

Yellow freight declares bankruptcy, in the latest assault on workers' jobs

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Two weeks after shuttering operations, freight company Yellow officially filed for bankruptcy on Monday.

The closure of Yellow and the elimination of 30,000 jobs is a massive assault on the working class by Wall Street, escalating a wave of layoffs this year. This is the latest in the continuing jobs bloodbath by the corporate oligarchy, which has eliminated hundreds of thousands of jobs.

In the tech industry alone, nearly 225,000 jobs have been slashed so far. In January, Amazon announced that it would cut 18,000 jobs from its office staff followed by another 9,000 in March. Microsoft added to the carnage with 10,000 layoffs. Meta (the parent company of Facebook) announced another 10,000, and Google's parent company Alphabet announced 12,000 job cuts. Dozens of other companies in the tech sector cut large portions of their staff.

The bankruptcy of Yellow is the largest single layoff this year and the largest for industrial workers since 2009, when General Motors laid off 47,000 workers. The bankruptcy filing all but finalizes the firing of 22,000 members of the Teamsters, who had not all been officially laid off by the company when it closed operations. Several workers reported that they had not received any communication from the company, and that without confirmation of their job status they were unable to file for unemployment or find employment elsewhere until the bankruptcy declaration.

Yellow's collapse will not just affect those workers laid off. Thousands of truckers, warehouse workers, and office staff have just been dumped into the job market. One Yellow worker from Atlanta said dozens of workers showed up to interview for a position at a competitor who was offering 50 percent less than advertised. When workers said it wasn't enough to live

on, they were told if they didn't take it someone else would.

This is the deliberate purpose of the bankruptcy. Trillions of dollars have been pumped into financial markets to prop up the capitalist economy during the pandemic, and the government regularly spends billions of dollars a week to fund its proxy war in Ukraine. This money is to be extracted from the working class through ever greater levels of exploitation.

The centerpiece of the Biden administration's domestic policy has been to suppress wage growth through the raising of interest rates, aimed at triggering a surge in unemployment to use as a weapon against the working class. The official policy of the Federal Reserve has been to "get wages down," in the words of Fed Chairman Jerome Powell, who lamented last year that "employers are having difficulties filling job openings, and wages are rising at the fastest pace in many years."

The pandemic had the effect of tightening the labor market and has triggered a massive and growing resurgence of the class struggle, with workers demanding wages that not only match inflation but that recoup the losses from decades of concessions.

In response, Wall Street is demanding a stronger hand in the exploitation of the working class. At workplaces around the country Wall Street will demand similar attacks on the working class, targeting wages, working hours, benefits and working conditions.

Roughly 150,000 auto workers have their contracts expire next month at the Big Three auto companies (General Motors, Ford, and Stellantis—formerly Chrysler). Management will be demanding concessions as the industry turns to electric vehicle production that requires up to 40 percent less labor than gas-powered cars.

United States Postal Service rural letter carriers have seen their pay slashed by up to \$20,000 a year under its new payment scheme. Postmaster General Louis DeJoy intends to eliminate roughly 50,000 jobs at the USPS through his “Delivering for America” restructuring program.

Meanwhile, workers at UPS are rebelling against the sellout contract negotiated by the Teamsters that fails to meet their demands.

In a public statement, Yellow management blamed the Teamsters for “literally driving our company out of business.” The exact opposite is the case. The union bureaucracy, working closely with the White House, has played a critical role in suppressing strikes and enforcing substandard contracts.

At Yellow, the Teamsters used the faltering company as a convenient foil for militant posturing. O’Brien made several public comments declaring that the Teamsters would no longer give concessions to Yellow after giving “billions of dollars” to the company in previous contracts.

But after the company refused to make payments to workers’ benefit plans, the Teamsters called off a strike at the last minute, claiming it had reached a deal to allow the company to make up its missed payment. In reality, this bought time for the company to wind up its operations and prepare for bankruptcy. When Yellow finally announced bankruptcy, General President Sean O’Brien issued a complacent statement calling it “unfortunate.”

The inaction of the Teamsters to intervene and defend the jobs of 22,000 members was a conscious decision. Any strike action by Yellow workers would have emboldened UPS workers, who are currently voting on the sellout contract. The Teamsters have instead allowed 22,000 union and 8,000 nonunion jobs to be sacrificed in order to maintain “labor peace.”

The Teamsters barely communicated with their own members at Yellow. One Yellow truck driver described going to the union office to ask about his job. A union official responded, “Job, what job? Yellow is closed, they just haven’t filled out the paperwork yet.”

Yellow’s collapse will be a feeding frenzy for the vultures of Wall Street. Yellow had over \$2.25 billion in assets in December. Billions of dollars in equipment and real estate will be picked for scraps by its creditors, chief among them Apollo Global Management.

Apollo is a major private equity firm with nearly \$600 billion in managed assets. It gave Yellow a \$500 million loan in 2019, organized for the United States government to give Yellow a \$700 million bailout in 2023, and is the leading creditor in Yellow’s debtor-in-possession bankruptcy, which will give the firm first choice when Yellow’s assets are sold.

Yellow’s \$1.6 billion in debt is considerable, but its two main investors, Apollo and the US government, have trillions of dollars in resources. Apollo manages assets totaling nearly \$600 billion, and the United States spends over 500 times Yellow’s debt on the military each year.

The jobs bloodbath at Yellow is a warning to the working class and a demonstration of the necessity for an independent class strategy to fight against this assault on jobs. Workers are in a fight not just against individual greedy employees, but against the financial oligarchy and the capitalist system itself, with the corrupt union bureaucracy acting as their loyal enforcers.

This counteroffensive must be fought through the construction of rank-and-file committees independent of the union apparatus and the capitalist political parties. These committees, which have been established at UPS, the auto industry and other critical industries, are part of the International Workers Alliance of Rank-and-File Committees, which is fighting to build a unified international movement of the working class against the giant global corporations which exploit workers in every country.

The bankruptcy of Yellow is also a demonstration that private ownership of the economy is incompatible with the preservation of jobs and decent working conditions. The wealth of the financial oligarchs and corporate executives must be expropriated and the trucking industry reorganized as a public enterprise, run by the working class for the fulfillment of social need, not private profit.



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