New round of US job cuts

Boeing slashes another 8,000 jobs

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The past week has seen a continuation of corporate downsizing with major job cuts announced by Boeing and Chase Manhattan Bank. The news sent stocks of both companies higher on Wall Street.

Seattle-based Boeing, the world's largest aerospace company, said Friday that it would cut 8,200 jobs. These reductions are in addition to 12,000 job cuts announced by the company last December. The downsizing is part of the consolidation of Boeing's operations in the wake of its merger last year with McDonnell Douglas and the purchase of Rockwell's aerospace and defense business.

Most of the job cuts will come at the expense of workers employed at facilities formerly owned by McDonnell Douglas, with southern California suffering 6,200 of the job losses. Another 900 jobs will be eliminated in Pennsylvania, 500 in Texas and 800 in Toronto.

One city alone, Long Beach, California, the site of a massive McDonnell Douglas commercial aircraft plant, faces the loss of 3,000 jobs due to the phasing out of production of the MD-80 and MD-90 jetliners. The fate of the remaining 3,000 jobs at the Long Beach facility remains in doubt. In its statement announcing the job cuts, Boeing called the Long Beach plant a "site in transition," with future production there hinging on the success of the new MD-11.

In a statement to the press, Boeing Chairman Phil Conduit said the layoffs would provide "better value to our customers and stockholders." Conduit added that resulting savings in Boeing's Information & Defense Systems would be passed on to its main customer, the US military.

In another downsizing move Chase Manhattan Bank, the largest in the US, announced 2,250 layoffs, 3 percent of its work force. The layoffs are part of a plan by the bank to eliminate 4,500 jobs over the next 18 months.

One-half the dismissals, 1,125, will take place in the New York metropolitan region and New York state. At the same time that it announced the downsizing, Chase raised its quarterly dividend to 72 cents from 62 cents per share. Chase's share price rose almost 6.5 points at the news.

Chase's statement follows the recent announcement of 7,500 layoffs by competitor Citicorp. Since the beginning of the year one major corporation after another has made public plans to eliminate thousands of jobs, including such giants as AT&T, Raytheon, J.C. Penny and Nike.

Concealed behind the official unemployment statistics, which are at a 24-year low, is the reality of millions of workers being forced to subsist on part-time jobs or jobs paying substandard wages. Recent reports indicate that economic hardship continues to mount for those at the bottom of the social ladder. A study by the Office of Social Policy at the University of Northern Illinois found that for every 21 job seekers in the Great Lakes states in 1997, only one job existed that paid more than the government's figure for poverty level wages for a family of three. For a job that pays at least 150 percent of the poverty level, the ratio drops to one for every 64 job seekers.

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