

# Economic decline continues to fuel US job losses

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Significant new layoffs have been announced in the last few days as a result of the continuing decline in the US and world economy.

Early Monday, Dow Chemical announced a cost-cutting plan that will mean 900 lost jobs, closing four plants worldwide. The plants, three of them in Europe, manufacture Styrofoam insulation. Two of the European plants—in Portugal and Hungary—will be permanently closed. A plant in Charleston, Illinois will also be shuttered permanently. The closure of the facility in the Netherlands is said to be temporary.

“These actions, while difficult, are in full alignment with our commitment to continually manage our portfolio to adapt to changing and volatile economic conditions, as we are seeing particularly in Western Europe, and to preferentially invest in our fast-growing, technology-rich businesses,” Dow CEO Andrew Liveris said in a statement.

The Midland, Michigan-based corporation says they will implement the closures in the next two years and produce a cost-savings of \$350 million.

The continuing tick of layoffs and closures follow last week’s announcement by electronics retailer Best Buy that it would shutter 50 stores across the US this year and eliminate 400 white collar positions. Other major retail chains, most substantially Sears and K-Mart, are pursuing mass layoffs in the tens of thousands.

In virtually every sector of the economy—agriculture, airlines, telecommunications, chemical production—companies are announcing significant job cuts. (See, “New round of mass layoffs in North America”)

The job cuts come as Wall Street rallies and the Obama administration praises a slight decline in the unemployment rate as a jobs “recovery.” In reality, the gains of the stock market have been predicated on

austerity and attacks on living standards in the US and internationally. Some 13 million Americans are unemployed, long-term unemployment remains at a post-World War II high, and wages and working conditions are being shredded. (See, “Behind the global stock market surge”)

Internet giant Yahoo announced its restructuring will begin next week, to be preceded by the layoff of possibly thousands of employees. Officially, the company has a total of 14,000 employees, but that figure is much larger when contract workers are included. New CEO Scott Thompson has been in discussions with both Microsoft and Google about the potential of dispensing with its ad and search businesses. He claims that “nothing is set in stone,” but this week employees will start being cut in Silicon Valley.

Saxon Mortgage has notified the state of Texas that it will lay off 680 workers in Irving and Fort Worth. The company was sold last October by its former parent company, Morgan Stanley, to Ocwen Financial Corporation.

Appleton Papers Inc. has filed with the state of Ohio its intention to end production at its West Carrollton, Ohio plant. This will result in the loss of 330 jobs starting May 20. The company has signed a \$3 billion contract with Domtar Corporation to buy all its uncoated base paper rather than produce it themselves.

Due to a \$36 million budget deficit, the municipality of Union City, New Jersey announced that it will lay off as many as 280 employees.

In the San Diego, California area, local newspaper *North County Times* and its Southwest Riverside edition, *The Californian*, will be printed by the *Riverside Press-Enterprise*, costing 56 jobs.

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