

US: Hundreds of job cuts hit Oregon's manufacturing sector

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In a crushing blow to the mid-Willamette Valley in the state of Oregon, two manufacturing companies have announced plans to close plants or drastically reduce their workforces within the next year, resulting in the loss of more than 900 high-paying jobs, many of which will be moved overseas and to Mexico.

In the state capital of Salem, the high-tech firm SUMCO announced in mid-November that it will close two silicon wafer plants, putting 600 workers out of a job and leaving two large industrial sites vacant in a city that already has a weakened economy.

"This decision was reached by our parent company after a lengthy analysis of how best to meet SUMCO's global customers' needs while achieving sustained profitability in the future," company vice-president of operations Gordon Brinser wrote in a November 14 memo to employees. "By consolidating Salem production to other facilities in both the US and abroad, the company expects to achieve economies of scale and reduce overall costs."

Farther north in the city of Wilsonville, Tyco International announced plans Tuesday to move 317 jobs from its local plant to a company-owned facility in Guaymas on Mexico's northern Pacific Coast.

Some 419 employees at Tyco's Precision Interconnect facility got the news late last week. According to press reports, workers were not told which 317 jobs would be exported, though they were informed they would not be offered transfers.

A Tyco spokesman based in Princeton, New Jersey, told the Associated Press: "We have to look at ways to become a more efficient organization. We thought costs could be reduced by moving some of our manufacturing operations to Mexico."

The layoffs come just as the state employment department prepares to release jobless statistics for the

month of November. In October, Oregon's unemployment rate was 7.6 percent, which is tied with Michigan for the highest in the United States. The national rate for October was 6 percent.

The loss of more than 900 high-paying jobs is yet another spasm in several decades of hemorrhaging in Oregon's manufacturing sector.

SUMCO is Salem's largest industrial employer. At its peak of operations in 2000, the company employed nearly 1,380 workers and had a reported payroll of \$20 million. In Wilsonville, workers at the Tyco plant designed and built cable assemblies that are used in medical equipment.

According to news reports, Oregon has lost more than a fifth of its jobs in the computer and electronics manufacturing sector since it peaked three years ago. In December 2000, some 51,000 workers had jobs in computer and electronics manufacturing. As of October, that number was reported to be 40,200.



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