

Strike by 50,000 Las Vegas workers looms as casino owners resist pay demands

Trévon Austin
31 May 2018

With contracts covering 50,000 Las Vegas casino workers due to expire at 12:01 Friday morning, the casino operators are resisting even the meager pay demands by the Culinary and Bartender unions. According to a report in the *Las Vegas Review-Journal* Wednesday night, the unions and the two largest casino owners—MGM Resorts International and Caesars Entertainment Corp.—are \$110 million apart on wages and benefits.

In a statement Wednesday, Culinary Local 226 and Bartenders Local 165 said they are seeking an average annual increase of 4 percent over the next five years in workers' wages and benefits, such as health care and pensions. This would amount to virtually no increase in real terms considering the rate of inflation for wages and health coverage. Nevertheless, MGM and Caesars, which operate 18 of the 34 resorts and set the pattern for the remaining operators, are offering an average annual increase of about 2.7 percent, the unions said.

A walkout would be the first large scale strike by Las Vegas casino workers since a 67-day strike in 1984. The workers, who voted 99 percent for a strike, include bartenders, guest room attendants, cocktail servers, food servers, porters, bellmen, cooks and kitchen workers. Commenting about a potential strike on the union's Facebook page, one worker posted: "The wealthy elite who own these properties will still be mad wealthy... upper management will still be making better salaries. Besides they have the best union reps in the US...Congress, the best judges, our Supreme Court and POTUS who is a CEO... they'll be ok."

A walkout would hit the casinos and resorts as tens of thousands of guests are expected to arrive at the beginning of June for conventions and the National Hockey League's Stanley Cup playoffs. A month-long strike would cost MGM and Caesars as much as \$300 million in cash flow, according to a report issued Wednesday by UNITE HERE.

Since the global financial crash of 2008, the unions have limited strikes to the lowest level since 1947 and colluded in the reduction of real wages and the drive by the employers and the Obama administration to shift health care and pension costs onto the backs of workers. Over the last five years, union workers received an average annual increase in salary and benefits of only 2.2 percent, according to the unions' own statement, compared to an average of 2.5 percent for private, non-farm hourly wages overall, and 3.4 percent for US leisure and hospitality workers.

In 2013, the *Las Vegas Review-Journal* noted, "Contract negotiations came amid a battered local economy struggling to emerge from the worst economic downturn in decades. MGM Resorts and Caesars were handcuffed by a mountain of debt racked up during the booming 2000s. This time around, the casino operators--and their properties--are in their best shape in more than a decade. They have completed upgrades totaling in the billions of dollars and reduced their leverage. Their share prices have rebounded.

"Now they are returning money to shareholders for the first time since the financial crisis and awarding executives. MGM Resorts this month announced it would buy back \$2 billion of its own shares over the next three years, equivalent to more than 10 percent of the company. Caesars announced it would purchase \$500 million of its own shares, or about 6 percent of the company."

Caesars Entertainment Corp. CEO Mark Frissora pocketed \$23,967,028 in total compensation last year. This was 601 times the median employee compensation of \$39,869 for a worker at one of his operations. MGM Resorts CEO Jim Murren took home \$14.6 million in total compensation, 396 times the typical company employee. Boyd Gaming Corp. CEO Keith Smith got \$8,591,457 or 363 times the media pay of one of his workers who makes the poverty pay of \$23,645 a year.

The Las Vegas Convention and Visitors Authority boasts 40 million people visited the city in 2017, bringing billions of dollars in revenue to the gaming industry. In Clark County, gaming revenue was approximately \$9.5 billion for 2017, with more than \$6 billion of that from the Las Vegas Strip.

Despite increases in revenue over the years, the number of workers employed in the industry has declined. Casinos and hotels on the Strip have increasingly utilized technology such as delivery robots and self-service check-ins to cut labor costs.

In addition to higher wages, the casino workers are demanding protection from layoffs caused by new technology, greater workplace safety measures, and protection for immigrants with temporary status. Workers face extreme stress due to understaffing with many reports of workers being taken to the hospital for panic attacks.

A 2016 study by the University of Nevada documented the working conditions casino workers in the city face, including severe mental stress, inadequate safety measures and sexual harassment.

According to the study, workers reported various types of threats to their physical health and safety. Housekeepers are often forced to clean rooms with vomit, excrement, and other bodily fluids without proper equipment. A worker named Maria described asking her manager for assistance cleaning a room that had vomit and blood in it but was told that it was her job to clean it. She also reported feeling scared of asking another housekeeper for help because they could be disciplined if caught.

Workers also reported other delays in repairs with potentially serious health consequences for customers and employees. For example, an employee at Palace Station reported that a pipe in the men's restroom had broken and sewer flies were biting workers.

Despite not making other demands publicly known, the Culinary Workers Union Local 226 has proposed contract language to provide security for workers against sexual harassment.

In a news release, the union reported 59 percent of cocktail servers and 27 percent of hotel housekeepers said they had been sexually harassed by guests, managers or others while on the job in a survey of 10,000 local casino workers. Also, 72 percent of cocktail servers and 53 percent of hotel housekeepers said a guest had done something to make them feel uncomfortable or unsafe.

Debra Jeffries, a cocktail server at Caesars-owned

Bally's, said in the news release that she was "carrying a heavy tray full of drinks on the casino floor, and a high roller at the dice game grabbed me by the neck with both of his hands and forced me to kiss him for good luck. I have permanent nerve damage from that incident and I live in pain every day."

The elemental demand for humane working conditions and livable wages is fueling the militancy of casino workers and a direct clash with the unions, which have colluded in the decades-long attack on workers' jobs and living standards. The Las Vegas struggle takes place as 2,300 Caesars Windsor casino workers are in the eighth week of their strike, after rejecting yet another sellout deal pushed by the Canadian union, Unifor. Over the last several months, teachers in West Virginia, Oklahoma, Arizona and other states also revolted against the unions and both parties, which speak for the corporate and financial elite.

To take their fight forward, casino workers must take the conduct of the struggle into their own hands by electing rank-and-file strike committees that are answerable to the workers, not the union functionaries, corporate executives and big business politicians. These committees should fight for the mobilization of the widest sections of the working class, including thousands of workers at the casinos working under different contracts, teachers and other public employees and other workers coming into struggle like UPS workers. This struggle must be fused with all the battles facing the working class—against inequality, mass deportations and the attack on the rights of immigrant workers, the gutting of health care, public education and other essential services, and the danger of war and dictatorship. This will require the independent political mobilization of the working class to put an end to the capitalist system and its subordination of every area of the life to the further enrichment of the corporate executives and bankers.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact