

US corporations cutting jobs at fastest pace in a decade

Our correspondent
25 September 1999

US corporations continue to cut jobs at the fastest pace in a decade, even as the official unemployment rate remains relatively low. According to the firm Challenger, Gray & Christmas, job cuts announced in August totaled 57,253, a five percent increase over July and a 54 percent increase over August 1998. August was the seventeenth consecutive month with more than 50,000 layoffs. Job cuts in the first eight months of 1999 are up 38 percent over the same period last year. The computer sector has experienced the largest loss, 12,397 jobs.

The wave of corporate downsizing has continued in September. Officials at United Technologies of Hartford, Connecticut said Wednesday the firm is planning to cut its worldwide workforce by 14,500, or about ten percent. This is 9,200 more than the 5,300 cuts reported earlier in the year. A company spokesman was unable to tell reporters how many of the new cuts would affect workers in Connecticut, where United Technologies is the largest private employer (28,000 workers). A variety of United Technologies divisions—Pratt & Whitney (1,500), Pratt & Whitney-Canada (700), Hamilton Sunstrand (1,500), Sikorsky Aircraft (1,100), Carrier (400) and Otis Elevator (165)—have already announced cuts.

Most of the new layoffs are expected to take place in overseas operations. According to the *New York Times*, United Technologies officials indicated that profits per share “would meet Wall Street projections, rising 17 percent in 1999 and 15 percent next year.”

Quaker Oats, the food and drink maker, revealed a three-year plan Monday to close plants and cut 1,200 jobs—again ten percent of its employees. A company official noted that six facilities in the US and Canada are being considered for closure. The plants are located in Cedar Rapids, Iowa; St. Joseph, Missouri;

Manhattan, Kansas; Danville, Illinois; Shiremanstown, Pennsylvania, and Peterborough, Ontario.

Seagate Technology, the world's largest manufacturer of computer disc drives, announced September 14 that it was eliminating ten percent of its workforce, or about 8,000 jobs, over the next nine months. The restructuring is expected to save the company some \$150 million a year. The job losses will occur through attrition, voluntary separation incentives and layoffs.

The largest US furniture retailer, Heilig-Meyers, reported September 10 that it was closing 18 stores in the Chicago and Milwaukee areas and would cut as many as 500 jobs. Crane Co., the industrial products company, announced plans September 13 to slash 450 jobs to lower costs and improve profits. The company, which currently employs 12,500, will close and consolidate operations, reduce staff and rationalize product lines.

Rite Aid, the drugstore operator, disclosed plans Friday to cut about 330 corporate and field staff jobs, and Chiquita Brands, citing the US-Europe “banana war,” announced Thursday that it would eliminate 200 jobs.



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