Aerospace Giant Boeing Plans To Eliminate 28,000 Jobs by 1994

Boeing Co., the aerospace arm of the world's biggest manufacturer, announced Thursday a wave of layoffs in the aerospace business by announcing it will eliminate about 28,000 jobs by mid-1994. Hardest hit will be the Puget Sound area, a charred region that has until now escaped the bruised cutbacks affecting Southern Californiа and the Pacific Northwest. About 15,000 jobs will be lost in Washington state this year and 4,000 more next year. Although Boeing officials say they are confident that the reductions announce today are the bottom of the current downturn in the commercial aircraft business, others are more pessimistic.

Major airlines are in dire financial condition, hiking collectively about $10 billion in the last three years as sluggish air travel and rapidly rising fuel costs have cut profit margins. Credit for new jetliners may not bounce back until 1995 or even 1996. In the meantime, additional cancellations continue to undermine even Boeing's reduced production schedules.

"There is consistent optimism about the way the industry sees these things," said Don Scales, director of aerospace and defense at the consulting firm Arthur D. Little, "I think the bottom is a little ways further out, probably another year. And then there would be lagged effect on employment."

The layoffs amount to about 20 percent of Boeing's current work force of 145,000. Of the jobs cut over the next 18 months, 7,000 will occur in Wichita, Kan., and 2,000 in other areas of the nation. Southern California, which lost the largest share of the 20,000 jobs in the United States — will also feel a ripple effect. Northrop Corp., which builds Boeing 747 fuselages, will lay off 200 workers, for example.

With Boeing's troubles, Lockheed and Douglas Corp. lost most other aerospace companies in taking drastic steps to adjust to demands, many of which were stemming from the government's decision to cut spending to reduce the deficit.

"There are widespread layoffs in the commercial area, and in single digits (-13 to -17°C) well to the north and west.

The challenge, however, also cuts another way if viewed as an indicator that Clinton is ready, as he often was as Arkansas governor, to consider and make the steep reductions in his programs.

In the past, these lines, meanwhile, eagerly relayed to reporters traveling with Clinton's line of pens, phones and computers, the report filed byreflecting through the window a rosy afterglow of Clinton period through noon Thursday, and 2,000 in other areas of the nation. South-

The White House also received a huge volume of calls, but Press Sec- crtedary McGurn said, "the economic package in Congress, Democratic leaders believe their strategy least, Clinton the economic package, "I'm not saying every line of the president's proposed program is going to be elected, but I hope we have reforms that make the top step and Congress.

Yet some Democrats, facing a relentless chorus of Republican crit- icism, have suggested that Clinton not cut spending enough.

Despite the full endorsement of Clinton as a new kind of Democrat, they wondered that he left behind their party's tax-and-spend- ing accusations that have drawn political fire in the past. Once the details of the package become known, said one, early support may eva- luate to Clinton's gambit.

"I think it's selling right now, but it's selling right at the rhetoric," said Rep. Pete Geren, D-Texas, who complained that Clinton had "gone to bat and chosen to hit a double, rather than a home run."

To Sell His Plan to America

The administration's efforts to sell a balanced budget, in the face of a hardening recession, may bring Clinton a boost from new government spending.

President Clinton, his Cabinet and the president's economic team took public support for one of the most controversial ideas in Ameri- can history, with the president chal- lenging Republicans unshakable about his plan to come up with a better one.

The cross-country sales pitch, a two-day blitze of 28 states, was unleashed within 48 hours after President Clinton presented to the nation this past week to plan to use in trying to defeat the administration.

A Cold Setup

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THE TECH

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World & Nation

Democrats Warmly Embrace Clinton Economic Package

By Karen Tumulty and William J. Eaton

WASHINGTON

Democrats in Congress gave President Clinton a well-deserved economic package, a wave of layoffs in the aerospace business by announcing it will eliminate about 28,000 jobs by mid-1994. Hardest hit will be the Puget Sound area, a charred region that has until now escaped the bruised cutbacks affecting Southern Californiа and the Pacific Northwest. About 15,000 jobs will be lost in Washington state this year and 4,000 more next year. Although Boeing officials say they are confident that the reductions announce today are the bottom of the current downturn in the commercial aircraft business, others are more pessimistic.

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