

Contract expires for Pacific Coast dockworkers in US and Canada

By Rafael Azul
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As of Tuesday, July 1, 13,000 full-time and 7,000 temporary dockworkers at 30 West Coast ports in the United States and Canada began working without a labor contract. Negotiations are expected to continue without a strike being called, since, according to the corporate website *Global Transportation Services* both the International Longshore and Warehouse Union (ILWU) and the employers' Pacific Maritime Association (PMA) are "working fastidiously to find a common ground to renew labor contracts."

This is the second six-year contract since the 2002 lockout by the PMA that created the pretext for then-president George W. Bush to invoke the Taft-Hartley law and impose an 80-day cooling off period. Dockworkers were the real targets of this maneuver with Bush threatening to use federal troops against any wildcat strikes or slowdowns during "wartime." The ILWU and the AFL-CIO then collaborated with an alliance of employers, the Bush administration and the Democratic Party to push through a sellout contract, which destroyed some 1,000 jobs and opened up the floodgates to subcontracting.

The 2002 agreement was followed by another concession contract in 2008 that gave the PMA free-reign in introducing robot machinery such as automated stacking cranes and self-guided vehicles, resulting in another round of job cuts. The PMA claimed at the time that the industry needed to cut costs to remain competitive against Mexican and East and Gulf Coast ports.

Similar arguments are being marshaled this time. Improvements in the Panama and Suez Canals make it possible for ships from Asia to avoid West Coast ports by rerouting cargo to the Gulf Coast and to Atlantic ports.

Much is being said in the pro-business media about

the high hourly wages that West Coast dockworkers earn, taking as good coin the PMA example of a yearly pay of \$130,000. In reality, as jobs and hours have been lost, dockworkers' living standards have dropped along with those of all other US workers, union and non-union.

West Coast ports have been steadily losing traffic to the Atlantic and Gulf Coasts since 2009. Despite a small improvement, paid hours for all longshore workers have dropped from \$35 million in 2005 to \$20 million in 2009. Average earnings for West Coast dockworkers declined accordingly.

Among the 10,000 active, older longshore workers earning the highest pay scale—known as "A cards"—less than a third work 2,000 hours a year.

The entire system is tailored to the business needs of the port operators. The ILWU functions as a labor supplier meeting the shippers' requirements as needed. The vast majority of workers, including some 7,000 contingent "casuals," are employed only when work is available.

It is these, mostly younger, workers who have suffered the most serious impact of the crisis and the increasing use of laborsaving capital equipment. Real earnings for these workers have dropped from roughly \$40,000 in 2005 to \$35,000 today, a 12 percent cut in living standards. For the upper tier dockworkers real wages have remained at about \$70,000, while the middle tier has suffered a nine percent cut, from \$55,000 to \$50,000.

The PMA is also seeking to slash workers' medical benefits. The current health plan—which is free for workers and includes low deductibles for medications—is considered a "Cadillac Plan" under the terms of Obama's Affordable Care Act and subject to a tax of \$190 million. The PMA seeks to pass the tax

onto workers or sharply reduce benefits to avoid the penalty. The *Oregonian*, a pro-business daily, predicts there will be no contract signed until the ILWU “accepts the new realities of competition and health care.”

The PMA has made it clear it also wants to lower its pension costs. “Everyone has an appetite for more, but we cannot afford to pay more,” declared a PMA spokesman, who confirmed that pensions are on the table.

In addition, the PMA is demanding that the ILWU better police its members. In the past it has threatened to divert shipping away from Oakland due to spontaneous demonstrations and picket lines set up by pensioners protesting delays in benefit checks, demonstrations that the PMA considers “damaging.” Cargo moving through the Port of Oakland has become “unpredictable,” according to the PMA.

For the ILWU, years of contract concessions have resulted in a much-diminished pool of workers from which to draw dues. In response, the ILWU leaders are looking to carve out new jurisdictions that will bring in more dues-paying members.

In Portland, the ILWU came into conflict last year with the International Brotherhood of Electrical Workers, over the handling of refrigerated containers. In Oakland it is disputing work being done by the International Association of Machinists workers. In other Pacific Northwest ports, the ILWU is seeking jurisdiction over grain elevators and equipment repair facilities. “The union understands that this is where their future employment will grow to.”

ILWU President Bob McEllrath openly defends the fight to expand jurisdiction, even at the expense of other unions. Last year the ILWU withdrew from the national AFL-CIO federation after it accused AFL-CIO unions of displacing ILWU members from grain terminals.

McEllrath blames foreign companies for locking out ILWU members from the grain terminals and has called on port managements to ally themselves with the ILWU against alliances involving foreign operators. “Ports and workers have a common interest in preventing big companies from manipulating us into compromising safety standards or competing against ourselves,” a statement from the ILWU declared.

The jurisdictional strategy and McEllrath’s

language reveal the real character of the ILWU. Like the PMA, it is a business and operates as such. Any struggle to defend jobs and living standards will require a break with this pro-company organization and its perspective of collaborating with management and big business politicians.

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