

U.S. Supreme Court deals blow to organized labor in new ruling

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The U.S. Supreme Court ruled in favour of a cement-mixing company that argued a 2017 strike resulted in financial losses [File: Evelyn Hockstein/Reuters]

Washington, June 3 (RHC)-- A ruling by the U.S. Supreme Court has lowered the threshold for companies to sue labor unions over property damage that occurs during strikes, continuing a trend of rulings unfavourable to organised labor.

In Thursday's 8-1 ruling, the nation's highest court reversed a lower court ruling that had blocked a lawsuit brought by a concrete seller in Washington state, Glacier Northwest, against the local affiliate of a labor union.

The lawsuit argued that Glacier Northwest sustained losses during a 2017 strike that forced the company to discard unused product: wet concrete that could have damaged the trucks carrying it.

The lower court had ruled that the workers' right to strike was guaranteed under the National Labor Relations Act (NLRA). But Justice Amy Coney Barrett, writing for the Supreme Court's majority, said there were limits to the NLRA's protections.

"Because the union took affirmative steps to endanger Glacier's property rather than reasonable precautions to mitigate that risk, the NLRA does not arguably protect its conduct," she wrote in the ruling. The decision is the latest in a string of cases in which the court has ruled in favor of companies and against organized labor.

The Supreme Court has previously ruled, for example, that regulations allowing union organizers to recruit on agricultural land violated employers' rights and that unions could not charge "agency fees" to employees who benefitted from their work.

Union organizing has enjoyed an uptick in support in the U.S., but membership remains far below previous highs.

"The ability to strike has been on the books for nearly 100 years," said Sean O'Brien, general president of the International Brotherhood of Teamsters, which represented the workers in Thursday's case. "And it's no coincidence that this ruling is coming at a time when workers across the country are fed up and exercising their rights more and more."

Thursday's ruling stems from an incident in 2017 when a group of truckers working for Glacier Northwest participated in a work stoppage while their trucks were filled with concrete. They kept the mixing drums rotating to prevent the concrete from hardening and damaging the vehicles, but the company nevertheless had to get rid of the unused product.

Glacier Northwest, which is a unit of the Japan-based Taiheiyo Cement Corp, argued that cement must be used quickly or it could damage the equipment carrying it. It maintained that the strike was timed to facilitate the intentional destruction of company property.

Noel Francisco, the lawyer who represented Glacier Northwest, said the ruling "vindicates the longstanding principle that federal law does not shield labor unions from tort liability when they intentionally destroy an employer's property."

The Washington state Supreme Court ruled in 2021 that the loss of concrete was incidental to the strike and the company's claims, therefore, were pre-empted under the NLRA, which upholds the right of workers to form unions and engage in collective bargaining.

The U.S. Supreme Court, with encouragement from the administration of President Joe Biden, reversed that decision on Thursday. In a 27-page dissent, Justice Ketanji Brown Jackson said the ruling could cause "considerable confusion" about the application of the NLRA in future cases and "risks erosion of the right to strike."



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