

# The Yellow bankruptcy and the US ruling class's war on two fronts

Marcus Day  
1 August 2023

In the largest mass layoff event in the US since 2020, 30,000 workers at trucking firm Yellow Corp. were thrown into unemployment over the weekend, after the company announced it was ceasing operations on Sunday.

Given the scale of the layoffs and the fact that Yellow's largest creditor is the US government, the Biden administration has made a calculated decision to allow the bankruptcy to go forward, destroying the livelihoods of 30,000 workers and their families.

The nominal reason for the bankruptcy is the company's debt burden of \$1.6 billion, about half of which is owed to the federal government. But this figure is less than what the US spends every single week on the war in Ukraine. Indeed, the White House's decision to allow the bankruptcy is deeply connected to the war.

While the US government proclaims it will fund the war in Ukraine for "as long as it takes," no resources are supposedly available to prevent tens thousands of working class families from being thrown into destitution in the largest trucking bankruptcy in US history.

The ruling elite is engaged in an escalating war on two fronts.

Abroad, American imperialism is seeking to subjugate and dismember Russia, while simultaneously preparing for even greater military conflict with China. At home, the ruling class is trying desperately to contain and suppress an increasingly combative movement of the working class and impose conditions of super-exploitation.

In April, National Security Advisor Jake Sullivan said that Biden has a "core commitment—indeed, his daily direction to us—[is] to more deeply integrate domestic policy and foreign policy."

War abroad is war at home. The White House sees the suppression of the working class—especially in key logistics and manufacturing industries—and the imposition of poverty wages as crucial to carrying out US

imperialism's predatory foreign policy aims.

The Biden administration, with the support of both parties in Congress, has been systematically expanding annual US military spending to record highs. Close to \$1 trillion a year is now spent on the Pentagon budget, the costs of the war in Ukraine, preparations for war with China and the myriad US military-intelligence agencies.

The Biden administration's response to Yellow stands in stark contrast to its actions in relation to the failures of First Republic and Silicon Valley Bank earlier this year, when virtually limitless sums were made available by the state to protect the wealth of their richest depositors, and that of the financial aristocracy more broadly.

For Yellow's top executives—who have continued to draw multimillion-dollar compensation packages year after year—the company's closure will ultimately amount to little more than an inconvenience. But for Yellow's 30,000 truck drivers, yard workers and office staff, there will be a desperate scramble to find employment and avoid total destitution.

The destruction of tens of thousands of jobs at Yellow is part of a broader ruling class policy, which entails the use of mass unemployment and the pro-corporate union bureaucracies to force workers into accepting poverty wages.

The Teamsters bureaucracy—far from leading a fight against the assault on Yellow workers' jobs—has worked at every step to sow confusion and head off a strike, which it fears would galvanize opposition among UPS and other logistics workers. Over 340,000 UPS workers began to vote on a sellout tentative agreement this week, which has already provoked widespread opposition.

In a statement issued Sunday which sought to present the destruction of 30,000 jobs at Yellow as an accomplished fact, Teamsters General President Sean O'Brien said, "Today's news is unfortunate but not surprising." Adding insult to injury, O'Brien claimed,

“The Teamsters are committed to ensuring members are protected and notified with all the latest information.”

Rather than mobilizing its hundreds of thousands of members at UPS, Yellow, TForce, ABF and elsewhere in an all-out combined strike to defend jobs and win substantial improvements to wages and working conditions, the Teamsters bureaucracy has sought to isolate workers from each other, using lies and intimidation to impose pro-corporate contracts one by one.

There can be little doubt that the Teamsters’ top officials and the Biden administration collaborated closely over the plan for Yellow. O’Brien has been a frequent visitor to the White House and played a key role in the betrayal of the struggle by more than 100,000 railroad workers last year.

At UPS, Yellow and elsewhere, the Teamsters leadership kept workers in the dark on the details of the discussions with management. On July 23, the Teamsters called off a strike at Yellow set to begin the following day, knowingly giving the company the time needed to prepare to file for bankruptcy. Union officials likely sensed they would not be able to impose the company’s demands for historic concessions themselves without triggering an explosion by workers and decided it would be more prudent to offload this task to the bankruptcy courts.

Yellow’s bankruptcy and the treacherous role of the Teamsters bureaucracy are a warning to workers everywhere. The lessons are particularly crucial for the 150,000 autoworkers at General Motors, Ford and Stellantis who face a struggle against both the companies and the United Auto Workers apparatus as the September 14 contract expirations loom.

Biden, the self-described “most pro-union president in history,” has sought to rely as much as possible on the union bureaucracies to block or isolate strikes. Where struggles have threatened to escape the grasp of the union officialdom—as at the railroads last year—the White House has not hesitated to deploy the powers of the state to impose the dictates of the corporations.

The ruling class’s increasing use of the state and the union bureaucracies is not limited to the United States. In Canada, the International Longshore and Warehouse Union (ILWU) announced late Sunday that it had reached another deal with port operators in the western part of the country, in a deal brokered by the Canada Industrial Relations Board, defying widespread sentiment among dockworkers to renew their strike. The announcement

came just two days after workers had voted down a tentative agreement backed by the companies, the ILWU, and the Trudeau government.

Terrified by the growth of the class struggle, confronting a series of intractable social, political, and economic crises, American capitalism and its imperialist allies are desperately seeking to extricate themselves with all the tools at their disposal, including predatory wars for markets and resources and the use of military conflict to channel social tensions outwards. At the same time, the gargantuan costs of the rapidly escalating conflict in Ukraine and preparations for war with China are to be imposed on the working class, through cuts to social programs and the suppression of wages.

Thus, the wars on both fronts are being waged for the same class interests and for the benefit of the same multinational corporations.

The continued attacks on workers’ living standards, however, are already generating explosive anger and opposition, with strikes encompassing ever-greater numbers in the US, Canada, Britain, France, Germany and other countries this year.

In every case, the chief obstacle workers face are union bureaucracies that claim to represent them but which in fact operate as enemy saboteurs, fifth column appendages of the corporations and the capitalist state.

To break free of this sabotage, workers must develop their own strategy and organizational structures which can carry out that strategy. In increasing numbers in the auto industry, at UPS and elsewhere, workers are forming rank-and-file committees, with the assistance of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), in order to coordinate their struggles across different workplaces and industries.

Capitalism is waging war on the working class, and the working class must declare war on capitalism. Latent opposition to the war in Ukraine exists, but it must be made conscious and given a political program. The struggle for workers’ rights and interests—for higher wages, decent working conditions and the right to a good-paying job—must be fused with the fight against imperialist war and for international socialism.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**