

US job cuts to hit 625,000 by year's end

Manufacturing sector hardest hit

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Lear Corp., the world's largest supplier of automotive seats, announced December 7 that it plans to close 18 plants worldwide, eliminating 2,800 jobs, including 1,100 in North America. This was the latest in a rash of holiday season job elimination announcements. Analysts Challenger, Gray & Christmas of Chicago predict that US job cuts could reach 625,000 by the end of the year, making it the worst year of the decade so far.

Following on the heels of the last week's announcement by aircraft manufacturer Boeing to eliminate another 20,000 jobs over the next two years, Boeing supplier **Northrop Grumman Corporation** said last Monday that it would cut 1,100 jobs. Northrop supplies fuselage for the 747 jumbo jet.

The New Brunswick, New Jersey-based pharmaceutical manufacturer **Johnson & Johnson** announced December 4 that it will cut 4,100 jobs, or 4 percent of its work force. Approximately 2,500 of the jobs will be cut in the US, with the remaining 1,600 being eliminated in 20 countries throughout the world.

In a move certain to have world-wide implications, Sweden's **AB Ericsson**, a leading producer of cellular phones, announced Thursday that it plans to slash as many as 10,000 jobs, citing global economic turmoil, particularly the Asian crisis.

US job cuts totaled 51,642 in November, according to Challenger, Gray. Manufacturing accounted for 47,000 job losses, bringing to 245,000 the number of manufacturing jobs lost since March. The electronic equipment and industrial machinery sectors have accounted for 40 percent of these job cuts. According to Labor Department official Katharine Abraham: 'We know that those industries are heavily involved both in exporting to Asia,' and are also sensitive to imports.

Jobless claims for the last week of November rose to

a seasonally adjusted 319,250, the highest rate since last July during the four-week strike by auto workers at General Motors. Although the official jobless rate for November fell to 4.6 percent from 4.4 percent in October, the fall is most likely due to an increase in low-paid, service-related jobs. Retail jobs--many related to holiday hiring at department stores--rose by 65,000 in November.

Mergers continued to take their toll on jobs both in the US and internationally. **MCI WorldCom Inc.**, formed three months ago in a \$37 billion deal, will eliminate up to 3,750 jobs.

Nissan Motor Co. plans to reduce its work force with the merger of its two California-based US units, Nissan North America Inc. and Nissan Motor Corp., resulting in as many as 500 job losses.

Canadian beverage and entertainment company **Seagram**, owner of Universal Studios, will take control of the music firm PolyGram in a \$10.2 billion deal set for Thursday, creating the world's largest music company. Reports indicate that the restructuring could lead to the loss of 3,000 of Universal's and PolyGram's combined work force of 15,500 jobs. Record labels Motown, Geffen, A & M and Mercury are expected to undergo major downsizing as well.

UK-based Zeneca and Astra from Sweden plan to merge, forming a \$67 billion drug giant called **AstraZeneca**. The company says it will eliminate 6,000 jobs worldwide over the next three years.

Mergers in the financial/banking sector have resulted in widespread job reductions. As part of its \$10.1 billion acquisition of Bankers Trust Corp., **Deutsche Bank AG** plans to cut 5,500 jobs, or about 5.7 percent of the banks' combined staff. The job losses will be split between the banks' New York and London staff. The merger between **Norwest Bank** and **Wells Fargo**

will result in the loss of 930 jobs in the Minneapolis area when the new company's headquarters moves to California. BankAmerica has laid off 300 workers from its brokerage units since the **NationsBank-BankAmerica** merger in September.

Other US jobs cuts announced in the past week include the following:

- **Alliant Foodservice Inc.** of Deerfield, Illinois will cut 1,200 of its 12,000 workers.

- Office products supplier **Corporate Express Inc.** will slash 1,700 jobs, or 6 percent of its work force, closing 100 global facilities.

- **Weirton Steel** of West Virginia will lay off 415 workers two weeks before Christmas.

- , parent company of Hess gas stations, will eliminate 400 jobs, or 20 percent of its work force.



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