

# CORPORATE THUG JOHN ENGLER: From Slashing Social Programs to Busting Unions

During the 1990s, Michigan Governor **John Engler's** ultra-conservative policies made him one of the darlings of the Republican Right. Today, Engler is pushing similar policies as president of the **National Association of Manufacturers** (NAM), a corporate lobby with a controversial and sordid past.

So it comes as no surprise that he sits on the board of directors of **Northwest Airlines**, which is engaged in a ruthless campaign to get rid of its unionized employees. Northwest forced 4,400 mechanics, custodians and cleaners to go on strike in August by demanding a 25% cut in pay and the outsourcing of thousands of their jobs to non-union, low-wage outfits in the U.S. and abroad. The airline has already permanently replaced 600 custodians and cleaners and is replacing the mechanics with underqualified, non-union technicians. This shows a shocking lack of concern for the safety of passengers. Reports of serious maintenance problems at Northwest are currently being investigated by Government agencies.

Engler is no stranger to such reckless tactics. After becoming governor, he pushed an aggressive agenda of cuts in social spending, slashing public school funding and attacking public employee unions. While decimating welfare programs for the poor, he made sure the state dished out vast amounts of corporate welfare.

Given his promotion of corporate interests while Governor, Engler was a perfect candidate for the presidency of NAM. Established in 1895, NAM became the most fanatically anti-union employer association in the United States. Samuel Prescott Bush, great-grandfather of President George W. Bush, was one of its early leaders.

NAM actively sought to undermine unions, even creating strikebreaker em-



ployment agencies all over the country. It opposed many of the reforms of the New Deal, including Social Security, unemployment insurance and the Wagner Act, which established the right to collective bargaining. After World War II, NAM played a major role in enacting the Taft-Hartley law, which seriously weakened unions.

During the 1950s, NAM leaders supported Sen. Joe McCarthy and the far-right John Birch Society. Later in that decade, large corporations replaced family businesses as the predominant influence in the association and NAM continued its assault on workers and the public interest. NAM, for instance, opposed the creation of the Occupational Safety and Health Administration established during the Nixon Administration to protect American workers — and when it failed in that effort, it sought to weaken the federal agency.

Since assuming the NAM presidency (with a salary reported to be about \$1 million), Engler has continued its rigid free-market ideology. He has promoted the Bush Administration's Social Security

privatization scheme. At the same time, he ignores the concerns of smaller manufacturing companies whose existence is threatened by the Bush trade policies.

With such credentials, it appears that Engler — who receives substantial compensation from Northwest, Dow Jones (parent of the *Wall Street Journal*), Munder Capital Management (a subsidiary of the banking company Comerica) and Universal Forest Products, on whose boards he sits — has no problem with Northwest Airlines' union-busting policies. Why should the leader of NAM, a major non-profit organization, be planning and executing corporate decisions that violate labor rights and destroy the jobs of American workers? We say Engler should resign from Northwest's board of directors — the sooner, the better.

**Tell Engler and NAM that their primitive style of labor relations has no place in the 21st century. Call him at: (800) 248-6626 or (202) 637-3000; or write him at: NAM, 1331 Pennsylvania Ave., NW, Washington, DC 20004 Fax: (202) 637-3182 E-mail: [manufacturing@nam.org](mailto:manufacturing@nam.org)**

**AIRCRAFT MECHANICS FRATERNAL ASSOCIATION**  
**Campaign to Protect Airline Safety & Jobs**

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# NORTHWEST EXECUTIVES GET THE GOLD. EMPLOYEES, PASSENGERS AND TAXPAYERS GET THE GRIEF! THERE'S SOMETHING WRONG HERE!

## Northwest Airlines' Unreasonable Demands

"As the mechanics march on the picket line, the company's other unions are also being targeted by a company that's demanding big concessions from everyone – except top executives...Northwest is making offers the union must refuse...there's no room for conversation. It's the company's way, or else."

*"Flight Attendants Feeling Heat, Too,"  
by Doug Grow, Star Tribune, 8/30/05*

## Our strike is not about higher wages and benefits.

We offered to take a 16% pay cut and to contribute an additional 20% each month to offset medical benefits costs. We were willing to give up significant work rules we have fought hard to win since the 1960s. But it wasn't enough for the company.

Northwest initially insisted on a 25% pay cut and getting rid of more than half of our mechanics, in addition to the massive layoffs of recent years that resulted in thousands of AMFA members losing their jobs. Northwest then came back and demanded a 29% pay cut and a 77% cut in jobs through outsourcing to nonunion, low-wage outfits to increase profits and executive compensation.

## How Safe is Northwest?

"The letter to [FAA Administrator] Ms. Blakey, made available by the senator's office [Sen. Mark Dayton, D-MN] and reported by the Detroit Free Press and Minneapolis Star Tribune, alleged that about 470 FAA inspector reports on Northwest's maintenance operations for roughly 11 days after the strike began weren't entered into an electronic database, 'which would have triggered a risk assessment.' The letter said that 58% to 90% of the inspector reports cited defects, compared with a defect rate of 3% to 5% for Northwest prior to the strike. According to the letter, a 9% defect rate would trigger an internal FAA alert...The Inspector General's Office has been critical generally about the FAA's maintenance oversight of airlines."

*"Regulators Probe Allegations  
of Lax Northwest Maintenance,"  
by Susan Carey, Wall Street Journal, 9/6/05*

## Airlines' Outsourcing Undermines Your Safety

### Mechanic Employed by Airline MUST HAVE:

- 1. Federal FAA License
- 2. 10-Year FBI Security Background Check
- 3. Drug and Alcohol Testing

### Mechanic Employed by Foreign Outsourced Facility:

- 1. Not Required
- 2. Not Required
- 3. Not Required

### Mechanic Employed by Domestic Outsourced Facility:

- 1. Not Required
- 2. Not Required
- 3. Drug and Alcohol Testing Required

**The result? Since the strike began, many Northwest planes have had trouble due to incompetent and lax maintenance personnel and oversight.**

For example, on Oct. 3, a jetliner aborted its takeoff from Minneapolis-St. Paul International Airport when flames and parts blew out of its right engine. Elsewhere, mechanics failed to notice a dead bird in an engine of a jet about to leave Memphis; an inspector at JFK Airport in New York watched mechanics and managers "incorrectly inspect and incorrectly repair an engine blade tip, a critical rotating component;" and a manager in Minneapolis told the FAA there was no reason a jet from Amsterdam could not continue to Honolulu even though a broken lavatory duct spilled human waste into the electrical equipment bay.

## SUPPORT AMFA'S Campaign to Protect Airline Safety & Jobs!

## Looting of Northwest Assets and Employees' Pensions

"The looting of airline workers' pension funds is but one example of how the assets of the major airlines have been squandered over the last several decades to enrich the airline bosses and big investors...The top personnel of the airline industry are chosen – and highly compensated – not because of their ability to manage complex organizations or to lay out a long-term corporate strategy. Instead, a definite social type has risen to the top, whose only qualifications are its acuity for slashing tens of thousands of jobs and guaranteeing the quickest and largest payoffs to Wall Street."



**John Engler**  
NAM President  
Director,  
Northwest Airlines

*"Northwest and Delta Executives  
to Make Millions from Bankruptcies,"  
by Jerry Isaacs, Airline Pilots Central*

**Prior to fomenting the strike and filing for bankruptcy** – making Northwest stock nearly worthless – Northwest Chair Gary Wilson dumped more than \$21 million worth of the airline's stock between mid-May and August. "...two Minneapolis attorneys told the Star Tribune...that Wilson's 'stock sales merit scrutiny and raise proprietary questions.'" In 2003-2004, five Northwest Airlines executives (not including Gary Wilson) raked in more than \$25 million, plus generous benefits and contributions to multiple pension plans.

To add insult to injury, Northwest is asking the bankruptcy court to approve millions of dollars in bonuses to a handful of executives who are already receiving lavish pay and pensions that are held in bankruptcy-proof trusts, while thousands of workers are being laid off through outsourcing. The company is demanding massive concessions from the remaining employees, shortchanging retirees on their pensions and turning the company's multibillion-dollar pension liability over to the government and the taxpayers.