Port Lockout: Straw To Break Economy's Back?

by Patricia Salisbury.

West Coast port lockout quickly drove big cracks in a failing economy. ILWU unionists, here fighting the World Trade Organization back in 1999, now have to realize that "fair trade"—or continued, expanded trade in any form—depends on LaRouche's recovery measures.

Could the management-ordered shutdown of 29 West Coast ports have been the last straw for the U.S. and world economy? President Bush, or some advisers, thought so; as the shutdown entered its second week, the administration sought and got a Federal injunction under the 1947 Taft-Hartley Act, ordering the ports reopened until Oct. 16. On that date, the administration will be back in court to seek a declaration of the official 80-day "cooling off" period with ports open under court order.

Bush's move is the first use of the Taft-Hartley provisions in a quarter-century. It came despite reports that a number of his advisers had cautioned against using it, given the likelihood of antagonizing labor leaders particularly among the so-called "he-man unions" such as the International Brotherhood of Teamsters (IBT), which Bush is known to be courting for the November elections. Indeed, IBT President Jimmy Hoffa, Jr. had stated that the use of Taft-Hartley would be considered an open attack on the entire labor movement. As the administration moved into court, Rick Bank, director of the AFL-CIO's center for collective bargaining, termed the administration "incredibly anti-union," and said the AFL-CIO labor federation would make members aware "that their rights and protections are in jeopardy."

Additionally, a number of labor historians pointed out Taft-Hartley's poor track record on solving disputes; in many instances, strikes or lockouts resumed following the "cooling off" period. A spokesman from the International Longshore and Warehouse Union (ILWU) seized on this point, saying the use of Taft-Hartley would delay a settlement for the 80 days it is in effect, since the key issue between the union and the Pacific Maritime Association (PMA)—unionization of jobs created by introducing modest new technologies—won't likely be resolved unless leverage is brought to bear against the PMA.

Economy, War Forced Bush's Hand

But with the economy toppling and the Iraq war de facto under way, what choice did Bush have within his current deranged assumptions? Ten days of port shutdown had already begun to send possibly fatal tremors through what was left of the physical economy, and was also limiting the inflow of cheaply made consumer products from Asia, counted on by desperate retailers to support one more round of Christmas binge-buying on credit cards.

Events of those ten days brought home the fragility of the current, depleted U.S. maufacturing base, and its total dependence on looting Asian nations for cheaply produced critical parts and equipment—or alternatively, for products which the U.S. economy can no longer produce to market standards. Government figures filed in the court case said a prolonged lockout would reduce employment by 140,000 during the last quarter of 2002. Manufacturing shutdowns were already well under way in the first week of the lockout.

Ironically, the first major casualty reported was New United Motor Manufacturing, hailed by JD Powers Consulting as the most efficient auto manufacturer in America. New United, a joint venture of General Motors and Toyota which imports key components, including transmissions, from Japan, has taken the now-dominant practice of "just-in-time" inventories to new lengths, having a normal inventory of six hours' worth. So the entire 5,500-person workforce was idled, and United desperately airshipped parts at 30 times the usual cost, trying to restart one-third of their production capability.

Boeing, the nation's only remaining civilian aircraft manufacturer, has already targetted 30,000 jobs for elimination and announced a non-lockout-related decision to vacate 1.2 million square feet and seven buildings in its Everett, Washington facility. Boeing was projecting major production slowdowns if the lockout continued through a second week, and was trying unsuccessfully to bring shipments in through the ILWU-organized port of Vancouver, British Columbia.

Pacific Northwest wheat growers and California cotton and rice producers, along with growers of grapes, apples, and almonds, were faced with stacks of agricultural products with no way to move or preserve them. Agricultural imports were likewise rotting in ships moored outside the shut ports. Asian news media were headlining a disaster in the making for the economies of Asian nations. As for U.S. retailers, those that had not already successfully stockpiled had only one perspective: Get the ports open through the Christmas season and stave off bankruptcy a few weeks or months longer.

Answer Is LaRouche Recovery Measures

Contrary to magical views of the economy, a court order will not put things right overnight. Various experts, the PMA, and the union all estimate that it will take six to eight weeks to reduce the backlog of freight, so continuing effects on the economic collapse can be expected. The Union Pacific and Burlington Northern Santa Fe Railroads have already announced plans to limit the number of containers entering railyards, to prevent overcrowding as ports open.

Then, there is the unresolved hostility between the shippers and the historically militant ILWU, which has declared the issue of continued unionization "do or die." This hostility rose to new levels in the final hours before Taft-Hartley was invoked: The union agreed to a Department of Labor proposal to reopen the ports for 30 days, only to learn that management had turned the offer down. Spokesmen for the PMA questioned whether the union would continue to engage in a de facto slowdown, even as it issued orders to reopen the ports.

The union says the extra volume of freight will create safety problems, and that its members will not be forced into a speed-up to deal with the lockout-created backlog, even if threatened with court sanctions. Richard Mead, president of ILWU Local 10, said, "If safety is against the law, I will go jail." Mead ridiculed Bush as "the new walking boss on the waterfront."

But militant trade union declarations will not solve the current crisis, either. For the union, the shippers, and above all, the Bush Administration, the only solution lies in a larger issue: acknowledging the leadership of Democratic Party Presidential pre-candidate Lyndon LaRouche. LaRouche campaign supporters have been delivering exactly this message to ILWU members at rallies, picket lines, supermarkets, and post offices in major cities up and down the West Coast.

One three-person LaRouche campaign team made a big impact at a Southern California ILWU hall where 1,500 workers were arriving for an emergency meeting. Improvising a rally with a makeshift megaphone, a LaRouche representative told the workers, in both English and Spanish, "LaRouche is right, the financial system is finished, your pension is gone, and soon your hospital, car, house, will be gone, and Bush wants to start a war! If you want to survive, join LaRouche. He warned you about globalization, deregulation, and the Clash of Civilizations crowd, but you went with Gore, even though we told you a vote for Gore was a vote for Bush."

This message stunned some workers into silence; several could be overheard murmuring, "She's right." The more thoughtful stopped to hear about the passage by the Italian Parliament of a resolution based on LaRouche's New Bretton Woods proposal; the growing support for LaRouche in Ibero-America; and to read his campaign's pamphlet, "LaRouche's 'November Program' to Rebuild the Economy."

Unreality Shrouds Russian-American Energy Meeting

by Brian Lantz and Rachel Douglas

An air of unreality hung over the first-ever "U.S.-Russia Commercial Energy Summit," held Oct. 1-2 in Houston, Texas, because it grappled with neither the impending global showdown prompted by a U.S. war policy, nor the world economic crisis. A great deal of agitation about Russia's potential to replace the Middle East as chief crude oil supplier for the United States preceded and surrounded the event, most of it issuing from the same circles that promote war on Iraq. The actual proceedings fell short of that build-up. The chaos that would be unleashed by a U.S. adventure in Iraq, was not even a topic of open discussion.

Planned last May at the St. Petersburg meeting of Presidents Vladimir Putin and George W. Bush, the "commercial summit" was heavily attended by government officials. U.S. Secretary of Commerce Donald Evans and Secretary of Energy Spencer Abraham played host to the nearly 300 attendees at the two-day conference, which was held at Warwick Hotel and the James A. Baker III Institute (Rice University). Russian Minister of Economic Development and Trade German Gref and Minister of Energy Igor Yusufov led a delegation of executives from every major Russian oil company and some other sectors.

Pipeline Dreams

The desire on the part of leading Western financial interests to direct investment in post-Soviet Russia into the oil and raw materials-extraction sectors, is nothing new. But this year it has become a campaign with new geopolitical overtones, under the banner of "diversification" of U.S. fuel sources away from Middle East. Such "ill-conceived plans . . . to attempt to by-pass present world strategic dependency on Middle East oil," Lyndon LaRouche warned in May, "could only bring an added factor of chaos to an already explosive world monetary-financial and economic situation," and should be abandoned, as being "recklessly incompetent economic and geopolitical impulses."

Sen. Conrad Burns (R-Mont.), a member of the Senate Energy and Commerce Committees, had presented his impulses in lurid colors in a Sept. 12 speech at the National Press Club in Washington, which he titled "Post-9/11 American Energy Security: New Market Psychology in the Age of Ter-