

The political questions facing US oil workers in the 2019 contract negotiations

Jessica Goldstein
26 January 2019

Contracts for 30,000 oil workers, members of the United Steelworkers union in the US, will begin to expire on February 1. Talks between the USW and Royal Dutch Shell Plc, the company leading the contract negotiations, began in Houston, Texas on January 16.

Kim Nibarger, USW National Oil Bargaining Program Chair, and Tom Conway, International Vice President of the USW, are leading the union's negotiations with the oil corporations. In the past, both of these veteran union bureaucrats have played a major role in helping the oil corporations to push through concessions contracts that stripped away wages, benefits, and health and safety protections.

Nibarger was a safety program coordinator for the former PACE union, which merged with the USW in 2005. Prior to that he was a member and co-chair of the Joint Health and Safety Committee at Tesoro's Anacortes refinery in Puget Sound, Washington for eight years.

Nibarger led the union's investigation team into the November 1998 explosion and fire that killed seven refinery workers at Anacortes, which resulted in a whitewash. When the Obama Justice Department dropped charges against Tesoro, whose criminal disregard for safety led to the explosion in Anacortes, the USW did nothing to mobilize workers against this attack on their basic right to a safe workplace.

Conway led the negotiations last fall that resulted in sellout contracts signed in November for 31,000 steelworkers at ArcelorMittal and US Steel. The USW ignored a unanimous strike vote by workers and instead agreed to a pro-company contract imposing an inadequate 14 percent wage increase over four years—after three years of wage freezes—with no reduction in health care costs or increases to retirement benefits, and no guarantee of benefits for new hires, laying the groundwork to create new, low-paid tiers.

As the 2019 contract deadline approaches, oil workers would do well to reflect on the lessons of the 2015 contract struggle. Of 65 USW-represented refineries and chemical

plants across the US, only 15 were called to strike by the union. Two of the most critical in the Midwest—the joint BP-Husky refinery in Toledo, Ohio and BP in Whiting, Indiana—were among the last to be called.

The only reason USW called the strike was because the oil companies did not give anything the union could sell as concession. However, the USW had no intention of fighting for workers' demands and did everything it could to smother their struggle.

Despite this, the strike was significant in that it showed a growing willingness on the part of workers to fight after years in which the unions, in alliance with the Democratic Party, had suppressed the class struggle.

Fearing that the oil workers' strike would give expression to the mass anger in the US over falling wages and deteriorating working conditions, and encourage other workers to go on strike, the Obama White House called for the USW to end strike. Deputy press secretary Frank Benenati wrote, "We are monitoring the situation and urge labor and management to resolve their differences using the time-tested process of collective bargaining."

The International Socialist Organization came to the aid of the USW and the Democratic Party when it feared that the struggle would get out from under the yoke of the trade union, rushing to the support of the USW under conditions where it was widely discredited.

The sellout deal between the USW and Shell included a meager 12 percent wage increase over 4 years, and "discussions" with the corporations over forced overtime, outsourcing and staff levels.

The union now says it will propose an 8 percent increase for each year of the new contract. No workers should believe that this will be seriously fought for by the USW when Conway just negotiated a sellout deal at ArcelorMittal and US Steel containing a mere 14 percent "raise" over 4 years, a pathetic amount given the enormous profits the steelmakers have extracted from the labor of workers.

CNBC reported on January 10, 2019 that "Energy has soared into 2019 as the best-performing sector so far this

year, a stark contrast to last year when it was the worst sector in the market. The gains have been led by the rebound in oil prices, which after a precipitous drop from highs have just posted their best win streak since July 2017.”

The Big Five oil companies in the US—Royal Dutch Shell, ExxonMobil, Chevron, BP, and ConocoPhillips—made a combined gross profit of \$198.1 billion in the first three quarters of 2018. The oil giants are set to far surpass their 2017 combined gross profits of \$222.4 billion.

For the USW to tell workers that the oil companies cannot afford more than the pitiful union proposals is an absurdity. The oil barons howl that they cannot afford to pay workers decent wages and reduce working hours while enriching investors through stock buyback schemes and showering perks and bonuses on executives.

Shell CEO Ben van Beurden announced Shell was on track to purchase \$25 billion of its shares by 2020 in a stock buyback scheme that began last July. The USW has not denounced this. Instead it is determined to aid and abet oligarchs like Beurden to fleece the workers.

The USW itself is controlled by highly paid bureaucrats who, in addition to earning six-figure salaries, manage multi-billion dollar pensions funds. Many of its top officials are a part of the top 5 to 1 percent of income earners. After decades of betrayals and collusion with the corporations, these organizations no longer represent the interests of the working class, but a tiny layer of the upper-middle class and corporate elite.

Oil workers will remember the way in which the USW downplayed the issue of wages over the course of the 2015 struggles, instead insisting the strike was about safety.

Only the *World Socialist Web Site* insisted that a serious fight for higher wages as well as a safe workplace required that workers mobilize independently of the USW in a fight against the capitalist profit system.

When the giant oil companies made nearly \$90 billion in profits in 2015, there was more than enough money to guarantee significant raises, free health care, safe workplaces, retirement, and much more to every oil worker in the US. Now, these corporations have more than doubled their wealth, but the USW still opposes a serious fight.

In 2015 the *World Socialist Web Site* and the Socialist Equality Party pointed the way forward, calling for steelworkers to form rank-and-file workplace committees to organize a fight independent of the USW and link up their fight with other sections of workers coming into struggle such as autoworkers, teachers and steelworkers. The SEP linked the fight of oil workers to a socialist program, asserting that the interests of the working class take priority over the profit drive of the corporations.

The SEP called for workers to reject the nationalism used

by the USW to pit them against their class brethren in Asia, Latin America and Europe, and join hands with workers internationally coming into struggle.

The coming year will be one of significant growth in the class struggle, as militancy and opposition to austerity and war grows among the broadest sections of the working class and youth. The Democratic Party and the unions have failed to suppress the class struggle since the 2015 oil strikes.

Over the past year, numerous struggles have erupted outside of the control of the unions—including the teachers’ wildcat strikes across the US in 2018, and most recently, plantation workers in Sri Lanka, the strikes of hundreds of thousands in the “yellow vest” protests in France and 70,000 maquiladora workers at the US-Mexico border, who have formed their own committees independently of and in opposition to the unions, which threatens to grind the auto industry to halt.

For workers to win their most basic demands, the question is raised of which class in society has political power—who controls the means of production? Who controls the energy industry? The working class, which toils and sacrifices life and limb for the profits of the oil oligarchs, must take control of the industry in the United States—out of the hands of the corporate parasites—and transform the energy giants into national, publicly-owned enterprises.

The logic of the class struggle is toward a general strike. A strike of all oil workers in the United States will deal a massive blow to one of the world’s most powerful and critical industries and provide a lead for millions of workers coming into struggle in the US and internationally.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact