

General Electric announces 400 layoffs in upstate New York

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Over the past month, General Electric (GE), one of the largest manufacturing companies in the world, has announced nearly 400 layoffs at two locations in upstate New York, one at Fort Edward and the other in Schenectady, home of the company's former headquarters.

In mid-September, GE announced plans to close an electrical components manufacturing facility in Fort Edward, a town on the Hudson River. The plant, in operation since 1947, produces electrical capacitors. Approximately 180 hourly workers and 20 salaried staff will lose their jobs. Production will be moved to an existing, non-union facility in Clearwater, Florida.

The United Electrical, Radio and Machine Workers union (UE) Local 332 and GE are currently in negotiations over the terms of the closure. A company official said the decision to move the operation, which would take effect within a year, was not final. However, the plant was "non-competitive," according to GE management, in comparison with facilities with lower labor costs.

In response, Local 332 is preparing to offer up deep concessions to convince GE it is more advantageous to keep production at Fort Edward. The union has sent a delegation to seek an audience with GE CEO Jeffrey Immelt. Opposed to any serious struggle by workers—which would upset its corporatist relations with the company—the union is also appealing to local businesses to urge GE not to close the plant.

A shutdown would have a devastating impact on the local economy. The plant's payroll totals approximately \$12 million annually. It is estimated that the cumulative impact of the job losses to the community would be about \$30 million.

The threatened Fort Edward closure is a continuation of the long-term trend of de-industrialization in

economically depressed upstate New York. At its height, the Fort Edward plant along with another facility in nearby Hudson Falls, which had previously been closed, employed 2,500 workers.

The closing of the Fort Edward facility is part of GE's corporate policy of developing "Centers of Excellence," a code name for consolidation, wage-cutting and speedup. On September 30, GE announced the planned layoff of around 200 white-collar employees at its manufacturing facility in Schenectady, in a move the company also said would boost corporate "competitiveness."

Notice of the Schenectady layoffs came only a week after GE announced a huge \$2.7 billion order from the Algerian government for power plant turbines and generators. The Schenectady facility will be one of the centers of production to fill this order.

In addition to the layoffs in New York State, GE has announced layoffs at various locations around the country in recent months. This includes approximately 100 management workers at a gas turbine facility in Greenville, South Carolina; 160 workers—or one third of the workforce—at a refrigerator plant in Bloomington, Indiana; 950 employees from its transportation division in Erie, Pennsylvania (see "GE Transportation announces 950 layoffs in Erie, Pennsylvania"); and 50 workers at its health care division in South Burlington, Vermont.

As part of the corporate bailouts after the 2008 financial crisis, the Federal Reserve bought \$16 billion in short-term debt—known as commercial paper—from General Electric. GE's CEO Immelt, who collected \$20.6 million in compensation last year, was chairman of President Obama's Commission on Jobs and Competitiveness. The commission, which was never more than a fig leaf to cover Obama's total failure to

make any substantial effort to address unemployment, was allowed to expire early this year.

The entire electrical products industry is cutting jobs to increase profits during the global economic slowdown. Siemens, a major GE competitor, recently announced plans to reduce its worldwide labor force by 15,000 over the next year.



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