

Canada's major airlines lay off thousands more workers

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Canada's two largest airlines have announced they will be laying off thousands more workers, adding to the already large group of aviation sector workers who have suffered work and income loss due to the pandemic.

Air Canada and WestJet released statements earlier this month declaring that they will be laying off 1,700 and 1,000 employees, respectively. Both companies asserted that they were forced to cut jobs due to new health regulations imposed by the federal government to stop travellers from bringing new cases, including of the newly identified more contagious variants of the COVID-19 virus, into the country.

In recent months, Air Canada and WestJet, together with major trade unions and organizations representing the hotel and tourism industries, have been pressing for COVID-19 restrictions on air travel to be scaled back or removed altogether.

Rather than demanding that workers receive adequate support so they can shelter at home until the pandemic is brought under control, the unions have joined with the airlines and various business lobby groups to press for the removal of public health measures and the provision of additional billions in public funds to the airlines. This campaign has included publishing joint full-page newspaper ads.

The job cuts will include temporary layoffs, unpaid leave and reduced hours for operations workers, such as flight attendants and ticket agents. Both companies will be operating at approximately 20 percent capacity and discontinuing various flight routes.

The recently adjusted federal government travel regulations referred to by the airlines now require all passengers over the age of five entering the country to have received a negative result on a standard nose-swab COVID-19 test within 72 hours prior to boarding their flight. Travellers entering Canada from a country where COVID-19 tests are not readily available will be granted an exception but will be required to quarantine in a federally regulated facility for 14 days.

The airlines made clear with their response that they expect workers to pay for these medically necessary restrictions—all so that their wealthy shareholders and executives can continue to enjoy a financial bonanza.

WestJet CEO Ed Sims indicated his disapproval of the

measures, telling reporters, “The entire travel industry and its customers are again on the receiving end of incoherent and inconsistent government policy.” Sims added that the Calgary-based airline saw a significant decline in bookings and an increase in cancellations as soon as the new federal regulations were announced.

The heads of Air Canada, WestJet, Transat and Sunwing, along with the International Air Transport Association and National Airlines Council of Canada, pushed for the new rules to be implemented at a later date, but Ottawa has not obliged their requests.

The claim by airline executives that their companies are strapped for cash and cannot afford to pay workers' wages, which have been swallowed whole by the trade unions, is a fraud. These well-capitalized companies with billions of dollars in reserves have already received hundreds of millions of dollars in financial support through federal government programs, including the Canada Emergency Wage Subsidy (CEWS).

This is in keeping with the response of the Trudeau government to the pandemic, which has been to prioritize corporate profits over the protection of human lives. While funnelling over C\$650 billion in bailout fund to banks and investors, the Liberal government has refused to provide nonessential workers with the requisite financial support to allow them to remain at home until the pandemic is brought under control.

Air Canada has received the single largest amount of federal funding of all publicly traded companies in the country, a staggering C\$492 million of public funds through the CEWS, which covers up to 75 percent of workers' wages. As the WSWs previously explained, the wage subsidy has functioned as little more than a slush fund for the corporate elite, with companies continuing to shower their stockholders with fat payouts while claiming the public funds.

According to the federal government's fall economic update, the airline industry as a whole was provided C\$1.4 billion in aid as of early December. Yet thousands of workers have been or will soon be laid off, bearing the brunt of a battle for corporate profits, share valuations and investment in which they did not elect to partake.

Moreover, it is a battle, thanks to the role of the pro-capitalist trade unions, that workers are being forced to fight unarmed. During April and May 2020, the Canadian Union of Public Employees (CUPE) engaged in weeks of talks with Air Canada to assist in pushing through 22,800 job cuts in the face of widespread opposition from rank-and-file workers. CUPE demonstrated its total subservience to market-dictated demand and the prerogative of Air Canada to continue making profits and handing payouts to shareholders when it informed the workers being laid off that they were “surplus” flight attendants.

The trade unions insist that workers’ jobs and lives be subordinated to the airlines’ ability to turn a profit. Responding to the latest round of job cuts by WestJet, Chris Rauenbusch, president of CUPE Local 4070 (which represents flight attendants at WestJet and its spinoff low-cost carriers), fully embraced the company’s corporate talking points, placing blame for the layoffs on the government and the new public health regulations.

“Ottawa,” said Rauenbusch, “has demonstrated zero understanding of the \$36 billion in GDP Canada’s airlines contribute to our economy.”

Rather than holding the multibillion-dollar airlines accountable for how they have chosen to spend their vast amounts of cash reserves and government aid, Unifor and CUPE have spent recent months campaigning for billions of dollars in public funds to be turned over to the same airline companies that are throwing workers out of their jobs amid the pandemic. In October, Unifor held a press conference to demand that the Trudeau government cough up C\$7 billion to support the airlines.

Following the latest job cuts, Unifor national president Jerry Dias underscored his organization’s corporatist relationship with the airline companies, demanding substantial government bailouts for “our devastated industry.” Making clear that his primary concern was maintaining the global competitiveness of Canadian airlines and thus the profits of investors and shareholders, not protecting workers’ jobs, Dias bitterly complained, “[O]ur airlines have been burning through cash, and we still have not seen aid anywhere near what other international carriers have received. Canada needs to act urgently on this front.”

The money airlines have been “burning through” has certainly not gone towards securing jobs or providing workers with income amid the raging pandemic. Many workers have been given the option to “keep their jobs”—with no guaranteed work hours or income—or leave. For all intents and purposes, this is a choice between the fire and the frying pan, since a “voluntary” departure jeopardizes workers’ entitlement to Employment Insurance.

While slashing jobs wholesale and pocketing hundreds of millions of dollars in wage subsidies and federal aid, the airlines have confiscated the money that would-be passengers

paid them for flights that were cancelled when COVID-19 lockdowns were imposed last March. More than 100,000 Canadians have signed petitions demanding that the government force the airlines to reimburse them, rather than hold on to the money as “credit” for future travel. Several class-action lawsuits have been filed. With many customers suffering severe financial losses as a result of the pandemic, the airlines are withholding funds often needed for basic necessities such as food or housing.

As of September 2020, Air Canada reported having C\$2.3 billion on hand in revenue from ticket sales. Of this, a staggering 65 percent was in the form of “non-refundable” fares from cancelled flights.

Former Air Canada executive John Gradek, now a lecturer at McGill University, states that the airline giant has the money to pay the refunds but is intentionally exploiting the issue as a “bargaining chip” in bailout negotiations with the federal government.

“Air Canada does not need government funding to process those refunds,” he said, drawing attention to the C\$8 billion in unrestricted liquidity the company had access to as of September 2020.

Meanwhile, the airlines have seized on the current crisis to permanently suspend operations on less profitable routes to smaller cities.

To defend their jobs and livelihoods, airline workers at WestJet and Air Canada must take up a struggle against the corporatist gang-up of company management and the trade unions. They should establish independent action committees to launch a fight to protect all jobs, rehire all airline workers who have been laid off, and secure a guaranteed income to all airline workers throughout the pandemic. In this struggle, the closest allies of airline workers are the workers across Canada and internationally who are being subjected to the same rapacious government- and union-backed corporate onslaught amid the pandemic. To oppose this, they must adopt a socialist program aimed at the expropriation of the ill-gotten gains of the super-rich investors of the airline companies and other large businesses, and the transformation of these private for-profit concerns into publicly owned utilities under the democratic control of the working class.



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