Longshoremen strike may shut down US East Coast ports

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Nearly 15,000 dockworkers at 14 ports on the US eastern seaboard, organized by the International Longshoremen's Association (ILA), may go on strike in the event that the union and port owners cannot agree on a new contract by Saturday at midnight.

The Federal Mediation and Conciliation Service, a non-binding governmental arbitration agency, has requested that both the ILA and the United States Maritime Alliance (USMX), which represents the port owners, shippers and other interests, meet one more time before the current contract expires.

A strike would cripple container shipping from Boston, Massachusetts to Houston, Texas. It would be the first ILA strike since 1977. The ILA would continue to handle non-containerized cargo and military cargo.

Current contract negotiations between the ILA and USMX started in March 2012, six months before the contract expiration date. In September, USMX and the ILA extended negotiations on a new contract through December 29, a gift from the union to the employers that guaranteed smooth operation of the ports during the busy holiday season.

One of the main points of contention is the future of "container royalties," which are a fee paid by shippers to a fund controlled by the union that comprises part of the longshoremen's compensation and health care plan. Currently, the fund is paid $4.85 per ton of containerized cargo.

The system arose in the 1960s as part of the industry's move toward automation. In exchange for the elimination of thousands of jobs, the ILA agreed to "share the savings" realized through automation with the employers, bolstering the union's assets while supplementing the incomes of workers. USMX wants to place a yearly cap on container royalties, based on shipping figures from 2011. The proposed cap is step one in a scheme to eliminate the royalties altogether.

In exchange for the employers removing the issue of container royalties from the table, ILA negotiators offered another extension of the current contract to February 2013, which USMX rejected.

The longshoremen have a target on their backs in part because they enjoy a relatively high standard of living compared to workers in other industries. For the financial elite, workers' pensions, good health care plans, overtime pay and a measure of job security are intolerable.

Emboldened by savage attacks on auto and other workers, and by the presence of masses of longterm unemployed workers, the USMX is eager to cut labor costs and increase flexibility. In this pursuit USMX enjoys the support of the entire ruling class.

As the deadline approaches, corporate America has stepped up its calls for the two sides to reach an agreement or for the Obama administration to prevent a strike. Jonathan Gold, vice president for supply chain and customs policy at the National Retail Federation, warned on December 18, "A coast-wide port shutdown would have a significant impact across all businesses and industries that rely on the ports, particularly retail." He added, "This is truly a 'container cliff' in the making," alluding to the "fiscal cliff" utilized by Democrats and Republicans in Washington to push for big cuts in social programs.

The National Retail Federation has issued a letter to Obama on behalf of a coalition of more than 100 businesses calling for intervention to prevent a strike. The letter asks the president "to take immediate action and use all of the options available to you, including the authority under the Taft-Hartley Act, to keep the parties at the negotiating table and avoid a coast-wide port shutdown."

Under the reactionary Taft-Hartley Act, the president can mandate further mediation and an 80-day "cooling off" period if he declares that the strike impacts "national security."

Florida Governor Rick Scott wrote the president to this effect, alleging that an interruption of East Coast port operations would interfere with military operations in the Middle East. He cited former President George W. Bush's 2002 invocation of Taft-Hartley to stop a strike by West Coast longshoremen organized under the International Longshore and Warehouse Union (ILWU).

On Thursday, White House spokesman Matt Lehrich announced that the Obama administration was closely monitoring the dispute and urged both sides to "continue their work at the negotiating table to get a deal done as quickly as possible." Such statements amount to support for the USMX and are an implicit threat to the longshoremen that the federal government will move to suppress the strike if necessary.

While business interests fear most immediately the possible economic consequences of a strike, the political consequences could be much more far-reaching. Above all, a strike could serve as a pole of attraction for a broader movement of the working class against wage-cutting, unemployment and austerity measures.

In preventing or scuttling such a development, the ruling class will find no better ally than the ILA itself, which has quite distinct interests from those of the workers seeking to defend their jobs and pay. The agreement to postpone strike action until after the holiday season is of a piece with the union's decades-long practice of isolating any work stoppage while overseeing a decimation of its "own" workforce.

Over the past three decades, the ILA, like its West Coast counterpart, the ILWU, has agreed to reductions in the workforce, increased employee contributions to health care, a two-tier wage system and the proliferation of non-union jobs.

On its web site, the ILA promotes itself as a "modern union" committed to "labor-management cooperation initiatives like the Industry Resources Committee." The union, it states, "stands ready to meet the challenges of the Twenty-First Century head on."

The challenge for which the ILA stands most "ready to meet" is that of corralling its workers into sell-out contracts and tying them politically to the big business Democratic Party.