

# United Steelworkers announces concessions contract agreement with Shell Oil

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On Thursday, the United Steelworkers (USW) announced a tentative contract agreement with Shell Oil Co., a subsidiary of Royal Dutch Shell PLC, within hours of the contract expiration deadline and after keeping workers in the dark about the talks since they began in mid-January. If passed, the contracts will govern the working conditions and lives of 30,000 oil US refinery, petrochemical plant, pipeline and terminal employees in 220 USW bargaining units across the US.

The *World Socialist Web Site* urges workers to vote “no” on the insulting deal being pushed by the USW, which will be combined with local contracts still to be worked out. Workers must demand to see the full contract—not just the highlights, as the USW gave to 31,000 steelworkers this past fall—and have two weeks to study it.

The contract agreement with Shell is part of a national pattern agreement, which will set the framework for subsequent agreements with other oil corporations in the coming weeks. Shell has led the oil corporations in talks with the unions’ National Oil Bargaining Program since 1999. Marathon Petroleum Corp. handed its final contract offer to USW officials on Friday.

Few details have been released about the three-year contract proposal. However, it includes a paltry 11 percent wage increase over the life of the entire contract, with a 3.5 percent increase in each of the first two years and a four per cent increase in the final year—barely enough to keep pace with inflation.

The remaining details of the proposal—on important issues including healthcare, safety, retirement benefits, and scheduling—will not be released until members are able to examine it and vote, according to the USW. That is, the USW will seek to push through the contract with as little time to study it as possible.

The proposed wage increase is far less than what the USW originally told its members that it would bargain

for—an eight per cent annual increase over the life of the contract. Even this was a concession to the major oil corporations, which made over \$198 billion in gross profits in the first three quarters of 2018 alone.

USW International President Leo Gerard stated after Thursday’s agreement was reached: “We reached a tentative agreement because of our members’ solidarity and the industry’s willingness to negotiate a contract that is fair to both parties.”

This is a fraud. In fact, the USW has said nothing about its negotiations with the companies and has worked to prevent any mobilization of working-class opposition. If by “both parties,” Gerard means corporate management and the privileged union executives, then he is correct.

The USW only put forward the original proposal for wages in response to mounting anger at decades of wage concessions. Now, the union is pushing through a deal without extending the talks or calling a strike vote. This alone shows that the contract is a rotten agreement.

The deal was announced after the corporations benefitted from tax windfalls and huge profit margins from the all-time high levels of US crude oil production recorded in November. The oil companies are paying out record dividends to investors.

These profits were made possible by the collaboration of the USW and the oil corporations. In 2015, a courageous strike by oil and chemical workers that lasted over six months at some plants came to an end when the USW pushed through a major concessions contract. It included a mere 14 percent cumulative raise for workers over four years, and no concrete proposals for health and safety measures—only “discussions” with the companies.

The USW called only 7,000 workers out on strike and then isolated them from other workers in the oil and gas industry as well as other critical sections of workers who were coming into struggle.

Shortly after the strike began, the Obama administration

called for the USW to end the strike quickly, fearing that the strike would encourage a broader struggle to reverse years of stagnating and declining wages.

In November, the USW pushed through a sellout contract for US steelworkers that included a pitiful 14 percent over 4 years, after workers suffered a three-year wage freeze. The contract came after the USW called a strike vote among the workers as a means of allowing them to express their anger and keep the struggle behind the union, and later ignoring the workers' unanimous vote to go on strike against the steel giants.

The *World Socialist Web Site* calls on oil workers to form independent rank-and-file committees to organize opposition to the contract and formulate their own demands, flowing from their own class interests and not those of the corporations.

These demands must express what the workers need, including an immediate 30 per cent wage increase; full healthcare, education, and retirement benefits; workers control of production to ensure safety; and a reduction in hours back to the forty-hour workweek with no reduction in wages.

As oil workers take the struggle into their own hands, they will find powerful allies in the working class worldwide. To move forward, workers must reject the nationalism of the unions and both political parties and seek out the support of their international class brothers and sisters.

The oil workers' struggle for higher wages, health and retirement benefits, leisure time and safe workplaces cannot be won unless a fight is waged against the global system of capitalism. To be successful, the broadest industrial mobilization of the working class must be tied to a socialist program and perspective aimed at taking control of the energy giants and transforming them into publicly owned national enterprises to be used for social need, not private profit.



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