

# The pandemic Depression: Bailed-out US airlines slash tens of thousands of jobs

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The United States is in the grips of the worst social crisis since the Great Depression of the 1930s.

Eight months after the onset of the coronavirus pandemic and barely one month before the presidential election, millions of workers and young people are unemployed or underemployed and facing eviction, hunger and the loss of health care coverage. This coincides with an acceleration of the coronavirus pandemic, which has already taken more than 210,000 US lives, spurred on by the homicidal “herd immunity” policy championed by the Trump administration and administered at the state and local level by Democratic as well as Republican officials.

Fueled by the campaign of both parties to reopen the schools and campuses, COVID-19 infections are on the rise in 28 states.

On Thursday, some 50,000 airline workers were laid off or furloughed. Having received tens of billions of dollars in government handouts and virtually free credit from the Federal Reserve Board, compliments of the bipartisan CARES Act passed last March, major US airlines and defense contractor Boeing are carrying out mass layoffs.

The unprecedented corporate bailout was cynically packaged as a move to “save jobs.” But the billionaire bankers, investors and CEOs have used the money to permanently downsize and restructure their operations while further enriching themselves and boosting their stock prices. They destroy the jobs—and the lives—of their workers with complete impunity, knowing they will face no opposition from either of the two big business parties or the pro-corporate trade unions.

Meanwhile, the same politicians conspire to strip workers of the \$600-per-week federal unemployment supplement, allowing it to expire two months ago, and permit state unemployment pay to run out for growing numbers of workers. Millions of laid-off workers, including some 600,000 in California alone, are unable to register for jobless pay because of antiquated and overwhelmed state unemployment systems.

The jobs bloodbath in the airline industry is part of a

broader and accelerating corporate assault on jobs. On Tuesday, Disney announced it will eliminate 28,000 jobs in the US. Royal Dutch Shell announced this week it will be cutting between 7,000 and 9,000 jobs, while Dow Inc. said it will reduce its workforce costs by 6 percent.

As for small businesses, over 97,000 across the US have closed for good since March 1, according to data from Yelp Inc.

American Airlines CEO Doug Parker is leading the industry attack, announcing Wednesday that his airline will go ahead with 19,000 layoffs, or 14 percent of its pre-pandemic workforce. American received \$5.81 billion through the CARES Act. Parker took in \$12 million in compensation in 2018.

United Airlines is following suit, announcing that workers should expect about 13,000 furloughs in the coming weeks.

Delta, which received \$5.4 billion in grants and low-interest loans from the government, started the year with over 90,000 workers and now employs less than 75,000. The airline plans to furlough roughly 1,900 pilots. Delta CEO Ed Bastian received a total compensation package of nearly \$15 million in 2018.

It should be noted that the bailout scheme was supported almost unanimously by the Democratic Party and enthusiastically endorsed by Bernie Sanders.

The US government reported Thursday that over 837,000 new workers filed for unemployment assistance last week. The total pool of Americans on state benefit rolls remained at nearly 11.8 million for the week ended Sept. 19. However, the real number of workers receiving unemployment benefits, including aid from federal programs separate from state unemployment pay, or waiting to be approved, is 28 million.

Millions of workers are struggling to pay rent, utilities and car payments, and put food on the table for their families on the basis of their starvation unemployment rations. Nearly one-third of adults are reporting difficulty meeting their regular household expenses.

Restrictions on utility cutoffs and evictions have expired

or are set to expire in dozens of states across the US. As of Friday, only 12 states and the District of Columbia still have disconnection bans in place for basic utilities. Over 200 million Americans are at risk of losing service, according to the National Energy Assistance Directors' Association.

Meanwhile, the wealth of the 643 richest US billionaires grew by \$845 billion, or 29 percent, in the first six months of the pandemic. The wealth of Tesla founder Elon Musk, who defied pandemic restrictions to reopen his plant in Northern California, surged 273 percent to \$92 billion.

Fourteen percent of Americans, some 46 million people, say that since the virus was declared a pandemic, their emergency savings have been wiped out, according to a new study. Another 11 percent of adults have had to borrow money to cover everyday expenses.

Young workers in particular have been hard hit. Over half of people under the age of 45 say that the one-time \$1,200 payment from the government under the CARES Act covered less than two weeks of expenses. Roughly a quarter, or 26 percent, of those ages 25 to 34 say they had completely depleted their emergency funds.

The response of the ruling class to the pandemic—Democrats and Republicans alike—has been dictated entirely by the interests of the financial aristocracy.

The catastrophe for the working class did not even come up in the first presidential debate, held Tuesday night. Democratic candidate Biden did not even mention the cutoff of unemployment benefits or the mass layoffs. In fact, both parties, controlled by different factions of the same corporate-financial oligarchy, support the use of mass unemployment and poverty as a club to force workers back to unsafe workplaces, so their labor can be exploited to pump out more profits to back up the trillions in grants and loans to the corporate elite.

The ruling class is acutely aware of the fact that it confronts mass social anger that threatens to take an explosive and potentially revolutionary form. Already there have been signs of massive opposition among teachers, autoworkers and other sections of the working class on the front-lines of the pandemic.

Terrified of the development of social opposition, a substantial faction of the ruling class, expressed most openly in Trump's effort to defy the results of the November election, overthrow the Constitution and establish a presidential dictatorship based on sections of the military, the police and fascist militia, has decided it has no way out except through violence.

Trump's biggest asset is the spinelessness and duplicity of the Democratic Party, which represents sections of Wall Street, the military and the intelligence agencies, in alliance with privileged sections of the upper-middle class.

Its role is to downplay and obscure the immense dangers to democratic rights and cover up the source of the crisis in the failure of the capitalist system. Its response to the mass multi-racial protests against police violence and racism has been to double down on its promotion of racial politics in order to obscure the fundamental class issues, presenting police brutality as the result of "white racism," rather than the violence of the armed enforcers of the capitalist state against the working class. This aids the ruling class by sowing confusion and division within the working class.

The precondition for a successful struggle to defend democratic rights, contain and eradicate the pandemic and secure decent-paying jobs, housing, education and health care for all is a complete break with the political corpse of the Democratic Party and the building of a mass independent movement of the working class for socialism.

Popular organizations independent of the pro-corporate trade unions and the two big business parties must be established in workplaces and working class communities across the country—and around the world—to prepare a political general strike against the ruling class drive to dictatorship.

The Socialist Equality Party and the *World Socialist Web Site* urge all those opposed to police state rule, fascism, social inequality and the impoverishment of workers and youth to get off the sidelines and make the decision to fight back. Join the Socialist Equality Party, take up the fight for socialism.

To contact the WSWWS and the  
Socialist Equality Party visit:

<http://www.wsws.org>