

Bailed-out US airlines escalate attack on jobs

Jacob Crosse
1 October 2020

After receiving billions in government aid through the bipartisan \$2.2 trillion CARES Act, major US airlines and defense contractor Boeing are moving forward with mass layoffs, adding tens of thousands to the unemployment rolls as the coronavirus pandemic continues to spread unchecked throughout the country.

Leading the charge in excising workers from their payrolls are American and Delta, which are set to eliminate upwards of 40,000 jobs beginning today, after Democratic House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin failed once again to reach an agreement on a fifth coronavirus stimulus bill, which would include more government grants to the airlines.

In addition to the airlines, Boeing, the world's second largest defense contractor, which received \$17 billion through the CARES Act, is also expected to announce more layoffs. The *Wall Street Journal* reported Wednesday that the company plans to move all 787 Dreamliner production from its Everett, Washington factory to its North Charleston facility in South Carolina.

This past April, Boeing announced it would be cutting 10 percent of its 160,000 employee workforce, of which 6,800 have already been laid off, while roughly 5,500 accepted early buyout packages.

Just two weeks ago, the House Transportation and Infrastructure Committee released the results of its 18-month investigation into the two crashes of Boeing 737 Max airplanes that killed a combined total of 346 passengers and crew. The report laid out damning evidence that Boeing knowingly risked the lives of countless thousands of people by rushing into service an aircraft it knew to have potentially fatal design flaws. It systematically concealed the dangers from government regulators, airline customers, pilots and the general public.

Yet this criminal corporation and the commercial airlines, which received billions in taxpayer money,

justified by Congress as an effort to “save jobs,” have been allowed to use the handouts to slash payrolls, restructure operations at the expense of workers' wages and working conditions and boost their stock prices and executive bonuses. Meanwhile, the Democrats and Republicans allowed the \$600-per-week federal unemployment supplement to expire two months ago, workers are facing the expiration of state jobless benefits and nothing is done to prevent millions from being evicted, going hungry and falling into destitution.

Neither of the big business parties, which pull out all stops to rescue Wall Street, are in any hurry to provide aid to workers. Democrats and Republicans are united in the drive to force workers back on the job in the midst of the pandemic, using unemployment and the specter of poverty as a club, in order to fully resume the extraction of profit from the workers' labor. In this, they demonstrate their total subservience to the corporate-financial aristocracy that runs the country.

The *Washington Post* published an article Wednesday based on Labor Department data showing that since mid-March, the lowest 25 percent of income earners have seen their wages decrease by as much as 30 percent, while the top 25 percent have seen their earnings remain the same or slightly increase. Meanwhile, ultra-wealthy “pandemic profiteers” such as Amazon CEO Jeff Bezos and Tesla CEO Elon Musk have seen their wealth increase by 65 and 50 percent respectively.

The CARES Act, passed at the end of March by a near-unanimous vote of both parties, singled out American, Delta, United and Southwest airlines for multi-billion-dollar bailouts. Smaller regional carriers such as Alaska Air Group and Hawaiian Holdings received multi-million-dollar bailouts.

Doug Parker, the CEO of American Airlines, was joined by Sara Nelson, international president of the Association of Flight Attendants-CWA, on CNBC's

“Squawk Box” Wednesday morning. Both pleaded with Congress for a six-month extension of the so-called “Payroll Support Program,” the official name of the airline bailout scheme.

“Absent action, sometime today, we unfortunately are choosing to have a hundred thousand or more not employed,” Parker warned, essentially threatening the livelihood of every single American Airlines worker. Parker took in \$12 million in compensation in 2018.

American Airlines, which has already detailed its plans to lay off upwards of 20,000 workers, received \$5.81 billion through the CARES Act. As of January 2020, American employed over 140,000 workers. However, after months of buyout packages and early retirements, fewer than 100,000 workers are currently employed by the company.

Delta, which started the year with over 90,000 workers, now employs less than 75,000, roughly 15,000 having taken buyouts and early retirement. Despite Delta receiving \$5.4 billion in grants and low-interest loans earlier this year, and more than 40,000 workers opting for temporary leaves of absence or reduced schedules since the pandemic began, the airline plans to furlough roughly 1,900 pilots starting today.

Delta has utilized the tax code to claim huge paper losses and receive large refunds from the Internal Revenue Service (IRS). In 2018, the carrier paid nothing in federal income taxes on over \$5 billion in income, while claiming a \$187 million refund. That same year, Delta CEO Ed Bastian received a total compensation package of nearly \$15 million.

While no layoffs have been announced yet by Southwest Airlines, which received \$3.2 billion in CARES Act money, this is only because large numbers of workers have volunteered to accept early retirement and buyouts. United Airlines, which received \$2.75 billion, is planning to cut upwards of 13,000 workers, mostly flight attendants and maintenance crew, after negotiating separately with the Air Line Pilots Association (ALPA) to avoid furloughing some 2,850 pilots.

Alaska Air Group, which received nearly \$1 billion in CARES Act grants, plans to go forward with the firing of 331 workers, today. However, the airline has warned that as many as 4,200 workers could be furloughed in the next month. Like Delta, Alaska paid nothing in federal income taxes in 2018 and received a \$5 million

refund from the IRS, despite a reported income of over \$576 million.

Finally, Hawaiian Holdings, which received \$664 million through the CARES Act, indicated in August that about 2,000 workers, including 600 flight attendants, will be laid off beginning today. The airline, which employed 7,447 workers at the beginning of the year, plans to have reduced the workforce to 4,946. Of the layoffs, 1,850 are supposedly “voluntary cuts,” while 466 are “involuntary.”

The WSWS spoke with an airline mechanic at the Dallas-Fort Worth airport in Texas, who

commented on the pending layoffs. “I have been in aviation for nearly 10 years,” he said. “I’m not a political person, nor do I get into the hype of it. But I gotta say, this is one time that the government has let us down.”

He continued: “I have family that worked for a major airline and gave all they had to them for over 20 years, but they got booted on the first round. But people who have been there less are still there.

“We have been still working every day and have been fortunate to be able to do so. We are on the front lines, putting ourselves as well as our families at risk. The one thing that has been asked is for someone to stand up for us and allow us to continue what we do so people can still feel safe in the air.”



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact