

FIRESTONE IN WEST AFRICA

Plantations Build Goodwill; Shape History In Liberia



The Firestone Company was cited in December as an outstanding example of an American company which, through its operations in an underdeveloped country, has achieved both profits and goodwill.

The operation of Firestone's rubber plantations in the independent Negro republic of Liberia and the Company's direct and indirect contribution to the social and economic development of its host country are analyzed in the fifth Case Study of the National Planning Association's Policy Committee on U. S. Business Performance Abroad. The study, entitled "The Firestone Operations in Liberia," was conducted by Wayne Chatfield Taylor. It is the product of a firsthand investigation in Africa. The author has had a long career of public service. Among other public offices, he has served as President of the Export-Import Bank, Assistant Secretary of the Treasury, Under Secretary of Commerce, and Assistant to the Administrator of the Economic Cooperation Administration.

NPA Study Reports Have Two Purposes

Charles J. Symington, chairman of the NPA Policy Committee, in releasing the study, said that these NPA reports have two basic purposes: "First, we hope to prove that U. S. companies, while operating profitably, can and do contribute to the over-all development programs of many foreign countries, and that they are popular in their host countries. Second, by intensively studying the policies and methods of a few industrial and commercial operations, we hope to discover patterns which will provide valuable guides to other U. S. companies abroad and to potential private investors. A by-product, but an important one, is that the series of objective investigations, carried out in foreign countries by well-known economists and sociologists, also will provide useful guides to the U. S. government, prospective host countries, and international agencies."

Mr. Taylor points out that 1956 marks 30 years of Firestone activity in Liberia, during which it has had an impact "that extends far beyond the boundaries of the plantations and, in fact, pervades almost every aspect of Liberian life." The company, he estimates, accounts for nearly 39 per cent of the government's total revenues, over 70 per cent of the value of its exports, and 35 to 40 per cent of its dutiable imports.

Company A Pace-Setter Of Liberian Progress

It is the largest employer—its average annual payroll numbering 25,000 Liberian workers—and the largest trainer of productive skills in the country. It has been the pace-setter in determining wage levels and labor relations, in establishing rising consumption patterns and health and educational standards, and in stimulating productive efficiency, research, and development. In addition, as the largest importer of many consumer-type goods, Firestone also has exerted a restraining influence on retail prices and consequently on the cost of living.

"Part of this impact," he notes, "has been the result of a conscious effort by Firestone. The rest has been the unintentional though inevitable consequence of the presence of the company in the country, of its attitudes, and of the ways in which it has conducted its business." One important result of the goodwill established by Firestone is the "open door" policy of Liberia's President William V. S. Tubman for private foreign capital, Mr. Taylor observes.

Mutual Benefits Derive From Private Capital

In a letter prefacing the report, President Tubman comments: "The success of the Firestone venture in Liberia is proof of the part enlightened private capital can play in the development of underdeveloped countries on the basis of mutual benefits.

"Liberians are aware of the need for further foreign investment in Liberia and realize the

benefits to be derived by the country from this type of investment."

During its 30 years in the country, Firestone has created two modern plantations, considered by independent rubber experts to be the most efficient in existence. The plantation at Harbel produces more rubber and processes more latex in its factory than any in the world. "All of this has been achieved," Mr. Taylor notes, "in what was impenetrable, uninhabited, and disease-ridden jungle, with a labor force that knew nothing but the most primitive hand tools. More important, this costly and difficult transformation has been achieved with profit to the Company and its employees and without brutality, depersonalization, or loss of essential human and social values on the part of Americans and Liberians involved."

Humanitarianism Guided Use of Opportunities

"Perhaps the greatest praise that Firestone merits," he says, "is not because of its positive achievements but because of its success in resisting the temptation to misuse its preponderant wealth and power. Certainly until World War II, the company could have exploited its labor, milked the Liberian consumer, corrupted the Liberian government, and run the political life of the country without encountering much effective resistance either from the Liberians or from the U. S. government. That it never contemplated—much less attempted—any of these things, despite numerous opportunities to do so and the comparative ease with which they could have been accomplished, is a tribute to the integrity, self-control, and common sense of the company's officials."

Instead, the company made a number of direct contributions toward economic and social progress in the country. One of these activities is designed to help Liberians grow rubber on their own farms, and thereby greatly increase their own incomes as well as the rubber supply available to the company. For this purpose Firestone provides not only free trees but free technical services as well.

Research And Development, Production Encouraged

Firestone has actively tried to stimulate Liberian production and productivity generally. It encourages local farmers to produce vegetables, fruits, poultry, and other foodstuffs for sale on the plantations.

It conducts several research and development programs which benefit Liberia as a whole. One is its effort to develop a breed of disease-resistant cattle which can feed on local grasses and can be fattened to an economically worthwhile size. Much of the health problem in Liberia is a partial result of protein-deficient diets as a consequence of the scarcity of meat animals and fresh water fish. Another program is aimed at increased rice production.

Both the company and the Firestone family over the years have made a practice of giving substantial gifts for the support of charitable, educational, cultural, and religious activities and institutions. In 1947, Harvey S. Firestone, Jr. made possible a gift of \$250,000 to the Liberian government for the construction of a research institute of tropical medicine. Other recipients have been such as the Liberian YMCA, the Boy Scouts of Liberia, the Samuel Grimes Maternity Center, the Antoinette Tubman Child Welfare Center, the Baptist Hospital, the Booker Washington Institute, and others.

Plantations Aided Social, Economic Transformation

Mr. Taylor concludes that "the coming of Firestone three decades ago was a decisive event in the modern history of Liberia. It was the catalyst that started an accelerating process of economic and social transformation. It was a major factor in hastening other indispensable preconditions for progress—the airfield, the port, the road system, and continuing aid from the U. S. government."



TOP 4-H SOIL SAVERS OF 1956

In late 1956, eight young soil conservationists were picked as national winners of the 4-H Club Soil and Water Conservation Contest. Each was awarded a \$300 college scholarship and an all-expense trip to the 4-H congress, by the Firestone Company, sponsor of the project for the past 13 years. Here, Executive Vice President Raymond C. Firestone (center), indicates the 352,360 acres of neglected American farmland that had been brought under good soil-saving practices in 1956 through the 4-H Club project. From left: Doran L. Bollman, Pulaski, Iowa; Arden Collette, Longmont, Col.; Roger Payne, Barbourville, Va.; Andrew J. Reinert, Fairmont, Okla.; Mr. Firestone; Darrell Gibbs, Moultrie, Ga.; Rolland D. Christianson, Viroqua, Wis.; Fred Brown, Baxter, Tenn.; and David Bradway, Monson, Mass.

Thompson A Member Of Honor Society

Donald Morris Thompson, son of Otis Thompson, Ply Twisting second hand, and Mrs. Thompson, was recently initiated into membership of Scabbard and Blade, national military honor society. Thompson, along with 16 others, was received into

Company G, Third Regiment, North Carolina State College chapter of the society in late 1956.

Membership in Scabbard and Blade, regarded as one of the highest honors attainable by an ROTC cadet, is selected from third-year Army and Air Force ROTC students who possess the five qualities of loyalty, obedience, courage, good fellowship and efficiency.

Young Thompson is in the Air Force ROTC at State.

Company Chairman Remarks On NPA Plantations Report

We at Firestone are highly honored to have been chosen by the National Planning Association as the subject of one of its case studies on "American Business Performance Abroad."

And I would be considerably less than candid if I did not tell you that we are tremendously gratified at the content of this report.

However, although we are pleased, we are not prideful. Too often, it seems to me, American firms are inclined to take all the credit for the success of their international enterprises in the name of superior American technical knowledge and all-round know-how.

All the know-how in the world would do us no good if we could not get the chance to use it. And we would not have had that chance to use it in Liberia unless the basic attitude towards American investment had been friendly, and the economic climate favorable.

The friendly attitude and favorable climate have continued to exist down to the present day.

Indeed, President Tubman and his government today are providing the leadership, the guidance and energy, not only for the greater economic development of their country, but also for its increasing recognition by the free nations of the world.

We at Firestone are well aware of the many contributions to the advancement of our enterprise that have been made by the people of Liberia.

Their hard work and their ability to adapt themselves to the use of modern equipment and machines, where required in our operations, have been essential to our progress.

We look forward to future years of mutually beneficial association with the Liberian government and the Liberian people.

Harvey S. Firestone, Jr.