No truce in the corporate war at home

US air industry launches massive attack on jobs

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Without a murmur of protest from the news media, the politicians or, least of all, the trade unions, the US airline and aerospace industries have launched a massive attack on the jobs and living standards of their workers. The destruction of tens of thousands of jobs is an early signal that the working class will bear the brunt of the Bush administration's "war on terrorism."

American Airlines' announcement Wednesday that it will eliminate 20,000 jobs brings the total cuts planned by major US carriers to over 60,000. This includes 20,000 at United, 12,000 at Continental and 11,000 at US Airways. Northwest, Delta and Southwest airlines are scheduled shortly to make public their job-cutting plans. A preliminary report earlier this week said the number four carrier, Northwest Airlines, is expected cut at least 10,000 jobs.

Smaller US carriers have also announced job cuts, including American Trans Air (1,500), American West Airlines (2,000) and Midway Airlines (1,700), which said it was shutting down for good.

Aircraft-maker Boeing said it would cut up to 31,000 jobs, or 30 percent of its workforce, because of falling orders for new planes. The bulk of the jobs will be lost at jet manufacturing facilities in the Seattle area and in Wichita, Kansas.

Massive job cuts are not limited to the US. Several overseas companies announced job cuts, including British Airways, which will eliminate 7,000 jobs, and Virgin Airlines, which is cutting 1,200. Others, including the Dutch carrier KLM, Air France and Lufthansa, are scaling back routes and planning an undisclosed number of job cuts.

Airline executives, who are currently lobbying the federal government for a $24 billion package of tax breaks, loans and direct aid to bail out the industry, have declared that even with the assistance, 100,000 jobs will be wiped out. Industry analysts say that for every one job eliminated by the major airlines, six more in related industries will be wiped out. That adds up to a potential loss of 600,000 jobs.

The airlines have blamed the crisis on last week's terror attacks and the losses they incurred because of the suspension of flights, the falloff in air travel, and the high cost of security and insurance. Without question these events dealt a massive blow to the industry.

However, prior to the terror attacks on New York and Washington the air carriers were reeling from the impact of the economic slowdown, high fuel costs and a sharp decline in business travel, the airlines' most lucrative source of income. Analysts had anticipated $1.5 billion in losses for 2001, and pointed to overcapacity in the industry, as well as the airlines' $26 billion debt load, as signs that further consolidation was in store.

Well before the events of September 11 corporate executives were working out plans for drastic cost-cutting measures, including the elimination of thousands of jobs. Airline and aerospace executives have now latched onto the tragic events of last week to escalate their attack on the labor force.

Industry officials and Wall Street analysts had complained about the labor contracts won by pilots, flight attendants and ground workers during the recent period of tight labor markets. After giving up concessions in the early 1990s—when the airlines faced a crisis brought on by the last recession—airline workers have fought to recoup their losses over the past several years, a period of record profits for the carriers. The same is true for workers at Boeing, including white-collar workers who waged an unprecedented strike against the company.

Now the companies aim to use the hammer of mass unemployment to intimidate workers, dampen their militancy and make way for new concessions. The *Wall Street Journal* acknowledged that the airlines are citing the events of September 11 to circumvent whatever minimum job protection workers had. "Both the pilots and flight attendants at US Airways," the *Journal* noted, "have no-furlough clauses in their contracts, but those might be

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unenforceable if the company can prove that last week's attack was an act of war."

In the face of this attack, the working class has no mass organizations to defend its interests. The AFL-CIO trade union bureaucracy has proclaimed its eagerness to collaborate even more closely with management. In a joint press conference with the US Chamber of Commerce earlier this week, AFL-CIO President John Sweeney said, "The attack on America will only steel the determination of our nation's workers and businesses to overcome the challenge that has been thrown down. We hope it will also inspire both business and labor to work together to overcome many of the issues that have divided us."

At Boeing, a spokesman for the International Association of Machinists acknowledged the need for job cuts, asking only that the company spread them "equitably" and make sure "some of this burden is put on the subcontractors and vendors."

The *Wall Street Journal* reports that the Association of Flight Attendants at US Airways is working with the company on plans for payroll reductions through extended maternity leaves, paternity leaves, voluntary leaves of absence and other unpaid arrangements. At AirTran, the pilots union has already agreed to temporary pay cuts and reduced flying schedules in a move the low-fare carrier says will reduce labor costs by 22 percent.

At Congressional hearings held Wednesday on plans for a government bailout of the airlines, Teamsters President James P. Hoffa sat alongside airline executives at the witness table, a gesture aimed at reassuring Wall Street that the unions will not oppose the mass layoffs.

It is remarkable that no voice in the media or the political establishment so much as questions the "right" of the airline and aerospace companies to destroy, at a stroke, over 100,000 jobs. Such a massive attack on the working population is accepted as entirely within the prerogatives of the corporate elite.

The fact that so many working class families can be suddenly thrown onto the scrap heap, without any legal recourse or any opposition from within the political system, underscores the degree to which workers in America, when it comes to their economic well-being and conditions of labor, have no rights. The ruthless manner in which the corporate giants pursue their economic interests, whatever the cost to the working class, should be borne in mind when working people are called on to sacrifice and even die in the name of "national unity" and "democracy."

The scale of the announced layoffs may, in part, be calculated to increase pressure on the government to meet the airlines' demands for a federal bailout. In fact, little pressure was needed. Almost overnight the entire political system and media swung into motion behind the demands of the industry.

But while there are urgent calls for emergency aid to shore up the airlines, there are no calls for emergency aid to support the laid-off workers or bail out the communities that will be devastated by the job cuts.

Bush has presented the bailout of the industry as a patriotic measure, which, like his war preparations, is supposedly aimed at protecting the American people from the impact of terrorism. In addition to a cash infusion, the president is proposing to bar punitive damages and consolidate all lawsuits against American and United airlines into a single federal court. He also wants the government to pick up any costs for compensation or damages that exceed the airlines' insurance coverage.

No politician of either party is so much as suggesting that a bailout be contingent on a rescinding of the layoffs. Nor is there a demand that, in return for billions in public funds, the airline executives cut their multimillion-dollar compensation packages, or accept restrictions on future profit margins.

Continental CEO Gordon Bethune, for example, made $3.1 million in 2000, while Donald Carty, his counterpart at American's parent company AMR, took in $2.12 million. Unlike the 11,000 workers US Airways is discarding—who will at best receive several months of unemployment benefits before losing their incomes and medical insurance—the company's three top executives are guaranteed a $45 million severance package if they leave by November 12.

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