

Kraft Heinz and Alcoa among companies cutting hundreds of jobs in upstate New York

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Last week Kraft Heinz announced plans to close seven plants nationwide and the layoff of an additional 2,600 workers over the next 12 to 24 months, bringing the total announced layoffs nationwide to more than 5,000. Included in the plants slated for closure is the one in Campbell, New York, a plant with 393 workers.

The Kraft Heinz layoffs amount to 14 percent of the company's North American factory workforce. In August, the company announced the elimination of 2,500 jobs, including 700 workers at its corporate headquarters in Chicago.

The plants slated to be closed are: two in California, one in Fullerton and the other in San Leandro. Also being closed are plants in St. Marys, Ontario, Canada, Lehigh Valley, Pennsylvania and Madison, Wisconsin.

Kraft Heinz is the fifth largest food company in the world and is the product of the merger of the two companies earlier this year valued at \$49 billion. The Pittsburgh, Pennsylvania-based Heinz company was acquired for \$28 billion by Warren Buffett's Berkshire Hathaway in 2013. Buffett promptly slashed 7000 jobs.

Financial results for the third quarter from parent company Berkshire Hathaway reported record profits of \$9.4 billion up from \$4.6 billion last year largely on the back of the Kraft Heinz cuts. On Saturday in a Reuters article, Jeff Mathews of Ram Partners LP hedge fund conveyed mock sympathy for the plight of workers, stating, "Warren Buffett, the billionaire, is getting richer on cost cuts while 2,600 families are getting poorer. It's a shame."

Buffett, listed as having a net worth of \$72.4 billion, up by \$14.5 billion, soaring 20 percent higher from last year, is the third wealthiest person in the world.

The Kraft Heinz merger is one of many mergers this year where "value" investors take advantage of the historically low finance rates provided by the Federal

Reserve—purchasing struggling companies and boosting profits through cost savings that center on laying off higher paid workers, often to be replaced by contract or temporary workers.

Kraft has four plants with 1,279 workers scattered throughout upstate New York of which three were slated to be closed. In a joint press release, New York Democrats Governor Andrew Cuomo and US Senator Chuck Schumer, and Kraft Heinz announced the company will be given \$25 million of public funds as incentive to remain in the state.

Under terms of the deal Cuomo and Schumer sanctioned the closing of the Campbell, NY plant and the destruction of 393 jobs. The company will receive \$20 million up front and another \$5 million in five years if they have not closed the other three plants. Kraft Heinz also operates a factory in Lowville with 340 workers that makes cheese and other milk products. The plant in Avon which has 405 workers and the Walton plant with 141 workers will remain open for now.

In an interview that shed some light on the social conditions in the state's southern tier, the mother of a worker at the Campbell plant told twcnews.com, "My son works there, I've had a lot of family members that work there. There's a lot of local people in the town that work there. It would devastate the town pretty bad I think. There's not a lot of jobs around."

The role of the Teamsters union, which represents many of the Kraft Heinz workers, has been largely silent about the threat leveled at workers and their livelihoods by the Buffett-owned company.

Layoffs were also announced Monday at the Alcoa plant in the small town of Massena, New York situated on the US border with Canada. There are two Alcoa aluminum smelting plants named East and West. The

company has been producing aluminum in Massena since 1902. The East plant will lay off 487 workers and have some remaining production.

The West plant was previously owned by Reynolds and will be shuttered. Alcoa is blaming the closure on a 30 percent reduction in the price of aluminum claiming the plants are “uncompetitive.” The town was also the home to a General Motors (GM) powertrain engine castings plant that closed in 2009, eliminating 500 jobs when production transferred to the GM Metal Casting Operations plant in Saginaw, Michigan.

On Thursday Governor Cuomo said in a short statement, “We are doing everything possible to identify an alternative scenario that both allows the facility to remain open and protects the taxpayer investments.” Alcoa has been showered with massive public subsidies in return for a commitment that the company keep a minimum number of jobs in the state.

In a statement to the media United Steel Workers Local 420-a (USW) president Bob Smith said, “They’re still making sense of the details of Alcoa’s plans to curtail its smelter in Massena and lay off almost 500 people. The level of solidarity is incredible. Everybody is hanging together I really want to say, from labor’s perspective, we really appreciate the level of dedication we’ve seen from our elected officials. It’s been amazing.”

In reality, the role of the officials has been to shower the company with record-breaking grants and incentives as well as tax abatements. On the other hand, for the affected workers, they are not offering much, save some cold solace and help with their resumés.

In a deal between the state and company just two years ago the New York Power Authority agreed to discount electric rates for Alcoa by 40 percent. In exchange, the company promised that it would keep and expand production at the plant.

The shutdown also hints at the rapid deterioration of global economic conditions as Alcoa has cut 45 percent of its smelting capacity in the last eight years in an effort to maintain high profits as commodity prices have collapsed.

Alcoa has nine other plants in the US with 6100 workers and is cutting jobs in many of them. The USW, which represents these workers, has not announced any plans to defend their jobs.

Chris Felix, one of the Alcoa workers facing layoff,

stated in an interview with North Country Public Radio, “All the early retirements happened long ago. The workers left in Massena are mid-career, with families to support, mortgages and car payments to make, kids to put through school.

“You’ve got guys who are in the mid- 40s, -50s. They didn’t have the chance to take the buy-out, or take an early retirement. What’s going to happen to those guys?”

Other companies with recent closures and/or mass layoffs in upstate New York include:

Watertown’s New York Air Brake, which manufactures for the railroad industry and is making record profits, has laid off 15 production workers affiliated with the International Association of Machinists (IAM) as well as salaried employees at the plant. There are 248 hourly workers at the factory. The IAM is not leading any effort to oppose the layoffs.

Coyne Textile, an industrial laundry in business for 86 years based in Syracuse, filed for bankruptcy and was auctioned off to competitors last month. The company had customers for its services in 24 states. Only 90 of a total of 620 workers in several states will be kept on after the sale according to the winning bidders. Workers at the company made just over the minimum wage and were forced to work two and sometimes three jobs to make ends meet.



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