

US companies announce 10,000 layoffs

Our reporter
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A wave of layoffs by major American companies this week is a clear warning that the US economy is turning toward recession. More than 10,000 workers will be affected, in sectors of the economy ranging from heavy industry, to computers and retail sales.

The most significant announcement came from General Motors, the biggest American corporation, which has moved aggressively to cut costs and eliminate jobs since the UAW called off strikes at two Flint, Michigan parts plants. GM said it would eliminate as many as 1,000 white collar jobs through a reorganization of its wholesale distribution operations. An even larger number of jobs are at risk from other cost-cutting moves, including subcontracting its 62 customer call-in centers, where 2,200 now presently work.

In another layoff related to the GM strike, Goodyear Tire & Rubber idled 580 workers at plants in three southern plants: Gadsen, Alabama; Tyler, Texas and Fayetteville, North Carolina. The company cited an oversupply of tires due to the Flint walkouts.

Computer equipment manufacturers, hard hit by the Asian crisis, announced nearly half the total layoffs. Some 3,500 jobs are being eliminated at AMP, based in Harrisburg, Pennsylvania, the largest maker of electronic connectors. The company will close two plants in Loganville, Pa., and another Kernersville, North Carolina, while cutting 7.5 percent of its worldwide work force.

Other cuts at high-tech companies include 650 layoffs at electronic components maker Thomas & Best, which is closing several plants; 300 layoffs at LTX, a Massachusetts-based supplier of semiconductor test equipment; and 10-day furloughs for most employees, in lieu of layoffs, at National Semiconductor.

Other layoffs include:

- Chicago-based CNA Financial, the third largest US property and casualty insurer, announced it would cut

10 percent of its work force, about 2,400 jobs.

- DuPont announced it would close two polyester fiber filament lines at its Kinston, North Carolina plant and halt filament production in Charleston, South Carolina indefinitely, eliminating the jobs of 600 to 700 workers.

- Ameron International, an industrial products manufacturer, will cut 275 jobs, about 8 percent of its work force, mostly managerial and administrative. The company makes concrete and steel pipe.

- Crown Books, a Washington-based discount book chain, said it would close 79 of its 174 stores and lay off 1,250 as part of a bankruptcy reorganization. It will close all stores in Philadelphia, Seattle and Texas.

- Sealed Air Corp., maker of Bubble Wrap and other packaging products, announced a cut of 750 jobs, about 5 percent of its work force, as a result of its acquisition of the Cryovac packaging division of W.R. Grace & Co.

Accompanying the layoff announcements were a series of statistical reports suggesting that the US economy was close to outright recession. The rate of growth in Gross National Product slowed from 5.5 percent in the first quarter to 1.4 percent in the second quarter, and the Index of Leading Indicators, a composite of ten separate measures of economic performance, fell in July for the second straight month.

Industrial production declined in June for the first time in four months, due in part to the GM strike, while construction fell in May for the first time in six months. The decline of 0.6 percent was steepest since the end of the 1990-1991 recession.

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