

An Analysis of the Struggle Between
Company Unions & National Unions
at
Standard Oil's Baytown Refinery

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IN A SEEMINGLY innocuous union election during the summer of 1959, industrial workers of Humble Oil and Refining Co. (HORCO) in Baytown, Texas, elected new collective bargaining representation; the series of social and political conflicts that this election provoked changed forever the paternal atmosphere which had existed since the refinery's infancy (Haenel 42-54). From Baytown's inception, Humble, through company housing, stores, and community programs, created what became an unapologetic "company town" consciousness. This system maintained its strength through the sociopolitical pressures typical of what is called "welfare capitalism." Clearly these pressures, coupled with overt policies of punishment and reward, effec-



tively managed the workforce, but they failed to subdue a smoldering discontent festering within the workers' ranks (Henson 116-17). Although labor unrest had been a part of Baytown's history since the Goose Creek oil field strikes in 1918, a successfully organized and sustained effort, countering the company's political and economic arsenal, had never been achieved. Soliciting a majority backing of craft and industrial workers required taking on two monumental obstacles. The foremost difficulty lay in convincing this body, centered within a town that owed its existence to one industry, that an adversarial relationship between labor and management even existed. In addition, Standard Oil, the established industry leader, held the cherished position of setting the wage and working condition standards for the nation, a position that it vehemently guarded. In the face of Standard Oil's carefully orchestrated "Golden Rule" union and in light of the public opinion in this "company town," a successful challenge to the Standard Oil's iron will seemed impossible. But in 1959, a National Labor Relations Board (NLRB) election, which granted representation to an "outside" union, presented the culmination of the industrial workers perennial challenge to the "company union" established by Humble in 1920 (Haenel 77, NLRB 1959). This election significantly marked an historic change. After forty years of

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accepting an institution of paternalism carefully nurtured by Standard Oil's "company union" policies, the local workers had unified to assert independence — an independence that reflected an overall change in Humble's complete dominance of the community.

Standard Oil of New Jersey and HORCO created the unincorporated city of Baytown to provide housing for the labor resources necessary to build and run its new refinery (Larson & Porter 198-203). The key factor controlling this work force was a "Golden Rule" union dictated by J.D. Rockefeller, Jr. in the wake of the waning public opinion of business. As a direct result of the bloody strikes against Standard Oil at Ludlow and Bayonne in the early twentieth century (Levinson 254-56), Standard Oil had hired W. L. Mackenzie, former Premier of Labor for Canada, to keep unions out of plants and to engineer a plan of action designed to promote loyalty among employees (O'Connor 95-96). The main ambition of the King plan, as described by Melvin Rothbaum, was to set up an in-house group sponsored by management and to

establish a series of welfare benefits and a "company union" (8). Early in Humble's history, those who had objections to working for out-of-state investors and those involved in union activities were culled or had quit; this exodus left a nucleus of extremely loyal workers and created a siege mentality for the company town that Humble built. This mentality was only strengthened by the opposition of the State of Texas to yankee investments — meaning in this case Standard Oil of New Jersey (Larson & Porter 71-7). But even with the fierce loyalties of those owing their allegiance to Humble, there was always an independent element.

In Baytown, Mackenzie King's plan manifested itself in the form of The Joint Council. The Council, originally intended by the plan as a forum for the management and the employees, eventually degenerated into a device which the plant superintendent used to punish and reward employees who challenged president Ross Sterling's patriarchal values in a Goose Creek Oil field clash with the National Guard. Born from this conflict, an intensely loyal faction, the Oil Workers

International developed a strong following (Henson 116-17). Although it held no formal power in the plant, Local 333 OWI had been a principal antagonist to the company unions since Robert Oliver had challenged the system in 1933 (Larson & Porter 369-75).

During this conflict Humble enacted several changes in company policies to discourage outside unions and erected the famous "Oliver Fence" (fearing the strikers, Humble had set up a barrier fence around the plant). Humble's aggressive anti-union attitude and the economic threat to the town helped to create adverse public reaction to the strikers. This sentiment, coupled with the plant superintendent's threats to those who were intending to join the union, served to strengthen Humble's Joint Council (Henson 116-17). Through the efforts of the merged international Association of Oil Field, Gas Well, and Refinery Workers (IAOFGWRW-AFL), with which Local 333 OWI was now affiliated, the Council was declared illegal under the Wagner Act. However, within three days, this union re-emerged under the guise of The Baytown Employees Federation (BEF). An obituary notice in *Humble Bee*, the house newspaper, mourned the passing of the Council. "The General Joint Conference, which for seventeen years provided an effective means of settling problems concerning employee-employer relationships, adjourned perma-

nently." On the same page was the news flash "Workers in the Humble Refinery voted heavily Tuesday in favor of an employees' federation as sole bargaining agency under the Wagner Labor Act" (May 1937). The IAOFGWRW-AFL fought this front union to replace the illegal Council, carrying the case to a Supreme Court which, for the second time, declared the company-sponsored alliance illegal. However, the Federation was persistent and eventually won an appeal in a friendly New Orleans appeals court (Larson & Porter 372-3). That this small CIO group continued to rebound after seemingly endless defeats bore testimony to the tenacity of its idealism.

Finding social acceptance in a town which derived its sustenance almost solely from the industry being challenged created other hardships; local business attitudes frustrated efforts in even finding a place to establish a union hall. The Baytown Rod Reel and Gun Club finally granted the group a side door and some space which the union members built into offices (Coulter). This area eventually became the hub of local Democratic Party activity as public support grew (Coulter). Another morale booster was the influx of members from Humble's recently closed Ingleside plant. Earlier, Ingleside had represented the only serious threat to Humble's company union policy, and in 1942 the CIO successfully organized the Ingleside plant. In 1945 the union won a strike at the

little Ingleside plant. Shortly afterward, management shut down the operation. Rumors persist even today that Humble, reacting to the successful union threat, fabricated economic justifications for the shut down although Larson and Porter in *The History of Humble* argued that management based its decision primarily upon cost efficiency (600-06). Regardless of Humble's intent in transferring these workers, the laborers, along with the returning World War II veterans, formed a solid base of independent thinkers who rejected the paternalism of the company union (Cutbirth). However, a majority of the community still believed that what was good for Humble Oil was good for the community. They echoed this attitude through decertification elections in 1948, 1950, and 1956, which the Federation won decisively (Haenel 74-7).

On the national front the Oil Workers International-C.I.O. remerged and by 1956 realigned under the title of the Oil, Chemical and Atomic Workers (A.F.L.-C.I.O.). As part of the OCAW's continued organizational efforts and the 1958 International Convention's mandate to organizing, Local 333 in Baytown received renewed financial aid and organizational personnel (Rothbaum 24-48). Ironically, at the same time, the increasing dictates from corporate headquarters in New Jersey challenged local autonomy.

The success of the company's paternalistic attitude

hinged upon controlling popular issues such as wages and benefits. This philosophy gave the company a broader latitude in the management of its labor assets without arousing discontent (Bailey, Coulter, Cutbirth). The company's efforts in 1958 to dissolve craft lines were apparently not viewed by upper management as very controversial to its industrial employees since the Federation's contract with Humble never effectively protected the integrity of craft differentiation.

The move proved to be the first major strategical error that the management of the Baytown refinery had made since the inception of Mackenzie King's policies. HORCO underestimated the value which even the most pro-management workers placed on craft lines as necessary to job security. This attitude gave rise to a previously unrealized discontent among a normally complacent Federation majority. In *The Government of the Oil, Chemical, and Atomic Workers*, Melvin

Rothbaum states, "For years, the OCAW had been trying to defeat the incumbent independent unions at the large refineries in Sugar Creek, Missouri, and Baytown, Texas. They finally succeeded because of the craft classification issue. For the first time in many years, the workers in independent or non-union refineries felt the need for a strong union capable of protecting their job interest." (42-43)

Although the old line members of the OCAW L.U.



PHOTO COURTESY OF THE BAYTOWN HISTORICAL MUSEUM

Baytown's massive Humble refinery, one of the largest in the world, was the scene of a bitter union struggle in the late 1950's.

333 appreciated the increased interest in their union, these older members were not as intimidated by the broad craft-line classification issue. The independent spirit of many of these workers was voiced by J. B. Coulter, the president of local 333 during this period:

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"many of the older hands came off the farm and felt that [they] could do just about any job out there [the refinery]—with the exception of a few highly technical skills." Furthermore, a changing economy had made the time ripe for new developments; a deepening national recession was promoting a growing national disenchantment with what was perceived as a pro-business Eisenhower administration (Jordan & Litwack 733 & 746-7).

Evidence suggests that the Employees Federation met the news of the petition for another NLRB certification election with apathy. An obligatory news circular emphasizing that under OCAW rule the employees would relinquish control of strike vote, dues, grievance, and contract approval to the International Union "bosses" in Denver constituted its main

efforts (Letter to Potter). Given the on-going national scandal with Jimmy Hoffa and the Teamsters, this tactic was probably more effective than realized today. The other tactic, and one proven successful in past campaigns, appeared in the local newspa-

per, *The Daily Sun*: yellow banner, full page advertisements proclaimed "STRIKE AT HUMBLE" with an accompanying story promoting the virtues of the company and the union, joining hand in hand to iron out problems together. More ominous were tales about other strikes on the part of national unions which had opposed Standard Oil (Anonymous Clipping).

In previous NLRB certification elections, the equality issue guaranteed by the constitution of the CIO had been a factor (Haenel 123-4, Coulter). While the issues rallied the black community, they simultaneously alienated some whites. The merging of the AFL-CIO in 1955 served to defuse the racial conflict for the OCAW; however, it had a crippling effect on a federation which had only given lip service to the minorities (123).

The OCAW's campaign

was simple—expose the Federation as an extension of Humble policy and as another anti-union weapon in Standard Oil's war chest (OCAW letter 1959). However, the campaign was not without the typical political spectrum of gossip and accusation. Insubstantial rumors of strike countered stories of graft and corruption in the Federation. For the most part none of these charges were new, and the outcome of the election seemed certain—a repeat of history. But the final tally surprised almost everyone; the forty year old company union rule came to an end in August 1959 (NLRB vote tallies).

The victory gave the International's morale a much needed breakthrough. The 1959 convention instituted sweeping organizational changes; the OCAW committed 50% of its overall budget to organizing and borrowed another \$250,000 from other unions to initiate an unprecedented attack on the oil industry (Rothbaum 44-7). The International office stationed a full-time organizer, Anthony Hodnik, in Baytown to solidify their efforts. But the sweet taste of victory soon turned to bitter; a forty year tradition was not about to die without a whimper. The "Company" came out of its state of shock intent on vengeance, making life hard for the new employee bargaining unit (Bailey). The give and take relationship of the past was immediately replaced with a "force me if you can" attitude; benefits that had been

taken for granted in the past evaporated. Old members recall that the company forced every grievance into arbitration. To compound the new union's woes, the company maintained its old attitude of paternalism for the old and established AFL unions like those of the electricians and the machinists. Doubt remains that the company expected any backlash from its actions, but this unfair situation promoted a solidarity among all trades instead of weakening unity (Bailey). At the end of a frustrating year for the new union, the Federation petitioned the NLRB for another certification election. In light of relatively few gains and many losses for the new representative union, the battle cry went from one which extolled the power of being associated with a large union to one which echoed a sentiment expressed in a OCAW handout: "There is no Magic in a union, the Magic is in the membership." The plea's success, evidenced in the inability of the Federation to secure enough names on the petition, effectively demonstrated the lack of faith in the old Federation. The organization under that name never threatened again.

All was still not well with the OCAW. The seeds of discontent were at this point becoming weeds — these weeds fertilized by the company's holding a hard line on all issues and generally making life miserable for its members — began to have a telling effect on the new union.

From 1959 to 1960, not one important grievance brought forth by the Local #333 was resolved without being pushed into binding arbitration. The company was doing its level best to promote an antagonistic relationship — and was succeeding at it (Coulter).

For years Humble avoided wage negotiations by taking the initiative and setting a wage standard ahead of the other plants in the area. This practice effectively killed wage negotiations since the other plants argued that if they had to pay more than Humble, they could not compete; paying more would just jeopardize their market share. HORCO skillfully set up its contract negotiations just before any others; therefore, historically one could gauge when the other refineries' contracts were about to come up by when Humble gave a

was to give rise to growing concern over the fears set forth by the Federation in the past elections. Fear gripped the newer members of the oil workers union who had found it unbelievable that with the paternalistic attitudes of the oil communities a democratic strike vote could ever be achieved. The adversarial relationship that the company had with this union, coupled with the outward inability of the OCAW to deal effectively with the company, led many to doubt that an International union or its representation could ever really force the company into negotiations that were not in its own best self-interest.

Roy Cutbirth, another ex-president of L.U. 333, recalled bitterly the discontent of many union members: "A growing number of workers were angry at the union; I remember them tearing up their card in

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raise. The Federation had always taken credit for the wage increases. Now that the Federation was gone, the company granted wage increases to the old crafts but denied them to the OCAW (Coulter, Bailey).

In 1962 the employees at Shell Oil in Pasadena went out on an ill-fated strike that

the middle of the meetings and saying, 'Here's what I think of your union.'" L.E. Kirkley, once an active member of the Federation and the OCAW, now led the discontented group which later took the name Gulf Coast Industrial Workers Union. On June 3, 1963, the group under the presidency of Kirkley filed a

petition with 675 names with the NLRB for another election. Kirkley's "salt water boys" were viewed by most of the workers as another Baytown Employees Federation under a different name, but many were willing to accept a compromise after four frustrating years of Humble's hard line (OCAW Newsletter). The company had broken the will to resist in most of the employees by answering the 1962 OCAW's wage request with a two page letter announcing a 75% reduction in the work force, and the siege mentality of old Baytown became a survival mentality (Company Memo 1963). On July 9, 1963, Local 333 was ousted by an overwhelming majority, and the Gulf Coast Industrial Workers became the representative group for the Bay-

town Refinery (NLRB vote tallies). Although the outcome of the election fell in the direction that the company preferred (Bailey, Cutbirth, Coulter), the events from 1959 to 1964 marked an overall shift in the control that the company had over the workers.

There was also a marked change in the paternalistic attitude of the company. Standard Oil initiated major organizational changes in 1965 which dissolved the traditional community funding, sponsorship of civic groups, and the institution of the Humble Club. The traditional "company town" atmosphere which the corporation created and under which the community had thrived was all but dead, surviving only in subtle influences. Today, although the domination of the

"Company" is still felt strongly in the local politics, the work force and the city no longer speak with one unified voice for Standard Oil of New Jersey but, instead, with the typical bickerings of urban democracy. As a result the "Baytown attitude" that Olga Haenel noted in 1958 no longer exists.

Employment at Exxon is no longer a requirement for social status or acceptance in Baytown. Exxon is still the dominant industrial employer of the area, but much of the local labor force today views it as one of the narrow job opportunities in the area rather than a way of life. The sense of individual worth which has evolved in the city and in this refinery took root in labor struggles as old as the city itself. ☆

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