

The International Longshore and Warehouse Union

Part II: Will Union Power on the Docks Pay Off?

By Ivan G. Osorio

Summary: On October 9 President Bush ordered shippers and dockworkers back to work and back to the negotiating table to settle the grievances that had produced a ten-day shutdown of twenty-nine West Coast ports. On November 1, a federal mediator announced a tentative deal: Employers can introduce new technologies to expedite the tracking and handling of cargo, but the union will have jurisdiction over all jobs created by the new technologies. This article, the second of two, looks at the technology issue, the shutdown's economic impact, and the history of the notoriously militant ILWU.



Feature Photo Service

Last September, the Pacific Maritime Association (PMA), which represents 80 major shipping lines and cargo terminal operators, locked out workers represented by the International Longshore and Warehouse Union (ILWU), which represents 10,500 employ-

ees at 29 West Coast ports from Seattle to San Diego, in response to an alleged deliberate work slowdown.

Little more than one week later, Presi-

dent George W. Bush invoked the 1947 Taft-Hartley Act, and created a three-member board of inquiry to assess whether the shutdown "imperil[ed] the national health

In This Issue:

In the second of a two-part series, *Labor Watch* editor Ivan Osorio looks at the recent West Coast port shutdown and the International Longshore and Warehouse Union (ILWU), which controls employment at all 29 major ports from San Diego to Seattle.

Stan Greer of the National Institute for Labor Relations Research points out ways in which union work rules have hampered safety at the ports.

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and safety.” The board answered in the affirmative, and the next day the President obtained a temporary court injunction opening the ports—later extended to the 80-day “cooling-off” period allowed under the Taft-Hartley, set to expire on December 26. The ports reopened on October 9.

On November 24, the parties announced that they had reached a contract agreement. Three weeks earlier—on November 1—a tentative agreement on the introduction of new technologies removed a major roadblock to a new contract: The employers will be permitted to introduce new technologies such as bar code scanners and electronic sensors to expedite cargo tracking and handling. And the union will exercise jurisdiction over any new jobs they create.

The agreement includes pension increases of about 50 percent—to a maximum yearly benefit of \$63,000, according to the *Los Angeles Times*, and wage increases of 10 to 15 percent over the life of the contract (ILWU dockworker salaries averaged over \$80,000 in 2001). Any job

losses resulting from the introduction of new technologies will be carried out through attrition.

On December 9, a 100-member union caucus must approve submitting the six-year agreement to a rank and file vote, probably in early January. At this writing, approval is likely. ILWU president James Spinosa endorsed the agreement, calling it “a victory for longshore workers and their families, and a win-win for business, labor, and our national economy.” Federal Mediation and Conciliation Service director Peter Hurtgen, who led ne-

them to do,” reports Chris Lydgate of the Portland, Oregon alternative paper *Willamette Week*. “Your average worker would probably greet an offer like this by popping the champagne. But your average worker doesn’t belong to the most powerful labor movement in America—the International Longshore and Warehouse Union.”

ILWU negotiators answered that they would accept job losses only if they were guaranteed jurisdiction over all jobs created by the new technologies that are functionally equivalent to work now performed

The need for modernization couldn’t be greater. The Associated Press reports: “The West Coast ports lag behind—in many cases far behind—the efficiency of other ports in the United States and around the world.”

Editors: Ivan G. Osorio, Patrick Reilly

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Address:

1513 16th Street, NW
Washington, DC 20036-1480

Phone: (202) 483-6900

Email Address:

iosorio@capitalresearch.org

Website: www.capitalresearch.org

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gotiations, said that, “once [union longshoremen] see the magnitude of the pension increases, the wage increases—it would be phenomenal if they were to turn that down.” The PMA had offered to boost wages and pensions—but it was the technology issue that was key.

The Central Issue: Technology

The PMA and ILWU deadlocked on the issue of new technology when they began negotiations in May 2002. PMA spokesman Steve Sugerman acknowledged that new technologies eventually could eliminate 300 or 400 of the current 1,600 clerical jobs that deal with keeping track of cargo. But he said job losses would be handled by attrition, and that increased traffic would offset those job losses by increasing demand for more workers to load and unload ships. “There will be no layoffs, no one will be fired. They’ve got jobs for life,” he said.

“[T]he PMA has promised to pay the displaced clerks for 40 hours a week until they retire—even if there’s no work for

by marine clerks. The union also wants jurisdiction over planning jobs—planners manage the placement of containers on ships—which are currently non-union. Under the agreement announced on November 24, the ILWU will get jurisdiction over the new jobs. It also gets control of some, though not all, planning jobs. (The ILWU’s attempt to expand its jurisdiction could create other conflicts. Four unions—the Machinists, Iron Workers, Operating Engineers, and Seafarers—issued a letter saying the ILWU’s contract proposal “attempts to usurp and thwart” their own legitimate jurisdiction, according to the *Los Angeles Times*.)

The need for modernization couldn’t be greater. The Associated Press reports: “The West Coast ports lag behind—in many cases far behind—the efficiency of other ports in the United States and around the world.” Officials at Maersk Sealand, a large Danish shipping company, told the *Wall Street Journal* that a large container ship at an Asian port can be unloaded in about 40 hours, compared

to 76 hours in southern California. At West Coast ports, each unloading crane requires a clerk, a signalman and two drivers—even though only one is needed to operate the crane. Compare that to Singapore, where computerized crane cabs have made unloading a one-man operation. “The union says the job is so stressful that it requires two drivers to relieve one another,” notes Lydgate.

Thomas Ward, a principal at JWD Group, an Oakland-based engineering consulting firm, told the *Journal* that he expects new technologies to improve productivity by as much as 50 percent. They also should improve workplace safety by mechanizing some of the most dangerous jobs.

The union says it doesn't oppose the new technologies, but wants to guarantee its position against any changes they bring. “We have no problem with the technology,” ILWU member Michael Ponce told the *Washington Post*. “We just want the jobs we were guaranteed.” But the adoption of new technology is a trial-and-error process in which there are no guarantees.

Union work rules have hurt productivity by discouraging modernization. The *Seattle Times* notes that under the recently expired union contract, clerks must retype the same computerized information at several points as cargo moves along the docks—so computerized tracking equipment has not been able to function at its full capacity. This has made introduction of some new technologies uneconomical, and as a result, clerks at some ports still use paper forms on clipboards to track containers unloaded from ships, instead of the hand-held computers and bar code scanners common at ports elsewhere. John Kunich, a clerk at a Los Angeles shipping terminal told the *Wall Street Journal*: “It's always been our job to start and finish a transaction, and we were just trying to preserve jobs.”

There are other problems. Many dockworkers are dispatched each day from joint union-management hiring halls; they often arrive late to their jobs or are unfamiliar with their assigned terminals. In addition, reports Lydgate, the union's 258-page contract guarantees eight hours'

pay under a host of conditions, even when dockworkers work less than that.

World trade and competition will not wait for union work rules to catch up. West Coast ports must modernize soon, or they will be overwhelmed. To this end, the agreement allowing the PMA to introduce new technologies comes at the eleventh hour. West Coast ports' cargo volume is expected to double by 2012, says University of California political scientist Michael Nacht. “There's no way these

these duties—even something as trivial as unhooking the ropes that tether a ship to the dock.”

A shipping agent who asked to not be identified told Lydgate that any ship whose crew tried to let loose its own lines would face a coast-wide boycott by the dockworkers. “They have a monopoly,” he said. “If they say they're not going to work your ship, you're really screwed.”

The union says it doesn't oppose the new technologies, but wants to guarantee its position against any changes they bring. But the adoption of new technology is a trial-and-error process in which there are no guarantees.

ports can handle the load,” he says. “Shippers will have to go to Mexico or Canada or even switch to air freight. It's crazy. We've got all this trade, and we're not equipped to handle it all.”

The current deal, if approved, will expire in six years. By then, a new crop of cargo tracking technologies will probably be available—so the ports may be in for another tortuous round of negotiations over the introduction of new technologies.

The ports' labor monopoly is in a face-off with global economic realities. “Few unions protect their turf like the ILWU,” notes *Willamette Week's* Lydgate.

“Every activity on the waterfront—from the most mundane to the most complex—is the domain of the union. Longshoremen work the cranes. Longshoremen drive the top loaders. Longshoremen load the railcars and lash the cargo down, and woe betide anyone who would usurp

What the Shutdown Cost

The twenty-nine West Coast ports from Seattle to San Diego handle about half of the nation's maritime cargo at a value of roughly \$300 billion annually. Reliable numbers for the economic damage caused by the ports' shutdown are hard to come by and estimates diverge widely.

A PMA-commissioned report by Los Angeles-based consulting firm John A. Martin & Associates put the cost at \$933 million a day. Robert Parry, president of the Federal Reserve Bank of San Francisco, estimated \$2 billion a day. Steven Cohen, a University of California professor of regional planning, said a five-day shutdown would cost the economy about \$4.7 billion, while a 20-day shutdown would cost \$48.6 billion. Working under a PMA commission, he observed, “The West Coast docks are the choke point of the global economy. Thirty years ago, when we had a dock closure, foreign trade didn't matter to our economy. It was trivial. “It's quite different now. It's an integrated system, and if you cut the supply line, you stop the system.”

Monopoly Bargaining Harms Productivity and Worker Safety

By Stan Greer

Monopoly unionism at all levels is distinctively harmful to business investment and worker productivity. For the West Coast ports, this injury is compounded because union officials maintain a monopoly over employment not only within a single worksite, but at every port and at scores of shipping firms. Union rules at West Coast ports govern virtually all aspects of dockworkers' jobs—from work assignments to the size of crews. And the impact of union rules on worker safety is even more harmful than their impact on productivity growth.

Today, longshoremen at overseas ports from Singapore to the Netherlands unload cargo using modern technology: One operator in an air-conditioned crane cab can direct computerized loading cranes that transfer goods from a ship onto the dock, while optical scanners track the containers. Dockworkers rarely need to come into close contact with the cargo, so when a mishap occurs, it's likely that only the goods being shipped are damaged.

But in U.S. ports, union rules say that four-man crews must operate the loading cranes and workers must enter tracking information by hand. This makes it economically unfeasible to invest in the cutting-edge technolo-

gies common at ports overseas—and it makes dock work more dangerous than it needs to be. At many West Coast ports, longshoremen track containers by marking them with chalk. They are thus forced to be in close contact with containers, where accidents can lead to serious injuries or even death by crushing.

The *Wall Street Journal* reported recently that the Los Angeles/Long Beach port complex and other West Coast ports lag far behind Asian and European ports—including ports in Hong Kong, Taiwan, Singapore, South Korea, and the United Kingdom—in adopting new technologies. Why? One reason is that labor laws in Asia and Europe do not give unions the type of monopoly bargaining privilege prevalent at U.S. ports. Asian and European longshore union officials have been far more willing to accept and deal with technological progress.

U.S. longshoremen perform dangerous jobs without the benefit of the most modern technology. That's because monopoly unionism is a disincentive for the kinds of innovation that can improve worker safety.

Stan Greer is Senior Research Associate at the National Institute for Labor Relations Research.

The Anderson Economic Group (AEG), a Michigan consulting firm, proposed a much lower estimate. It concluded that the entire shutdown cost \$1.67 billion based on “a conservative, realistic methodology, which considers only *actual losses in income* by U.S. workers, consumers, and producers *caused by the strike*” [emphasis in original]. AEG notes that its estimate is still “a very significant reduction in income to U.S. workers and consumers.” But John Martin, author of the Martin & Associates study, warns that the Anderson estimate doesn't include the costs of clearing congestion from the ports, moving and idling ships, trucks, railway equipment and containers, sharply increased freight rates, and higher financing costs for importers. University of California, San Diego political scientist Steven Erie takes the middle ground. He estimates a cost of about \$350 million to \$500 million a day.

Whatever the overall economic cost, the shutdown's impact on specific businesses was clear and sharp. A week into the eleven-day shutdown, beef, pork, and poultry products sat in storage facilities unable to be exported. Auto plants—including a Toyota-General Motors plant in Fremont, California, a Honda plant in East Liberty, Ohio, and a Mitsubishi plant in Illinois—were forced to cease operations pending a resumption of shipments. Other manufacturers—including defense contractors—said they would be forced to halt production pending a resumption of parts shipments. And retailers feared they would be unable to stock their shelves in time for the Christmas season. The ports' reopening averted the worst for retailers, but the backlog has been slow to clear—and late deliveries can mean substantial lost sales for both retailers and manufacturers.

Over the last few years, up-to-date inventory control systems like merchandise scanners have allowed retailers to do business on a “just-in-time” basis—reordering merchandise only as needed. For retailers, this has reduced the costs of warehousing large inventories, but it has also eroded the buffer against shipping interruptions that large inventories used to provide. Merchandise reaching store

shelves late can force severe markdowns. “Past a certain date, they [consumers] really don’t want the product,” said Andrea Greco, a vice president for footwear company Fila USA.

During October and November, the Gap and other major retailers resorted to air freighting holiday merchandise, which costs almost four times as much as maritime shipping. According to *Fortune* magazine, air-shipping rates surged by approximately 30 percent in October. That month, Purchase, New York-based Atlas Air flew over 100 charter flights, mostly from Asia, which it attributed to the West Coast ports shutdown.

Major retailers can pay a premium for airfreight, but airfreight is expensive—for instance, air freight from Asia can increase shipping costs for one pair of Nike athletic shoes from about 50 cents by sea to 70 cents to \$2. Further, large retailers like Wal-Mart still require a constant flow of goods and their enormous loads make shipping by air impractical.

For suppliers, “just-in-time” delivery has reduced turnaround time for orders, so an interruption in shipments spells trouble in getting goods out of the factory.

To make matters worse, it is very difficult to divert West Coast-bound ships to other ports during a work stoppage. Canadian longshoremen won’t unload ships while their American brethren walk the picket line. Mexican ports and roads cannot handle the massive volume of cargo, though they did handle some of the recent backlog. And most Pacific cargo ships are too large to pass through the Panama Canal, so diverting them to Atlantic or Gulf ports is not an option.

Military cargo continued to pass uninterrupted during the shutdown, but that doesn’t mean national security wasn’t affected. Defense contractors rely on shipping for parts and components. During the lockout, an unnamed California defense contractor told the *New York Times* that a custom-made Japanese part for Tomahawk missiles lay idle on a ship off the California coast.

Who Benefits?

Controlling the docks has given the



ILWU enormous clout. As the *New York Times* points out, union longshoremen “wield so much power that they have managed to obtain cradle-to-grave benefits and salaries to make many white-collar college graduates envious.”

ILWU members are among the nation’s best-paid blue-collar workers. PMA figures indicate dockworkers’ salaries averaged \$82,895 in 2001—many for jobs that do not require a high school diploma—with nearly 30 percent working only 40 weeks per year. While the U.S. median salary is \$62,228 for a family of four, ILWU clerks average \$118,844 and foremen \$157,352. Medical coverage for both active and retired longshoremen requires no out-of-pocket expenses.

Yet wages and benefits were not the main issue. The objective of the October showdown with management was power. “In an era of declining union membership, infrequent strikes and disunity among union members and leaders, the ILWU stands out as a uniquely coherent unit,” notes the *Wall Street Journal*. “Even as its membership has declined from 100,000 strong in its 1950s heyday as a result of containerization and automation, the union has managed to keep all of the jobs

on the waterfront for its rank and file.”

The ILWU approved containerized cargo—which replaced the old cargo net and hook—in 1960, when ILWU founder Harry Bridges negotiated a contract with the PMA. Before then, individual pieces of cargo had to be arranged carefully in the ship’s hold like furniture in a moving van. That deal drastically reduced the union’s size but gave it firm control over the West Coast ports and over “technology” jobs like operating cranes. “Since 1960, when the union agreed to accept containerized cargo,” notes *In These Times* labor writer David Moberg, “the union has accepted new technology as long as it has jurisdiction over new jobs created.” Containerization took off in the 1970s, creating a boom in productivity. According to the *Los Angeles Times*, shipping through West Coast ports has increased by 400 percent since 1980 as dock crews use large cranes to load and unload cargo containers.

Growth in international commerce has made the U.S. much more dependent on trade. The ILWU and other unions decry “globalization,” but union longshoremen have gained from the growth in international trade because they control the mari-

time points of entry for commerce.

The Radical History of the ILWU

ILWU members enjoy other special benefits. They get paid holidays commemorating the birthdays of ILWU founder Harry Bridges, United Farm Workers founder Cesar Chavez, and “Bloody Thursday,” the anniversary of a violent 1934 strike in which four longshoremen were wounded and two killed.

The 1934 strike was the first time a union attempted to organize dockworkers coast-wide. It was intended to prevent shippers from shifting their operations from port to port to thwart union organizing drives. “It was a daring gamble, but the bet paid off,” says *Willamette Week’s* Lydgate. “Led by a fiery Australian named Harry Bridges, the union won all its major demands, then proceeded to transform the dirty, dangerous waterfront into a proletarian utopia.” A government mediator imposed a settlement that included a coast-wide agreement, a 30-hour week, safety improvements and increased pay. The agreement also provided for a union hiring hall, which replaced the “shape up”—immortalized in Elia Kazan’s classic film *On the Waterfront*—in which workers lined up outside the dock to wait for company assignments.

In 1937, the ILWU was established after Bridges led a revolt of West Coast members from the International Longshore Association (ILA), which he considered too cozy with employers. Bridges led the new union for forty years, retiring in 1977.

Alfred Renton (“Harry”) Bridges is a hero to radical unionists. Born in Melbourne in 1901, he joined the merchant marine at age 16, jumped ship in San Francisco, paid an \$8 legal alien tax, and joined the far-left Industrial Workers of the World (also known as the IWW or the “Wobblies”). He joined the ILA in 1924.

Today, the ILWU claims that Bridges was a victim of “red-baiting.” But in 1929, according to the *Socialist Worker Online*, “Bridges was part of a rank-and-file longshoremen’s group more or less under the leadership of the Communist Party.” Unions participating in the 1934 strike adopted the Communist Party USA-published *Western Worker* as the strike’s offi-

cial newspaper. Bridges’s communist associations got him in trouble. In 1949, he was indicted for perjury for stating in his citizenship application about that he had never been a communist (“I neither affirm nor deny that I am a communist,” Bridges once stated). He was convicted after a five-month trial, but the U.S. Supreme Court reversed the conviction on the

March 2000, ILWU locals in San Francisco and Los Angeles donated \$100,000 to the defense fund of the “Charleston Five,” a group of South Carolina ILA longshoremen charged with violence against non-union crewmembers unloading a freighter. [See November 2001 *Labor Watch*, page 4.]

The union is involved in leftist causes

The ILWU and other unions decry “globalization,” but union longshoremen have gained from the growth in international trade because they control the maritime ports of entry for commerce.

grounds that the statute of limitations had expired prior to the indictment.

Harry Bridges died in 1990 but the union he founded works hard to preserve his heritage. Shortly after his death, a group of active and retired ILWU members raised \$1 million to endow a faculty chair in Bridges’s name at the University of Washington. A labor studies center also was established in 1992 as a joint program of the university’s history and political science departments. A separate Harry Bridges Institute provides information on the union’s history and supports the Harry Bridges Project, whose founder, actor Ian Ruskin, portrays the union leader in dramatic performances at union conventions and academic gatherings. ILWU president James Spinosa is on the project’s advisory board.

The ILWU also continues Bridges’s legacy by clinging to militant 1930s-style traditions. Longshore jobs are frequently passed from father to son. Members call each other “brother” and “sister,” and new members must take courses on the union’s history. According to the *Wall Street Journal*, failure to remove one’s cap at a Los Angeles union memorial commemorating Bloody Thursday brings a \$50 fine. In

unrelated to longshore work. ILWU longshoremen halted work at all West Coast ports for eight hours on April 24, 1999 to protest the death sentence of Mumia Abu-Jamal, convicted in 1981 of killing a Philadelphia police officer. They stopped work again in December 1999 to protest the World Trade Organization meeting in Seattle—even though longshoremen benefit from the growth in world trade. ILWU’s far-left militancy also was on display during the West Coast port picketing. Union picketers at Seattle’s Terminal 5 were joined by members of the IWW, whose stated goal is for, “the workers of the world [to] organize as a class, take possession of the means of production, abolish the wage system, and live in harmony with the Earth.”

Confrontational tactics are another ILWU tradition. *Willamette Week’s* Lydgate reports that late on the morning of September 29 the cargo ship *Hyundai Emperor* finished unloading cargo at the Port of Portland and prepared for departure. However, a union official got word of the impending lockout and ordered a longshore gang to unlock the ship’s forward hatch and hoist it off the ship and onto the dock, rendering the vessel un-

seaworthy. “Hyundai Marine is a PMA member,” said ILWU Local 8 spokesman Leal Sundet. “So when they lock us out, that’s to do harm to us, and we are entitled to deal with them economically—to respond to their attack on us.” ILWU militants also tried to stop the loading of hatch covers onto ships at ports in Los Angeles and Tacoma. When management ordered superintendents to load the covers, the union claimed they lacked crane experience. “When we got there we rallied at the terminal gate and our officers helped escort them company guys off the terminal,” Tacoma longshoreman Jim Walls told the pro-union newsletter *Labor Notes*. “We should have made them hire police escorts instead.”

Conclusion

Some union leaders thought President Bush’s use of the Taft-Hartley Act to end the ports’ shutdown would energize their members to vote against Republicans in the November elections. It didn’t happen.

Instead, the President’s action ended a crisis that threatened the economy and many jobs—including union jobs. Noted a *Wall Street Journal* editorial on October 8, the day of the injunction, “We wonder how many hardhats are quietly happy over the Taft-Hartley news.”


The union and the maritime association reached a tentative agreement during the 80-day cooling-off period imposed by Taft-Hartley. But the union got what it most wanted—a continued monopoly over West Coast ports. Union longshoremen, says labor writer David Moberg, “hold a strategically critical position at the heart of global production networks that are increasingly vulnerable to disruption.” That means whenever another contract expires or shipping companies try to introduce new a technology, the ILWU will have the last word.

Ivan Osorio is the outgoing editor of Labor Watch.


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