Oil strike shows growing combativeness of US workers

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The week-long strike by US oil refinery workers has revealed widespread social anger over the continued erosion of living standards and working conditions over nearly six years of a supposed economic recovery. On Sunday morning, 1,400 workers at refineries in Indiana and Ohio joined the walkout of 3,800 workers on strike since February 1 in California, Texas, Kentucky, and Washington state.

The past six years have marked the longest period of wage stagnation since the Great Depression, even as corporate profits and share prices have soared to record heights. With the oil strike, American workers are beginning to push back in a drive for higher wages, confirming the fears of US think tanks and media outlets that have been warning of a "wages push" this year.

"Over the last 19 years, every time our pay goes up so does our cost of living," a worker on a picket line at Marathon's Galveston Bay refinery near Houston, Texas told the *World Socialist Web Site*. "Last time, we got a 2.4 percent wage increase, but our health care costs went up by four percent! No matter what happens, the company always seems to come out on top."

ExxonMobil, Chevron, Shell and BP—four of the largest corporations in the world—are digging in their heels and refusing to budge on workers' demands for better wages, lower health care costs, improved safety, and reduced hiring of temporary contract workers. Instead, the oil giants are using the recent collapse of crude oil prices to press for even more cost cutting. BP has already imposed a pay freeze on its worldwide salaried work force, and contractors at drilling operations are facing 15 percent wage cuts.

While the oil price fall has affected profits, the corporations have reaped higher-than-expected fourth quarter earnings from their refinery operations, which benefit from the low cost of crude. Tesoro earned $698 million in the first nine months of 2014, a 67 percent increase over the same period the year before.

Even as they wipe out jobs and demand more concessions from workers, the oil giants continue to spend ten of billions on stock buybacks and dividend payments for wealthy investors. "We'll protect the dividend first," ConocoPhillips CEO Ryan Lance told investors on a January 29 conference call.

"In reporting their first financial results for a full quarter since crude prices began to collapse last summer, oil executives have cut nearly everything else," the *Houston Chronicle* noted. "Jobs, drilling plans, raises, benefits and even crew sizes have been slashed, but not a single large oil producer has discussed a potential dividend cut."

Negotiations between the United Steelworkers union (USW) and Shell—the lead bargainer for the industry—broke down last week after the USW rejected a sixth concessionary offer from the Dutch-based conglomerate. The union accused the company of "bad-faith bargaining, including the refusal to bargain over mandatory subjects, undue delays in providing information, impeded bargaining, and threats issued to workers if they joined the strike."

But the USW leadership continues to limit the strike to just 11 of the 65 USW-organized refineries in the US, roughly 13 percent of the 65 percent of total refining capacity the union could shut down. Less than a fifth of the 30,000 oil workers in the USW have been called out.

At the struck facilities, the oil companies are continuing operations with management personnel, contractors and, in some cases, tradesmen from other unions. On Friday night, a strike-breaker driving a pick-up truck at the Martinez Tesoro refinery in California hit two picketers, sending one to the hospital, according to workers. Security guards are videoing picketers and the companies have issued provocative statements declaring their determination to continue production.

On the picket lines, there is a strong sentiment for spreading the strike and shutting down the entire industry. “If we all took a stand together we would be stronger,” one worker at the Toledo, Ohio refinery jointly owned by BP and Husky told the *World Socialist Web Site* .

Such a struggle, however, requires the initiative of rank-and-file workers and a rebellion against the USW leadership. Like other unions, the USW has for decades collaborated with the corporations to drive down wages and boost the “competitiveness” and profitability of American businesses. The endless sacrifices, the unions claimed, would save jobs and allow workers to recoup their losses some time in the future. In reality, neither of these things happened.

Instead, a vast transfer of wealth from the bottom to the top has occurred. The assault on workers’ jobs and basic rights that began in the 1980s with a wave of union-busting, factory closures and mass layoffs was intensified after the financial crash of 2008. President Obama’s first act after bailing out the Wall Street criminals responsible for the crisis was to restructure General Motors and Chrysler and halve the wages of tens of thousands of new-hires.

Whatever his rhetoric about “middle class economics” and “inclusive prosperity,” Obama has made the lowering of wages and shifting of health and pension costs from the corporations and government to the workers the centerpiece of his economic policy. In carrying this out, the White House has relied on the services of the USW and other trade unions.

In 2013, President Obama appointed USW President Leo Gerard to the Advanced Manufacturing Partnership Steering Committee. There, the USW head works with corporate executives to slash labor costs and increase the exploitation of workers in the energy and manufacturing sector.

Last week, the White House deputy press secretary issued a statement calling on the oil companies and the USW to use the “time-tested method of collective bargaining” to resolve the strike. The administration wants a quick end to this struggle because a breakthrough by oil workers would inspire other sections of workers to follow suit, including the 139,000 GM, Ford and Chrysler workers whose contract expires this summer.

The USW has insisted that the strike is not over wages, but over safety and working conditions. It claims that demanding wage increases will isolate the strikers and turn public opinion against them. Not only is this cowardly, it is untrue. There is enormous support for a struggle to reverse the decades-long decline of working class living standards.

The current isolation of the strike must be ended and the walkout expanded through the organization of a nationwide strike of all 30,000 USW oil workers. In 1980, 60,000 oil workers conducted a 14-week national strike, defied the Carter administration, and won a 31 percent wage increase. Today, the fight pits workers in a direct political struggle against the Obama administration, both big business parties, and the profit system they defend.

To extend the strike, the conduct of the struggle must be taken out of the hands of the USW. Rank-and-file strike committees should be organized to shut down all 200 refineries, petro-chemical plants, pipelines and oil terminals.

Workers across the US and internationally should rally behind the strikers, holding demonstrations and sympathy strikes. The oil workers are fighting for all working people.

The oil strike is a sign of the renewal of class struggle in the US. The emergence of mass struggles by the American working class, alongside its brothers and sisters internationally, will fundamentally alter the political climate and create the conditions for the emergence of a powerful political movement of the working class against social inequality, dictatorship and war.

To safeguard the jobs, living standards and working conditions of oil workers, the energy industry must be nationalized, placed under workers’ control, and reorganized on the basis of social need rather than profit.