

Last car plants close in New Zealand

A New Zealand correspondent
3 July 1998

The restructuring sweeping through the global car industry is vividly demonstrated than in New Zealand. Only 12 years ago, nine companies ran 13 plants employing nearly 6,000 people. By the end of October, none will remain.

Last month saw the closure of the country's biggest remaining assembly plant, the Mitsubishi Motors factory at Porirua, near Wellington. The plant was mothballed over 12 months, so that when the gates finally shut on June 12, there was only a skeleton staff left from the original workforce of 1,200.

The rest of the plants will soon follow. The Nissan plant in Wiri, South Auckland will be shut this month. Honda and Toyota will close their plants in Nelson and Thames by the end of October. Fifteen hundred jobs will be lost directly, but in addition most of the 4,300 workers employed in the car parts industry will lose their jobs.

The closures will hit the surrounding working class communities. The suburbs of Cannons Creek and Eastern Porirua, near the Mitsubishi plant, populated largely by Maori and Pacific Island workers, are already among the poorest neighbourhoods in the country. Local secondary schools deal with many youth in crisis caused by poverty, poor health, sub-standard housing and lack of access to educational opportunity.

In international terms, New Zealand's car manufacturing industry has always been small. The major motor vehicle makers imported body and engine parts in knocked-down form, and their local factories would operate an assembly-only process, supplemented with some supplies from local parts manufacturers.

Nevertheless, car manufacturing was, for much of the post-war period, the backbone of the country's engineering industry. At its peak in 1981 the Porirua plant, then called Todd Motors, turned out 22,500 cars a year.

The first wave of closures hit the car industry in the

late 1980s -- in the midst of the Labour government's economic restructuring program. The first plants to go were those operated by General Motors and Ford. By 1988 the General Motors plant at Trentham had been reduced to a truck assembly operation, later to close altogether, and the Ford factory near Lower Hutt had been shut.

In the post-war period it was possible for international car makers to maintain national-based production facilities, even in small arenas such as New Zealand. They also benefitted from high tariff barriers which effectively ensured them the lion's share of the domestic market.

However the globalisation of production processes has fuelled a ferocious worldwide struggle for markets and profits, with the major American, European and Asian conglomerates constantly reorganising their operations to exploit cheaper labour and more favourable tax and business regimes. There is no place for New Zealand's tiny plants.

Local unions and industry employers have linked arms in seeking to maintain the protected national market and shift the blame for this profit drive onto cheap imports from Japan and the accelerated removal of tariffs by the National Party-NZ First government.

At the same time, the unions involved -- principally the Engineers Union and the Manufacturing and Construction (formerly Coachworkers) Union -- have facilitated closures. Since the early 1980s the two unions have fought over coverage of the vehicle plants. But they have both opposed any unified struggle of car workers internationally. The Engineers Union is a major affiliate of the NZ Council of Trade Unions. Under its president Rex Jones, a former Labour Party president, it has worked closely with employers to drive up productivity to internationally competitive levels, falsely claiming this would preserve jobs in New Zealand. At the Nissan plant in South Auckland,

Engineers Union delegates were trained as management agents to enforce labour discipline within the plant, in a scheme which became notorious as the 'Nissan Way'.

The Manufacturing and Construction Union established itself as the supposedly left-wing alternative to the Engineers Union. It has been the main union at the Mitsubishi and Honda plants. Posing as more militant, the union has steered through closures while diverting the anger of workers into protests against tariff reductions.

Like their counterparts around the world, the New Zealand vehicle union bureaucrats have divided workers along national lines, counterposing 'New Zealand jobs' to those of car workers elsewhere, assisting the transnationals to eliminate jobs and conditions. In the end result, not a single job has been defended.

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