

Global auto jobs bloodbath intensifies

Sumitomo Tire abruptly closes western New York plant, wiping out 1,550 jobs

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Sumitomo tire workers in Tonawanda, New York arrived for their shift last Thursday morning only to see security in tactical gear guarding factory entrances. They learned that the plant was shuttered and all 1,550 jobs had been wiped out without advance notice.

The company had earlier claimed that it had been shut down during the preceding week due to the need to dispose of excess inventory, according to workers who spoke with local media. Sumitomo announced that it is redirecting production to other plants.

The brutal closure of the plant is part of a wave of job cuts, in auto, manufacturing and logistics as corporations seek to boost profits by cutting jobs and slashing costs.

The federal Worker Adjustment and Retraining Notification Act (WARN) requires that in most cases employers give 60-day advance notice of a plant closing or mass layoff impacting more than 100 workers. However, a belated closure notice of from Sumitomo management was only sent by email to workers later in the afternoon on the day of the closure.

New York state was informed by the company that workers would be given 60-days' pay, which is the federal minimum, and their health insurance would be paid for the next year.

In a press release, Sumitomo stated that “despite trying to put cost-cutting measures and efficiency enhancements in place, the viability of the facility, rising costs for materials and logistics, dated infrastructure, intermittent financial performance, and changing market conditions were some of the reasons for the closure.”

Workers, many with decades of seniority at the plant, expressed their outrage and frustration with news of the

plant closure on Facebook. One wrote, “They pissed on our backs without the common courtesy of calling it rain.” Another worker said, “When I got the news and the pics of the fence going up I drove by and saw the security officers. I honestly want to sleep until 2030.”

“Just got a letter in the mail saying I’m terminated on 11/11, etc. etc., and not even a ‘thanks for your service,’ a ‘sorry,’ or anything. Then again, what was I expecting from them?” Said a Sumitomo worker on Facebook after the shutdown.

Outraged Sumitomo workers are organizing a meeting for Monday to seek media attention in an effort to keep the plant open.

United Steelworkers Local 135L, the union at the plant, expressed its “disappointment” at the closure in a public statement. It complained that management had not discussed the cuts first with the USW leadership, declaring, “Our union has partnered with Sumitomo for years, helping to secure investments, as together we’ve navigated the ups and downs of the tire industry.” Union officials said they were notified of the closure late on November 6, but did not inform workers, who only learned of the closure when they found the factory gates barricaded the next day.

The company said it is negotiating with the union over severance packages.

Sumitomo Rubber Industries, parent of Sumitomo Rubber Industries North America, which operates the Tonawanda plant, posted record profits and sales in 2024. The company reported a 248.5 percent increase in profit on its tire business according to industry publication *Modern Tire Dealer*. It set records in the second quarter of 2024 with gains both in Europe and North America. Sumitomo Rubber said it now plans to

dissolve its North American operation.

Japanese-based Sumitomo Group is a multi-billion-dollar transnational conglomerate involved in a range of industries from the tire division to Mazda, Nippon Steel, as well as in insurance and finance.

The Tonawanda plant was opened in 1923, and had been previously owned by Goodyear Dunlop Tire, which was sold to Sumitomo after the two companies announced the dissolution of their joint venture in 2015. In subsequent years local authorities had handed over millions in tax incentives to Sumitomo.

The USW had entered contract negotiations with the company almost a year before the July 2022 expiration, with the current agreement not set to expire until the end of 2025. At the time, the deal, which provided a mere 66 cent raise and a \$1,200 signing bonus, was sold to workers as supposedly providing job security by helping to secure investment in the plant.

“Man, I wish they would have run the plant as smoothly and organized as our dismissal from it.” Said another Sumitomo worker on Facebook.

Another Sumitomo worker commented on Facebook in regard to the likelihood of the return of production to Tonawanda, “No one’s gonna buy it. They’re already taking machines out.” While another worker said, “A friend of my brother works for Toyota fork lift, and said they just bought 15 of them, you know what they are for,” referencing the removal of tire building machinery. “I’m curious how many of us will be there when the trailers leave the property with the tires that we built,” said another.

The closure of the plant is part of a jobs bloodbath taking place in the US and around the world. Automaker Stellantis last week announced 1,134 layoffs, an entire shift, at the Toledo Assembly Complex. In Germany, Volkswagen, Bosch and Schaeffler have announced they need to initiate mass layoffs to bolster their profitability.

On Wednesday, Michelin Tire in France announced the closure of two plants, axing 1,200 jobs there, as well as shuttering its only non-union plant in Ardmore, Oklahoma last year with a surprise cut of 1,400 jobs while shifting production to other plants to further exploit remaining workers.

PPG industrial coating company based in Pittsburgh, Pennsylvania has recently announced the cutting of 1,800 jobs in stages throughout its facilities.

Multi-billion dollar corporation Pepsi has also launched shock layoffs at four plants, with workers arriving to find locked gates similar to the actions of Sumitomo.

Meanwhile, Rite Aid’s Liverpool, New York distribution center is closing and laying off 233 workers, most of the workforce at the warehouse.

There have also been massive job cuts across the logistics industry, led by UPS, which signed a contract last year with the Teamsters, which facilitated the cuts. For its part, the Teamsters union bureaucracy has mounted no opposition to the layoffs.

In every case, the nationalist and pro-company trade union bureaucracies have offered no opposition to job cuts, instead working with management to impose an orderly shutdown of production. If there is to be a fight to defend jobs its must come through the struggle of rank-and-file workers through the formation of rank-and-file committees, linking with workers globally through the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

Sumitomo workers who would like to learn more about forming a rank-and-file committee should contact the WSWs through using the form below.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact