

# Machinists strike at Boeing begins second week

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The strike by 27,000 Boeing machinists in the states of Washington, Oregon and Kansas has entered its second week with no moves toward the restarting of negotiations from either side.

The workers are striking to oppose the outsourcing of their jobs and increased out-of-pocket medical expenses. They are fighting to win better pay and pension benefits and overturn concessions the International Association of Machinists and Aerospace Workers (IAM) has provided the aircraft manufacturer, which made \$4.1 billion in profits last year.

The *Seattle Post-Intelligencer* reported that the IAM negotiator remains in daily contact with the federal mediator.

Meanwhile, IAM officials gathered at a union convention in Orlando, Florida where they promoted the false illusion that the election of Democratic presidential candidate Barack Obama would reverse the decades-long assault on the jobs and living standards of the working class.

Obama addressed the audience via satellite in a speech laden with American chauvinism and appeals to labor-management collaboration.

The senator from Illinois—where Boeing is headquartered—praised the IAM for the successful campaign to overturn the decision to award a refueling tanker contract to Boeing's competitor, Northrop Grumman and its European partner EADS, the parent company of Airbus. Last week the US Air Force announced it was canceling the contract and would delay the restart of the bidding process until after the next administration took office.

The struggle between the two defense contractors produced a bitter fight with different politicians—including Obama and Republican candidate John McCain—aligned with competing corporate

interests. The pro-Boeing camp cynically claimed it was out to defend “American jobs” and denounced its opponents for selling out US national security to the French.

In his remarks to the IAM convention, Obama managed to attack McCain from the right, suggesting he was in the pocket of the Europeans. “So when American workers hear John McCain talk about putting country first,” Obama said, “it’s fair to ask—which country?”

Much to the delight of the IAM officials, Obama continued along these reactionary lines, saying he would enforce a trade agreement to stop China from “manipulating its currency” and would put into law his Patriot Employer Act, which would provide further tax cuts for big businesses that kept their headquarters in the US.

The Democratic Party and the trade union bureaucracy have long used such nationalist appeals to argue that the main enemy of American workers is not US corporations, which have ruthlessly slashed jobs and wages to enrich those at the top. Instead, they argue, the enemy is workers in other countries who are working for the same multinational corporations. In the end, all the flag-waving nonsense is used to demand ever-greater sacrifices from workers in the name of strengthening US competitiveness and block any effective struggle against the destruction of millions of jobs.

In his remarks, Obama paid lip service to the striking Boeing workers, saying that he supports them because what they are fighting for “isn’t unreasonable—what you’re fighting for is a fair shot at the American dream.”

Indeed, while Boeing workers are making a determined stand to secure their jobs and protect their

living standards from skyrocketing prices and higher medical costs, the IAM has limited the strike's demands to what Obama no doubt considers "reasonable." The union bureaucracy is seeking to restore a process that would enable the IAM to bid for any job the aircraft company wants to outsource, in essence, leaving it up to the union to drive down wages and impose speed-ups on its own members.

In terms of wages, the union is demanding a meager 13 percent raise over three years—as opposed to 11 percent being offered by the company. Well below the rate of inflation, the union's demands, if met, would still mean a real cut in wages for workers.

Obama's remark certainly suggests if Boeing workers rebelled against the IAM leadership and advanced demands he considers "unreasonable," as president he would intervene against their struggle.

Financial analysts are already noting the impact of the strike on Boeing's suppliers and the economy as a whole. A September 12 posting of *CNNMoney.com* cited the estimate of Michael Helmar, a senior economist at Moody's Economy.com, that "175,000 people have jobs that depend upon Boeing being in business. Many are already being put on temporary layoffs or having their hours severely cut."

Irish airliner, Ryanair, said last week that it will delay the launch of 11 new flight routes from Edinburgh, Scotland by six weeks. Boeing was unable to deliver two 737 crafts that Ryanair had ordered for the new flights. Both Rolls Royce and General Electric see reduced demand for their jet engines.

It is estimated that Boeing is losing \$100 million dollars in daily sales, with \$7 million in lost profit, due to the strike. It has approximately a \$10 billion cushion in cash and marketable securities in order to weather the strike. Boeing's chief financial officer, James Bell, said that due to its greater production schedule and higher profit margin the impact of this strike would be "more severe" than the 2005 strike.

The strike's effect on exports could have an impact on the US trade balance. Boeing is the nation's largest exporter, selling only 10 percent of its airplanes to US airlines. In the first seven months of 2008, commercial aircraft exports were worth \$29 billion, an increase of 10 percent from a year ago. Exported parts increased 11 percent to \$12 billion. These two categories represent 5 percent of all exported goods.

*World Socialist Web Site* spoke to strikers at the Boeing plant in Gresham, Oregon.

Robert, with 11 years at Boeing said, "I'm here to support the whole effort. We're going to show them that we're prepared to stick up for what's right."

Dianna, also with 11 years said, "I work in the stores and my job is definitely on the line [due to outsourcing]. I have always been busy. If I wanted I could be working seven days a week."

One worker who preferred not to be identified stated, "The biggest change in the plant is off-loading. Boeing had at one time 180,000 workers in the North West. Now they have about 44,000. We work hard here, we really do. And they refuse to share the wealth."



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