements entitled Income Taxes.

The Financial Accounting Standards Board has again extended the required implementation date of Statement of Financial Accounting Standards No. 96 "Accounting for Income Taxes". The Company does not intend to adopt this Statement until the required implementation date, currently 1992. Because of continued uncertainty relating to implementation guidelines and interpretations, the Company is not certain as to the impact this Statement will have on future financial statements.

The 1989 net income of $206.8 million or $3.58 per share decreased from 1988 net income of $350.1 million or $6.11 per share and 1987 net income of $770.9 million or $12.73 per share. Included in 1989 net income is a tax benefit of loss carryovers on prior foreign losses amounting to $17.4 million or $.30 per share, which was accounted for as an extraordinary item. The 1987 net income included $257 million or $4.24 per share from discontinued operations, discussed further in the note to the financial statements entitled Discontinued Operations.

Worldwide, Goodyear is being challenged by the enlarged competitors that have emerged from the consolidation of tire manufacturers. The Company expects to face continued pricing competition in both the replacement and original equipment tire businesses as competitors position themselves to increase share in a global market that is expected to continue to grow at a low rate.

-- The lower production levels in the auto industry experienced in the fourth quarter are expected to continue into 1990, and are expected to affect sales and income of both our tire and general products businesses.

The 1989 research and development expenditures of $303.3 million centered on new product development and manufacturing process improvements. The research and development expenditures are expected to approximate $325 million in 1990.

Industry Segments

Operating income for 1989 of $926.3 million included $109.7 million of the previously described unusual charges. The 1988 operating income of $1,003 million included $27.9 million of unusual charges. The 1987 operating income of $1,077.3 million was not affected by unusual items.

Tires and Related

Sales of $8.9 billion were down slightly from 1988 levels and up 7 percent from 1987. Operating income for the segment was $722.6 million in 1989, $736.4 million in 1988 and $877.4 million in 1987. Operating income in the U.S. portion of this segment increased compared to 1988 but was below 1987, while foreign results decreased compared to both periods. In 1989, this segment's operating income was reduced by $51.8 million resulting from the previously mentioned sale of the Company's South Africa subsidiary, the planned reduction of bias-ply truck tire capacity and the realignment of the Canadian operations. Employee reduction expenses of $25.1 million were charged to this segment in 1988.

Tires and Related Sales
(Dollars in Billions)

Tires and Related Operating Income
(Dollars in Millions)

During 1989, the favorable impact of reduced raw material costs and improved pricing and mix was more than offset by lower overall unit sales and increased selling, administrative and general expense. A relatively stronger U.S. dollar also reduced foreign earnings.

The following table presents changes in tire unit sales:

Increase (Decrease) in Tire Unit Sales for the Year

	1989 vs 1988	1989 vs 1987
U.S.	(7.5)%	(8.0)%
Foreign	(.1)%	5.2%
Worldwide	(4.2)%	(2.3)%

The lower U.S. unit sales in 1989 reflected reduced demand for the Company's tires in the replacement market until the second half of the year and reduced demand for tires in the original equipment market in the latter part of the year. Price increases early in the year to recover prior increases in raw material costs, a realignment of the Company's distribution channels and competitive pressures contributed to the lower U.S. replacement unit sales. Modest growth and continued competitive pressures are anticipated in the U.S. replacement market which may affect pricing and mix as the Company targets improved unit sales in 1990.

General Products

Sales of $2 billion were up 5.4 percent from 1988 and 24.2 percent from 1987. Operating income of $260.5 million in 1989 was reduced by $9.6 million as a result of the loss on the sale of the Company's South Africa subsidiary. Operating income of $260.5 million in 1988 was reduced by $2.8 million of employee reduction expenses. Operating income in 1987 was $198.6 million.

General Products Sales
(Dollars in Billions)

General Products Operating Income
(Dollars in Millions)

The 1989 results reflect increased sales volume in most product groups. Operating income was flat compared to 1988 levels as lower foreign results offset U.S. gains. While engineered products showed improved income for the year, industrial products income declined due to lower foreign results. Chemical products income was impacted by highly competitive pricing.

Oil Transportation

Sales were $11.8 million for 1989 and $7.9 million for 1988. Sales for this segment consist of tariffs charged by the All American Pipeline System and revenues, net of acquisition costs, resulting from various crude oil gathering and trading activities. Acquisition costs associated with the gathering and trading activities amounted to $705.2 million in 1989 and $389.7 million in 1988.

The 1989 operating loss of $56.8 million was primarily the result of the aforementioned unusual loss of $48.3 million on the sale of unused pipe. Operating income in 1988 was $6.1 million. On October 1, 1989, the Company began recognizing depreciation and other net operating expenses of the All American Pipeline System which reduced operating income by $9.1 million, an effect which is expected to continue in future periods. These charges had previously been capitalized.

During 1989, approximately 90,000 barrels per day, on average, of onshore California and Alaska North Slope crude oil were transported through the System, which level of throughput is not expected to change significantly in the near future.

Production of California outer continental shelf (OCS) crude oil continues to be behind schedule due to various regulatory, construction and other delays. The Company expects that limited quantities of OCS crude oil may be available for transportation in 1990 and that significant quantities of OCS crude oil will eventually be produced and available for transportation through the System. Right-of-way activity along the environmentally approved route for the planned eastern leg extending from McCamey, Texas, to the Gulf coast, evaluation of projections of availability of OCS oil and the demand for it at Gulf Coast refineries continues. The eastern leg will be constructed only when it is determined that there will be sufficient demand for OCS at refineries along the Gulf Coast and that the oil will be available in substantial quantities for transportation through the All American Pipeline System.

Geographic Segments

U.S. Operations

Sales were $6.5 billion in 1989, $6.4 billion in 1988 and $5.9 billion in 1987. Operating income for 1989 of $490.7 million included the $58.8 million charge from the sale of unused pipe and the planned reduction of bias-ply truck tire capacity. Operating income for 1988 of $439.4 million included the $27.2 million charge for employee reduction costs. Operating income for 1987 was $617.2 million.

During 1989, United States tire operating income improved primarily as a result of lower raw material prices and improved pricing and mix that partially offset the 7.5 percent lower unit sales. The previously mentioned increases in selling, administrative and general expenses also affected U.S. operations. In addition, operating income was adversely affected by the inclusion of the All America Pipeline System expenses in the results, which effect is expected to continue in future periods.

Foreign Operations

Sales were $4.4 billion in 1989, $4.4 billion in 1988 and $4 billion in 1987. Operating income of $434.9 million for 1989 included the $50.9 million charge for the loss on the sale of the Company's South Africa subsidiary and the expenses related to the realignment of Canadian operations. Also adversely affecting 1989 foreign results was the relatively stronger U.S. dollar. Operating income for 1988 was $562.9 million and for 1987 was $458.9 million.

In Europe, sales and operating income decreased due to lower replacement tire shipments and the stronger U.S. dollar. In Latin America, sales increased due to higher tire unit sales, however, operating income decreased due to unstable economic conditions. In Asia/Africa, sales and operating income were down in 1989 due primarily to the absence of the South Africa operating results in the second half of 1989 and the $43 million loss recorded on the second quarter sale of that subsidiary. In Canada, sales increased but operating profit decreased due to the previously mentioned realignment charges, competitive pricing and Napanee, Ontario plant start-up expenses of approximately $8.9 million. Start-up expenses for this plant are expected to continue during 1990. Full production levels are expected to be reached in 1991.

Further discussion of industry and geographic segments is contained in the note to the financial statements entitled Business Segments.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents of $122.5 million declined $111.6 million from December 31, 1988, principally due to a conversion of cash equivalents in Latin America to longer term investments pending remittance or reinvestment.

Net cash provided by operations of $817.8 million was the primary source of Goodyear's liquidity during 1989 as reported in the Consolidated Statement of Cash Flows. A significant decrease was recorded in accounts and notes receivable, as discussed below.

Capital expenditures of $775.7 million, including capitalized interest of $118.9 million, were the primary use of cash for investing activities. At December 31, 1989, the Company had binding commitments for land, buildings and equipment of approximately $250 million. Capital expenditures are expected to approximate $700 million in 1990, of which $20 million is estimated for capitalized interest. Capital expenditures in 1990 will be for the new Napanee, Ontario, Canada tire plant, other plant expansions and modernizations, new tire molds and other continuing activities.

Consolidated debt at December 31, 1989 was $3.35 billion, a reduction of $225.8 million from December 31, 1988. This debt represents 60.9 percent of total debt plus shareholders' equity, compared to 63.8 percent at year end 1988.

The reduction in consolidated debt during 1989 was due primarily to several asset sales.

Throughout the year, Goodyear sold certain domestic accounts receivable under a continuous purchase program whereby, as these receivables were collected, new amounts were sold to maintain a level of approximately $350 million. New agreements entered into in December, 1989 increased this level to $600 million. Under these agreements, undivided interests in designated receivable pools are sold to purchasers with recourse limited to the receivables purchased. The Company sold accounts and notes receivable under these and other agreements totaling $3.1 billion, $2.5 billion and $1.2 billion during 1989, 1988 and 1987, respectively. These receivable sales offer a long term, cost-effective means of providing improved liquidity.

The Company also received cash proceeds of approximately $111 million from the sales of its South Africa subsidiary and unused pipe held by All American Pipeline Company.

Certain foreign currency exchange agreements which hedged outstanding Yen bond obligations were sold, generating cash proceeds of $75.4 million. The resulting 25 billion Yen exposure was subsequently rehedged.

During the second half of the year, the Company entered into separate credit agreements with 47 domestic and international banks providing revolving credit lines of approximately $2.25 billion under improved terms and conditions. Thereafter, the Company terminated the $1.5 billion Multi-bank Revolving Credit Facility and $700 million of other bank revolving credit agreements. The new revolving credit agreements are noncancelable for an initial commitment period of three years and, thereafter, are automatically renewed for successive one year terms, until the required prior notice of termination is given.

In April 1989, Goodyear entered into a $50.0 million floating rate, seven year bank term loan agreement. In May 1989, the Company issued an aggregate of $118.4 million of its 10.26% promissory notes due 1999. A bank term loan in the principal amount of 5 billion Yen, fully hedged via a separate currency exchange agreement, provided a $35 million, five year financing at 8.68% in December 1989. In 1989, the Company increased the authorized level of issuance under its Euro-commerical paper program to $1 billion from $600 million.

In April 1989, the $557.5 million Celeron pipeline facility was repaid in advance of its 1994 final maturity and replaced by various shorter term, lower cost facilities.

At December 31, 1989, interest rate swaps totaling $1.57 billion were in place to protect the Company against upward movements in interest rates. As a result, the effective interest rate on approximately 92 percent of the Company's debt at December 31, 1989 was fixed by either the nature of the obligation or through interest rate swaps. The weighted average fixed rate associated with the $1.57 billion notional principal of the swap portfolio was 8.71% at December 31, 1989.

Substantial short term and long term credit sources are available to the Company globally under normal commercial practices. At December 31, 1989, there were worldwide credit sources totaling $5.45 billion of which $2.10 billion or 38.5 percent were unused. Further discussion is included in the note to the financial statements entitled Credit Arrangements.

Funds generated by operations, together with available unused credit sources, are expected to be sufficient to meet currently anticipated funding requirements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX

CONSOLIDATED FINANCIAL STATEMENTS—FINANCIAL STATEMENT SCHEDULES

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
The Goodyear Tire & Rubber Company

In our opinion, the consolidated financial statements listed in the index on this page present fairly, in all material respects, the financial position of The Goodyear Tire & Rubber Company and subsidiaries at December 31, 1989 and 1988, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1989, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

PRICE WATERHOUSE

Cleveland, Ohio
February 12, 1990

Consolidated Statement of Income

The Goodyear Tire & Rubber Company and Subsidiaries

(Dollars in millions, except per share)	1989	1988	1987
	Year Ended December 31,		
Net Sales	$10,869.3	$10,810.4	$ 9,905.2
Other Income	175.4	184.5	179.9
	11,044.7	10,994.9	10,085.1
Cost and Expenses:			
Cost of goods sold	8,234.7	8,291.0	7,374.6
Selling, administrative and general expense	1,863.7	1,745.1	1,634.9
Interest expense	271.4	238.0	282.5
Unusual items	109.7	76.8	(135.0)
Foreign currency exchange	75.7	85.3	38.9
Minority interest in net income of subsidiaries	18.6	19.2	16.8
	10,573.8	10,457.4	9,212.7
Income from Continuing Operations before Income Taxes and Extraordinary Item	470.9	537.5	872.4
United States and Foreign Taxes on Income	281.5	187.4	358.5
Income from Continuing Operations before Extraordinary Item	189.4	350.1	513.9
Discontinued Operations	—	—	257.0
Income before Extraordinary Item	189.4	350.1	770.9
Extraordinary Item—Tax Benefit of Loss Carryovers	17.4	—	—
Net Income	$ 206.8	$ 350.1	$ 770.9
Per Share of Common Stock:			
Income from continuing operations before extraordinary item	$3.28	$6.11	$8.49
Discontinued operations	—	—	4.24
Income before extraordinary item	3.28	6.11	12.73
Extraordinary item—tax benefit of loss carryovers	.30	—	—
Net Income	$3.58	$6.11	$12.73
Average Shares Outstanding	57,727,577	57,322,365	60,564,981

The accompanying accounting policies and notes are an integral part of this financial statement.

Consolidated Balance Sheet

The Goodyear Tire & Rubber Company and Subsidiaries

(Dollars in millions)	December 31, 1989	1988
Assets		
Current Assets:		
Cash and cash equivalents	$ 122.5	$ 234.1
Short term securities	92.1	10.7
Accounts and notes receivable	1,244.6	1,578.4
Inventories	1,642.0	1,635.5
Prepaid expenses and other current assets	170.7	99.2
Total Current Assets	3,271.9	3,557.9
Other Assets:		
Investments in affiliates, at equity	125.9	122.3
Long term accounts and notes receivable	189.2	313.7
Deferred charges and other miscellaneous assets	258.0	197.0
	573.1	633.0
Properties and Plants	4,615.3	4,427.4
	$8,460.3	$8,618.3
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable—trade	$ 924.0	$ 781.3
Accrued payrolls and other compensation	395.6	412.2
Other current liabilities	278.9	347.2
United States and foreign taxes	219.3	391.0
Notes payable to banks and overdrafts	316.0	354.2
Long term debt due within one year	66.4	172.6
Total Current Liabilities	2,200.2	2,458.5
Long Term Debt and Capital Leases	2,963.4	3,044.8
Other Long Term Liabilities	364.7	435.7
Deferred Income Taxes	681.8	555.4
Minority Equity in Subsidiaries	106.4	96.8
Shareholders' Equity:		
Preferred stock, no par value:		
Authorized, 50,000,000 shares, unissued	—	—
Common stock, no par value:		
Authorized, 150,000,000 shares		
Outstanding shares, 57,806,869 (57,430,526 in 1988)	57.8	57.4
Capital surplus	46.5	29.3
Retained earnings	2,278.4	2,175.4
	2,382.7	2,262.1
Foreign currency translation adjustment	(238.9)	(235.0)
Total Shareholders' Equity	2,143.8	2,027.1
	$8,460.3	$8,618.3

The accompanying accounting policies and notes are an integral part of this financial statement.

Consolidated Statement of Shareholders' Equity

The Goodyear Tire & Rubber Company and Subsidiaries

(Dollars in millions, except per share)	Common Stock Shares	Common Stock Amount	Capital Surplus	Retained Earnings	Foreign Currency Translation Adjustment	Total Shareholders' Equity
Balance at December 31, 1986						
after deducting 13,904,338 treasury shares	97,080,482	$ 97.1	$ 104.2	$ 3,122.2	$(320.9)	$ 3,002.6
Net income for 1987				770.9		770.9
Cash dividends 1987—$1.60 per share				(91.0)		(91.0)
Common stock purchased for treasury:						
Restructuring plan	(40,435,764)	(40.5)	(107.2)	(1,877.1)		(2,024.8)
Other acquired shares	(49,523)	—	—	(2.4)		(2.4)
Common stock issued (including 383,800 treasury shares):						
Dividend reinvestment and stock purchase plan	122,324	.1	7.0			7.1
Stock option plans	237,409	.3	6.6			6.9
Key Personnel Incentive Profit Sharing Plan	31,651	—	.6			.6
Foreign currency translation adjustment					164.5	164.5
Balance at December 31, 1987						
after deducting 54,005,825 treasury shares	56,986,579	57.0	11.2	1,922.6	(156.4)	1,834.4
Net income for 1988				350.1		350.1
Cash dividends 1988—$1.70 per share				(97.3)		(97.3)
Common stock issued (including 443,962 treasury shares):						
Dividend reinvestment and stock purchase plan	238,463	.2	12.3			12.5
Stock option plans	172,515	.2	5.2			5.4
Key Personnel Incentive Profit Sharing Plan	32,969	—	.6			.6
Foreign currency translation adjustment					(78.6)	(78.6)
Balance at December 31, 1988						
after deducting 53,561,863 treasury shares	57,430,526	57.4	29.3	2,175.4	(235.0)	2,027.1
Net income for 1989				206.8		206.8
Cash dividends 1989—$1.80 per share				(103.8)		(103.8)
Common stock issued (including 376,369 treasury shares):						
Dividend reinvestment and stock purchase plan	293,823	.3	14.9			15.2
Stock option plans	51,198	.1	1.7			1.8
Key Personnel Incentive Profit Sharing Plan	31,322	—	.6			.6
Foreign currency translation adjustment					(65.7)	(65.7)
Divestiture of South Africa subsidiary					61.8	61.8
Balance at December 31, 1989						
after deducting 53,185,494 treasury shares	57,806,869	$ 57.8	$ 46.5	$2,278.4	$(238.9)	$ 2,143.8

The accompanying accounting policies and notes are an integral part of this financial statement.

Consolidated Statement of Cash Flows

The Goodyear Tire & Rubber Company and Subsidiaries

(Dollars in millions)	Year Ended December 31, 1989	1988	1987
Cash Flows from Operating Activities:			
Net Income	$ 206.8	$ 350.1	$ 770.9
Adjustments to reconcile net income to net cash:			
Depreciation	383.5	357.1	382.4
Unusual items	109.7	70.7	4.1
Deferred income tax	38.2	(57.3)	136.6
Asset dispositions—gain	—	—	(447.7)
Accounts and notes receivable	299.0	(132.8)	628.9
Inventories	(120.1)	(169.0)	36.2
Deferred pension plan cost	—	362.2	(52.9)
Prepaid expenses and other current assets	(74.1)	—	16.0
Other assets	27.4	(110.4)	46.2
Accounts payable—trade	169.5	(9.2)	(48.0)
Other liabilities	(182.1)	138.0	(103.4)
Total adjustments	611.0	449.3	598.4
Net cash provided by operating activities	817.8	799.4	1,369.3
Cash Flows from Investing Activities:			
Capital expenditures	(775.7)	(743.7)	(757.8)
Asset dispositions	164.2	41.7	1,504.8
Short term securities acquired	(126.3)	(14.5)	(2.6)
Short term securities redeemed	44.3	3.9	23.0
Other transactions	(9.1)	17.0	(82.3)
Net cash (used in) provided by investing activities	(702.6)	(695.6)	686.0
Cash Flows from Financing Activities:			
Proceeds from sale of foreign currency exchange agreements	75.4	—	—
Short term debt incurred	2,359.8	1,664.2	1,629.8
Short term debt paid	(2,083.5)	(1,030.7)	(2,215.0)
Long term debt incurred	237.9	386.7	3,071.5
Long term debt and capital leases paid	(708.1)	(1,008.5)	(2,348.3)
Common stock issued	17.6	18.5	14.6
Common stock acquired	—	—	(2,027.2)
Dividends paid	(103.8)	(97.3)	(91.0)
Net cash used in financing activities	(204.7)	(67.1)	(1,965.6)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(22.1)	(3.1)	1.6
Net (Decrease) Increase in Cash and Cash Equivalents	(111.6)	33.6	91.3
Cash and Cash Equivalents at Beginning of the Period	234.1	200.5	109.2
Cash and Cash Equivalents at End of the Period	$ 122.5	$ 234.1	$ 200.5

The accompanying accounting policies and notes are an integral part of this financial statement.

A summary of the significant accounting policies used in the preparation of the accompanying financial statements follows:

▲ Principles of Consolidation

The consolidated financial statements include the accounts of all majority-owned subsidiaries. All significant intercompany transactions have been eliminated.

The Company's investments in 20% to 50% owned companies in which it has the ability to exercise significant influence over operating and financial policies are accounted for on the equity method. Accordingly, the Company's share of the earnings of these companies is included in consolidated net income. Investments in other companies are carried at cost.

▲ Consolidated Statement of Cash Flows

Cash and cash equivalents include cash on hand and in the bank as well as all short term securities held for the primary purpose of general liquidity. Such securities normally mature within three months from the date of acquisition. Cash flows associated with items intended as hedges of identifiable transactions or events are classified in the same category as the cash flows from the items being hedged.

▲ Inventory Pricing

Inventories are stated at the lower of cost or market. Cost is determined using the last-in, first-out (LIFO) method for substantially all domestic inventories and average cost or standard cost approximating average cost for all other inventories.

▲ Properties and Plants

Properties and plants are stated at cost. Depreciation is computed on the straight line method. Accelerated depreciation is used for income tax purposes, where permitted.

▲ Income Taxes

Income taxes are recognized during the year in which transactions enter into the determination of financial statement income with deferred taxes being provided for timing differences.

▲ Per Share of Common Stock

Per share amounts have been computed based on the average number of common shares outstanding, including for this purpose only, those treasury shares allocated for distribution under the incentive profit sharing plan.

▲ Reclassification

Certain items previously reported in specific financial statement captions have been reclassified to conform with the 1989 presentation.

A Unusual Items

A summary of the pretax unusual charges (credits) follows:

(In millions)	1989	1988	1987
Sale of facilities	$ 43.0	$ —	$(144.2)
Sale of assets	48.3	—	—
Realignment	18.4	—	—
Pension settlement/asset reversion	—	50.9	—
Employee reductions	—	27.9	—
Asset write-down	—	—	9.2
	$109.7	$78.8	$(135.0)

1989 The Company sold its South Africa tire and general products manufacturing subsidiary for $41.0 million. A loss of $43.0 million ($52.0 million after tax) was recorded in the second quarter, the majority of which was due to the recognition of the decreased value of the Company's assets in South Africa arising from the devaluation of the South African Rand during the past several years.

The Company's oil transportation subsidiary, All American Pipeline Company, sold about 435 miles of unused 30-inch pipe for $70.0 million in the second quarter. A loss of $48.3 million ($43.0 million after tax) was recorded on the sale.

The Company accrued expenses of $18.4 million ($10.9 million after tax) for the reduction of bias-ply truck tire capacity at the Gadsden, Alabama plant and from the realignment of the Canadian operations.

1988 The Company settled its pension liability for the principal domestic salary plan for all benefits accrued to June 30, 1988, through the purchase of annuity contracts from major insurance companies during the fourth quarter. A loss of $10.9 million was recorded. In a related transaction excess assets of $400.0 million before taxes were reverted to the Company. Excise tax of $40.0 million was incurred on the asset reversion making the total charge to Unusual Items $50.9 million. The combined effect of these transactions, together with the reversal of deferred tax recorded on the 1986 pension settlement, resulted in an after tax charge of $9.7 million in 1988. Proceeds to the Company amounted to $210.0 million after deducting excise tax and federal and state income taxes. For further information regarding the tax effects on the transaction, see the note to the financial statements entitled Income Taxes.

The Company, in an effort to reduce operating expenses, consolidated tasks and eliminated duplicate job responsibilities at a cost of $27.9 million ($17.1 million after tax) in the fourth quarter.

1987 The Company sold the assets of two Arizona subsidiaries involved in agricultural products, real estate development and a resort hotel, for a total price of $220.1 million in December 1986. In order to effect the sale, the Company purchased certain assets for $40.0 million which were included in the sale of the Arizona properties. The sale was accounted for as an installment sale and resulted in the recognition of a gain of $134.5 million ($73.4 million after tax) in 1987.

A combined gain of $9.7 million was recorded from the sales of the Zaire and T.E.I. subsidiaries, the Company's joint venture interest in Toyobo Pexcord of Japan and certain plant closure reserve adjustments.

An asset write-down of $9.2 million was charged against income from the termination of a currency exchange rate protection agreement in Mexico.

Notes to Financial Statements

(Continued)

▲ Other Income

Other income includes interest income of $132.4 million, $130.8 million and $87.2 million for 1989, 1988 and 1987, respectively, on deposits. The primary source of interest income was funds invested in time deposits in Latin America, pending remittance or reinvestment in the region. The higher interest income was due to higher nominal interest rates on local currency deposits and was partially offset by related foreign currency exchange losses on those deposits.

▲ Accounts and Notes Receivable

(In millions)	*1989*	*1988*
Accounts and notes receivable	$1,283.2	$1,614.0
Less allowance for doubtful accounts	38.6	35.6
	$1,244.6	$1,578.4

Throughout the year, the Company sold certain domestic accounts receivable under a continuous purchase program maintained at a level of approximately $350.0 million. New agreements put into effect in December, 1989 increased this level to $600.0 million. Under these agreements, undivided interests in designated receivable pools are sold to purchasers with recourse limited to the receivables purchased. The Company sold accounts and notes receivable under these and other agreements totaling $3,118.8 million, $2,451.6 million and $1,202.1 million during 1989, 1988 and 1987, respectively. At December 31, 1989 and 1988 the balance of the uncollected portion of these receivables was $718.5 million and $453.6 million, respectively.

▲ Inventories

(In millions)	*1989*	*1988*
Raw materials and supplies	$ 330.5	$ 429.8
Work in process	90.1	93.4
Finished product	1,221.4	1,112.3
	$1,642.0	$1,635.5

The cost of inventories using the last-in, first-out (LIFO) method (approximately 44.7% of consolidated inventories in 1989 and 34.5% in 1988) was less than the approximate current cost of inventories by $330.6 million at December 31, 1989 and $358.6 million at December 31, 1988.

▲ Properties and Plants

	1989			1988		
(In millions)	Owned	Capital Leases	Total	Owned	Capital Leases	Total
Land and improvements	$ 279.8	$ 9.4	$ 289.2	$ 284.0	$ 9.5	$ 293.5
Buildings	1,032.3	76.2	1,108.5	1,028.2	82.8	1,111.0
Machinery and equipment	4,611.8	124.1	4,735.9	4,408.7	127.7	4,536.4
Pipeline	1,351.2	—	1,351.2	—	—	—
Construction in progress	565.2	—	565.2	1,740.8	—	1,740.8
Properties and plants, at cost	7,840.3	209.7	8,050.0	7,461.7	220.0	7,681.7
Less accumulated depreciation	3,299.8	134.9	3,434.7	3,120.0	134.3	3,254.3
	$4,540.5	$ 74.8	$ 4,615.3	$ 4,341.7	$ 85.7	$4,427.4

The amortization for capital leases included in the depreciation provision for 1989, 1988 and 1987 was $10.1 million, $11.2 million and $11.1 million, respectively.

A Credit Arrangements

Short Term Debt and Credit Lines

At December 31, 1989, the Company had short term credit lines and overdraft arrangements totaling $1,584.5 million, of which $979.2 million were unused.

Long Term Debt and Capital Leases

(In millions)	1989	1988
Sinking fund debentures:		
8.60% due 1991-1994	$ 25.0	$ 32.0
7.35% due 1992-1997	37.5	37.8
Promissory notes:		
12.15% due 1991-2000	50.0	50.0
11.90% due 1994-1999	50.0	50.0
10.26% due 1999	118.4	—
Yen bonds:		
6.875% due 1994	86.9	99.4
7.125% due 1995	173.8	198.8
6.625% due 1996	69.5	79.5
Swiss Franc bonds:		
5.375% due 2000	154.1	157.2
5.375% due 2006	129.5	132.1
6.875% Convertible Debentures due 2003	150.0	150.0
Bank term loans due 1991-1996	152.6	79.3
Euro-commercial paper	516.5	248.0
Bank revolving credit agreements	—	250.0
Celeron pipeline facility	—	590.0
Other domestic debt	708.2	575.5
Foreign subsidiary debt	506.2	374.0
Capital lease obligations:		
Industrial revenue bonds	74.5	82.0
Other	27.1	31.8
	3,029.8	3,217.4
Less portion due within one year	66.4	172.6
	$2,963.4	$3,044.8

At December 31, 1989, the Company had available long term credit sources totaling $3,863.7 million of which $1,123.0 million were unused.

The Yen bonds (47.5 billion Yen) due in 1994, 1995 and 1996 and the Swiss Franc bonds (438 million Swiss Franc) due in 2000 and 2006 are hedged by contracts to protect against fluctuations in such foreign currency exchange rates. During the third and fourth quarters of 1989, hedge contracts covering 25 billion Yen were sold generating cash proceeds of $75.4 million. The resulting Yen bond exposure was substantially rehedged in 1989, with the remainder rehedged in January 1990. At December 31, 1989, $141.1 million associated with these hedge contracts was recorded in certain receivable accounts on the Consolidated Balance Sheet.

▲ Credit Arrangements *(continued)*

The Convertible Debentures due 2003 are convertible into common shares of the Company at $80.25 per share.

The bank term loans due 1991 through 1996 consist of various agreements which provide for interest at fixed rates ranging between 8 percent and 8.68 percent or floating rates based on LIBOR plus fixed spreads.

During 1989, the Company entered into new revolving credit agreements totaling $2,255.0 million with 47 domestic and international banks and the $1,500.0 million Multi-bank Credit Facility and $700.0 million of other bank revolving credit agreements were terminated. The new revolving credit agreements are noncancelable for an initial commitment period of three years and, thereafter, are automatically renewed for successive one year terms, until the required prior notice of termination is given. Generally, the revolving credit agreements provide that the Company may obtain loans bearing interest at LIBOR plus 3/8 percent, a defined Certificate of Deposit rate plus 3/8 percent or other quoted rates and require a commitment fee of 1/8 percent on unused portions of the lines. These agreements contain certain covenants which among other things, include interest coverage ratio and current ratio tests, a net worth minimum and a limitation on total debt. Amounts outstanding under the Company's Euro-commercial paper program and other short term facilities are supported by these revolving credit agreements.

In April 1989, the $957.5 million then outstanding under the Celeron pipeline facility was repaid in advance of its 1994 final maturity and replaced by various shorter term, lower cost facilities.

Certain domestic and foreign subsidiary debt obligations amounting to $1,174.8 million and $289.3 million, respectively, at December 31, 1989 ($998.6 million and $132.9 million at December 31, 1988), which by their terms are due within one year, are classified as long term. Such obligations are incurred under or supported by noncancelable long term credit agreements, and it is the Company's intent to maintain them as long term. Short term obligations reclassified to long term at December 31, 1989, consist primarily of Euro-commercial paper and short term bank borrowings.

Refer to the note to the financial statements entitled Leased Assets for additional information on capital lease obligations.

The Company has interest rate swaps for a total notional amount of $1,569.1 million at December 31, 1989, which convert floating interest rates on various floating rate debt obligations to fixed rates.

The annual aggregate maturities of long term debt for the five years subsequent to 1989 are presented below. Maturities of debt incurred under or supported by revolving credit agreements have been reported on the basis that these agreements will be terminated at the end of their initial terms.

(In millions)	1990	1991	1992	1993	1994
Debt incurred under or supported by revolving credit agreements	$ —	$ —	$120.0	$1,167.8	$ —
Other	63.8	82.6	80.3	70.0	194.5
	$63.8	$82.6	$200.3	$1,237.8	$194.5

▲ Leased Assets

Certain manufacturing, retail store, transportation, data processing and other facilities and equipment are held under leases which generally expire within ten years but may be renewed by the Company. Many of the leases provide that the Company will pay taxes assessed against leased property and the cost of insurance and maintenance.

▲ Leased Assets *(continued)*

Minimum lease commitments follow:

(In millions)	Capital Leases	Operating Leases
1990	$ 17.5	$ 243.1
1991	17.6	178.9
1992	18.4	124.0
1993	11.2	88.6
1994	11.1	59.6
1995 and thereafter	93.8	222.6
Total minimum lease payments	169.6	$916.8
Less estimated executory costs	.8	
Net minimum lease payments	168.8	
Less amounts estimated to represent interest	67.2	
Present value of net minimum lease obligations	101.6	
Less portion due within one year	8.9	
	$ 92.7	

Total rental expense charged to income and contingent rentals included therein follow:

(In millions)	1989	1988	1987
Minimum rentals	$306.2	$270.0	$188.1
Contingent rentals	1.2	1.1	1.3
Less sublease rentals	49.5	42.1	35.4
	$257.9	$229.0	$154.0

▲ Stock Options

The Company's 1972, 1982 and 1987 Employees' Stock Option Plans and the 1989 Goodyear Performance and Equity Incentive Plan provide for the granting of stock options and stock appreciation rights (SARs). For options previously granted with SARs, the exercise of an SAR cancels the stock option; conversely, the exercise of the stock option cancels the SAR.

The 1972, 1982 and 1987 Plans expired on December 31, 1981 and 1986 and April 10, 1989, respectively, except for options and SARs then outstanding. The 1989 Plan was adopted at the April, 1989 shareholders' meeting. The 1989 Plan empowers the Company to award or grant from time to time until December 31, 1998, when the 1989 Plan expires except with respect to Awards then outstanding, to officers and other key managerial, administrative and professional employees of the Company and its subsidiaries Incentive, Non-Qualified and Deferred Compensation Stock Options, Stock Appreciation Rights, Restricted Stock and Restricted Unit Grants, Performance Equity and Performance Unit Grants, any other Stock-Based Awards authorized by the Committee which administers the 1989 Plan, and any combination of any or all of such Awards, whether in tandem with each other or otherwise. Assuming that there will be full utilization of the shares of Common Stock available for Awards during the term of the 1989 Plan, and that no other increases or decreases in the number of shares of Common Stock outstanding would occur during the term of the 1989 Plan, approximately 10,100,000 shares of the Common Stock would be available for the grant of Awards.

Notes to Financial Statements

(Continued)

▲ Stock Options *(continued)*

	1989		1988	
	Shares	SARs	Shares	SARs
Outstanding at January 1	1,780,349	308,287	1,459,069	362,605
Granted	333,900	123,400	567,850	—
Options without SARs exercised	(96,729)	—	(182,952)	—
Options with SARs exercised	(2,752)	(2,752)	(5,768)	(5,768)
SARs exercised	(14,530)	(14,530)	(37,550)	(37,550)
Options without SARs expired	(95,600)	—	(20,300)	—
Options with SARs expired	(200)	(100)	—	—
SARs expired	—	(75,100)	—	(11,000)
Outstanding at December 31	1,984,538	339,205	1,780,349	308,287
Exercisable at December 31	1,434,638	274,205	1,035,799	303,287
Available for grant at December 31	3,988,630		3,724,600	

Options at December 31, 1989 and 1988 were exercisable at prices ranging from $12.00 to $67.50. All options were granted at an option price of not less than the fair market value of the Common Stock at the date of grant.

▲ Research and Development

Research and development cost included in cost of goods sold for 1989, 1988 and 1987 was $303.3 million, $304.8 million and $266.5 million, respectively.

▲ Pensions

The Company and its subsidiaries provide substantially all domestic and foreign employees with pension benefits. For 1989, all domestic and substantially all foreign plans were accounted for within the provisions of Statement of Financial Accounting Standards No. 87 (SFAS No. 87), "Employers' Accounting for Pensions". For 1988 and 1987, all domestic but only certain foreign plans were accounted for in accordance with SFAS No. 87.

The principal domestic hourly plan provides benefits based on length of service. The principal domestic plans covering salaried employees provide benefits based on career average earnings formulas. Employees making voluntary contributions to these plans receive higher benefits. Other plans provide benefits similar to the principal domestic plans as well as termination indemnity plans at certain foreign subsidiaries.

The Company's domestic funding policy complies with the requirements of Federal laws and regulations. Plan assets are invested primarily in common stocks, fixed income securities and real estate.

Net periodic pension cost (credit) from continuing operations follows:

(In millions)	1989	1988	1987
Service cost-benefits earned during the period	$ 49.2	$ 39.9	$ 37.0
Interest cost on projected benefit obligation	129.7	116.4	117.9
Actual return on assets	(194.8)	(157.9)	(32.1)
Net amortization and deferrals	113.3	53.3	(128.3)
Net periodic pension cost (credit)	$ 97.4	$ 51.7	$ (5.5)

In addition, during 1988 and 1987, pension expense for foreign locations not adopting the Standard was $8.1 million and $8.6 million, respectively.

▲ Pensions *(continued)*

The following table sets forth the funded status and amounts recognized in the Company's Consolidated Balance Sheet at December 31, 1989 and 1988. At the end of 1989 and 1988, assets exceeded accumulated benefits in certain plans and accumulated benefits exceeded assets in others. This table includes amounts for discontinued operations.

(In millions)	1989 Assets Exceed Accumulated Benefits	1989 Accumulated Benefits Exceed Assets	1988 Assets Exceed Accumulated Benefits	1988 Accumulated Benefits Exceed Assets
Actuarial present value of benefit obligations:				
Vested benefit obligation	$ (966.8)	$ (252.1)	$(127.1)	$ (924.9)
Accumulated benefit obligation	$(1,075.5)	$(277.0)	$(132.1)	$(1,038.6)
Projected benefit obligation	$(1,108.7)	$(386.0)	$(156.1)	$ (1,131.0)
Plan assets	1,148.1	118.6	156.6	864.9
Plan assets in excess of (or less than) projected benefit obligation	39.4	(267.4)	.5	(266.1)
Unrecognized net (gain) loss	(95.1)	36.6	20.1	3.3
Prior service cost not yet recognized in net periodic pension cost	78.1	94.2	7.9	170.7
Unrecognized net (asset) obligation at transition	(17.9)	26.7	(21.0)	11.3
Adjustment required to recognize minimum liability	—	(61.3)	—	(73.1)
Prepaid (accrued) and deferred pension cost recognized in the Consolidated Balance Sheet	$ 4.5	$ (171.2)	$ 7.5	$ (153.9)

Assumptions:

	U.S.-1989	*Foreign-1989*	*U.S.-1988*	*Foreign-1988*
Discount rate	9.0%	0% - 20.0%	9.0%	7.0% - 10.0%
Rate of increase in compensation levels	5.5%	0% - 18.0%	5.5%	3.5% - 6.2%
Expected long term rate of return on assets	9.0%	5.0% - 11.0%	9.0%	8.0% - 11.0%

The actuarially computed value of unfunded vested benefits at December 31, 1988, for foreign locations that had not adopted the Standard was $21.5 million.

In the fourth quarter of 1988, the Company completed a pension settlement and an asset reversion for the principal domestic salary plan in accordance with Statement of Financial Accounting Standards No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits". Further discussion is included in the note to the financial statements entitled Unusual Items.

▲ Employees' Savings Plans

Substantially all domestic employees are eligible to participate in savings plans. Under these plans employees elect to contribute a percentage of their pay. In 1989, most plans provided for the Company matching an employee's contributions (up to a maximum of 6 percent of the employee's annual pay or, if less, $7,627.00) at the rate of 50 percent. Company contributions were $25.5 million, $21.1 million and $9.7 million for 1989, 1988 and 1987, respectively.

Notes to Financial Statements

(Continued)

▲ Postretirement Health Care and Life Insurance Benefits

The Company and its subsidiaries provide substantially all domestic employees and employees at certain foreign subsidiaries with health care and life insurance benefits upon retirement. Substantial portions of health care benefits for domestic retirees are not insured and are paid by the Company. The life insurance benefits and certain health care benefits are provided by insurance companies through premiums based on expected benefits to be paid during the year. The Company recognizes the cost of these benefits by expensing the annual insurance premium and the amount of health care costs incurred by retirees during the year. The cost of providing these benefits for retirees for 1989, 1988 and 1987 was $93.9 million, $82.5 million and $72.8 million, respectively.

▲ Interest Expense

Interest expense includes interest and amortization of debt discount and expense less amounts capitalized as follows:

(In millions)	1989	1988	1987
Interest expense before capitalization	$390.3	$364.2	$387.0
Capitalized interest	118.9	126.2	104.5
	$271.4	$238.0	$282.5

The Company made cash payments for interest in 1989, 1988 and 1987 of $383.6 million, $351.2 million and $378.1 million, respectively.

▲ Income Taxes

The components of income from continuing operations before income taxes and extraordinary item follow:

(In millions)	1989	1988	1987
Domestic Operations	$ 168.2	$ 189.6	$ 571.0
Foreign Operations	302.7	347.9	301.4
	$470.9	$ 537.5	$872.4

The effective income tax rate information follows:

	1989	1988	1987
U.S. Federal statutory income tax rate	34.0%	34.0%	40.0%
Differences applicable to foreign operations:			
Additional tax on foreign source income	9.6	6.2	2.9
Tax benefit on prior foreign losses	—	(3.2)	(1.5)
Tax rate differences and other variations	7.9	2.3	(1.6)
Sale of South Africa subsidiary	4.8	—	—
	22.3	5.3	(.2)
Pension asset reversion	—	(6.6)	—
Excise tax on pension asset reversion	—	2.4	—
Other items	1.2	(1.4)	.5
Effective rate on income from continuing operations before income taxes, minority interest and extraordinary item	57.5	33.7	40.3
Discontinued operations	—	—	(6.8)
Extraordinary item—tax benefit of loss carryovers	(3.6)	—	—
Effective rate reflecting discontinued operations and extraordinary item	53.9%	33.7%	33.5%

Notes to Financial Statements
(Continued)

▲ Income Taxes *(continued)*

The components of the provision for income taxes by taxing jurisdiction follow:

(In millions)	1989	1988	1987
Currently payable:			
Federal	$ 26.2	$ 27.0	$ (2.4)
Foreign income and withholding taxes	190.9	194.2	162.8
State	8.8	23.5	(2.7)
	225.9	244.7	157.7
Deferred:			
Federal	23.7	(47.6)	162.8
Foreign	16.7	10.9	21.5
State	(2.2)	(20.6)	16.5
	38.2	(57.3)	200.8
Charge equivalent to the effects of foreign operating loss carryovers utilized	17.4	—	—
United States and foreign taxes on income	$ 281.5	$ 187.4	$ 358.5

Prepaid and deferred taxes relating to timing differences of revenues and expenses for tax and financial reporting purposes follow:

(In millions)	1989	1988	1987
Depreciation	$ 59.4	$ 78.0	$ 82.4
Plant closures	14.2	4.5	1.3
Capitalized interest	18.9	39.3	45.6
Realignment/restructuring costs	(2.9)	4.6	10.7
Pensions	(24.2)	(168.5)	(9.1)
Sale of facilities	—	—	62.0
Sale of foreign currency contracts	(30.8)	—	—
Other items	3.6	(15.2)	7.9
	$ 38.2	$(57.3)	$200.8

The Company made cash payments for income taxes in 1989, 1988 and 1987 of $333.6 million, $214.5 million and $174.1 million, respectively.

No provision for Federal income tax or foreign withholding tax on retained earnings of foreign subsidiaries of $1,242.6 million is required because this amount has been reinvested in properties and plants and working capital.

The Financial Accounting Standards Board has again extended the required implementation date of Statement of Financial Accounting Standards No. 96 "Accounting for Income Taxes". The Company does not intend to adopt this Statement until the required implementation date, currently 1992. Because of continued uncertainty relating to implementation guidelines and interpretations, the Company is not certain as to the impact this Statement will have on future financial statements.

A Business Segments

The Company changed its industry segments during 1989 to realign external reporting to the internal structure of the worldwide Tire Division, worldwide General Products Division and Celeron subsidiaries. The Tires and related transportation products segment has been renamed Tires and related. The Industrial rubber, chemical and plastic products segment has been renamed General products. Certain rubber and plastic automotive products formerly reported in the Tires and related transportation products segment now are included in the General products segment. Industry segment information has been restated for 1988 and 1987.

Tires and related is the principal industry segment, which involves the development, manufacture, distribution and sale of Tires and related products. These products include tires, tubes, retreads, automotive repair services and merchandise purchased for resale.

The General products segment includes various kinds of belts, hose, molded products, foam cushioning accessories, tank tracks, organic chemicals used in rubber and plastic processing, synthetic rubber and rubber latices, polyester resins, films, vinyl products, roofing membrane and graphic products.

The Oil transportation segment consists primarily of the All American Pipeline System, a common carrier crude oil pipeline extending from California to Texas. This segment, which also includes a crude oil gathering pipeline in California, crude oil storage facilities, linefill and related assets, also engages in various crude oil gathering and trading activities. Segment sales consist of tariffs charged by the All American Pipeline System and revenues, net of acquisition costs, resulting from various crude oil gathering and trading activities. Acquisition costs associated with the gathering and trading activities amounted to $705.2 million in 1989 and $389.7 million in 1988. On October 1, 1989, the Company began recognizing depreciation and other net operating expenses of the All American Pipeline System. These charges, as well as interest associated with the System, had previously been capitalized.

Operating income for each industry segment consists of total revenues less applicable costs and expenses. Transfers between industry segments were insignificant.

Operating income for each geographic region consists of total revenues less applicable costs and expenses. Inter-geographic sales were at cost plus a negotiated mark up. Net income from foreign operations (including export sales) was $109.0 million, $195.9 million and $177.2 million for 1989, 1988 and 1987, respectively. Dividends received by the Company and domestic subsidiaries from its foreign operations for 1989, 1988 and 1987 were $195.5 million, $162.5 million and $123.1 million, respectively. Net foreign assets were $1,491.0 million at December 31, 1989 ($1,497.1 million at December 31, 1988) after deducting minority shareholders' equity.

A Business Segments *(continued)*

Portions of the unusual items described in the Unusual Items note were charged against operating income of both the industry and geographic segments as follows:

Industry Segments

(In millions)	Tires and related	General products	Oil transportation	Total
1989				
Sale of facilities	$33.4	$9.6	$ —	$ 43.0
Sale of assets	—	—	48.3	48.3
Realignment	18.4	—	—	18.4
	$ 51.8	$9.6	$48.3	$109.7
1988				
Employee reductions	$ 25.1	$2.8	$ —	$ 27.9

Geographic Segments

(In millions)	United States	Canada	Asia/ Africa	Total
1989				
Sale of facilities	$ —	$ —	$43.0	$ 43.0
Sale of assets	48.3	—	—	48.3
Realignment	10.5	7.9	—	18.4
	$58.8	$7.9	$43.0	$109.7
1988				
Employee reductions	$27.2	$ .7	$ —	$ 27.9

The following items have been excluded from the determination of operating income: interest expense, foreign currency exchange, equity in net income of affiliated companies, minority interest in net income of subsidiaries, corporate revenues and expenses, income taxes, discontinued operations, and unusual items other than the charges mentioned above.

Corporate revenues and expenses were those items not identifiable with the operations of a segment. Corporate revenues were primarily from certain royalty and technical agreements. Corporate expenses were primarily central administrative expenses.

Assets of industry and geographic segments represent those assets that were identified with the operations of each segment. Corporate assets consist of cash and cash equivalents, short term securities, prepaid expenses and other current assets, deferred charges and other miscellaneous assets.

Notes to Financial Statements

(Continued)

A Industry Segments

(In millions)	1989	1988	1987
Sales to Unaffiliated Customers			
Tires	$ 7,880.7	$ 7,985.4	$ 7,360.4
Related products and services	968.3	911.8	910.7
Tires and related	8,849.0	8,897.2	8,271.1
General products	2,008.5	1,905.3	1,617.1
Oil transportation	11.8	7.9	17.0
Net sales	$10,869.3	$10,810.4	$9,905.2
Income			
Tires and related	$ 722.6	$ 736.4	$ 877.4
General products	260.5	260.5	198.6
Oil transportation	(96.8)	6.1	1.3
Total operating income	926.3	1,003.0	1,077.3
Interest expense	(271.4)	(238.0)	(282.5)
Foreign currency exchange	(75.7)	(85.3)	(38.9)
Equity in net income of affiliated companies	10.9	8.6	11.9
Minority interest in net income	(18.6)	(19.2)	(16.8)
Corporate revenues and expenses	(100.6)	(131.6)	121.4
Income from continuing operations before income taxes and extraordinary item	$ 470.9	$ 537.5	$ 872.4
Assets			
Tires and related	$ 5,206.7	$ 5,351.4	$ 5,242.9
General products	857.5	830.6	726.9
Oil transportation	1,556.0	1,492.3	1,320.4
Total identifiable assets	7,620.2	7,674.3	7,290.2
Corporate assets	714.2	821.7	998.1
Investments in affiliated companies, at equity	125.9	122.3	107.6
Assets at December 31	$ 8,460.3	$ 8,618.3	$8,395.9
Capital Expenditures			
Tires and related	$ 576.2	$ 478.9	$ 385.4
General products	68.3	103.2	96.7
Oil transportation	131.2	161.6	183.5
For the year	$ 775.7	$ 743.7	$ 665.6
Depreciation			
Tires and related	$ 331.8	$ 310.9	$ 303.7
General products	41.1	45.4	44.2
Oil transportation	10.6	.8	2.0
For the year	$ 383.5	$ 357.1	$ 349.9

Notes to Financial Statements

(Continued)

▲ Geographic Segments

(In millions)	1989	1988	1987
Sales to Unaffiliated Customers			
United States	$ 6,421.3	$6,360.7	$5,908.0
Canada	601.8	556.1	471.5
Europe	2,039.0	2,064.2	1,901.3
Latin America	1,180.6	1,153.2	1,002.9
Asia/Africa	626.6	676.2	621.5
Net sales	$10,869.3	$10,810.4	$9,905.2
Inter-Geographic Sales			
United States	$ 84.5	$ 122.8	$ 236.4
Canada	145.1	88.5	58.8
Europe	89.3	78.6	95.5
Latin America	69.3	65.6	51.1
Asia/Africa	52.7	50.9	28.7
Total	$ 440.9	$ 406.4	$ 470.5
Revenue			
United States	$ 6,905.8	$ 6,483.5	$6,144.4
Canada	746.9	644.6	530.3
Europe	2,128.3	2,142.8	1,996.8
Latin America	1,249.9	1,218.8	1,054.0
Asia/Africa	679.3	727.1	650.2
Adjustments and eliminations	(440.9)	(406.4)	(470.5)
Total	$10,869.3	$10,810.4	$9,905.2
Operating Income			
United States	$ 490.7	$ 439.4	$ 617.2
Canada	9.8	27.3	23.0
Europe	131.7	184.4	189.6
Latin America	244.8	262.3	174.7
Asia/Africa	48.6	88.9	71.6
Adjustments and eliminations	.7	.7	1.2
Total	$ 926.3	$ 1,003.0	$ 1,077.3
Assets			
United States	$ 5,187.1	$ 5,442.2	$5,398.3
Canada	527.6	386.1	286.1
Europe	1,452.8	1,403.3	1,429.0
Latin America	815.5	876.0	788.6
Asia/Africa	365.8	400.0	399.2
Adjustments and eliminations	(14.4)	(13.6)	(12.9)
Total identifiable assets	8,334.4	8,496.0	8,288.3
Investments in affiliated companies, at equity	125.9	122.3	107.6
Assets at December 31	$ 8,460.3	$ 8,618.3	$8,395.9

Notes to Financial Statements

(Continued)

▲ Goodyear Financial Corporation

Goodyear Financial Corporation (GFC), a wholly-owned subsidiary, purchases certain receivables from Goodyear and domestic subsidiaries.

A summary of the results of operations and financial position of GFC as included in the Company's consolidated financial statements is presented below.

(In millions)	1989	1988	1987
Pretax income	$ 50.8	$ 70.5	$ 16.7
Income tax provision	17.3	24.0	6.6
Net income	$ 33.5	$ 46.5	$ 10.1
Total assets	$ 211.0	$469.4	
Total liabilities (includes debt of $20.0 million in 1988)	$ 1.4	$ 43.3	
Total equity	$209.6	$ 426.1	

▲ Discontinued Operations

On July 24, 1987, the Company sold approximately 6½ percent of its oil and gas reserves to a subsidiary of International Paper for $70.0 million. On December 4, 1987, the Company sold substantially all of its remaining oil and gas reserves in the sale of all of the shares of Celeron Oil and Gas Company to an Exxon subsidiary for $615.0 million.

On March 13, 1987, the Company sold substantially all of the assets of Goodyear Aerospace Corporation and certain related assets to Loral Corporation for $588.0 million. On April 1, 1987, the Company sold the capital stock of Motor Wheel Canada and certain other assets to MWC, Inc.

The transactions have been accounted for as sales of discontinued operations and accordingly, the accompanying financial information has been restated where required.

Operating results and the gain on sale of discontinued operations follow:

(In millions, except per share)	1987
Net Sales	$218.0
Loss before income taxes	$ (7.8)
United States and foreign taxes on income	(6.2)
Loss from discontinued operations	(1.6)
Gain on sale of discontinued operations (net of income taxes of $46.3 million)	258.6
Discontinued operations	$257.0
Per Share of Common Stock:	
Loss from discontinued operations	$ (.03)
Gain on sale of discontinued operations	4.27
Discontinued operations	$ 4.24

Notes to Financial Statements

(Continued)

▲ Commitments and Contingent Liabilities

At December 31, 1989, the Company had binding commitments for investments in land, buildings and equipment of approximately $250.0 million.

Various legal actions, claims and governmental investigations and proceedings covering a wide range of matters are pending against the Company and its subsidiaries. In the opinion of management, after reviewing such matters and consulting with the Company's General Counsel, any liability which may ultimately be incurred would not materially affect the consolidated financial position of the Company, although an adverse final determination in certain instances could materially affect the Company's consolidated net income for the period in which such determination occurs.

▲ Tender Offer

In February 1987, the Company purchased 40,435,764 of its shares at $50 net per share in cash pursuant to a tender offer announced in November 1986. The offer was made and completed as a part of the Company's comprehensive program for the restructuring of its capitalization and business operations. The aggregate purchase price of the shares and related expenses was $2,024.8 million.

▲ Preferred Stock Purchase Rights Plan

In 1986, the Company authorized 3,000,000 shares of Series A $10.00 Preferred Stock ("Series A Preferred") issuable only upon the exercise of rights ("Rights") issued under the Preferred Stock Purchase Rights Plan adopted in July 1986. Each share of Series A Preferred issued would be non-redeemable, non-voting and entitled to cumulative quarterly dividends equal to the greater of $10.00 or, subject to adjustment, 100 times the per share amount of dividends declared on Goodyear common stock during the preceding quarter, and would also be entitled to a liquidation preference.

Under the Rights Plan, each shareholder of record on July 28, 1986 received a dividend of one Right per share of Goodyear common stock. When exercisable, each Right entitles the holder to buy one one-hundredth of a share of Series A Preferred at an exercise price of $100. The Rights will be exercisable only after 10 days following the earlier of a public announcement that a person or group has acquired 20 percent or more of Goodyear common stock or the commencement of a tender offer for 20 percent or more of Goodyear common stock by a person or group. The Rights are non-voting and may be redeemed by the Company at $.05 per Right under certain circumstances. If not redeemed or exercised, the Rights will expire on July 28, 1996. If a person or group accumulates 35 percent or more of Goodyear common stock, or a merger takes place with an acquiring person or group and the Company is the surviving corporation, or an acquiring person or group engages in certain self-dealing transactions, each Right (except those held by such acquiring person or group) will entitle the holder to purchase Goodyear common stock having a market value then equal to two times the exercise price. If the Company is acquired or a sale or transfer of 50 percent or more of the Company's assets or earning power is made, each right (except those held by the acquiring person or group) will entitle the holder to purchase common stock of the acquiring entity having a market value then equal to two times the exercise price.

Supplementary Data *(unaudited)*

The Goodyear Tire & Rubber Company and Subsidiaries

▲ Quarterly Data and Market Price Information

(In millions, except per share)

1989	Quarter First	Second	Third	Fourth	Year
Net Sales	$2,642.9	$2,811.0	$2,679.1	$2,736.3	$10,869.3
Gross Profit	640.2	715.2	652.4	626.8	2,634.6
Income before Extraordinary Item	90.1	22.2	66.1	11.0	189.4
Extraordinary Item	4.4	4.9	4.4	3.7	17.4
Net Income	$ 94.5	$ 27.1	$ 70.5	$ 14.7	$ 206.8
Average Shares Outstanding	57.6	57.7	57.8	57.9	57.7
Per Share of Common Stock:					
Income before extraordinary item	$ 1.56	$ .39	$ 1.14	$ .19	$ 3.28
Extraordinary item	.08	.08	.08	.06	.30
Net Income	$ 1.64	$ .47	$ 1.22	$ .25	$ 3.58
Price Range*					
High	$ 53-1/4	$ 57-3/4	$ 59-3/4	$ 54-3/4	$ 59-3/4
Low	45	45-5/8	51-3/8	42-1/8	42-1/8
Dividends Paid	.45	.45	.45	.45	1.80

The Consolidated Statement of Income for the first three quarters of 1989 has been restated to reflect the extraordinary item—tax benefit of loss carryovers.

The second quarter included after tax unusual expenses of $43.0 million ($.75 per share) due to the sale of unused pipe. Also in the second quarter the Company recorded an after tax loss of $52.0 million ($.90 per share) in connection with the sale of its South Africa subsidiary.

The fourth quarter included after tax charges of $10.9 million ($.19 per share) for the reduction of bias-ply truck tire capacity at the Gadsden, Alabama plant and from the realignment of the Canadian operations. The inclusion of depreciation, other net operating expenses and interest expense of the All American Pipeline System in the fourth quarter reduced net income by $26.4 million.

1988	Quarter First	Second	Third	Fourth	Year
Net Sales	$2,534.7	$2,792.5	$2,656.0	$2,827.2	$10,810.4
Gross Profit	632.5	681.3	592.7	612.9	2,519.4
Net Income	$ 95.3	$ 134.9	$ 63.5	$ 56.4	$ 350.1
Average Shares Outstanding	57.2	57.3	57.3	57.4	57.3
Net Income Per Share	$ 1.67	$ 2.35	$ 1.11	$ .98	$ 6.11
Price Range*					
High	$ 67-1/2	$ 67-7/8	$ 65	$ 57-7/8	$ 67-7/8
Low	54-1/8	58-1/4	56-1/4	47	47
Dividends Paid	.40	.40	.45	.45	1.70

The fourth quarter included after tax unusual expenses of $17.1 million ($.30 per share) due to the consolidation of tasks and the elimination of duplicate job responsibilities. Also in the fourth quarter the Company completed a settlement of its principal domestic salary pension plan and an asset reversion recording an after tax charge of $9.7 million ($.17 per share).

*New York Stock Exchange—Composite Transactions

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE. None.

PART III.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information required by Item 401 of Regulation S-K in respect of directors of Registrant is, pursuant to General Instruction G(3) to Form 10-K, incorporated herein by specific reference to the text set forth under the caption "Election of Directors" at pages 8 through 22, inclusive, of Registrant's Proxy Statement, dated February 26, 1990, for its Annual Meeting of Shareholders to be held on April 9, 1990 (the "Proxy Statement"). For information regarding the executive officers of Registrant, reference is made to Part I, Item 4(A), at pages 20 through 24, inclusive, of this Annual Report.

ITEM 11. EXECUTIVE COMPENSATION.

Information required by Item 402 of Regulation S-K in respect of management of Registrant is, pursuant to General Instruction G(3) to Form 10-K, incorporated herein by specific reference to the text set forth in the Proxy Statement under the caption "Compensation of Executive Officers" at pages 37 through 64, inclusive, thereof.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information required by Item 403 of Regulation S-K relating to the ownership of Registrant's Common Stock by certain beneficial owners and management is, pursuant to General Instruction G(3) to Form 10-K, incorporated herein by specific reference to the text set forth in the Proxy Statement under the caption "Beneficial Ownership of Common Stock" at pages 35 through 37, inclusive, thereof.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information required by Item 404 of Regulation S-K relating to certain transactions by and relationships of management is, pursuant to General Instruction G(3) to Form 10-K, incorporated herein by specific reference to the text set forth in the Proxy Statement under the caption "Compensation of Executive Officers" at pages 37 through 64, inclusive, thereof.

PART IV.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

A. LIST OF DOCUMENTS FILED AS PART OF THIS REPORT:

1. **Financial Statements:** See Index on page 31 of this Annual Report.
2. **Financial Statement Schedules:** See Index To Financial Statement Schedules attached to this Annual Report at page FS-1, which Financial Statement Schedules, at pages FS-2 through FS-5, inclusive, are by specific reference hereby incorporated into and made a part of this Annual Report.
3. **Exhibits required to be filed by Item 601 of Regulation S-K:** See the Index of Exhibits at pages X-1 through X-5, inclusive, which is by specific reference hereby incorporated into and made a part of this Annual Report.

B. REPORTS ON FORM 8-K:

No Current Reports on Form 8-K were filed by the Registrant with the Securities and Exchange Commission during the quarter ended December 31, 1989. A Current Report on Form 8-K dated March 22, 1990, wherein certain information was reported at Item 5 ("Other Events") and attached to which were certain exhibits, was filed by Registrant. No financial statements were included in or filed with said Current Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE GOODYEAR TIRE & RUBBER COMPANY
(Registrant)

Date: March 27, 1990

By ____________________
Tom H. Barrett, Chairman of the Board, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: March 27, 1990

____
Tom H. Barrett, Chairman of the Board, President and Chief Executive Officer and Director
(Principal Executive Officer)

Date: March 27, 1990

____
Oren G. Shaffer, Executive Vice President and Director (Principal Financial Officer)

Date: March 27, 1990

____
Ludwig H. Seidenthal, Vice President and Comptroller (Principal Accounting Officer)

Date: March 27, 1990

THOMAS H. CRUIKSHANK, *Director*
STANLEY C. GAULT, *Director*
GERTRUDE G. MICHELSON, *Director*
STEVEN A. MINTER, *Director*
CHARLES W. PARRY, *Director*
ROBERT H. PLATT, *Director*
F. VINCENT PRUS, *Director*
AGNAR PYTTE, *Director*
JACQUES R. SARDAS, *Director*
LLOYD B. SMITH, *Director*
WILLIAM C. TURNER, *Director*
HOYT M. WELLS, *Director*

By ____________________
Oren G. Shaffer,
Signing as Attorney-in-Fact for the directors whose names appear opposite.

A Power of Attorney, dated February 13, 1990, authorizing Oren G. Shaffer to sign this Annual Report on Form 10-K for the fiscal year ended December 31, 1989 on behalf of certain of the directors of the Registrant is filed as Exhibit D to this Annual Report.

THE GOODYEAR TIRE & RUBBER COMPANY

FINANCIAL STATEMENT SCHEDULES
ITEMS 8 AND 14(a)(2) OF FORM 10-K
FOR CORPORATIONS
SECURITIES AND EXCHANGE COMMISSION

ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1989

INDEX TO FINANCIAL STATEMENT SCHEDULES

Financial Statement Schedules:

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Financial statements and schedules relating to 50 percent or less owned companies, the investments in which are accounted for by the equity method, have been omitted as permitted because, considered in the aggregate as a single subsidiary, these companies would not constitute a significant subsidiary.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

SCHEDULE V — PROPERTIES, PLANTS AND EQUIPMENT

Year Ended December 31,

(In Millions)	1989				
Classification	Balance at beginning of period	Additions at cost(e)	Retirements(a)	Translation adjustment during period	Balance at end of period
Land and improvements	$ 293.5	$ 8.7 (d)	$ (9.3)	$ (3.7)	$ 289.2
Buildings	1,111.0	43.2 (d)	(40.1)	(5.6)	1,108.5
Machinery and equipment	4,514.2	435.5 (d)	(226.8)	(9.4)	4,713.5
Pipeline Systems	22.2	1,470.2 (f)	(118.8)	—	1,373.6
Construction in progress	1,740.8	(1,176.0)(b)(f)	.7 (c)	(1.3)	565.2
	$7,681.7	$ 782.6	$(394.3)	$ (20.0)	$8,060.0
	1988				
Land and improvements	$ 277.8	$ 20.6	$ (2.1)	$ (2.8)	$ 293.5
Buildings	1,072.5	65.2	(18.0)	(8.7)	1,111.0
Machinery and equipment	4,383.7	416.8 (d)	(199.7)	(86.6)	4,514.2
Pipeline Systems	14.3	7.9	—	—	22.2
Construction in progress	1,509.7	236.1 (b)	(2.3)(c)	(2.7)	1,740.8
	$7,258.0	$ 746.6	$(222.1)	$(100.8)	$7,681.7
	1987				
Land and improvements	$ 265.7	$ 8.0	$ (6.5)	$ 10.6	$ 277.8
Buildings	1,042.2	37.7	(48.4)	41.0	1,072.5
Machinery and equipment	4,221.8	392.8	(389.2)	158.3	4,383.7
Pipeline Systems	—	14.3	—	—	14.3
Oil and gas exploration and development properties	762.1	92.2	(854.3)	—	—
Construction in progress	1,290.4	212.8 (b)	(2.6)(c)	9.1	1,509.7
	$7,582.2	$ 757.8	$(1,301.0)	$ 219.0	$7,258.0

Notes: (a) Includes transfers, and for 1987 consists primarily of properties, plant and equipment of discontinued operations.

(b) Net change for the year.

(c) Includes reclassification.

(d) Includes additions with related reserve for depreciation of $6.9 million and $2.9 million for the years ended December 31, 1989 and 1988, respectively.

(e) Includes additions at cost for discontinued operations of $92.2 million for the year ended December 31, 1987.

(f) Effective October 1, 1989, the All American Pipeline System was transferred from Construction in progress to Pipeline Systems and depreciation commenced.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

SCHEDULE VI — ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTIES, PLANTS AND EQUIPMENT

Year Ended December 31,

(In Millions)		Additions				
Classification	Balance at beginning of period	Charged to cost and expenses(b)	Reserve acquired by purchase	Retirements(a)	Translation adjustment during period	Balance at end of period
1989						
Land improvements	$ 79.9	$ 5.9	$ —	$ (2.4)	$ (.5)	$ 82.9
Buildings	523.1	43.7	.1	(33.5)	(1.8)	531.6
Machinery and equipment	2,650.6	323.6	.7	(170.4)	4.7	2,809.2
Pipeline Systems	.7	10.3	—	—	—	11.0
	$3,254.3	$383.5	$ .8	$(206.3)	$ 2.4	$3,434.7
1988						
Land improvements	$ 75.9	$ 5.5	$ —	$ (.2)	$ (1.3)	$ 79.9
Buildings	506.3	37.9	—	(16.4)	(4.7)	523.1
Machinery and equipment	2,547.3	313.2	.8	(162.6)	(48.1)	2,650.6
Pipeline Systems	.2	.5	—	—	—	.7
	$3,129.7	$357.1	$ .8	$(179.2)	$(54.1)	$3,254.3
1987						
Land improvements	$ 68.1	$ 6.0	—	$ (1.5)	$ 3.3	$ 75.9
Buildings	471.4	41.3	—	(25.8)	19.4	506.3
Machinery and equipment	2,383.9	302.4	—	(240.7)	101.7	2,547.3
Pipeline Systems	—	.2	—	—	—	.2
Oil and gas exploration and development properties	75.4	32.5	—	(107.9)	—	—
	$2,998.8	$382.4	—	$(375.9)	$124.4	$3,129.7

Notes: (a) Includes transfers, and for 1987 consists primarily of properties, plant and equipment of discontinued operations.

(b) Includes additions charged to cost and expenses for discontinued operations of $32.5 million for the year ended December 31, 1987.

It is impractical to state the economic useful lives used in arriving at the annual amounts of depreciation provided because of the large number of property classifications and the wide range of depreciation rates.

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THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

SCHEDULE VIII — VALUATION AND QUALIFYING ACCOUNTS

Year Ended December 31,

(In Millions)	Balance at beginning of period	Additions charged (credited) to income	Deductions from reserves(a)	Translation adjustment during period	Balance at end of period
1989					
Description					
Deducted from accounts and notes receivable:					
For doubtful accounts	$35.6	$17.9	$(14.0)	$ (.9)	$38.6
1988					
Deducted from accounts and notes receivable:					
For doubtful accounts	$42.8	$ 7.8	$(13.1)	$ (1.9)	$35.6
1987					
Deducted from accounts and notes receivable:					
For doubtful accounts	$36.8	$15.2	$(11.9)	$ 2.7	$42.8

Note: (a) Accounts and notes receivable charged off.

THE GOODYEAR TIRE & RUBBER COMPANY AND SUBSIDIARIES

SCHEDULE IX — SHORT-TERM BORROWINGS

SCHEDULE X — SUPPLEMENTARY INCOME STATEMENT INFORMATION

SCHEDULE IX

(In millions)

Year	Balance at December 31	Weighted average interest rate at December 31	Maximum amount outstanding during the year	Average amount outstanding during the year	Weighted average interest rate during the year
1989	$316.0	10.1%	$844.2	$620.1	10.5%
1988	354.2	10.7	590.7	382.3	9.5
1987	244.0	10.9	376.0	294.2	9.9

Notes:

The balance at each year-end consisted solely of bank loans and overdrafts. Short-term borrowings during the years covered by this schedule consisted primarily of commercial paper, bank loans and overdrafts.

Refer to the Note to the Financial Statements in Item 8 of this Annual Report captioned "Credit Arrangements", beginning at page 39, for additional discussion of short-term borrowings.

The average amount of short-term borrowings outstanding during the year represents an average of month-end balances. The weighted average interest rate during the year was based on a weighting of interest rates associated with these balances.

SCHEDULE X

(In millions)

	Year Ended December 31,		
	1989	1988	1987
Maintenance and repairs	$607.1	$618.8	$581.9
Taxes, other than payroll and income taxes	291.0	337.8	269.8
Advertising	248.0	241.7	209.2

THE GOODYEAR TIRE & RUBBER COMPANY

Annual Report on Form 10-K For Year Ended December 31, 1989

INDEX OF EXHIBITS(1)

Exhibit Table Item No. (2)	Description of Exhibit	Exhibit Letter	Page/ Sequentially Numbered Page
3	**Articles of Incorporation and By-Laws**		
	(a) Certificate of Amended Articles of Incorporation of The Goodyear Tire & Rubber Company, dated December 20, 1954, as further amended by the Certificate of Amendment to Amended Articles of Incorporation of The Goodyear Tire & Rubber Company, dated June 10, 1983, and by the Certificate of Amendment to Amended Articles of Incorporation of The Goodyear Tire & Rubber Company, dated July 2, 1986 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1986, File No. 1-1927).		
	(b) Code of Regulations of The Goodyear Tire & Rubber Company, adopted November 22, 1955, and amended April 5, 1965, April 7, 1980, April 6, 1981 and April 13, 1987 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1987, File No. 1-1927).		
4	**Instruments defining the rights of security holders, including indentures.**		
	(a) Conformed copy of Rights Agreement, dated as of July 2, 1986, between Registrant and Manufacturers Hanover Trust Company, Rights Agent (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit 4(a) to Registrant's Current Report on Form 8-K, dated July 2, 1986, and as Exhibit 2(a) to Registrant's Registration Statement on Form 8-A, dated July 3, 1986, File No. 1-1927) and a copy of the Appointment of Successor Rights Agent, dated March 21, 1990, whereunder Registrant appointed First Chicago Trust Company of New York as the Successor Rights Agent under the Rights Agreement (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Current Report on Form 8-K, dated March 22, 1990, File No. 1-1927).		

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(1) See Part IV, Item 14, Part A.1.

(2) Pursuant to Item 601 of Regulation S-K.

Exhibit Table Item No. (2)	Description of Exhibit	Exhibit Letter	Page/ Sequentially Numbered Page
	(b) Specimen nondenominational Certificate for shares of the Common Stock, Without Par Value, of the Registrant; one certificate, First Chicago Trust Company of New York as transfer agent and registrar (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit 4.2(C) to Registrant's Third Post-Effective Amendment to Registration Statement on Form S-8, File No. 33-8111).		
	Information concerning Goodyear's long-term debt is set forth under the caption "Credit Arrangements" and the sub-caption "Long Term Debt and Capital Leases" in the Notes to Financial Statements at Item 8 of this Annual Report, beginning at page 39 and is incorporated herein by specific reference. No instrument defining the rights of holders of long-term debt relates to securities having an aggregate principal amount in excess of 10% of the consolidated assets of Registrant and its subsidiaries. In accordance with paragraph (iii) to Part 4 of Item 601 of Regulation S-K, the instruments defining the rights of holders of such long term debt of Registrant are not filed herewith. The Registrant hereby agrees to furnish a copy of any such agreement or instrument to the Securities and Exchange Commission upon request.		
10	**Material Contracts**		
	(a) Conformed copy of Stock Purchase Agreement, dated as of December 1, 1987, among Exxon Corporation, Registrant and Goodyear Energy, Inc. (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Current Report on Form 8-K, dated December 17, 1987, File No. 1-1927).		
	(b) Conformed copy of Amendment to Stock Purchase Agreement, dated as of December 3, 1987, among Exxon Corporation, Registrant and Goodyear Energy, Inc. (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A-II to Registrant's Current Report on Form 8-K, dated December 17, 1987, File No. 1-1927).		
	(c) Conformed copy of Amended and Restated Agreement for Purchase and Sale of Assets, dated as of January 12, 1986, among Registrant, Goodyear Aerospace Corporation and Loral Corporation (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Current Report on Form 8-K, dated March 20, 1987, File No. 1-1927).		

(2) Pursuant to Item 601 of Regulation S-K.

Exhibit Table Item No. (2)	Description of Exhibit	Exhibit Letter	Page/ Sequentially Numbered Page
	(d) Conformed copy of letter of agreement, dated March 13, 1987, among Registrant, Goodyear Aerospace Corporation and Loral Corporation (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A-II to Registrant's Current Report on Form 8-K, dated March 20, 1987, File No. 1-1927).		
	(e) Key Personnel Incentive Profit Sharing Plan of Registrant, as amended effective January 1, 1989 and declared effective for calendar year 1989 by action of the Registrant's Board of Directors on November 1, 1988 (incorporated by reference, filed as Exhibit A to Registrant's Annual Report on Form 10-K for year ended December 31, 1988, File No. 1-1927).		
	(f) Key Personnel Incentive Profit Sharing Plan of Registrant, as amended effective January 1, 1990 and declared effective for calendar year 1990 by action of the Registrant's Board of Directors on December 5, 1989 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit B to Registrant's Current Report on Form 8-K, dated March 22, 1990, File No. 1-1927).		
	(g) 1972 Employees' Stock Option Plan of Registrant, as amended effective April 3, 1978 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit 1 to Registrant's Fifth Post-Effective Amendment to its Registration Statement on Form S-8, File No. 2-47905).		
	(h) 1982 Employees' Stock Option Plan of Registrant, as amended effective April 7, 1986 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A-II to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985, File No. 1-1927).		
	(i) 1987 Employees' Stock Option Plan of Registrant, as adopted by the Board of Directors of Registrant on February 10, 1987, and approved by Registrant's shareholders on April 13, 1987 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit B to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1987, File No. 1-1927).		
	(j) 1989 Goodyear Performance and Equity Incentive Plan of Registrant, as adopted by the Board of Directors of Registrant on December 6, 1988, and approved by the shareholders of Registrant on April 10, 1989 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1989, File No. 1-1927).		

(2) Pursuant to Item 601 of Regulation S-K.

Exhibit Table Item No. (2)	Description of Exhibit	Exhibit Letter	Page/ Sequentially Numbered Page

(k) Goodyear Supplementary Pension Plan, as amended June 7, 1988 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit B to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1988, File No. 1-1927).

(l) Goodyear Supplemental Pension Plan dated June 7, 1988 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit C to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1988, File No. 2-1927).

(m) The Goodyear Tire & Rubber Company Retirement Plan for Outside Directors, adopted December 6, 1983, as amended November 13, 1986 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit F to Registrant's Current Report on Form 8-K, dated March 20, 1987, File No. 1-1927).

(n) Goodyear Employee Severance Plan, as adopted by the Board of Directors of Registrant on February 14, 1989 (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A-II to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988).

(o) Conformed copy of Trade Receivables Purchase and Sale Agreement, dated as of March 28, 1986, among Registrant, Corporate Assets Funding Company, Inc, Citibank, N.A. and Citicorp Industrial Credit, Inc. and the related Trade Receivables Purchase and Sale Agreement, dated as of March 28, 1986, among Registrant, Citibank, N.A. and Citicorp Industrial Credit Inc. (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1986, File No. 1-1927).

(p) Conformed copy of Amendment Agreement, dated as of December 11, 1989, to the Restated and Amended Receivables Purchase and Sale Agreement, dated as of June 12, 1987, as amended by that certain Amendment Agreement dated as of December 23, 1987, among Registrant, Corporate Assets Funding Company, Inc. and Citicorp North America, Inc. (incorporated by reference filed with the Securities and Exchange Commission as Exhibit C to Registrant's Current Report on Form 8-K, dated March 22, 1990, File No. 1-1927).

(2) Pursuant to Item 601 of Regulation S-K.

Exhibit Table Item No. (2)	Description of Exhibit	Exhibit Letter	Page/ Sequentially Numbered Page
	(q) Conformed copy of Receivables Sale Agreement, dated as of December 12, 1989, among Registrant, Asset Securitization Cooperative Corporation and Canadian Imperial Bank of Commerce (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit D to Registrant's Current Report on Form 8-K, dated March 22, 1990, File No. 1-1927).		
	(r) Agreement, dated November 20, 1986, among Registrant, General Oriental (Bermuda I) Limited Partnership and General Oriental (Delaware I) Limited Partnership (incorporated by reference, filed with the Securities and Exchange Commission as Exhibit A to Registrant's Current Report on Form 8-K, dated December 8, 1986, File No. 1-1927).		
11	**Statement re Computation of Per Share Earnings**		
	(a) Computation of Earnings Per Share	A	X-A-1 67
22	**Subsidiaries**		
	(a) List of subsidiaries of Registrant at March 20, 1990.	B	X-B-1 68
24	**Consents of Experts and Counsel**		
	(a) Consent of Price Waterhouse, independent accountants, to incorporation by reference of their report set forth on page 31 of this Annual Report in certain Registration Statements on Forms S-3 and S-8.	C	X-C-1 70
25	**Power of Attorney**		
	(a) Power of Attorney, dated February 13, 1990, authorizing Oren G. Shaffer, John M. Ross, George R. Hargreaves, Jr., James Boyazis, or any one or more of them, to sign this Annual Report on behalf of certain directors of Registrant.	D	X-D-1 71
28	**Additional Exhibits**		
	(a) Registrant's definitive Proxy Statement dated February 26, 1990 (portions incorporated by reference, filed with the Securities and Exchange Commission, File No. 1-1927).		

(2) Pursuant to Item 601 of Regulation S-K.

EXHIBIT A

COMPUTATION OF EARNINGS PER SHARE

Set forth below are computations, on a primary basis and on a fully diluted basis in accordance with subparagraph (b)(11) of Item 601 of Regulation S-K of the Securities and Exchange Commission, of earnings per share of the Common Stock, without par value, of Registrant for each of the three years ended December 31, 1989, 1988 and 1987, respectively:

(Dollars in millions, except per share)	1989	1988	1987
Primary:			
Net Income	$206.8	$350.1	$770.9
Average number of common shares outstanding	57,727,577	57,322,165	60,564,981
Primary earnings per share	$ 3.58	$ 6.11	$12.73
Fully Diluted:			
Net Income	$206.8	$350.1	$770.9
Add after-tax interest expense applicable to 6.875% Convertible Debentures due 2003	6.5	3.1	—
Adjusted Net Income	$213.3	$353.2	$770.9
Adjusted average number of shares outstanding	59,712,967	58,419,415	60,817,968
Fully diluted earnings per share	$ 3.57	$ 6.05	$12.68

The foregoing computations do not reflect any significant potentially dilutive effect Registrant's Preferred Stock Purchase Rights Plan could have in the event such Rights become exercisable and any shares of either Series A Preferred Stock or Common Stock of Registrant are issued upon the exercise of such Rights. Reference is made to the Note captioned "Preferred Stock Purchase Rights Plan" in the Notes to Financial Statements set forth in Item 8 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1989, at page 51.

EXHIBIT B

SUBSIDIARIES OF THE REGISTRANT (1)(2)(3)

The subsidiary companies of The Goodyear Tire & Rubber Company at March 20, 1990, and the places of incorporation or organization thereof, are:

Name of Subsidiary	Place of Incorporation or Organization
Air Treads Inc.	Georgia
All American Pipeline Company	Texas
Atomic Tire & Auto Service Co.	Delaware
Brad Ragan, Inc.	North Carolina
Celeron Corporation	Delaware
Celeron Gathering Corporation	Delaware
Celeron Trading & Transportation Company	Delaware
Co-Ex Plastics, Inc.	Delaware
Cosmoflex, Inc.	Delaware
Delta Tire Co., Inc.	Massachusetts
DCH Inc.	California
Divested Atomic Corporation	Delaware
Divested Companies Holding Company	Arizona
Divested Litchfield Park Properties, Inc.	Arizona
Goodyear Energy Inc.	Delaware
Goodyear Financial Corporation	Delaware
Goodyear International Corporation	Delaware
The Goodyear Rubber Plantations Company	Ohio
Goodyear Western Hemisphere Corporation	Delaware
The Kelly-Springfield Tire Company	Maryland
Lee Tire & Rubber Company	Ohio
Retreading L, Inc.	Delaware
Retreading L, Inc of Oregon	Oregon
Murphy's Inc., Sales and Service	California
Norton Tire Co.	Delaware
Reneer Films Corporation	Delaware
Rubber City Capital Corporation	Delaware
Wingfoot Corporation	Delaware
Wingfoot Films Corporation	Delaware
Wingfoot Ventures Seven Inc.	Delaware
Wingfoot Ventures Eight Inc.	Delaware
Wingfoot Ventures Nine Inc.	Delaware
Companie Francaise Goodyear S.A.	France
Compania Anonima Goodyear de Venezuela	Venezuela
Compania Goodyear Del Peru, S.A.	Peru
Companhia Goodyear do Brasil Produtos de Borracha Ltda	Brazil
Compania Hulera Goodyear—Oxo, S.A. de C.V.	Mexico
Corporacion Industriales Goodyear, S.A. de C.V.	Mexico
Corporacion Industrial Mercurio, S.A. de C.V.	Mexico
Deutsche Goodyear GmbH	West Germany
Goodyear Australia Limited	Australia
Goodyear Canada Inc.	Canada
Goodyear Chemcial Europe S.A.	France
Goodyear de Chile S.A.I.C.	Republic of Chile
Goodyear de Colombia S.A.	Colombia

Name of Subsidiary	Place of Incorporation or Organization
Goodyear Export Limited	Bermuda
Goodyear Export Sales Corporation	U.S. Virgin Islands
Goodyear France (Pneumatiques) S.A.	France
Goodyear Finance Holding S.A.	Luxembourg
Goodyear Great Britain Limited	England
Goodyear Hellas S.A.I.C.	Greece
Goodyear India Limited	India
Goodyear Italiana S.p.A.	Italy
Goodyear Jamaica Limited	Jamaica
Goodyear Korea Co.	Korea
Goodyear Lastikleri Turk Anonim Sirketi	Turkey
Goodyear Malaysia Berhad	Malaysia
Goodyear Maroc S.A.	Morocco
Goodyear New Zealand, Ltd.	New Zealand
Goodyear Overseas Finance N.V.	Netherlands Antilles
Goodyear S.A.	Luxembourg
Goodyear (Suisse), S.A.	Switzerland
Goodyear Taiwan Limited	Republic of China
Goodyear (Thailand) Limited	Thailand
Goodyear Zimbabwe (Private) Limited	Zimbabwe
Gran Industria de Neumaticos Centroamericana, S.A.	Guatemala
Granford Manufacturing, Inc.	Canada
Gummiwerke Fulda GmbH	West Germany
Neumaticos Goodyear S.A.	Argentina
Nippon Goodyear Kabushiki Kaisha	Japan
Philippine Rubber Project Company, Inc.	Philippines
P.T. Goodyear Indonesia	Republic of Indonesia
P.T. Goodyear Sumatra Plantations	Indonesia
S.A. Goodyear N.V.	Belgium
Svenska Goodyear Aktiebolag	Sweden
Goodyear Philippines Inc.	Republic of the Philippines

(1) Each of the 76 subsidiaries named in the foregoing list conducts its business under its corporate name and, in a few instances, under a shortened form of its corporate name.

(2) Each of the 76 subsidiaries named in the foregoing list is directly or indirectly wholly-owned by Registrant, except that in respect of each of the following subsidiaries Registrant owns the indicated percentage of such subsidiary's equity capital: Brad Ragan, Inc. 74.5%; Goodyear Canada Inc., 88.77%; Goodyear India Limited, 59.9%; Goodyear Jamaica Limited, 60%; Goodyear Lastikleri Turk Anonim Sirketi, 50.8%; Goodyear Malaysia Berhad, 51%; Goodyear Maroc S.A., 55%; Goodyear Taiwan Limited, 75.5%; Goodyear (Thailand) Limited, 60%; Gran Industria de Neumaticos Centroamericana, S.A., 76.3%; P.T. Goodyear Indonesia, 85%; and Goodyear Philippines Inc., 69%.

(3) In accordance with paragraph (ii) of Part 22 of Item 601(b) of Regulation S-K, the names of approximately 98 subsidiaries have been omitted from the foregoing list. The unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary, as defined in the applicable regulations.

EXHIBIT C

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Forms S-3 (Nos. 33-8111 and 2-73723) and Forms S-8 (Nos. 33-31530, 33-17963, 2-63220, 2-60649, 2-55685, 2-52728, 2-49921, 2-46542, 2-79437, 2-47905 and 2-32539) of The Goodyear Tire & Rubber Company of our report dated February 12, 1990 appearing on page 31 of this Form 10-K.

Price Waterhouse

PRICE WATERHOUSE

Cleveland, Ohio
March 27, 1990

EXHIBIT D

THE GOODYEAR TIRE & RUBBER COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned directors of THE GOODYEAR TIRE & RUBBER COMPANY, a corporation organized and existing under the laws of the State of Ohio (the "Company"), hereby constitute and appoint OREN G SHAFFER, JOHN M ROSS, GEORGE R HARGREAVES, JR and JAMES BOYAZIS, and each of them, their true and lawful attorneys-in-fact and agents, each one of them with full power and authority to sign the names of the undersigned directors to the Company's Annual Report to the Securities and Exchange Commission on Form 10-K for its fiscal year ended December 31, 1989, and to any and all amendments, supplements and exhibits thereto and any other instruments filed in connection therewith; provided, however, that said attorneys-in-fact shall not sign the name of any director unless and until the Annual Report shall have been duly executed by the officers of the Company then serving as the chief executive officer of the Company, the principal financial officer of the Company and the principal accounting officer of the Company; and each of the undersigned hereby ratifies and confirms all that the said attorneys-in-fact and agents, or any one of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents this 13th day of February, 1990.

Thomas H Cruikshank, Director

F Vincent Prus, Director

Stanley C Gault, Director

Agnar Pytte, Director

Gertrude G Michelson, Director

Jacques R Sardas, Director

Steven A Minter, Director

Lloyd B Smith, Director

Charles W Parry, Director

William C Turner, Director

Robert H Platt, Director

Hoyt M Wells, Director

END