Business as usual at the Teamsters

Hoffa blocks car haulers strike, accepts concessions

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Newly-seated Teamsters President James P. Hoffa signed a tentative agreement with the National Automobile Transporters Labor Division Wednesday morning to prevent a national strike by 12,800 drivers, mechanics and yard and office workers that could have quickly disrupted the US auto industry.

Hoffa declared a victory in the negotiations, claiming that management's concession demands had been swept off the table. “Our negotiating team, members and new administration have established a new pattern for the Teamsters,” he said at a morning press conference. “We will no longer stand by and watch management step on the working men and women of this country. This contract sets a new standard for working people across the nation,” Hoffa said.

In fact, while the details of the agreement remain sketchy Hoffa has continued the Teamsters bureaucracy's long tradition of collaborating with management to boost their members' productivity and cut labor costs.

The new four-year agreement, which rank-and-file workers will vote on by mail ballot over the next several weeks, includes a wage freeze and a $1,500 bonus in the first year. This will be followed by a 50-cent increase in hourly wages in the subsequent three years that will do little to offset the stagnation of workers' living standards over the last two decades.

To win a favorable vote from older workers the union secured slight improvements in retirement payments. Pensions will be raised to the level of Teamsters freight truck drivers and United Parcel Service workers. Workers who retire after 25 years can receive $2,500 at age 55 instead of the current 57.

The Teamsters conceded to management's major demand for a “flex work week, ” ie., four 10-hour, rather than five eight-hour, days. This will enable the car hauling companies to run their operations 24 hours a day, seven days a week, by forcing shop and yard workers to work on weekends without being paid double time on Sundays.

The trucking companies sought this change to compete with railroads and nonunion car haulers and because the US auto companies are demanding lower rates to ship new cars from the assembly plants to dealerships. “Unless we change the way we do business, there will be less business for us, and fewer union jobs, in the future,” Ian Hunter, chief negotiator for the employers, said during the talks. After the agreement Hunter praised the union for averting a strike and said he looked forward to working with the Teamsters to strengthen “the unionized car haul industry in the face of ever increasing competition.”

Workers had voted by a 96 percent margin to strike against the car hauling firms. For more than two decades management and the union had pushed through concessions based on claims that the companies had no money. But with the auto industry on the way to break its sales records and the trucking companies posting large profits, workers were anxious to reverse the erosion of their living standards and working conditions.

David Healy, an auto industry analyst with Burnham Securities Inc., said a strike would have had an impact within days. “Some plants could be affected in a day or two because they'd run out of room to park vehicles that are coming off the assembly line," Healy said. Moreover, a strike by the car haulers would have won widespread support from auto workers who are facing contract negotiations themselves this summer. This might have raised the possibility of wildcats and other forms of protests if the auto companies had gone ahead with their threats to use non-union truckers to move new cars during a strike.

To prevent this Hoffa extended the Monday midnight deadline by 24 hours, and then delayed the Tuesday deadline by another 24 hours, before announcing a settlement Wednesday morning. Each time the union extended the contract it announced “progress” was being made. As negotiations wound down management removed its more egregious demands, such as the introduction of part-time employees and a two-tier wage system, in order to achieve its goal while allowing Hoffa to claim victory.

Over the weekend the Teamsters announced with great fanfare that the companies decided not to use Mexican drivers and trucks to deliver vehicles in the United States after the US-Mexican border opens up January 1 under the North American Free Trade Agreement. In fact, management insisted that it never intended to hire Mexican drivers. This supposed threat was chiefly created by the Teamsters bureaucracy, on the one hand to infuse anti-Mexican chauvinism into the dispute, and on the other to further bolster the claim that they had forced management to back down.

This stage-managing was required because of the car haulers' record of resistance. In 1985 car haulers struck for 23 days. In 1988 they overwhelming rejected the contract brought back by the union leadership; and in 1995 they struck again for 32 days strike against Ryder Systems.

Media commentators have suggested that car hauler talks were a litmus test for Hoffa who officially began his three-year term on May 1. Indeed Hoffa has said he will pursue the same “tough” stance in ongoing disputes such as the Detroit newspapers, Anheuser-Busch and Northwestern Airlines. This should serve as a warning to rank and file workers that Hoffa, like former president Ron Carey (who was driven out of office for embezzling union funds) before him, is preparing to sign more sweetheart deals that sacrifice their interests. It's business as usual in the Teamsters.