Federated Cooperatives uses virus to demand concessions from locked-out Saskatchewan refinery workers

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In an ominous signpost of the emerging corporate response to the coronavirus crisis and the ensuing stock market meltdown, Federated Cooperatives Limited (FCL) announced Sunday that it has rejected the mediator's recommendations in the 111-day lockout of 750 oil refinery workers in Regina, Saskatchewan. The company is now demanding even deeper concessions on pensions, work rules, benefits and staffing levels.

In a statement, the management of FCL's Co-op Refinery Complex (CRC) wrote, "We must now consider the stark world developments that are presently unfolding and their impacts to both our business reality and our ever-more critical responsibility to our multiple stakeholders. Global economic circumstances have changed and, with that, we have seen a drastic decline in the consumption of fuel and rapidly declining oil prices that have put the CRC in a more difficult financial position than when negotiations began. Like all businesses, the refinery is now reassessing how to manage through the financial turmoil."

Last week, mediator Vince Ready had tabled his nonbinding recommendations for a resolution of the bitter dispute that has seen FCL deploy a large scab workforce, with the unstinting support of the right-wing Saskatchewan Party government, the capitalist courts, and police.

Ready's report granted virtually all FCL's initial concession demands. The union, which had already proposed a series of increasingly draconian concessionary climbdowns, accepted the mediator's recommendations and scheduled a Monday vote advising the workers to accept the rotten deal. Workers, starved out on the picket line and seeing no way forward, voted 98 percent to endorse the Ready recommendations. After the vote, local union President Kevin Bittman told reporters that the mediator's report, which contained everything the workers had fought against for almost four months, was "a reasonable compromise."

Nevertheless, the lockout continues due to FCL's refusal to endorse the Ready report.

Unifor National President Jerry Dias said prior to Monday's vote, "To be clear, our committee is not thrilled with the final report and the significant changes that are recommended. We have been trying to find a solution since we were locked out. … It is time to end this dispute and have our members running the refinery in these unprecedented times."

Clearly shaken by FCL's response, Dias wrote, "FCL CEO Scott Banda's tactics get more disgusting by the hour. Western Canada needs a secure fuel supply and the skilled operation of the Regina refinery. Instead, Scott Banda wants to use a public health crisis as bargaining leverage on his own employees. The evidence is now staring the Premier in the face: Co-op has never wanted a fair deal. There is only one option left, and that is legislation to end this shameful lockout."

Dias will now appeal to the ardent probusiness Conservative Party ally Premier Scott Moe to end the lockout on the basis of the Ready report. Despite widespread popular outrage against FCL's use of the pandemic to further increase the bottom line of an already highly profitable company, Dias's suggestion that Moe and his ministers can be pressured into acting as neutral arbitrators is truly the last refuge of a scoundrel.

For over a decade, the Saskatchewan Party government has mounted major attacks on workers' rights and living standards, including restricting public sector workers' right to strike through "essential services" legislation. Moe's government greenlighted FCL's scabbing operation before the lockout began, publicly declaring that it would only intervene if the workers succeeded in crippling the refinery's output. At the beginning of last month, the premier personally exhorted the police to smash worker blockades of FCL operations.

Moe's actions are a damning indictment of the politics of Unifor and the union-backed New Democratic Party, which, while in power, refused to pass antiscab legislation and does not endorse it even today. They have been publicly pleading for Moe to "wake up" and "intervene" in the dispute. As would be expected from the hard-right premier, all Moe's "interventions" have been aimed at strengthening FCL in its drive to force massive concessions down the throats of its workforce.

Already, such has been the depth of the capitulations by Unifor's bargaining team that at a press conference at the end of January, the union's chief negotiator Scott Doherty remarked that local President "Kevin (Bittman) and I might get beaten up later when we tell them (the members) that we gave the company six percent" (a pension concession).

Steeped in a nationalist-corporatist perspective, exemplified by its close ties to the big business Liberal government in Ottawa and the procorporate NDP in Saskatchewan, Unifor is adamantly opposed to mobilizing the working class in a political counteroffensive, including broad sympathy strike action, in defiance of the Moe government, the police and the courts.

It is Unifor's retreats, prostration before the Moe government and courts, and isolation of the refinery workers' struggle that have emboldened FCL to table ever more savage concession demands. FCL is insisting that the union agree to the virtual extinguishing of the defined-benefit pension plan, and that any remnant of the current plan must reduce company contributions from 23 percent of a worker's wage to at most 5 percent, with workers making up the massive shortfall from their own pay cheques.

It is also demanding changes in work rules to strip workers of health and safety controls by moving key master-operator positions into company supervisory roles, the shredding of job description protections, and shorter turnaround times in shift schedules. It also wants to halt company contributions to a worker Savings Plan and has demanded that staffing levels for some 256 maintenance workers be reduced. Initially, this would entail at least 63 layoffs.