

The United Mine Workers and the Patriot Coal bankruptcy

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Patriot Coal has begun implementing sweeping wage and benefit cuts to more than 23,000 miners, retirees and dependents in West Virginia, Kentucky, Ohio, Indiana and Illinois. Under its bankruptcy plan approved in late May, Patriot--which was spun off by coal giant Peabody Energy in 2007--is allowed to tear up its collective bargaining agreements and “adjust wages, benefits and work rules for union employees to a level consistent with the regional labor market.”

The company was also granted permission to cease providing health care to its retirees, creating instead a union-administered Voluntary Employees’ Benefits Association (VEBA) to which Patriot will provide \$15 million in cash, a fraction of its current health care costs, now averaging nearly \$7 million a month.

In exchange, the United Mine Workers (UMW) is to be granted a 35 percent stake in the reorganized company, in a scheme modeled on the agreement reached between the United Auto Workers and the Obama administration in its forced restructuring of the auto industry in 2009. (See “Patriot Coal bankruptcy approved, thousands of retirees to lose health care”).

While Patriot claims the cuts currently being implemented are “significantly improved from those approved by the court”—including an extension of retiree health care coverage through August—the move will have a devastating effect on coal field communities in Appalachia already enveloped in a deep social crisis.

Patriot’s bankruptcy represents an historic blow not only to coal miners and retirees directly affected by the ruling, but to the entire American working class. The case has been closely followed throughout corporate America and will serve as a precedent for further assaults on the living standards of the entire working class. It takes place as corporations and state and municipal governments, mostly recently in Detroit, have moved to dump supposedly unaffordable “legacy costs,” i.e., the pensions

and health care benefits owed to workers after a lifetime of labor.

In the midst of this historic assault, the trade unions have proven not only incapable of defending past gains, but have worked as active partners in the corporate assault on the working class. The crisis facing coal miners and their families is the product of decades of betrayals by the UMW, which has long collaborated with the coal bosses and the two big business parties to cut costs and ensure the profitability and international competitiveness of US-based energy conglomerates.

In order to conceal its complicity, the UMW bureaucracy has sought to direct the outrage of miners into a series of impotent protests and rallies aimed at boosting the credentials of Democratic Party politicians who have long been in the pockets of the coal industry. At the fourteenth and latest such protest held on July 9 in Fairmont, West Virginia, about 5,000 miners and supporters gathered to hear UMW officials present a mixture of calls for the electing of new officials and cheap demagoguery.

“It’s hard to believe,” United Steelworkers President Leo Gerard told those assembled, “that these Lexus-driving, latte-drinking, pocket-picking, health care-robbing, Wall Street coupon clippers, tax avoiders, pension-stealing, health care-robbing SOBs aren’t in jail.” Gerard failed to mention that these financial criminals are free and doing better than ever precisely because they enjoy the protection of the Obama administration, which the UMW, USW and other unions so enthusiastically support.

Recognizing the frustration of those assembled with the futility of the union’s strategy, UMW President Cecil Roberts made an absurd comparison with the struggle for civil rights. “This is kind of like the struggle of the civil rights movement. It didn’t end in a week or a month or a year or two. It was a long process,” he claimed. “This is

about justice and fairness, and any time you're fighting for justice and fairness, that fight might take a while. But we're never going to stop."

Afterwards, Roberts and 29 volunteers engaged in the now ritualistic act of being arrested for civil disobedience. This impotent stunt--so alien to the long history of militant struggles by American coal miners--was aimed at promoting a sense of powerlessness and cowardly submissiveness before the coal companies and the government.

The union bureaucracy is seeking to maintain tight control and keep the opposition of miners within the confines of the Democratic Party. At the same time, the UMW wants to preserve the financial and institutional interests of the UMW apparatus itself. Roberts has greeted Patriot's proposal for the union-controlled VEBA as "a step forward by the company" even though it entails a drastic reduction in health care coverage for retirees. The main concern of union executives is how much of the reorganized company the UMW will control, with Roberts & Co. demanding 57 percent.

The UMW is actively involved in the dismantling of pensions and medical benefits, which were achieved through bitter battles by miners in the 1940s and 1950s, when the UMW and other industrial unions were still instruments of mass struggle by the working class. In March 1946, the UMW first raised the demand for a health and welfare fund to be paid for by a levy against every ton of coal mined, for the purpose of improving medical and hospital care, providing life and health insurance, and rehabilitating victims of occupational injury and disease.

This was not achieved until 1950 after a series of combative strikes against the resistance of the coal companies. The miners defied a back-to-work order by the Truman administration, which had seized the coal industry, federalized the workforce and threatened miners with military discipline if they did not return to work. In the 1960s and 1970s, miners and coal communities erupted in struggle again--against both the UMW and the government--to win improvements in health care coverage, black lung treatment and mine safety.

In the face of the globalization of capitalist production in the 1970s and 1980s, the UMW, like the rest of the trade unions in the US and internationally, abandoned any serious resistance to the dictates of the coal companies. Based on its defense of the capitalist system, virulent anti-communism and economic nationalism, UMW officials colluded with the coal executives and government

officials to slash costs and boost productivity. This necessarily meant battering down the powerful traditions of solidarity and militant struggle of the miners.

In 1983, former UMW president and now AFL-CIO leader Richard Trumka, with current UMW president Cecil Roberts at his side, overturned the miners' long tradition of "no contract, no work" and national strikes, and implemented the policy of "selective strikes." This led to the isolation and betrayal of one strike after another, from AT Massey in 1984-85 and Pittston in 1989-90 to Peabody in 1993.

These defeats paved the way for the restructuring of the industry by Wall Street, the renegeing on payments to the health and welfare fund by the coal companies, and finally the spinning off of Peabody's eastern operations into Patriot, a dummy company loaded up with debt and pension obligations, which was designed to fail and go into bankruptcy.

The miners are confronted with the urgent task of breaking free of this moribund, anti-working class organization. The processes of globalization, which have been used by the coal companies to create a race to the bottom among workers, have at the same time opened up unprecedented opportunities to unite miners around the world in a common struggle against global mining energy giants from South Africa to China to Australia and the US.

To conduct such a struggle workers need new organizations of industrial and political struggle, above all a mass political party to fight for the socialist reorganization of economic life. This includes the transformation of the coal and energy industry into a public utility, controlled by workers and run for the benefit of society, not private profit.



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