

Following Machinists union betrayal

Boeing to slash 4,000-8,000 jobs

Barry Grey
31 March 2016

Citing an internal company document, the *Seattle Times* reported Wednesday that Boeing, the giant commercial and military airplane manufacturer, plans to slash 4,000 jobs at its Washington state-based commercial division by June, with an additional 4,000 job cuts likely to come by the end of 2016.

Boeing responded to the news report by acknowledging that it planned to slash about 4,000 jobs in its commercial airlines division by mid-year, and an additional 550 jobs in a unit that conducts flight and lab testing. However, it refused to confirm press reports that these cuts were only part of a planned 10 percent reduction at the division by year-end, which would bring the job reduction to 8,000 positions.

“There is no employment reduction target,” company spokesman Doug Alder said. “The more we can control costs as a whole, the less impact there will be to employment,” he added. The latter statement is intended to put pressure on workers to accept new concessions in the name of “saving jobs,” and provide the International Association of Machinists union (IAM) with ammunition to press its members for further give-backs.

The report sent shockwaves throughout the state, and particularly the Seattle region, where the bulk of the company’s commercial aircraft production is located. More than 9,000 Boeing jobs have been eliminated since 2012, after the IAM agreed to an extension of a sellout contract it imposed following a seven-week strike in 2008.

Boeing announced last month that it would begin trimming its work force, starting with executives and managers. Even so, the scale of the cuts announced Wednesday appeared to come as a surprise to the media, not to mention the public.

The job cuts at Boeing will impact hundreds of

supplier firms and ripple through the economy of the state and the rest of the country. In Wichita, Kansas, one Boeing supply firm, Spirit AeroSystems, laid off 42 workers earlier this month after 265 IAM workers accepted voluntary retirement packages.

At the end of 2013 and beginning of 2014, the IAM responded to threats by Boeing to move production of its 777X commercial plane to a low-wage state unless it received sweeping labor concessions and huge tax cuts from the state government by ramming through an additional, eight-year contract extension. That agreement eliminated pensions for current employees, imposed higher health care costs, and slashed wage increases. It also extended a no-strike provision to 2022.

The extension was initially rejected by IAM District 751 members by a 2-to-1 margin. It was only narrowly passed in a revote ordered by the International union leadership and conducted over the Christmas vacation period.

In late 2013, the state government, headed by Democratic Governor Jay Inslee, approved an \$8.7 billion tax break for the airplane manufacturer, the largest corporate tax abatement in US history. The legislation imposed no requirement on Boeing to maintain its current level of employment in the state.

Boeing is in the midst of its biggest peacetime boom in its 100-year history. In 2015, the company set records for both commercial deliveries, 762, and revenues, \$96.1 billion. With the assistance of the IAM, it has dramatically increased the ratio of planes produced to the number of workers employed in their production.

It is now insisting, however, that new and even more sweeping cost-cutting measures are required to make it competitive with its main rival, European-based

Airbus. The *Seattle Times* said it had obtained the transcript of an internal webcast from February in which Boeing Commercial Airlines CEO Ray Conner first informed workers that job cuts were coming.

Conner said the cuts were needed to “win the market, fund our growth and operate as a healthy business.” He focused on the struggle with Airbus for commercial airplane orders, arguing that labor costs had to be slashed in order to lower Boeing’s prices. “We’re being pushed to the wall,” he declared.

The company had said the cost-saving push “involves taking out billions of dollars in cost by the end of 2016.”

Boeing spokesman Adler said the 4,000 job cuts by June will include some 1,600 “voluntary layoffs” and 2,400 job losses through attrition. However, Boeing has broadly hinted that further job cuts this year would include involuntary layoffs.

The IAM has played a critical role in helping the company pit Boeing workers against their fellow workers at Airbus. The logic of its economic nationalist and corporatist policies is a race to the bottom, in which one section of workers competes with another for a dwindling pool of jobs by working harder and longer for lower wages and benefits.

Both the IAM and the Society of Professional Engineering Employees in Aerospace (SPEEA), the union for Boeing engineers and technical workers, reacted to the announcement of the job cuts with impotent appeals to the state legislature to bar the company from slashing jobs as part of its tax windfall.

IAM District 751 posted a statement on its Facebook page from the district president, Jon Holden, which merely said: “We have not been notified of these types of workforce reduction numbers. We continue to have concerns about work that has been moved outside of Washington state, which is why we focused so much energy on trying to get job number guarantees for the \$8.7 billion in aerospace tax incentives that our citizens are paying.”

A spokesperson at the district office told the *World Socialist Web Site* that the union did not have any information about the job cuts, including whether they would impact its members. “We would hope that the company would inform us sooner rather than later,” she said.

The job cut announcement by Boeing is one of

several major layoffs and closures that have been reported in recent days. The *Boston Globe* reported Tuesday that the Boston-based financial firm State Street Corp. plans to shrink its workforce by up to 7,000 workers by 2020. And Alcoa permanently closed a 56-year-old aluminum smelter in Warrick, Indiana on March 24, eliminating 325 jobs.

Layoffs are also taking place in the steel industry, and since January of last year, over 25,000 jobs in oil, gas and supporting industries have been wiped out as a result of the collapse in oil and commodity prices.



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