

General Electric rejects union concessions and announces closure of upstate New York plant

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23 November 2013

On Thursday, General Electric (GE) made a definitive announcement that it would close its electrical capacitor manufacturing plant in Fort Edward, New York, and shift production to an existing plant in Clearwater, Florida, resulting in the loss of approximately 200 jobs in the upstate New York community.

The announcement came four days after the company rejected a proposal by the United Electrical, Radio and Machine Workers (UE) Local 332 to sacrifice 10 percent of the workforce and accept other concessions intended to convince GE that it could extract substantial profits from the New York plant.

A GE representative stated that the cuts proposed by the union were insufficient to satisfy the company's requirements to reduce costs.

Located about 45 miles north of the state capital in Albany, the Fort Edward facility was first established in the 1940s. The plant's closure will have a major impact on the local community. It is the town's principal employer. Upstate New York has suffered decades of job losses due to de-industrialization. GE justified its September announcement that it intended to move production to Florida based on its assessment that the New York plant was "uncompetitive" compared to the low wage rates available in the south.

The union's reaction to the initial announcement of GE's intent to close the plant was complete acceptance of the company's right to cut costs at workers' expense. The UE used a contractually mandated 60-day negotiation period to develop a concessions package aimed at showing GE that it could rely on the union to manage the company's labor costs. Peter Knowlton, president of the UE's Northeast Region, said, "Now we're talking about how to improve production and efficiency."

While full details were not revealed, reports indicate that the union's offer included the loss of 20 existing jobs and the establishment of a cheap labor maintenance mechanic apprentice program. In addition, the union pledged to lobby for \$22 million in public funding so that GE could modernize the plant's equipment to boost profitability and likely lead to even further reductions in the workforce.

GE reportedly wanted an additional \$6 million in labor savings beyond what was offered by the union, insisting on cutting workers' wages by more than half to \$11.12 per hour, reducing the workers to near poverty. Based on data from the U.S. Labor Department's Bureau of Labor Statistics, annual wages for machinists and engineering technicians are roughly \$8,000 to \$10,000 lower in the Clearwater area than in the Glens Falls region, which encompasses Fort Edward. The move to Florida is part of the company's campaign to create "Centers of Excellence", code words for consolidation, speedup, and layoffs.

In addition to its cost-cutting offers, the union pleaded with Democratic and Republican politicians to pressure GE not to close the plant. This campaign, intended as a smokescreen to divert workers' attention from the union's inability to mount any real defense of their jobs, yielded nothing more than pro forma statements from New York's two US senators, both Democrats, asking GE to extend the negotiation period by 30 days. The state's Democratic governor, Andrew Cuomo, did not comment on the plant's impending closure.

Following GE's definitive announcement that it would close the plant within a year, the UE's Knowlton stated, "We're making plans because this fight is not over." However, in an effective acknowledgement of the complete bankruptcy of the union's attempt to buy

off GE by sacrificing the workers it supposedly represents, Knowlton said that the negotiations with the company constituted “two months of wasted activity”.

He confessed, “We knew the whole decision bargaining was a sham. The company had no intention of bargaining with us and staying in Fort Edward. I think they do want to craft the illusion there was actually some way we could craft a proposal to keep them here.” Despite this understanding, instead of rallying workers around the country in a genuine struggle to defend the Fort Edward jobs, the union actively participated in promoting this illusion to its members, leaving them totally defenseless.

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