

Trade groups again appeal for government intervention as East Coast dockworkers' strike deadline nears

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Dockworkers: Tell us what you're demanding in the next contract by filling out the form below. All submissions will remain anonymous.

With days remaining before the September 30 contract expiration for 45,000 East and Gulf Coast dockworkers, there is heightened concern in corporate and financial circles of a strike breaking out. Last week, a group of 178 trade associations, including the US Chamber of Commerce and the National Retail Federation, sent a letter to President Joe Biden demanding that the administration intervene directly to head off any disruption of port operations.

The letter is the second of its kind addressed to the Biden administration. Deeply worried over “supply chain resiliency” and the disruption of their profits, the trade associations once again write, “[w]e call upon the administration to immediately work with both parties to resume contract negotiations and ensure there is no disruption to port operations and cargo fluidity if a new contract is not reached by the expiration date.” Concluding the letter, the trade groups write, “[t]he administration needs to be ready to step in if a strike or other action occurs that leads to a coastwide shutdown or disruption.”

Contract talks between the International Longshoremen's Association (ILA) and the United States Maritime Alliance, Ltd. (USMX) were officially broken off in early June after it was revealed that APM Terminals and leading maritime shipper Maersk were using automated systems to process trucks.

There is enormous opposition among rank-and-file dockworkers to the grueling working conditions and unlivable life situations they confront. In addition to speedup and safety issues, dockworkers face the threat to their jobs from automation. As in virtually every industry, the ports are seeking to maximize profits by eliminating thousands of jobs through new advances in artificial intelligence and automation.

But a real fight requires that dockworkers wrench the leadership of their struggle from the pro-corporate ILA bureaucracy by building a rank-and-file strike committee.

ILA President Harold Daggett and his cronies, a collection of wealthy bureaucrats with ties to the shippers, government and the mafia, have been putting up a “militant” façade for many months, again and again shouting about a strike on October 1 in order to maintain a stranglehold over the genuinely militant ranks. They are

doubtlessly using this to get in front of workers' anger in order to prevent or limit a strike and ram through a deal which, at least in its main outline, already exists.

Similar tactics were used this month by the International Association of Machinists (IAM) in a bid to pass a deal at Boeing, but this has failed, at least for the time being, due to a massive rebellion by workers, who voted down the contract by 95 percent.

Corporate America knows the game the ILA is playing, and leading analysts have forecast that a strike is unlikely. But there is also a fear, expressed by the letter to Biden, that rank-and-file anger will break out from under the union apparatus like it did at Boeing.

The impact of a strike

Strike action by dockworkers would affect key US ports from Maine to Texas that account for roughly 60 percent of US shipping traffic. A strike would shut down five of the 10 busiest ports in North America and a total of 36 ports along the East and Gulf coasts. Nearly half of all US imports and billions of dollars in trade monthly are at stake for the corporate and financial oligarchy.

This includes the Port of New York and New Jersey, the second biggest in the country, through which \$240 billion in goods pass each year. The ports on the Atlantic and Gulf coasts handle well over 100 million tons of cargo annually from Europe, South America and Asia, and this has only increased over the last several years as shipping companies redirected cargo ships from the West Coast while workers there were kept on the job without a contract for nearly a year.

According to global trade intelligence firm Kpler, 147 shipping vessels are en route to the East and Gulf Coast ports by October 1. The total carrying capacity of these vessels is 686,181 20-foot equivalent container units, with a value estimated at upward of \$34.3 billion.

The struggle of East Coast dockworkers has serious potential to rally millions of workers in critical industrial sectors around the world in joint action against the austerity and war plans of American imperialism and its NATO allies.

In an indication of the powerful potential of such a struggle, a recent report by Oxford Economics stated, “Even a two-week strike could disrupt supply chains until 2025.” Analysts at Sea-Intelligence, a Copenhagen-based shipping advisory firm, have estimated that it will take anywhere from four to six days to clear the shipping backlog resulting from a one-day port strike.

An October strike would come right in the middle of the peak shipping season as major retail and other companies prepare for holiday shopping. The major maritime shipping companies, including CMA CGM and Maersk, have been rushing in stocks of various goods, filling orders a month earlier than usual in preparation for any disruption.

Shipping is increasingly being redirected to the West Coast ports, where imports are surging. The East Coast share of total shipping container imports into the US from the Far East decreased from 34.4 percent at the end of 2023 to 32.6 percent in the second fiscal quarter of 2024. Meanwhile, the West Coast share increased from 57.7 percent to 60 percent in the same period.

In August, the Port of Long Beach, bolstered by a 40 percent rise in imports, notched the busiest month in its 113-year history, with volume jumping nearly 34 percent from the previous year. Next door, the Port of Los Angeles reported an August volume jump of 16 percent, fueled by a close to 18 percent increase in imports.

However, not all freight can be easily shifted to the West Coast, causing great concern in corporate and financial circles. Jim Mancini, vice president of North American surface transportation at CH Robinson, told CNBC: “While the [Asia-Pacific] region typically has more options to shift freight to the West Coast, over half of the automotive freight coming in today is heavily dependent on the East Coast. For example, the Germany to Charleston and Savannah corridor is crucial for European automakers which would be shut down in the event of a strike.”

The division of the dockworkers on the East and West Coasts between the ILA and International Longshore and Warehouse Union (ILWU) is one of the ways that the bureaucrats have helped the shippers to maintain record-breaking profits by dividing workers against each other.

Government intervention

It is critically necessary for dockworkers to develop a strategy to square off against the danger of open government intervention. The capitalist state, with Biden at its head, will not sit idly by and let a strike occur which could link up with Boeing workers and develop into a nationwide strike movement.

In fact, the Biden White House has been involved in every major contract with the aim of preventing or limiting strikes. The trade groups’ open letter contains a summary of such interventions:

This administration has certainly stepped in when other supply chain-related labor discussions had the potential to impact the national economy. This includes efforts to help

the ILWU and PMA resolve their West Coast port labor negotiations, efforts to help the Class I railroads come to agreement with their unions and efforts to resolve contract negotiations between UPS and the Teamsters. While there was an ongoing threat of disruptions during these negotiations, the administration helped to ensure the parties remained at the negotiating table to achieve a final contract. All without a major disruption to the supply chain.

In all of the struggles listed above, the Biden administration also relied on the trade union apparatus to keep workers under control.

Officially, the White House has said it will not intervene in the situation on the East Coast docks through a Taft-Hartley injunction. In reality, while it is staying quiet for tactical reasons, the White House has been involved from the start.

Transportation Secretary Pete Buttigieg told CNBC: “We are monitoring very closely. My department has been engaged with shippers and ports up and down the East Coast... We’re going to engage with everybody, we’re going to watch this closely. It’s very important to make sure that there is a good outcome here.”

Should Biden invoke Taft-Hartley, there can be no doubt that Daggett and associates will enforce the law which was crafted in defense of Wall Street at the end of World War II and denounced by militant workers at the time as the “Slave Labor Act.”

To prevent a new betrayal, dockworkers must form rank-and-file committees independent of the trade union bureaucracy and both capitalist political parties. These committees will allow workers to take the fight into their own hands and wage the broadest possible struggle against not only the shippers but the entire profit system from which exploitation and war emerge.

This involves reaching out to other sections of the working class engaged in struggle such as the Boeing and other aviation workers, railroad workers and auto workers in the US and internationally, as well as uniting dockworkers across the continent and around the world.

Only in this way can East Coast dockworkers put themselves in the best position to confront the inevitable betrayal of the ILA and intervention of the Biden administration.



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