Hudson River GE Moving South

MICHAEL HILL, Associated Press

FORT EDWARD, N.Y. (AP) — When General Electric moves jobs from its capacitor plant in this Hudson River town next year, worker Mark Rock figures he might have to leave, too.

About 200 jobs will head south as soon as September when GE sends local operations to Florida to cut costs. While New York has had successes in the constant geographical tug of war for jobs, manufacturing jobs like these have been dwindling for decades. People in this area south of the Adirondack Mountains are the latest to wonder what comes next.

"The high-paying jobs that we have now in the area are going to shrink," said Rock, a 41-year-year-old married father of two. "If I don't find something making at least 20 bucks an hour in New York state, then I'm skipping town."

The loss of manufacturing jobs is a national trend, but New York has felt the sting more than some other states. Paul Blackley, an economics professor at Le Moyne College in Syracuse, said New York state lost 42 percent of manufacturing jobs from 1990 through 2006. Over the same period, Florida lost 18 percent.

Blackley said there's no single reason for New York's drop, but business costs and an older infrastructure likely play a role.

"I think your tax climate, your labor costs, your old capital are probably three of the biggest factors, not only in this specific move, but a lot of the moves that you see out of New York state," he said.

The GE plant has sat by a narrow stretch of the Hudson River in this town of 6,000 since World War II. It makes electrical capacitors for power transmission systems and industrial uses.

The Fort Edward facility and a long-closed sister plant in neighboring Hudson Falls used PCBs in production until 1977, and river sediment contaminated by discharges of the oily substance is being dredged by GE as part of a multi-year federal Superfund cleanup that could cost $2 billion.

With 177 production workers and 20 salaried employees, GE is not the biggest employer in the region. But the Fairfield, Conn.-based company pays well. Production workers here average $28.50 an hour, according to estimates cited by the United Electrical, Radio and Machine Workers Local 332.

GE officials say the plant has been losing money for several years and they will move to an existing facility in Clearwater, Fla., where the company can take

advantage of efficiencies of scale. GE spokeswoman Christine Horne said their competitors are in lower-cost locations.

Village of Fort Edward Mayor Matthew Traver said the loss of GE is not a knockout blow — Fort Edward still has a tissue plant and there are manufacturing jobs in the surrounding small cities and rural areas. But many here worry about an estimated $12 million in wages disappearing.

"What did we do wrong?" asked John Weber, sitting on a stool at his restaurant, Ye Old Fort Diner. "Did our union get too strong? Did GE get too greedy? What?"

GE has been accused of abandoning New York. But Horne noted that GE has actually created more than 1,600 jobs in the nearby Albany area over the past several years, including some 450 production jobs in Schenectady.

The company's actions illustrate how New York is constantly is losing and gaining jobs. GE'S Fort Edward announcement last month came the same day Gov. Andrew Cuomo announced that the Ford Motor Co. would make a $150 million investment at its Buffalo Stamping Plant, creating 350 new jobs there.

New York actually added 8,180 private-sector jobs in November, according to the latest ADP Regional Employment Report, though manufacturing jobs decreased by 80 in that month.

Wages have loomed large as an issue in Fort Edward. Union officials involved in fruitless negotiations with GE this fall to keep the company in Fort Edward said they would have had to reduce average wages to around $12 an hour to hit GE's savings target. GE disagrees but did not provide its own figure.

Average hourly wages for some manufacturing jobs in the Clearwater area can be 11 to 23 percent less than the area around Fort Edward, according to Bureau of Labor Statistics wage data. Florida also is a "right-to-work" state, which means workers can't be required to join a union as a condition of employment. The Clearwater jobs will not be union jobs. Horne said they will pay prevailing wages.

"We need to improve our overall cost structure to be competitive. Wages are only one element of that cost structure," Horne said.

At the union headquarters near the GE plant, where the "Keep it Made in Fort Edward" signs lay stacked in by the door, workers know there are other jobs in the area. But they worry it will be harder to make ends meet.

"This was probably the best-paying mill in the area," said Bruce Ostrander, a veteran tool-and-die maker. "We had a chance, and everybody in the area had a chance to move their life up, to get a little bit more comfortable."

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