

Bridgestone tyre plant closure – a study of how imperialism under-develops Australia

by Ned K.

In October this year, the largest rubber and tyre manufacturer in the world, Bridgestone, announced it will close its Salisbury tyre plant in the northern suburbs of Adelaide by 30 April 2010. 600 workers will lose their jobs as a direct result of the closure. Many more will also be out of work because their jobs depend on the plant's operation as well.

The government at federal and state level are angry at Bridgestone springing the announcement on them. Local management at the plant also had no idea the announcement was coming. They expected perhaps an extended shutdown at Christmas and/or some cutbacks on jobs due to overproduction in the car industry, but not a complete closure. Workers themselves were of course, the last to be told, with absolutely no say in the process that led to the decision to close it. Nothing new in that.

How though, does this situation come about? That a Japanese multinational company can ruin the working lives of 600 Australians with no say by governments or workers? How can a multinational company make a decision that ends yet another manufacturing industry, the tyre industry, in Australia?

The general answer is that we live in a capitalist society where the owners of capital, like Bridgestone, do whatever suits their interests of maximising profit.

The particularity of this general truth in the case of Bridgestone closing the Salisbury tyre plant has a long history. In fact, the story of Bridgestone's presence in Australia is a microcosm of how imperialism under-develops Australia.

History of the tyre plant

The Salisbury tyre plant was built in the mid-1960s when it was owned by SA Rubber



Mills. SA Rubber Mills was founded in 1939 by two local capitalists with knowledge of industrial chemistry. The company grew in the post war industrial growth period in Adelaide and fed rubber and plastic component parts in to the locally based US owned car plants of Chrysler, Ford and General Motors. The initiative and technology for tyre production in Adelaide came from people in Adelaide. The expansion of tyre production by the company accelerated from the late 1960s, when the US owned Uniroyal bought into the company.

Both the expanding tyre plant at Elizabeth, and the original SA Rubber Mills rubber and plastics plant at Edwardstown in Adelaide's southern suburbs, employed nearly 2000 workers at their peak. Workers at both plants were involved in many great struggles to improve low pay and fight for healthier working conditions in a hazardous industry.

During the SA Rubber Mills and Uniroyal years, local innovation actually expanded production broader than tyres and car components. Workers made products such as carpet underlay, gaskets and seals for washing machines and refrigerators, as well as pipe insulation and plastic modular bathrooms and even lounge furniture, particularly for transportable homes.

During this period from the 1950s to 1979, the national capitalist interests in the company still had considerable control, especially on the board of directors. However, in 1979 Uniroyal in the US made a decision to cease manufacturing tyres anywhere and to confine their profit making to the rubber and tyre industry supply sector. During their 10 year control of the company, there were many bitter struggles by them against the workers, but there were always plenty of jobs at both the tyre and component plants and a variety of products made. This also reflected the general needs of the manufacturing industry corporations at that stage of development of capitalism in Australia.

When Uniroyal decided to pull out of Australia, the local capitalist interest in the company was sufficiently strong to prevent Uniroyal from closing the plants. Uniroyal were not too interested in market share in Australia for tyres, unlike Bridgestone in 2009.

The board instructed the managing director to seek out interested investors to buy Uniroyal's share of the business. First port of call was in Australia, but no local capitalist interests were interested. Needless to say the federal and state governments did not want to 'interfere' within the realm of business by nationalising the company and

providing some temporary job security for the workers.

After a deal with the German tyre company Continental fell through, the local capitalist interests turned to the Japanese tyre industry.

Bridgestone, the biggest Japanese tyre producer, seized the opportunity to expand its interests and global market share by taking over the business from Uniroyal in 1980.

"Take over" is exactly what they did. They sacked any board members who stood in their way and started implementing their production methods, with the result being a steady decline in the number of workers on the factory floor and an increase in "productivity" (exploitation). Bridgestone also phased out all non-car component production activity in the plants so that the workforce became more dependent on the car companies. Bridgestone also scaled back the rubber and plastic car components produced at its Edwardstown plant, eventually selling that plant a few years ago to Toyoda Gosei, a subsidiary of Toyota.

During Bridgestone's presence in Australia, the Edwardstown rubber and plastics plant went from being the number one rubber and plastics plant arguably in Australia, employing over 1000 people, to a Toyota dependent car component plant employing about 200 workers today. To

keep their jobs, these workers were told day in and day out that they had to compete with Toyoda Gosei's Thailand plant on cost to remain 'viable'. So how long would this plant last?

Biggest tyre importer – Bridgestone

However, the cleverest thing Bridgestone did was to set up an extensive tyre wholesale and retail network throughout the country and a heavy advertising campaign to popularise their brand. As they established this network, they started filling it with not only tyres made at the Salisbury plant, but with tyres imported from its plants in Japan, and more recently from countries like Thailand. By the early 2000's, Bridgestone was the biggest importer of tyres into Australia.

As these trends developed, workers at the tyre plant were being told that it was getting harder and harder to be 'internationally competitive'. In enterprise bargaining negotiations under Howard's Workchoices, Bridgestone launched an all out assault on workers, with lockouts and attacks on workers' union rights in an effort to increase profits. This did not work of course, as workers found ways to resist under the radar.

Then about four or five years ago, Bridgestone put another nail in the coffin of the tyre plant. They decided to cease producing tyres for new cars produced at the General Motors Holden plant a few kilometres up the road at Elizabeth. This meant that the only tyres produced at the Salisbury plant were for the replacement tyre market. Workers were assured that this was a smart move because it set the plant 'free' from the clutches of the car companies. However what they did not say to workers was that the replacement tyre market in the era of 'free trade' is even more subject to competition and the flooding of cheap tyres

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