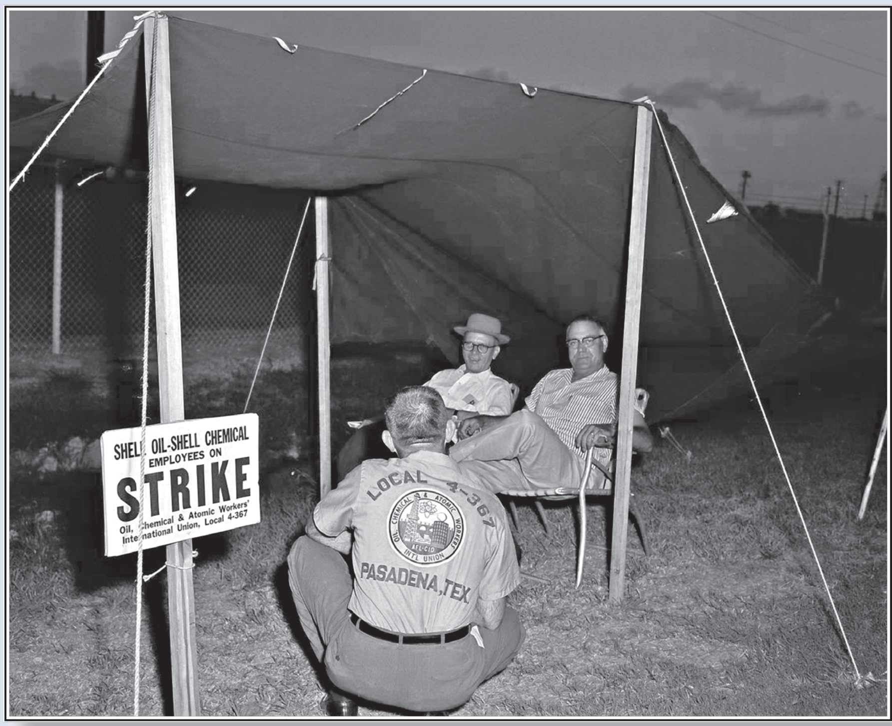
Labor's Last Stand in the Refinery: The Shell Oil Strike of 1962-1963

by Tyler Priest



Unless otherwise indicated, all photos from USW Local 4-1, Pasadena, TX.

Striking OCAW Local 4-367 employees outside the gate of the Shell Oil Deer Park refinery in 1962.

"The true majesty of the oil industry is best seen in a modern refinery," wrote oil journalist Harvey O'Connor in 1955. Few monuments of industrial architecture could compare to a refinery's giant crude oil tanks, topping plants, distilling columns, fractionating towers, platformers, extraction plants, lubricating oils units, and de-waxing units. The centerpiece of the modern refinery, however, was that "sublime industrial cathedral known as a 'cat-cracker'," where petroleum molecules were broken down and rearranged to form high-octane motor gasoline and other fuels. "By night," mused O'Connor, "with a thousand lights pricking the darkness along soaring platforms, catwalks, and ladders, the catalytic cracking unit affords one of the magic sights of twentieth century technology."[1]

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Today, when driving over the Sam Houston Tollway Ship Channel Bridge, even long-time residents of Houston cannot help gawking at a spectacle that includes not merely one refinery, but dozens stretching along the Houston Ship Channel and around Galveston Bay. Conspicuous from this vantage point is Shell Oil's Deer Park complex. Built in 1929 and expanded with a giant cat cracker after World War II, Deer Park joined Wood River in St. Louis and Norco in New Orleans as Shell Oil's major East-of-the-Rockies refineries. A showcase for the latest in postwar refining technology, Deer Park also became a template for the latest developments in labor relations. As Harvey O'Connor, who was once a publicity director for the Oil Workers International Union (OWIU), clearly understood, a modern refinery was not just an assemblage of tanks, towers, pipes, and valves, but a place where more than two thousand workers earned their living.

Oil refining came to Houston after the construction of the ship channel and World War I. By 1941, Houston had displaced Beaumont/Port Arthur, where oil from the great Spindletop field had been processed, as the largest refining center on the Gulf Coast. The Second World War generated soaring demand for gasoline, aviation fuel, and other petroleum products, and spurred the construction of refining and chemical plants up and down the Gulf Coast from Corpus Christi to New Orleans. This sprawling landscape of refining and petrochemical plants, the largest concentration by far in the world, profoundly shaped the growth and industrialization of the Gulf Coast region. For decades, the oil companies who owned these refineries exerted their influence in both subtle and strong-armed ways over transportation, education, politics, and labor.

Although petroleum refining was a relatively capital-intensive industry, from inception it depended on a stable and compliant workforce. During the early decades of the century, oil companies enjoyed unchecked authority over their refinery workers. Tensions arose during and after World War I over workplace control. By the end of World War II, the OWIU, affiliated with the Congress of Industrial Organizations (CIO), emerged as a powerful representative of oil workers, especially in the Houston area. Through a series of strikes during the next decade, the OWIU and its successor, the Oil, Chemical, and Atomic Workers (OCAW) union, obtained concessions on wages and job security. Most importantly, they won greater say over workplace rules.

These victories were short-lived, however, as technological changes in refining undermined labor's ability to strike. Management began to push back in the late 1950s, forcing confrontations with OCAW in contract negotiations. The big showdown came in 1962-1963 at Shell Oil's Deer Park refinery and chemical plant, where 2,200 OCAW Local 4-337 workers went on strike for nearly a year, the longest in the history of the industry. By successfully restarting the plant with technical and supervisory personnel, Shell Oil's management removed workers' main source of bargaining leverage, the ability to withhold their labor. This proved to be labor's last stand in refining, the moment management asserted decisive and enduring control over the refinery workplace.

Inside Deer Park's cat cracker control room.

The Rise of Unionized Labor in Refining

In the early years of the industry, oil company management dominated their refineries and vigilantly resisted unionization. Foremen often picked workers arbitrarily, and plant managers wielded tremendous influence over hiring, promotion, and labor negotiations -- in fact, over everything that happened at the plant. Plant managers retained substantial power well into the mid-twentieth century, even after the rise of organized labor. Explained Jim Henderson, a former chemical engineer at Deer Park and excecutive vice president at Shell Oil, "the refinery or plant manager was next to God! One really didn't speak unless you were spoken to."[2] Tom Stewart, who joined the Deer Park refinery's public affairs department in 1955, took it a step further. "The refinery manager *was* God!" he exclaimed.[3] Refineries and chemical plants were organized along rigid lines. The chain of command began with the manager, ran through a superintendent-operations directly under him, and on down to assistant superintendents and managers of the various refinery departments.[4] The lower an individual was on the organizational chart, the less authority he had to make decisions and the fewer duties he had to perform. Plant managers maintained control by virtue of these narrowly defined positions and tasks, but they also reserved the right to alter job duties at any time, not to mention hire and fire at will. Corporate and plant managers viewed refinery work, with its relatively high wages, shorter hours, and steadier employment in the regional labor market, as a privilege, not a right.[5]

During World War I, refinery workers began to demand more say in how work was organized. Strikes in 1915 at Standard Oil of New Jersey's plant at Bayonne, New Jersey, in 1916 at Gulf Oil's Port Arthur refinery, and in 1918 at Magnolia's Beaumont plant led to the formation of grievance committees and shop rules. In the "labor-management accommodation of the 1920s," oil company management headed off outside union organizing through "welfare capitalist" measures (i.e. eight-hour day, guaranteed vacations, death and injury benefits, shop rules, provision of low-cost housing, etc.) and the creation of "independent" or "company" unions. Modeled on the employee relations plan instituted at Humble Oil's Baytown plant, these measures improved working conditions, and company sponsored labor organizations gave employees a limited voice in shaping those conditions.[6] But the companies still made it clear they were extending privileges, not rights.[7]

Racial segregation in Gulf Coast refining operations bought compliance from white workers who generally harbored racist attitudes. Rather than setting formal rules about segregating their workforce, refineries followed the example set by the local construction industry, setting up an informal "two-pool" system which channeled African Americans and Hispanics into labor gangs performing menial work, which at refineries ranged from ditch-diggers to janitors, while reserving skilled operating and maintenance work for whites. Shell Oil's Deer Park plant typically hired whites with a high school education and African-Americans without a high school education, and then promoted only high school graduates to skilled jobs.[8]

The labor-management accommodation of the 1920s dissolved during the Great Depression. In the early 1930s, thousand of workers lost their jobs or saw their wages and benefits slashed.[9] Old grievances toward supervisors and managers resurfaced, and anger over the sudden loss of job security ripened Gulf Coast refineries for outside union organizing. Oil companies tried to block the unionization of their refinery workforces using tactics such as intimidation, espionage, red-baiting, and racist appeals.[10] Still, the CIO's OWIU successfully organized 11 of the 12 largest refineries on the Gulf Coast of Texas. In 1933, the employees of Deer Park organized into the Oil Field, Gas Well, and Refinery Workers of America. Shell Oil met with the employee's union committee, but refused to recognize the union.

In 1937, the union, now part of the OWIU (Local 367) with an office in Pasadena, Texas, struck the plant for 34 days in its quest for a collective bargaining contract. This strike led to contract negotiations before the National Labor Relations Board (NLRB) and the signing of the first formal contract in 1941.[11] The unionization of Deer Park and other Gulf Coast refineries by the OWIU shifted the balance of power between labor and management. An industry-wide strike called by the OWIU in the fall of 1945 shut down refineries in the region and resulted in a settlement granting an 18 percent wage increase for OWIU workers. More importantly, in winning the right to negotiate collectively with management and backing up its positions with the threat of a strike, the OWIU unions could shape contractual guidelines on tenure, promotion, seniority, job titles and assignments, and other job-control issues.[12]

Picketers at Shell Deer Park refinery, 1963.

Throughout the late 1940s and 1950s, the OWIU unions continued to use the strike effectively. A strike at Deer Park in 1947, lasting 64 days, started in reaction to the potential pay cut resulting from Shell Oil's peacetime switch from 48- to 40-hour weeks. Another national strike in 1952 which endured for 73 days led to a 15 percent wage increase after a month-long shutdown at many refineries that brought oil supplies in many states to dangerously low levels in the middle of the Korean War. The industrial union movement gained strength in 1955 when the OWIU merged with the United Gas, Coke, and Chemical Workers (UGCCW) to form the Oil, Chemical and Atomic Workers Union (OCAW). The same year, CIO and AFL merged, and Shell Oil's Deer Park union became part of OCAW Local 4-367.[13] As demand for oil and chemical products soared during the 1950s, oil companies grudgingly accepted the new labor arrangement as a way, at least, to force issues at the bargaining table and maintain a stable labor supply to staff expanding refinery operations. Strikes had become more predictable than in the past, and companies could make preparations to deal with them. OCAW would typically target one company, trying to win concessions that would establish a national pattern in contract language with other companies. "When our local union met with Shell," recalled Roy Barnes, a union official at Shell and later president of OCAW Local 4-367, "there were two givens: one was we would give them a strike, and the other, they'd take a strike."[14]

The "Quiet Revolution"

As OWIU-OCAW gained strength in the 1950s, refinery operations experienced a "quiet revolution" that began to undermine that very strength. Improvements in refinery technology, such as remote controls, automatic controls, digital computers, and new kinds of sensors and instrumentation meant that operations which previously required a human hand could now be automated; the number of gauges and valves to be checked manually could be greatly reduced. This substitution of capital for labor, or the deskilling of the workforce, was not a direct response to the unionization of refineries, but rather a long, steady transformation dating back to World War I. Only in the 1950s, however, did this transformation begin to produce results dramatic enought to convince refinery managers that technology was making many operational workers redundant.

In the mid-1950s, oil companies began to reassert control over refinery work. In the traditional refinery, there were basically three kinds of positions: 1) laborers, as mentioned above, staffed mainly by racial minorities; 2) operators, who were personnel trained to operate all the various kinds of equipment; and 3) maintenance people, who were carpenters, welders, boilermakers, pipefitters, electricians, etc. If repairs or routine maintenance were required in an operator's area, he would call in a maintenance man. Refinery management came to see this as an inefficient way to deploy labor, especially as technology reduced the number of tasks required of operators, who had time and skills to perform work not included in their contractual job description. In refineries without OCAW contracts, management started laying off workers displaced by technology and altering traditional work rules. They also introduced the job of "universal mechanic," a helper who assisted many skilled craftsmen rather than one particular trade. Increasingly, they brought in outside contractors to perform large maintenance jobs rather than using union labor from the plant.

These changes threatened both operators and maintenance workers. In some refineries, such as in Humble's Baytown plant, the only major one in the area not unionized, these actions actually increased the appeal of OCAW and led to successful union organizing campaigns (OCAW organized Baytown in 1959). But even in refineries with OCAW representation, management was able to chip away at union control in contract language, inserting "management rights" provisions allowing them to reorganize work to employ new technologies more profitably.

OCAW could always file grievances to test management rights, and if that failed, go on strike to resist changes in contract language. However, during a pivotal OCAW strike in 1959 at three Standard Oil of Indiana (Amoco) refineries, the company brought several units at its Texas City plant back on-stream with technical personnel, clerks, and supervisors. Union workers came back after 191 days and were forced to sign a new contract including a "work incidental" clause that allowed the company to assign work that crossed craft lines. As jobs became more routine, it was possible to combine them. In some cases, an operator could easily add some maintenance duties to his work assignment, but was prevented from doing so by union-enforced job definitions and regulations. From the perspective of some workers, on the other hand, operators could not always do a tradesman's job. According to Roy Barnes: "It was amazing how stupid the operators were as far as doing maintenance. And if the maintenance didn't work, they would have to call somebody else to do it, you understand?"[15]


Monroe Spaght, president of Shell Oil Company, 1961-1965.

The new Amoco contract nevertheless relaxed restrictions on combining jobs or tasks. By operating part of the plant without workers, Amoco not only weakened the union's bargaining leverage in its own plants but emboldened other companies to take harder lines in negotiations with OCAW. At its Port Arthur refinery in 1961-1962, Gulf Oil used 600 supervisors and technical people to keep part of its plant running, forcing OCAW, after six weeks on the picket line, to agree to management's terms, which included Gulf's use of contract workers for many maintenance jobs.

While oil companies exercised their newly found muscle to alter the postwar arrangements with organized labor in refining, OCAW sensed its ability to protect jobs and deliver the goods to its members slipping away. By the summer of 1962, the stage was set for a major confrontation.

The Big Strike

In 1961, during a period of slumping corporate profitability in the oil industry, a new president took command at Shell Oil Company, the partially owned U.S. subsidiary of the Royal Dutch Shell Group. Monroe Spaght – "Monty" as he was familiarly known – was the first U.S.-born president of Shell and the first to come from outside exploration and production. A research chemist and self-styled "scientist turned businessman," he was not the typical "oilman" who had spent his career in the field looking and drilling for oil. Tall and professorial, Spaght smoked a pipe and spoke slowly, choosing his words carefully and properly. Highly intelligent and self-confident, Spaght understood both the oil and chemical sides of the business, and he came into office aware of the need for dramatic changes. Right away, he launched a cost-cutting campaign that included the first significant lay-offs since World War II. "Monty really had to put the knife into the organization," explained Shell Oil Chairman John Loudon.[16]

Spaght began by trimming payroll. He ordered some salaried employees into early retirement and terminated others. In his first two years, he reduced the work force by more than 11 percent, saving $21 million in wages and fringe benefits.[17] No part of the company was spared. These cutbacks did not earn Spaght a reputation for compassion. But he was not concerned with his popularity ratings. "Monty was more like a calculating machine," said executive vice president, A.J. Galloway. "He was absolutely logical and followed the logical result down to its end which sometimes would bring him the wrong result because he was dealing with people, who are not logical."[18] "It wasn't easy," admitted Spaght. "But I felt I couldn't sleep at night unless I got on with it."[19]

Spaght targeted manufacturing for streamlining and cutbacks. Top management believed that Shell refineries, like others in the industry, had become burdened by underemployed workers, outmoded operating practices, and the growing power of the unions to block changes in workforce assignments. In 1957 at the Houston Deer Park refinery, Shell had begun a policy of workforce reduction by attrition, not hiring replacements for employees who were reassigned, discharged, retired or promoted. Shell accomplished these reductions through better planning, overtime work and contracting out.

Then, in March 1961, after the retirement of refinery superintendent, P.E. Keegan, who had been trusted by the union, the company started laying off workers.[20] The union responded to this challenge to their job security in negotiations over new contracts in 1962 by going on the offensive. On August 19, 1962, some 5,200 union refinery and chemical plant workers walked off the job at Deer Park, Wood River, and Norco, initiating a long and painful strike of Shell's entire East-of-the-Rockies refinery system. By August 22, the operations at Deer Park were at standstill. Due to its duration and outcome, and the fact that it affected 70 percent of the company's refining capacity and about half of its chemical production, the strike of 1962-1963 proved to be a watershed in the history of labor-management relations at Shell.

Shell management was surprised that the different unions at the three refineries could pull off a coordinated strike. A loose federation of thirteen AFL buildings trade unions represented workers at Shell's largest refinery, Wood River; OCAW represented the Houston refinery and chemical plant; and Norco had an independent union. There were not natural lines of communications or necessarily the same problems among the three. "We figured we were in pretty good shape compared to some of the other companies who had OCAW in all their refineries," said Shell Oil general counsel, Bill Kenney.[21] In 1959, however, the unions representing major Shell oil and chemical installations in the East had agreed to pursue a joint and coordinated program of bargaining. As the Shell refineries made cutbacks and submitted proposals during the 1962 contract negotiations to remove long-standing contract clauses regarding work assignments, the unions rallied around the issue of job security and organized an unprecedented alliance. Their contracts all expired at the same time, so they could legally call simultaneous local strikes in all three places. Shell's West Coast unions were still under contract, had not suffered the layoffs that the other plants did, and thus did not join in the strike. Nevertheless, the East-of-the-Rockies unions felt that their alliance could defend the gains they had made during the 1950s.

Job security issues varied from refinery to refinery. The Houston and Norco unions were mainly worried about contracting out. "A big refinery with a large workforce possessed enough skills to do most anything," noted John Quilty, vice president for personnel and industrial relations and Shell's chief negotiator during the strike. "This doesn't mean they did it efficiently."[22] As workers from maintenance crafts were reassigned to fill vacated operating jobs, Shell had begun to contract out some plant maintenance tasks, such as cat cracker turnarounds, to outside specialists. Since one out of every two employees in Shell's refineries and chemical plants was engaged in some kind of maintenance, the threat to the workers' job security was real.[23] Furthermore, when a maintenance employee was transferred to the operations department, he maintained his total company seniority, but his seniority in operations was zero. He also received a reduction in pay and was required to work shifts rather than straight days as in the maintenance department.[24] Such changes created ill will toward the company among a growing number of workers. "It had to stop," said Johnny Garrison, vice president of the OCAW refinery workers at Houston. "We had hit a brick wall."[25]

The unions also feared the amalgamation of job assignments or "cross-crafting." But from management's perspective, the need for change was painfully clear in declining refining profits. Corporate headquarters in New York voiced a new rallying cry: "Time, Tools, and Talent." The goal was not to "speed up" labor, but to improve efficiency by reducing the number of workers. The unions naturally resisted these changes, fearing job losses and safety hazards. "They've cut out several jobs and combined them," complained Jack Cocke, a striking chemical plant operator at Houston. "The combined jobs are too much; they have not lessened the responsibility – you just have to work more things, do more things."[26]

Several other issues concerned the unions. One was advance notification and consultation before layoffs. The unions wanted longer notices and detailed explanations for why layoffs were needed, which would allow union representatives to present counterproposals to management. Increased wages and severance pay, the biggest concerns at Wood River, also came under discussion. Compensation, however, was not the main issue in the 1962 strike. The differences between Shell labor and management went beyond wages and benefits. OCAW accused Shell of seeking to establish "unilateral control" over all working conditions.[27] Shell sought to reclaim a measure of the authority it had enjoyed before the rise in union power after World War II. Monty Spaght took an uncompromising stand on this. He did not criticize the workers, but he condemned management's laxity and the union leaders' shortsightedness in permitting the rise of practices which left workers underemployed. "He ran the flag up to the mast and nailed it hard," said Quilty.[28]

Likewise, OCAW Local 4-637 was determined to make a stand. The union set up pickets outside the Deer Park refinery and chemical plant gates on August 19, 1962, in the middle of a record-breaking nine-day streak of withering, 100-plus degree temperatures. "We carried picket signs back and forth, around the clock," remembered Roy Barnes. "And we had no trouble keeping the picket lines up or anything like that. We didn't have any trouble with our membership. Our membership was behind us. And I say this because I was on the committee. They were behind us 100 percent. Well, maybe 99 percent."[29]

When the battle was joined, Shell unleashed a powerful new weapon. In previous strikes, the plants had remained shut down while the two sides negotiated an agreement. This time, Shell announced it would operate the plants without the striking workers, as Amoco and Gulf had demonstrated it was possible to do. The Shell strike offered "an opportunity to try new methods of operating, new procedures, not only on the operating side but on the maintenance side," said former Shell industrial relations manager Mac McIver.[30]

Shell sent staff to occupy the plants, and obtained court injunctions at Wood River to assure entry past the mass pickets. Supervisors, engineers, researchers, clerical workers, accountants, secretaries and stenographers all contributed to getting the plants running again. After intensive safety training, they worked 12-hour shifts, seven days a week, some even sleeping in the plants in the beginning. It was a novel and exhilarating challenge for many people, and not just for the overtime pay they received. "The supervisors, the engineers, they'd been wanting to get their hands on those units for years," recalled John Quilty. "They'd been wanting to show these operators that they could run them."[31]

OCAW Local 4-367 strike schedule meeting during 1962-1963 strike.

At first, the striking workers did not believe that the staff actually had restarted the refineries. As they watched plumes rising from the plants, strikers at Deer Park claimed that the company was just burning old tires, creating the impression that the units were in operation. But as the strike endured, Shell brought each plant back into production. Within three months, the refineries were operating at close to capacity with only one-half the usual complement of people. "We knew when we started that we were overstaffed," recalled Quilty, "but we didn't have the foggiest notion how badly."[32] As a message to the strikers, the staff occupying the plants painted the insides of the control houses, laid new floors, and changed the lighting systems.

In Houston, where the strike lasted the longest, plant staff began taking vacations during the summer of 1963, relieved by employees from other refineries. Tom Stewart, editor of the Houston refinery newspaper, *Shellegram*, published a special strike newsletter, the *Shellograph*, which reproduced postcards sent back from vacationers. Explained Stewart: "It was just another way of letting the world know that we could take this strike as far as it needed to go."[33]

Although union officals still suspected that Shell exaggerated the degree to which the refinery was brought back on line, the strikers gradually realized they were fighting a losing battle. Tensions mounted on the picket lines and in the communities as the unions, their workers, and their families stretched incomes, savings, and patience to the limit. But the company now had the power, and management the resolve, to outlast the strike. Roy Barnes remembered one co-worker exclaiming: "Damn it, if we stay out any longer, all we are going to do is make scabs out of some darned good men."[34] Fortunately, there were only a couple of minor confrontations and isolated incidents of violence between strikers and picket-line crossers. The Wood River unions settled first. Contracting out was not the central issue with them, and Shell had not proposed new contract language there. In fact, outside contractors performing maintenance for industrial plants usually relied on laborers represented by the Wood River trade unions.[35] Moreover, outside employment in the St. Louis area was very difficult to find during the frigid winter of 1962-1963, discouraging a longer holdout by the strikers. In February 1963, six months after the strike began, the two sides negotiated a settlement based on a 5 percent general wage increase pattern offered in 1962 throughout the industry. The Wood River settlement undermined the tripartite labor alliance, and two weeks later Norco's independent union settled on similar terms, plus "contract revisions to permit better utilization of manpower."[36]

Houston endured another 5 ½ months of strike. Both sides were strongly committed to their positions. Shell was not happy with the OCAW contract at Houston and took a hard line, demanding new language to relax restrictions on job practices, particularly in the area of cross-crafting. During the strike, Shell even added demands to its pre-strike negotiating position, such as refusing to pay medical and hospitalization premiums. The OCAW strongly opposed the changes. Its workers had walked out after at least five years of quiet during which job security and manpower utilization grievances had piled up. "This strike was fought bitterly," said Johnny Garrison. "We adopted the philosophy that this strike may last forever, and we encouraged workers to find other jobs."[37] Many of the 2,200 striking union members of the refinery and chemical plant found temporary work on the Gulf Coast or on the Houston Ship Channel docks. "Shell had the finest craftsmen in the country, and they had no problem getting jobs," claimed Garrison.[38]

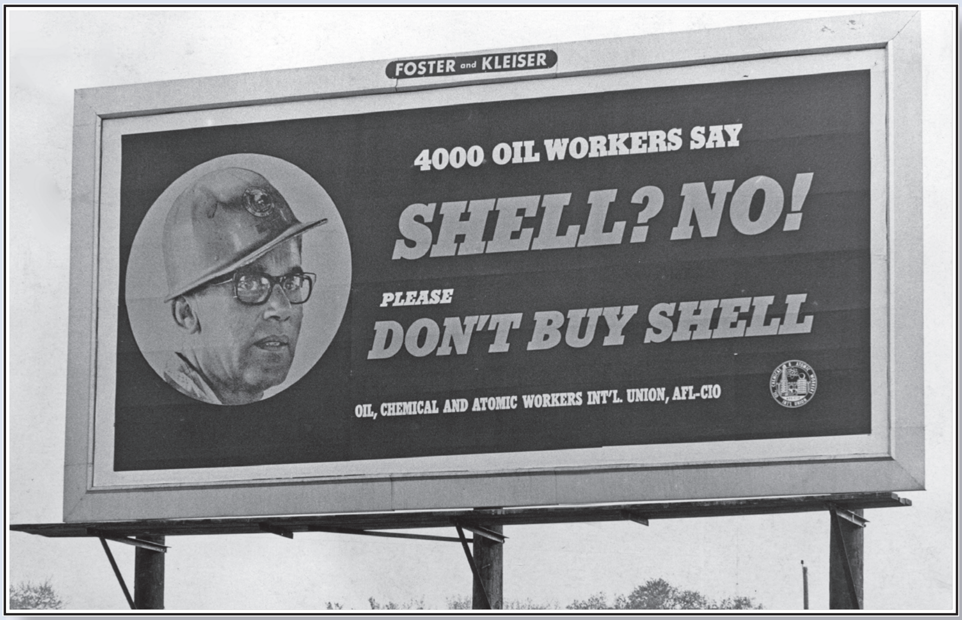
The OCAW appealed to the International Federation of Petroleum Workers (IFPW), a worldwide alliance of 120 oil unions, to mobilize pressure against Shell around the world. The IFPW threatened sympathy strikes in Venezuela and Trinidad, ostensibly to cut off crude oil supplies to Houston. The IFPW brought together "representatives from the Caribbean area, as well as representatives from Holland and Venezuela . . . to work out means of closer cooperation in assisting the workers to obtain a just settlement."[39] However, the sympathy strikes did not happen, and even if they had, the Houston refinery's crude supply, most of which came from Texas and Louisiana, would not have been affected.[40] Even so, Royal Dutch Shell depended on the IFPW to keep communist members out of refinery unions in other parts of the world, and Group representatives got involved in negotiations during the summer of 1963 to keep the strike from jeopardizing labor relations elsewhere. An IFPW international strike fund did help pay benefits to striking workers, and the local union paid out $10 per week cash in the form of two-dollar bills. "Two dollar bills were just floating all over," said Roy Barnes. "Every time someone would see one, they would say, "there's a strike fellow.' That was just simply to publicize it."[41]

By the end of July, after marathon negotiations mediated by William Simkin, director of the Federal Mediation and Conciliation Service, Shell Oil retreated to its pre-strike negotiating position, possibly as a result of an appeal from the Royal Dutch Shell officials. OCAW then agreed to end the strike and Houston workers returned to work in early August 1963. Lasting 352 days, the Houston strike was the longest in the history of the OCAW.

In the end, Shell Oil management extracted significant concessions from the unions. Offering severance pay and early retirement bonuses, the company reduced the workforce at all three locations, by about 400 people at Houston, 240 at Norco, and 250 at Wood River. New contract language required operators to do routine maintenance and provided for greater flexibility in revising jobs and work rules. Hearings before the National Labor Relations Board upheld Shell's right to contract out some tasks. Assured of face-saving limits on the minor maintenance required of operators, the OCAW called the agreement an "honorable settlement."[42] Employees who kept their jobs were relieved to return to work. Although the bitterness built up during the year-long strike still lingered, as Garrison points out, "both the company and the union saw that they had to sit down and try to work out their differences without a strike."[43]

The 1962-1963 strike marked a turning point in the role and strength of unions in Shell's plants. These unions had emerged victorious in the 1940s and had asserted increasing influence over wages and working conditions in the 1950s. The showdown in 1962, however, starkly revealed the limits of the union's power. The OCAW could no longer shut down a plant. Without this weapon, the union had little bargaining leverage. In the dawning age of automation, the threat to shut down plants with strikes was shown to be hollow, and the unions entered a new era of gradual decline. In 1964, the Deer Park refinery reduced its workforce again. Although the OCAW came to represent workers at all the major Shell Oil refineries except Wood River, its overall membership fell steadily (meanwhile, President Lyndon Johnson issued executive orders in 1965 and 1967 that prohibited discrimination on the basis of sex or race in any projects involving a government contract, forcing Shell Oil and other refiners finally to racially integrate their refineries).

Shell Oil did not experience another work stoppage until January 1969, when the OCAW called the first industry-wide strike over wages and fringe benefits. But it only lasted 38 days, as Shell and other companies successfully operated the plants again with supervisory and technical staff. In the strike settlement, Shell obtained revisions to contract language at its Martinez and Wilmington-Dominguez refineries in California pertaining to work practices, which were similar to those achieved at the East-of-the-Rockies plants in the earlier strike. The changes in labor-management relations at Shell's plants in the 1960s reduced the power of unions, allowing management to improve the financial performance and flexibility of manufacturing. Wrote *Fortune* magazine about the 1962 strike: "In his ratiocinative way, Spaght somehow managed to convert a messy labor war into a kind of moral-rearmament crusade for Shell people throughout the country."[44]



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Aftermath

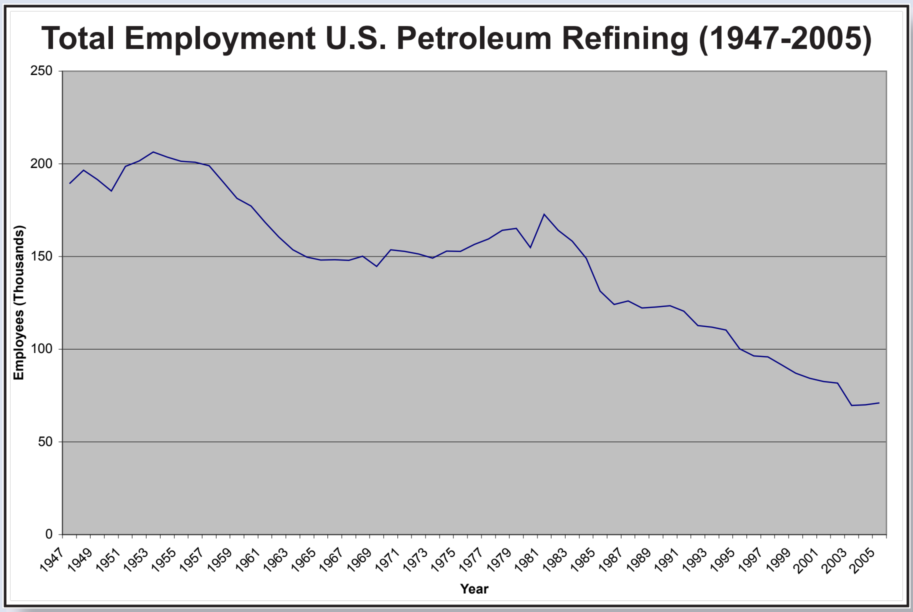
As OCAW's hard-won bargaining power waned, it looked for new issues and new allies in its on-going struggles with the oil and chemical companies. With the environmental movement surging forward on many fronts in the early 1970s, the OCAW joined unions of various sorts in seeking common ground with the environmental interest groups that had come to political prominence in the debates over a new wave of federal regulations.

Refinery workers and those who lived near refineries feared exposure to a variety of potential environmental hazards, and the OCAW solicited the assistance of environmental groups in a new crusade against such hazards. Worker safety quickly emerged as an issue that might improve working conditions in the plants while also fundamentally changing the rules of engagement in what had become a losing battle for the OCAW. The failure of the health and safety strategy demonstrated the erosion of OCAW's power since the 1962 strike, in that it could not even win using a modern public relations campaign on issues narrower than job control and security.

In 1971, OCAW introduced health and safety issues into bargaining sessions, and in 1973 it targeted Shell for a nationwide strike aimed at forcing the company to create a joint committee of workers and management with binding authority on aspects of the management of occupational health. Despite the fact that such committees had become part of the OCAW's national pattern of bargaining with the petroleum industry, Shell decided to resist on the grounds that management alone had the responsibility to make decisions on such issues.[45]

Broad public support was critical to the OCAW's strategy of winning the strike in the marketplace as much as at the factory gate. The union mounted a vigorous boycott of Shell gasoline and pesticides, including the company's popular "No Pest Strip." The slogan "Shell? No!" was the centerpiece of a massive publicity campaign to encourage support for the strike and the boycott. The union's message was driven home with billboards, newspaper ads, radio spots, and millions of pamphlets and leaflets. Some of the union's allies among the environmental groups also made mass mailings to their memberships calling for support of the OCAW by boycotting Shell products. Union reports in April 1973 claimed that thousands of Shell customers had returned their credit cards to the company, whose gasoline sales were reported to be down by 10-25 percent. The OCAW called publicity for the strike and the boycott "the most massive" in American history for a strike of this size, but it also acknowledged that growing gasoline shortages somewhat limited its effectiveness.[46]

Shell stood its ground in the face of the union's publicity blitz. It



Source: U.S. Bureau of Labor Statistics

minimized the economic impact of the strike by maintaining production, but the public relations impact proved more difficult to withstand and combat. The company's top management believed that an important principle was at stake, and they were willing to take some body blows from the OCAW in order to defeat a proposal that they felt struck at the very heart of their capacity to manage their company. Tom Stewart, a Shell media spokesman during the strike, summarized this sentiment: "If you agreed to that, then you were going to delegate to a workman's committee the right to basically decide how you were going to staff your plant. And the company wasn't about to give away that right."[47] Company publicity against the strike made this point in more detail: "Through this proposal, the union and third parties could control manpower levels, operating methods, capital investments, and many other matters. So in reality, the issue is not 'health and safety,' but featherbedding [deliberate overstaffing] in disguise."[48]

As the strike wore on, Shell negotiators put this principle into practice by focusing their efforts on the large local at Deer Park. There, rank and file union members seemed increasingly skeptical of staying out for a long period over somewhat abstract health and safety issues. In May, fearing that the Deer Park local might actually move to decertify the union, the OCAW agreed to accept a local agreement that included a greatly watered down version of the original proposal for a joint health and safety committee. Once this agreement was signed, other Shell locals quickly accepted similar contracts, and the long strike ended. Although the union claimed that the compromise represented a victory, Shell management knew that it had won on the key issue of the scope and power of the joint committee.

The heart of the new contract was Shell's own version of the joint committee, and it differed fundamentally from that proposed by the OCAW. In announcing its agreement with the Deer Park local, Shell stressed that the new contract assured that workers would have a "viable voice" in matters of health and safety through "continued employee involvement" that built on "successful programs already in operations."[49] In essence, these committees would invite worker input, but they would vest final authority to act on this input in the hands of management. Shell had joined the battle with the OCAW in defense of management's traditional authority over issues of health and safety, and carried the day.

Shell Oil's victories over OCAW in 1963 and 1973 resolutely asserted management prerogatives in the organization of work in refineries and were replicated throughout the industry. In the years since, technological innovation and automation further diminished the role of workers and thus the weight of OCAW in refineries and chemcial plants. Faced with steadily declining membership, OCAW has been forced to combine with other unions facing the same trend. In 1999, OCAW merged with the United Paperworkers Union to form the Paper, Allied-Industrial, Chemical, and Energy (PACE) International Union, and in 2005 PACE merged with the United Steelworkers Union to form the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union -- or United Steelworkers (USW) for short.[50]

In October 2007, British Petroleum pleaded guilty to felony charges of violating safety regulations under Clean Air Act for a March 2005 explosion at its Texas City refinery (the one formerly owned by Amoco) that killed 15 contractors housed in a trailer close to the blast site and wounded dozens more. It may be too simple to trace a line directly from the outcome of labor-management confrontations in an earlier era to this tragic event. Furthermore, management cannot really be faulted for asserting its authority over the deployment of labor in that era. But it seems hard to avoid the question: If OCAW had been able to hold its ground on the issue of contracting-out in the early 1960s and maintained greater voice in health and safety after 1973, might different organizations and practices have evolved in Gulf Coast refineries that could have averted the Texas City tragedy? ✯