

Labor in Focus by Marianna Wertz

A strike against corporate raiding

The TWA flight attendants' walk-out could determine whether safety or profit governs the airlines from now on.

Six thousand flight attendants employed by Trans World Airlines struck the airline March 7. The ostensible issue is the demand by TWA majority stockholder and chairman, Carl Icahn, for a 22% cut in wages and a 23% cut in benefits. Icahn claims that, otherwise, TWA will lose \$125 million in the first quarter of this year. The attendants have offered a 17% salary reduction.

Icahn has demanded longer working hours in the air and longer stays away from home for the attendants. The attendants have rightfully countered that this will adversely affect passenger safety and comfort.

Talks resumed on March 12, but broke off after only four hours. Vicki Frankovich, President of the Flight Attendants' Union, charged that the negotiating session failed because chairman Icahn failed to show up.

The real issue, however, is what is being done to airlines, affecting both workers and passengers, by the likes of Icahn.

Carl Icahn, like his counterparts, Frank Lorenzo at Texas Air and Donald Burr at Peoples Express, is a corporate raider. His only purpose in buying airlines is to strip them of assets and make a fast buck. Between the three, most of America's airlines have been bought, sold, or put through bankruptcy proceedings in the eight years since the Carter administration rammed through the deregulation of the industry.

Icahn acquired TWA last year,

winning the right to purchase the airline when TWA's employees sided with his bid over that of Frank Lorenzo. Lorenzo's reputation for union-busting was fixed in cement when he purchased Continental Airlines in 1984, put it through Chapter 11, and tore up the union contract.

Icahn's reputation is being forged in this strike. Speaking on "The MacNeil-Lehrer News Hour" March 11, Icahn said, "we cannot give anymore. We must have those concessions to exist." He announced that 3,000 of those attendants now on strike would be permanently replaced by new hires, i.e., scabs brought in during the strike. He also threatened to sell off parts of the airline if TWA proved to be "unprofitable" as a whole. He named TWA's reservations system and Atlantic routes as "valuable assets."

"I would love to see TWA flourish," he said, but added that he would not let his creditors and stockholders down. He noted that he owns a majority of TWA stock himself, and "I'm not going to let myself down."

"That is the reaction of a corporate raider, not that of a manager of an airline," Frankovich, also on the news show, charged.

Indeed, corporate raiding in itself is a quite profitable business. Airlines desperate to prevent forced bankruptcies offer potential buyers a bonus simply for tendering an offer to buy. Frank Lorenzo made \$20 million from Eastern Airlines this year, just by agreeing to make a bid on the troubled

airline. In 1985, he made \$33 million on his unsuccessful attempts to buy TWA and Frontier airlines. In 1979, he made \$46 million, when Pan Am beat out his bid for National Airlines.

The attendants' strike is growing hotter as the days turn into weeks and organized labor begins to realize that this is a strike for the basic right to organize the industry. On March 12, the International Brotherhood of Teamsters issued a press release announcing its support for the strike. "We have always used the full force of our union's might to uphold the principles of unionism and worker solidarity," the release stated. The Teamsters also called on the AFL-CIO to assist the flight attendants' independent union. "These workers should not be left out in the cold," the release concluded.

The first violence in the strike also occurred March 12, when 16 strikers were arrested for blocking a TWA cargo hangar in New York. The same day, a TWA mechanic, who was crossing picket lines in TWA's maintenance center in Kansas City, was charged with assaulting a police officer. The mechanics, who had been honoring the attendants' picket lines, were ordered back to work by a federal judge on March 11, pending arbitration of a no-strike clause in their contract.

Since TWA is no longer an airline, but a "business enterprise," in the corporate raiders' sense of the term, the fate of its workforce and its passengers is entirely dependent on making a "profit." That means cutting safety, working conditions, and service to the bone, as People Express, New York Air, and Continental have amply demonstrated. The "budget" airlines are now profit-making, but the real cost—passenger comfort and safety—is never reckoned in the corporate raiders' account books.