

After Teamsters overrule “no” vote on contract, UPS earnings up 20 percent

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Three weeks after the Teamsters announced it would defy the “no” vote by tens of thousands of United Parcel Service (UPS) workers and impose its sellout labor contract, UPS released its quarterly financial report, showing large year-on-year profit increases.

Total profits for the quarter rose by 19 percent, to \$1.5 billion, placing the company on track to record \$7 billion in profits for the year. Adjusted earnings per share, an indicator of the profitability of UPS stocks for investors, increased by more than 26 percent.

The profit increase will be passed on to Wall Street investment funds and shareholders in the form of billions of dollars in stock buybacks and dividend payouts. Last year, UPS spent \$750 million on stock buybacks, which inflate the company share price and the portfolios of investors.

The company will spend approximately \$3 billion on dividend payouts, which are direct payments to shareholders, of which the largest are the investment funds Blackrock and Vanguard Group. The company’s dividends-per-share have increased by 10 percent in the past year and have quadrupled since 2000.

These figures illustrate the function of the Teamsters union as an industrial relations arm of UPS management and a cheap labor contractor.

On October 5, workers voted by 54 percent to reject a new five-year contract backed by the company and the union. The Teamsters, however, immediately declared the contract ratified, justifying its gangsterism with reference to a constitutional loophole empowering it to impose any contract if less than half the workforce participates in the vote, unless a two-thirds majority votes against it. The union is quashing the will of the workers who voted by 93 percent at the start of July to authorize strike action.

The agreement creates a new tier of “hybrid”

workers, who for the first time can be shifted from the warehouse to driving deliveries, will work on Saturdays and Sundays, and will be paid up to \$6 per hour less than current drivers. It sets poverty-level starting wages of \$13 an hour for part-time warehouse workers, who will now be making even less than their counterparts at Amazon. This is one component of what UPS terms its “transformation plan,” which will involve increases in automation and other “efficiencies” that will save \$1 billion a year.

As Wall Street celebrates its record profit figures, leading Teamsters executives, including president James Hoffa (salary almost \$400,000), are celebrating their own “victory” over workers with a ten-day trip for an international “conference” in Singapore.

Among workers, however, there is widespread opposition. In every warehouse, workers are withdrawing from the union and declaring they will no longer pay money for the privilege of being lied to, sold out and having their votes repudiated. Workers report that the company has begun training drivers for the new “hybrid” position, despite the fact that all local supplementary agreements are yet to be ratified and the Teamsters claims it is still in “negotiations” with UPS.

“Everyone is pissed,” said Irene, a porter in California. “You understand that the company is going to screw you over. That’s capitalism. But the union is supposed to be there to protect you from that and give you rights and things you deserve because you sacrifice yourself. But the people supposed to do that are laughing at you and mocking you.”

Teamsters officials turned up in a hot dog van last week at Irene’s hub to offer impoverished workers, who are paid so little that many are homeless or work two or three jobs, free food and encourage them to pay dues. “My co-worker went up to them and said, ‘Why

are you ratifying the contract?’ They were smoking cigars and laughing at him. He ended up saying he didn’t know why he was talking to them, that it was like talking to a brick wall.”

The Teamsters’ actions will lead directly to further speedup, line injuries and deaths of workers.

In Florida, Tim, a driver of 33 years, told the WSWS that in the past two weeks management “feels like they can do anything.”

These conditions had their inevitable outcome on Tuesday, the day before UPS released its profit figures, when a 43-year-old equipment maintenance worker, Anthony Schanding, was killed on the job at UPS’ Mercer Road facility in Lexington, Kentucky. Schanding was fatally injured while performing maintenance at 11:20 a.m. and was pronounced dead shortly after arriving at the hospital fifty minutes later.

Hundreds more workers have fingers ripped off or are otherwise injured on the line every year. Irene noted that at her previous facility in Ontario, “tons of people are getting sick and can’t breathe, including pregnant workers, because of the fumes from welding going on for construction,” as part of the company’s ongoing introduction of automated technologies. “A lot of people kept feeling sick and dizzy.”

Last year, she said, a 22-year-old worker at the facility had a seizure, fell on his head and was killed.

To suppress widespread opposition among workers, the Teamsters is relying on the services of its loyal opposition, the Teamsters for a Democratic Union (TDU) and Teamsters United. These groups called for a “no” vote on the widely-hated agreement, while claiming that this would force Teamsters President Jimmy Hoffa to change course and “renegotiate.” Now that the Teamsters has thrown out workers’ “no” vote, they are calling on workers to waste their energies signing petitions and writing letters to Hoffa.

The TDU and TU are backed by a variety of pseudo-left organizations that falsely present themselves as socialist but function as defenders of the union apparatus against workers. These include *Labor Notes*, *Jacobin* magazine, and the ISO’s *Socialist Worker*. In a call organized last week by TDU and *Labor Notes*, the speakers responded to workers’ questions about how to push for a nationwide strike by declaring that such action could not be taken because it does not “have the backing of the International.”

These organizations do not speak for the working class, but privileged sections of the middle class that are interested only in securing the leading positions in the unions for themselves. As the WSWS reported in a recent article, “The multi-billion dollar business of American trade unions,” the Teamsters controls assets of some \$270 million, and its leading representatives—including the TU’s own Sean O’Brien (salary \$302,000)—have incomes placing them in the top one or two percent of the population.

Their greatest fear is that workers will break from the corrupt labor management businesses known as the trade unions and establish their own organizations of struggle.

But this is precisely what is needed. The WSWS *UPS Workers Newsletter* urges UPS workers to draw the lessons from their own experience of the past three months. New organizations, rank-and-file workplace committees, directly and democratically controlled by workers themselves and independent of the Teamsters, must be formed in every hub and warehouse to give real expression to the sentiments and determination among workers and to organize a fight.

Such organizations would issue an appeal to their counterparts, Amazon workers, FedEx workers, autoworkers, teachers, and more than 200,000 postal workers, who have been kept on the job for over a month without a contract by the American Postal Workers Union, for a united struggle.

The giant corporations such as UPS and Amazon should be taken out of private hands and transformed into public utilities, under the democratic control of workers themselves, to organize production and the distribution of society’s resources according to rational planning, rather than the profit interests of a tiny corporate elite.



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