Northwest Airlines to laid-off workers: rummage through the trash

Joanne Laurier
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Earlier this month Northwest Airlines, the fifth largest carrier in the US, sent soon-to-be-laid-off customer service workers and baggage handlers a handbook with "tips" for managing their unemployed state. The four-page booklet, "Preparing for a Financial Setback," contains a section entitled, "101 ways to save money." Among its patronizing or insulting suggestions: urging workers to shop in thrift stores and not be "shy about pulling something you like out of the trash."

The tract is part of a 150-page package sent to about 50 workers in Bismarck, North Dakota, Bozeman, Montana, and Austin, Texas, who are the first of several hundred ground workers slated to lose their jobs as their work is outsourced under a concessions pact reached earlier this year between the company and the International Association of Machinists (IAM).

In addition to containing an advertisement from the Caldwell Banker real estate agency offering to help sell a home, the airline pamphlet advises workers to borrow a dress for a "big night out," bicycle to work, use old newspapers for cat litter, skip full-mouth x-rays unless there is a problem, use an optometrist rather than an ophthalmologist (a technician versus a medical doctor), get hand-me-down clothes and toys from family and friends and rent out part of one's house.

Other propositions include taking a shorter shower, making one's own baby food, taking a date for a walk along the beach or in the woods, making cards and gifts for friends, growing one's own vegetables and herbs and searching "the internet for freebies."

"If you have saved money, pat yourself on the back—you deserve it," reads the booklet.

The layoffs are part of a contract ratified in June by the IAM, which represents some 14,000 Northwest baggage handlers, ticket agents and other ground workers nationwide. The contract also cuts the wages of the remaining ground workers by 11.5 percent, saving the airline, which is in bankruptcy, $190 million in annual labor costs.

In addition, Northwest was easily able to break the strike that began last August of some 4,000 mechanics organized in the Aircraft Mechanics Fraternal Association (AMFA). In the process it cut 2,000 mechanics' jobs and reduced wages by 26 percent. A meeting between the company and what remains of the AMFA strikers Tuesday failed to produce any results. Shortly after the strike began, Northwest was able to hire replacement workers and outsource much of the mechanics' work because the company's other unions undermined the strike by forcing members to cross picket lines. The AMFA split from the IAM in 1999.

AMFA members rejected an agreement in December that would have classified them as laid-off instead of striking. As a result, Minnesota workers don't receive state jobless and retraining benefits. At Northwest's other maintenance operation in Michigan, strikers are eligible to receive benefits.

One month after the strike began, in September 2005, Northwest declared bankruptcy, citing $3.5 billion in losses since 2001.

In addition to the ground workers' take-backs and the busting of the mechanics' strike, the airline's pilots ratified a concessionary contract this spring. The five-and-a-half year contract saves the company $360 million by extending a 24 percent pay cut currently in effect, on top of a 15 percent reduction agreed to previously.

On July 31, Northwest imposed harsh contract terms on its more than 9,000 flight attendants, slashing their salaries and benefits by about 40 percent. The airline at that point announced it had achieved its goal of cutting

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labor costs by $1.4 billion annually as part of a restructuring plan under bankruptcy court supervision.

However, in response to the company-imposed terms, the flight attendants, who have rejected two contracts from the company, are threatening random strikes. A bankruptcy judge ruled August 17 that flight attendants could legally walk out as early as August 25.

In the face of this prolonged corporate drive to devastate their living standards and conditions, workers were understandably outraged by Northwest's financial "tips" for the unemployed.

Jackie Diebel, a Northwest employee in Bismarck who will lose her job in November, told the media she wept when faced with the reality of her plight, as well as the company adding insult to injury. "They want us to sell our cars, our house, go to food banks for food for our families," she said.

By contrast, an April 2006 report in *Forbes Magazine* reveals that Douglas Steenland, Northwest's president and CEO, is pulling in nearly $1.5 million, while *Baselinemag.com* records the 2006 compensation of Chief Information Officer Philip Haan as totaling more than $2 million. *Salary.com* reports that in fiscal year 2004, the combined compensation of the company's top six executives exceeded $20 million.

Last August the WSWS reported that Northwest Airline executives were dumping their stock as the carrier headed towards a confrontation with its mechanics and eventual bankruptcy. Former co-chairman Al Checchi unloaded 86 percent of his stock—some 4 million shares, worth $26 million. Chairman of the Board Gary Wilson shed 70 percent of his stock—3 million shares valued at $26 million. And Steenland, who had recently railed that Northwest's "overall total labor costs are too high," cashed in 97,000 shares worth $486,295.

Emailed comments in response to a *Bismarck Tribune* article on the Northwest termination booklet express the anger of workers and family members at both the airline and the trade union bureaucracy. Below is a sampling of some of the posted remarks.

RS wrote on August 16: "Dear Mr. DePace [Robert DePace is the IAM president] and Union Execs. I want to thank you for your kind letter and all the wonderful things my union has done for me over the last 28 years. Here are some of the great things you have done for me and my family!

"1) On a consistent basis, deducting Union Dues from my paycheck. 2) Allowing my job of 28 years to be outsourced. 3) Agreeing to double the cost of my health insurance. 4) Allowing Northwest Airlines to roll back my wages to 1989 levels while your Union executives and NWA Executives continue to be paid at current levels. 5) Allowing Mr. Steenland to belittle employees by telling them to stop crying and accept the fact that there are no more careers in the airline industry. 6) For making it possible for me to move my children away from New Hampshire, away from all their friends, and giving me the time to wipe my son's tears. 7) Showing me 101 ways to save money. I can't thank you enough for all you've done."

Proud to be an American! wrote on August 14: "I'm an on-strike mechanic's wife...and believe me, there is life after NORTHWORST Airlines ... Every person who has worked inside this airline made it what it was yesterday. However, today it's a falling-apart airline in which upper management and CEOs, at the cost of GREED, are profiting.

"Please don't forget that their pocket books keep getting fatter while in the meantime they have stolen from each and every one of us! Do you see them taking pay cuts? Do you see them asking for handouts, selling their homes, asking for clothing from relatives or friends? Do you see them paying a lot for medical expenses? Do you see yourself getting that pension that you were promised?"

Money saver! wrote on August 13: "NWA could have saved a lot of money and just printed a flyer that said: 'EBay everything you own if you want to eat.' We work for 30-50 years and end up with nothing. Execs work a few months and haul out millions. Just isn't right. By the way, employees are not the only people being shafted. Ask the cities of Minneapolis and Duluth."

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