Kellogg and Pratt & Whitney top list of US job cuts

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According Challenger, Gray and Christmas Inc., a job placement firm based in New York, July marks the sixteenth consecutive month of a year to year increase in job cuts. Two thousand workers over the past month have lost their jobs with little or no warning, particularly impacting the small business market. Also, Layoffs resulting from mergers between firms rose by 52 percent this year as compared to last.

Kellogg, the world's top producer of ready-to-eat cereals, announced August 14 that it will cut 550 jobs by closing the company's largest production facility, South Plant, in Battle Creek, Michigan. With annual earnings having dropped 21 percent last year, this new wave of layoffs follows a 21 percent cut in the company's salaried workforce already made this past December. Three hundred of those layoffs took place in Battle Creek.

Despite efforts by state officials—with the offer of a tax incentive package nearing $60 million—to induce the company to maintain operations at the South Plant facility, the company pressed ahead with its plans. The cessation of operations at the Battle Creek plant, stated CEO Carlos Gutierrez, will yield annual savings of between $35 million and $45 million.

At Pratt & Whitney, a subsidiary of United Technologies which manufactures jet engines, 1,500 jobs or 6.8 percent of the company's US workforce will be cut in a reorganization plan to be completed by 2000. Plants in North Haven, Connecticut and West Palm Beach, Florida will be shut down. While most employees at the Florida facility will be offered transfers, the company intends to institute a buyout program as well. The Machinists Union has announced that it will oppose the company's decision as a breach of contract. Nearly all employees at the Connecticut location are expected to lose their jobs.

As part of an 18-month program aimed at consolidating operations and raising pre-tax profits, California-based Union Bank will cut its labor force by 1,400 jobs. Two-thirds of the layoffs resulting from the bank's “Mission Excel” are to take place in Southern California.

As part of an effort to take advantage of the growing software and computer market related to the Internet, Silicon Graphics Inc. will undertake its third reorganization in three years. The changes, including the spin-off of its supercomputer division, Cray, will result in 3,000 layoffs.

Industrywide stagnation is blamed for the announced layoff of 1,500 employees by Liberty Mutual Group. A reduction of 4 percent of the company's workforce is to take place by the first quarter of 2000, and is expected to yield savings of $150 million.

The Texaco oil company will increase its layoffs by 10 percent, raising the number of dismissed employees to 2,500 from the 1,400 it announced earlier this year. The restructuring, to occur by late September, is projected to save $620 million, a 38 percent increase over the original forecast.

Superior Telecom, the top US supplier of copper wire and cable for telecommunications, will reduce its labor force by 6 percent, cutting 469 jobs, as it implements the final stages of consolidation with the firm's electrical wire segment. The changes will cause the closing of plants in Pauline, Kansas; Glendale, Arizona and Tiffin, Ohio.

In addition to these layoffs, the following jobs cuts are expected:

* Mid-American Energy, a firm based in Des Moines, Iowa, announced its plans to trim at least 500 jobs from its British subsidiary, Northern Electric.

* As part of its plans to move operations to Malaysia

to cut labor costs, Western Digital Corp., the US disk drive maker, will cut 2,500 jobs in Singapore by the end of the year.

* The Cone Mills Corp. announced it will cut 250 jobs as it restructures its Carlisle, South Carolina plant. The facility produces dyed and printed fabrics for home furnishings and apparel.

* Boots & Coots International Well Control Inc. said that it will cut 14 percent of its workforce as part of a restructuring program aimed at saving $4 million annually.