

THE OIL WORKERS INTERNATIONAL UNION  
STRIKE OF 1948

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Early development in the Oil Industry was manifested by means of private capital. By the outbreak of World War I, there was a tendency for the large type of companies. These companies employed a feeling of rugged individualism. Considering this element of historical relationship, we may understand why the unions of this era were not recognized. Union security and recognition was thus the growing sentiment against this policy of management. "Ability for management to pay" was not the issue at this time. Attempts at collective bargaining didn't begin until 1917.

Shortly after the first World War, the President's Mediation Commission was established to avoid work stoppages due to industrial disputes. The Oil Operators finally yielded to the government pressure, and California did in fact accept the oil workers but only with reluctance.

Success of industrial peace at this point was in close correlation with the attitude of the government toward organized labor. From 1917 to 1921 the Mediation Commission in effect bargained for the union as well as appointing adjusters for grievances.

In 1933, as in most unions, the new government policies under the NRA became invigorating to the Oil Workers. Under the NRA was formed the Petroleum Labor

Policy Board. Its functions were to study and make recommendations for wages and hours and violations of codes for Oil Workers. This board acted in a mediatory capacity.

The years following 1933 to the present found the OWIU expanding its membership as well as its bargaining power. Exertion of influence in matters of wage policies have also been found. The OWIU is a younger organization of the CIO yet has more collective bargaining agreements than ever before.

Post World War II bargaining negotiations have seen the War Labor Board recognizing the Oil Workers as bargaining agents. The Oil Workers Union managed to standardize wages, and thus raise some wages, though they had lost the right to bargain for wage increases. After the second World War also found the OWIU increasing their membership to 17,000 in California and maintains the position as the dominant union despite the independent unions found in the industry of this area.

At the termination of the second war, OWIU's strength increased and free collective bargaining was instituted. The Oil Workers desired to uniform the conditions with all of the sixty companies under contract. Prior to the outbreak of the oil strike in September 1948, no "peculiar" problems appeared to face the union-management relations in California.

The Oil Workers Union is primarily a Democratic

group with the right wing element in dominance. The union, historically speaking, is a conservative group, while the oil operators in California have shown a degree of "tolerance and cooperation".

Collective Bargaining power has been held by management predominantly, but the recent dispute has found the OWIU attempting to show itself as a bargaining agent and in most cases the unions have not changed the situation, in that the oil operators still maintain the bargaining power. The strike was called primarily to uphold job security by the oil workers, as a means of "declaring its bargaining power", but in summation of the strike and its outcome, we may conclude that the oil operators still maintain the power in bargaining.

The battle commenced when the Oil Workers International Union of the CIO called members off the job September 4, 1948, when contracts expired with major oil refineries. The union bargaining for wage increases had been unable to break through a solid front of employers: Standard Oil Company of California, Texas Oil Company, Richfield Oil, Shell Oil, and Tidewater Associated.

The OWIU strike was against the refineries of some of the companies, and refineries and oil fields of others, but affected only California properties.

In the case of Standard Oil, for example, CIO represents only refining workers; the unaffiliated Independent Union of Petroleum workers bargains for oil field employees. So the walkout of 15,000 CIO unionists didn't completely close down oil operations. Production was "spotty" at first, but picked up steadily.

The wage demand found the union asking for a 21 cent increase, while the companies had offered  $12\frac{1}{2}$  cents. The oil operators tried to appear as individual bargainers on the surface, but collaboration can be detected. Historically these operators have carried on a degree of competition, but a solid front against union demands was formulated by the collaborating tactics.

The first apparent break came when OWIU President O.A. Knight sent a proposal to all employers on October 4, 1948. The union would end its strike on the companies  $12\frac{1}{2}$  terms if: (1) employers would agree to arbitrate the difference between 12¢ offer and 21¢ demand; and (2) companies would rehire all strikers and withdraw any litigation connected with the walkout. President Knight proposed the arbitrators to be either Governor Earl Warren or Goodwyn Knight, the Lieutenant Governor. Oil operators were quick to interpret this union arbitration bid as a sign that it was wavering in its strike decision. Knight, however, insisted the offer to companies was a bona fide peace tender, and not a sign of weakness.

All companies flatly rejected arbitration. Their answer to the union's peace bid was a simple restatement of their bargaining position: (1) no increase beyond 12¢ an hour; (2) not all strikers will be rehired, because some have committed acts of violence "against non-strikers and company property"; (3) no immunity against damage suits resulting from illegal acts will be promised to anyone.

Thus the CIO looked upon the O'WIU strike as an attempt by management to "destroy the union". This CIO statement was based on the fact that the union had; (1) reduced its wage demands to the management offer of 12½¢; (2) "was making no other economic demands"; and (3) had submitted a bid for arbitration.

In the meantime, Lieutenant Governor Goodwyn Knight was taking steps to act against "lawlessness on the State Highways as a result of the Strike." Extra police were placed on the highways in order to patrol trucks against the violence of striking oil workers.

At this early stage of the strike, the legality as provided by the Taft-Hartley Law was somewhat of a problem. The law did provide an orderly means whereby strikers may return to work when in the opinion of the authorities, the continuance of the strike is endangering public welfare. If the union was thus found guilty by

the NLRB they could be prosecuted in Federal Courts.

After over a month of striking an announcement came from Reese Taylor, President of Union Oil and industry spokesman, that the production level was estimated at 94%. Union officials ~~denied~~ this high figure.

On October 14<sup>th</sup> another problem arose connected with the Union Oil workers at Oleum residing in company dormitories. Union Oil officials desired to evict the striking workers and their families, but authorities ruled that the company could neither evict the occupants or stop utilities to their quarters.

October 15<sup>th</sup> found the first peace offer by Standard Oil workers who said they would accept the 12½ wage increase offer retroactive to July 3<sup>rd</sup> in exchange for a guarantee that all workers would be returned to their respective jobs.

The 19<sup>th</sup> of October found the entry of Longshoremen from San Francisco joining the OWIU pickets. The Oil union denied knowledge of ~~collaboration~~, and claimed the action by the longshoremen was a surprise to the OWIU.

The Independent Union of Petroleum workers accepted the 12½ cent wage increase offer on the 19<sup>th</sup> of October, and settlement rumors persisted ~~throughout~~ the entire

strike. Union and companies were in agreement on all issues except the rehiring of strikers who had participated in acts of violence during the strike.

The negotiations failed due to the demands of the companies. They refused to rehire persons guilty of violence in the picket lines and refused to drop damage suits filed against the union. The  $12\frac{1}{2}$  cent wage increase offer by the companies had been accepted. The union could have sent the case of the workers not to be rehired to the NLRB, and if it was found that they were being discriminated against, the NLRB has the power to order to reinstate them. No such action was taken.

On the 25th of October Virgil Coragliotti stated the issues he thought were of importance were: (1) vacations falling during the strike period; (2) check-off of union dues; (3) union security; (4) rehiring of striking employees.

There was an attempt to throw the entire strength of the CIO behind the Oil Workers and Longshoremen of the San Francisco strike. Philip Murray asked for the united support of the CIO, stating the Oil monopoly headed by Standard Oil was trying to destroy the oil workers.

On October 27th a settlement was reached with the Shell Chemical Company with these terms: (1)  $12\frac{1}{2}\%$  wage increase retroactive to July 3rd; (2) rehiring of all



strikers; (3) withdrawal of all law suits; (4) an extra holiday; (5) maintenance of membership and dues check-off. At the same time Standard Oil workers at Richmond who returned to work earlier that week were rapidly approaching the normal production level.

By the first of November, the Shell Oil Company reached near a settlement and then hit a snag over two issues. Those issues at stake were: (1) rehiring of strikers; (2) displacement of non-strikers who worked during the strike. The union voted down a settlement of the Shell Oil workers due to an objection to a clause regarding seniority rights. "Promotions would be given to non-strikers and demotions to strikers".

On the third of November, workers of Shell Oil located at Ventura, Coalinga, Long Beach, and Bakersfield voted a settlement, while Martinez still objected. The State wide ballot overruled Martinez, so a settlement was acclaimed. The terms included the  $12\frac{1}{2}\%$  wage increase and a four man board, two from industry and two from the union, to hear the cases of 32 employees accused of violence. The Martinez ballot was in dissension due to the fact that the company refused to rehire workers found guilty of violence.

On November 10th, the Richfield Oil Company workers at Wilmington reached an agreement (1) a  $12\frac{1}{2}\%$  wage increase; (2) a board of four, two from the union and two

from the oil operators, to try workers fired for strike violence; (3) the union dropped charges before the NLRB of unfair labor practices; and (4) the company withdrew damage suits against the union.

The 11th of November saw the Associated Oil Company workers reject a company back to work offer. The workers objected to (1) the seniority of non-strikers to be continued through the strike; and (2) the method of re-hiring strikers accused of violence.

On the 15th of November, the union staged a "labor parade". Demonstrations were directed at the ousting of ex-strikers. The union hoped to gain public support by this display. The OWIU members were aided in this parade by members of the San Francisco striking longshoremen and East Bay union members.

November 18th saw the Associated Oil workers back to work under similar terms signed by the other major oil producers, but with a strengthened seniority clause.

At the Point Richmond refinery, the Independent Union of Petroleum Workers prepared to take over as bargaining agents for the majority of the Standard Oil workers over the CIO-OWTU as the result of a two day election conducted by the NLRB.

The end of November found hearings being conducted at the Union Oil Company's Oleum refinery. The union

had violated a superior court order banning mass picketing. The union in this consideration could be held for contempt of court.

December 8<sup>th</sup> brought a new contract between OWIU local No. 5 at Martinez and the Shell Chemical plant. The agreement was similar to that accepted by the union and the Shell refinery except for improved seniority plans for the workers.

On the 11<sup>th</sup> of December, top officials of the CIO blasted the OWIU strike results. President O. A. Knight was a target. The CIO said "the recent oil strike was badly organized and settlements were reached with the companies without the strikers knowledge."

Meanwhile hearings by Superior Judge Hugh H. Donovan continued. CIO-OWIU members guilty of preventing loading of coke on railroad cars at Rodeo was the charge. President O. A. Knight testified in Martinez that he advised against any violence in the strike of oil workers against oil companies in California. Knight claimed the "international served only as an agency to negotiate in differences between the workers and the company". Attorney Robert L. Condon was defending for the union and union members. Condon tried to rush the case for dismissal due to "lack of evidence", as he would have to attend the State Legislature commencing January third.

Legal arguments presented by Union Oil Company's attorneys A. B. Tinney of Martinez and Robert Burns of San Francisco claimed alleged acts of contempt of court were performed by union members serving in the capacity of an agent of the local union.

On the 31st of December the striking union Oil Workers rejected a new strike settlement as it "didn't provide for the rehiring of some 930 men". Agreement had been reached on most points of the dispute including a  $12\frac{1}{2}\%$  wage increase.

As the State Legislature was to convene on January 3rd, Judge Donovan denied Condon continuance 30 days following the adjournment of the legislature. Donovan said "he must study status of the local and international, and each of the 24 union members".

On January 7th the Union Oil workers at Oleum voted to accept work conditions proposed by the company, however the strike will not be over until the Wilmington refinery has voted. The proposals included were: (1)  $12\frac{1}{2}\%$  wage increase; and (2) cases of men accused of misconduct during the strike will be referred to a joint company-union board. At this time the Wilmington vote had not been made and therefore a settlement had not been reached.

We may conclude, after a study of the foregoing in-

formation, that the OWIU definitely lost their strike. The initial bargaining positions of the wage increase was 21¢ by the union and 12 $\frac{1}{2}$ ¢ by the oil industry. The figure offered by the oil operators was finally established in all agreements enacted. This figure was accepted by all locals of the OWIU, with most companies agreeing to a retroactive date of July 3, 1948.

The Oil Workers closed negotiations fighting for ground lost during the strike. Such items as rehiring of workers connected with violence during periods involved with picket lines, and damage suits applied by companies against the union.

Probably the most decisive statements referring to the union's defeat were made by top officials of the CIO. Even Philip Murray rendered a statement saying the organization of the strike etc. was very poor. The CIO apologized for "letting its workers down". O.A. Knight, as stated previously, was a target of the CIO's resume of this oil strike.

The prime reason for the strike at the outset was for reasons of union security and recognition, and not for wages as was reported by so many current publications. Bargaining power was delegated to the Oil Workers only in recent years, and for this reason, the oil operators still maintain a great majority of the power in collective bargaining agreements. This dispute, the first in

many years, was to establish union security. The OWIU desired to create recognition as a bargaining agent. Some terms involved in the recent agreements did contain new seniority plans for the various plants, but some of the conditions they were concerned with were formulated by the strike. Such conditions applied to the non-strikers and the strikers and their seniority relationships.

Detailed information is hard to obtain at this time due to the fact that the strike is still in process, and union and operator representatives are very reluctant to provide information regarding strategy and collective bargaining tactics employed throughout the course of the strike. "Every element of collective bargaining has been included" was the report by the Conciliation Service, but such information can not and will not be released for some time. Mr. Nicopolis, of the Conciliation Service, reported that when such information can be obtained it would provide the students of Industrial Relations and specifically Collective Bargaining a very interesting and inclusive study of the elements of Collective Bargaining in action.

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