

# Air Canada announces layoff of up to 22,800 workers

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Air Canada will lay off as many as 22,800 workers, equivalent to 60 percent of its total workforce. The announcement, coming after weeks of consultations with the Canadian Union of Public Employees (CUPE), underscores how big business is determined to make working people pay for the economic and social devastation wrought by the COVID-19 pandemic.

Canada's national carrier, which employs some 38,000 people, is intentionally carrying out the layoffs in a way that will prevent flight attendants and other workers from accessing the Canadian government's coronavirus-related support programs. According to CUPE, the company is offering workers the "choice" of involuntary unpaid leave for between six and 24 months, reduced working hours, or resigning from Air Canada. Because all these options are considered "voluntary," CUPE says that workers will not be eligible to apply for the Canada Emergency Response Benefit (CERB), which provides a meagre \$2,000 each month for a maximum of four months. Instead, they will likely have to apply for Employment Insurance at a reduced rate. Moreover, the "voluntary" character of the layoffs means that Air Canada was not obliged to provide the federal Labour Ministry with the customary advance notice before implementing its job cuts.

The layoffs are being imposed in spite of the federal Liberal government's widely-touted Canada Emergency Wage Subsidy (CEWS). Under the CEWS program, the government pays 75 percent of employee wages, whilst the employer remains responsible for pension and other benefits and payroll contributions. After announcing 16,500 job cuts in March, Air Canada reversed course in April after the CEWS program had been modified to better suit the demands of big business and rescinded the layoffs. However, it refused, with CUPE's consent, to top up the remaining 25 percent of workers' salaries.

Now Air Canada management has concluded that even the burden of paying benefits and pension contributions is too great. The company's participation in the CEWS program will end June 7, forcing thousands of workers onto layoff and into poverty.

Air Canada's brutal treatment of its workforce would not be possible without the connivance of the trade unions. CUPE has been in extensive consultations with the company over the past two months, and has assumed the role of justifying the savage job cuts to its members in language virtually indistinguishable from a corporate executive. "The reality is that COVID-19 has severely impacted the demand for air travel over the past few months and into the foreseeable future," a CUPE bulletin to flight attendants

read. "As such, there is no denying that we are dealing with the largest surplus of cabin personnel in our history."

CUPE's insistence on accepting market-dictated "demand" and its contemptuous reference to the "surplus of cabin personnel" dovetails with Air Canada's focus on ensuring continued returns for its super-rich shareholders and investors. "As a publicly-traded company we have fiduciary duties to multiple stakeholders," Air Canada declared in a statement announcing the job cuts. The final confirmation of the layoffs came just days after S&P downgraded Air Canada's credit rating.

Events at Air Canada reveal certain basic truths about Canadian capitalism's response to the coronavirus pandemic.

First, the Trudeau government's claim to be safeguarding workers' jobs through the CEWS program is a fraud. In reality, the program serves to subsidize employers' labour costs while they come up with restructuring plans to be paid for by the working class. There is no obligation for businesses who place workers on CEWS to protect their jobs, even during the five months, set to end in August, that the program is functional.

Secondly, the premature back-to-work campaign that is being pushed relentlessly by the political establishment, the corporate elite, and the trade unions does not mean that workers will return to their old jobs and under the same conditions. Having looted more than \$650 billion in public funds in the form of Liberal government and Bank of Canada bailout measures, the ruling elite is determined to drastically intensify the exploitation of the working class through mass layoffs, wage cuts, and the gutting of workplace benefits.

In this context, Air Canada's actions are a foretaste of what big business has in store for hundreds of thousands of workers in the coming months. On Thursday, it was revealed that WestJet, Air Canada's main domestic competitor, has requested the federal Labour Minister exempt it from its group termination obligations under the Canada Labour Code. According to the Labour Code, a federally-regulated company wishing to permanently terminate more than 50 workers at one time must provide 16 weeks' notice instead of the statutory two weeks. The employer must also establish a joint planning committee with the union to explore alternatives to termination. Air Canada avoided this requirement by relying on job-cutting approaches that are, formally at least, "voluntary" and "temporary." However, if WestJet is granted the exemption, it would clear the way for the airline to permanently terminate the 6,400 WestJet employees currently on the payroll

under the CEWS program.

The third basic truth revealed by Air Canada's job massacre is that the trade unions function as arms of management and the state, justifying and imposing job, wage and benefit cuts while smothering all resistance by workers. Although it has been clear since March that Air Canada was trying to offload the crisis onto its workforce, CUPE and the other unions that represent workers at the airline, including Unifor and the International Association of Machinists (IAM), have done nothing to mobilize worker opposition. Instead, they have created the phony impression that they are fighting tirelessly to protect workers' interests in talks with management that start from the premise of how best to ensure Air Canada's long-term "viability"—i.e. its profitability for investors—through a savage cost-cutting drive. CUPE even drafted proposals for Air Canada's consideration on how it could slash costs, including through an early retirement initiative. After the announced layoffs, all the IAM had to offer was a public statement pleading for the retention of the CEWS, the very mechanism that has facilitated the jobs massacre.

All this is in keeping with the unions' involvement in imposing concessions and suppressing working class opposition for decades. In the airline industry, CUPE, Unifor, and the IAM have given their stamp of approval to one round of worker givebacks after another, since they aided and abetted the industry's restructuring at workers' expense as Canadian Airlines International financially unravelled in the late 1990s.

CUPE's role provides a practical demonstration of the type of corporatist alliance with government and big business that the unions, led by the Canadian Labour Congress (CLC) and Unifor, have been championing since the pandemic erupted in North America. CLC President Hassan Yussuff, who in early March called for a "collaborative front" with big business, and Unifor President Jerry Dias signed a joint statement April 15 with Labour Minister Filomena Tassi, the Canadian Bankers Association, and Canadian Federation of Independent Business that outlined the purported "common goals" of workers and their bosses. Prominent among these was the need to "keep Canadian businesses ready to come roaring back and ensure the economy can recover."

Three weeks later, Yussuff penned a joint article with Canadian Chamber of Commerce President Perrin Beatty. In words that must now read like a cruel joke to Air Canada employees and hundreds of thousands of workers set to face the same fate, the two allies declared, "The pandemic has tied our wellbeing to one another like never before...Our fellow Canadians are relying on collective effort to overcome this crisis." The pair continued, declaring that post-pandemic, "a trading nation like ours" will face "transformational changes" and "strategic" challenges, including how to pay down massive public and private debt, and prosper amid the growth of protectionism and trade war. (See: Canadian unions cement anti-worker corporatist alliance with government and big business )

From the standpoint of the unions, no less than corporate Canada, the goal is to restore Air Canada as a source of lucrative profits for investors and ensure that it remains an important asset for Canadian imperialism. The existence of a "globally competitive" Canadian airline industry is viewed by Canada's ruling elite and their union accomplices as crucial in enabling "a

trading nation like ours" to compete on the world stage with rival powers for markets, raw materials, and spheres of influence.

While the unions endeavour to strengthen "their" companies and nationally-based capitalist elites and to convince workers that they share "common goals" with their bosses, the reality for workers is that job cuts and attacks on conditions are in full swing across the globe. This is especially true of the airline industry. The 22,800 Air Canada workers set to lose their jobs will join up to 18,000 workers at German airline Lufthansa, 4,900 at Scandinavian Airlines, and 12,000 at British Airways on the unemployment rolls.

The corporate onslaught on working people can only be halted if workers build rank-and-file action committees, independent of and in conscious opposition to the pro-capitalist trade unions. At Air Canada and every other airline affected by the crisis, these committees must demand the guaranteeing of all jobs, full pay for all workers during the pandemic, and comprehensive testing and safety measures for pilots, cabin crew and other workers who must work to provide essential flights. This program should be paid for by a concerted attack on the financial oligarchy that has swelled its wealth and incomes over the past four decades through a never-ending assault on the jobs, social protections and rights of working people.

The starting point should not be, as CUPE claims, the "demand" for air travel or the profit demands of Air Canada shareholders, but the right of workers to secure, decent-paying jobs and a safe working environment.

These basic rights can be secured only through the transformation of Air Canada and all other privately-controlled airlines into publicly-owned utilities, democratically controlled by working people. To fight for this, workers organized in rank-and-file committees at Air Canada must unite their struggles with fellow airline workers internationally on the basis of a socialist program.

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